



# Summary: Evaluation of the Canada-Ontario Labour Market Development Agreement

Third evaluation cycle: 2018 to 2023



## Program objectives

The Canada-Ontario Labour Market Development Agreement (LMDA) is a bilateral agreement between Canada and Ontario for the design and delivery of Employment Benefits and Support Measures (EBSMs). The objective of EBSMs is to assist individuals to prepare for, obtain or keep employment.

The following benefits and measures are examined in the evaluation:

- **Skills Development** helps participants obtain employment skills by giving them financial assistance in order to select, arrange and pay for training.
- **Job Placement with Incentive** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Ontario Job Creation Partnerships** support projects that provide eligible participants with opportunities to gain meaningful work experience while providing community benefit.
- **Employment Assistance Services** 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.
- **Labour Market Partnerships** assist employers, communities and/or industries to address their labour force adjustments and human resource needs by enabling employers, employee or employer associations, community groups, and communities to work together to develop or implement strategies.
- **Research and Innovation** supports innovation in the employment and training system and the exploration of new ways to provide employment and training supports for job seekers, workers and employers including for those not currently supported through the LMDA.



## The LMDA investment

In fiscal year 2020 to 2021, Canada transferred \$741 million to Ontario.



## Evaluation objectives

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



## Evaluation methodology

The findings are drawn from 7 separate evaluation studies that use a mix of qualitative and quantitative methods, 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 31 Ontario representatives, service providers, agreement holders and key stakeholders
- Questionnaires
- Document and literature reviews

The incremental impacts are estimated for 2 types of Employment Insurance (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.





## Key findings

Participation in most EBSMs improved labour market attachment and reduced dependence on government income support compared to similar non-participants. This excludes former claimants who participated in Skills Development.

A subgroup analyses shows that, with some exceptions:

- Skills Development and Employment Assistance Services improved the labour market attachment and reduced use of income support for most subgroups of active EI claimant participants.
- Job Placement with Incentive improved the labour market attachment and reduced use of income support for female, male, and youth former claimant participants.
- Ontario Job Creation Partnerships improved the labour market attachment and reduced use of income support for female active claimant participants, but had mixed results for former claimants.

Over time, the benefits accrued by participants and the governments exceed the initial cost of investment in Job Placement with Incentive, Ontario Job Creation Partnerships and Employment Assistance Service. However, it takes 19.1 years to recover the initial investment in Skills Development for active claimants.<sup>1</sup> The investment in Skills Development for former claimants may not be recovered.

The evaluation also found that:

- After participating in Skills Development, apprentices increased their employment earnings and decreased their use of government income support.

- Ontario used Job Creation Partnerships to address various barriers to employment and labour market needs of individuals, employers, and communities.
- Ontario used Labour Market Partnerships programs to assist employers, communities and industries to address their labour force adjustment and human resource needs.
- The Research and Innovation support measure was used by Ontario to enable innovation in the employment and training system and to explore new ways of providing employment and training supports to employers, workers, and job seekers, including those who are not currently supported by other LMDA funded programs and services.



## Recommendations

The evaluation made 2 recommendations.

**Recommendation # 1:** Ontario 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:** Ontario 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.

<sup>1</sup> The cost-benefit analysis for Skills Development is based on the cost of delivering both regular and apprenticeship training. Expenditure information is not available for each intervention type separately. However, the benefits are those that relate solely to participation in regular Skills Development training.