



Evaluation of the Canada-Manitoba Labour Market Development Agreement

Final report

May 15, 2023



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List of abbreviations

EAS	Employment Assistance Services
EBSM	Employment Benefits and Support Measures
EI	Employment Insurance
ESDC	Employment and Social Development Canada
LMDA	Labour Market Development Agreement
SA	Social assistance
SD	Skills Development

Executive summary

The Canada-Manitoba Labour Market Development Agreement (LMDA) is a bilateral agreement between Canada and Manitoba for the design and delivery of Employment Benefits and Support Measures (EBSMs).

The objective of EBSMs is to assist individuals to obtain or keep employment through various active employment programs, including training or employment assistance services. Successful delivery of EBSMs is expected to result in participants receiving needed services, a quick return to work, and savings to the Employment Insurance (EI) account.

Programs and services delivered by Manitoba must correspond to the EBSM categories defined under the *EI Act*. The following is a short description of the EBSMs examined in the evaluation:

- **Skills Development (SD)** helps participants obtain employment skills by giving them financial assistance to attend classroom training.
- **Wage Subsidy** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment** provides financial assistance and business planning advice to participants to help them start their own business.
- **Employment Partnerships¹** provide participants with opportunities to gain work experience that will lead to ongoing employment. Employment opportunities are provided by projects that contribute to developing the community and the local economy.
- **Employment Assistance Services (EAS)** support individuals as they prepare to enter or re-

Evaluation objectives

Building on the success of previous LMDA evaluation cycles, the aim of this evaluation is to fill in knowledge gaps about the effectiveness, efficiency and design and delivery of EBSMs in Manitoba.

The LMDA investment

In fiscal year 2020 to 2021, Canada transferred nearly \$61.7 million (including nearly \$6.2 million in administration funds) to Manitoba.

Evaluation methodology

The findings in this report are drawn from 8 separate evaluation studies carried out at the provincial level.

These studies examine issues related to program effectiveness, efficiency, and design and delivery. A mix of qualitative and quantitative methods are used, including:

- Incremental impact analysis for participants who began an intervention between 2010 and 2012
- Outcome analysis
- Cost-benefit analysis (including savings to health care)
- Key informant interviews with 23 Manitoba program managers and service providers
- Provincial questionnaires
- Survey of 112 Self-Employment participants in Manitoba
- Document and literature reviews

¹ The national EBSM name for the Employment Partnerships program is Job Creation Partnerships.

enter the workforce or assist them to find a better job.

- **Labour Market Partnerships** aim to support an industry-led approach to human resource development tailored to meet the labour market needs of industry sectors.
- **Research and Innovation** supports initiatives that seek to identify better ways of helping people prepare for, return to, or keep employment, and be productive participants in the labour force.

The incremental impacts are estimated for 2 types of EI claimants:

- **Active claimants** are participants who started an EBSM intervention while collecting EI benefits.
- **Former claimants** are participants who started an EBSM intervention up to 3 years after the end of their EI benefits.²

Table i provides an overview of the share of funding allocated to EBSMs and the average cost per Action Plan Equivalent in Manitoba for active and former EI claimants.³ The average cost per participant is calculated based on the 2010 to 2012 data from the EI Monitoring and Assessment Reports. The 2010 to 2012 period corresponds with the cohort of participants selected for incremental impacts and cost-benefit analysis in the LMDA evaluation.

Table i. Share of LMDA funding and average cost per Action Plan Equivalent per participant in Manitoba for 2010 to 2012^{4,5}

Employment Benefits and Support Measures	Average share of funding	Average cost – active claimants	Average cost – former claimants
Skills Development	63%	\$5,563	\$5,683
Employment Assistance Services	19%	\$254	\$254
Labour Market Partnerships	9%	n/a	n/a

² Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on social assistance.

³ Action Plan Equivalent combines all EBSMs received by an individual within no more than 6 months of each other. Action Plan Equivalents that include SD, Wage Subsidy, and Employment Partnerships are categorized based on the longest EBSM they contain. For example, an individual who receives EAS for 1 week and participates in SD for 11 months will be categorised as having received SD for the purpose of the evaluation. Individuals who only received EAS are categorised as EAS-only.

⁴ The average cost for SD includes the cost of delivering SD-Regular and SD-Apprentices. It is not possible to estimate the cost of delivering SD-Regular alone because expenditure information is not available for SD-Regular and SD-Apprentices separately.

⁵ Labour Market Partnerships programs and Research and Innovation do not typically have participant-specific interventions.

Employment Partnership	3%	\$9,328	\$9,226
Self-Employment	3%	\$7,012	\$7,238
Wage Subsidy	<1%	\$6,412	\$6,450
Research and Innovation	2%	n/a	n/a
Total	100%	n/a	n/a

Sources: EI Monitoring and Assessment Reports for fiscal years 2010 to 2011 to 2011 to 2012.

Compared to the 2010 to 2012 period, the LMDA budget allocation varied for few programs and services in 2020 to 2021. For example, investments in SD decreased from 63% to 61%. Moreover, investments in the Labour Market Partnerships program increased from 9% to 12% of total allocation.

Key findings

Across Manitoba, nearly 24,000 EI active and former claimants began participating in LMDA programs and services between 2010 and 2012.

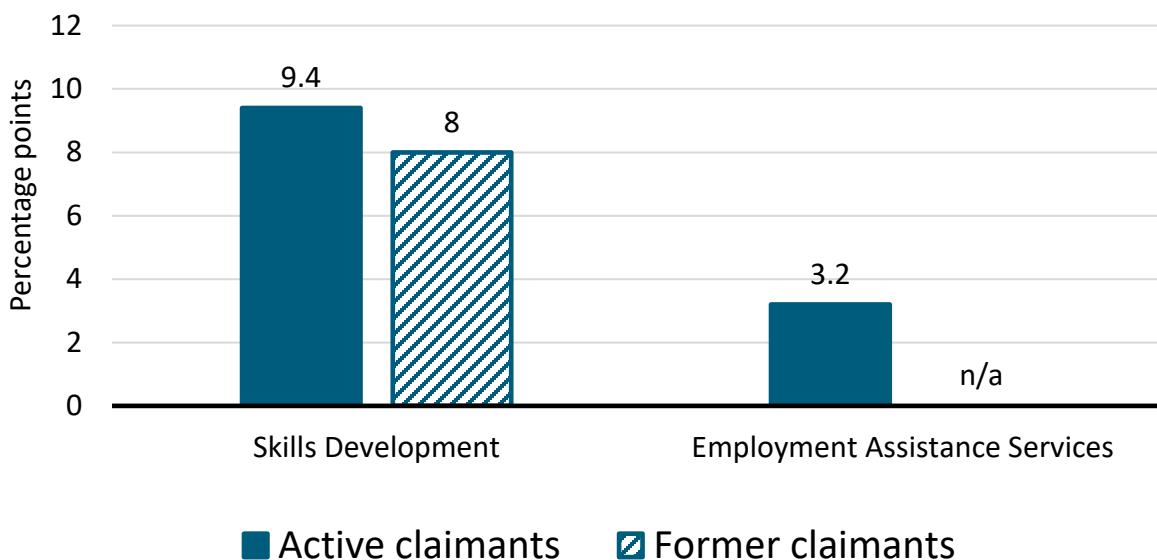
Effectiveness and efficiency of EBSMs

Main findings:

- Overall, incremental impacts demonstrate that participation in SD and EAS improves labour market attachment and reduces dependence on government income supports compared to similar non-participants. These results are consistent with those found for earlier cohorts of participants as part of the previous evaluation cycle.
- A subgroup analyses shows that with some exceptions, SD and EAS interventions also improve the labour market attachment and reduce the dependence on income support for most subgroups of participants.
- A regional analysis of incremental impacts for SD found that participants increase their labour market attachment and reduce their dependence on government income support both in Winnipeg and outside of Winnipeg.
- For most interventions, the social benefits of participating in EBSMs exceed the initial investment costs over time.

Chart i presents the incremental impacts on the incidence of employment for active and former claimants by EBSM. The estimates can be interpreted as a change in the probability of being employed following participation. For example, participation in SD increases the probability of being employed by 9.4 percentage points for active EI claimants relative to non-participants.

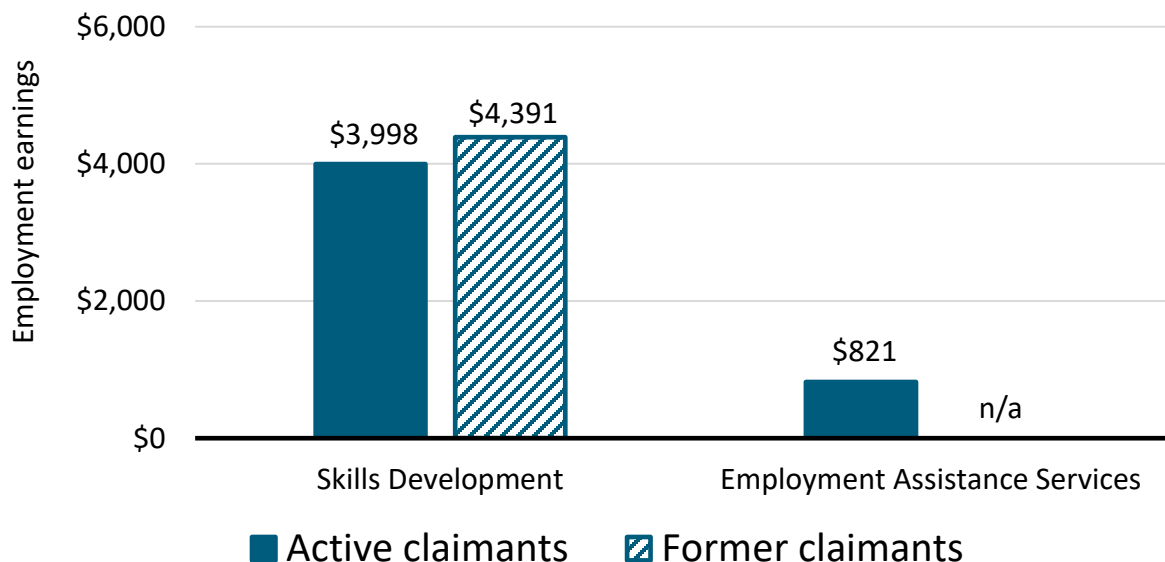
Chart i. Change in probability of being employed in participants relative to non-participants (annual average)



Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Chart ii presents the annual average increase in employment earnings for active and former claimants. Overall, active and former claimants increase their earnings over the post-participation period.

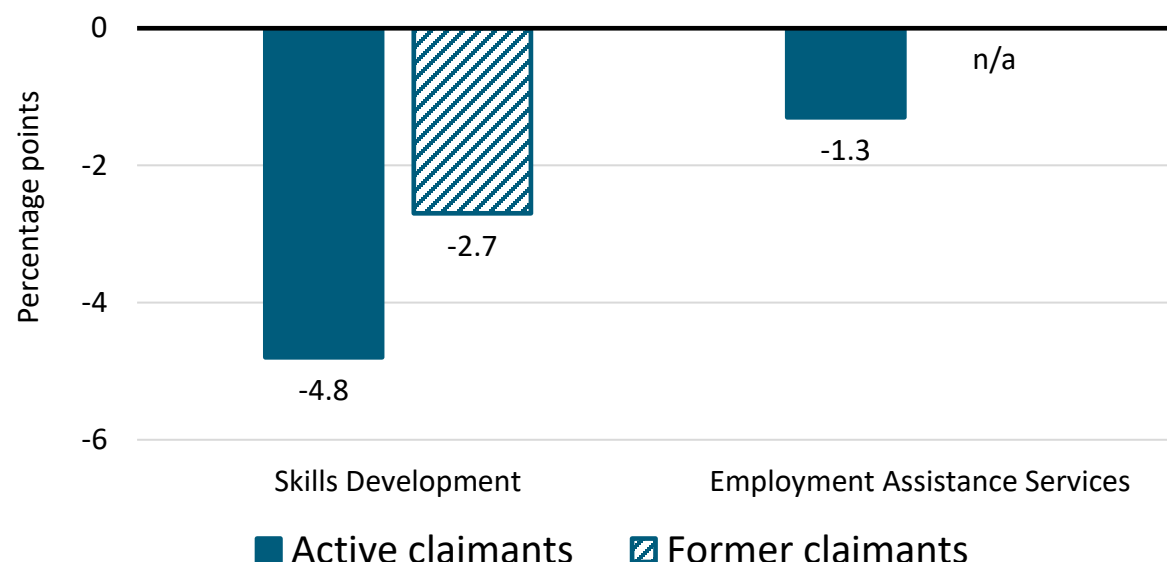
Chart ii. Employment earnings of participants relative to non-participants (annual average)



Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

As shown in Chart iii, overall, active and former claimants reduce their dependence on government income supports over the post-participation period.⁶

Chart iii. Change in dependence on government income support (annual average)



Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Table ii presents the number of years required for the social benefits to exceed program costs. Social benefits to participation exceed initial investment costs over a period ranging from 3.5 to 4.9 years.

Table ii. Number of years for the benefits to exceed program costs

Indicator	SD active claimants (10 years post-program)	EAS active claimants (5 years post-program)	SD former claimants (10 years post-program)
Payback period (years after end of participation)	4.5 years	4.9 years	3.5 years

Outcomes of EBSMs

Incremental impacts for Wage Subsidy and Employment Partnerships are not produced due to the small samples or due to the models used to estimate the incremental impacts not balancing.

⁶ Government income supports include EI and social assistance.

Having balanced models is an essential condition to ensure that participants and non-participants are similar. However, outcomes can still be examined for participants to describe the average changes that occur from before to after program participation.

Outcomes for both active and former claimant participants in Wage Subsidy and Employment Partnerships show increases in employment earnings from 5 years before program participation to 4 years after participation. Moreover, decreases are found in receipt of EI benefits and dependence on government income supports after participation.

Supplemental studies

A series of supplemental studies addresses information gaps previously identified in LMDA evaluations regarding the design and delivery, challenges and lessons learned for Self-Employment, Employment Partnership, Labour Market Partnerships, and Research and Innovation.

Most of these interventions are not suitable for incremental impact analysis. For example, Labour Market Partnerships, and Research and Innovation do not collect participant information. As a result, a mix of qualitative and quantitative methods, questions regarding design and delivery, lessons learned, and challenges are examined in detail. Key considerations are included with each study to help guide future program and policy discussions.

Self-Employment study

The Self-Employment program aims to assist participants in creating employment for themselves by providing them with a range of services including:

- Assistance with business plan development
- Counselling, coaching and mentoring
- Entrepreneurial training and workshops

Based on a survey of 112 participants in the Self-Employment program, it was found that 2 to 4 years after program participation:

- The proportion of participants who were self-employed increased by 33 percentage points, from 10% in the year before participating to 43% at the time of survey.
- Nearly half of survey respondents launched a self-employment business and it was still in operation.
- More than a third (34%) of self-employment businesses were launched in other services⁷; as well as in construction.

⁷ Includes establishments engaged in providing a variety of services, such as repairing, or performing maintenance on motor vehicles, machinery and equipment; providing personal care services, funeral services, laundry services and pet care services.

- 69% of respondents said that they were financially about the same or better off after the program.
- 61% of respondents said that their household net worth was about the same or higher after the program.

The survey examines the contribution of the program to the success of self-employment businesses. Most services received by survey respondents who launched a business were frequently rated as very important or somewhat important to the business launch, operation, or success. The highest rated supports and services included:

- Budgeting and financial management training
- One-on-one mentoring or counselling supports
- Discussion on risks and challenges of self-employment
- Training on operating a business
- Sales and marketing training
- Assistance with business plan development
- Assessment of the existing business plan

Employment Partnerships study

The Employment Partnerships program in Manitoba is designed to support projects that will enable employers, communities and other organizations to support sustainable employment for clients through employment, skill enhancement, and short-term work experience activities.

In addition to gaining work experience, key informants identified a variety of other benefits that can be expected from Employment Partnerships projects. Participants are expected to develop soft and work-related skills, and to enhance their job search abilities, career development and prospects, and personal well-being.

Sponsors can benefit from Employment Partnerships by gaining a potential source of trained employees.

Labour Market Partnerships study

The Labour Market Partnerships program aims to support an industry-led approach to human resource development tailored to meet the labour market needs of industry sectors. It includes a wide range of funded activities, such as:

- Human resource planning, including:
 - Creation and dissemination of labour market information specific to an industry
 - Consultation on labour market challenges and opportunities
 - Development and implementation of human resource strategies/plans and tools
 - Identification and dissemination of promising practices
 - Identification of industry training needs
 - Informing educational curriculum
- Attraction and retention activities, including:

- Creation and dissemination of career resources (for example, brochures, videos; virtual reality career exploration tool)
- Creation and dissemination of promotional material and messaging for the sector as a valid employment destination
- Participation in/Hosting events to promote sector career opportunities (trade shows, career fairs, career presentations in schools)
- Promotion of the value of skills development
- Activities that support welcoming workplaces
- Development of training curriculum and other learning resources.

The Department of Economic Development, Investment and Trade⁸ and all key informants confirmed that program officials carried out activities to support the formation and maintenance of partnerships as a part of the program design and delivery. All key informants stressed the importance of partnerships for projects' success, explaining that partnerships increase the reach and impact of the program, allow project holders to learn about sector needs and contribute to the project delivery.

Research and Innovation study

Research and Innovation projects aim to support activities that: address policy and program issues or research questions related to strategic priorities, research and/or design projects that are practical and that identify innovative and better ways of helping individuals prepare for, find and maintain sustainable employment, and strengthen and promote province-wide or regional labour market development.

Document review reveals that Research and Innovation projects encompass a variety of activities including:

- Reviewing of college programs offered by 5 Manitoba Colleges and developing options and recommendations for a 10-year strategic direction for college education in Manitoba.
- Improving mental health, wellness, and retention of participants using a variety of supports such as: coaching with respect to skills and strategies for improved mental health, counselling services, and referrals of individuals to supporting agencies.
- Developing a new service delivery model that will: improve the accessibility, consistency, quality and efficient delivery of employment services for all Manitobans; and help employers access the people and training supports they need to grow and improve productivity.
- Delivering career information workshops and networking events for Indigenous Youth about opportunities in the skilled trades, technology sector and through apprenticeship programming.

⁸ The Department of Economic Development and Jobs was renamed to the Department of Economic Development, Investment and Trade in January 2022.

- Providing information to a wide range of youth about opportunities in the skilled trades, technology sector, and apprenticeship programming.

Skills Development-Apprentices study

The objective of the program is to help apprentices become skilled tradespeople and to increase their labour market attachment. Program participants have generally chosen a career and are already attached to the labour market. The apprenticeship process involves on-the-job learning and technical training in a classroom setting.

The evaluation found that active EI claimants increase their average earnings from \$17,966 5 years before participation in the program to \$55,606 in the fifth year after participation. Former EI claimants increased their average earnings from \$18,827 in the fifth year pre-program to \$47,110 in the fifth year after participation. After participating in the program, both active and former claimants also decrease their dependence on government income supports.

Recommendations

Since 2012, 15 qualitative and quantitative studies addressed issues and questions related to EBSM design, delivery and effectiveness:

- The quantitative studies successfully assessed the effectiveness and efficiency of EBSMs by producing incremental impacts and cost-benefit analysis.
- The qualitative studies help to contextualize the findings from the quantitative studies and to identify specific challenges, lessons learned, and best practices associated with the design and delivery of EBSMs. Each study included key considerations for program and policy development or recommendations.

In addition, the recently completed evaluation of the Workforce Development Agreements complements the LMDA qualitative studies. This comprehensive evaluation provided unique insights into challenges and lessons learned to assist persons with disabilities, immigrants and those further removed from the labour market.

Most results from this evaluation stem from the conduct of advanced causal analyses whereby impacts found could be attributed to a specific EBSM. These analyses are predicated on having access to high quality administrative records, thereby confirming the importance of the capacity to leverage and integrate relevant administrative data.

Two key recommendations for Manitoba emerge:

Recommendation #1: Manitoba is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs and services. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

Recommendation #2: Manitoba is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

Management response

Two key recommendations for Manitoba emerge:

Recommendation #1: Manitoba is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs and services. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

Manitoba recognizes the importance of sharing and discussing lessons learned, best practices and challenges associated with the design and delivery of employment programming. Discussions will support Manitoba in identifying and filling knowledge gaps, generating innovative ideas and enabling better policy and program development. Manitoba is committed to further engaging with ESDC, other provinces and territories, and its service provider stakeholders on how employment programming supported under the Labour Market Transfer Agreements can better meet Manitoba's unique labour market needs.

Recommendation #2: Manitoba is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

Manitoba is strongly committed to continuous improvement of its data collection processes. Consistent and fulsome data for performance measurement and evaluation is critical to monitor program effectiveness and support informed decision-making. Manitoba will continue to collaborate with provinces, territories and ESDC to build a stronger performance measurement framework for the new modernized Labour Market Transfer Agreements.

1. Introduction

Employment and Social Development Canada (ESDC) worked jointly with Manitoba and 11 other provinces and territories to undertake the 2018 to 2023 third cycle for the Labour Market Development Agreements (LMDA) evaluations.

The first cycle of LMDA evaluations was carried out from 1998 to 2012. It involved the conduct of separate formative and summative evaluations in all provinces and territories under the guidance of bilateral Joint Evaluation Committees.

Building on lessons learned and best practices from the first cycle, the second cycle of LMDA evaluations was undertaken between 2012 and 2017. The second cycle was designed and implemented under the guidance of a federal-provincial/territorial LMDA Evaluation Steering Committee. The work was supported by bilateral discussions at Joint Evaluation Committees.

The third LMDA evaluation cycle builds on the success of the second cycle. The aim is to fill in knowledge gaps about the effectiveness, efficiency, and design and delivery of Employment Benefits and Support Measures (EBSMs). The evaluation cycle was designed and implemented under the guidance of a federal-provincial/territorial LMDA Evaluation Steering Committee composed of ESDC and 12 participating provinces and territories.

For Manitoba, this report presents a summary of findings from 8 separate studies.

2. Canada-Manitoba Labour Market Development Agreement

The Canada-Manitoba LMDA is a bilateral agreement between Canada and Manitoba for the design and delivery of EBSM programs and services. It was established, along with similar agreements with 12 other provinces and territories, under Part II of the *1996 Employment Insurance (EI) Act*.

In fiscal year 2020 to 2021, Canada transferred nearly \$61.7 million to Manitoba.⁹ Under the agreement, Manitoba is responsible for the design and delivery of programs and services aimed at assisting individuals to prepare for, obtain, and maintain employment.

LMDA programs and services are classified under 2 categories:

- **Employment benefits**^{10, 11} fall into 4 sub-categories: Skills Development, Wage Subsidies, Self-Employment, and Employment Partnerships.
- **Support measures** fall into 3 sub-categories: Employment Assistance Services¹², Labour Market Partnerships, and Research and Innovation.

Manitoba has the flexibility to adapt EBSMs to its jurisdiction's context as long as they are consistent with Part II of the EI Act.¹³

The objective of EBSMs is to assist individuals to obtain or keep employment through various active employment programs, including training or employment assistance services. Successful delivery of EBSMs is expected to result in participants receiving needed services, a quick return to work, and savings to the EI account.

Programs and services examined in this study include employment benefits and support measures.

2.1 Employment benefits

- **Skills Development (SD)** helps participants obtain employment skills by giving them financial assistance to attend classroom training.
- **Wage Subsidies**¹⁴ help participants obtain on-the-job work experience by providing employers with a wage subsidy.

⁹ Employment and Social Development Canada. (2022). 2020 to 2021 EI Monitoring and Assessment Report.

¹⁰ As of April 1, 2018, eligibility for employment benefits was expanded to include those who have made minimum EI premium contributions above the premium refund threshold (that is \$2,000 in earnings) in at least 5 of the last 10 years.

¹¹ In July 2016, new provisions were introduced, changing the definition of former claimants to cover those who completed an EI claim in the past 5 years.

¹² Employment Assistance Services are available to all Canadians.

¹³ Employment and Social Development Canada (2012). Labour Market Development Agreements Process for Determination of Similarity (internal document).

¹⁴ The national EBSM name for Wage Subsidies is Targeted Wage Subsidies.

- **Employment Partnerships**¹⁵ provide participants with opportunities to gain work experience that will lead to ongoing employment. Employment opportunities are provided by projects that contribute to developing the community and the local economy.
- **Self-Employment (SE)** assists unemployed Manitobans to create a self-employment opportunity through the provision of business advice, planning, coaching and financial support. The ultimate goal of the SE program is for participants to achieve economic self-sufficiency by developing, launching and operating their own business.

2.2 Support measures

- **Employment Assistance Services (EAS)** include a variety of services that support individuals as they prepare to enter or re-enter the workforce or assist them to find a better job.
 - Services can include job search services, career development and counselling, and résumé writing assistance. These services are referred to as ‘light touch intervention’ due to their very short duration. They can be provided on a one-on-one basis, or in a group setting.
 - A typical intervention lasts less than one day, but a participant may receive multiple short interventions over a few weeks. These services are generally provided in combination with more intensive Employment Benefit interventions.¹⁶
- **Labour Market Partnerships** aim to support an industry-led approach to human resource development tailored to meet the labour market needs of industry sectors.
- **Research and Innovation** seeks to identify better ways of helping people prepare for, return to or keep employment, and be productive participants in the labour force.

2.3. Eligible participants covered in this study

The incremental impacts are estimated for active and former EI claimants:

- **Active claimants** are participants who started an EBSM intervention while collecting EI benefits.
- **Former claimants** are participants who started an EBSM intervention up to 3 years after the end of their EI benefits.¹⁷

Table 1 provides an overview of the share of funding allocated to EBSMs and the average cost per Action Plan Equivalent for active and former claimants. It is noted that the average cost per participant is calculated based on the 2010 to 2012 data from the EI Monitoring and Assessment Reports. The 2010 to 2012 period corresponds with the cohort of participants selected for incremental impacts and cost-benefit analysis in the LMDA evaluation.

¹⁵ The national EBSM name for Employment Partnerships is Job Creation Partnerships.

¹⁶ In July 2016, new provisions were introduced, changing the definition of former claimants to cover those who completed an EI claim in the past 5 years. For the purpose of this study, however, the previous definition of former claimants still applies at the time of their program participation.

¹⁷ Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on SA.

From the 2010 to 2012 time period to the 2020 to 2021 fiscal year, investments in SD decreased by 2 percentage points and those in Self-Employment decreased by 1 percentage point. An increase in funding is noted for Labour Market Partnerships (+3 percentage points).

Table 1. Share of LMDA funding and average cost per Action Plan Equivalent in Manitoba^{18,19}

Employment Benefits and Support Measures	Share of funding (2010 to 2012)	Share of funding (2020 to 2021)	Average cost active claimants (2010 to 2012)	Average cost former claimants (2010 to 2012)
Skills Development	63%	61%	\$5,563	\$5,683
Employment Assistance Services	19%	20%	\$254	\$254
Labour Market Partnerships	9%	12%	n/a	n/a
Self-Employment	3%	2%	\$7,012	\$7,238
Employment Partnerships	3%	3%	\$9,328	\$9,226
Wage Subsidy	2%	<1%	\$6,412	\$6,450
Research and Innovation	1%	2%	n/a	n/a

Sources: EI Monitoring and Assessment Reports for fiscal years 2010 to 2011, 2011 to 2012 and 2020 to 2021.

¹⁸ The average cost for SD includes the cost of delivering SD-Regular and SD-Apprentices. It is not possible to estimate the cost of delivering SD-Regular alone because expenditure information is not available for SD-Regular and SD-Apprentices separately.

¹⁹ Labour Market Partnerships and Research and Innovation do not typically have participant-specific interventions.

3. Methodology

This section presents key aspects of the analyses carried out as part of the LMDA studies.

All quantitative analyses are based on administrative data from the EI Part I (EI claim data) and Part II (EBSM participation data). The EI Part I and II data are then linked to the T1 and T4 taxation files from the Canada Revenue Agency. Incremental impact and cost-benefit analyses are based on 100% of participants in Manitoba who began their EBSM participation in 2010 to 2012.

The 2010 to 2012 timeframe was selected to assess the impacts of EBSMs in the years following participation. Impacts were assessed over a period of at least 4 years after program completion up to the 2017 calendar year (most recent available information at the time of this evaluation).

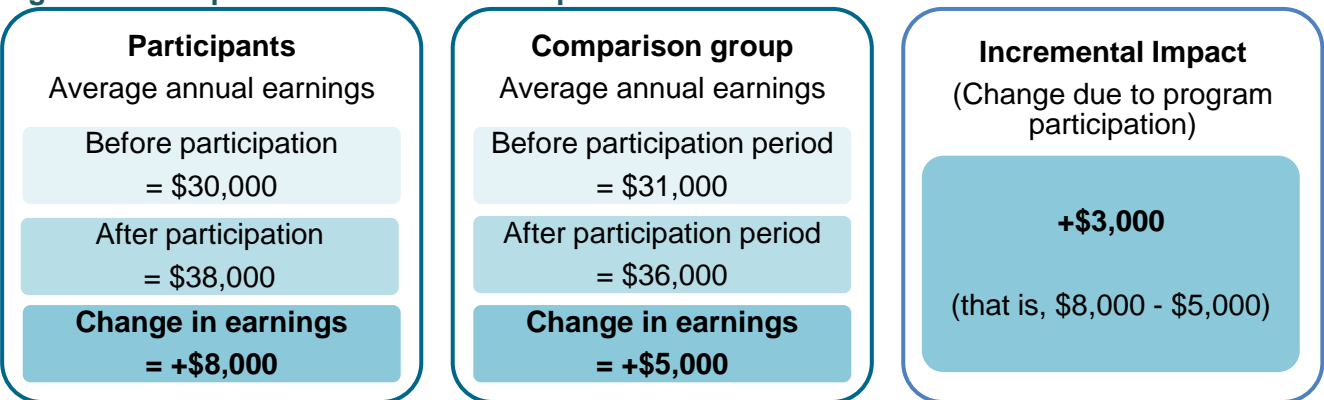
3.1 Incremental impacts analysis²⁰

Program effectiveness is assessed by estimating incremental impacts from EBSM participation on participants' labour market experience. That is, earnings from employment and self-employment, incidence of employment, use of EI, use of social assistance (SA), and dependence on government income supports after participation.

In Manitoba, incremental impacts were estimated for active and former EI claimant participants in SD and active EI claimant participants in EAS. Incremental impacts for Wage Subsidy and Employment Partnerships were not produced due to the small samples or because the models used to estimate the incremental impacts did not balance. Having balanced models is an essential condition to ensure that participants and non-participants are similar.

The role of the incremental impact analysis is to isolate the effects of participation from other factors. To achieve this, the incremental impact analysis compares the labour market experience of participants before and after their participation with that of similar non-participants. Figure 1 presents an example of incremental impact calculation.

Figure 1. Example of the incremental impact calculation



²⁰ For more details about the methodology used for the incremental impacts, please refer to: ESDC, *Third Cycle for the Horizontal Evaluation of the Labour Market Development Agreements: Quantitative Methodology Report*. (ESDC Evaluation Directorate, 2019, internal document).

The main estimator used is propensity score kernel matching technique combined with difference-in-differences estimator. Moreover, 3 different state-of-the-art estimation techniques (Inverse Probability Weighting, Nearest Neighbour and Cross-sectional Matching) were carried out separately for each type of EBSMs and EI claimants to validate the impact estimates.

As for previous LMDA evaluation studies, the Action Plan Equivalent is the unit of analysis used. Action Plan Equivalents combines all EBSMs received by an individual within no more than 6 months of each other. Action Plan Equivalents that include SD, Wage Subsidy, and Employment Partnerships are categorized based on the longest EBSM they contain. For example, an individual who receives EAS for 1 week and participates in SD for 11 months will be categorised as having received SD for the purpose of the evaluation. Individuals who only received EAS are categorised as EAS-only.

The matching of participants and comparison group members used up to 75 socio-demographic and labour market variables observed over 5 years before participation. Two different comparison groups were used to measure impacts for active and former EI claimants:

- For **active claimants**, incremental impacts were measured relative to a comparison group of active claimants who were eligible to participate, but who did not participate in EBSMs during the reference period.
- For **former claimants**, the comparison group was created using individuals who participated in EAS only during the reference period.²¹ In other words, the experience of former claimants in SD interventions is compared to the experience of former claimants who received EAS only. This is a conservative approach given the fact that participation in EAS can lead to limited effects on labour market outcomes.

Due to this difference in measurement, incremental impacts estimated for active claimant participants should not be directly compared to those of former claimant participants.

Impacts are generated over 4 years after participation for SD, while a fifth year is estimated for participants in EAS.²²

3.2 Factors accounted for in the cost-benefit analysis^{23,24}

Building on the results of the incremental impacts, program efficiency is assessed through a cost-benefit analysis. The analysis compares the participants' cost of participating and the government's

²¹ This is based on previous evaluation methodologies, on expert advice and given the difficulty in generating a suitable comparison for former claimants using administrative data alone.

²² The same timeframe is examined for both types of intervention. Because EAS has a shorter duration, more of the years examined fall in the post-participation period. Further details are available in the report entitled *Technical Report on the Analysis of Employment Benefits and Support Measures (EBSMs) Profile, Outcomes and Medium-Term Incremental Impacts from 2010 to 2017* (2021). The report is available upon request.

²³ Further details about the methodology used for the cost-benefit analysis are available in the technical report entitled *Cycle II of the Evaluation of the Labour Market Development Agreements: Cost-Benefit Analysis of Employment Benefits and Support Measures* (2015). The report is available upon request.

²⁴ Further details about the methodology used for the savings to health care are available in the technical report entitled *Cost-Benefit Analysis: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation* (2022). The report is available upon request.

cost of delivering the program to the benefits associated with the program. Overall, this analysis provides insights on the extent to which the program is efficient for the society (that is, for both participants and the government).

Sources of data and information

The analysis takes into account all the quantifiable costs and benefits directly related to EBSM delivery and participation that can be measured given the information available. The analysis is comprehensive in that it accounts for the vast majority of possible direct costs and benefits.

However, the analysis does not account for all costs and benefits. For example, there are factors that can lead to an understatement of the benefits (for example, positive spillovers to other family members) and other factors that can lead to an overstatement of the benefits (for example, effects on skill prices or displacement).

This study relied on integrated data from the EI Part I and II Databank and Income Tax records from the Canada Revenue Agency. Information about earnings, use of EI, and use of SA was taken from the study of incremental impacts.²⁵ The program costs were calculated using information available in the EI Monitoring and Assessment Reports. Other costs and benefits are assessed using integrated administrative data from the EI Part I and II databank and the Canada Revenue Agency.

Relative to the previous cycle of evaluation, the methodology has been extended to incorporate one of the indirect health benefits associated with increased labour market attachment. In particular, the methodology includes an estimate of the change in public health care cost due to the decline in health care utilization resulting from program participation.

Data on average public health care costs by income quintiles are taken from the report *Lifetime Distributional Effects of Publicly Financed Health Care in Canada (2013)* by the Canadian Institute for Health Information.

Incremental impacts measured over the second year of participation and up to 5 post-program years are discounted by 3% to bring them to a common base with the program cost and benefits incurred in the program start year. This 3% rate accounts for the interest the government could have collected if the funds used to pay for the program had been invested. Incremental impacts are estimated using 2010 constant dollars and this accounts for inflation.

Costs and benefits accounted for in the calculations

- **Program cost:** cost incurred by the government for delivering the program (that is, administration and direct program costs calculated from data reported in the EI Monitoring and Assessment Reports).
- **Marginal social cost of public funds:** loss incurred by society when raising additional revenues, such as taxes to fund government spending. The value is estimated as 20% the program cost, sales taxes, income taxes, impacts on EI and impacts on SA paid or collected by the government.

²⁵ Further details are available in the report entitled *Technical Report on the Analysis of Employment Benefits and Support Measures (EBSMs) Profile, Outcomes and Medium-Term Incremental Impacts from 2010 to 2017* (2021). The report is available upon request.

- **Foregone earnings:** estimated net impacts on participants' earnings during the participation period. During labour market program participation, some individuals have lower earnings than what they would have received if they had not participated.
- **Employment earnings:** incremental impacts on participants' earnings during and after participation. In-program earnings represent the foregone earnings for participants.
- **Fringe benefits:** the employer-paid health and life insurance as well as pension contributions. They are estimated at 15% of the incremental impacts on earnings.
- **Federal and provincial income taxes:** incremental impacts on federal, provincial and territorial taxes paid by participants.
- **Sales taxes:** the sales taxes paid by participants estimated as incremental impacts on earnings multiplied by the propensity to consume (97%), the proportion of household spending on taxable goods and services (52%) and the total average federal and provincial sales tax rate (11%).
- **Social assistance and Employment Insurance benefits collected:** incremental impacts on SA and EI benefits use by participants following participation.
- **Canada Pension Plan contribution and Employment Insurance premiums:** these contributions and premiums were identified from the Canada Revenue Agency data and then, the incremental impacts on Canada Pension Plan contributions and EI premiums were estimated.
- **Public health care costs savings:** estimated impact of participation in EBSMs on public health care costs shown as an average change per participant over the post-program period examined.

3.3 Strengths and limitations of the studies

One of the key strengths of the studies is that all quantitative analyses are based on administrative data rather than survey responses. Compared to survey data, administrative data are not subject to recall errors or response bias.

The propensity score models used to match participants and non-participants for the incremental impact analyses are judged to be robust. In part, this is because they were based on 5 years of pre-participation data. Moreover, these models are based on a vast array of variables, including sociodemographic characteristics, location, skill level related to last occupation, and indicators of labour market attachment.

However, the matching process can be further refined for specific subgroups if the following information is available in the future:

- **Persons with disabilities:** the type and severity of the disability, and the capacity/willingness to work full-time.
- **Recent immigrants:** the country of origin, the proficiency in English or French, and the relevance of credentials and work experience.
- **Visible minorities:** place of birth; individuals who are born outside of Canada face different challenges compared to those born in Canada.

Refining the matching process for population subgroups could broaden the scope for greater Gender-based Analysis Plus.

Sensitivity analysis and the use of alternative estimation methods have increased confidence in the incremental impact estimates. However, one limitation with the propensity score matching techniques is that no one can be fully sure the impacts are not influenced by factors not captured in the data.

The cost-benefit analysis accounted for all quantifiable costs and benefits directly attributable to the EBSMs that could be estimated with the available administrative data. It is further strengthened by incorporating one of the indirect benefits, which is the health benefits from program participation. However, the analysis did not account for non-quantifiable factors that can lead to an understatement of the benefits (for example, positive spillovers to other family members) and factors that can lead to an overstatement of the benefits (for example, effects on skill prices or displacement).

In some studies that use qualitative data collection methods, the number of key informants interviewed is relatively small. Responses provided by key informants reflect their own experience and their own region and may not be fully representative of the entire province.

3.4 Overview of the studies summarized in this report

The findings in this report are drawn from 8 separate studies carried out at the national level. These studies examine issues related to program effectiveness, efficiency, design/delivery and used a mix of qualitative and quantitative methods. Appendix A presents an overview of these studies. The studies are:

- Examination of the medium-term outcomes from 2010 to 2017
- Estimation of the medium-term incremental impacts from 2010 to 2017
- Cost-Benefit Analysis of Employment Benefits and Support Measures in Manitoba
- Cost-Benefit Analysis: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation in Manitoba
- Design and delivery of the Employment Partnerships program in Manitoba
- Design and delivery of the Self-Employment program in Manitoba
- Design and delivery of the Labour Market Partnerships program in Manitoba
- Design and delivery of the Research and Innovation support measure in Manitoba

4. Evaluation findings

4.1 Profile of participants

Nearly 24,000 EI active and former claimants participated in LMDA programs and services between 2010 and 2012 in Manitoba.

The profile of participants is presented in Table 2 by gender, age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the last job they held prior to applying for EI Part 1 benefits. Information about sociodemographic groups is self-reported.

Table 2. Profile of active and former EI claimant participants in 2010 to 2012 in Manitoba

Categories	Active claimants	Former claimants
Number of participants	14,417	9,592
Gender	Female = 45% Male = 55%	Female = 48% Male = 52%
Age	30 and under = 30% 31 to 54 = 58% 55 and over = 11%	30 and under = 33% 31 to 54 = 58% 55 and over = 9%
Sociodemographic groups	Indigenous people = 21% Persons with disabilities = 6% Visible minorities = 22% Recent immigrants = 10%	Indigenous people = 31% Persons with disabilities = 9% Visible minorities = 24% Recent immigrants = 8%
Marital status	Single = 41% Married or common-law = 44% Widow / divorced / separated = 12%	Single = 48% Married or common-law = 36% Widow / divorced / separated = 13%
Education or skills level	High school or occupational training = 40% On-the-job training = 21% College, vocational education or apprenticeship training = 28% University degree = 5%	High school or occupational training = 42% On-the-job training = 26% College, vocational education or apprenticeship training = 24% University degree = 4%
Top 3 occupational groups	Semi-skilled manual workers = 15% Clerical personnel; Other manual workers = 13% each Intermediate sales and service personnel = 12%	Intermediate sales and service personnel; Semi-skilled manual workers; Other manual workers = 15% each Other sales and service personnel = 12% Clerical personnel = 11%

Top 3 industries

Manufacturing = 16%
Construction = 10%
Retail trade = 9%

Manufacturing = 17%
Construction; Health care and social assistance = 10% each
Retail trade; Accommodation and food services = 9% each

Note: Values may not equal 100% due to rounding or missing information.

As presented in Table 3, former claimants have lower levels of employment and earnings than active claimants in the year before program participation. Former claimants also have a higher dependence on SA.

Table 3. Employment and earning levels, and use of SA in the year before participation in EBSMs

Pre-EBSM participation employment characteristics	Active claimants	Former claimants
Average employment earnings	\$26,136	\$15,227
Percentage employed	99%	87%
Percentage on SA	4%	14%

4.2 Incremental impacts for active and former EI claimants

Main findings: Overall, incremental impacts demonstrate that participation in SD and EAS improves labour market attachment and reduces dependence on government income supports compared to similar non-participants.

The incremental impact results presented below are generally consistent with those found as part of the second LMDA evaluation cycle.

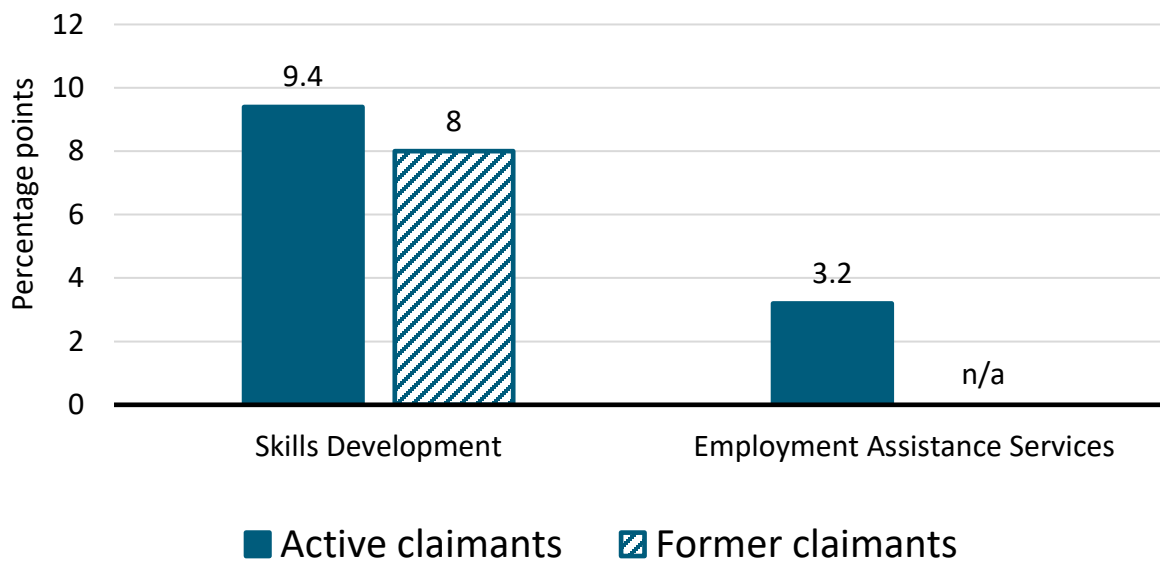
Incidence of employment

Chart 1 presents the incremental impacts on the incidence of employment for active and former claimants by type of program. The estimates can be interpreted as a change in the probability of being employed following participation.²⁶

Active claimant participants in SD and EAS increase their incidence of employment relative to similar non-participants. Former claimant participants in SD increase their incidence of employment relative to similar participants who receive only EAS.

²⁶ An individual is considered employed if they earned more than \$1 from employment or self-employment in a calendar year.

Chart 1. Change in probability of being employed in participants relative to non-participants (annual average)



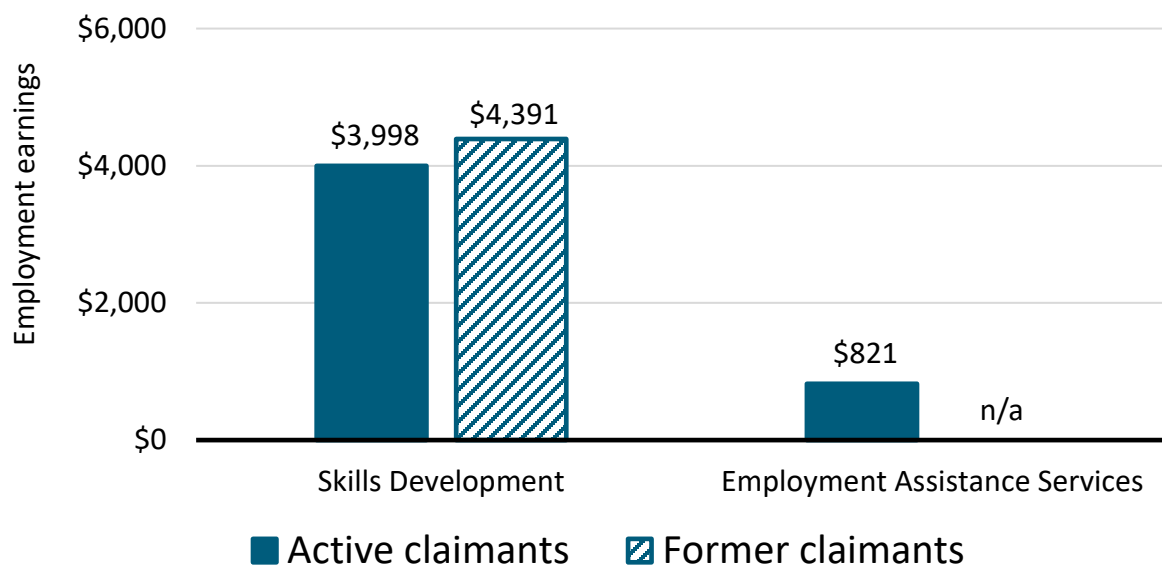
Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Employment earnings

Chart 2 presents the average annual increase in employment earnings for active and former EI claimants over the post-participation period.

Active EI claimant participants in SD and EAS increase their annual employment earnings relative to similar non-participants. Former EI claimant participants in SD increase their employment earnings relative to similar participants who receive only EAS services.

Chart 2. Employment earnings of participants relative to non-participants (annual average)

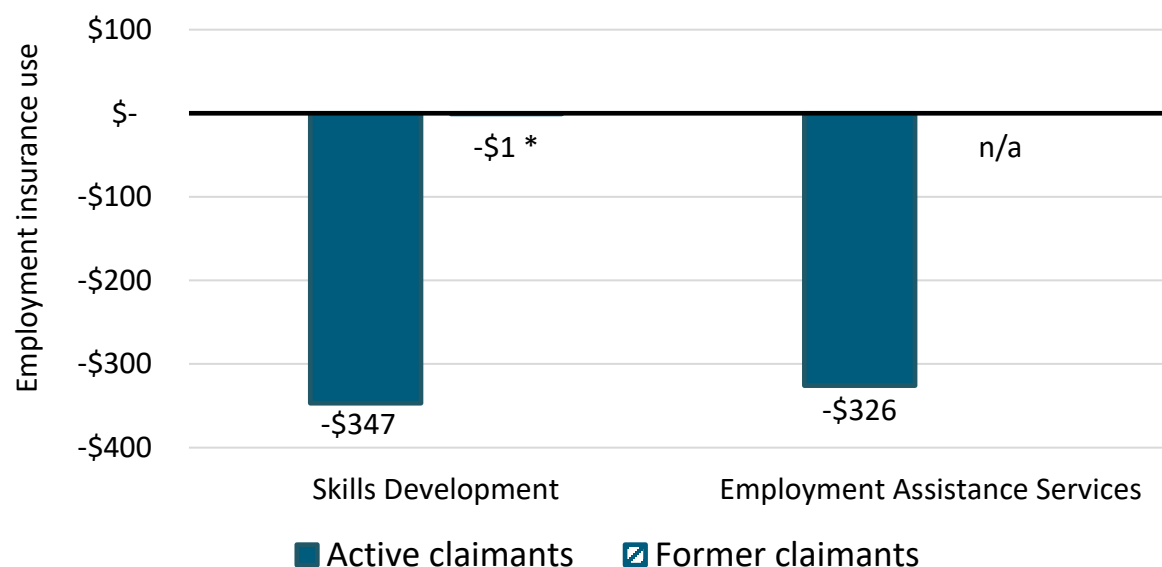


Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Use of EI benefits

As shown in Chart 3, active claimant participants in SD and EAS reduce their use of EI benefits in the post-program period compared to similar non-participants.

Chart 3. Change in the use of EI benefits (annual average)



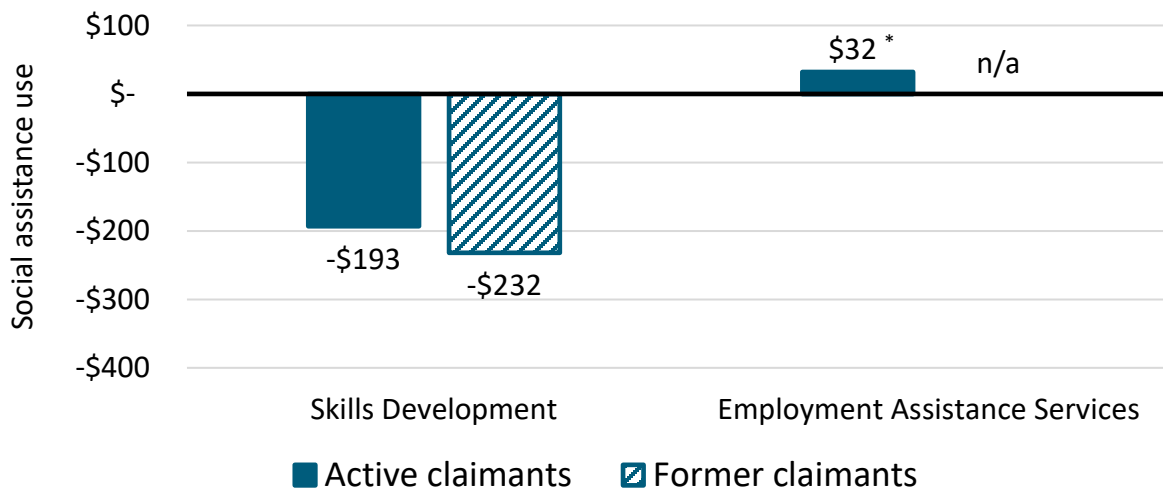
* The impact is not statistically significant.

Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Use of SA benefits

As shown in Chart 4, active and former EI claimants who participate in SD decrease their use of SA benefits in the post-program period.

Chart 4. Change in the use of SA benefits (annual average)



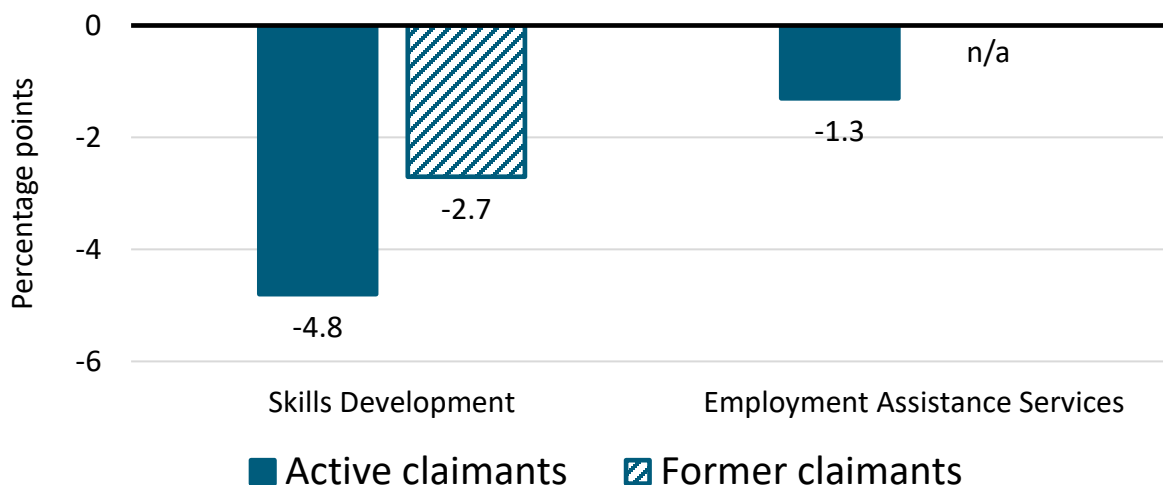
*The impact is not statistically significant.

Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

Dependence on income support

As shown Chart 5, active EI claimant participants in SD and EAS, as well as former claimant participants in SD reduce their overall level of dependence on government income supports over the post-program period.

Chart 5. Change in dependence on government income support (annual average)



Note: Impacts are estimated over 4 post-program years for SD and 5 post-program years for EAS.

4.3 Incremental impacts by subgroups of participants²⁷

Main findings: A subgroup analysis shows that with some exceptions, SD and EAS interventions improve the labour market attachment and reduce the dependence on income support for female, male, youth and Indigenous participants.

Female participants

Nearly 11,150 EI active and former claimant participants in LMMA programs and services between 2010 and 2012 are female, representing about 46% of participants.

The profile of female participants is presented in Table 4 by age, sociodemographic group and marital status. Information about their educational attainment, occupation and industry is based on the last job they held prior to applying for EI Part 1 benefits. Information about sociodemographic groups is self-reported.

Table 4. Profile of female active and former EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	6,510	4,635
Age	30 and under = 30% 31 to 54 = 59% 55 and over = 11%	30 and under = 33% 31 to 54 = 58% 55 and over = 9%
Sociodemographic group	Indigenous people = 21% Persons with disabilities = 6% Visible minorities = 19% Recent immigrants = 10%	Indigenous people = 29% Persons with disabilities = 8% Visible minorities = 18% Recent immigrants = 8%
Marital status	Single = 36% Married or common-law = 47% Widow / divorced / separated = 15%	Single = 42% Married or common-law = 40% Widow / divorced / separated = 16%
Education or skills level	High school or occupational training = 47% On-the-job training = 14% College, vocational education or apprenticeship training = 24% University degree = 6%	High school or occupational training = 49% On-the-job training = 20% College, vocational education or apprenticeship training = 21% University degree = 5%

²⁷ The incremental impact methodology used does not permit comparison across groups, because it does not control for other differences between the sub-groups, such as average level of education, pre-participation incidence of employment and average annual earnings, for example.

Top 3 occupational groups	Intermediate sales and service personnel; Clerical personnel = 21% each Semi-professionals and technicians = 10% Other Sales and Service Personnel = 9%	Intermediate sales and service personnel = 25% Clerical personnel = 17% Other sales and service professionals = 14%
Top 3 industries	Health care and social assistance = 15% Retail trade; Manufacturing = 11% each Accommodation and food services = 10%	Healthcare and social assistance = 17% Accommodation and food services = 12% Retail trade and manufacturing = 11%

Note: Values may not equal 100% due to rounding or missing information.

Main findings: Female participants improve their labour market attachment through increases in their incidence of employment and earnings. Participants also decrease their dependence on government income supports (that is, the combined use of EI and SA benefits).

Table 5 presents the detailed incremental impacts. For example, the results reveal that:

- Female active claimant participants in SD have higher annual earnings (+\$4,475 per year) and incidence of employment (+9.8 percentage points). They also lower their reliance on government income support (-3.6 percentage points), mainly due to their lesser use of SA benefits (-\$213 per year).
- Female former claimant participants in SD have a higher annual incidence of employment (+8.1 percentage points) and higher annual earnings (+\$4,009 per year). They also lower their reliance on government income support (-2.1 percentage points), mainly due to their lesser use of SA benefits (-\$297 per year).

Table 5. Incremental impacts for female participants

Indicator	SD active claimants	SD former claimants	EAS active claimants
Incidence of employment (percentage points)	9.8***	8.1***	4.8***
Employment earnings (\$)	4,475***	4,009***	1,138
EI benefits (\$)	-151	174	-369***
SA benefits (\$)	-213***	-297**	-54

Dependence on income support (percentage points)	-3.6***	-2.1*	-2.2***
n =	1,481	624	4,835

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Male participants

Nearly 12,900 EI active and former claimant participants in LMDA programs and services between 2010 and 2012 in Manitoba are male, representing about 54% of participants.

The profile of male participants is presented in Table 6 by age, sociodemographic group and marital status. Information about their educational attainment, occupation and industry is based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 6. Profile of male active and former EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	7,907	4,957
Age	30 and under = 31% 31 to 54 = 57% 55 and over = 12%	30 and under = 33% 31 to 54 = 57% 55 and over = 10%
Sociodemographic group	Indigenous people = 22% Persons with disabilities = 6% Visible minorities = 17% Recent immigrants = 9%	Indigenous people = 34% Persons with disabilities = 10% Visible minorities = 17% Recent immigrants = 7%
Marital status	Single = 46% Married or common-law = 42% Widow / divorced / separated = 9%	Single = 53% Married or common-law = 33% Widow / divorced / separated = 9%
Education or skills level	High school or occupational training = 35% On-the-job training = 26% College, vocational education or apprenticeship training = 31% University degree = 4%	High school or occupational training = 36% On-the-job training = 32% College, vocational education or apprenticeship training = 26% University degree = 3%

Top 3 occupational groups	Semi-skilled manual workers = 23% Other manual workers = 20% Skilled crafts and trades = 15%	Semi-skilled manual workers = 24% Other manual workers = 23% Skilled crafts and trades = 12%
Top 3 industries	Manufacturing = 20% Construction = 17% Transportation and warehousing; Administration and support, waste management and remediation services = 8% each	Manufacturing = 23% Construction = 17% Administration and support waste management and remediation services = 9%

Note: Values may not equal 100% due to rounding or missing information.

Main findings: Male participants in SD improve their labour market attachment through increases in their incidence of employment and employment earnings. Active claimant participants in SD also decrease their dependence on government income support (that is, their combined use of EI and SA benefits). Active EI claimant participants in EAS improve their labour market attachment through increases in their incidence of employment and decrease their dependence on EI benefits.

Table 7 presents the detailed incremental impacts. For example, the results reveal that:

- Male active claimant participants in SD have higher annual average earnings (+\$2,752) and incidence of employment (+6.4 percentage points). They also lower their reliance on government income supports (-3.6 percentage points), due to their lesser use of SA (-\$179 per year) and EI benefits (-\$373 per year).
- Male former claimant participants in SD have higher average annual earnings (+\$3,829) and incidence of employment (+4.9 percentage points). They also lower their use of SA benefits (-\$198 per year).

Table 7. Incremental impacts for male participants (annual average)

Indicator	SD active claimants	SD former claimants	EAS active claimants
Incidence of employment (percentage points)	6.4***	4.9**	1.9*
Employment earnings (\$)	2,752**	3,829***	295
EI benefits (\$)	-373**	40	-272***
SA benefits (\$)	-179***	-198*	47
Dependence on income support (percentage points)	-3.6***	-1.5	-0.9

n=

1,568

546

6,220

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.
Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Youth participants

Nearly 7,560 EI active and former claimant participants between 2010 and 2012 were 30 years of age or younger when they began their program, representing about 32% of participants.

The profile of youth participants is presented in Table 8 by gender, sociodemographic group and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 8. Profile of youth active and former EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	4,385	3,171
Gender	Female = 44% Male = 56%	Female = 49% Male = 51%
Sociodemographic group	Indigenous people = 23% Persons with disabilities = 3% Visible minorities = 14% Recent immigrants = 7%	Indigenous people = 31% Persons with disabilities = 5% Visible minorities = 13% Recent immigrants = 6%
Marital status	Single = 68% Married or common-law = 27% Widow / divorced / separated = 3%	Single = 68% Married or common-law = 25% Widow / divorced / separated = 4%
Education or skills level	High school or occupational training = 39% On-the-job training = 27% College, vocational education or apprenticeship training = 26% University degree = 4%	High school or occupational training = 41% On-the-job training = 30% College, vocational education or apprenticeship training = 23% University degree = 2%
Top 3 occupational groups	Other manual workers = 18% Intermediate sales and service personnel = 15% Clerical personnel; Semi-skilled manual workers = 13% each	Other manual workers = 18% Intermediate sales and service personnel = 17% Semi-skilled manual workers; Other sales and service personnel = 13% each

Top 3 industries	Construction = 13% Manufacturing; Retail trade = 11% each Administrative and support, waste management and remediation services; Accommodation and food services; Public administration = 8% each	Manufacturing = 13% Construction; Retail trade; Accommodation and food services = 12% each Health care and social assistance = 9%
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Note: Values may not equal 100% due to rounding or missing information.

Main findings: Youth participants in SD and EAS improve their labour market attachment through increases in their incidence of employment and employment earnings. Except for former claimant participants in SD, they also decrease their dependence on government income support (that is, the combined use of EI and SA benefits).

Table 9 presents the detailed incremental impacts. For example, the results reveal that:

- Youth active claimant participants in SD have higher annual earnings (+\$5,704 per year) and incidence of employment (+9.1 percentage points). They also have a lower income support reliance rate (-4.2 percentage points annually) mainly due to a decreased use of SA benefits (-\$245 per year).
- Youth active claimant participants in EAS have higher annual earnings (+\$1,716 per year) and incidence of employment (+2.1 percentage points). They also lower their reliance on government income supports (-2.3 percentage points annually) due mainly to a decrease in the use of EI benefits (-\$373 per year).

Table 9. Incremental impacts for youth participants

Indicator	SD active claimants	SD former claimants	EAS active claimants
Incidence of employment (percentage points)	9.1***	5.2***	2.1*
Employment earnings (\$)	5,704***	3,520***	1,716**
EI benefits (\$)	-69	-10	-373***
SA benefits (\$)	-245***	-192	-39
Dependence on income support (percentage points)	-4.2***	-0.6	-2.3***
n=	1,090	497	3,225

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

Older worker participants²⁸

Nearly 1,650 EI active claimant participants between 2010 and 2012 were 55 years of age or older when they began their program, representing about 7% of participants.

The profile of older worker participants is presented in Table 10 by gender, sociodemographic group and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 10. Profile of older worker active EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants
Number of participants	1,641
Gender	Female = 44% Male = 56%
Sociodemographic group	Indigenous people = 16% Persons with disabilities = 11% Visible minorities = 15% Recent immigrants = 3%
Marital status	Single = 22% Married or common-law = 52% Widow / divorced / separated = 24%
Education or skills level	High school or occupational training = 44% On-the-job training = 18% College, vocational education or apprenticeship training = 26% University degree = 5%
Top 3 occupational groups	Semi-skilled manual workers = 19% Clerical personnel = 15% Other manual workers; Intermediate sales and service personnel = 10% each
Top 3 industries	Manufacturing = 17% Administrative and support, waste management and remediation services = 9% Construction; Retail trade = 9% each

Note: Values may not equal 100% due to rounding or missing information.

²⁸ Incremental impacts were not produced for active and former EI claimant older worker SD participants due to small sample size.

Table 11 presents the average incremental impacts over the entire post-program period.

While the average annual post-program results for older workers in EAS are not statistically significant, older workers have statistically significant increases in employment earnings in years 4 (+\$2,071) and 5 (+\$3,153) respectively in the post-program period. Moreover, in the fifth year post-program, they have a statistically significant increase in their incidence of employment (+ 6.5 percentage points).

Table 11. Incremental impacts for older worker participants

Indicator	EAS active claimants
Incidence of employment (percentage points)	3
Employment earnings (\$)	1,455
EI benefits (\$)	-72
SA benefits (\$)	64
Dependence on income support (percentage points)	-0.5
n=	1,434

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.
Note: Impacts are estimated over 5 years in the case of EAS.

Indigenous participants

Nearly 6,100 EI active and former claimant participants between 2010 and 2012 were Indigenous, representing about 25% of participants.

The profile of Indigenous participants is presented in Table 12 by gender, age, and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits.

Table 12. Profile of Indigenous active and former EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	3,081	3,012
Gender	Female = 44% Male = 56%	Female = 44% Male = 56%
Age	30 and under = 32% 31 to 54 = 59% 55 and over = 9%	30 and under = 32% 31 to 54 = 61% 55 and over = 7%

Marital status	Single = 53% Married or common-law = 32% Widow / divorced / separated = 12%	Single = 58% Married or common-law = 26% Widow / divorced / separated = 11%
Education or skills level	High school or occupational training = 40% On-the-job training = 26% College, vocational education or apprenticeship training = 26% University degree = 4%	High school or occupational training = 37% On-the-job training = 32% College, vocational education or apprenticeship training = 24% University degree = 4%
Top 3 occupational groups	Other manual workers = 17% Semi-skilled manual workers = 15% Intermediate sales and service personnel = 14%	Other manual workers = 19% Intermediate sales and service personnel = 15% Semi-skilled manual workers = 14%
Top 3 industries	Construction = 14% Public administration = 11% Manufacturing; Health care and social assistance = 10% each	Construction = 13% Manufacturing; Public administration; Health care and social assistance = 11% each Accommodation and food services = 10%

Note: Values may not equal 100% due to rounding or missing information.

Main findings: Indigenous participants in SD and EAS improve their labour market attachment through increases in their incidence of employment and employment earnings. Active claimant participants in SD also decrease their dependence on government income support (that is, the combined use of EI and SA benefits), and former claimant participants in SD decrease their use of SA benefits.

Table 13 presents the detailed incremental impacts. For example, the results reveal that:

- Indigenous active claimant participants in SD have higher annual earnings (+\$6,268 per year) and incidence of employment (+10 percentage points). They also lower their reliance on government income supports (-3.9 percentage points), mostly due to their lesser use of SA benefits (-\$220 per year).
- Indigenous former claimant participants in SD have higher annual earnings (+\$5,409 per year) and incidence of employment (+10.5 percentage points). They also decrease their use of SA benefits (-\$370 per year).

Table 13. Incremental impacts for Indigenous participants

Indicator	SD active claimants	SD former claimants	EAS active claimants
Incidence of employment (percentage points)	10***	10.5***	2.4 ¹
Employment earnings (\$)	6,268***	5,409***	2,418***
EI benefits (\$)	-3	196	-113
SA benefits (\$)	-220*	-370***	61
Dependence on income support (percentage points)	-3.9***	-1.3	-0.7
n=	659	394	2,236

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

¹ While the annual average impact on incidence of employment (+ 2.4 percentage points) is not statistically significant over the entire post-participation period, active EI claimant participants in EAS have a statistically significant increase in their incidence of employment of 3.6 percentage points in the first post-participation year.

Recent immigrants^{29,30}

Nearly 1,400 EI active claimant participants between 2010 and 2012 were recent immigrants, representing about 6% of participants.

The profile of recent immigrant participants is presented in Table 14 by gender, age, sociodemographic group and marital status. Information about their educational attainment, occupation and industry are based on the latest job they held prior to applying for EI benefits.

Table 14. Profile of recent immigrant active EI claimant participants in Manitoba in 2010 to 2012

Categories	Active claimants
Number of participants	1,387
Gender	Female = 47% Male = 53%

²⁹ Incremental impacts were not produced for former claimant participants in SD and for active claimant participants in EAS due to small sample size.

³⁰ Recent immigrants are those who immigrated to Canada within 5 years of their first intervention.

Age	30 years and younger = 23% 31 to 54 years old = 73% 55 years and older = 4%
Marital status	Single = 15% Married or common-law = 79% Widow / divorced / separated = 5%
Education or skills level	High school or occupational training = 36% On-the-job training = 30% College, vocational education or apprenticeship training = 27% University degree = 4%
Top 3 occupational groups	Other manual workers = 19% Semi-skilled manual workers = 18% Other sales and service professionals = 11%
Top 3 industries	Manufacturing = 31% Accommodations and food services = 10% Construction = 9%

Note: Values may not equal 100% due to rounding or missing information.

Main findings: Recent immigrants who are active EI claimant participants in SD increase their earnings in the medium term and reduce their dependence on government income supports following participation (that is the combination of EI and SA benefits).

Table 15 presents the detailed incremental impacts. For example, the results reveal that recent immigrant active claimant participants in SD depend less on government income supports (-4.9 percentage point), mostly by decreasing their use of EI benefits (-\$1,003 per year). Impacts on the employment earnings of recent immigrants participating in SD are not statistically significant over the entire post-program period. However, these participants have a statistically significant increase in their annual earnings of \$6,486 in the fourth year post-program.

Table 15. Incremental impacts for recent immigrant participants

Indicator	SD active claimants
Incidence of employment (percentage points)	-0.2
Employment earnings (\$)	3,023 ¹
EI benefits (\$)	-1,003***
SA benefits (\$)	-22

Dependence on income support (percentage points)	-4.9***
n=	334

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

Note: Impacts are estimated over 4 post-program years.

¹ While the average impact on earnings (\$3,023) is not statistically significant over the entire post-participation period, active EI claimant participants in SD have a statistically significant increase in earnings of \$6,486 in the fourth post-program year.

4.4 Incremental impacts by region³¹

SD participants in Winnipeg

Main findings: Incremental impacts reveal that active and former EI claimant participants in SD in Winnipeg increase their labour market attachment by increasing their annual average earnings and incidence of employment. Participants also depend less on government income support.

Between 2010 and 2012, nearly 2,800 of the participants in Canada-Manitoba LMDA-funded SD were located in Winnipeg. Table 16 presents the detailed incremental impacts for participants in this region. For example, the results reveal that:

- Active claimant participants in SD in Winnipeg increase their incidence of employment (+9.4 percentage points) and annual employment earnings (+ \$2,821). They also reduce their dependence on government income supports (- 4.1 percentage points), by decreasing their use of EI (- \$352 per year) and SA benefits (- \$125 per year).
- Former claimant participants in SD in Winnipeg improve incidence of employment (+ 6.8 percentage points) and annual employment earnings (+ \$4,229). They also reduce their dependence on government income supports (- 1.9 percentage points), mainly by reducing their use of SA benefits (- \$205 per year).

Table 16. Incremental impacts for SD participants in Winnipeg

Indicator	SD active claimants	SD former claimants
Incidence of employment (percentage points)	9.4***	6.8***
Employment earnings (\$)	2,821***	4,229***
EI benefits (\$)	-352***	59
SA benefits (\$)	-125*	-205***
Dependence on income support (percentage points)	-4.1***	-1.9**
n=	2,076	706

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

³¹ The incremental impact methodology used does not permit comparison between regions, because it does not control for other differences between participants in the regions, such as average level of education, pre-participation incidence of employment and average annual earnings, for example.

SD participants outside of Winnipeg

Main findings: Incremental impacts reveal that active and former EI claimant participants in SD outside of Winnipeg increase their labour market attachment by increasing their annual average earnings and incidence of employment. Participants also depended less on government income support.

Between 2010 and 2012, nearly 1,440 of the participants in Canada-Manitoba LMDA-funded SD were located outside of Winnipeg. Table 17 presents the detailed incremental impacts for participants in this region. For example, the results reveal that:

- Active claimant participants in SD outside of Winnipeg increase their incidence of employment (+7.4 percentage points) and annual employment earnings (+ \$5,905). They also reduce their dependence on government income supports (- 2.8 percentage points), in part by reducing their use of SA benefits (- \$119 per year).
- Former claimant participants in SD outside of Winnipeg improve their incidence of employment (+ 6 percentage points) and annual employment earnings (+ \$4,864).

Table 17. Incremental impacts for SD participants outside of Winnipeg

Indicator	SD active claimants	SD former claimants
Incidence of employment (percentage points)	7.4***	6***
Employment earnings (\$)	5,905***	4,864***
EI benefits (\$)	-172	-78
SA benefits (\$)	-119**	-195
Dependence on income support (percentage points)	-2.8***	-1.9 ¹
n=	968	467

Statistical significance level *** 1%; ** 5%; * 10%, other values are not statistically significant.

¹ While the average annual impact on dependence on income support (- 1.9 percentage point) is not statistically significant, former EI claimant participants in SD outside Winnipeg have a statistically significant decrease of 2.9 percentage points in the fourth post-program year.

4.5 Cost-benefit analysis

This analysis is based on the EBSM medium-term incremental impacts previously described in this report. Costs and benefits are examined over the participation period of 1 or 2 years and 5 or 10 years after the end of participation.³²

The cost-benefit analysis addresses the following questions:

1. Are the benefits from EBSMs exceeding the costs within 5 years (for EAS) or 10 years (for SD) after the end of participation?³³
2. How much is the benefit for the government and society if the government spends \$1 in EI part II funding?
3. How many years does it take the benefits to recover the costs?

The cost-benefit results were generated separately for active and former EI claimants and for each EBSM. However, cost-benefit analysis was not conducted for:

- Active or former claimants who participated in Wage Subsidy or Employment Partnerships, as the incremental impacts were not produced due to a low number of participants.
- Former claimants who participated in EAS, since they are used as a comparison group to estimate the incremental impacts for former claimants who participated in SD.

The following results are presented from the social perspective, that is, the government and individual combined. This allows for a sound assessment of program effectiveness in achieving its objectives of helping unemployed individuals to obtain and maintain employment and to generate EI savings.

Table 18 presents the cost-benefit results for active and former EI claimant participants.

Table 18. Cost-benefit results for active and former EI claimant participants

Indicator	SD active claimants (10 years post-program)	EAS active claimants (5 years post-program)	SD former claimants (10 years post-program)
Net present value	\$29,949	\$132	\$35,871
Benefit cost ratio	\$6.38	\$1.52	\$7.31
Payback period (years after end of participation)	4.5 years	4.9 years	3.5 years
Social return	538%	52%	631%

³² EAS is examined for one participation year, while SD is examined for 2 participation years. Moreover, EAS is examined over 5 post-program years, while SD is examined over 10 years (the first 4 post-program years are based on an observed period, while the fifth year and onwards are projected).

³³ To reflect the longer duration of SD, the greater cost of SD for both governments (higher program delivery costs) and participants (more forgone earnings), and the longer timeframe within which impacts are expected to be observed, the timeframe for cost-recovery is longer for SD.

Savings to public health care	\$292	\$20	\$314
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The information below provides examples of the net present value, the benefit-cost ratio, the payback period, the social rate of return and savings to health care costs.

Skills Development³⁴

During the 2010 to 2012 period, SD represents 63% of EBSM expenditures under the LMDAs in Manitoba. The average duration of an SD Action Plan Equivalent is 49 weeks for active claimants and 52 weeks for former claimants.

As shown in Table 18, over the 10-year post-program period:

- The benefit for active claimants is \$29,949 higher than the costs, yielding a social return of 538% on investment. This means that if the government spends \$1 on SD for active EI claimants, it generates \$6.38 of benefit for society. It takes 4.5 years for the benefits to recover the costs of programming. Overall, there is a savings to health care costs of \$292 per participant.
- The benefit for former claimants is \$35,871 higher than the costs, yielding a social return of 631% over the 10-year post-program period. This means that if the government spends \$1 on programming, it generates \$7.31 of gain for society. From a social perspective it takes 3.5 years for society to recover the costs of SD for former EI claimant participants. Overall, there is a savings to health care costs of \$314 per participant.

Employment Assistance Services³⁵

EAS includes a variety of services such as computer access for job search services, group sessions to prepare for an interview, career counselling, and action plan development. The administrative data, however, does not allow identification of what proportion of EAS interventions belong to each category or the intensity of services offered to participants.

While EAS are often provided with other EBSMs, this analysis examined only participants who received one or more EAS without participating in other EBSMs. EAS represents about 19% of total EBSM expenditures between 2010 and 2012 in Manitoba. The average length of an EAS-only Action Plan Equivalent is 9 weeks compared to between 49 weeks for active EI claimant participants in SD.

As shown in Table 18, over the 5-year post-program period, the benefits for active claimants in EAS are \$132 higher than the costs, yielding a social return on investment of 52%. This means that if the government spends \$1 on EAS for active claimants, it generates a \$1.52 gain for society.

Overall, the goal of EAS is not to help participants acquire more skills, therefore, increasing participants' earnings after participation is not necessarily expected. Conducting a cost-benefit analysis

³⁴ Please note, the cost of delivering SD pertains to both SD-Regular and SD-Apprentices, since expenditure information is not available for each intervention type separately. However, the benefits detailed in this report are those that relate solely to participation in SD-Regular.

³⁵ The cost-benefit analysis is conducted only for EAS active claimants, since it is not possible to evaluate incremental impacts for EAS former claimants using available administrative data.

for EAS is a challenge, as it is not possible to attribute a dollar figure to the return to employment. However, including earnings in the cost-benefit calculation is still very relevant, since it captures partially the positive impact of the quicker return to work.

4.6 Outcomes for active and former EI claimants³⁶

Incremental impacts for Wage Subsidy and Employment Partnerships were not produced due to the small samples or because the models used to estimate the incremental impacts did not balance. Having balanced models is an essential condition to ensure that participants and non-participants are similar. However, outcomes can still be examined for participants to describe the average changes that occur from before to after program participation.

The labour market outcomes are based on individuals who began their participation during the 2010 to 2012 period. Statistics focus on 5 years before participation and up to 5 years after participation.

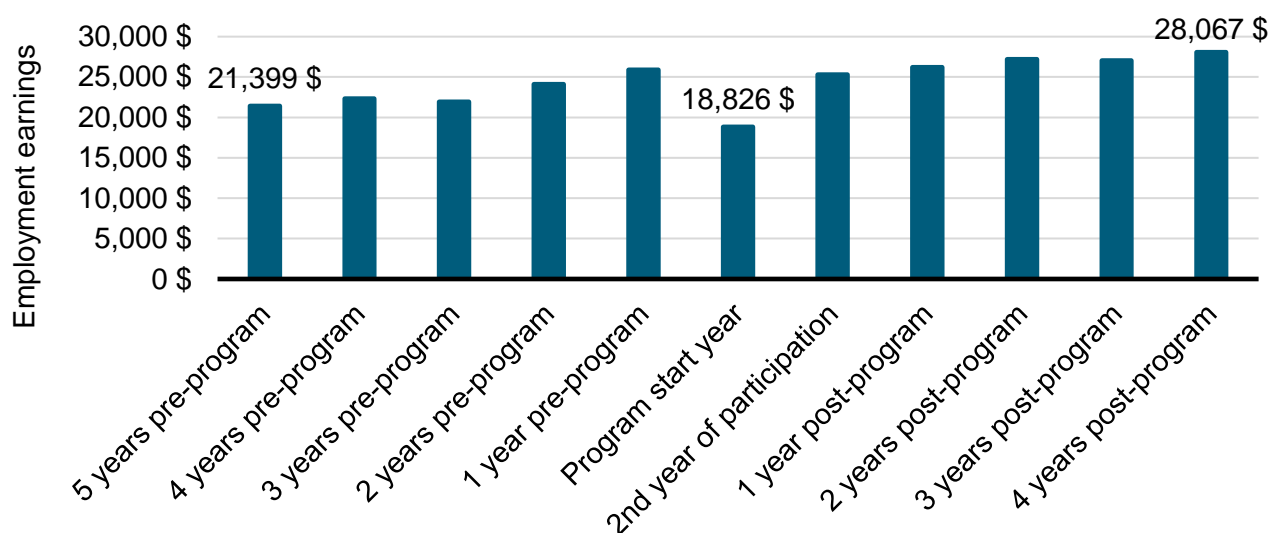
Wage Subsidy participant outcomes

Approximately 250 active and former EI claimant participants participated in the Wage Subsidy program between 2010 and 2012.

Active claimants

As shown in Chart 6, Wage Subsidy participants increase their average earnings from \$21,399 in the fifth year pre-program to \$28,067 in the fourth year after participation.

Chart 6. Average earnings for active claimant participants in Wage Subsidy



The proportion of employed participants declines from 99% in the program start year but remains around 87% on average during the post-program period. The proportion of participants receiving EI

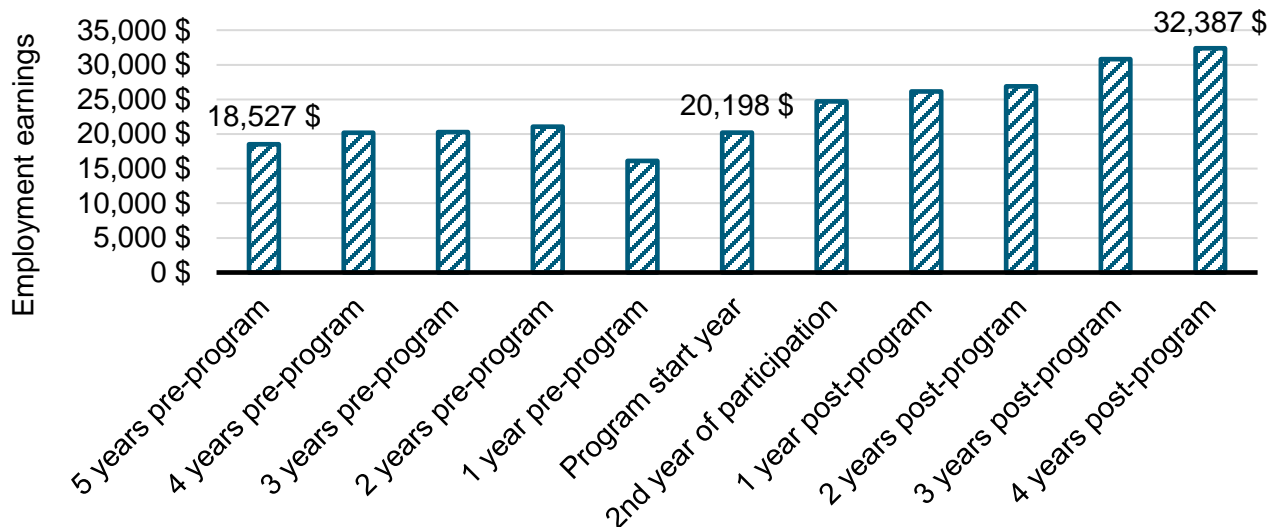
³⁶ Unlike with incremental impacts, outcomes do not compare the labour market experience of participants before and after their participation with that of non-participants.

benefits decreases from 97% in the program start year to 29% in the fourth year after participation. Participants decrease their dependence on income support from 36% in the program start year to 12% in the fourth year after participation.

Former claimants

As shown in Chart 7, former EI claimant participants in Wage Subsidy increase their average earnings from \$18,527 in the fifth year pre-program to \$32,387 in the fourth year after participation.

Chart 7. Average earnings for former claimant participants in Wage Subsidy



The proportion of employed participants declines from 98% in the program start year but remains on average around 90% in the post-program period. The proportion of participants receiving EI benefits decreases from 65% in the program start year to 30% in the fourth year after participation. Participants decrease their dependence on income support from 23% in the program start year to 11% in the fourth year after participation.

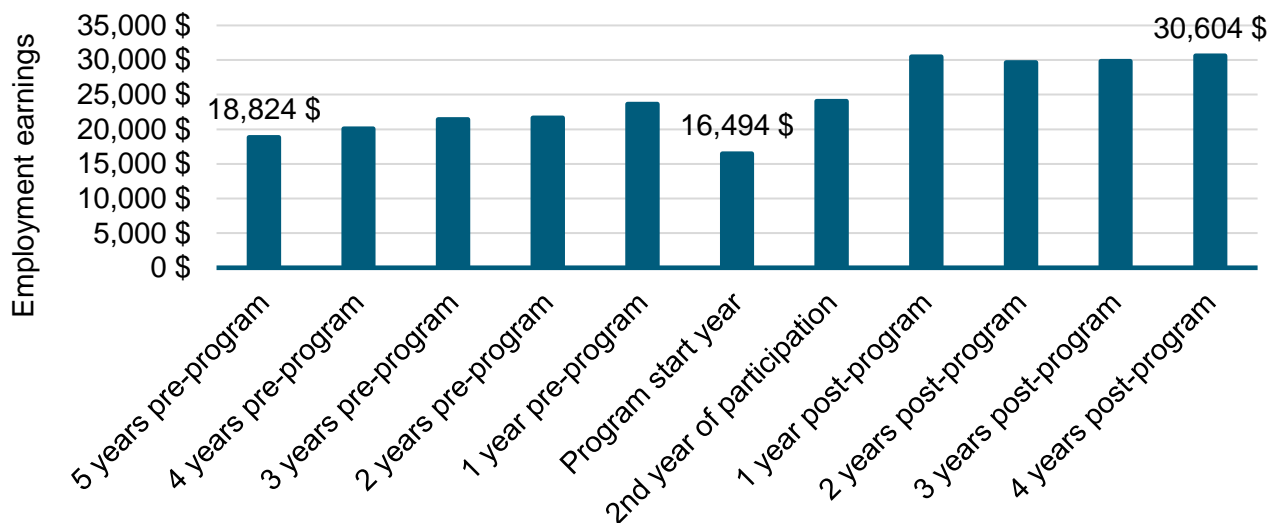
Employment Partnerships participants

Approximately 373 active and former EI claimant participants participated in Employment Partnerships between 2010 and 2012.

Active claimants

As shown in Chart 8, Employment Partnerships active EI claimant participants increase their average earnings from \$18,824 in the fifth year pre-program to \$30,604 in the fourth year after participation.

Chart 8. Average earnings for active claimant participants in Employment Partnerships

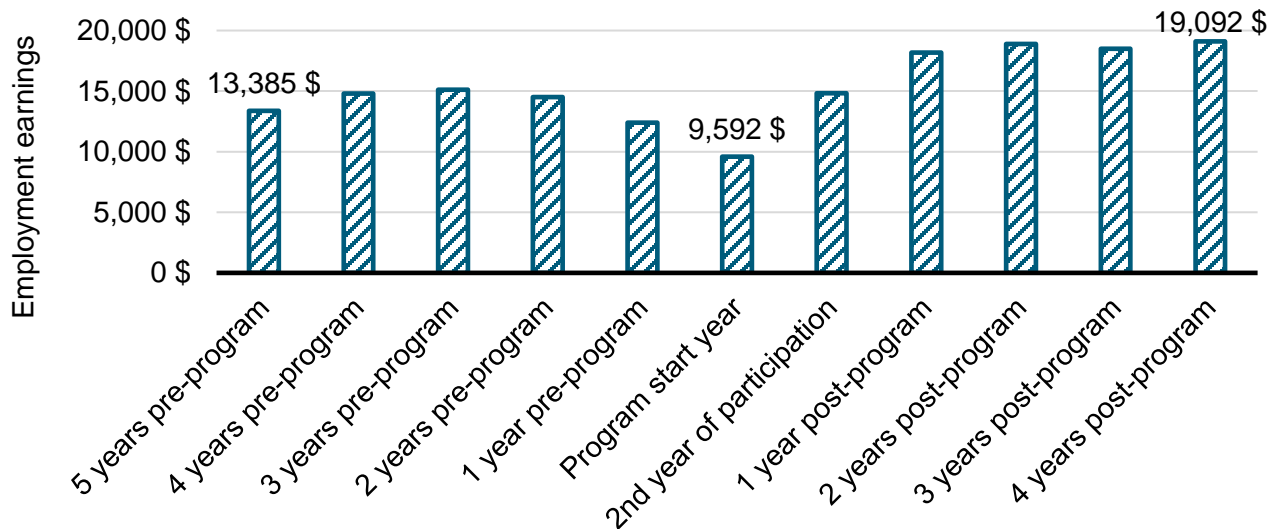


The proportion of employed participants decreases from 98% in the program start year, remaining on average around 93% in the post-program period. The proportion of participants receiving EI benefits decreases from 99% in the program start year to 29% in the fourth year after participation. Participants decrease their dependence on income support from 42% in the program start year to 10% in the fourth year after participation.

Former claimants

As shown in Chart 9, Employment Partnerships active EI claimant participants increase their average earnings from \$13,385 in the fifth year pre-program to \$19,092 in the fourth year after participation.

Chart 9. Average earnings for former claimant participants in Employment Partnerships



The proportion of employed participants decreases from 88% in the program start year to an average of 81% during the post-program period. The proportion of participants receiving EI benefits decreases from 51% in the program start year to 29% in the fourth year after participation. Participants decrease their dependence on income support from 32% in the program start year to 22% in the fourth year after participation.

5. Supplemental studies

5.1 Self-Employment³⁷

Program design and delivery

The Self-Employment program aims to assist participants in creating employment for themselves by providing them with a range of services including:

- Assistance with business plan development
- Counselling, coaching and mentoring
- Entrepreneurial training and workshops

Eligible individuals must be unemployed and thinking about starting a new business to create a job for themselves.

Manitoba has the flexibility to design and deliver the program to meet its labour market needs. In fall 2018, the program was delivered through third-party organizations, including:

- Community Futures
- Not-for-profit organizations
- Municipal governments

Manitoba allocated between 2% and 3% of its LMDA funding to the Self-Employment program between fiscal year 2013 to 2014 and fiscal year 2018 to 2019. While spending on the Self-Employment program tends to decrease in Canada, it remains stable in Manitoba.

The application process is structured and aimed to ensure that participants are suited for self-employment, have a viable business idea and the financial resources to launch a business.

Participants' employment outcomes³⁸

The proportion of participants who were self-employed increased by 33 percentage points, from 10% in the year before participating to 43% at the time of survey.

Type of businesses created, survival rates, and success factors

Half (50%) of survey respondents launched a self-employment business that was still in operation in winter 2020 (2 to 4 years following program participation).

- Among the 76 respondents who started a business, 74% of them were still operating their business 2 to 4 years post-program.

³⁷ Further details about the Self-Employment program are available in a study entitled *Evaluation of the Labour Market Development Agreements, Design and delivery of the Self-Employment program in Manitoba*, February 2, 2021.

³⁸ The following is a summary of labour market outcomes and satisfaction rates from a survey of Self-Employment participants in Manitoba completed in winter 2020. A total of 112 individuals responded to the survey with a 53% response rate.

- Twenty-one percent (21%) of respondents were unable to maintain the operation of the business they had started as part of the program.

The business survival rate is consistent with a 2018 Statistics Canada study, which found that less than half of unincorporated self-employed individuals continued operations for more than 2 years.³⁹

More than a third (34%) of self-employment businesses were launched in other services⁴⁰ as well as in construction.

Participants who started a business that was still in operation at the time of survey attributed their business success to:

- Their dedication, hard work and positive attitude
- The high demand for their services or products

Earning outcomes and reliance on income support

Survey respondents were not comfortable answering questions that related to their earnings. This situation made it difficult to compare the pre- and post-earnings of Self-Employment participants.

Overall, there appears to be an increase in the number of participants reporting less than \$10,000 in earnings annually. However, survey respondents who are able to maintain the operation of their business are more likely to report earning more or the same as before participating in the program.

As a complement to the earning questions, survey respondents assessed their financial well-being. When considering their entire financial situation:

- 69% of respondents said that they are financially about the same or better off after the program.
- 61% of respondents said that their household net worth is about the same or higher after the program.

Satisfaction with services received and current employment

Seventy-six percent (76%) of survey respondents who were able to maintain the operation of their business, or who were self-employed at the time of the survey but did not start a business while participating in the Self-Employment program, reported being more satisfied with current work arrangements compared to before starting the program.

Most services received by survey respondents who launched a business were frequently rated as very important or somewhat important to the business launch, operation, or success. The highest-rated supports and services included:

- Budgeting and financial management training
- One-on-one mentoring or counselling

³⁹ Douwere Grekou and Huju Liu, "The Entry into and Exit out of Self-employment and Business Ownership in Canada", Statistics Canada, 2018.

⁴⁰ Includes establishments engaged in providing a variety of services, such as repairing, or performing maintenance on motor vehicles, machinery and equipment; providing personal care services, funeral services, laundry services, and pet care services.

- Discussions on risks and challenges of self-employment
- Training on operating a business
- Sales and marketing training
- Assistance with business plan development
- Assessment of the existing business plan

Challenges and lessons learned related to program design and delivery

Challenges related to program design and delivery identified by key informants include:

- Staff turnover
- Restrictive contract length of financial support for program participants
- Balancing quality of training supports and cost
- Lack of long-term data on outcomes of participants

Best practices related to program design and delivery included:

- Using organizations with appropriate capacity to deliver the program
- Ensuring good communication between the service provider and the department, with clearly defined roles between the service provider and the department
- Completing rigorous screening and assessment of applicants
- Providing information to participants on available sources of funding and supporting them to access funding

Key considerations for Self-Employment program and policy development

Three key considerations for program and policy development emerge.

- Self-Employment can benefit from an updated objective specifying that it is dedicated to eligible participants who have a viable business idea, the financial or in-kind resources to launch a business and the required level of dedication.
- The data collection process should include only participants who have been deemed suitable for self-employment and accepted into the program. This will require excluding candidates who attended information sessions alone or those deemed not suited for self-employment. The latter participants can be reported under EAS.
- Indicators of program success can include: increase in employment and/or self-employment levels; medium-term increase in earnings; business survival rate similar to the local economy and/or the sector; improvement in job satisfaction; and acquisition of transferable skills.

5.2 Employment Partnerships⁴¹

Program objective

The Employment Partnerships program in Manitoba provides funding that is designed to enable employers, communities and other organizations to support ‘sustainable employment’ for clients through employment, skill enhancement and short-term work experience activities.

Employment Partnerships is delivered through the provision of funds to an organization that implements a community-benefiting project while providing work experience to participants.

Participants receive benefits from EI Part I or II.⁴² Benefits to participants follow the prevailing wage rate, up to the maximum EI weekly benefit rate. Participants may receive an additional wage top up from the sponsor/employer.

Program delivery

The design and delivery of the Employment Partnerships program allows Manitoba to address a variety of client and labour market needs. Employment Partnerships can be used to address labour market needs by targeting sub-groups of individuals, in-demand professions and growing economic sectors. Key informants identified that the program is notably well suited for individuals lacking work experience or essential skills.

Key informants reported that the amount allocated to Employment Partnerships each year is influenced by demand for the program, provincial government priorities, and the type and quality of proposals received. The annual allocation remained relatively stable in the 5 fiscal years between April 2013 and March 31, 2018.

In addition to gaining work experience, key informants identified a variety of other benefits that can be expected from Employment Partnerships projects. Participants are expected to develop work-related skills and enhance their job search abilities, improve their personal well-being and progress in their career development. Benefits for employers providing a work experience include gaining a potential source of trained employees.

Sponsors can benefit from Employment Partnerships by gaining access to pre-screened and trained employees that require less onboarding than other recruits, and by assessing the skills and fit of potential employees before hiring them.

Challenges and lessons learned

Key informants identify challenges related to:

- Recruitment of participants
- Addressing participants’ barriers to employment
- Program administration and monitoring

⁴¹ Further details about the program are available in a study entitled *Design and delivery of the Employment Partnerships program in Manitoba, November 8, 2019*.

⁴² As specified by the EI Act, Part I refers to federally delivered direct income supports and Part II refers to provincially or territorially delivered employment benefits.

Key informants identified the following elements as contributing factors to participant success:

- The importance of collaboration between service providers and employers, as well as with government staff.
- Effective monitoring of participants by service providers, which includes close and frequent contact with participants.
- Participants who benefit the most from Employment Partnerships include those who are looking to transition into a new occupation, acquire work experience and gain new skills.
- Organizations most likely to succeed as a project holder include municipalities, bands, health authorities, employers or colleges.
- Projects found to be best suited under Employment Partnerships are those aligned with local labour market demand. Examples of well-suited projects include nursing, trades, metal manufacturing and social work.

Key considerations for Employment Partnerships program and policy development

The following considerations emerged as part of the Employment Partnerships study.

Manitoba is 1 of 2 provinces/territories that incorporates a training component with the participant's work experience in the Employment Partnerships program. Previous incremental impacts studies demonstrated that participants in the Employment Partnerships program are achieving positive labour market outcomes as a direct result of participation, suggesting the success of a skills training component, particularly for clients targeted by the Employment Partnerships program.

These findings present an opportunity for Manitoba and ESDC to discuss and further explore what may work in the overall design and delivery of the Employment Partnerships program. These findings also present an opportunity for Manitoba and Canada to discuss whether some Employment Partnerships projects may be better classified as a SD – Group Benefit when training is the primary intervention.

5.3 Labour Market Partnerships⁴³

The Labour Market Partnerships program aims to assist employers, communities and industries to address their labour force adjustments and human resource needs. It includes a wide range of funded activities, such as:

- Workforce adjustment
- Workforce expansion
- Labour market research and analysis
- Raising awareness of sector labour market information
- Human resource planning
- Curriculum and training infrastructure development

⁴³ Further details about the program are available in a study entitled *Horizontal evaluation of the Labour Market Development Agreements, Design and delivery of the Labour Market Partnerships program in Manitoba, November 24, 2021.*

- Training, coaching and mentorship
- Engagement, including:
 - Industry consultation
 - Networking
 - Partnership development

With \$6.2 million in 2019/2020, Labour Market Partnerships represents nearly 11% of total expenditures under the Canada-Manitoba Labour Market Development Agreement. In 2020 to 2021, Manitoba spent approximately \$7.4 million on the Labour Market Partnerships program, which represented about 12% of Manitoba's total LMDA funding.

Funded organizations

Funded organizations include industry associations, sector councils and private sector employers.

Targeted labour market issues

Labour Market Partnerships projects target skills and/or labour shortages. These projects also target specific under-employed populations (for example, self-employed individuals) and unemployment.

Generally, funded projects targeted labour market issues associated with:

- Employer expansion/Forecasted net new job creation
- Obsolete or unavailable sector or jurisdiction-specific labour market information
- Lack of capacity for human resource planning resulting in attraction and retention challenges for employers
- Aging workforce
- Business downsizing/closure/layoffs
- Technological change

Projects reviewed aligned with their respective program objectives.

Partnerships

The Department of Economic Development, Investment and Trade and program officials confirm that the department carries out activities to support the formation and maintenance of partnerships as part of the program design and delivery. However, program officials note that a lack of resources limit their capacity to provide greater support to develop and maintain partnerships.

The document review of 11 projects and key informant interviews confirmed that:

- Partnerships were established to support the delivery of all projects.
- Partners made financial and/or in-kind contributions. The most common forms of in-kind contributions were expertise, as well as employers' staff time to support project delivery.
- Project activities delivered with the support of partners included career awareness, employer engagement, labour market research and training development.

Challenges and lessons learned

The department and program officials identified challenges related to project holder capacity to measure project outcomes.

Actions of program officials and project characteristics that were identified as being conducive to the success of the program included:

- Ensuring that project holders have the capacity and expertise to deliver the project.
- Ensuring that the project budget is realistic.
- Involving project holders' boards of directors and/or industry in planning and evaluation.
- Ensuring the ability of government officials to develop effective relationships with project holders, provide guidance and advice, analyse reports, recommend and implement program administration changes.
- Identifying annual and 4-year outcomes, metrics to measure the outcomes and evaluation methods to collect data.
- Identifying strategic sector goals.

Key considerations for Labour Market Partnerships program and policy development

The following considerations emerged as part of the Labour Market Partnerships study:

- Considering that the current performance indicators do not reflect the diversity of activities funded under Labour Market Partnerships, it is important for ESDC and Manitoba to discuss current Labour Market Partnerships funded activities to make recommendations on how best to report on results.
- It is essential to share lessons learned about successful Labour Market Partnerships projects, particularly, for projects targeted to employers (such as workplace or employer-sponsored training), and those assisting communities and economic sectors dealing with labour market adjustment issues (contraction or expansion).

5.4 Research and Innovation⁴⁴

Research and Innovation projects aim to identify better ways of helping participants prepare for, return to, or keep employment and to be productive in the labour force. Activities funded via the Research and Innovation measure are designed to further develop existing programming or to develop new programming that will either compliment or replace existing programming.

Manitoba uses Research and Innovation funding annually. During the 4 fiscal years between March 2016 and April 2020, funding ranged from 2% (\$1,048,000) to 9% (\$4,296,000) of annual LMDA funding.

⁴⁴ Findings in this section are based on a document review and complemented by a written questionnaire completed by Manitoba. Reviewed documents included, for example, provincial/territorial program guidelines, EI Monitoring and Assessment reports, and project documents.

Funded organizations

Funded organizations include:

- Not-for-profit organizations
- Private sector research organizations

Funded Research and Innovation activities

Research and Innovation projects encompassed a variety of activities, including:

- A review of college programs offered by 5 Manitoba colleges and the development of options and recommendations for a 10-year strategic direction for college education in Manitoba.
- Activities to support the mental health, wellness and retention of participants using a variety of supports, such as coaching with respect to skills and strategies for improved mental health, counselling services, and referrals of individuals to service providers.
- The development of a new service delivery approach to:
 - Improve the accessibility, consistency and quality of employment services for all Manitobans.
 - Help employers access the people and training supports they need to grow and improve productivity.
- The delivery of career information workshops and networking events to inform Indigenous youth about apprenticeship programming and opportunities in the skilled trades and technology sectors.
- Delivery of information to a wide range of youth about apprenticeship programming and opportunities in the skilled trades and technology sectors.

Innovation definition and criteria

Manitoba uses Research and Innovation for demonstration projects that pilot new ways of delivering employment and training services. Projects aim to improve the job readiness of difficult to serve populations, including individuals in receipt of Employment and Income Assistance benefits.

Performance measurement

Research and Innovation project holders in Manitoba are required to report to the Department of Economic Development, Investment and Trade in accordance with reporting requirements outlined in service agreements. These reporting requirements include:

- Monthly progress reports
- Expenditures with eligible cost categories
- A final report on activities of the project

For some Research and Innovation projects, participant level data may be collected and requested by Manitoba. Manitoba may conduct reviews, inspections and evaluations funded projects.

Manitoba's Research and Innovation evaluation and performance measurement provisions are focused on organizations' ability to meet project outcomes. These indicators include:

- The number of clients that accessed employment/training programming
- Population reach

5.5 Skills Development-Apprentices

The objective of the program is to help apprentices become skilled tradespeople and to increase their labour market attachment. Program participants have generally chosen a career and are already attached to the labour market. The apprenticeship process involves on-the-job learning and technical training in a classroom setting.

Apprentices who have worked enough hours to qualify for EI can apply to receive EI Part I benefits while on training. The program provides financial assistance to EI-eligible apprentices to help them offset the costs they incur while they attend technical training. The level of funding is based on the needs of apprentices, the location of the training, and any fees paid by the apprentices.⁴⁵

The profile of participants is presented in Table 19 by gender, age, sociodemographic group, and marital status. Information about their educational attainment, occupation and industry is based on the last job they held prior to applying for EI Part 1 benefits. Information about sociodemographic groups is self-reported.

Table 19. Profile of active and former EI claimant participants in SD-Apprentices programs across Manitoba in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	2,349	276
Gender	Female = 3% Male = 97%	Female = 21% Male = 79%
Age	30 and under = 81% 31 to 54 = 19% 55 and over = <1%	30 and under = 72% 31 to 54 = 27% 55 and over = <1%
Sociodemographic group	Indigenous people = 16% Persons with disabilities = 1% Visible minorities = 7% Recent immigrants = 2%	Indigenous people = 20% Persons with disabilities = 1% Visible minorities = 11% Recent immigrants = 1%
Marital status	Single = 69% Married or common-law = 28% Widow / divorced / separated = 2%	Single = 58% Married or common-law = 34% Widow / divorced / separated = 4%

⁴⁵ Funding is generally attributed based on fixed rates.

Education or skills level	High school or occupational training = 3% On-the-job training = 6% College, vocational education or apprenticeship training = 91% University degree = <1%	High school or occupational training = 20% On-the-job training = 18% College, vocational education or apprenticeship training = 59% University degree = 1%
Top 3 occupational groups	Skilled Crafts and Trades Workers = 87% Other Manual Workers = 6% Semi-Skilled Manual Workers = 2%	Skilled crafts and trades workers = 40% Other manual workers = 13% Semi-Skilled Manual Workers = 13%
Top 3 industries	Construction = 64% Other services (except public administration) = 8% Manufacturing = 7%	Construction = 33% Other services (except public administration) = 13% Manufacturing = 11%

Note: Values may not equal 100% due to rounding or missing information.

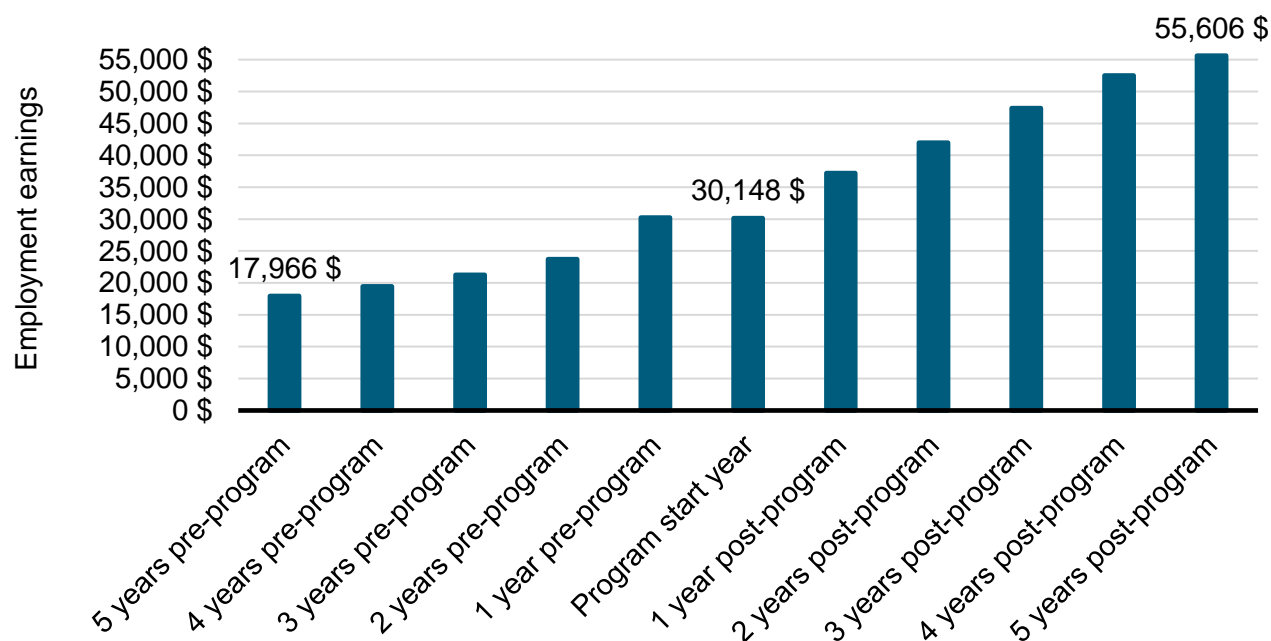
Labour market outcomes

The labour market outcomes are based on individuals who began their participation during the 2010 to 2012 period. Statistics focus on 5 years before program participation and 5 years after participation.

Active claimants

As shown in Chart 10, program participants increase their average earnings from \$17,966 5 years before program participation to \$55,606 in the fifth year after participation.

Chart 10. Average earnings for active claimant participants in SD-Apprentices

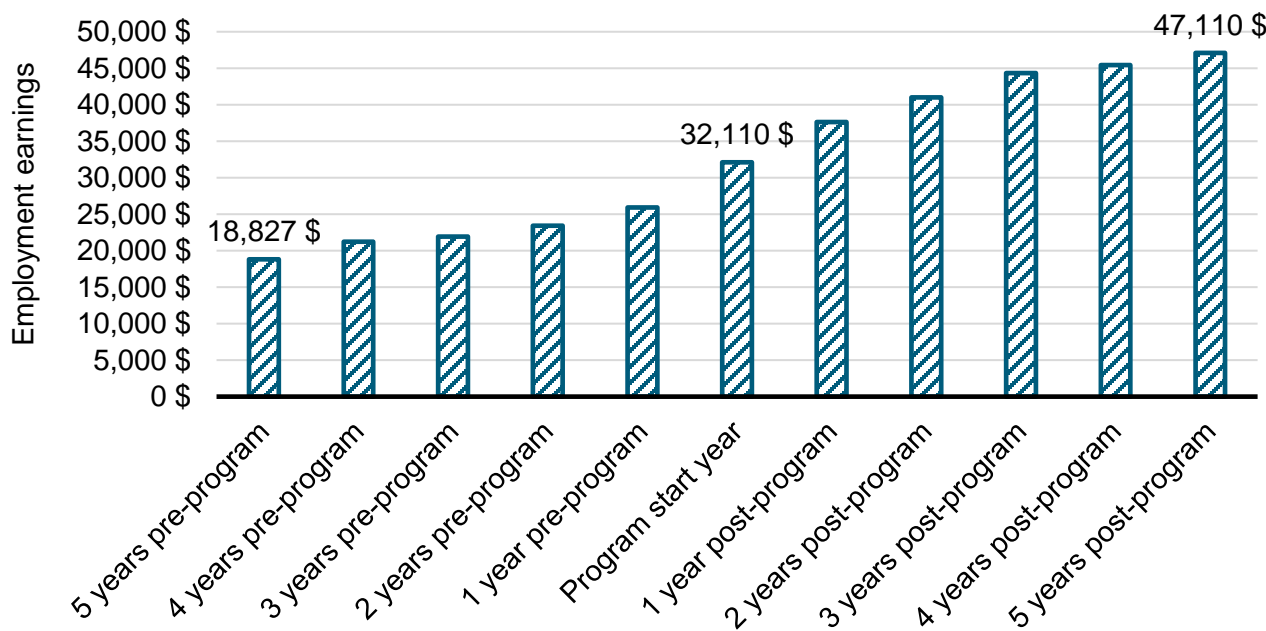


The proportion of employed participants declines slightly after the program start year but remains around 96% for the annual post-program average. The proportion of participants receiving EI benefits decreases from 100% in the program start year to 26% in the fifth year after participation. Participants decrease their dependence on income support from 19% in the program start year to 4% in the fifth year after participation.

Former claimants

As shown in Chart 11, program participants increase their average earnings from \$18,827 in the fifth year pre-program to \$47,110 in the fifth year after participation.

Chart 11. Average earnings for former claimant participants in SD-Apprentices



The proportion of employed participants declines slightly after the program start year but remains around 92% for the annual post-program average. The proportion of participants receiving EI benefits decreased from 55% in the program start year to 32% in the fifth year after participation. Participants decreased their dependence on income support from 10% in the program start year to 7% in the fifth year after participation.

6. Conclusions and recommendations

The Canada-Manitoba LMDA is the largest annual investment in active labour market programs and services in the province. Based on the findings presented in this report, the EBSMs are meeting the objective of assisting individuals to obtain or keep employment through various active employment programs, including training or employment assistance services.

Summary of findings

Overall, incremental impacts demonstrate that active and former EI claimant participants in SD and active EI claimant participants in EAS improve their labour market attachment and reduce their dependence on government income supports compared to similar non-participants. A subgroup analysis shows that with some exceptions, SD and EAS improve the labour market attachment and reduce the dependence on income support for most subgroups of participants. Moreover, the social benefits of participating in EBSMs exceed the costs over time.

Incremental impacts for Wage Subsidies and Employment Partnerships were not produced due to small samples or due to the fact that the models used to estimate the incremental impacts did not balance. Outcomes for both active and former claimant participants in Wage Subsidies and Employment Partnerships show increases in employment earnings from 5 years before program participation to 4 years after participation. Moreover, decreases are found in receipt of EI benefits and dependence on government income supports after participation.

A series of supplemental studies address information gaps previously identified in LMDA evaluations for Self-Employment, Employment Partnerships, Labour Market Partnerships, and Research and Innovation. Each study identified lessons learned, best practices and challenges, and issued considerations for policy design and development when relevant.

Overall, it was found that:

- The Self-Employment program helps carefully selected participants to create employment for themselves by providing them with a range of services.
- In Manitoba, the focus of Employment Partnerships is to assist participants in acquiring work experience, leading to the acquisition of new employment-related skills or the improvement in current skills. It is difficult to quantify all the positive impacts of Employment Partnerships for individuals, employers and communities.
- After participating in SD, apprentices increase their employment earnings and decrease their dependence on government income supports.
- Manitoba uses the Labour Market Partnerships program to support an industry-led approach to human resource development tailored to meet the labour market needs of industry sectors. The current performance indicators do not reflect the diversity of funded activities. Therefore, it is important for ESDC and Manitoba to discuss current funded activities in order to make recommendations on how to best report on results.
- Activities funded under the Research and Innovation measure are designed to further develop existing programming or to develop new programming that will either compliment or replace existing

programming. There is an added value in documenting and sharing lessons learned and best practices from demonstration projects.

Recommendations

Since 2012, 15 qualitative and quantitative studies addressed issues and questions related to EBSM design, delivery and effectiveness:

- The quantitative studies successfully assessed the effectiveness and efficiency of EBSMs by producing incremental impacts and cost-benefit analysis.
- The qualitative studies identified specific challenges, lessons learned, and best practices associated with the design and delivery of EBSMs. Each study included key considerations for program and policy development or recommendations.

The recently completed evaluation of the Workforce Development Agreements complements the LMDA qualitative studies. This evaluation was also supported by literature reviews and provided unique insights into challenges and lessons learned to assist persons with disabilities, immigrants and those further removed from the labour market.

Most results from this evaluation stem from the conduct of advance causal analysis whereby impacts found could be attributed to a specific EBSM. These analyses are predicated on having access to high quality administrative records, thereby confirming the importance of the capacity to leverage and integrate relevant administrative data.

From these main findings, 2 key recommendations emerge:

Recommendation #1: Manitoba is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of EBSMs. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

Recommendation #2: Manitoba is encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial levels.

7. References

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Appendix A. List of 8 studies included in the Canada-Manitoba synthesis report

Table A 1. Overview of studies included in this synthesis report.

Study	Evidence generated	Methods	Reference period	Observation period
Examination of medium-term outcomes from 2010 to 2017	<ul style="list-style-type: none"> • Profile of active and former EI claimants in Manitoba • Outcomes by claimant type and by subgroup 	<ul style="list-style-type: none"> • Before and after results of program participation 	2010 to 2012 participants	Up to 12 years (5 years before participation, 1 to 2 years of participation, and up to 5 years after participation)
Estimation of medium-term incremental impacts from 2010 to 2017	<ul style="list-style-type: none"> • Incremental impacts for active and former EI claimants in Manitoba • Incremental impacts by subgroup • Profile and socio-demographic characteristics of participants 	<ul style="list-style-type: none"> • Non-experimental method using propensity score matching in combination with Difference-in-Differences • Statistical profiling 	2010 to 2012 participants	Up to 7 years (1 to 2 years in program, and up to 5 years after participation)
Cost-Benefit Analysis of Employment Benefits and Support Measures in Manitoba	<ul style="list-style-type: none"> • Cost-benefit analysis 	<ul style="list-style-type: none"> • Non-experimental method using propensity score matching in combination with Difference-in-Differences • Cost analysis 	2010 to 2012 participants	5 years post-program for EAS 10 years post-program for SD
Cost-Benefit Analysis: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation in Manitoba	<ul style="list-style-type: none"> • Cost-benefit analysis 	<ul style="list-style-type: none"> • Estimation of adjusted annualized healthcare costs 	2010 to 2012 participants	5 years post-program for EAS 10 years post-program for SD

Evaluation of the Canada-Manitoba Labour Market Development Agreement

Design and delivery of the Employment Partnerships program in Manitoba	<ul style="list-style-type: none"> • Program design and delivery • Challenges and lessons learned 	<ul style="list-style-type: none"> • Non-experimental approach (from cycle II) • Statistical analysis • Document review • 8 semi-structured telephone interviews 	2015 to 2017 participants	2015 to 2019
Design and delivery of the Self-Employment program in Manitoba	<ul style="list-style-type: none"> • Program design, delivery and success • Define outcomes attributed to the program • Fill in knowledge gaps • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Statistical analysis of administrative data • Canadian self-employment literature and statistics • 11 semi-structured telephone interviews • Statistical analysis of administrative data • Survey of Self-Employment participants in Manitoba 	2015 to 2017 participants	2015 to 2020
Design and delivery of the Labour Market Partnerships program in Manitoba	<ul style="list-style-type: none"> • Program design and delivery • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Questionnaire completed the Department of Economic Development, Investment and Trade • <10 key informant interviews 	2018 to 2020	Design and delivery at the time of the data collection
Design and delivery of the Research and Innovation Support measure in Manitoba	<ul style="list-style-type: none"> • Program design and delivery • Challenges and lessons learned 	<ul style="list-style-type: none"> • Document review • Questionnaire completed by provincial program officials 	2017 to 2020	Design and delivery at the time of the data collection