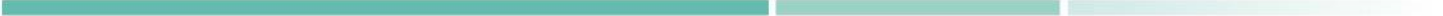




Evaluation of the Canada – Newfoundland and Labrador Labour Market Development Agreement

Final report

August 8, 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
JCP	Job Creation Partnerships
LMDA	Labour Market Development Agreements
NLRI	Newfoundland and Labrador Research and Innovation program
SA	Social assistance
SD	Skills Development

Executive summary

The Canada-Newfoundland and Labrador Labour Market Development Agreement (LMDA) is a bilateral agreement between Canada and Newfoundland and Labrador 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 provinces and territories have to correspond to the EBSM categories defined under the *EI Act*. The following is a short description of the EBSMs examined in the evaluation of the Canada-Newfoundland and Labrador LMDA:

- **Skills Development (SD)** helps participants obtain employment skills by giving them financial assistance in order to attend classroom training.
- **JobsNL** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment Assistance** supports 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.
- **Job Creation Partnerships (JCP)** provide funds to sponsor organizations that implement a community-benefiting project while providing work experiences to EI eligible participants.
- **Employment Assistance Services (EAS)** such as counselling, action planning, help with job search skills, job-finding clubs, job placement services, case management and follow-up, and the provision of labour market information.

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 Newfoundland and Labrador.

The LMDA investment

In fiscal year 2020 to 2021, Canada transferred approximately \$150.3 million (including nearly \$8.9 million in administration funds) to Newfoundland and Labrador.

Evaluation methodology

The findings in this report are drawn from 8 separate evaluation studies carried out at the national 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 29 provincial representatives, service providers, agreement holders and key stakeholders
- Questionnaires completed or validated by provincial officials
- A survey of Self-Employment Assistance participants in Newfoundland and Labrador
- Document and literature reviews

- **Labour Market Partnerships** assist employers, communities or economic sectors and regions to address their labour force adjustments and human resource needs.
- **Newfoundland and Labrador Research and Innovation (NLRI)** provides funding for research and demonstration projects.

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.¹

Nearly 19,200 active and former EI claimants began participating in Canada-Newfoundland and Labrador LMDA programs and services between 2010 and 2012.

Table i provides an overview of the share of funding allocated to EBSMs and the average cost per Action Plan Equivalent for Active EI claimants. 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 Canada-Newfoundland and Labrador LMDA evaluation.

Table i. Share of LMDA funding and average cost per Action Plan Equivalent per participant in Newfoundland and Labrador^{2,3}

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	67%	59%	\$19,517	\$19,424
Employment Assistance Services	13%	12%	\$1,686	\$1,993
Job Creation Partnerships	9%	6%	\$10,984	\$9,999
Self-Employment Assistance	4%	5%	\$34,533	\$35,452
JobsNL	4%	5%	\$11,666	\$11,942

¹ Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on social assistance.

² 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.

³ Labour Market Partnerships and Research and Innovation do not typically have participant specific interventions.

Labour Market Partnerships	3%	11%	n/a	n/a
Research and Innovation	0%	3%	n/a	n/a

Sources: EI Monitoring and Assessment Reports for fiscal years⁴ 2010 to 2011, 2011 to 2012 and 2020 to 2021.
Note: total spending does not add up to 100% due to rounding.

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 increase from 67% to 59%. As well, investments in Labour Market Partnerships increase from 3% to 11% of total allocation.

Effectiveness and efficiency of EBSMs

Main findings:

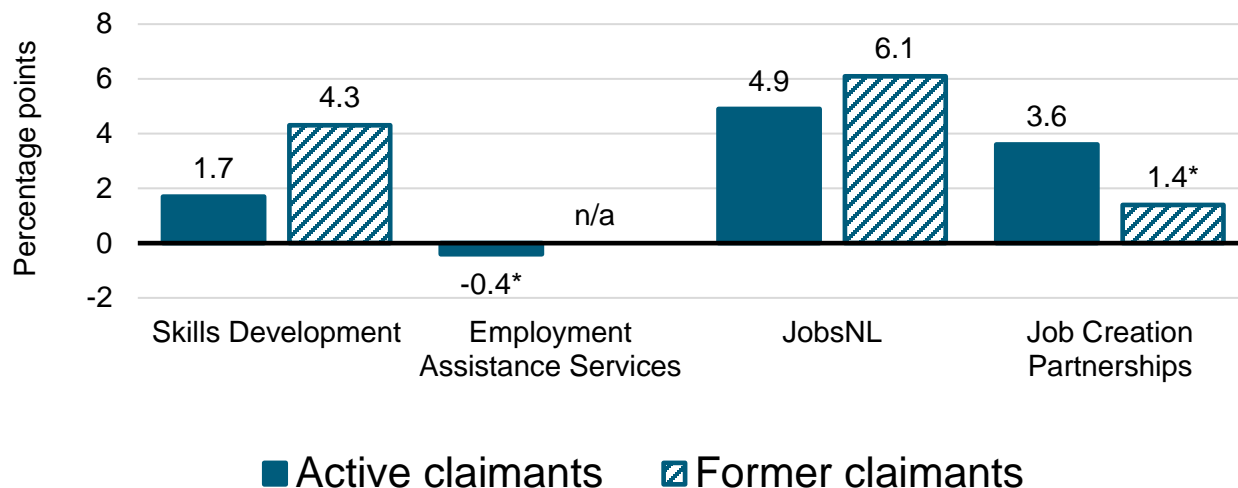
- Overall, incremental impacts demonstrate that active and former claimant participants in SD and active claimants in JobsNL improve their labour market attachment (employment and earnings). They also reduced their dependence on government income support, that is EI and social assistance (SA), compared to similar non-participants.
- Participants in EAS alone have positive impacts on earnings and reduce their dependence on government income supports.
- Active EI claimants in JCP increase in their incidence of employment. However, both active and former claimants decrease their employment earnings and increase their dependence on income supports after participation. 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 improve the labour market attachment and reduce the dependence on income support for most of subgroups of active claimant participants.
- A regional analysis of incremental impacts for SD finds that active and former claimant participants outside of St. John's and former EI claimant participants in St. John's increase their labour market attachment. Active claimants outside of St. John's and former claimants in St. John's also reduce their dependence on government income supports.
- Over time, the social benefits of participating in SD, JobsNL and EAS for active EI claimants exceed the costs of investments for most interventions. However, for former claimants in SD it takes 23.5 years to recover the initial investment, and the investments in JobsNL for former claimants may not be recovered.

Figure 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

⁴ A fiscal year starts on April 1 and ends on March 31.

following participation. For example, participation in SD increases the probability of being employed by 1.7 percentage points for active EI claimant participants relative to non-participants.

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

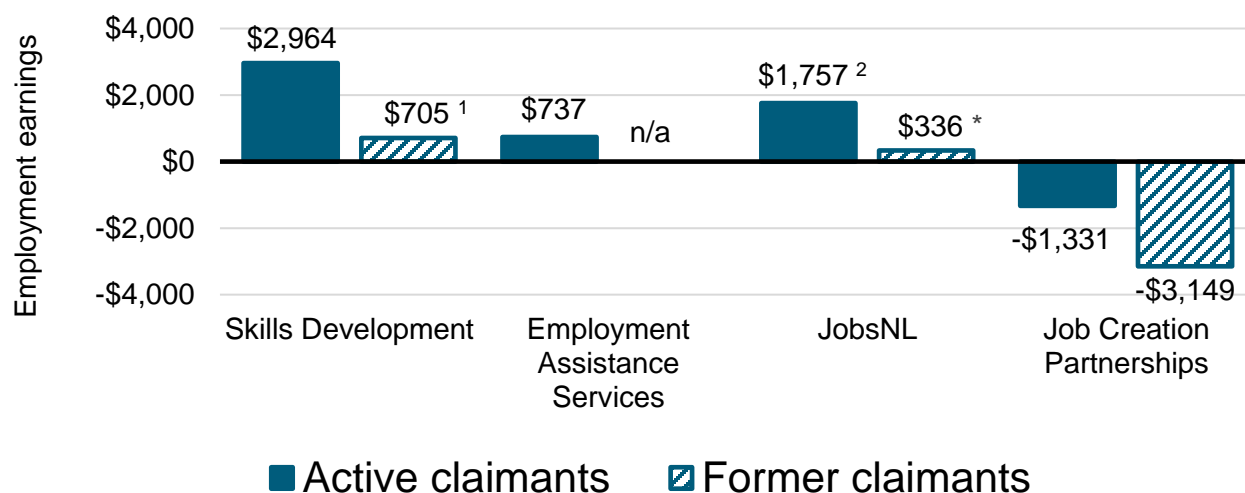


Note: Impacts are estimated over 4 post-program years (or 5 years in the case of EAS).

*The annual average impact is not statistically significant.

Figure ii presents the annual average increase in employment earnings for active and former claimants over the post-participation period. For example, active EI claimants who participate in SD earn, on average, \$2,964 more than similar non-participants.

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



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

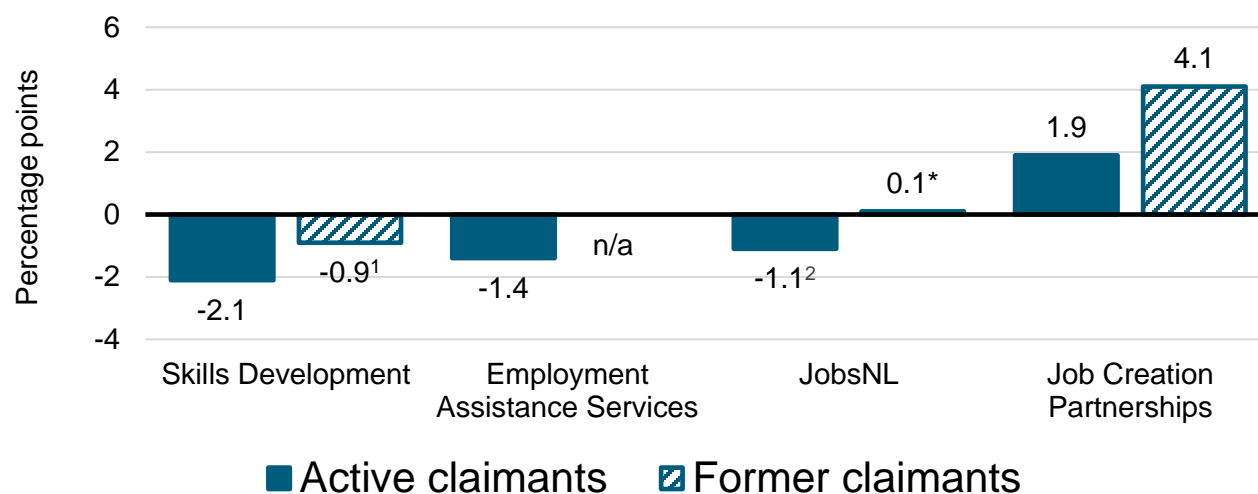
* The annual average impact is not statistically significant.

¹ The annual average impact is not statistically significant over the entire post-program period. However, former EI claimants in SD have a statistically significant increase in their earnings in years 3 and 4 post-program of \$2,096 and \$2,390 respectively.

² The annual average impact is not statistically significant over the entire post-program period. However, active EI claimants in JobsNL have a statistically significant increase in employment earnings in year 4 post-program of \$2,971.

As shown in Figure iii, active claimant participants in SD and EAS reduce their dependence on government income supports, while active and former claimant participants in JCP increase their dependence.

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



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

*The annual average impact is not statistically significant.

¹ The annual average impact is not statistically significant over the entire post-program period. However, former EI claimant participants in SD have a statistically significant decrease in their dependence on government income supports of 2 percentage points in year 1 post-program participation.

² The annual average impact is not statistically significant over the entire post-program period. However, active EI claimant participants in JobsNL decrease their dependence on government income support by 3.2 percentage points in year 1 post-program participation.

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 6 to over 20 years. As well, for the first time, an additional analysis is conducted to estimate the impact of participation in EBSMs on public health care costs.

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

Category	SD active claimants (10 years post-program)	JobsNL active claimants (5 years post-program)	EAS active claimants (5 years post-program)	SD former claimants (10 years post-program)	JobsNL former claimants (5 years post-program)
Payback period (years after end of participation)	10.6	6	7.7	23.5	Benefits may never recover the costs

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 Assistance, JCP, Labour Market Partnerships, and NLRI program.

Most of these interventions are not suitable for incremental impact analysis. For example, Labour Market Partnership, and NLRI 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 Assistance study

The Self-Employment Assistance 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, it was found that 2 to 4 years after program participation:

- Participants increase their employment level by 4 percentage points from 52% in the year before participating to 56% at the time of survey (that is 2 to 4 years after program participation). The increase is mainly due to an increase in the percentage of self-employed participants.
- 45% of survey respondents launched a self-employment business that was still in operation in winter 2020.
- 34% of self-employment businesses were launched in: professional, scientific and technical services; and other services.⁵
- 69% of respondents said they were financially about the same or better off after the program when compared to before they started the Self-Employment Assistance program.
- 67% of respondents said that their household net worth was about the same or higher when compared to before they started the program.

The survey examined the contribution of the program to the success of self-employment businesses. At least 71% of survey respondents who launched a self-employment business rated the services and training they received as very or somewhat important to the business launch, operation and success. The most highly ranked services were:

⁵ Services include establishments engaged in repairing, or performing maintenance on motor vehicles, machinery and equipment, providing personal care services, funeral services, laundry services, and pet care services.

- Financial assistance through a living allowance while in the program
- Financial assistance for business start-up
- Assistance with business plan development
- Financial management training
- Training on marketing

Job Creation Partnership study

The JCP program in Newfoundland and Labrador is designed to address a variety of barriers to employment experienced by its citizens (for example, lack of work experience). JCP can also be used to address labour market needs by prioritizing individuals farthest away from labour market participation, economic sectors in demand and communities experiencing high levels of unemployment.

In addition to gaining valuable work experience, key informants identified a variety of other benefits that can be expected from JCP projects. By participating in a project, individuals are expected to gain networking opportunities, enhance soft-skills and improve their personal well-being. At the community level, JCP projects can support the local economy, provide new/restored assets or services, and inspire community cohesion and pride.

Labour Market Partnerships study

The Labour Market Partnerships program aims to encourage, support and facilitate labour force adjustments and human resource planning activities that are in the public interest. Specifically, Labour Market Partnerships provides funding to encourage and support employers, employee/employer associations and communities in developing and implementing strategies for responding to labour force adjustments and meeting human resource requirements.

Labour Market Partnerships projects target current and forecasted skills and labour shortages. These projects also target specific unemployed populations (for example, youth, Indigenous peoples, and newcomers to Canada).

Program officials in Newfoundland and Labrador carried out activities that include supporting the formation and maintenance of partnerships, promotion of the program to potential project holders, learning about labour market issues from sector/industry and community groups, and sharing program information and experience with other areas or regions in Newfoundland and Labrador.

Newfoundland and Labrador Research and Innovation study

The NLRI program provides funding for research and demonstration projects that aim to:

- Address specific labour market issues
- Research questions related to strategic priorities.
- Support practical research and design projects that identify innovative or better ways of helping Newfoundland and Labrador residents prepare for, find, return to, or maintain sustainable employment

- Provide support for research studies, service delivery improvements and model testing

Funded organizations include non-profit organizations and educational institutions.

Documents reviewed reveal that NLRI program projects encompass a variety of activities including:

- Delivering a customized 17-week training pilot project based on a literature review for increase employment in the aquaculture sector
- Co-designing 2 pilot projects to test employability models in response to key priorities identified by stakeholders, in terms of youth pathways to local employment

In relation to factors contributing to successful testing and identification of innovative approaches, program officials highlight the importance of:

- Partnerships in content and process of co-design
- Engaging and analysing local employers to align training with employer needs
- Tailoring training to participants
- Flexibility in ensuring co-design remains responsive and relevant

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 \$18,969 in the fifth year pre-program to \$61,055 in the fifth year after the program start year. Former EI claimants increase their average earnings after the program start year their average earnings from \$14,253 in the fifth year pre-program to \$61,907 in the fifth year after the program start year. 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 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.

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 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.

Two key recommendations for Newfoundland and Labrador emerge:

Recommendation #1: Newfoundland and Labrador 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 Employment and Social Development Canada (ESDC), at the bilateral or multilateral levels as well as with service delivery network if necessary.

Recommendation #2: Newfoundland and Labrador 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

Recommendation #1: Newfoundland and Labrador 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.

Management Response:

- Newfoundland and Labrador agrees that ESDC and the provinces should agree to share and discuss lessons learned, best practices and challenges associated with the design and delivery of EI-funded provincial/territorial programming.
- Newfoundland and Labrador has provided examples of best practices and lessons learned as part of the LMDA and Workforce Development Agreements' Annual Performance reports.
- Newfoundland and Labrador's report and input for the EI monitoring and Assessment Report details examples of Employment Benefits and Support Measures in action. These examples provide the opportunity to display unique, regionally-specific programming and services.
- Data provided by ESDC through Data Gateway has also helped assist with strategic planning for program delivery. The province has a positive, collaborative working relationship with ESDC and participates in the Labour Market Transfer Agreements' bilateral and multi-lateral calls as well as through the work of the Forum of Labour Market Ministers.

Recommendation #2: Newfoundland and Labrador 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/territorial levels.

Management Response:

- Newfoundland and Labrador is in agreement with the above recommendation. ESDC and provinces /territories should pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial/territorial levels.
- As per the requirements of the Performance Measurement Strategy, Newfoundland and Labrador, made changes to its Labour Market Programs Support System as well as those of our Community Partners who utilize the Accountability Resource Management System.
- The required data elements are uploaded monthly via data gateway. As a result, P14 data has shown significant increases in the number of Support Measure Interventions tracked since the Implementation of the Performance Measurement Strategy.
- Newfoundland and Labrador has participated in bilateral calls with ESDC to discuss Systems, Data Exchange, Target Referral and Feedback, and anonymized EI part I data. In 2019, there were regular bilateral meetings scheduled to discuss systems and data exchange. These meetings were scheduled to occur the third Friday of every month. With the onset of the pandemic, these meetings did not occur as often as was expected. In fall 2022, ESDC requested scheduling bi-monthly meetings with Newfoundland and Labrador. The first of these occurred on November 2, 2022.

1. Introduction

Employment and Social Development Canada (ESDC) worked jointly with Newfoundland and Labrador and 11 other provinces and territories to undertake the 2018 to 2023 third cycle for the Labour Market Development Agreement (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 Newfoundland and Labrador, this report presents a summary of findings from 8 separate studies.

2. Labour Market Development Agreements

The LMDAs are bilateral agreements between Canada and each province and territory for the design and delivery of EBSM programs and services. They were established under Part II of the 1996 *Employment Insurance (EI) Act*.

In fiscal year 2020 to 2021, Canada transferred nearly \$150 million to Newfoundland and Labrador.⁶ Under the agreement, Newfoundland and Labrador 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**^{7,8} fall into 4 sub-categories: Skills Development, JobsNL, Job Creation Partnerships, and Self-Employment Assistance
- **Support measures** fall into 3 subcategories: Employment Assistance Services,⁹ Labour Market Partnerships, and Newfoundland and Labrador Research and Innovation program

Newfoundland and Labrador has the flexibility to adapt EBSMs to its provincial context as long as they are consistent with Part II of the *EI Act*.¹⁰

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)** provides direct financial assistance to individuals to select, arrange, and pay for training. Training is tailored to the needs of participants through counselling and career orientation. It can include adult-based education, literacy and essential skills, language training, short-term training and occupational training leading to certification from an accredited institution. Training duration averages close to a year.

⁶ Employment and Social Development Canada. (2022). 2020 to 2021 EI Monitoring and Assessment Report.

⁷ 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.

⁸ 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.

⁹ Employment Assistance Services are available to all Canadians.

¹⁰ Employment and Social Development Canada (2012). Labour Market Development Agreements Process for Determination of Similarity (internal document).

- **JobsNL¹¹** subsidizes the wages of individuals whom employers would not ordinarily hire. The subsidies can range in duration from 10 to 28 weeks, with the maximum level of the subsidy ranging from 60% to 80% of the employee's wage.
- **Job Creation Partnerships (JCP)¹²** support community-oriented projects that provide eligible participants with opportunities to gain meaningful work experience. Participants can take part in a finite project for up to 52 weeks.
- **Self-Employment Assistance** assists participants in creating employment for themselves by providing them with a range of services including assistance with business plan development, counselling, coaching and mentoring, and entrepreneurial training.

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 1 day, but a participant may receive multiple short interventions over a few weeks. These services are generally provided in combination with more intensive interventions.
- **Labour Market Partnerships** assist employers, communities or economic sectors and regions to address their labour force adjustments and human resource needs. They include a wide range of funded activities, such as:
 - Engagement
 - Labour market and human resource research
 - Development, piloting and evaluation of workforce strategies
 - Labour force adjustment including skills development of workers facing a loss of employment
 - Building awareness about the labour market information
 - Sharing labour market and human resource information
- **Newfoundland and Labrador Research and Innovation (NLRI)** 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.

¹¹ The national EBSM name for JobsNL is Targeted Wage Subsidies.

¹² Incremental impacts could not be produced for active claimant participants in JCP due to low numbers of participants.

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.¹³

Table 1 provides an overview of the share of funding allocated to EBSMs and the average cost per participant. 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.

From the 2010 to 2012 time period to the 2020 to 2021 fiscal year, investments in SD decrease by 8 percentage points and those in JCP decrease by 3 percentage points. The largest increases in funding are noted for Labour Market Partnerships (+8 percentage points) and NLRI program (+3 percentage points).

Table 1. Share of LMDA funding and average cost per Action Plan Equivalent in Newfoundland and Labrador^{14,15}

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	67%	59%	\$19,517	\$19,424
Employment Assistance Services	13%	12%	\$1,686	\$1,993
Job Creation Partnerships	9%	6%	\$10,984	\$9,999
Self-Employment Assistance	4%	5%	\$34,533	\$35,452
JobsNL	4%	5%	\$11,666	\$11,942
Labour Market Partnerships	3%	11%	n/a	n/a
Newfoundland and Labrador Research and Innovation program	0%	3%	n/a	n/a

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

Note: Total spending do not add up to 100% due to rounding.

¹³ Former claimants can be underemployed and unable to requalify for EI, out of the labour force for various reasons or on SA.

¹⁴ 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.

¹⁵ Labour Market Partnerships and NLRI program do not typically have participant specific interventions.

3. Methodology

This section presents key aspects of the quantitative 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 up to 100% of participants in Newfoundland and Labrador who began their EBSM participation in 2010 to 2012.

The 2010 to 2012 timeframe was selected in order 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 analysis¹⁶

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.

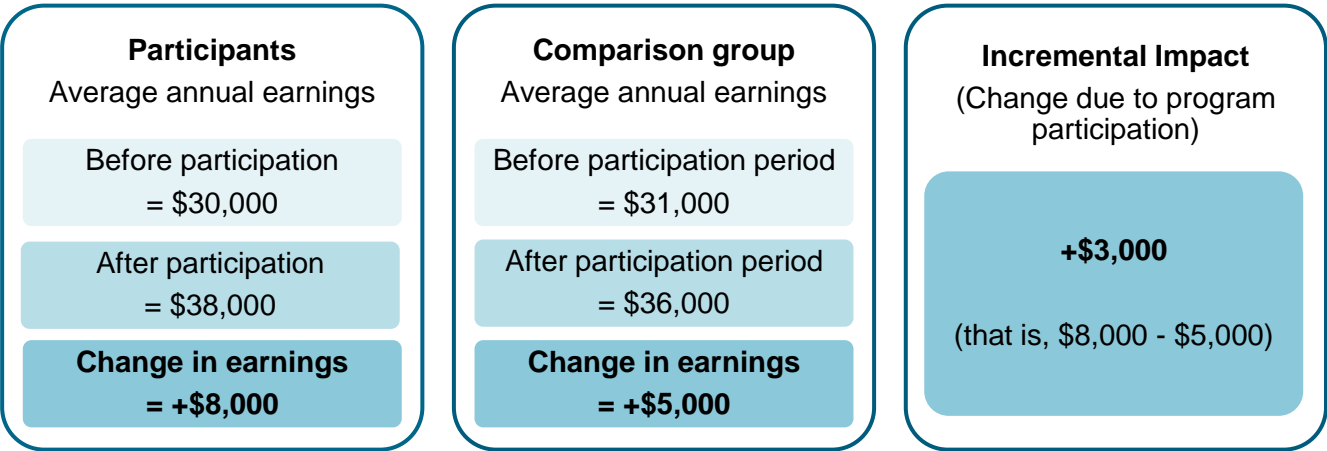
In Newfoundland and Labrador, incremental impacts were estimated for active and former EI claimant participants in SD, JobsNL and JCP, and active EI claimant participants in EAS.

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.

¹⁶ 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).

Figure 1. Example of the incremental impact calculation



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 in order to validate the impact estimates.

As for previous LMDA evaluation studies, the Action Plan Equivalent is the unit of analysis used. Action Plan Equivalents regroup all EBSMs received by an individual within less than 6 months between the end of one EBSM and the start of the next. Action Plan Equivalents are categorized based on the longest EBSM they contain, except for EAS-only Action Plan Equivalents which include only EAS interventions.

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 EI claimants who were eligible to, but did not, participate in LMDA-funded EBSMs during the reference period.

For **former claimants**, the comparison group was created using individuals who participated in EAS only during the reference period.¹⁷ In other words, the experience of former claimants in SD, JobsNL and JCP interventions is compared to the experience of former claimants who only received EAS. This is a conservative approach given the fact that participation in EAS-only interventions 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.

¹⁷ 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.

Impacts are generated over 4 years for SD, JCP and JobsNL, while a fifth year is estimated for participants in EAS.¹⁸

3.2 Factors accounted for in the cost-benefit analysis^{19,20}

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 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.²¹ The program costs were calculated using information available in the EI Monitoring and Assessment Reports.

Relative to the previous cycle of evaluation, the methodology has been extended to incorporate one of the indirect health benefits associated with increase 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.

¹⁸ 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.

¹⁹ 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.

²⁰ 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.

²¹ 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.

Data on average public healthcare 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.

Program costs are measured using information on LMDA expenditures and new interventions reported in the EI Monitoring and Assessment Report. Other costs and benefits are assessed using integrated administrative data from the EI Part I and II databank and the Canada Revenue Agency.

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.
- **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 EI 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 from 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 increase confidence in the incremental impact estimates. However, 1 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 and could be estimated with the available administrative data. It is furthered 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 provincial 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-terms incremental impacts from 2010 to 2017
- Cost-Benefit Analysis of Employment Benefits and Support Measures in Newfoundland and Labrador
- Cost-Benefit Analysis: Incorporating Public Health Care Costs Savings in the Context of the Labour Market Programs Evaluation
- Design and delivery of the Labour Market Partnerships program in Newfoundland and Labrador
- Design and delivery of the Self-Employment Assistance in Newfoundland and Labrador
- Design and delivery of the Job Creation Partnerships program in Newfoundland and Labrador
- Design and delivery of the Research and Innovation support measure

Using a mix of qualitative and quantitative methods, these studies examine issues related to program effectiveness, efficiency, and design/delivery. Appendix A presents an overview of each study.

4. Evaluation findings

4.1 Profile of participants

Nearly 19,200 EI active and former claimants participated in LMDA programs and services between 2010 and 2012 in Newfoundland and Labrador. The profile of participants is presented in Table 2. Information about their educational attainment, occupation and industry are based on the last job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

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

Categories	Active claimants	Former claimants
Number of participants	12,281	6,879
Gender	Female = 55% Male = 45%	Female = 60% Male = 40%
Age	30 and under = 39% 31 to 54 = 51% 55 and over = 11%	30 and under = 41% 31 to 54 = 49% 55 and over = 11%
Sociodemographic group	Indigenous people = 5% Persons with disabilities = 2% Visible minorities = 1%	Indigenous people = 6% Persons with disabilities = 2% Visible minorities = 1%
Marital status	Married or common-law = 43% Single = 47% Widow / divorced / separated = 8%	Married or common-law = 39% Single = 48% Widow / divorced / separated = 9%
Education or skills level	High school or occupational training = 36% On-the-job training = 33% College, vocational education or apprenticeship training = 24% University degree = 2%	High school or occupational training = 37% On-the-job training = 34% College, vocational education or apprenticeship training = 23% University degree = 3%
Top 3 occupational groups	Other manual workers = 23% Intermediate sales and service personnel; Semi-skilled manual workers = 14% each Skilled crafts and trades workers = 11%	Other manual workers = 20% Intermediate sales and service personnel = 17% Other sales and service personnel = 13%

Top 3 industries	Manufacturing = 14% Construction = 13% Retail trade = 12%	Retail trade = 14% Manufacturing; Construction = 11% each Accommodation and food services = 10%
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Note: Values may not equal 100% due to rounding or missing information.

As presented in Table 3, in the year before program participation, former EI claimants had lower levels of employment and earnings than active claimants. Former claimants also had 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	\$18,614	\$10,292
Percentage employed	98%	79%
Percentage on SA	5%	13%

4.2 Incremental impacts for active and former EI claimants

Main findings

Overall, incremental impacts demonstrate that:

- Active and former EI claimant participants in SD and active EI claimants in JobsNL strengthen their labour market attachment through increases in incidence of employment and employment earnings. They also reduce their dependence on government income support (that is, EI and SA) compared to similar non-participants.
- Active EI claimant participants in EAS increase their employment earnings and reduce their dependence on government income supports.
- Active EI claimant participants in JCP increase their incidence of employment. However, both active and former claimants experience decreases in their employment earnings and increase their dependence on income supports following JCP participation.

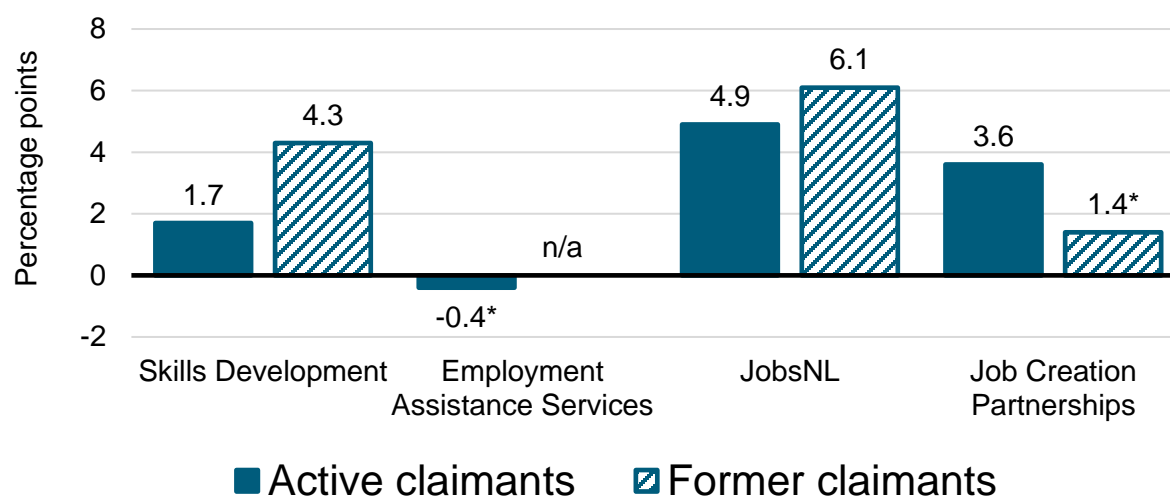
The incremental impact results presented below are generally consistent with those found as part of the second LMDA evaluation cycle.

Incidence of employment

Figure 2 presents the incremental impacts on the incidence of employment for active and former claimants by type of program.²² The estimates can be interpreted as a change in the probability of being employed following participation.

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

Figure 2. Change in probability of being employed in participants relative to non-participants (annual average)



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

*The annual average impact is not statistically significant.

Employment earnings

Figure 3 presents the average annual change in employment earnings for active and former EI claimants in the post-participation period.

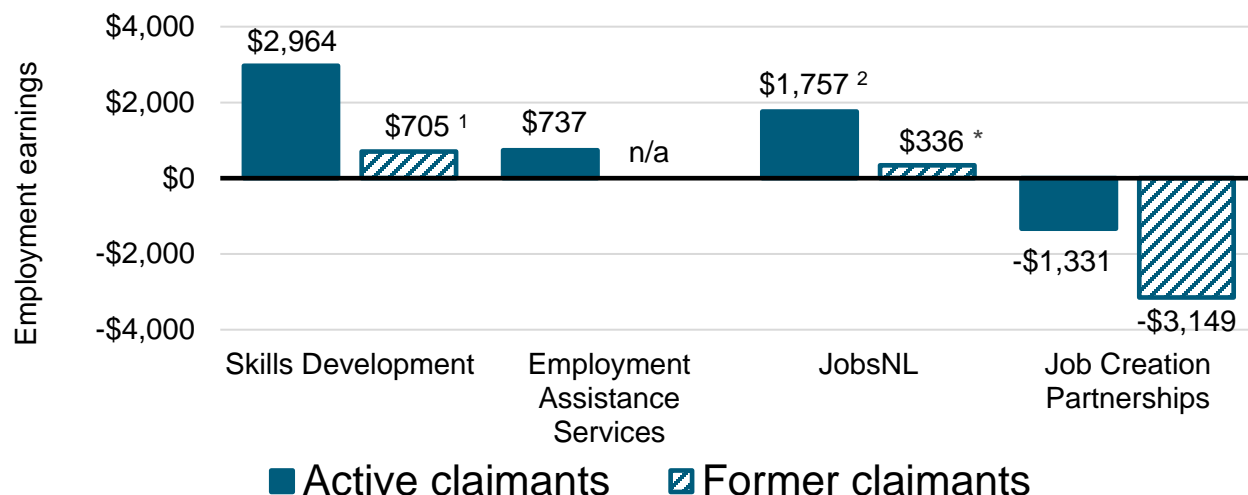
- Active EI claimant participants in SD and EAS increase their average annual employment earnings compared to similar non-participants.
- Former EI claimants in SD and active EI claimants in JobsNL experienced positive, but not statistically significant positive impacts on their average annual employment earnings relative to similar non-participants.
 - While the impacts are not statistically significant for the entire post-program period, former claimants in SD experience a statistically significant increase in earnings in year 3 (+\$2,096) and

²² An individual is considered employed if they earned more than \$1 from employment or self-employment in a calendar year.

year 4 (+\$2,390) post-program participation. Active claimants in JobsNL experience a statistically significant increase in year 4 (+\$2,971) post-program participation.

- Active and former EI claimants in JCP have lower employment earnings relative to similar non-participants.

Figure 3. Employment earnings of participants relative to non-participants (annual average)



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

* The annual average impact is not statistically significant.

¹ The annual average impact is not statistically significant over the entire post-program period. However, former EI claimants in SD have a statistically significant increase in their earnings in years 3 and 4 post-program of \$2,096 and \$2,390 respectively.

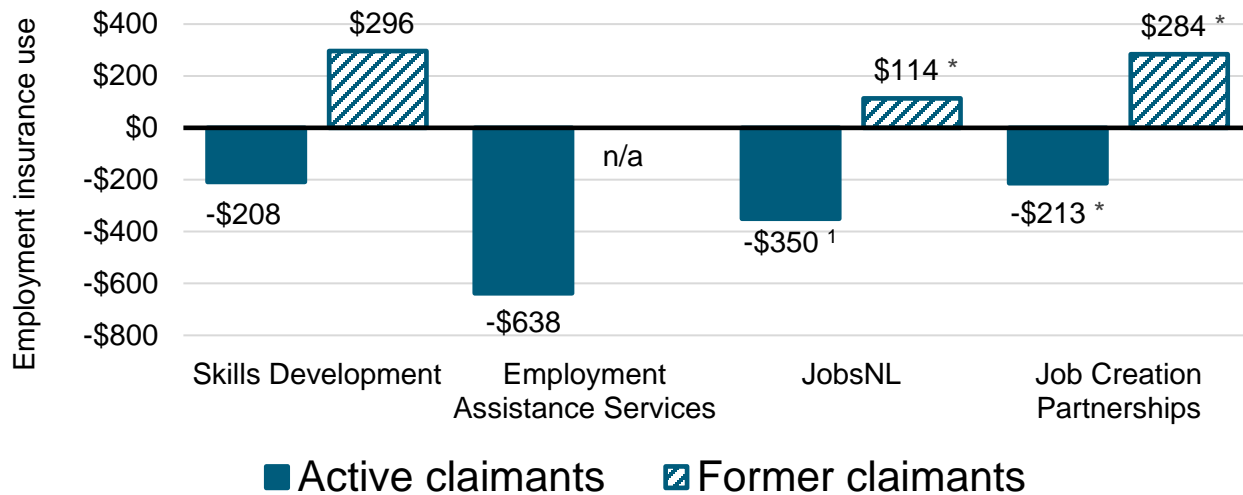
² The annual average impact is not statistically significant over the entire post-program period. However, active EI claimants in JobsNL have a statistically significant increase in employment earnings in year 4 post-program of \$2,971.

Use of EI benefits

Figure 4 presents the annual average incremental impacts on the use of EI benefits for active and former EI claimant participants.

- Active EI claimant participants in SD and EAS reduce their use of EI benefits in the post-program period compared to similar non-participants.
- Active claimants who participated in JobsNL reduced their use of EI benefits, however, the impact was not statistically significant for the entire post-program period. A statistically significant decrease was found (-\$606) in year 1 post-program participation.
- Former EI claimant participants in SD increase their use of EI compared to similar participants who only receive EAS.
 - The increase in EI use is consistent with previous evaluations and is not necessarily a negative impact for former EI claimant participants in SD given their increase in incidence of employment. Following participation, former claimants are likely to requalify for EI benefits due to their stronger labour market attachment.

Figure 4. Change in the use of EI benefits (annual average)



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

*The annual average impact is not statistically significant.

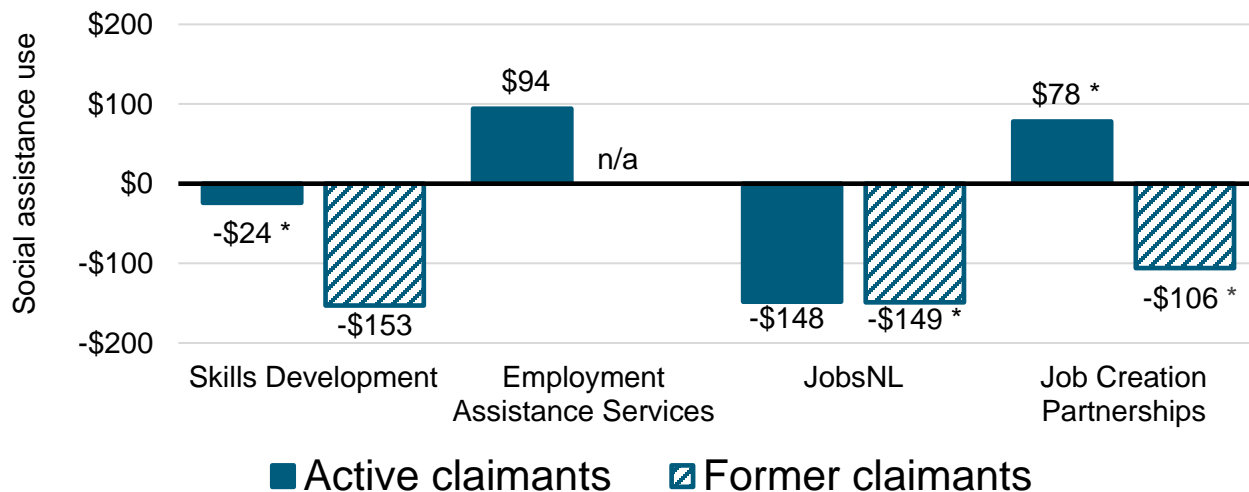
¹ The annual average impact is not statistically significant over the entire post-program period. However, active EI claimant participants in JobsNL have a statistically significant decrease in the use of EI benefits of \$606 in year 1 post-program participation.

Use of SA benefits

As shown in Figure 5, former EI claimants in SD and active EI claimants in JobsNL decrease their use of SA benefits in the post-program period.

Active EI claimants in EAS services increase their use of SA benefits in the post-program period compared to similar non-participants.

Figure 5. Change in the use of SA benefits (annual average)



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

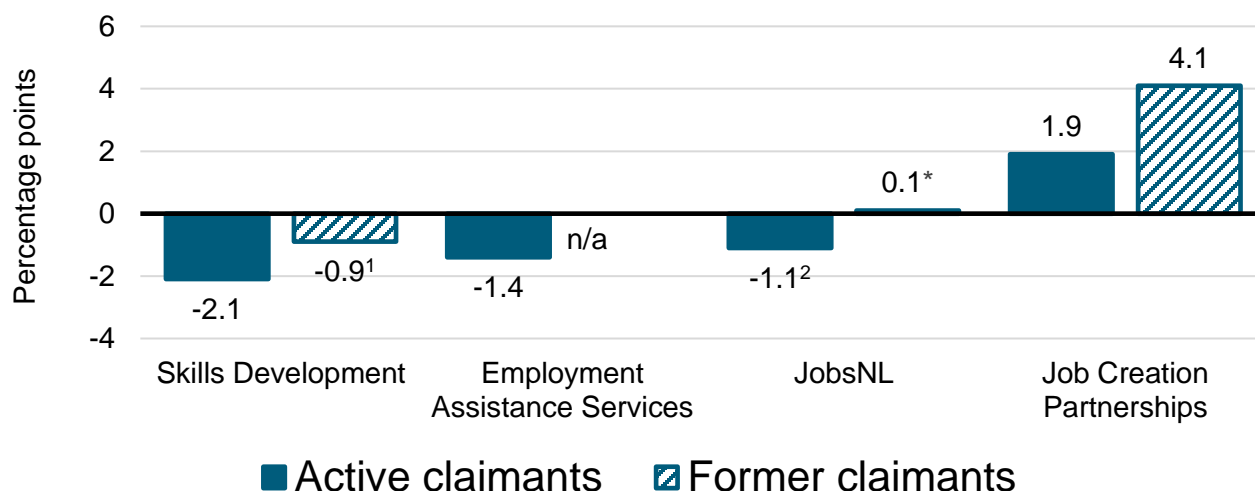
*The annual average impact is not statistically significant.

Dependence on income support

Figure 6 presents the average annual results for dependence on income supports for active and former EI claimants in the post-program period.

- Active EI claimant participants in SD and EAS reduce their dependence on government income support (combined EI and SA benefits) relative to similar non-participants.
- Active claimants in JobsNL and former claimants in SD also reduce their dependence on income supports, however, the impact is not statistically significant for the entire post-program period.
 - Both active claimants in JobsNL and former claimants in SD experience statistically significant decreases in dependence on income supports in year 1 post-program period (-3.2 and -2 percentage points respectively).
- Active and former EI claimant participants in JCP increase their dependence on government income supports in the post-program period relative to similar non-participants.

Figure 6. Change in dependence on government income support (annual average)



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

*The annual average impact is not statistically significant.

¹ The annual average impact is not statistically significant over the entire post-program period. However, former EI claimant participants in SD have a statistically significant decrease in their dependence on government income supports by 2 percentage points in year 1 post-program participation.

² The annual average impact is not statistically significant over the entire post-program period. However, active EI claimant participants in JobsNL decrease their dependence on government income support by 3.2 percentage points in year 1 post-program participation.

4.3 Incremental impacts by subgroups of participants

Main findings: The subgroup analysis shows that with some exceptions, SD and EAS improve the labour market attachment and reduce the dependence on income support for most of subgroups of active claimant participants.

Female participants

Between 2010 and 2012, nearly 11,200 of the participants in Canada-Newfoundland and Labrador LMDA-funded programs and services were female, representing about 58% 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 benefits. Information about sociodemographic groups is self-reported.

Table 4. Profile of female active and former EI participants in Newfoundland and Labrador in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	7,061	4,095
Age	30 and under = 39% 31 to 54 = 52% 55 and over = 10%	30 and under = 41% 31 to 54 = 50% 55 and over = 9%
Sociodemographic group	Indigenous people = 4% Persons with disabilities = 1%	Indigenous people = 5% Persons with disabilities = 1%
Marital status	Married or common-law = 44% Single = 44% Widow / divorced / separated = 10%	Married or common-law = 44% Single = 43% Widow / divorced / separated = 10%
Education or skills level	High school or occupational training = 42% On-the-job training = 29% College, vocational education or apprenticeship training = 21% University degree = 3%	High school or occupational training = 43% On-the-job training = 30% College, vocational education or apprenticeship training = 19% University degree = 3%
Top 3 occupational groups	Intermediate sales and service personnel = 22% Other manual workers = 15% Other sales and service personnel = 13%	Intermediate sales and service personnel = 24% Other sales and service personnel = 17% Other manual workers = 13%
Top 3 industries	Retail trade = 15% Accommodation and food services = 12% Manufacturing = 11%	Retail trade = 16% Accommodation and food services = 13% Healthcare and social assistance = 10%

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

Main findings:

- Female active and former claimants in SD improve their labour market attachment through increases in incidence of employment and employment earnings. Female active claimants also decrease their dependence on government income supports (that is the combination of EI and SA benefits).
- Female active claimants in EAS increase their employment earnings and decrease their dependence on government income supports following participation.
- Female former claimants in SD, as well as active and former claimants in JobsNL and JCP all increase their incidence of employment following participation. However, JCP participants also increase their dependence on incomes supports.

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

- Female active claimants in SD have higher annual average earnings (+\$3,003 per year) and incidence of employment (+2.4 percentage points). They also lower their reliance on government income supports (-2.7 percentage points), due to their lesser use of SA benefits (-\$113 per year).
- Female former EI claimants in JCP have higher incidence of employment (+4.9 percentage points). However, these female participants also increase their reliance on government supports (+5 percentage points), mainly due to their increased use of EI benefits (+\$517 per year).

Table 5. Incremental impacts for female participants (annual average)

Indicator	SD active claimants	SD former claimants	JobsNL active claimants	JobsNL former claimants	JCP active claimants	JCP former claimants	EAS active claimants
Incidence of employment (percentage points)	2.4***	5.8***	3.9*	8.8***	7.3***	4.9**	0.8
Employment earnings (\$)	3,003***	896 ¹	455	-201	317	-1,439	2,766***
EI benefits (\$)	-153	429***	-39	695**	72	517**	-564***
SA benefits (\$)	-113**	-229**	-35	-466***	111	-166	-31
Dependence on income support (percentage points)	-2.7***	-1.5	1.8	1	2.9**	5***	-3.3***
n=	2,524	1,163	421	333	776	668	3,285

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 The annual average impact is not statistically significant over the entire post-program period. However, former claimants in SD decrease their earnings by \$2,201*** in year 1 post-program participation, but then increase their earnings by \$2,743*** and \$3,095*** in years 3 and 4 respectively during the post-participation period.

Male participants

Between 2010 and 2012, nearly 8,500 of the participants in Canada-Newfoundland and Labrador LMDA-funded programs and services were male, representing about 43% of participants.

The profile of male participants is presented in Table 6. It includes their age, sociodemographic group, and marital status, educational attainment, occupation and industry. Information about their educational attainment, occupation and industry is based on the last 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 Newfoundland and Labrador in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	5,760	2,784
Age	30 and under = 39% 31 to 54 = 49% 55 and over = 12%	30 and under = 41% 31 to 54 = 46% 55 and over = 13%
Sociodemographic group	Indigenous people = 6% Persons with disabilities = 2%	Indigenous people = 9% Persons with disabilities = 4%
Marital status	Married or common-law = 40% Single = 51% Widow / divorced / separated = 6%	Married or common-law = 33% Single = 56% Widow / divorced / separated = 7%
Education or skills level	High school or occupational training = 29% On-the-job training = 39% College, vocational education or apprenticeship training = 28% University degree = 2%	High school or occupational training = 28% On-the-job training = 39% College, vocational education or apprenticeship training = 29% University degree = 2%
Top 3 occupational groups	Other manual workers = 33% Semi-skilled manual workers = 21% Skilled crafts and trades = 19%	Other manual workers = 31% Skilled crafts and trades = 19% Semi-skilled manual workers = 17%
Top 3 industries	Construction = 21% Manufacturing = 19% Retail trade = 9%	Construction = 20% Manufacturing = 15% Retail trade = 9%

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

Main findings:

- Male active claimant participants in SD increase their employment earnings and decrease their dependence on government income support (that is, the combined use of EI and SA benefits).
- Following JCP participation, male former claimants decrease their employment earnings and increase their reliance on government income supports. In general, findings for other active and former claimant participants are mixed and not statistically significant.

Table 7 presents detailed incremental impacts for male participants.

For example, the results reveal that:

- Male active claimants in SD have higher annual earnings (+\$4,029 per year) compared to similar non-participants. These male participants also reduce their use of government income support (-2 percentage points), mostly due to their lesser use of EI benefits (-\$271 per year).
- Male former claimants in JCP have lower annual earnings (-\$6,010 per year) relative to similar participants in EAS only. They also increase their dependence on government income support (+5.8 percentage points).

Table 7. Incremental impacts for male participants (annual average)²³

Indicator	SD active claimants	SD former claimants	JCP active claimants	JCP former claimants	EAS active claimants
Incidence of employment (percentage points)	0.8	0.4	1	-4	0.2
Employment earnings (\$)	4,029***	-293	-472	-6,010***	733
EI benefits (\$)	-271*	42	-368	53	-463***
SA benefits (\$)	49	-67	-62	94	78***
Dependence on income support (percentage points)	-2***	0	-1.2	5.8***	-0.6
n=	2,496	689	550	571	2,378

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).

²³ Incremental impacts are not estimated for male active and former claimant participants in JobsNL due to the low number of participants.

Youth participants

Between 2010 and 2012, nearly 7,800 of the participants in Canada-Newfoundland and Labrador LMDA-funded programs and services were 30 years of age or younger when they began participating in their program, representing about 41% of participants.

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

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

Categories	Active claimants	Former claimants
Number of participants	4,978	2,798
Gender	Female = 55% Male = 45%	Female = 59% Male = 41%
Sociodemographic group	Indigenous people = 5% Persons with disabilities = 2%	Indigenous people = 8% Persons with disabilities = 2%
Marital status	Married or common-law = 16% Single = 80% Widow / divorced / separated = 2%	Married or common-law = 20% Single = 75% Widow / divorced / separated = 2%
Education or skills level	High school or occupational training = 36% On-the-job training = 37% College, vocational education or apprenticeship training = 22% University degree = 3%	High school or occupational training = 38% On-the-job training = 36% College, vocational education or apprenticeship training = 20% University degree = 3%
Top 3 occupational groups	Other manual workers = 24% Intermediate sales and service personnel = 15% Other sales and service personnel = 13%	Other manual workers = 19% Intermediate sales and service personnel; Other sales and service personnel = 17% each Semi-skilled manual workers = 11%
Top 3 industries	Retail trade = 16% Construction = 15% Manufacturing = 12%	Retail trade = 17% Accommodation and food services = 12% Construction = 11%

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

Main findings:

- Youth active claimant participants in SD improve their labour market attachment through increases in their incidence of employment and employment earnings. They also decrease their dependence on income supports.
- Youth active claimants in EAS are also found to increase their employment earnings following participation. Both groups also decrease their dependence on government income support (that is, the combined use of EI and SA benefits).
- The findings for SD former claimants are mixed and not statistically significant.

Table 9 presents the detailed incremental impacts for youth participants.

For example, the results reveal that:

- Youth active claimant participants in SD have higher annual earnings (+\$2,703 per year) and incidence of employment (+2.9 percentage points) relative to similar non-participants. They also have a lower dependence on income support following participation (-1.8 percentage points).
- Youth active claimants who participate in EAS have higher annual earnings (+\$1,629 per year). They also lower their dependence on government income supports (-2.4 percentage points), by decreasing their use of EI (-\$356) and SA (-\$113) benefits.

Table 9. Incremental impacts for youth participants²⁴

Indicator	SD active claimants	SD former claimants	EAS active claimants
Incidence of employment (percentage points)	2.9***	1.8	0.2
Employment earnings (\$)	2,703***	-701	1,629**
EI benefits (\$)	-117	263	-356***
SA benefits (\$)	-22	-133	-113**
Dependence on income support (percentage points)	-1.8***	-0.9	-2.4***
n=	2,535	978	2,001

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).

²⁴ Incremental impacts are not produced for JobsNL and JCP due to small sample sizes.

Older worker participants

Between 2010 and 2012, nearly 2,100 of the participants in Canada-Newfoundland and Labrador LMDA-funded programs and services were 55 years of age or older when they began their program, representing about 11% of participants.

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

Table 10. Profile of older worker active and former EI claimant participants in Newfoundland and Labrador in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	1,358	739
Gender	Female = 51% Male = 49%	Female = 52% Male = 48%
Sociodemographic group	Indigenous people = 4% Persons with disabilities = 1%	Indigenous people = 4% Persons with disabilities = 2%
Marital status	Married or common-law = 73% Single = 13% Widow / divorced / separated = 12%	Married or common-law = 69% Single = 14% Widow / divorced / separated = 15%
Education or skills level	High school or occupational training = 33% On-the-job training = 36% College, vocational education or apprenticeship training = 25% University degree = 2%	High school or occupational training = 32% On-the-job training = 35% College, vocational education or apprenticeship training = 27% University degree = 3%
Top 3 occupational groups	Other manual workers = 29% Semi-skilled manual workers = 18% Skilled crafts and trade workers = 13%	Other manual workers = 24% Intermediate sales and service personnel; Skilled crafts and trade workers = 15% each Semi-skilled manual workers = 14%
Top 3 industries	Manufacturing = 20% Other services (except public administration) = 14% Public administration = 12%	Manufacturing = 16% Construction; Other services (except public administration) = 12% each Public administration = 10%

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

Main findings:

- Active EI claimant older workers in EAS improve their labour market attachment through increases in the incidence of employment and employment earnings. However, they also have a higher reliance on government income support following participation, in part due to higher use of SA benefits.
- JCP active claimants improve their incidence of employment following participation, however, other findings are mixed and not statistically significant.

Table 11 presents the detailed incremental impacts for older worker participants.

For example, the results reveal that:

- Active claimants in EAS have higher annual average earnings (+\$2,508 per year) and incidence of employment (+7.3 percentage points) compared to similar non-participants. They also increase their dependence on government income supports (+2.7 percentage points), in part due to increases in the use of SA benefits (+\$175 per year).
- Active claimant participants in JCP increase their incidence of employment relative to similar non-participants.

Table 11. Incremental impacts for older worker participants²⁵

Indicator	JCP active claimants	EAS active claimants
Incidence of employment (percentage points)	7.4***	7.3***
Employment earnings (\$)	-250	2,508***
EI benefits (\$)	40	155
SA benefits (\$)	38	175***
Dependence on income support (percentage points)	1.9	2.7**
n=	443	593

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).

²⁵ Incremental impacts are not estimated for active and former claimants in SD and JobsNL, or for former claimants in JCP, due to the low numbers of participants.

4.4 Incremental impacts for Skills Development by region

Main findings:

- A regional analysis of incremental impacts for SD finds that former EI claimant participants in St. John's decrease their dependence on income support after participation, due to their decreased use of SA benefits. Active EI claimants in St. John's have mixed and not statistically significant findings.
- Active and former EI claimants outside of St. John's increase their incidence of employment after participation. As well, former claimants outside of St. John's improve their labour market attachment through increases in their employment earnings and decreases in their dependence on income supports.

An additional analysis was conducted to examine the incremental impacts for SD active and former EI claimant participants in 2 regions: St. John's and outside of St. John's.

Skills Development participants in St. John's region

Between 2010 and 2012, nearly 1,300 of the participants in SD were located in St. John's, representing almost 19% of SD participants in the province.

Table 12 presents the detailed incremental impacts for participants in this region.

The results reveal that former EI claimant participants in SD in St. John's decrease their dependence on government income supports (-3.6 percentage points), through decreases in SA benefits (-\$506 per year). While not statistically significant for the entire post-program period, these participants also increase their incidence of employment (+5.3 percentage points) in the year 2 post participation and employment earnings in years 3 and 4 post-participation (+\$2,896 and +\$3,371 respectively).

The findings for SD active claimants in St. John's are mixed and mostly not statistically significant.

Table 12: Incremental impacts for Skills Development participants in St. John's

Indicator	SD active claimants	SD former claimants
Incidence of employment (percentage points)	0.4	3.6 ¹
Employment earnings (\$)	-926	1,892 ²
EI benefits (\$)	389**	456***
SA benefits (\$)	-11	-506***
Dependence on income support (percentage points)	-0.4	-3.6*
n=	846	418

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

¹ The annual average is not statistically significant over the entire post-program period. However, former claimants in SD increase their incidence of employment by 5.3 percentage points in year 2 of the post-participation period.

² The annual average is not statistically significant over the entire post-program period. However, former claimants in SD increase their earnings by \$2,896 and \$3,371 in years 3 and 4 respectively during the post-participation period.

Skills Development participants outside of St. John's region²⁶

Between 2010 and 2012, nearly 5,600 active and former claimant participants in SD were located outside of the St. John's region, representing about 81% of participants in SD.

Table 13 presents the detailed incremental impacts.

The results reveal that:

- Active claimant participants in SD outside of St. John's increase their labour market attachment through annual increases in incidence of employment (+1.8 percentage points) and employment earnings (+\$3,316 per year). They also reduce their dependence on government income supports (-2.6 percentage points), mainly due to their lesser use of EI benefits (-\$274 per year).
- Former EI claimants outside of St. John's increase their incidence of employment (+4.1 percentage points). While not statistically significant for the entire post-program period, these participants also increase their employment earnings (+\$1,786 and +\$2,193) in years 3 and 4 respectively during the post-participation period. The remaining findings are not statistically significant.

Table 13: Incremental impacts for Skills Development participants in the region outside of St. John's

Indicator	SD active claimants	SD former claimants
Incidence of employment (percentage points)	1.8***	4.1***
Employment earnings (\$)	3,316***	374 ¹
EI benefits (\$)	-274**	209
SA benefits (\$)	-12	-89
Dependence on income support (percentage points)	-2.6***	-0.4
n=	4,163	1,421

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

¹ While the annual average increase in employment earnings over the 5 post-program years is not statistically significant, former EI claimants in SD outside St. John's increase their earnings by \$1,786 and \$2,193 in years 3 and 4 respectively during the post-participation period.

²⁶ The region outside of St. John's refers to the EI code for the area of Newfoundland and Labrador (code 02).

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.²⁷

The cost-benefit analysis addresses the following questions:

1. Are the benefits from EBSMs exceeding the costs within 5 years (for JobsNL or EAS), or 10 years (for SD) after the end of participation?
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 following results are presented from the social perspective, that is, the government and individual perspectives 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 14 presents the cost-benefit results for active and former EI claimant participants.

Table 14. Cost-benefit results for active and former EI claimant participants in Newfoundland and Labrador²⁸

Category	SD active claimants (10 years post-program)	JobsNL active claimants (5 years post-program)	EAS active claimants (5 years post-program)	SD former claimants (10 years post-program)	JobsNL former claimants (5 years post-program)
Net present value	-\$2,085	-\$2,560	-\$202	-\$21,040	-\$9,987
Benefit cost ratio	\$0.89	\$0.78	\$0.88	-\$0.08	\$0.16
Payback period (years after end of participation)	10.6 years after end of participation	6 years after end of participation	5.2 years after end of participation	23.5 years after end of participation	Benefits may never recover the costs

²⁷ EAS is examined for 1 participation year, while SD and JobsNL are examined for 2 participation years.

Moreover, JobsNL, and EAS are 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).

²⁸ Cost-benefits are not examined for active or former EI claimant participants in JCP or former EI claimants in EAS. In the case of JCP, since the incremental impacts for employment earnings are negative, the cost-benefit analysis would also be negative. In the case of former EI claimants in EAS, as they are the comparison group used to examine the impacts of participation of former EI claimant participants SD and JobsNL. Therefore, no comparison group can be constructed for former claimant participants in EAS.

Social return	-11%	-22%	-12%	-108%	-84%
Savings to public health care	\$217	\$50	-\$39	\$89	\$52

Note: If the benefit-cost ratio is greater than 1, the benefits outweigh the costs. If the ratio is less than 1, the costs outweigh the benefits.

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 Development²⁹

During the 2010 to 2012 period, SD represented almost 67% of EBSM expenditures under the LMDA in Newfoundland and Labrador. The average duration of a SD Action Plan Equivalent is 65 weeks for active and former EI claimants.

Table 14 includes the cost-benefit analysis results for active and former EI claimant participants in SD.

For example, over the 10 year post-program period, for active EI claimant participants, the social benefit is \$2,085 lower than the costs, yielding a social return of -11% on investment. This means that if the government spends \$1 on SD for active EI claimants, it generates a return of \$0.89 for society.³⁰ It takes 10.6 years post-participation for the benefits to recover the costs of programming. Overall, there are savings to health care costs of \$217 per participant.

The social benefit for former claimants in SD is \$21,040 lower than the costs, yielding a social return of -108% on investment. This means that if the government spends \$1 on SD for active EI claimants, it generates a loss of -\$0.08 for society.³¹ It takes more than 20 years post-participation for the benefits to recover the costs of programming. Overall, there are savings to health care costs of \$89 per participant.

The SD program requires a significant investment from the participants (that is, foregone earnings while in training) and the government (that is, program costs plus EI benefits paid during participation) but the benefits from training can last over many years, possibly a lifetime.

JobsNL

During the 2010 to 2012 period, JobsNL represented 4% of the total EBSM expenditures in Newfoundland and Labrador. The average duration of a JobsNL Action Plan Equivalent is 38 weeks for active claimants and 35 weeks for former claimants.

Table 14 includes the cost-benefit analysis results for active EI claimant participants in JobsNL.

²⁹ 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.

³⁰ In other words, 10 years post-participation, for every invested dollar \$0.89 is recovered.

³¹ Ten years post-participation, the invested dollar is not recovered and an additional \$0.08 is lost.

For example, over the 5 year post-program period, for active EI claimant participants, the social benefit is \$2,560 lower than the costs, yielding a social return on investment of -22%. This means that if the government spends \$1 on JobsNL for active EI claimants, it generates a return of \$0.78 for society.³² It takes 6 years post-participation for the benefits to recover the costs of programming. Overall, there are savings to health care costs of \$50 per participant.

Employment Assistance Services³³

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, do not allow to identify 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 1 or more EAS without participating in other EBSMs. EAS represented about 13.5% of total EBSM expenditures between 2010 and 2012. The average length of an EAS-only Action Plan Equivalent is 20 weeks compared to between 28 to 65 weeks for active EI claimant participants in other EBSMs.

As shown in Table 14, over the 5 years post-program period, the social benefit for active claimants in EAS is \$202 lower than the costs, yielding a social return on investment of -12%. This means that if the government spends \$1 on EAS for active EI claimant participants, it generates a return of \$0.88 for society. The costs of programming are recovered 5.2 years post-participation. Overall, there are savings to health care costs of \$39 per participant.

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 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.

³² Five years post-participation, for every invested dollar \$0.78 is recovered.

³³ 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.

5. Supplemental studies

5.1 Self-Employment Assistance

Program design and delivery

The Self-Employment Assistance 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

In addition to being EI-eligible, potential participants must:

- Demonstrate that they are unable to obtain sustainable employment in the local labour market
- Have an Action Plan which identifies Self-Employment Assistance as necessary and the most appropriate intervention to support the participant in achieving labour market self-sufficiency
- Provide evidence of personal investment (cash or in-kind) equal to 25% of the total financial assistance provided by the province
- Have their preliminary business concept validated by a Self-Employment Assistance service provider

Newfoundland and Labrador has the flexibility to design and deliver the program to meet its labour market needs. In fall 2018, the program was delivered by third party service providers. From 2013 to 2019, Newfoundland and Labrador allocated between 3.5% and 6% of its LMDA funding to Self-Employment Assistance.

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

Participants' employment outcomes

The following is a summary of labour market outcomes and satisfaction rates from a survey of Self-Employment Assistance participants in Newfoundland and Labrador completed in winter 2020. A total of 112 individuals responded, resulting in a 41% response rate.³⁴

Self-Employment Assistance participants increase their employment level by 4 percentage points from 52% in the year before participating to 56% at the time of survey (that is 2 to 4 years after program participation). The increase is mainly due to an increase in the percentage of self-employed participants.

³⁴ It is noted that 12 respondents were screened out for confirming being non-participants, resulting in 100 complete survey responses.

Type of businesses created, survival rates and success factors

Nearly 45% of survey respondents launched a self-employment business and it was still in operation in winter 2020 (2 to 4 years following program participation).

- Among the 71 respondents who started a business, 68% of them were still operating their business at 2 to 4 years post-program.
- Approximately 27% of respondents were unable to maintain the operation of the business they started as part of the program.

Thirty-four percent (34%) of self-employment businesses were launched in professional, scientific and technical services, as well as in other services.³⁵

Factors influencing the success or failure of self-employment businesses

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

- Their dedication
- Their hard work and positive attitude
- High demand for their product or service

There were too few survey respondents in Newfoundland and Labrador for the examination of reasons why participants did not launch a business venture. However, at the national level it was found that for participants who did not launch a business, they attributed this to:

- Lack of funding and revenues
- Level of uncertainty and risk involved
- Workload, work-life balance and underestimating the required commitment
- Family and health reasons

Earning outcomes and reliance on income support

Survey respondents were not comfortable answering questions 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 were able to maintain the operation of their

³⁵ Services include establishments engaged in repairing, or performing maintenance on motor vehicles, machinery and equipment, providing personal care services, funeral services, laundry services, and pet care services.

business, were more likely than respondents whose business had closed to report earning more or the same as before participating in the program.

As a complement to the earning questions, survey respondents were asked to provide an assessment of their financial well-being. When taking their entire financial situation into consideration:

- 69% of respondents said they were financially about the same or better off after the program when compared to before they started the Self-Employment Assistance program.
- 67% of respondents said that their household net worth was about the same or higher when compared to before they started the program.

In line with survey findings, service providers stated that immediate increases in earnings are not necessarily an expected outcome of the program.

With respect to reliance on government income support, participants reduce their use of EI and SA following program participation.

Satisfaction with services received and current employment

A high percentage of respondents who started a self-employment business reported that they were equally or more satisfied with their job situation compared to their pre-program participation (79%). Those who were able to maintain the operation of their business were 22 percentage points more likely to report being more satisfied, compared to those whose business had closed (79% compared to 57%).

The survey examined the contribution of the program to the success of self-employment businesses. At least 71% of survey respondents who launched a self-employment business rated the services and training they received as very important to the business launch, operation and success. The most highly ranked services were:

- Financial assistance through a living allowance while in the program
- Financial assistance for business start-up
- Assistance with business plan development
- Financial management training
- Training on marketing

Challenges and lessons learned related to program design and delivery

Key informants identify the following challenges related to program design and delivery, including:

- Privacy regulations preventing service providers from accessing applicants' EI records to verify the EI eligibility of applicants, a mandatory element of program participation, in a timely manner to prevent program participation delays.
- Some mandatory program elements, including the requirement for participants to conduct an environmental scan to ensure that their business does not create competition, may be creating confusion or barriers to participation.

Best practices related to program design and delivery included:

- Using specialized organizations to deliver the program

- Conducting initial assessments of candidates
- Incorporating flexibility into the training and supports
- Service providers providing information and support to access funding

Key considerations for the Self-Employment Assistance program and policy development

The following considerations emerged as part of this study.

- **Key consideration # 1:** The self-employment program 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.
- **Key consideration # 2:** 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.
- **Key consideration # 3:** Indicators of program success can include: increase in employment or self-employment levels; medium-term increase in earnings; business survival rate similar to the local economy or the sector; and acquisition of transferable skills.

5.2 Job Creation Partnerships

Program objective

The JCP program provides funds to sponsor organizations that implement a community-benefiting project while providing work experiences to EI eligible participants.

Participants receive benefits from EI Part I or II.³⁶ 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 JCP allows Newfoundland and Labrador to address a variety of barriers to employment experienced by its residents. While no official targeting of individuals, sectors/occupations, or communities occurs, priority is giving to former EI claimants on income support for available spots. As well, specific sectors/occupations or communities may be prioritized if a need is identified by the province.

³⁶ 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.

Program managers report that the funding allocated to JCP is influenced by the Government of Newfoundland and Labrador's priorities, the unemployment rate, economic activities, and demand for the program.

In addition to gaining valuable work experience, key informants identified a variety of other benefits that can be expected from JCP projects. By participating in a project, individuals are expected to develop work-related and enhance their networks, career development, and personal well-being.

Sponsor organizations can benefit from JCP through increased capacity, implementing their projects, and expanding their portfolio of services in the community.

At the community level, JCP projects can support the local economy, provide new/restored assets (for example, restored buildings, hiking trails, and gardens) or services, and inspire community cohesion and pride. JCP is viewed as helping the province by increasing tourism assets, and potentially reducing reliance on income supports.

Challenges and lessons learned

Key informants identify challenges related to:

- Recruitment of participants and project holders
- Repeat use/dependency by participants and project holders
- Program monitoring and administration
- Addressing participants' barriers to employment

Key informants identify the following elements as contributing factors to participants' success:

- Implementation is effective when support is provided to sponsors during the writing of their JCP proposal and throughout project implementation; on-site monitoring, open communication, and the establishment of clear project expectations support effective monitoring.
- Participants who benefit the most from JCP face 1 or multiple barriers to employment that can include a variety of needs such as work experience, assistance with reintegrating into the labour force, mental or physical health, skills training, or living in rural and remote areas.
- Experienced sponsors who previously used JCP are found to implement effective projects; they have the capacity to manage funding and to provide support to participants.
- Projects found to be best suited under JCP are aligned with community needs; examples of well-suited projects include tourism, arts and culture, and construction.

Key considerations for JCP program and policy development

The following considerations emerged as part of the JCP study.

Key consideration: Aside from improving the labour market attachment of participants, JCP participation has various benefits to participants, communities, and project holders. These benefits are not currently reflected in the program description for Newfoundland and Labrador. As well, given the increase in the use of EI following JCP participation, the province may wish to clarify its JCP program objectives and expectations for active and former EI claimants.

5.3 Labour Market Partnerships

Program description

The Labour Market Partnerships program in Newfoundland and Labrador 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:

- Labour market and human resource research
- Development of labour market and human resource strategies
- Development of economic (employment) development plans and community marketing plans
- Development of human resource materials and toolkits
- Community needs planning
- Curriculum development
- Coordination of community-based approaches to addressing labour market issues.
- Workforce adjustment:
 - Short-term adjustment services for workers facing layoff
 - Workforce adjustment planning.
- Awareness:
 - Beneficial human resource and adjustment practices (sharing of best practices)
 - Human resources issues
 - Labour market information
 - Partnership development

In 2020 to 2021, Newfoundland and Labrador spent approximately \$13.4 million on the Labour Market Partnerships program, which represents about 11% of Newfoundland and Labrador's total LMDA funding.

Funded organizations

Funded organizations include:

- Industry associations and sector councils
- Non-profit organisations
- Private sector businesses
- Indigenous organisations
- Economic development agencies

Targeted labour market issues

Labour Market Partnerships projects target current and forecasted skills and labour shortages. These projects also target specific unemployed populations (for example, youth, Indigenous peoples, and newcomers to Canada).

Generally, funded projects target labour market issues associated with:

- Industry upsizing
- Difficulties recruiting and retaining skilled or qualified workers
- Aging population
- New technology
- Cultural, social and economic barriers to gender diversity in leadership

All projects reviewed aligned with their respective program objectives and eligible activities.

Partnerships

The Department of Immigration, Population Growth and Skills and all key informants confirm that program officials carry out activities to support the formation and maintenance of partnerships as a part of program design and delivery.

The document review of 11 projects confirmed that:

- Partnerships are established to support the delivery of all projects
- Partners make financial or in-kind contributions
 - The most common forms of in-kind contributions are expertise, as well as staff time for project delivery, office/event space sharing and logistical assistance
- Project activities are delivered with the support of partners
- Project activities include:
 - Sharing of labour market information among industries and partners
 - Developing human resource and sector work plans
 - Delivering employment information sessions
 - Assisting with relationship building

Challenges and lessons learned

Newfoundland and Labrador and key informants identified challenges related to applicants' limited capacity to build project proposals.

Actions of program officials and project characteristics that are conducive to the success of the program included:

- Working in consultation with organizations, employers, unions, and stakeholders, including through sub-committees of the Cabinet Committee on Employment, has led to a comprehensive government-wide approach to addressing labour market development areas.

- Project holder engaging with partners to build a holistic understanding of challenges and opportunities, as well as leveraging partners' expertise
- Clearly defined project objectives

Key considerations for Labour Market Partnerships program and policy development

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

- **Key consideration #1:** Considering that the current performance indicators do not reflect the diversity of activities funded under Labour Market Partnerships programs, it is important for ESDC and Newfoundland and Labrador to discuss current funded activities in order to make recommendations on how best to report on results.
- **Key consideration # 2:** 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 Newfoundland and Labrador Research and Innovation program³⁷

Program description

The NLRI program provides funding for research and demonstration projects. These projects aim to:

- Address specific labour market issues
- Research questions related to strategic priorities
- Support practical research/design projects that identify innovative/better ways of helping Newfoundland and Labrador residents prepare for, find, return to or maintain sustainable employment
- Provide support for research studies, service delivery improvements and model testing

Between 2016 and 2020, Research and Innovation spending varied from 1% to 4% of annual LMDA expenditures in the province.

Funded organizations

Funded organizations include:

- Non-profit organizations
- Educational Institutions

³⁷ Findings in this section are based on a document review and a written questionnaire completed by Newfoundland and Labrador. Reviewed documents included, for example, provincial program guidelines, EI Monitoring and Assessment reports, and project documents.

Funded Research and Innovation activities

NLRI projects encompassed a variety of activities including:

- Delivering a customized 17-week training pilot project based on a literature review to increase employment in the aquaculture sector
- Co-designing 2 pilot projects to test employability models in response to key priorities identified by stakeholders, in terms of youth pathways to local employment

Innovation definition and criteria

NLRI program projects are expected to result in new approaches being tested that aim to help individuals become productive participants in the province's labour force or to identify better ways to help individuals become productive labour force participants.

Specifically, NLRI projects should demonstrate innovation in the following areas:

- Strengthening apprenticeship programs
- Enhancing essential skills and technological abilities
- Improved supports to older workers, income support for recipients, and individuals living in rural and remote regions
- Increasing participation rate of underrepresented groups
- Exploration of a mixture of benefits, programs and services that support long-term attachment to the labour market
- Preparing individuals and industries for jobs of the future

Performance measurement

Funding recipients must submit a final report and any additional deliverables identified in the negotiated contract to the funded organizations at the end of their project. The funded organization is responsible for administration, ongoing monitoring, and evaluation of project progress, including holding periodic updates with project facilitators.

Challenges and lessons learned

Project documents and program officials identified challenges related to project implementation and completion including:

- Recruitment and retention of participants
- Recruitment of employers to partner with in delivery of supports to participants
- Recruitment of qualified staff

Project documents revealed factors that contribute to successful project implementation and completion including:

- Partnerships are essential to the process of co-design and implementation of NLRI program projects.

- Flexibility is a key element in ensuring that projects remain responsive and relevant.
- Aligning training with the needs of employers and participants

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.³⁸

The profile of program participants is presented in Table 15. Information about their educational attainment, occupation and industry are based on the last job they held prior to applying for EI benefits. Information about sociodemographic groups is self-reported.

Table 15. Profile of active and former EI claimant participants in Skills Development - Apprentices programs in Newfoundland and Labrador in 2010 to 2012

Categories	Active claimants	Former claimants
Number of participants	1,284	402
Gender	Female = 11% Male = 89%	Female = 19% Male = 81%
Age	30 and under = 62% 31 to 54 = 35% 55 and over = 3%	30 and under = 73% 31 to 54 = 25% 55 and over = 2%
Sociodemographic group	Indigenous people = 5% Persons with disabilities = 1% Visible minorities = 1%	Indigenous people = 3% Person with disabilities = 1% Visible minorities = 2%
Marital status	Married or common-law = 35% Single = 61% Widow / divorced / separated = 3%	Married or common-law = 28% Single = 70% Widow / divorced / separated = 1%

³⁸ Funding is generally attributed based on fixed rates.

Education or skills level	High school or occupational training = 6% On-the-job training = 6% College, vocational education or apprenticeship training = 87% University degree = <1%	High school or occupational training = 17% On-the-job training = 25% College, vocational education or apprenticeship training = 57% University degree = <1%
Top 3 occupational groups	Skilled crafts and trades workers = 80% Other manual workers = 6% Skilled sales and service personnel; Semi-Skilled Manual Workers = 4% each	Skilled crafts and trades workers = 45% Other manual workers = 17% Semi-skilled manual workers = 8%
Top 3 industries	Construction = 52% Manufacturing = 8% Retail trade = 7%	Construction = 38% Retail trade = 11% Manufacturing = 10%

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

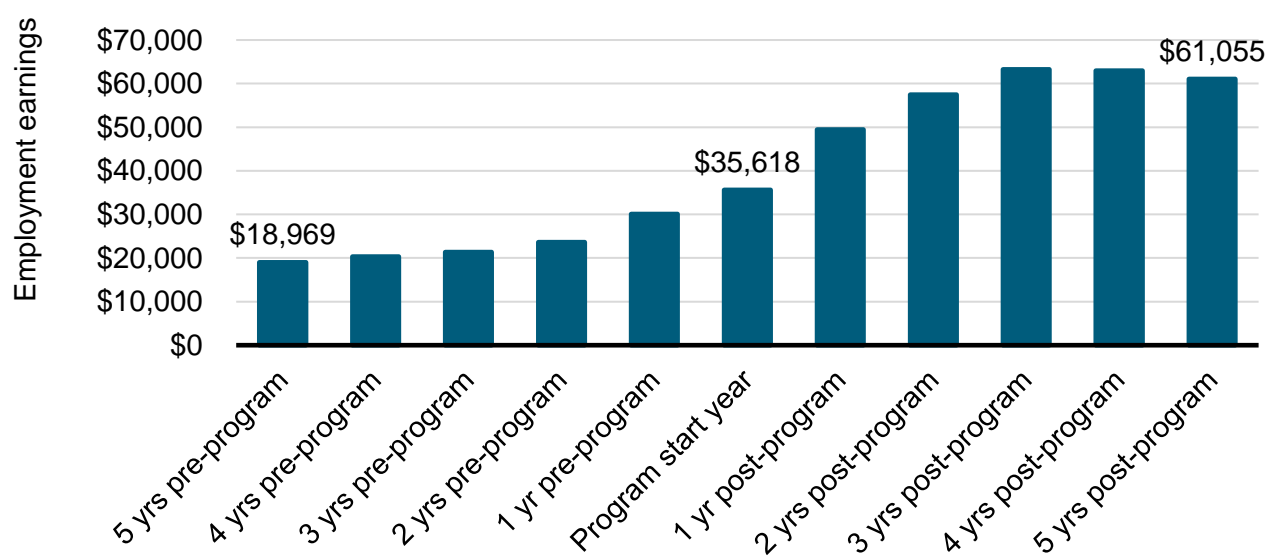
Labour market outcomes

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 the program start year.

Active claimants

As shown in Figure 7, program participants increase their average earnings from \$18,969 in the fifth year pre-program to \$61,055 in the fifth year after the program start year.

Figure 7. Average earnings for active claimant participants in Skills Development-Apprentices

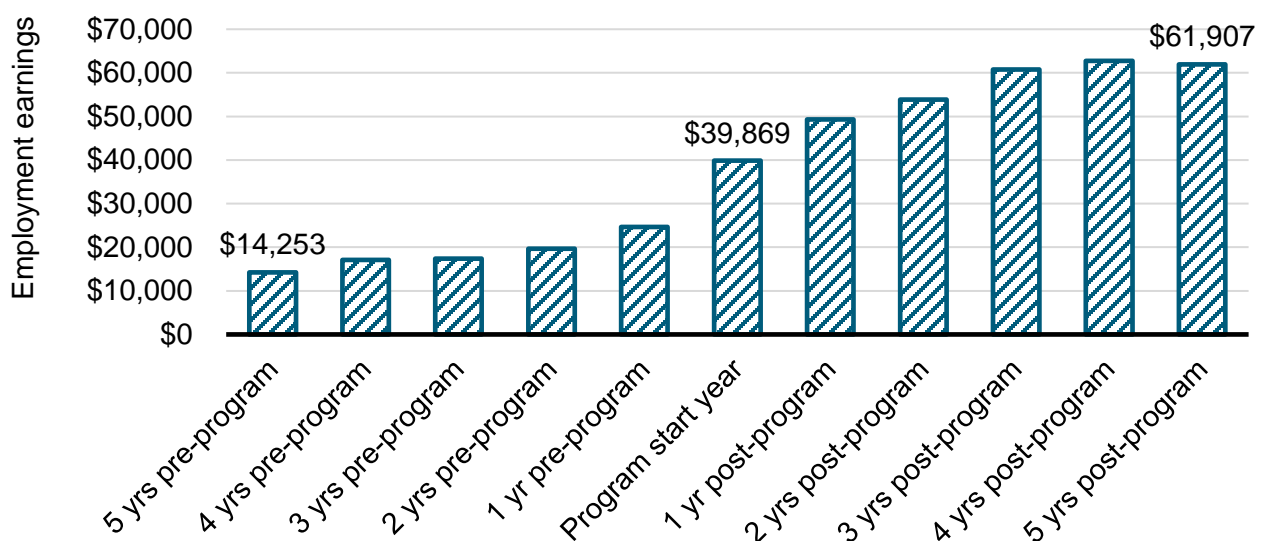


The proportion of employed participants declines after the program start year but remains around 96% on average over the post-participation period. The proportion of participants on EI Part I decreases from 100% in the program start year to 60% in the fifth year after the program start year. Participants decrease their dependence on income support from 30% in the program start year to 13% in the fifth year after participation.

Former claimants

As shown in Figure 8, program participants increase their average earnings from \$14,253 in the fifth year pre-program to \$61,907 in the fifth year after the program start year.

Figure 8. Average earnings for former claimant participants in Skills Development-Apprentices



The proportion of employed participants declines from 97% in the program start year to an average of 94% post participation. The proportion of participants on EI Part I decreases from 75% in the program start year to 58% in the fifth year after program participation. Participants decrease their dependence on income support from 18% in the program start year to 13% in the fifth year after participation.

6. Conclusions and recommendations

The Canada-Newfoundland and Labrador 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.

6.1 Summary of findings

Overall, incremental impacts demonstrate that:

- Active and former EI claimant participants in SD and active EI claimants in JobsNL strengthen their labour market attachment through increases in employment and earnings. They also reduce their dependence on government income support (that is, EI and SA) compared to similar non-participants. Active EI claimant participants in EAS also increase their employment earnings and reduce their dependence on government income supports.
- Active EI claimant participants in JCP increase their incidence of employment. However, both active and former claimants experience a decrease in their employment earnings and increase their dependence on income supports following JCP participation. These results are consistent with those found for earlier cohorts of participants as part of the previous evaluation cycle.
- 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 of subgroups of active claimant participants.
- A regional analysis of incremental impacts for SD finds that active and former claimant participants outside of St. John's and former EI claimant participants in St. John's increase their labour market attachment. Active claimants outside of St. John's and former claimants in St. John's also reduce their dependence on government income supports.

Over time, the social benefits of participating in SD, JobsNL and EAS for active EI claimants exceeds the costs of investments. For former EI claimants in SD, it takes 23.5 years to recover the initial investment, and the investments for former claimants in JobsNL may not be recovered.

A series of supplemental studies address information gaps previously identified in LMDA evaluations for Self-Employment Assistance, JCP, Labour Market Partnerships, Research and Innovation, and SD-apprentices. Overall, the studies found that:

- Participants in the Self-Employment Assistance program increase their level of employment and reduce their dependence on governmental income supports.
- Newfoundland and Labrador uses JCP to:
 - Address a variety of barriers to employment experience by their citizens
 - Address the various labour market needs of subgroups of individuals, professions, economic sectors, and communities

- The Labour Market Partnerships program assists employers, communities and industries to address their labour force adjustment and human resource needs.
- The NLRI support measure funds labour market research and demonstration projects.
- After participating in SD, apprentices increase their employment earnings and decrease their dependence on government income supports.

6.2 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, recent immigrants and those further removed from the labour market.

Lessons learned from the experience of conducting qualitative studies raise the importance of high quality administrative records. Equally important is the capacity to link participant records to EI, income tax and other available administrative data sources such as immigration and SA data.

Two key recommendations emerge:

Recommendation #1: Newfoundland and Labrador 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: Newfoundland and Labrador 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 this 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 in Newfoundland and Labrador	<ul style="list-style-type: none"> • Profile of active and former EI claimants in Newfoundland and Labrador • 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 in Newfoundland and Labrador	<ul style="list-style-type: none"> • Incremental impacts for active and former EI claimants in Newfoundland and Labrador • 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 Newfoundland and Labrador	<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 JobsNL, JCP and 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	<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 JobsNL, JCP and EAS 10 years post-program for SD

Design and delivery of the Job Creation Partnerships program in Newfoundland and Labrador	<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 •11 semi-structured telephone interviews with 11 key informants 	2015 to 2017 participants	2015 to 2019
Design and delivery of the Self-Employment Assistance in Newfoundland and Labrador	<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 and Newfoundland and Labrador self-employment literature and statistics •12 semi-structured telephone interviews with key (5 provincial officials, 5 case workers and 3 service providers) •Survey of 112 self-employment participants in Newfoundland and Labrador 	2015 to 2017 participants	2015 to 2020
Design and delivery of the Labour Market Partnerships program in Newfoundland and Labrador	<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 program officials •6 interviews with 6 key informants (4 with program officials and 2 with project holders) 	2018 to 2020	Design and delivery at the time of the data collection
Design and delivery of the Newfoundland and Labrador Research and Innovation program	<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 program officials 	2017 to 2020	Design and delivery at the time of the data collection