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Summative Evaluation of the Aboriginal Human Resources Development Agreements

Final Report

July 2009

Strategic Policy and Research Branch

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Canada

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Final Report

Evaluation Directorate
Strategic Policy and Research Branch
Human Resources and Social Development Canada

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List of Acronyms

AHRDA	Aboriginal Human Resources Development Agreement
AHRDS	Aboriginal Human Resources Development Strategy
ASEP	Aboriginal Skills and Employment Partnership
CRA	Canada Revenue Agency
EAS	Employment Assistance Services
EBSMs	Employment Benefits and Support Measures
EI	Employment Insurance
FNICCI	First Nations and Inuit Child Care Initiative
HRSDC	Human Resources and Skills Development Canada
JCP	Job Creation Partnerships
LMDA	Labour Market Development Agreement
NAO	National Aboriginal Organization
SA	Social Assistance
SD	Skills Development
SEA	Self Employment Assistance
TWS	Targeted Wage Subsidy

Executive Summary

The Aboriginal Human Resources Development Strategy (AHRDS) is designed to help improve the employment opportunities of Aboriginal people (First Nations, Inuit, and Métis as well as status and non-status Aboriginal people living off-reserve), and to enable them to participate fully in the Canadian economy. The AHRDS provides financial assistance to Aboriginal organizations to support the costs of human resources development programs designed and delivered by those organizations to their Aboriginal clients.

The AHRDS provides support to Aboriginal organizations to design and deliver:

- Labour market development programs to assist Aboriginal people, including Aboriginal persons with disabilities, prepare for, obtain, and maintain meaningful and sustainable employment;
- Special programs to assist Aboriginal youth make successful transitions from school to work or to support their return to school; and
- Child care programs.

The AHRDS has been in place since 1999 and was approved for renewal in 2003 with a multiyear funding total of $1.6 billion. The renewed AHRDS began April 1, 2005 and will sunset March 31, 2009.

Summative Evaluation Scope and Methodology[1]

The summative evaluation measured the incremental impacts of participating in Aboriginal Human Resources Development Agreements (AHRDAs) programs and services that are similar to the Employment Benefits and Support Measures (EBSM) of the *Employment Insurance (EI) Act*. It addressed issues of program relevance, success and cost-effectiveness.

The AHRDA summative evaluation followed a quasi-experimental comparison-group design using data from AHRDA clients' administrative records, Employment Insurance and Canada Revenue Agency administrative databanks. Methods included quantitative and qualitative components.

Participation was defined as the total package of EBSMs received, regardless of funding source. The population of participants was limited to clients who received at least one EBSM funded under an AHRDA between April 1999 and December 2004. One or more Action Plan Equivalents were defined for each participant. Each Action Plan Equivalent clustered EBSMs with less than six months between them. Action Plan Equivalents were characterised by the principal or longest EBSM type they contained. Participants were classified as active, former,

[1] For further details please refer to the qualitative and quantitative methodology reports prepared as part of the AHRDA Summative Evaluation.

or non-claimants[2] depending on their EI eligibility status when they started participation.[3] The comparison group consisted of people who qualified for but did not participate in an AHRDA EBSM around the time of participation of the participants to whom they were being matched. It was noted that, in order to avoid a potential bias in the analysis, individuals in the comparison group, like among AHRDA clients themselves, may previously have been clients either under a Labour Market Development Agreement or an AHRDA.

The quantitative analysis measured incremental impacts by comparing the outcomes of participating in AHRDAs to estimates of their counterfactuals, i.e., estimates of what the outcomes would have been in the absence of AHRDAs. In this report counterfactuals are estimated based on a matching estimation approach that weights comparison group individuals by their similarity to participants and then computes incremental impacts as differences between the outcomes of participants and the weighted outcomes of the comparison group. Incremental impacts are determined for each of the three types of clients over the first, second and third years following participation[4], for the following participant groups: overall participants; five principal EBSM types; under 30, 30 to 44, and 45 years of age or older; males and females; Regions; single parents; and participants with dependents (including single parents).

The qualitative component of the summative evaluation included a document review; interviews with thirty-five key informants including representatives of HRSDC/Service Canada (3), National Aboriginal Organizations (4), and AHRDAs (28); and eighteen discussion groups involving clients who participated in an AHRDA program or service between 2005 and 2007.

Socio-economic Context

In 2006, the total Aboriginal population of Canada was 1,172,790, representing 3.8% of the total population of Canada. Between 1996 and 2006, the Aboriginal population of Canada increased by 45%, compared to only an 8% growth rate for the non-Aboriginal population. In 2006, 48% of the Aboriginal population of Canada was under the age of 25, compared to 31% of the non-Aboriginal population.

Census data confirm that Aboriginal people experience higher rates of unemployment, lower rates of labour force participation, and higher rates of social assistance than other Canadians. However, there have been improvements, including increases in the employment rate of the Aboriginal population aged twenty-five to fifty-four and in the labour force participation rate for Aboriginal people. There have also been decreases in the unemployment rate and in the proportion of the Aboriginal population with less than a high school diploma.

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[2] Unlike LMDAs, which provide EBSMs mainly to EI active and former claimants, AHRDAs also provide EBSMs to non-claimants. Funding in such cases, however, is not covered under the *EI Act*, but from the Consolidated Revenue Fund of the Government of Canada.

[3] Active claimants had an active EI claim near the start of their Action Plan Equivalent. Former claimants were eligible through an earlier claim and non-claimants did not have a qualifying EI claim at the start of their Action Plan Equivalent.

[4] Incremental impacts were also estimated for the period during participation and were used in the cost-effectiveness analysis.

1. Program Relevance

Consistency with Departmental and Government Wide Priorities

The AHRDS is relevant to HRSDC/Service Canada and federal government priorities for Aboriginal human resource development as set out in legislation and policy documents. HRSDC/Service Canada key informants agreed that the AHRDS meets many of the government-wide priorities, as well as HRSDC and Service Canada priorities for a skilled and educated workforce in Canada.

Addressing the Needs of Aboriginal Peoples

Census data confirm that Aboriginal peoples continue to experience, despite improvements in the 1996-2006 period, higher rates of unemployment, lower rates of labour force participation and higher rates of social assistance then other Canadians.

AHRDA and National Aboriginal Organizations key informants pointed to the AHRDS contribution to addressing the employment needs of Aboriginal peoples through the provisions of flexible and culturally sensitive programs and services. Key informants from HRSDC/Service Canada and National Aboriginal Organizations reported that programs and services currently offered by the AHRDAs are linked to the labour market needs of Aboriginal people.

Aboriginal clients also face multiple barriers, and AHRDAs are called on to address needs with respect to lack of education and work experience, transportation, childcare, health, transition to an urban environment, addictions, coping skills, poverty, inadequate housing, and isolation and remoteness. AHRDAs reported that non-funded interventions and many "soft" services are not captured in the administrative data and not supported by HRSDC/Service Canada.

Most participants in discussion groups reported that the main barriers to employment are lack of basic education and insufficient job related skills (e.g., needs for specialized certification). Participants in remote and northern locations pointed to the lack of local employment opportunities. Most participants reported that programs and services did address their employment barriers. They reported that participation led to employment, further training and increased self-confidence. The vast majority of participants were satisfied with programs and services received.

AHRDA representatives and discussion group participants confirmed that programs and services are, in general, helping participants in acquiring job related skills, and increasing their skills levels and self-confidence. They also pointed to areas for improvement that included the need to: increase partnership with private sector; increase wages to attract and maintain AHRDA skilled staff; dedicate resources to ensure a quality administrative database; and decrease reporting burden.

Areas not well addressed by AHRDAs include: linking AHRDA programs with economic opportunities at the community level; literacy and Essential Skills; disability issues; and lack of availability of childcare support for off-reserve, Métis, and urban clients.

Client Perspectives on the Relevance of AHRDA Programs and Services

The most frequent employment challenge, discussed in eleven of the eighteen discussion groups, was participants' lack of basic education, literacy, and job skills. In fourteen of the eighteen discussion groups, participants agreed that the programs and services received helped them to meet their employment challenges and to overcome employment barriers. In eight discussion groups, there was a clear consensus that participation in programs led to employment and further training.

Closing the gap between Aboriginal and non-Aboriginal People

Overwhelmingly, key informants stated that AHRDAs have made a difference in increasing clients' access to, and use of, labour market programs, and that there is a high level of trust between clients and AHRDAs, which are an integral part of the community. AHRDAs can leverage other mainstream labour market programs to assist clients, and AHRDA staff can act as role models and encourage clients.

Alignment of design and delivery structure with lessons learned and best practices

The Literature Review from the AHRDA Formative Evaluation summarized lessons learned and best practices from the experience of Aboriginal peoples in Canada and internationally with regard to labour market programs and policies. Recommendations included:

- Support for the transition from school to work;
- Longer-term investment in upgrading knowledge and skills and additional support, particularly social support;
- Support for childcare;
- Ensuring programs meet the needs of the urban Aboriginal population including offering "one-stop shopping" and other programs and supports;
- Ensuring community development and community involvement in designing and developing labour market programs for Aboriginal people; and
- An effective case management system for social assistance recipients that requires integration of program services delivery.

All HRSDC/Service Canada and National Aboriginal Organizations key informants who reviewed the Executive Summary from the Literature Review said that the AHRDS addresses the identified lessons learned and best practices, in large part because of the way programs are designed and delivered by Aboriginal people and organizations. There are economies of scale as many AHRDAs integrate programming for youth, disabled individuals, and childcare under one agreement.

Eight designated urban AHRDAs offer programs and services to address the needs of Aboriginal people living in urban centres. There is extensive community involvement with the AHRDAs, and consistent support for the AHRDA governance model, which allows for community input into decision-making and planning processes. Levels of integration and support for clients on social assistance vary considerably among the AHRDAs. Some are co-located with other social and health services, which facilitates greater integration. A majority of AHRDAs offer programs targeted at Aboriginal youth and a number of programs are aimed at youth on social assistance.

2. Program Success

Participants in seventeen of the eighteen discussion groups were satisfied with the services or programs they received. Positive outcomes included securing a job or a promotion within an existing job, better preparation for a future employment opportunity, increased self-confidence, certification and other educational credentials, and establishment of good relationships with AHRDA staff and employers.

Incremental impacts on participants

Results of the econometric analysis of AHRDA participants between 1999 and 2004 follow. The discussion reflects only those results that are statistically different from zero at the 5% level of confidence.

Active EI claimants experienced an increase in employment earnings (relative to the comparison group) and in the incidence of employment[5], and declines in EI and social assistance benefits received and in reliance on government income support. Impacts on employment earnings and the incidence of employment were positive for all programs and services with the exception of the self-employment program.

For **former EI claimants**, participation led to a higher incidence of employment, but lower earnings[6]. Lower amounts of EI benefits immediately after participation were almost balanced by higher amounts in year three. There was a reduction in social assistance benefits in year two and an increase in reliance on government income support in year three. The Targeted Wage Subsidies program exhibited the only positive impact on employment earnings.

Non EI claimants experienced an increase in employment earnings and in the incidence of employment. These clients increased their use of EI in the three years post-program and decreased the use of social assistance and reliance on government income support. The increase in EI use in the post-program period reflects an increase in EI eligibility based on post-program employment activities. Skills Development, Targeted Wage Subsidies and

[5] For individual observations in this evaluation, incidence of employment had the value one if earnings, in the post participation period, were greater than zero and zero if earnings were equal to zero. For an individual, the estimated effect represents a change in the probability of having strictly positive earnings. Aggregated across participants, an increase in the incidence of employment that is accompanied by an increase in earnings reflects an improvement in employment.

[6] This result can occur if more people work but for lower average remuneration.

Employment Assistance Services had positive impacts on employment earnings and on the incidence of employment.

Impacts were similar for active and non EI claimants in the **East** (Atlantic Provinces), **Centre** (Quebec and Ontario), **West** (Manitoba, Saskatchewan, Alberta, and British Columbia) and **North** (Nunavut, Northwest Territories, and Yukon) regions. Former claimants from the Centre and North regions did not experience the earnings reductions found in other regions although those from the North also did not experience an increased incidence of employment found elsewhere. For former claimants from the West and North, EI use decreased compared to increased use in other regions.

Skills Development increased the incidence of employment and earnings for Active EI clients and non EI eligible clients and reduced their use of Social Assistance and dependence on government income support. Non EI eligible clients have increased their EI use in the full post-program period, reflecting an increased EI eligibility based on post-program employment activities. Former EI claimants experienced an increased incidence of employment but lower earnings and mixed results for EI benefits and dependence on income support.

Targeted Wage Subsidies increased the incidence of employment and earnings for all clients. Former EI clients and non EI eligible clients increased their EI use through insurable earnings and reduced the use of SA.

Self-employment participation resulted in a decline in the incidence of employment and earnings for Active and Former EI clients.

Participation in Job Creation Partnerships increased the employment earnings for Active EI claimants only. There was also an increase in the incidence of employment for all client groups. Former EI clients and non EI eligible clients increased their EI use and reduced the use of social assistance.

Employment Assistance Services increased the incidence of employment in the short term and employment earnings for Active EI clients and non EI eligible clients.

Single Parents, Women and **Youth** (under 30 years old) experienced an increase in earnings and in the incidence of employment across all three clients groups.

What works and what doesn't work for clients and what are the reasons

Participation under the AHRDAs was successful[7] for active claimants and non-claimants (excluding those taking Self-employment in each case) and less successful for former claimants (except for those taking Targeted Wage Subsidies).

Participation was more successful when Skills Development, Targeted Wage Subsidies, or Employment Assistance Services were the principal EBSM taken. Participation was less successful generally if Self-employment or Job Creation Partnerships were the principal EBSM.

[7] The assessment of success is based on increases in earnings and incidence of employment and decreases in EI benefits, social assistance benefits, and dependence on income support.

Males experienced some success through participation but women were more successful. Incremental results favouring women are a common finding in the literature. Former claimants who were female or single parents were the only sub-groups of former claimants to show some improvement toward success.

AHRDAs and Participants' Perception of Impact on clients

Most participants in seventeen of the discussion groups indicated their participation in programs had a positive impact on their job skills. In all but one group, participants responded that their job prospects and outlook had improved through participation in AHRDA programs. Many commented that their overall career outlook was brighter.

Nearly all AHRDA key informants indicated that programs have a positive impact on attitudes towards finding and maintaining employment, but noted that real change can take time and repeated interventions may be needed.

Consensus in sixteen of the discussion groups was that participation in the programs had a positive impact on the participants' attitude towards finding and maintaining employment. In sixteen of eighteen discussion groups, the majority of participants indicated that their participation helped to increase their self-confidence. In fifteen of the eighteen discussion groups, participants indicated that they were satisfied with their current job, which had been secured after program participation.

3. Cost-Effectiveness

Cost-effectiveness analysis indicates how much it cost to achieve the estimated impacts through participation. Four cost-effectiveness measures were considered: cost per additional dollar of earnings; cost per dollar of EI saved; cost per dollar of social assistance saved; and cost per dollar return to the government. Return to the government was measured as the taxes paid on (taxable) earnings, plus EI saved, plus social assistance saved.

Program costs per dollar of earnings gain are lowest for the following client type and principal EBSM combinations:

- Active claimants taking Employment Assistance Services – $0.18, Targeted Wage Subsidies – $0.94 and Skills Development – $1.65;
- Former claimants taking Employment Assistance Services – $1.11, and Targeted Wage Subsidies – $1.56; and
- Non-claimants taking Employment Assistance Services – $0.64, Skills Development – $1.65 and Targeted Wage Subsidies-$3.13.

This means, for example, that it cost 18 cents in program funds expended for every additional dollar earned by an active claimant with only an Employment Assistance Services intervention. Other client type and EBSM combinations are less cost-effective, while

program costs per dollar of earnings gains are not defined for some client type and principal EBSM combinations that led to reduced earnings.

Program costs per dollar of return to government are lowest for the active claimants taking Employment Assistance Services – $2.34 and Targeted Wage Subsidies – $2.61. Other client type and EBSM combinations are less cost-effective, while program costs per dollar return to government are not defined for some client type and principal EBSM combinations that result in a negative return to the government.

In terms of **program dollars paid per dollar of EI savings**, the most cost-effective combination was former claimants taking Employment Assistance Services only – $2.95. Other combinations of client type and principal EBSM are less cost-effective in terms of costs per dollar saved in EI or are not defined as they do not yield savings. Program costs per dollar of social assistance saved are less cost-effective than the results reported above.

Management Response

The Aboriginal Affairs Directorate within the Skills and Employment Branch of HRSDC would like to thank all those who participated in formulating and conducting this evaluation of the Aboriginal Human Resources Development Agreements (AHRDAs), in particular, the National Aboriginal Organizations (NAOs), the contributing AHRDAs, HRSDC and Service Canada key informants.

The Aboriginal Human Resources Development Strategy (AHRDS) represents the Government of Canada's greatest investment into Aboriginal labour market programming. It is a flexible national platform used to deliver a wide range of labour market programs and supports including the First Nations and Inuit Child Care Initiative, the Youth Employment Strategy, the Opportunities Fund for persons with disabilities, and programs legislated under Part II of the *Employment Insurance* (*EI) Act*.

Since its inception in 1999, the Strategy has helped First Nations, Inuit, and Métis men and women prepare for, find, and maintain employment. This national infrastructure of 79 AHRDAs has allowed Aboriginal people to design programs in order for clients to access culturally-relevant employment programming and services, and critical labour market supports, such as child care.

Under EI Part II of the *EI Act*, the AHRDAs are mandated to deliver programming similar to the Employment Benefits and Support Measures (EBSMs). The Summative Evaluation of the AHRDAs focused on measuring the incremental impacts for the participation of five programs and services that are similar to the EBSMs, such as Skills Development, Targeted Wage Subsidies, Self-employment, Job Creation Partnerships and Employment Assistance Services.

The evidence on which the summative evaluation findings are based is through qualitative and quantitative methods, including key informants interviews (35), 18 discussion groups, document review and a data assessment component, in addition to statistical matching and impact estimation using state-of-the-art methodologies. The summative evaluation's focus was on the Relevance, Success and cost-effectiveness of the Program.

This evaluation is timely as the AHRDS is set to expire March 31, 2010. The Strategy was originally set to expire in 2009; however, in June 2008, the Government of Canada approved a one-year extension of the current terms and conditions of the AHRDS. Both the extension and the expiry of the AHRDS provide an opportunity for the Government of Canada to more effectively align Aboriginal labour market programming with current economic and labour market realities and ensure Aboriginal service delivery organizations are prepared to effectively implement a successor strategy.

Further, the transition to a new Aboriginal labour market strategy, the Government has an opportunity to address policy and program gaps within the AHRDS as well as the fundamentals of sustainable economic development, such as human capital and strong communities. To achieve these ends, the Aboriginal Skills and Employment Training Strategy (ASETS) will be built on three strategic priorities: demand-driven skills development; partnerships with the private sector, the provinces and territories, and across the whole-of-government; and accountability for improved results.

The following outlines the Management Response and commitments to the summative evaluation. The actions proposed toward addressing the findings are made in the spirit of continuous program improvement.

Summative Evaluation of the AHRDAs and Conclusions

Program Relevance

*The AHRDS is relevant to HRSDC/Service Canada and **federal government priorities** for Aboriginal human resource development as set out in legislation and policy documents.*

The AHRDS is designed to aid Aboriginal people in increasing their participation in a Canadian economy, ensuring that First Nations, Métis, and Inuit people are engaged in sustainable, meaningful employment. It also provides funding to Aboriginal organizations to design, develop and implement employment and human resource programs for Aboriginal people.

HRSDC/Service Canada key informants agreed that the AHRDS meets many of the government-wide priorities, as well as HRSDC and Service Canada priorities for a skilled and educated workforce in Canada.

AHRDA and NAOs key informants also pointed to the AHRDS contribution to addressing the employment needs of Aboriginal peoples through the provisions of flexible and culturally sensitive programs and services. Key informants from HRSDC/Service Canada and NAOs reported that programs and services currently offered by the AHRDAs are linked to the labour market needs of Aboriginal people.

In June 2009, to more strategically align federal investments, the Government of Canada announced the new Federal Framework for Aboriginal Economic Development (FFAED). HRSDC has signed on to co-chair a Federal Committee of Departmental ADMs in support of coordinating Federal Aboriginal economic development investments. The FFAED will guide federal actions across many departments and agencies, by pursuing a clear set of strategic priorities, including developing Aboriginal human capital and forging new and effective partnerships.

The new ASETS will pursue new solutions in areas that must be strengthened, such as: increasing alignment with federal-provincial-territorial government priorities; solidifying links between skills development and employment; employing a whole-of-government approach to enhance partnerships with the provinces, territories, and private sector; and bolstering systems infrastructure, case management, and performance reporting.

An integral component of ASETS is the new Skills and Partnership Fund (SPF), an open and discretionary fund that will provide incentives for strong performance and allow new and existing service providers to access funding for innovative projects and partnerships in line with government priorities.

In Budget 2009, Canada also invested $75M into the AHRDS through the new two-year Aboriginal Skills and Training Strategic Investment Fund (ASTSIF). Although the ASTSIF introduction is temporary for two years, it will strengthen partnerships between established Aboriginal service delivery organizations and small- and medium-sized employers, as well as with the provinces and territories, maximizing results through enhanced collaboration and governance. It is also intended to provide lessons learned and best practices in the development of partnerships under a new ASETS and SPF.

*Aboriginal clients also face **multiple barriers**, and AHRDAs are called on to address needs with respect to lack of education and work experience, transportation, childcare, health, transition to an urban environment, addictions, coping skills, poverty, inadequate housing, and isolation and remoteness. Most participants in discussion groups reported that the **main barriers to employment** are lack of basic education and insufficient job related skills (e.g., needs for specialized certification). Participants in remote and northern locations pointed to the lack of local employment opportunities.*

In 14 of the 18 discussion groups, participants agreed that the programs and services received helped them to meet their employment challenges and to overcome employment barriers. In eight discussion groups, there was a clear consensus that participation in programs led to employment and further training and increased self-confidence. The vast majority of participants were satisfied with programs and services received.

*AHRDAs reported that non-funded interventions and many "soft" services are **not captured** in the **administrative data** and not supported by HRSDC/Service Canada.*

HRSDC recognizes that Aboriginal communities face major and unique challenges that are beyond control of Aboriginal communities, like high cost of living and training and doing business especially, in rural and remote and northern communities, limited education levels, limited economic opportunities, and competition for skilled and experienced staff. These challenges continue to be addressed with the aim of taking advantage of future opportunities as they emerge.

This is also acknowledged in the HRSDC Northern Study Report (March 2008) of which the objective of the study was to provide insights into the nature of the cost/price differentials facing AHRDAs and sub-agreement holders in northern and remote communities as well as the impact of these differentials on their operations and results.

A new ASETS presents an opportunity to make necessary adjustments to achieve better results and a higher standard in accountability. Strategic business plans will focus on the Aboriginal service delivery organization's mandate and governance structure, including a rationalization of its service delivery structure, model, and approach, as well as an implementation plan. Business plans will also include concrete employment measures and targets, employer-demand and labour market alignment strategies, and gender considerations, as well as focus on addressing barriers to employment, such as: child care, disability, and low levels of literacy and essential skills.

The SPF will be flexible and balanced, focusing on advancing broader program objectives; target jobs, up-skilling, multi-barriered clients, new partnerships, innovation in service delivery and systems. It will have both long and short term objectives.

HRSDC has worked on a new and expanded list of outcome indicators that will better assess the impacts of a new ASETS and a new Performance Management Strategy (PMS) which will reflect that a clear and logical design that ties resources to expected outcomes; determine appropriate performance measures and a sound PMS that allows managers to track progress, measure outcomes, support subsequent evaluation work, learn and, make adjustments to improve on an ongoing basis; and ensures adequate reporting on outcomes. The new PMS will be the basis for a number of accountability systems and tools to be developed.

On the issue of Data Quality and Systems, HRSDC has undertaken a review and analysis of current data collection and systems in order to support greater accountability by providing better quality, defendable, and more useful data that is simple, clear, and concise. This data will then assist the Programs and Operation Branch to receive better performance data from agreements allowing the Department to better report on outcomes and the value for monies provided. The Aboriginal Affairs Directorate (AAD) and the Aboriginal Peoples Directorate (APD) of HRSDC will continue to work together to identify and resolve issues related to data inconsistencies and rejected records.

This review, along with the new PMS, will be the backdrop for a business case which will be provided to senior officials in support of the expenditure of $1.1 million dollars provided under the Budget 2009 investment in the ASTSIF.

It was intended that this funding would modernize data collection and systems in support of the new Aboriginal labour market program set to be implemented in April 1, 2010. HRSDC will streamline the required data elements, basing the elements on the indicators identified in the PMS, and communicate the required elements to AHRDA holders. New data elements will include specific questions that will identify multi-barriered clients, providing information that can be analyzed in order to determine the programs and services required to facilitate employment for a multi-barriered client, allowing HRSDC to better report on outcomes. In addition, AAD and APD will work together to develop standardized definitions of programs, services and intervention codes available in the data collection and systems that will be phased in during the transition year of the ASETS.

Areas not well addressed by AHRDAs *include: linking AHRDA programs with economic opportunities at the community level, literacy and essential skills, disability issues, and lack of availability of child care support for off-reserve, Métis, and urban clients.*

AHRDAs pointed to areas ***for improvement: increasing partnership*** *with private sector, increase wages to attract and maintain AHRDA skilled staff, dedicate resources to ensure a quality administrative database and decrease reporting burden.*

Overwhelmingly, key informants stated that AHRDAs have made a difference in increasing clients' access to, and use of, labour market programs, and that there is a high level of trust between clients and AHRDAs, which are an integral part of the community. AHRDAs can leverage other mainstream labour market programs to assist clients, and AHRDA staff can act as role models and encourage clients.

As the key vehicle for delivering the ASETS, key elements of the new strategic business planning will include: a) the tailoring of programs and services to meet the needs within a given service delivery area; b) the human resource capacity, resources, and expertise needed and how that will be acquired; and c) the capacity needs.

As ASETS is complementary to the Government of Canada's new FFAED, an essential component of the framework is a skilled Aboriginal workforce, and ASETS will ensure that Aboriginal people have the skills and training needed to take advantage of economic development opportunities.

The ASETS program design will strongly encourage partnerships and support the leveraging of partners' funding, depending on the local circumstances. Strategic business plans will outline partnerships and cost-sharing initiatives with the private sector and provinces/territories to maximize existing Aboriginal human capital development investments and will also exhibit how programs and services will address the distinct challenges faced by women, men, and other groups such as those disabled, whom are youth, and have other barriers to employment, such as child care.

A new SPF will set a higher standard for the ASETS, to ensure a more integrated, harmonized program model emphasizing joint stewardship and coordination consistent with the FFAED. A wider range of partners will be eligible to deliver related programming, serving to institutionalize collaboration and maximize leverage opportunities with industry, federal-provincial-territorial, and Aboriginal partners.

This new instrument will leverage resources from the private sector, as well as funding through Labour Market Agreements and Labour Market Development Agreements with the provinces and territories in order to address systemic gaps and capitalizing on regional opportunities.

The FNICCI will continue to provide access to child care services for First Nations and Inuit children of parents entering the labour market or training programs. The FNICCI funding through the AHRDA is one component of overall funding for Aboriginal child care. The funding generally supplements provincial and other federal funding and is used primarily to reduce staff-child ratios.

*Literature Review from the AHRDA Formative Evaluation summarized **lessons learned and best practices** from the experience of Aboriginal peoples in Canada and internationally with regard to labour market programs and policies.*

Recommendations included: support for the transition from school to work; longer-term investment in upgrading knowledge and skills and additional support, particularly social support; support for childcare; ensuring programs meet the needs of the urban Aboriginal population including offering "one-stop shopping" and other programs and supports; ensuring community development and community involvement in designing and developing labour

market programs for Aboriginal peoples; and an effective case management system for social assistance recipients that requires integration of program services delivery.

All HRSDC/Service Canada and NAOs key informants who reviewed the Executive Summary from the Literature Review said that the AHRDS addresses the identified lessons learned and best practices, in large part because of the way programs are designed and delivered by Aboriginal people and organizations. There are economies of scale as many AHRDAs integrate programming for youth, persons with disabilities, and childcare under one agreement.

As a best practice and lesson learned, the Literature Review of the AHRDAs could be shared with all Aboriginal service delivery organizations, nationally. One vehicle may be through the AHRDS website, which is accessible by Aboriginal service delivery organizations.

Eight designated urban AHRDAs offer programs and services that seek to address urban-specific Aboriginal issues. There is extensive community involvement with the AHRDAs, and consistent support for the AHRDA governance model, which allows for community input into decision-making and planning processes. Levels of integration and support for clients on social assistance vary considerably among the AHRDAs. Some are co-located with other social and health services, which facilitates greater integration. A majority of AHRDAs offer programs targeted at Aboriginal youth and a number of programs are aimed at youth on social assistance.

Like the AHRDS, ASETS will integrate Aboriginal labour market programming under a single umbrella. In addition to Consolidated Revenue Funds and FNICCI funding, Aboriginal service delivery organizations will also be funded through EI Part II. While the suite of instruments remains largely the same, new program elements under the ASETS, such as the requirement for a strategic business plan, will enhance efficiencies and enable clients to be better served. Strategic business planning will align employment services and skills development programming with the needs of the labour market, redirecting focus from the client-driven orientation of the AHRDS. Clear goals and targets will be established, with organization identifying how they will develop partnerships across all levels of government, and with the private sector, in order to create efficiencies and attain their goals.

Through ASETS, the diverse Aboriginal population – including youth, persons with disabilities, and clients with multiple barriers – will be served through demand-driven, partnership-based skills development. Of critical importance, the approach employed is service based, but also respectful of the culture of Aboriginal peoples – First Nations, Métis, and Inuit, and those in urban centers.

The Aboriginal population is young and growing, resulting in a high proportion of young labour force entrants: 48% of the Aboriginal population is under 25, compared with 31% of the non-Aboriginal population. The population growth is most rapid among the age group seeking work skills, post secondary education, and first jobs. This critical cohort of youth represents both an opportunity and a challenge. If a large proportion of future Aboriginal labour market entrants do not stay in school or become employed, there will be real costs and strains on social services and consequences at the individual and community levels.

In the past, attention to the development of partnerships with business and industry under the AHRDS youth programming was limited. For example, employers were seldom involved in direct training design nor were they identifying their human resource needs to AHRDA holders. Furthermore, high school and income assistance administrators were not linked with AHRDA holders in a way that coordinated clients' needs with employment and learning opportunities at the community level.

Youth outcomes will also be improved through employer partnerships. Aboriginal service delivery organizations will create incentives for business to enter into partnerships with schools and governments to build a stronger and more vibrant workforce. ASETS will respond to the needs of youth who require help to overcome barriers to employment or to facilitate successful transitions into the labour market. Existing youth programs will be enhanced through a new focus on proactive targeted support for in-school youth and early school leavers. In order to better report on youth outcomes, HRSDC will make changes to ASETS data elements, and clearly define the intervention types that are youth specific, such as Stay In School and Bridging to Employment. These changes to the administrative system will be phased in during the transition period from AHRDS to ASETS.

Program Success

*Participants in 17 of the 18 discussion groups were **satisfied with the services or programs** they received. Most participants in seventeen of the discussion groups indicated their participation in programs had a positive impact on their job skills. In all but one group, participants responded that their job prospects and outlook had improved through participation in AHRDA programs. Many commented that their overall career outlook was brighter.*

Positive outcomes included securing a job or a promotion within an existing job, better preparation for a future employment opportunity, increased self-confidence, certification and other educational credentials, and establishment of good relationships with AHRDA staff and employers.

These are important findings as the AHRDS is a client-centred program designed to address barriers to employment, including skills and employability through the provision of flexible and culturally sensitive programs and services. The ASETS will build on the success of the AHRDS while enhancing demand-driven skills development, partnerships and accountability.

Participation (defined as total package of EBSMs received) was more successful when Skills Development (SD), Targeted Wage Subsidies (TWS), or Employment Assistance Services (EAS) were the principal EBSM taken. Participation was less successful generally if Self-employment (SE) or Job Creation Partnerships (JCP) were the principal EBSM.

Active EI clients who participated experienced an increase in employment earnings, an increase in the incident of employment, and a reduction in the use of EI and SA. Impacts on employment and earnings were positive for all programs and services with the exception of SE.

Former EI clients who participated experienced a decline in employment earnings and an increase in the incidence of employment. The impacts on the use of EI and SA were generally mixed and not statistically significant. The TWS program exhibit the only positive impact on earnings.

Non-EI eligible clients who participated experienced an increase in employment earnings, an increase in the incidence of employment and a reduction in the use of SA. These clients increased their EI use in the post-program period, reflecting an increase of EI eligibility based on post-program employment activities, SD, TWS and EAS services had positive impacts on the incidence of employment and earnings.

Single parents, women and youth (under 30 years old) experienced an increase in earnings and in the incidence of employment.

For over the past decade, the AHRDS has helped over 516,000 men and women to develop career-focused employment action plans. The program has also supported a variety of interventions, facilitating the return of approximately 164,000 Aboriginal people to work and 54,000 people to school for further training.

ASETS focuses on three strategic pillars: demand driven skills development, partnerships and accountability for improved results. Through a strategic planning process, Aboriginal organizations will be expected to conduct a labour market analysis, identifying the programs and services they will implement in order to meet the labour market demand Partnerships across all levels of government and the private sector will be required in order to target skills development to employer demand, identifying the type of training, and which in turn will lead to improved earnings, better prospects for career advancement, and a reduced likelihood of return to income support for Aboriginal people. Finally, continued support for child care is critical given its important role as a labour market support to Aboriginal men and women.

Aboriginal service delivery organizations will be required to demonstrate through strategic business plans how their programs and services will address the distinct challenges for labour market participation faced by women and men.

HRSDC will also develop new performance indicators and measurement that will include reporting, which will include components to exhibit the profile of women, men, and other groups such as those disabled, whom are youth, and have other barriers to employment. Aboriginal organizations will be required to report on partnerships, identify high level national occupational codes for training initiatives as well as employed results. HRSDC will include a new data element, aimed at obtaining information pertaining to the workplace skills development, further linking training to occupational and employer demand.

Skills development programming must be sufficiently flexible and comprehensive to result in meaningful training and employment outcomes for Aboriginal people. Immediate, short-term interventions may have a place in some situations, but many program clients require a number of different, complex supports that require systematic case management and a longer-term investment. Clients will be able to access the appropriate type of support consistent with their respective circumstances and Aboriginal Agreement Holders under the ASETS will maintain the flexibility of augmented investment where required.

Under ASETS, EI Part II funds will continue to be invested consistent with the Terms and Conditions for Contributions under Section 63 of the *EI Act* – that is, individual-targeted programming similar to the EBSMs established under sections 59 and 60 of Part II of the *EI Act*, such as TWS, SE, JCP, SD, EAS, Labour Market Partnerships and Research and Innovation. Agreement holders will therefore continue to be required to use their EI funds to support programs for EI eligible clients as defined in the *EI Act*.

The evaluation findings clearly indicate that SD, EAS, and TWS are working well under the AHRDS. ASETS builds on these findings, further ensuring that SD meets labour market demand by making use of labour market information and targeting occupations in demand within their strategic business plans. Another key pillar under the agreement is partnerships with the private sector, and across all levels of government. In conducting labour market analysis and identifying gaps in labour market supply and demand, HRSDC will encourage Aboriginal organizations to increase the use of such programs as TWS and EAS.

HRSDC is cognizant that participation was less successful generally if SE or JCP were the principal EBSM. Programs and services offered by the Aboriginal service delivery organizations must be relevant and justified in relation to the local labour market demands, operating within the context of the ASETS pillars: demand driven skills development, partnership and accountability for improved results. Based on the evaluation findings, an Aboriginal organization that identifies the need to deliver these programs and services within their labour market must provide a rationale for the program need as well as identify how the program will be delivered and clearly identify expected outcomes. On an annual basis, Aboriginal organizations will be expected to conduct performance reviews of their programs and services and submit yearly operational plans that demonstrate how they address identified issues.

1. Introduction

This report presents the findings and conclusions for the Summative Evaluation of the Aboriginal Human Resources Development Agreements (AHRDAs). The report is organized as follows:

- Section 1: Introduction
- Section 2: Methodology
- Section 3: Socio-economic Context
- Section 4: Qualitative Findings
- Section 5: Outcomes and Net Impacts
- Section 6: Cost Effectiveness
- Section 7: Conclusions

1.1 Background of the AHRDS

The Aboriginal Human Resources Development Strategy (AHRDS) is designed to help improve the employment opportunities of Aboriginal people (First Nations, Inuit, and Métis as well as status and non-status Aboriginal people living off-reserve), and to enable them to participate fully in the Canadian economy. The AHRDS provides financial assistance to Aboriginal organizations to support the costs of human resources development programs designed and delivered by those organizations to their Aboriginal clients.

The AHRDS provides support to Aboriginal organizations to design and deliver:

- Labour market development programs to assist Aboriginal people, including Aboriginal persons with disabilities, prepare for, obtain, and maintain meaningful and sustainable employment;
- Special programs to assist Aboriginal youth make successful transitions from school to work or to support their return to school; and
- Child care programs.

The AHRDS has been in place since 1999 and was approved for renewal in 2003 with a multiyear funding total of $1.6 billion. The renewed AHRDS, which consists currently of 79 contribution agreements, began April 1, 2005 and will sunset March 31, 2009. These contribution agreements are referred to as the Aboriginal Human Resources Development Agreements (AHRDAs).

1.2 Objectives of the AHRDS

The objectives of the AHRDS are to:

- Increase Aboriginal people's employment outcomes by facilitating their participation in the labour market;
- Support recipients to design and deliver culturally appropriate labour market, youth, and child care programs that are designed to address the skills needs of Aboriginal people;
- Develop partnerships and build collaborative initiatives promoting Aboriginal employment and skills development with stakeholders, including the private sector, Aboriginal groups, provincial and territorial governments, municipal governments, learning institutions, other federal departments and agencies, labour, and sector councils;
- Work collaboratively with provincial and territorial governments and other federal departments to coordinate Aboriginal skills development programming to reduce overlap and duplication and to create access to a broader range of programming; and
- Establish alliances with the private sector to better match skills development programming with the skills needs of employers and those required for employment.

1.3 Planned Results

The AHRDS aims to achieve its objectives through support to Aboriginal organizations to develop and implement labour market programs, services, and to address the human capital needs of Aboriginal clients. Expected results are:

- Assist Aboriginal people and youth prepare for, find, obtain, and maintain employment and to make successful transitions to the labour market;
- Increase the skills levels in the Aboriginal workforce, thereby assisting in the employability of Aboriginal people across Canada;
- Accrue savings to income support programs;
- Facilitate Aboriginal youth to return to school;
- Support the development of quality child care services in First Nations and Inuit communities by subsidizing a number of distinct and diverse child care spaces in these communities to a level comparable to that of the general population and by facilitating skills acquisition among parents, particularly single parents;
- Increase the number of partnerships between HRSDC, Aboriginal organizations, other levels of government, other federal departments, and other partners to coordinate programming; and

- Create partnerships with employers, businesses, and private sector organizations to ensure skills development programming matches with the employment available in the labour market.

1.4 AHRDAs' Programs and Services

Activities eligible for support through the AHRDAs encompass a wide range of labour market, youth, and child care activities. Funded activities must take into account equity principles with regard to women and persons with disabilities.

The AHRDA summative evaluation focuses on measuring the incremental impacts on participants in AHRDA programs and services that are similar to the Employment Benefits and Support Measures (EBSMs) of the *Employment Insurance Act*. AHRDA programs and services that are not comparable to the EBSMs were not included in the evaluation (e.g., youth interventions such as internship and summer work experience).

Employment Benefits include:

- Skills Development (SD) – SD helps individuals obtain skills, ranging from basic to advanced skills, through direct assistance to individuals. Clients are responsible for selecting, arranging, and directly paying for their training courses. AHRDAs provide financial support to the client to assist in the cost of taking the training course(s).
- Targeted Wage Subsidies (TWS) – TWS helps individuals, including those facing particular disadvantages in the labour market, to find a job that will provide them with work experience. The purpose of TWS is to encourage employers to hire individuals they would not normally hire in the absence of the subsidy. The hope is that employers will keep TWS clients as employees once the subsidy period expires.
- Self-Employment Assistance (SEA) – SEA assists unemployed individuals to create jobs for themselves by starting a business.
- Job Creation Partnerships (JCP) – JCP encourages employers and organizations to create meaningful, "incremental" work opportunities through which clients can gain work experience leading to on-going jobs.

Support Measures include:

- Employment Assistance Services (EAS) – EAS provides financial assistance, often to second party organizations through service delivery agreements, to assist organizations in the provision of employment services to unemployed persons. Types of activities covered under EAS include: individualized counselling, job finding clubs, job search workshops, access to labour market information; resume writing support; interview skills training; and developing self-employment options.

Table 1 shows characteristics of AHRDA participation.

Action Plan Equivalents (APEs) consist of one or more interventions of participants separated by less than six months. Most APEs (141,659 of 210,984) are taken by non-claimants, supported by the Consolidated Revenue Fund, and not eligible for EI Part II support through a current EI claim (active claimant), or an earlier claim (former claimant). Most APEs (78,598) have SD as their principal or longest type of EBSM within the interventions making up the APE. Non-claimants represent the majority (50,934 of 78,598) of the APEs with SD as their principal EBSM. These APEs have an average of 1.94 EBSMs in them. For 76,456 of APEs, it was not possible to determine the principal EBSM due to data coding irregularities. These are identified as having a principal EBSM of "Other".

Table 1
Characteristics of AHRDA participation

	Principal EBSM						
	SD	**TWS**	**SE**	**JCP**	**EAS**	**Other**	**Total**
Active Claimant							
APEs	12,075	834	368	2,281	5,213	6,824	**27,595**
EBSMs per APE	2.93	2.89	3.91	2.66	1.61	2.42	**2.54**
Former Claimant							
APEs	15,589	1,707	442	2,707	7,538	13,747	**41,730**
EBSMs per APE	2.09	2.25	3.35	2.39	1.50	1.92	**1.97**
Non-Claimant							
APEs	50,934	5,560	852	4,144	24,284	55,885	**141,659**
EBSMs per APE	1.94	1.66	2.52	2.22	1.47	1.76	**1.79**
Total APEs	**78,598**	**8,101**	**1,662**	**9,132**	**37,035**	**76,456**	**210,984**
EBSMs per APE	**2.12**	**1.91**	**3.05**	**2.38**	**1.50**	**1.85**	**1.92**

Sources: AHRDA administrative data.

1.5 Types of AHRDAs and Geographic Location

The 79 AHRDAs are distributed across Canada as follows: Ontario (17), Alberta (13), British Columbia (12), the Northwest Territories (8), Newfoundland and Labrador (6), Quebec (5), Manitoba (4), New Brunswick (4), Nunavut (3), Nova Scotia (2), Saskatchewan (2), Yukon (2) and Prince Edward Island (1). They serve a clientele that includes First Nations (56), Métis (9), and Inuit (6), as well as Aboriginal groups in urban centres (8). The distribution of AHRDAs by type is shown in Table A.1 in the Appendix.

2. Methodology

The summative evaluation measured the incremental impacts of the participation in AHRDAs programs and services which are similar to the Employment Benefits and Support Measures of the *Employment Insurance Act*. It addressed issues of program relevance, success and cost-effectiveness.

2.1 Summative Evaluation Scope and Methodology[8]

The AHRDA summative evaluation followed a quasi-experimental comparison-group design using data from AHRDA clients' administrative records, Employment Insurance (EI) and Canada Revenue Agency (CRA) administrative databanks. Methods included quantitative and qualitative components.

For the quantitative analysis:

- Participants in AHRDA programs and services that are similar to EBSMs, between April 1999 and December 2004, are the focus of the summative evaluation.
- The unit of analysis was an Action Plan Equivalent, constructed as a single EBSM or multiple EBSMs (if separated by less than six months). Every APE contained at least one EBSM delivered under an AHRDA and possibly one or more EBSMs funded under a Labour Market Development Agreement. The principal or longest EBSM (or longest EBSMs if there were more than one of the same type) was used to characterise the nature of participation.
- The start and end date of the APE defined the periods before, during, and after participation. The post-participation period was further separated into the first, second, and third years after participation ended. Because CRA data are available on a calendar year basis, these periods had to be defined on this basis as well.
- Employment Insurance (EI) benefit data were used to characterise the APE according to the status of the participant as an active, former, or non-claimant, depending on whether the individual had a current EI claim (active), had an earlier EI claim meeting EI eligibility rules (former), or had neither (non-claimant), relative to the start date of the APE.
- The comparison group consisted of pseudo-APEs assigned to individuals who qualified to participate in EBSMs in given calendar year quarters but did not do so. The kernel-matching method of estimating incremental impacts of participation gave greater weight to comparison-group APEs whose characteristics most closely resembled those of participants'. Such characteristics were based on available data from EI and from CRA tax files, and consisted of various forms of income and income-support benefits over the five years before the start of the APE, previous participation in EBSMs, and personal attributes such as

[8] For further details please refer to the qualitative and quantitative methodology reports prepared as part of the AHRDA Summative Evaluation.

gender, age, marital status, number of children, disability, and province. They entered the analysis in a regression model of the propensity to participate in EBSMs. Each such model was constructed to pass a test of the balance between participant and non-participant characteristics.

- EI and CRA Income Tax data were used to define five outcome indicators on which to estimate impacts: annualised earnings, incidence of employment, annualised EI benefits, annualised SA benefits, and dependence on income support.

- A kernel-matching approach was used to estimate impacts of participation by comparing the experience of participants with that of Aboriginal non-participants weighted by their similarity to participants. This approach was consistent with evaluations of EBSMs under Labour Market Development Agreements. The very large numbers of observations precluded using standard procedures for optimising the bandwidth parameter used in kernel matching and for estimating valid standard errors (for tests of statistical significance and for constructing confidence intervals) by the bootstrapping method.

- With respect to the bandwidth parameter, the default value of .06 was used and resulting estimates were compared to those from a method called Inverse Probability Weighting that relies on the same basic substantive assumptions but does not require a bandwidth choice. Estimates were not qualitatively different in most cases.

- Concerning estimation of standard errors, sensitivity tests from a sample of estimates showed that confidence intervals constructed from the basic standard error formula were remarkably similar to those produced by the preferred method of bootstrapping, likely due to the very large sample sizes. This finding led to the conclusion that failure to use the preferred method likely had a minimal effect on statistical inferences based on the estimates.

- Impacts of participation were estimated for the "in-program" period (i.e. during the APE), and for each of the three years following the end of the APE. Challenges arose in the application of the estimation methods. But techniques used to test the results of departures from the ideal approach produced results suggesting that the resulting estimates may be considered with confidence as to their reliability.

The qualitative component included the following evaluation tools and methods:

- A document review, including a sample of AHRDA contribution agreements; program documentation describing the AHRDA data and accountability systems; HRSDC evaluations related to Aboriginal programming (the 2003 AHRDA Review and the ongoing AHRDA formative evaluation); policy documents and literature reviews on labour market programming for Aboriginal people produced mainly by HRSDC; and socio-economic and Census data.

- Interviews with thirty-five key informants, including three representatives of HRSDC and Service Canada, four from the National Aboriginal Organizations, and twenty-eight AHRDA representatives that were randomly selected across Inuit, First Nations, Métis, urban and national AHRDAs.

- Eighteen discussion groups, involving a total of 159 AHRDA clients who participated in an AHRDA program or service between 2005 and 2007. The discussion groups included a representation of urban, rural and northern remote locations as well as First Nations, Inuit and Métis participants. Selection criteria also included the availability of a sufficient number of participants in each location.

2.2 Summative Evaluation Strengths and Limitations

Strengths

Lessons learned from LMDA Summative evaluations and ongoing expert advice ensured methodological rigour. The use of an alternative econometric method, the Inverse Propensity Weighting approach, corroborated the Kernel Matching estimates in the vast majority of cases.

Limitations

The employment and self-employment earnings of Aboriginal participants were derived from income tax records reported to CRA. Through consultation with CRA, it was possible to capture tax-exempt earnings from employers. But it was not possible to obtain tax exempt self-employment earnings. As a result, self-employment earnings remain under-estimated for both participants and non-participants. Despite their limitations, CRA data remain superior to earnings data collected through surveys which are subject to recall errors.

Like estimates derived for LMDA evaluations, impacts estimated for this study are partial equilibrium results only – they do not take into account potential spill over impacts[9] on non-participants. Such impacts may be more pronounced under AHRDAs where EBSM participants represent a larger fraction of the relevant labour market.

The kernel-matching estimates presented in this report were produced using a common bandwidth of 0.06. These estimates were compared to estimates from a related technique (Inverse Probability Weighting) that relies on the same basic substantive assumptions but does not require a bandwidth choice. Estimates obtained using the two methods were not qualitatively different in most cases. However, in a minority of cases, the comparison suggested that 0.06 was too large a bandwidth, with the result that in a minority of cases, kernel matching estimates may embody estimation bias.

The main challenge encountered in the qualitative research was to achieve sufficient participation by clients in discussion groups. Client contact information was not available for many, and confirming client participation was a challenge despite the offer of $100 cash compensation. Many clients were not interested in participating, many did not recall having taken part in programs or receiving service from the AHRDA, and some were reluctant to speak up, due to shyness or concern about sharing their personal stories with others in their community.

[9] Spillover impacts occur if participants take jobs that would have gone to other workers in the absence of the program. Thus participants displace other workers for these jobs.

3. Socio-economic Context

3.1 Introduction

The following socio-economic profile provides a statistical overview of the Aboriginal population in Canada, based on the latest available sources of statistical data, as background for the analysis carried out in the Summative Evaluation of the AHRDAs.[10]

3.2 Demographic Profile

In 2006, the total Aboriginal population of Canada was 1,172,790, representing 3.8% of the total population of Canada. The proportion of the Aboriginal population is increasing: in 1996, the Aboriginal population represented only 2.8% of the total Canadian population, and in 2001 it represented 3.3%. Between 1996 and 2006, the Aboriginal population of Canada experienced an increase of 45%, compared to only an 8% increase for the non-Aboriginal population.

Table 2
Aboriginal Identity Population, Canada

Aboriginal Groups	2006 Census		% change from	
	Count	%	2001	1996*
Total – Aboriginal Identity Population	1,172,790	100.0%	20%	45%
North American Indian single response	698,025	59.5%	15%	29%
Métis single response	389,785	33.2%	33%	91%
Inuit single response	50,485	4.3%	12%	26%
Multiple and other Aboriginal responses	34,500	2.9%	15%	34%

Sources: Statistics Canada, 1996, 2001 and 2006 censuses of population.

* The 1996 to 2006 % changes are derived from Statistics Canada's *Aboriginal Peoples in Canada in 2006: Inuit, Métis and* First *Nations, 2006 Census* report as they were "adjusted to account for incompletely enumerated reserves in 1996 and 2006" (Statistics Canada, 2008, p.10).

According to the 2006 Census, North American Indians represented the largest proportion of the Aboriginal population of Canada at 59.5%, followed by the Métis at 33.2%, the Inuit at 4.3% and multiple and other Aboriginal people at 2.9%. During the last decade, the Métis have experienced a dramatic increase of 91%, while North American Indians have increased their numbers by 29% and Inuit by 26%. The higher increase in the Métis population may be due to increased rates of self-identification.

[10] Most of the 2006 and 1996 data are derived from Statistics Canada's *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations*, 2006 Census report and its online tables. Some 2006 and 2001 data presented are from Statistics Canada's recently released reports *Canada's Changing Labour Force*, 2006 Census and *Educational Portrait of Canada*, 2006 Census. The rest of the 2006, 2001 and 1996 data presented are from the censuses of Canada as they appear in Statistic Canada's community and Aboriginal population profiles. Whenever available, data are presented for specific Aboriginal groups and compared to the non-Aboriginal population.

The proportion of Aboriginal people of the total population of the provinces and territories is 85% in Nunavut, 50% in the Northwest Territories, 25% in the Yukon Territory, 15% in Manitoba and Saskatchewan, and smaller proportions in Alberta (6%), British Columbia (5%), Newfoundland and Labrador (5%), Nova Scotia (3%), New Brunswick (2%), Ontario (2%), Québec (1%) and Prince Edward Island (1%).

The proportion of Canada's Aboriginal urban dwellers increased from 50% of the total Aboriginal population in 1996 to 54% in 2006 (compared to 81% of the non-Aboriginal population who lived in urban areas). Of these Aboriginal urban dwellers, Native American Indians represent the highest proportion at 50%, followed closely by the Métis (43%), while Inuit represent a mere 3% of Aboriginal urban dwellers.

In 2006, 48% of the Aboriginal population of Canada was under the age of 25, compared to 31% of the non-Aboriginal population. Further, 19% of the Aboriginal population was under the age of 10 compared to 11% of the non-Aboriginal population. These differences, of 17 and 9 percentage points, respectively, indicate a significantly younger Aboriginal population. In 2006 the proportion of the Aboriginal population between the ages of 25 to 64 was 47% compared to 56% of the non-Aboriginal population. The population 65 years and over in 2006 represented only 5% of the Aboriginal population, compared to 13% for the non-Aboriginal population. However, "the number of Aboriginal seniors, while relatively small, doubled between 1996 and 2006, while the number of seniors in the non-Aboriginal population increased 24%."[11]

The Aboriginal population of Canada in 2006 was divided relatively evenly between males (49%) and females (51%). These proportions were identical for the non-Aboriginal population of Canada. The proportion of males and females was also divided relatively evenly for all three major Aboriginal groups.

The large majority of Aboriginal people in Census families are either spouses or common-law partners (80%), while 20% are single parents (this does not count children and people who are not in census families). The proportion of Aboriginal single parent families was 4 percentage points higher than the total Canadian population (16%). However, there was no difference between the Aboriginal and total Canadian population in the proportion of single parent families headed by a female or male. For both population groups, 80% of single parents were female, while the other 20% were male.

In 2006, the total Aboriginal population was somewhat more mobile than the non-Aboriginal population, with 19% of the total Aboriginal population moving within the previous year, compared to 14% of the non-Aboriginal population. Twelve per cent of this mobile Aboriginal population moved "within the same census subdivision, compared with 8% of the non-Aboriginal population. Aboriginal people were also slightly more likely than their non-Aboriginal counterparts to have relocated to their current address from a different community (8% versus 5%)."[12]

[11] *Ibid*, p. 14.
[12] *Ibid*, p. 17.

Finally, in terms of activity limitations (i.e., those having difficulties with and requiring a reduction in daily activities due to physical or mental conditions or health problems), 12% of the Aboriginal population experienced some sort of activity limitation in 1996, compared to 10% of the total Canadian population. By 2001, the proportion of the Aboriginal population having activity limitations had increased to 17%, still slightly more than the total Canadian population at 16%. This may reflect either an increased incidence of activity limitation in both populations, perhaps due to aging, or increased reporting of occurrences.

3.3 Economic and Social Profile

In 1996 and 2006, 22% of the Aboriginal population fifteen years of age and over was attending school, compared to 18% for the total Canadian population. Therefore there was no change during this period.[13]

Of the population of Canada aged fifteen years and over in 2006[14], fewer Aboriginal people were likely to have obtained a certificate, diploma or degree (56%), compared to the non-Aboriginal population (77%). Although this difference of 21 percentage points seems large, it should be noted that, as the Aboriginal population of Canada is younger than the non-Aboriginal population, Aboriginal individuals are less likely to have obtained a certificate, diploma, or degree.

Of those who have obtained a certificate, diploma or degree, Aboriginal individuals were more likely to have obtained a high school certificate (39% compared to 34% of the non-Aboriginal population), a college or CEGEP or other non-university certificate or diploma (26% compared to 23% of the non-Aboriginal population), an apprenticeship or trades certificate (20%, compared to 14% of the non-Aboriginal population) and less likely to have obtained a university certificate, diploma or degree (15% – compared to 30% of the non-Aboriginal population).

Furthermore, of those who did obtain a university certificate, diploma or degree, the proportion of the Aboriginal population with a university certificate or diploma below bachelor level, at 32%, was 13 percentage points higher than the non-Aboriginal population at 19%. Of the 68% of the Aboriginal population and the 81% of the non-Aboriginal population who had obtained a university certificate or degree, the Aboriginal degree holders were more likely to have obtained a bachelor's degree (71%, compared to 64% of the non-Aboriginal degree holders) and a university certificate or diploma above bachelor level (12% for the Aboriginal population, compared to 11% for non-Aboriginal). They were less likely to have obtained a master's degree (13% of Aboriginal graduates, compared to 19% of non-Aboriginal graduates), a doctorate (3% of Aboriginal graduates, compared to 4% of non-Aboriginal), or a degree in medicine, dentistry, veterinary medicine or optometry (1% of Aboriginal graduates, compared to 3% non-Aboriginal).

[13] Statistics Canada, 2006 Census of Population, Statistics Canada catalogue no. 97-560-XCB2006036.

[14] Statistics Canada changed the questions pertaining to educational achievement between the 2001 and 2006 censuses: most 2006 data cannot be compared to the 2001 data.

Table 3
Highest certificate, diploma or degree, 2006 Census Aboriginal Population and Non-Aboriginal Population of Canada Aged 15 Years and Over

	2006 Census			
	Aboriginal		Non-Aboriginal	
Highest certificate, diploma or degree	**Count**	**%**	**Count**	**%**
Total – Aged 15 Years and Over	823,890	100%	24,840,335	100%
No certificate, diploma or degree	359,775	44%	5,738,550	23%
Certificate, diploma or degree	464,115	56%	19,101,780	77%
Within Certificate, diploma or degree				
High school certificate or equivalent	179,590	39%	6,373,835	33%
Apprenticeship or trades certificate or diploma	93,885	20%	2,691,535	14%
College, CEGEP or other non-university certificate or diploma	119,675	26%	4,315,455	23%
University certificate, diploma or degree	70,965	15%	5,720,955	30%
Within University certificate, diploma or degree				
University certificate or diploma below bachelor level	22,950	32%	1,113,200	19%
University certificate or degree	48,015	68%	4,607,750	81%
Within University certificate or degree				
Bachelor's degree	34,255	71%	2,947,205	64%
University certificate or diploma above bachelor level	5,735	12%	487,805	11%
Degree in medicine, dentistry, veterinary medicine or optometry	650	1%	136,200	3%
Master's degree	6,155	13%	860,820	19%
Earned doctorate	1,215	3%	175,725	4%

Sources: Statistics Canada – 2006 Census.

Statistics Canada's report entitled "*Educational Portrait of Canada, 2006 Census*" indicates that 51% of Inuit, 38% of First Nations, and 26% of Métis aged twenty-five to sixty-four had not completed high school. However, 24% of Métis, 20% of First Nations, and 13% of Inuit had a high school certificate, while 50% of Métis, 42% of First Nations and 36% of Inuit had a postsecondary education certificate, diploma or degree. A post-secondary certificate is thus the highest diploma for the largest proportion of Métis and First Nations. However, the majority of Inuit have not completed high school.

In 2006, earnings represented 76.9% of the total income of Aboriginal people, compared to 76.2% for the total Canadian population. Government transfers represented 18.1% of the Aboriginal population's total income, 7 percentage points higher than the total Canadian population.[15] In 2005, 42% of the Aboriginal population of Canada aged 15 and over with earnings worked full-year full-time, 9 percentage points below that of the total Canadian population (51%). In 2001, 7% of Canada's Aboriginal population was self-employed, compared to 12% of the total national population[16].

[15] No statistics were available for Major Source of Income from the 1996 Census.
[16] This information was not available in the 2006 profiles.

The period 2001-2006 saw a decrease in levels of income for the Aboriginal population of Canada. The median total income for the Aboriginal population in 2001, at $13,525, was 64% of the median total income for the total Canadian population; by 2006 that had increased to $16,752, but was only 53% of that of the total national population, a significant decrease of 11 percentage points.

In 2006, the top three occupational areas for both the Aboriginal population and the total Canadian population were "Sales and Services Occupations", "Trades, Transport and Equipment Operators and Related Occupations", and "Business, Finance and Administration Occupations". However, there were some significant differences between these two populations in the rank and proportions of these occupations. The proportion of Aboriginal people working in "Sales and Services Occupations" (29%) was 5 percentage points higher than the total Canadian population (24%); for "Trades, Transport and Equipment Operators and Related Occupations", the rate was five percentage points higher for the Aboriginal population (20%) than for the total population (15%); while for "Business, Finance and Administration Occupations" it was 3 percentage points lower for the Aboriginal population (15%), than for the total Canadian proportion (18%).

In 2006, the largest industrial sector of employment within both the Aboriginal population and the population of Canada was "Business Services". However, this sector represented 14% of employment in the Aboriginal population, which was 4 percentage points below that of the total population of Canada (18%). The proportion of the Aboriginal population in "Health Care and Social Services" (12%) compared to 10% for the total population of Canada; while for "Retail Trade", the Aboriginal proportion (10%) was 1 percentage point lower than for the total Canadian population (11%). The Construction Industries ranked fourth for the Aboriginal population (9%), 3 percentage points higher than the total population (6%).

Table 4
Industry, 2006 Census Aboriginal Population and Total Population of Canada Aged Fifteen Years and Over

	2006 Census			
	Aboriginal		Total Population	
Top Industries	Count	%	Count	%
Total – Aged 15 Years and Over	497,280	100%	16,861,180	100%
Business Services	69,900	14%	3,103,195	18%
Health care and Social Services	58,160	12%	1,716,255	10%
Retail Trade	51,465	10%	1,917,170	11%
Construction Industries	43,880	9%	1,069,095	6%

Sources: Statistics Canada – 2006 Census.

3.4 Labour Force Profile

Between 1996 and 2001 there was a 29% increase in the Aboriginal population of Canada fifteen years of age and over (from 504,525 to 652,345), while the national population in this age range grew by only 6%. The number of Aboriginal people in the labour force (i.e., those recognized as employed or unemployed in the week prior to Census day) rose 36% during this period, from 294,655 to 400,430, while the number of people in the labour force for the total Canadian population increased by only 7%.

Table 5
Labour Force Activity, 2006 Census Aboriginal Population and Non-Aboriginal Population of Canada Aged Fifteen Years and Over

	2006 Census			
	Aboriginal		Non-Aboriginal	
Labour Force Activity	Count	%	Count	%
Total - Aged 15 Years and Over	823,890	100%	24,840,335	100%
In the labour force	519,250	63%	16,626,880	67%
Employed	442,395	54%	15,578,780	63%
Unemployed	76,860	9%	1,048,100	4%
Not in the labour force	304,635	37%	8,213,450	33%
Participation rate		63%		67%
Employment rate		54%		63%
Unemployment rate		15%		6%

Sources: Statistics Canada – 2006 Census.

For the Aboriginal population aged fifteen and over in 2006, the participation rate was 63%, 4 percentage points lower than the non-Aboriginal population (67%).[17] The employment rate was 9 percentage points lower for the Aboriginal population (54%) than for the non-Aboriginal population (63%). The unemployment rate was 9 percentage points higher for the Aboriginal population (15%) than for the non-Aboriginal population (6%).

According to *Canada's Changing Labour Force, 2006 Census,* by Statistics Canada, the employment rate of the Aboriginal population aged twenty-five to fifty-four increased by nearly 5 percentage points, from 61.2% in 2001 to 65.8% in 2006, whereas the proportion for the same age group of the non-Aboriginal population grew by approximately 1 percentage point (from 80.3% to 81.6%). An increase in the employment rate was recorded for all three major Aboriginal groups: 4 percentage points increase was seen for both Métis (from 70.4% to 74.6%) and First Nations (from 56.4% to 60.5%), while the Inuit saw a smaller increase of less than 1 percentage point, from 60.3% to 61.1%.

[17] The participation rate for a particular group is the total labour force in that group, expressed as a percentage of the population fifteen years of age and over, in that group. (Statistics Canada, 2001 Census Dictionary).

The unemployment rate for the Aboriginal population aged twenty-five to fifty-four decreased by 4 percentage points, from 17.4% in 2001 to 13.2% in 2006, while the unemployment rate for the non-Aboriginal population decreased during the same period from 6.0% to 5.2%. The decrease in the unemployment rate was more pronounced for the Métis (from 12.5% to 8.4%) and First Nations (from 20.3% to 16.3%) than for Inuit, which decreased by 1.7 percentage points from 20.7% to 19.0%. Of the three major Aboriginal groups, the Métis are closer to the unemployment rate of the non-Aboriginal population (3.2 percentage points higher), while the rate is much higher for First Nations (11.1 percentage points higher) and Inuit (13.8 percentage points higher).

Sections 4.2, 4.4, 5.3 and 5.4 of this report describe how programming under AHRDAs assist in addressing the need of participants and the Aboriginal labour market issues.

4. Evaluation Findings

4.1 Program Relevance

Consistency with departmental and government-wide priorities

The long-term objective of the AHRDS is "to achieve an Aboriginal employment rate that is on a par with Canada's overall employment rate. Accomplishing that goal calls for a strengthened partnership approach with Aboriginal groups, provinces, territories and the private sector." Related objectives include "gains in literacy and essential skills for working-age Aboriginal people, and the development of an Aboriginal workforce equipped with the skills needed to obtain meaningful and productive jobs."[18]

Advantage Canada is the long-term national economic plan of the federal government, overseen by the Department of Finance. The initiative states that: "programs need to help people who have traditionally been under-represented in the workforce. Aboriginal Canadians, older workers and persons with disabilities are three groups facing unique challenges to participating in the workforce. We will build on programs such as the Aboriginal Skills and Employment Partnership (ASEP) Program."[19]

In presenting the 2007 federal budget, the Finance Minister announced the government would be providing "$500 million a year for labour market training starting in 2008–09..."[20] The Labour Market Agreements provide another mechanism to assist Aboriginal people, especially those not eligible for EI benefits.

The government has also increased its investment in the ASEP program by $105 million over the next five years; this is "a nationally managed program geared to providing Aboriginal people with the skills they need to participate in economic opportunities such as northern mining, oil and gas, forestry, and hydro development projects across Canada".[21] HRSDC states that ASEP and the AHRDS are complementary, noting that increasing Aboriginal participation in the workforce is a shared goal, and that AHRDA holders "are often instrumental in forming part of the Aboriginal component of an ASEP project's partnership consortium."[22]

Key Informant Perspectives

All three HRSDC/Service Canada key informants agreed that the AHRDS meets many of the Government-wide priorities, as well as HRSDC and Service Canada priorities for a skilled and educated workforce in Canada. Documents referenced include *the Speech from the Throne* delivered in October 2007 (which outlines how the Government will foster partnerships that

[18] HRSDC website: http://www.hrsdc.gc.ca/en/employment/aboriginal_employment/strategy/faq.shtml
[19] *Advantage Canada: Building a Strong Economy for Canadians*, Department of Finance Canada, 2006: 49.
[20] From Government of Canada website: http://www.budget.gc.ca/2007/speech/speeche.html
[21] From ASEP website: http://www.hrsdc.gc.ca/en/employment/aboriginal_training/index.shtml
[22] From ASEP website: http://www.hrsdc.gc.ca/en/employment/aboriginal_training/about_asep/fact_sheet.shtml

help Aboriginal people get the skills and training to take advantage of job prospects across Canada, particularly in the mining and resource sectors), Advantage Canada, and the 2007 federal budget support for ASEP[23].

4.2 Addressing the needs of Aboriginal People

Numerous studies have documented the need for a strategy to meet the unique labour market needs of Aboriginal people. Census data confirm that Aboriginal people experience higher rates of unemployment, lower rates of labour force participation, and higher rates of social assistance than other Canadians. However, there have been improvements and examples from socio-economic data were reported in section 3:

- The employment rate of the Aboriginal population aged twenty-five to fifty-four increased by nearly 5 percentage points, from 61.2% in 2001 to 65.8% in 2006.
- The unemployment rate for the Aboriginal population aged twenty-five to fifty-four decreased by 4 percentage points, from 17.4% in 2001 to 13.2% in 2006.
- The labour force participation rate for Aboriginal people increased by 2 percentage points from 61% in 2001 to 63% in 2006.
- The period 1996-2001 saw a decrease of 6 percentage points in the proportion of the Aboriginal population with less than a high school diploma (from 54% in 1996 to 48% in 2001)[24].

In a 2004 report on Aboriginal people in the labour market, Michael Mendelson described the ways in which federal policy should reflect the widely varied needs and situations of Aboriginal people across Canada, and emphasized the need for collaboration among all levels of government, including First Nations' governments. The report also emphasized the need for Aboriginal employment support services "designed primarily to help people get into jobs, to provide for skills and training upgrades and, in some instances, to assist in the creation of jobs."[25]

Other reports[26] document the importance of post-secondary education for Aboriginal people and the need to ensure that more Aboriginal students graduate from high school. Low education has been identified as a key factor in the relatively weak performance of Aboriginal people in the labour market.

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[23] The 2008 budget (subsequent to the key informant interviews) committed to establish a new framework for Aboriginal economic development by the end of 2008 and dedicates $70 million over the next two years for Aboriginal economic development measures to support the new framework.

[24] Categories changed for the 2006 census, rendering it impossible to compare with 2001.

[25] Mendelson, 42.

[26] Reports include: Ciceri, Coryse and Katherine Scott. 2006. *The Determinants of Employment Among Aboriginal Peoples* (Canadian Council on Social Development); Drost, Helmar. 1994. "Schooling, Vocational Training and Unemployment: the Case of Canadian Aboriginals" in *Canadian Public Policy* 20(1), March 1994, p. 52-65; Mendelson, Michael. 2006. *Aboriginal Peoples and Post Secondary Education in Canada* (Caledon Institute of Social Policy) and others.

The AHRDAs play a role in designing and developing Aboriginal-specific employment and training programs and services to address the labour market needs of Aboriginal people in their respective regions. However, many of those interviewed as part of the 2007 Formative Evaluation of the AHRDAs, as well as for the Summative Evaluation of the AHRDAs, cited a number of challenges, including limited capacity and staff turnover as a result of their inability to provide competitive salaries.

Key Informant Perspectives on Addressing the Needs of Aboriginal People

Needs of Aboriginal People that are addressed through the AHRDS

All HRSDC/Service Canada and NAO key informants agreed that programs and services currently offered by the AHRDAs are linked to the labour market needs of Aboriginal people. These include skills development, training and upgrading, referrals to social services, youth investment, career counselling, wage subsidies, self-employment, career planning, and facilitating access to the labour market.

Aboriginal clients also face multiple barriers, and AHRDAs are called on to address needs with respect to transportation, childcare, health, transition to an urban environment, and addictions. The AHRDAs have the flexibility to develop culturally sensitive and relevant programs and services (considering Aboriginal values, traditions, and languages) that meet the particular needs of the different communities.

Successful initiatives cited by two HRSDC key informants include partnerships: between AHRDAs and private companies to increase employment; between AHRDAs joining forces to offer specialized services such as Essential Skills training; linking with organizations to develop apprenticeship programs or Aboriginal-specific training or customized programs; assisting companies to develop culturally-sensitive human resources or other policies; and youth camps on developing business plans and fostering small business management skills. Despite successful initiatives, these key informants identified several areas where AHRDA programs are making less of an impact, including: links with economic development, responding to specific regional issues, achieving economies of scale in program delivery, addressing essential skills and literacy levels, meeting the demand side of the labour market needs, working more closely with employers, and offering more apprenticeship programs.

Two HRSDC/Service Canada key informants and six AHRDA respondents said more work can be done to achieve results in the areas of leveraging and partnership with provinces, territories and the Federal government. There is little coordination with provinces and territories to avoid duplication, share best practices, obtain joint funding, or participate in joint strategic planning. In some regions, there is a need for streamlining between LMDA, ASEP, and AHRDA programming.

Helping participants look for, find and maintain employment

Seven out of 28 AHRDA key informants stated that AHRDAs can assist clients through programs and services that are tailored to their needs, given the flexibility in program design and delivery. Eight key informants, however, stated that many of their clients are considered to

be facing multiple barriers. Potential participants come to the AHRDA lacking education and work experience to enter the labour market. Some have never held a job and lack basic awareness of corporate culture, work environments, and expectations. Some have quit school or received a sub-standard education, which makes it more difficult to address their labour market needs. In order to assist these clients, AHRDAs are providing non-funded interventions and many "soft" services that are not captured in the database but which represent a critical aspect of their work. Examples include time management, housing referrals, coping skills, dealing with health-related issues, counselling, transportation, and longer term support after the standard length of intervention has elapsed.

Six key informants said the degree to which they can help clients is limited by financial resources and capacity.

Other ways in which AHRDAs help clients maintain employment, as cited by two or more AHRDA key informants, include:

- Following up and ensuring they are satisfied with their jobs or helping employees work through difficulties to avoid quitting their jobs;
- Working directly with communities and employers to ensure AHRDA programs are relevant and address labour market demands, thereby ensuring that helpful links between the community and jobs are maintained and reflected in the training opportunities provided by the AHRDA programs; and
- Specific successful partnerships with regional employers, provincial governments, and training institutions that address labour market demands, although two key informants said this link to the demand side of employment is difficult to maintain, due to resource and capacity issues.

AHRDAs report that 69 to 90 per cent of participants subsequently return to work which five AHRDA key informants cited as evidence of the AHRDAs' success. But the success of programs and services is linked to the local economy: as some communities have only seasonal jobs and other regions have limited economic opportunities, clients are being trained for jobs in other locations.

Other programs and services not currently provided through the AHRDAs

Two out of three HRSDC/Service Canada key informants stated that meeting the demand side of the labour market is not always addressed by AHRDAs, though some have made this a priority. This has meant that, in some cases, programs and services are not always preparing Aboriginal people to fill real, existing, and available jobs, or that AHRDAs have not made relevant or necessary links with industry. Four AHRDA respondents stated that there is a need to link AHRDA programs with economic opportunities at the community level.

Two HRSDC/Service Canada key informants and twelve (out of 28) AHRDA respondents said that Literacy and Essential Skills were not well addressed by AHRDAs.

Six AHRDA respondents said that disability issues are not adequately addressed by AHRDAs. The following specific concerns were raised:

- Some disabled clients may not access training support if it means loss of other income supports;
- The need for greater co-ordination among all levels of government to maximize access and benefits to disabled Aboriginal clients;
- The majority of disability funding is EI-based but many disabled clients are not eligible or have not been on EI;
- There is a lack of assessment capabilities at AHRDAs;
- There are transportation issues; and
- AHRDA offices lack disability supports such as books on CD, note-takers, and special equipment.

HRSDC/SC key informants and six AHRDA respondents cited a number of obstacles limiting the success of youth programs and services. These include:

- Relatively high school-dropout rates resulting in lower literacy and other essential skills;
- Challenges facing Aboriginal youth with criminal records in finding and maintaining employment;
- The need to partner with other agencies, employers, and schools; and
- The lack of mentorship opportunities and entrepreneurship programming.

A lack of availability of childcare support for off-reserve, Métis, and urban clients was reported by all urban and Métis AHRDA respondents.

Ten AHRDA respondents said that, in addition to job-related programs and services, holistic services are being provided, but not always supported by HRSDC/SC. These include time management, housing referrals, coping skills, dealing with health-related issues, transportation, and longer-term support after the standard length of intervention has elapsed.

Eleven AHRDA respondents stated that the AHRDAs' internal capacity constrains them from offering more programs and services to better meet the needs of clients. AHRDAs are characterized by high staff turnover, low wages, heavy workload, and understaffing. AHRDAs need additional support in several areas, including:

- Access to infrastructure funding;
- Development of performance measures;
- Policies and procedures for financial reporting, data collection, and management;
- Conducting evaluations;

- General policies and procedures development; and
- Networking and relationship building.

Discussion Group Perspectives on AHRDA Programs in Relation to Employment Needs

Main employment challenges

The most frequent employment challenge, discussed in eleven of the eighteen discussion groups, was participants' lack of basic education and skills, including specific job skills, job search skills, basic literacy, and general education.

Additional employment challenges included:

- The lack of job opportunities at the community level (identified in seven of eighteen discussion groups, mainly in remote and northern communities);
- The requirement for specialized certifications (reported in four of the discussion groups); and
- Access to day care (reported by seven people in three discussion groups).

Are AHRDA programs and services addressing employment challenges and barriers?

In fourteen of the eighteen discussion groups, most participants agreed that the programs and services received helped them to meet their employment challenges and to overcome employment barriers. In eight discussion groups, there was a clear consensus that participation in programs led to employment further training. In four discussion groups participants stated the programs helped to secure a certification which improved their overall job prospects. In five discussion groups, participants stated that participation in the programs improved self-confidence.

Difficulties experienced while participating in programs

Participants in nine of the eighteen discussion groups stated that they had no significant difficulties participating in AHRDA programs. In most cases, the AHRDA staff members were helpful in identifying the clients' needs and developing the right sort of intervention, and programs were started and executed according to plan.

In the other nine groups, however, participants identified difficulties, including:

- Programs being delayed or cancelled as a result of insufficient funding;
- Insufficient awareness or knowledge of the AHRDA by employers;
- Insufficient access to daycare;
- Communication or administrative challenges in dealing with the AHRDA;

- Reluctance of AHRDA staff to support participant's first choice of training;
- Difficulties accessing AHRDA programs outside of their region;
- AHRDA staff being insufficiently trained; and
- Problems accessing transportation.

Waiting times before program participation

There was a clear consensus among participants in thirteen of the eighteen discussion groups that they experienced no major issues with respect to delays in taking programs and that wait times were reasonable. In some discussion groups, the delays experienced by potential participants were attributed to the lack of adequate follow-up and communication by AHRDA staff.

Involvement in choosing programs or services

In all eighteen discussion groups, most or all of the participants confirmed that they were involved in choosing programs and services. Individuals in four discussion groups, however, stated that they did not have much choice in what programs were available and had to take what was offered.

Suitability of program design and delivery to the need of participants

With few exceptions, the majority of discussion group participants agreed that the programs were well-designed and administered over all. The flexibility of the training programs, allowing participants to complete their program while fulfilling their family or work roles, was repeatedly identified as the most important program strength. In two other locations, access to daycare was identified as the aspect of the program which worked best for participants. In two others, it was the support and communication received from training providers, teachers, facilitators, and AHRDA staff.

4.3 Closing the gap between Aboriginal and Non-Aboriginal People

Key Informant Perspectives on Closing the Gap

Overwhelmingly, key informants stated that AHRDAs have made a difference in increasing clients' access to, and use of, labour market programs. All key informants attributed this success primarily to the cultural sensitivity and relevance of the programs and services. AHRDA key informants noted the following examples:

- Aboriginal people feel safe and welcomed at AHRDA facilities;
- There is a high level of trust between clients and AHRDAs;

- AHRDAs are an integral part of the community;
- Programming is flexible enough to meet local needs;
- Local offices ensure that more people are aware of the programs and services offered, and work to increase accessibility of programs and services;
- Services are offered in Aboriginal languages;
- Training can sometimes be offered locally;
- AHRDAs provide additional services and step-by-step support to supplement EBSM type interventions;
- Personal relationships are built with clients;
- AHRDAs can leverage other mainstream labour market programs to assist clients; and
- AHRDA staff can act as role models and encourage clients.

Three HRSDC/SC key informants said there are data demonstrating the number of clients served by AHRDAs and who returned to work or school, but little data to confirm whether Aboriginal people's access to programs through AHRDS has increased in comparison to past labour market programs.

4.4 Alignment of design and delivery structure with lessons learned and best practices

The Literature Review from the AHRDA Formative Evaluation summarized recommendations and lessons learned from the experience of Aboriginal people in Canada and internationally with regard to labour market programs and policies. The document review for the Summative Evaluation provided examples of how the AHRDS, and the AHRDAs are addressing, or not addressing, each of the key lessons learned.

Programs that address the transition from school to work and educational attainment are an important element of labour market programming for Aboriginal people

Skills Development represented 37% of the EBSMs supported by AHRDAs between 1999 and 2004. All AHRDA contribution agreements reviewed provided a Summer Employment program for students to provide them with work experience. Programs stipulate that the student must return to school in September, thus encouraging students to continue and complete their education. Contribution agreements from various AHRDAs list tuition costs as allowed expenses and some AHRDAs also list the cost of books or other tools necessary to a client's education as permitted expenses. Miziwe Biik, a sub-agreement holder of the Aboriginal Labour Force Development Circle AHRDA, developed an on-line school, based on the Ontario curriculum, with Aboriginal-specific and culturally-relevant content, that enables Aboriginal people to complete courses toward a high school diploma.

Other innovative programs and services are offered by AHRDAs across the country, including partnerships with local school boards or provincial or territorial ministries of education and links to private educational institutions.

A longer-term investment is needed in the upgrading of knowledge and skills and additional support, particularly social support in areas such as mentoring, assistance with work-related expenses, secure housing, counselling, and healthcare

The AHRDS was created in 1999 and renewed in 2005. The current mandate expires in 2009, and discussions are ongoing regarding the post-2009 AHRDS. Investment in individual Aboriginal clients through programs and services by the local AHRDA is generally short-term. Some labour market programs (e.g. the wage subsidy or career placement programs) will support an individual financially for several months, but this support will not extend beyond one year. There is no longer-term investment or support unless the client begins a new intervention. There is also little or no support for clients who require assistance or guidance once in the workplace.

A number of AHRDAs have incorporated the social support aspect of programming directly into work plans, as presented in contribution agreements. For example the Mi'kmaq Confederacy of PEI specifically designated social support as a critical element of programming, including "General Education Development support, problem solving, self-confidence, improved literacy, and skills necessary to deal with the day-to-day aspects of life."[27] The Kativik Regional Government contribution agreement commits KRG to providing services to assist workers to find suitable employment, including "special assistance, where they are experiencing particular difficulty obtaining or keeping employment." As noted earlier, other AHRDAs list similar "soft" services, such as helping clients to find housing, on their websites or in promotional material, which may not be specifically described or recorded in contribution agreements.

Support for childcare is an essential element of labour market programming for Aboriginal people

First Nation and Inuit AHRDAs have access to childcare funding through the First Nations and Inuit Child Care Initiative (FNICCI), a component of the AHRDS. This funding is used to provide childcare and support to children of parents seeking or maintaining employment. Several AHRDAs reported waiting lists for spaces in many FNICCI-funded daycares, so not all children of AHRDA clients can access childcare support. No comparable funding for childcare is available to Métis or urban AHRDAs.

The Formative Evaluation of the AHRDAs found that extensive program integration is taking place within childcare centres funded by FNICCI. A variety of programs are delivered within these centres covering cultural issues, health, and child development. This program

[27] Ibid, 21.

integration further includes extensive leveraging of program funds from other federal and provincial programs.

Challenges included staff retention and recruitment, funding limitations, capacity to deal with special needs children, and meeting high demands for spaces, as noted by AHRDA key informants above. Key informants and parents, with children in the 20 child care centres examined during the Formative Evaluation, reported that these children are better prepared, with superior academic and social skills, to enter the regular school system.

Ensure programs meet the needs of the urban Aboriginal population, including offering "one-stop shopping" and integration between Aboriginal and other programs and supports

Eight AHRDAs are designated as "urban" AHRDAs and they offer programs and services to Aboriginal people living in urban centres. For example, Miziwe Biik, an Aboriginal Labour Force Development Circle sub-agreement holder, offers urban-centred programs and services to the Aboriginal population in Toronto. These include an Aboriginal Business Resource Centre that provides clients with computers, photocopiers, phone access, on-site training in business development, and one-on-one entrepreneur coaching; pre-apprenticeship training programs in several trades; the Miziwe Biik On-Line Campus, offering an Aboriginal-centred General Educational Development program; and partnerships with organizations and industries in Toronto for access to Aboriginal-specific training or tools.

Other urban AHRDAs have developed unique programs and services to meet the needs of urban Aboriginal clients, including an Essential Skills training centre, trades and apprenticeship programs and support, and private sector engagement strategies, in addition to the current menu of programs and services generally offered by AHRDAs.

The federal government developed the Urban Aboriginal Strategy (UAS) in 1998 to address specific needs of urban Aboriginal people and in 2007 committed $68 million over the next five years to the UAS. Most urban AHRDAs are involved in the implementation of the UAS, and a number of AHRDA pilot projects have been funded under the UAS strategy. It has three main components: improving life skills; promoting job training, skills, and entrepreneurship; and supporting Aboriginal women, children, and families. According to Indian and Northern Affairs Canada, the UAS funded over 300 pilot projects between 2003 and 2006, leveraging $1.10 in additional funding from partners for every $1.00 of UAS funding.[28]

There is a need to ensure community development and community involvement in designing and delivering labour market programs for Aboriginal people

Contribution agreements with AHRDAs state that the AHRDS "involves the provision of financial assistance to Aboriginal organizations to support the costs of human resources development programs which are designed and delivered by those organizations to Aboriginal

[28] From UAS backgrounder, INAC website: http://www.ainc-inac.gc.ca/ofi/index-eng.asp

people who are members of the Aboriginal communities they represent." Many AHRDAs substantially expand the range of programming offered to clients, and provide regionally or locally-specific programs to meet local needs and demands. The Formative Evaluation of the AHRDAs also indicated that there is extensive community involvement with, and consultation by, the AHRDAs, and that there was consistent support for the AHRDA governance mode, which allows for community input into local decision-making and planning processes.

There is a need for an effective case management system for social assistance recipients that requires integration of program services delivery

Levels of integration and support for clients on social assistance vary considerably among the AHRDAs. Some AHRDAs are co-located with other social and health services, which facilitates greater integration. Some AHRDAs offer additional support for clients on social assistance (*e.g.* childcare, counselling, and referrals) or additional support for youth on social assistance.

The Ontario Federation of Indian Friendship Centres /Grand River Employment and Training Initiative (O-GI), established in 1999 as an urban AHRDA, is present in all urban centres in Ontario, excluding Toronto. Through a network of four Local Delivery Mechanisms (LDMs), O-GI administers program funding to twenty-six Employment Units (EUs); nine other sites are combined LDM/EUs. Most EUs are located within Friendship Centres, and Aboriginal employment and training programs and services are offered as one element of programming. Other services include youth support, counselling, and support to people with addictions and victims of family violence.[29] Clients who access AHRDA through a Friendship Centre can benefit from other services and support available at the same location.

Many AHRDAs offer referrals to other non-employment related services and programs and have close affiliations with social service organizations. The Aboriginal Community Career Employment Services Society in Vancouver cites referrals and one-on-one counselling as part of the case management services it offers to urban Aboriginal clients.[30]

A majority of AHRDAs offer programs targeted at Aboriginal youth, and a number of programs are aimed at youth on social assistance. For example, the Algonquin Nation Human Resources Sustainable Development Corporation offers the Community Service Program that, while not aimed solely at youth on social assistance, supports "the development of work opportunities for youth who face barriers to finding employment through participating in community service projects including traditional activities." [31]

[29] ARDOS Consulting, Formative Evaluation of the AHRDS – Case Study O-GI, May 2007.
[30] From ACCESS website: http://www.buildingfuturestoday.com/sign-eas.pdf
[31] HRSDC, 2006. Aboriginal Human Resources Development Strategy Contribution agreement: APCSS: 18.

Key Informant Perspectives on Lessons Learned and Best Practices (HRSDC/SC/NAOs)

All HRSDC/Service Canada and NAO key informants who had reviewed the Executive Summary from the Literature Review said that the AHRDS addresses identified lessons learned and best practices in large part because of the way programs are designed and delivered by Aboriginal people and organizations. There are economies of scale as many AHRDAs integrate programming for youth, disabled individuals, and childcare under one agreement.

One NAO key informant stated that the program continues to provide only short-term labour market solutions to clients, with no long-term investment (although the skills development program can provide some flexibility on this). Another NAO key informant said AHRDAs are offering soft services such as those described earlier (e.g. housing) but they are not funded or recognized for this work.

EBSMs are not intended to last through the long term. But administrative data show that many APEs last several years and that some individuals participate in multiple successive APEs. During this evaluation, creating a separate analysis category for such repeat users was considered, defined as those with multiple APEs during the reference period. But one problem with such cases is that they then no longer fit within the analytical framework based on the APE as the unit of observation. This definition also leads to further problems with the timing of measurement for the outcomes, as it is not clear whether participation has finished for a given client. In the context of estimating incremental effects, we do not know how well the observed characteristics predict repeat use. Therefore, we cannot find close matches in the comparison group (where repeat use is not defined), to represent a suitable counterfactual. This is an area in which further research could greatly benefit subsequent evaluations.

5. Program Success

5.1 Meeting intended outcomes and objectives

Discussion group participants were asked how satisfied they were with the services or programs they had received, and whether these had been useful in securing a job.

Satisfaction with the services or programs received

Seventeen of the eighteen discussion groups clearly indicated satisfaction with services and programs. They cited positive outcomes such as securing of employment, increased self-confidence, certification and other educational credentials, and establishing good relationships with AHRDA staff and employers.

Impact of programs on employment

In eight of eighteen discussion groups, most respondents felt the programs had helped them to secure employment. In all other groups, this view was shared by some, but less than a majority of participants. Programs resulted in getting a job, securing a promotion in an existing job, or better preparation for future job opportunities.

5.2 Incremental impacts on participants

This subsection presents findings from an econometric analysis of AHRDA participants who completed participation between 1999 and 2004, showing impacts during the post-program period that are statistically different from zero at the 5% level of significance. The results are based on the quasi-experimental evaluation methods discussed in the methodology section (2) of this report. Note that these impacts are incremental, relative to what the participants would have experienced had they not taken part in EBSMs.

Overall

Active EI claimants[32] who participated in AHRDA programs and services between 1999 and 2004 experienced increased earnings in the three years after participation. The size of this impact decreased over time ($2,308 in year 1, $2,038 in year 2 and $1,944 in year 3). Active EI claimants also experienced an increase in the incidence of employment[33] (1.9 percentage points in year 1, 0.7 percentage point in year 2 and 0.8 percentage point in year 3).

[32] Active EI claimant must have an active EI claim at the start of participation, or up to 4 weeks thereafter.

[33] Recall that incidence of employment had the value one if earnings were greater than zero and zero if earnings were zero. For an individual, the effect thus represents a change in the probability of having strictly positive earnings. Aggregated across participants, an increase in the incidence of employment that is accompanied by an increase in earnings reflects an improvement in employment.

The amount of EI benefits received annually declined in the three calendar years following the end of the participation: the net declines were $225 in year 1, $202 in year 2 and $146 in year 3. There was also a decline in SA benefits in the second ($28) and third ($43) years after program participation. Reliance on government income support was reduced. The net reduction was 2.9 percentage points in year 1, 1.5 percentage points in year 2 and 1.3 percentage points in year 3.

While former EI claimants[34] experienced a net increase in the incidence of employment in the three post-participation years (1.9 percentage points in year 1, 1.7 percentage points in year 2 and 0.6 percentage point in year 3), it was accompanied by lower earnings ($777 in year 1, $204 in year 2 and $239 in year 3)[35]. The amount of EI benefits was reduced in year one ($151) but increased in year three ($117) while SA benefits decreased in year two by $36. Dependence on government income support increased in year three by 1.2 percentage points.

Non-EI claimants[36] experienced earnings gains and an increase in the incidence of employment (5.7, 4.5 and 4.1 percentage points) in the three years following program participation respectively. Earnings levels tend to increase over time ($1,040 in year 1, $1,435 in year 2 and $1,722 in year 3). EI benefits increased during this period ($111 in year 1, $244 in year 2 and $332 in year 3) while SA benefits declined ($247 in year 1, $268 in year 2 and $252 in year 3). Dependence on income support decreased by 4.1, 3.1 and 2.3 percentage points in the three post-participation years respectively.

Table 6 presents net estimated impacts of participation for active, former, and non-claimant participants.

[34] Former EI claimants had a regular EI claim up to three years before program participation, or were trying to return to work for the first time after a maternity or parental claim up to five years before the start of participation.
[35] This result can occur if more people work but for lower average pay.
[36] Non-EI claimants are those who did not establish an EI claim and did not receive EI Part I benefits.

Table 6
Estimates of Program Impact for Active, Former and Non-claimant Participants in the First, Second, and Third Years after Participation Ended

Impact* by client type	Unit	Year after APE end		
		1st	2nd	3rd
Active claimant				
Annualised earnings	$	**2,308**	**2,038**	**1,944**
Employment	%	**1.9**	**0.7**	**0.8**
Annualised EI benefits	$	**-225**	**-202**	**-146**
Annualised SA benefits	$	-11	**-28**	**-43**
Dep. on income support	%	**-2.9**	**-1.5**	**-1.3**
Former claimant				
Annualised earnings	$	**-777**	**-204**	**-239**
Employment	%	**1.9**	**1.7**	**0.6**
Annualised EI benefits	$	**-151**	33	**117**
Annualised SA benefits	$	-16	**-36**	-15
Dep. on income support	%	0.0	0.3	**1.2**
Non-claimant				
Annualised earnings	$	**1,040**	**1,435**	**1,722**
Employment	%	**5.7**	**4.5**	**4.1**
Annualised EI benefits	$	**111**	**244**	**332**
Annualised SA benefits	$	**-247**	**-268**	**-252**
Dep. on income support	%	**-4.1**	**-3.1**	**-2.3**

Note: * **Bolded** estimated impacts are statistically significant at the 5% level.

By Type of Intervention

Table 7 provides impacts by the principal EBSMs characterizing APEs. This table does not include 36% of APEs in which the principal EBSM was "Aboriginal Other". Note that APEs with any given principal EBSM could also contain EBSMs of other types, including EBSMs coded in the data files as "Aboriginal Other" (which was not clearly defined). Also, it should be noted that the EBSMs delivered vary considerably in terms of their content and duration, in keeping with the goal of providing interventions tailored to the needs of local labour markets. In other words, the exact nature and extent of APE content is subject to great variability.

Table 7
Estimates of Program Impact by Principal EBSM for Active, Former, and Non-claimant Participants after Participation Ended

Impact* by client type	Unit	SD			TWS			SE		
		Year after APE end			Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Active claimant										
Annualised earnings	$	**2,652**	**2,487**	**2,342**	**3,235**	**2,543**	**2,319**	**-3,388**	**-2,395**	-1,433
Employment	%	**2.4**	**1.4**	**1.7**	**3.4**	**3.1**	3.0	**-11.4**	**-12.6**	**-7.1**
Annualised EI benefits	$	**-562**	**-265**	**-180**	-61	49	45	**-1,302**	**-1,027**	-344
Annualised SA benefits	$	3	**-55**	**-45**	-91	-88	-81	**-148**	-182	-84
Dep. on income support	%	**-5.1**	**-2.5**	**-1.9**	**-3.4**	-0.6	-0.6	**-4.9**	-1.8	0.5
Former claimant										
Annualised earnings	$	**-1,268**	**-633**	**-565**	**945**	**1,741**	**1,366**	**-2,593**	-1,296	-1,517
Employment	%	**2.0**	**2.1**	**1.5**	**5.5**	**3.4**	1.1	**-6,6**	-0,8	-1.5
Annualised EI benefits	$	**-331**	-10	**118**	**793**	**441**	**301**	**-343**	-179	39
Annualised SA benefits	$	0	-31	-10	**-224**	**-136**	**-157**	-34	42	-132
Dep. on income support	%	**-1.6**	-0.3	**0.8**	**3.9**	0.9	0.8	0.8	-1.1	1.4
Non-claimant										
Annualised earnings	$	**1,486**	**1,813**	**1,853**	88	**454**	**811**	-178	250	30
Employment	%	**6.3**	**5.0**	**4.3**	**5.0**	**2.5**	**1.9**	-2.0	**-5.4**	-3.9
Annualised EI benefits	$	**110**	**342**	**426**	**334**	**166**	**125**	**-131**	-61	96
Annualised SA benefits	$	**-266**	**-289**	**-244**	**-373**	**-349**	**-319**	**-283**	-133	-89
Dep. on income support	%	**-4.5**	**-2.8**	**-1.7**	**-3.6**	**-4.1**	**-4.7**	-2.7	-0.5	-0.2

Impact* by client type	Unit	JCP			EAS only		
		Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd
Active claimant							
Annualised earnings	$	**1,948**	**1,716**	221	**1,837**	**1,538**	**1,680**
Employment	%	**3.2**	-0.2	0.7	**1.7**	0.6	1.0
Annualised EI benefits	$	**-772**	-180	-322	**666**	90	64
Annualised SA benefits	$	**-80**	**-86**	-75	-34	-30	-38
Dep. on income support	%	**-6.7**	-1.4	-1.6	**1.5**	-0.5	-0.7
Former claimant							
Annualised earnings	$	**-1,105**	**-927**	**-1,129**	-192	339	551
Employment	%	**4.0**	**3.0**	0.9	**1.2**	1.1	0.3
Annualised EI benefits	$	**855**	**433**	**418**	**-345**	-64	3
Annualised SA benefits	$	**-196**	**-177**	**-145**	13	-28	65
Dep. on income support	%	**5.5**	**1.9**	**3.2**	**-1.0**	-0.2	**1.4**
Non-claimant							
Annualised earnings	$	-327	206	397	-35	**449**	**753**
Employment	%	**7.7**	**6.7**	**5.3**	**3.2**	**1.1**	-0.1
Annualised EI benefits	$	**886**	**689**	**729**	**-93**	14	20
Annualised SA benefits	$	**-482**	**-579**	**-590**	**85**	**97**	**67**
Dep. on income support	%	-0.9	**-3.3**	**-2.1**	-0.4	**0.9**	**1.0**

Note: * **Bolded** estimated impacts are statistically significant at the 5% level.

Skills Development (SD) – 37% of APEs

Active EI claimants whose principal EBSM was SD experienced earnings gains of $2,652, $2,487 and $2,342, and net gains of 2.4, 1.4 and 1.7 percentage points in the incidence of employment over the three years following participation. Earnings gains tend to slightly decrease over time. EI benefits declined in all years (by $562, $265 and $180 respectively) and SA benefits declined in years two ($55) and three ($45). Reliance on government income support decreased by 5.1, 2.5 and 1.9 percentage points respectively.

Former EI claimants who participated mainly in SD experienced, in the three post-participation years, net increases in incidences of employment (by 2, 2.1 and 1.5 percentage points respectively) but net decreases in annual earnings (by $1,268, $633 and $565 respectively). EI benefits decreased in year one ($331) but increased in year three ($118). Reliance on government income support went down in year one (by 1.6 percentage points) but increased in year three (by 0.8 percentage point).

Non-EI claimants who participated mainly in SD experienced an increase in earnings and an increase in incidence of employment (by 6.3 percentage points in year 1, 5 percentage points in year 2 and 4.3 percentage points in year 3). Earnings gains tend to increase over time (from $1,486 in year 1 to $1,813 in year 2 and $1,853 in year 3). EI benefits also increased steadily in the post-participation period ($110 in year 1, $342 in year 2 and $426 in year 3) and SA benefits decreased by ($266 in year 1, $289 in year 2 and $244 in year 3). Dependence on income support decreased by 4.5 percentage points in year 1, 2.8 percentage points in year 2 and 1.7 percentage points in year 3.

Targeted Wage Subsidies (TWS) – 4% of APEs

Active EI claimants whose principal EBSM was TWS experienced earnings gains that tended to decrease over time in the post-participation period ($3,235 in year 1, $2,543 in year 2 and $2,319 in year 3). They experienced net increases in the incidence of employment in the first two years of 3 percentage points, and a reduction in dependence on income support in year one, by 3.4 percentage points.

Former EI claimants who participated mainly in TWS experienced earnings gains of $945, $1,741 and $1,366 in the three post-participation years respectively. They also experienced an increase in the incidence of employment in years one and two by 5.5 and 3.4 percentage points, respectively, and net increases in EI benefits in all years by $793, $441 and $301 respectively. Net annual SA benefits were reduced in all years by $224 in year 1, $136 in year 2 and $157 in year 3. Dependence on income support increased in year one by 3.9 percentage points.

Non-EI claimants who participated mainly in TWS experienced an increase in earnings in years two and three by $454 and $811 respectively. The incidence of Employment increased by 5.0 percentage points in year 1, 2.5 percentage points in year 2 and 1.9 percentage points in year 3 following participation. EI benefits increased in the three years by $334, $166 and $125 respectively. SA benefits declined by $373 in year 1, $349 in year 2 and $319 in year 3. Overall, there was a decreased reliance on government income support in all three years by 3.6, 4.1 and 4.7 percentage points respectively.

Self-Employment (SE) – 1% of APEs

Active EI Claimants for whom SE was the principal EBSM experienced a decline in the incidence of employment in all three post-participation years (11.4 percentage points in year 1, 12.6 percentage points in year 2 and $7.1 percentage points in year 3). Net earnings[37] declined in years one and two by $3,388 and $2,395 respectively. EI benefits declined by $1,302 in year one and $1,027 in year two. SA benefits declined by $148 in year one. Dependence on government income support decreased in year one by 4.9 percentage points.

In the first year after participation in SE, former EI claimants experienced a decline in net employment earnings ($2,593), in the net incidence of employment (6.6 percentage points), and in EI benefits ($343).

Non-EI claimants who participated mainly in SE experienced a reduction in the incidence of employment by 5.4 percentage points in year two. EI and SA benefits both decreased in year one by $131 and $283 respectively. Impacts on earnings were not statistically significant.

Job Creation Partnerships (JCP) – 4% of APEs

Active EI claimants with JCP as principal EBSM experienced increases in earnings of $1,948 in year one and $1,716 in year two following participation. The incidence of employment increased by 3.2 percentage points in year one. EI benefits decreased by $772 in year one while SA decreased by $80 in year one and $86 in year two. Reliance on government income support decreased in year one by 6.7 percentage points.

Former EI claimants who participated mainly in JCP experienced declines in annual earnings by $1,105 in year 1, $927 in year 2 and $1,129 in year 3 post-participation. At the same time, the incidence of employment increased by 4 percentage points in year one and 3 percentage points in year two. EI benefits increased ($855, $433 and $418 respectively) while SA benefits decreased ($196, $177 and $145 respectively) in the three years post-participation. Reliance on income support rose by 5.5 percentage points in year 1 to 1.9 percentage points in year 2 and 3.2 percentage points in year 3.

Non-EI claimants who participated mainly in JCP experienced net gains in the incidence of employment of 7.7, 6.7 and 5.3 percentage points respectively in the three post-participation years. EI benefits increased ($886 in year 1, $689 in year 2 and $729 in year 3) while SA benefits decreased ($482 in year 1, $579 in year 2 and $590 in year 3) in the post-participation period. Dependence on government income support was reduced in the second (3.3 percentage points) and third (2.1 percentage points) years after participation. Impacts on earnings were not statistically significant.

[37] The earnings measure includes tax-exempt earnings from on-reserve employers but not tax-exempt income from self-employment on reserve. This would lead to underestimation of the self-employment portion of earnings. And, since we have no way of finding suitable matches in the comparison group for people with an aptitude for developing self-employed businesses, we cannot argue that this underestimation applies equally to participant and comparison groups. The estimated effects of SE, therefore, could contain a downward bias.

Employment Assistance Services (EAS) – 18% of APEs

Active EI claimants who participated in EAS-only experienced increases in earnings of $1,837, $1,538 and $1,680 in the three post-participation years respectively, and an increase in the incidence of employment in the first year of 1.7 percentage points. EI benefits increased in the first year after participation by $666. Similarly reliance on government income support increased in year one by 1.5 percentage points.

Former EI claimants who participated in EAS only experienced an increase of 1.2 percentage points in incidence of employment, a decline in EI benefits by $345 and a reduction in the dependence on income support by 1 percentage point, all in year one. Dependence on government income support rose by 1.4 percentage points in year three. Impacts on earnings were not statistically significant.

Non-EI claimants who participated in EAS only experienced an increase in the incidence of employment of 3.2 and 1.1 percentage points in years one and two and an increase in earnings in years two and three of $449 and $753 respectively. EI benefits deceased in year one by $93 but SA increased in all three years by $85, $97 and $67 respectively. There was an increase in reliance on income support in years two and three by 1 percentage point.

Demographic Groups

Table 8 provides estimates for participants who are males, females, single parents or with dependents.

Table 8
Estimates of Program Impact for Males, Females, Single Parents and for Those with Dependents for Active, Former and Non-claimant Participants in the First, Second and Third Year after Participation Ended

Impact* by client type	Unit	Male			Female			Single Parent			Dependents**		
		Year after APE end			Year after APE end			Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Active claimant													
Annualised earnings	$	**1,987**	**2,059**	**1,595**	**2,879**	**2,105**	**2,505**	**2,344**	**1,923**	**2,104**	**2,296**	**1,975**	**2,126**
Employment	%	**1.5**	0.4	0.3	**2.8**	**1.3**	**1.4**	**1.7**	**1.0**	1.1	**1.7**	0.7	0.5
Annualised EI benefits	$	**-104**	**-218**	**-149**	**-349**	**-152**	**-112**	**-249**	-99	-129	**-256**	**-196**	**-197**
Annualised SA benefits	$	-12	-20	-24	-3	-24	**-66**	-25	**-79**	**-114**	-10	-32	-50
Dep. on income support	%	**-1.6**	**-1.4**	**-0.8**	**-4.9**	**-1.7**	**-2.0**	**-3.9**	**-1.8**	**-2.2**	**-3.3**	**-1.6**	**-1.5**
Former claimant													
Annualised earnings	$	**-1,483**	**-959**	**-1,016**	169	**831**	**846**	-252	**363**	**475**	**-536**	-36	-196
Employment	%	**1.7**	**1.4**	0.3	**2.0**	**1.9**	**0.8**	**1.7**	**1.7**	0.2	**1.4**	**1.1**	0.0
Annualised EI benefits	$	**-175**	39	**141**	**-121**	33	**90**	**-130**	29	**93**	**-152**	35	**103**
Annualised SA benefits	$	-18	**-32**	-11	-19	**-43**	-23	**-121**	**-145**	**-102**	**-58**	**-86**	**-54**
Dep. on income support	%	0.1	**0.8**	**1.6**	-0.2	-0.4	0.7	**-1.1**	**-1.2**	-0.1	-0.5	-0.3	**0.8**

Table 8 *(continued)*
Estimates of Program Impact for Males, Females, Single Parents and for Those with Dependents for Active, Former and Non-claimant Participants in the First, Second and Third Year after Participation Ended

Impact* by client type	Unit	Male			Female			Single Parent			Dependents**		
		Year after APE end			Year after APE end			Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Non-claimant													
Annualised earnings	$	**831**	**1,173**	**1,487**	**1,258**	**1,674**	**1,895**	**1,566**	**1,911**	**2,156**	**1,306**	**1,699**	**2,050**
Employment	%	**4.2**	**3.0**	**2.6**	**6.9**	**5.6**	**5.1**	**8.4**	**6.5**	**5.8**	**7.7**	**5.9**	**5.5**
Annualised EI benefits	$	**100**	**228**	**328**	**111**	**242**	**328**	**178**	**375**	**443**	**157**	**331**	**388**
Annualised SA benefits	$	**-157**	**-172**	**-151**	**-335**	**-354**	**-339**	**-524**	**-528**	**-444**	**-411**	**-405**	**-365**
Dep. on income support	%	**-2.8**	**-1.7**	-0.5	**-5.5**	**-4.5**	**-3.9**	**-7.2**	**-5.5**	**-4.6**	**-5.7**	**-4.2**	**-3.8**

Notes: * **Bolded** estimated impacts are statistically significant at the 5% level.
** Have one or more dependents in household (includes single parents).

In the following sections, it is important to remember that the principal EBSM is SD or EAS for most of the APEs in the sub-groups that are analysed.

Men

Earnings increased in all three post-participation years ($1,987, $2,059 and $1,595 respectively) for men who were active EI claimants. Their incidence of employment increased by 1.5 percentage points in year one. EI benefits decreased ($104, $218 and $149 respectively) and dependence on government income support decreased (1.6, 1.4 and 0.8 percentage points respectively) in all three post-participation years.

Men who were former EI claimants experienced declines in earnings in the three years after participation ($1,483, $959 and 1,016 respectively) although their incidence of employment increased in years one (1.7 percentage points) and two (1.4 percentage points). EI benefits decreased in year one ($175) but increased in year three ($141). SA benefits went down in year two ($32). These clients also experienced an increase in their reliance on government income support in years two (0.8 percentage point) and three (1.6 percentage points).

Men who were non-EI claimants experienced an increase in employment earnings in the three years post-participation ($831, $1,173 and $1,487 respectively). The incidence of employment also increased by 4.2 percentage points in year 1, 3.0 percentage points in year 2 and 2.6 percentage points in year 3. EI benefits increased ($100, $228 and $328 respectively) while SA benefits decreased ($157, $172 and $151 respectively) in the three years post-participation. Dependence on government income support declined in year one (2.8 percentage points) and two (1.7 percentage points).

Women

Female active claimants experienced an increase in earnings of $2,879, $2,105 and $2,505 and an increase in the incidence of employment, of 2.8, 1.3 and 1.4 percentage points respectively in the three years post-participation. EI benefits declined by $349 in year 1, $152 in year 2 and $112 in year 3 post-participation. SA benefits declined in year three by $66. Dependence on

income support decreased by 4.9, 1.7 and 2.0 percentage points in the three years post-participation respectively.

Women who were former claimants experienced an earnings increase in years two and three, by $831 and $846 respectively. Employment incidence increased by 2, 1.9 and 0.8 percentage points in the three years post-participation respectively. EI benefits decreased in year one by $121 and increased by $90 in year three. SA benefits decreased in year two by $43.

Female who were non-EI claimants experienced increases in earnings of $1,258, $1,674 and $1,895 in the three years post-participation respectively. The incidence of employment also increased by 6.9, 5.6 and 5.1 percentage points respectively during this period. EI benefits increased by $111, $242 and $328 while SA benefits decreased by $335, $354 and $339 respectively in the three years post-participation. Reliance on government income support was also reduced by 5.5, 4.5 and 3.9 percentage points respectively.

Participants who are single parents

Active EI claimants who were single parents had earnings gains in all three years post-participation ($2,344, $1,923 and $2,104 respectively) and employment incidence gains in the first (1.7 percentage points) and second years (1 percentage point). EI benefits for this group went down in year one ($249) and SA benefits went down in years two ($79) and three ($114). Dependence on income support was lower in all years (by 3.9 percentage points in year 1, 1.8 percentage points in year 2 and 2.2 percentage points in year 3).

Former EI claimants, who were single parents, had employment incidence gains in the first two years of 1.7 percentage points and experienced earnings gains in the second ($363) and third ($475) years following participation. EI benefits decreased in year one ($130) and increased in year three ($93). SA benefits decreased in all years ($121, $145 and $102 respectively). Dependence decreased in the first two years after participation by 1.1 percentage points.

Non-EI claimants who were single parents experienced increased earnings in the three years post-participation ($1,566, $1,911 and $2,156 respectively). Employment incidence also increased (by 8.4 percentage points in year 1, 6.5 percentage points in year 2 and 5.8 percentage points in year 3). EI benefits increased (by $178, $375 and $443 respectively), while SA benefits decreased (by $524, $528 and $444 respectively) in the three years post-participation. Reliance on government income support also decreased during this period (by 7.2 percentage points in year 1, 5.5 percentage points in year 2 and 4.6 percentage points in year 3).

Participants with dependents

Active EI claimants who had dependents had earnings gains in all three years post-participation ($2,296, $1,975 and $2,126 respectively), employment incidence gains in the first year (1.7 percentage points), and decreased EI benefits in all three years (by $256, $196 and $197 respectively). Dependence on income support was lower in all years (by 3.3, 1.6 and 1.5 percentage points respectively).

Former EI claimants with dependents had gains in the incidence of employment in the first two years (1.4 and 1.1 percentage points respectively) but experienced earnings losses in the first year ($536). EI benefits decreased in year one ($152) and increased in year three ($103). SA benefits decreased in all three years post-participation (by $58, $86 and $54 respectively). Dependence on government income support increased in year three by 0.8 percentage point.

Non-EI claimants with dependents experienced increased earnings in all three years post-participation ($1,306, $1,699 and $2,050 respectively). Employment incidence also increased by 7.7 percentage points in year 1, 5.9 percentage points in year 2 and 5.5 percentage points in year 3 post-participation. EI benefits increased (by $157, $331 and $388 respectively) while SA benefits decreased (by $411, $405 and $365 respectively) in the three years post-participation. Reliance on government income support decreased in all years (by 5.7, 4.2 and 3.8 percentage points respectively).

Participants under 30 years of age

Table 9 identifies estimated impacts by age group of the participant.

Active EI claimants under age 30 had earnings gains in all three post-participation years ($3,032, $2,777 and $2,386 respectively), experienced employment incidence gains in the first (2.2 percentage points) and third (1.2 percentage points) years, and had less EI benefits in year one ($293) and less SA benefits in year three ($82). Dependence on income support was lower in all three years post-participation by 4.0, 1.7 and 2.0 percentage points respectively.

Former EI claimants in this age group had gains in the incidence of employment in the first two years (1.2 and 1.4 percentage points respectively). An earnings loss in year one ($394) was offset by a gain in year two ($339). EI benefits decreased in year one ($171) and increased in year three ($123). SA benefits decreased in year one ($72) and year two ($82). Dependence decreased in year one (1.0 percentage point) and increased in year three (0.9 percentage point).

Non-EI claimants under the age of 30 experienced increased earnings in each of the three years post-participation ($1,278, $1,780 and $2,027 respectively). Employment incidence also increased by 5.4 percentage points in year 1, 4.8 percentage points in year 2 and 4.5 percentage points in year 3. EI benefits increased (by $157, $307 and $446 respectively), while SA benefits decreased (by $250, $270 and $234 respectively) in the three years post-participation. Reliance on government income support reduced in all three years (by 4.4, 3.2 and 1.8 percentage points respectively).

Table 9
Estimates of Program Impact by Age Group for Active, Former and Non-claimant Participants after Participation Ended

Impact* by client type	Unit	Under 30			30 to 44			45 and above		
		Year after APE end			Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Active claimant										
Annualised earnings	$	**3,032**	**2,777**	**2,386**	**2,067**	**1,761**	**1,693**	**1,670**	**1,534**	**1,672**
Employment	%	**2.2**	0.5	**1.2**	**1.7**	**0.7**	0.1	**1.8**	1.1	**2.1**
Annualised EI benefits	$	**-293**	-111	-107	**-200**	**-231**	**-177**	**-196**	**-233**	-74
Annualised SA benefits	$	-16	-35	**-82**	-11	-18	-38	1	-22	6
Dep. on income support	%	**-4.0**	**-1.7**	**-2.0**	**-2.6**	**-1.5**	**-0.9**	**-1.9**	**-1.3**	**-1.4**
Former claimant										
Annualised earnings	$	**-394**	**339**	179	**-978**	**-448**	**-432**	**-914**	**-583**	**-756**
Employment	%	**1.2**	**1.4**	0.6	**1.3**	**1.0**	0.0	**3.1**	**2.2**	0.5
Annualised EI benefits	$	**-171**	14	**123**	**-178**	33	**108**	**-84**	31	54
Annualised SA benefits	$	**-72**	**-82**	-34	6	-26	-16	43	45	56
Dep. on income support	%	**-1.0**	-0.5	**0.9**	0.3	**0.6**	**1.4**	**1.2**	**1.5**	**2.0**
Non-claimant										
Annualised earnings	$	**1,278**	**1,780**	**2,027**	**890**	**1,283**	**1,530**	**798**	**824**	**999**
Employment	%	**5.4**	**4.8**	**4.5**	**6.2**	**4.1**	**3.5**	**5.9**	**4.3**	**4.0**
Annualised EI benefits	$	**157**	**307**	**446**	**44**	**190**	**221**	**41**	**64**	**95**
Annualised SA benefits	$	**-250**	**-270**	**-234**	**-220**	**-223**	**-211**	**-106**	**-122**	**-179**
Dep. on income support	%	**-4.4**	**-3.2**	**-1.8**	**-3.8**	**-2.3**	**-2.1**	**-2.8**	**-2.6**	**-2.9**

Note: * **Bolded** estimated impacts are statistically significant at the 5% level.

Participants between 30 and 44 years of age

Active EI claimants between 30 and 44 years of age had earnings gains in all three years post-participation ($2,067, $1,761 and $1,693 respectively), employment incidence gains in the first (1.7 percentage points) and second (0.7 percentage point) years, and decreased EI benefits all years ($200 in year 1, $231 in year 2 and $177 in year 3). Dependence on income support was lower in all years by 2.6, 1.5 and 0.9 percentage points respectively.

Former EI claimants 30 to 44 years old had employment incidence gains in the first two years of 1.0% but earnings losses in all three years ($978, $448 and $432 respectively). EI benefits decreased in year one ($178) but increased in year three ($108). Dependence on income support increased in years two and three by 0.6 and 1.4 percentage points respectively.

Non-EI claimants in this age group experienced increased earnings in all three years post-participation ($890, $1,283 and $1,530 respectively). Employment incidence also increased each year (by 6.2, 4.1 and 3.5 percentage points respectively). EI benefits increased (by $44, $190 and $221 respectively), while SA benefits decreased (by $220, $223 and $211 respectively) in all three post-participation years. Reliance on government income support was reduced (by 3.8 percentage points in year 1, 2.3 percentage points in year 2 and 2.1 percentage points in year 3).

Participants over 45 years of age

Active EI claimants more than 45 years of age had earnings gains in all three post-participation years ($1,670, $1,534 and $1,672 respectively), employment incidence gains in the first and third years of 1.8 and 2.1 percentage points respectively, and reduced EI benefits in years one

($196) and two ($233). Dependence on income support was lower in all three years by 1.9, 1.3 and 1.4 percentage points respectively.

Former EI claimants 45 years of age and older had employment incidence gains in the first (3.1 percentage points) and second (2.2 percentage points) years but earnings losses in all three post-participation years ($914, $583 and $756 respectively). EI benefits decreased in year one by $84. Dependence on income support increased in all three years, by 1.2, 1.5 and 2.0 percentage points respectively.

Non-EI claimants who were 45 years old or more experienced increased earnings in all three post-participation years ($798, $824 and $999 respectively). Their incidence of employment also increased in each year (by 5.9, 4.3 and 4.0 percentage points respectively). EI benefits also increased ($41 in year 1, $64 in year 2 and $95 in year 3), while SA benefits decreased ($106 in year 1, $122 in year 2 and $179 in year 3). Reliance on government income support was reduced in all three years by 2.8, 2.6 and 2.9 percentage points respectively.

Table 10 provides similar information according to the region of the APE.

Table 10
Estimates of Program Impact for Active, Former and Non-claimant Participants by Region in the First, Second, and Third Years after Participation Ended

Impact* by client type	Unit	East			Centre			West			North		
		Year after APE end			Year after APE end			Year after APE end			Year after APE end		
		1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Active claimant													
Annualised earnings	$	**1,969**	**2,056**	874	**2,453**	**2,394**	**2,245**	**2,158**	**1,711**	**1,770**	**2,434**	**2,798**	**3,782**
Employment	%	**2.5**	-0.3	**2.9**	**1.9**	0.7	-0.4	**1.8**	0.5	0.7	1.0	**3.0**	0.6
Annualised EI benefits	$	**-488**	**-573**	**-416**	**-219**	**-216**	**-296**	**-198**	**-189**	-54	**-350**	-242	-228
Annualised SA benefits	$	**-42**	13	23	-35	-21	-34	8	**-35**	**-43**	-14	-57	**-447**
Dep. on income support	%	**-4.3**	**-2.8**	-1.4	**-3.4**	**-2.1**	**-1.9**	**-2.3**	**-1.1**	-0.7	**-4.0**	**-2.7**	**-5.3**
Former claimant													
Annualised earnings	$	**-1,843**	**-1,593**	**-1,784**	-222	184	-259	**-1,055**	**-451**	**-340**	-868	571	716
Employment	%	**2.7**	**4.0**	0.3	**2.5**	**1.8**	0.4	**1.5**	**1.3**	0.6	0.3	-0.3	-0.3
Annualised EI benefits	$	**234**	-181	46	7	**100**	**147**	**-309**	-21	**71**	**-209**	-9	96
Annualised SA benefits	$	-20	43	12	**-59**	**-56**	-16	3	-26	-14	46	-70	4
Dep. on income support	%	**7.3**	**2.0**	**3.9**	**0.7**	0.5	**1.7**	**-1.2**	-0.1	**0.8**	-0.5	-0.7	-0.3
Non-claimant													
Annualised earnings	$	**1,721**	**1,965**	**2,223**	**1,029**	**1,495**	**1,509**	**1,149**	**1,613**	**1,987**	**1,777**	**2,412**	**3,091**
Employment	%	**8.0**	**6.8**	**6.3**	**5.9**	**5.1**	**5.6**	**7.4**	**6.8**	**6.8**	**2.7**	**3.2**	**2.8**
Annualised EI benefits	$	**692**	**882**	**1,141**	**303**	**458**	**627**	**162**	**367**	**468**	**164**	**481**	**611**
Annualised SA benefits	$	**-259**	**-228**	**-186**	**-310**	**-357**	**-410**	**-343**	**-372**	**-356**	**-174**	**-226**	-78
Dep. on income support	%	**2.2**	**5.5**	**7.1**	**-3.8**	**-2.6**	**-1.9**	**-5.9**	**-4.5**	**-3.6**	**-3.0**	**-1.7**	-0.1

Note: * **Bolded** impacts are statistically significant at the 5% level.

East – 5% of APEs

Active EI claimants in the East (Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island) experienced increased earnings in the first ($1,969) and second year ($2,056) after participation. The incidence of employment increased by 2.5 percentage points in year one and by 2.9 percentage points in year three. There were declines in the use of EI by $488, $573 and $416 in years one, two and three respectively. Dependence on income support went down in year one by 4.3 percentage points and by 2.8 percentage points in year two. Use of SA went down by $42 in year one.

Former EI claimants in the East had decreased earnings in the first ($1,843), second ($1,593) and third ($1,784) year after participation. The incidence of employment increased by 2.7 percentage points in year one and by 4.0 percentage points in year two. Annualised EI benefits increased by $234 in year one. Dependence on income support increased by 7.3 percentage points in the first, 2.0 percentage points in the second and by 3.9 percentage points in the third year after participation.

Non-EI claimants in the East experienced earnings gains in the three post-participation years ($1,721, $1,965 and $2,223 respectively), increased incidence of employment (by 8.0, 6.8 and 6.3 percentage points respectively), higher EI benefits ($692, $882 and $1,141 respectively), less SA benefits ($259, $228 and $186 respectively) and an increased dependence on income support (2.2, 5.5 and 7.1 percentage points respectively).

Centre – 28% of APEs

Active EI claimants in the Central region (Quebec and Ontario) experienced increased earnings ($2,453, $2,394 and $2,245 respectively), reduced EI benefits ($219, $216 and $296 respectively), and reduced dependence on income support (3.4, 2.1 and 1.9 percentage points respectively) in the three years following participation. The incidence of employment also increased in the first year by 1.9 percentage points.

Former EI claimants in the Central region had an increased incidence of employment in the first (2.5 percentage points) and second (1.8 percentage points) years after participation. EI use went up in the second year by $100 and in the third year by $147 while SA use decreased in the first ($59) and second ($56) years. Dependence on income support increased by 0.7 percentage point in the first year and by 1.7 percentage points in the third year.

Non-EI claimants in the Central region experienced earnings gains ($1,029, $1,495 and $1,509 respectively), increased incidence of employment (5.9, 5.1 and 5.6 percentage points respectively), higher EI benefits ($303, $458 and $627 respectively), less SA benefits ($310, $357 and $410 respectively) and a decreased dependence on income support (3.8, 2.6 and 1.9 percentage points respectively) in all three years post-participation.

West – 63% of APEs

Active EI claimants in the West (Manitoba, Saskatchewan, Alberta, and British Columbia) experienced increased earnings ($2,158, $1,711 and $1,770 respectively) in the three years following participation. The incidence of employment increased (1.8 percentage points) in the first year. Annualised EI benefits went down in the first ($198) and second ($189) years while SA benefits went down in the second ($35) and third ($43) years. Dependence on income support went down in the first (2.3 percentage points) and second (1.1 percentage points) years.

Former EI claimants in the West experienced an earnings decline ($1,055, $451 and $340 respectively) in the three years following participation. The incidence of employment went up the first (1.5 percentage points) and second (1.3 percentage points) years. EI use decreased in the first year ($309) and increased in the third year ($71). Similarly dependence on income support decreased in the first year (1.2 percentage points) and increased in the third year (0.8 percentage point).

Non-EI claimants in the West experienced earnings gains ($1,149, $1,613 and $1,987 respectively), increased incidence of employment (7.4, 6.8 and 6.8 percentage points respectively), higher EI benefits ($162, $367 and $468), less SA benefits ($343, $372 and $356 respectively) and a decreased dependence on income support (5.9, 4.5 and 3.6 percentage points respectively) in all three years post-participation.

North – 5% of APEs

Active EI claimants in the North (Nunavut, Northwest Territories, and Yukon) experienced increased earnings ($2,434, $2,798 and $3,782 respectively) in the three years following participation. The incidence of employment increased by 3.0 percentage points in year two. Annualised EI benefits went down in the first year ($350) while SA benefits went down in the third year ($447). Dependence on income support went down (4.0, 2.7 and 5.3 percentage points respectively) in all three years post-participation.

Former EI claimants in the North experienced EI benefits decline in the first year by $209. No other impacts were statistically significant.

In all three years post-participation, non-EI claimants in the North experienced earnings gains ($1,777, $2,412 and $3,091 respectively), increased incidence of employment (2.7, 3.2 and 2.8 percentage points respectively), and higher EI benefits ($164, $481 and $611 respectively). They had reduced SA benefits of $174 in the first and $226 in the second years and a decreased dependence on income support of 3.0 percentage points in the first and 1.7 percentage points in the second years.

5.3 Relative success among subgroups

Factors used in the assessment of program success are increased earnings, increased incidence of employment, lower EI and SA benefits, and less dependence on income support. Based on a weighing of findings, participation under the AHRDAs was successful for active claimants and non-claimants (in both cases excluding those for whom SE was the principal EBSM) and less successful for former claimants (except for those whose principal EBSM was TWS). Participation was more successful, over all, when SD, TWS, or EAS was the principal EBSM, but less successful when SE or JCP was the principal EBSM. Non-claimants taking SD, TWS and JCP experienced increased incidence of employment, less dependence on income support, in general, and a change in the form of income support from SA to EI. Many would see this set of factors as being indicative of an improvement or movement toward success for non-claimants.

Focussing on sub-groups of active claimants and non-claimants, the same general impacts occur across the four regions of Canada. Males experienced success through participation but women were more successful. Incremental results favouring women are a common finding in the literature. Single parents and participants with dependents experienced roughly equal success, which might be expected since the second group includes the first. In general, those under 30 did relatively better than those in older age groups.

Among former claimants, female or single parents (potential for a high degree of overlap) were the only sub-groups to show significant movement toward success. Former claimants from the Centre and North regions did not experience the earnings reductions found in other regions although those from the North also did not experience an increased incidence of employment found elsewhere. For former claimants from the West and North, EI use decreased compared to increased use in other regions.

AHRDA Key Informant Perspectives

The twenty-eight AHRDA key informants were asked to identify what works and what does not work for clients, and why.

Programs and services that work best and for what type of clients

There was no consensus among AHRDA key informants as to which programs work best over all. But many outlined various programs that work best with specific client groups (male, female, or youth). Six key informants mentioned existing programs (including on-the-job training, purchase of training, wage subsidies, internships, and youth programs, including the summer student program) as among the most relevant AHRDA programs. Key informants mentioned other regional or locally specific programs that have been successful. These include: Women in Trades, and the ASEP model, which bring industry, AHRDAs, unions, and governments together to find solutions to challenges in the trades.

Programs and services that need to be improved

Three key informants recommended more partnerships among AHRDAs, employers, and training institutions. Other key informants proposed the following suggestions:

- More programs to assist youth in making the transition from school to work;
- Programs for displaced older males;
- Improvements in access to child care;
- An increase in disability programs and funding for disabled clients;
- More apprenticeship opportunities; and
- Better assessment tools.

Twelve key informants identified internal processes that could be strengthened to support the delivery of programs and services:

- Improve the funding formula to increase access to CRF funding;
- Increase wages in order to attract and keep skilled AHRDA coordinators and other staff; and
- Increase capacity to develop and track employment and labour market statistics.

Barriers and challenges to employment faced by clients

Barriers and challenges identified by most key informants were: lack of childcare, lack of education or poor attitude towards education because of past history, poverty, addiction, racism, inadequate housing, lack of personal motivation, lack of essential skills or literacy, transportation difficulties, disabilities and mental health issues, having a criminal record, and not having a driver's license or access to a vehicle.

Twelve of the key informants interviewed described isolation and remoteness as a barrier, noting that small communities have smaller economies, fewer job opportunities (or only seasonal or part-time jobs), higher travel costs, higher overall costs for programs and services, and higher relocation and living costs for clients. Clients often prefer not to leave their community for training or work elsewhere. Many are not mobile or are unwilling to leave their community for the long term.

Main challenges for job-seekers

Many key informants suggested similar explanations for the failure of some clients to find jobs: racism; no jobs or minimal economic activity in the community, low self-esteem, lack of housing, low education levels, insufficient pay or work hours to support a family, other family responsibilities, not taking the job search process seriously, transportation problems, low literacy or basic skill levels, having a criminal record, social problems (addictions, illness, disability), unrealistic expectations, downturns in the economy, inadequate training,

disincentives for those on social assistance, inability to get proper training, lack of social support (particularly for those who leave the community), and lack of work experience.

5.4 Impact on participants in programs and services

AHRDA Key Informants and Discussion Groups Perspectives

Twenty-eight AHRDA key informants were asked to discuss the impact of participation in the programs on clients in a number of areas. Through discussion groups, clients themselves also described the impacts in several of these same areas.

Job skills

Six AHRDAs described their existing programs and services as ways to help clients gain job skills. These included purchase of training, wage subsidy programs, internships, upgrading, and skill certification. Other approaches to meeting these needs included trades training and apprenticeships programs, use of the provincial job core program, collaboration with Building Environmental Aboriginal Human Resources, a program matching Aboriginal job candidates with employers in the environment sector, and Essential Skills training.

Most participants in seventeen of the discussion groups indicated their participation in programs had a positive impact on improving their job related skills. Among the specific skills identified by the participants were interpersonal interaction (or "people skills"); team work; skills relating to administration, computers, and writing; and general preparation for the mental, physical, and spiritual demands of working.

Job prospects and employment outlook

In all but one discussion group, participants reported their job prospects and outlook had improved through participation in AHRDA programs. Anecdotal examples illustrated the link between training, employment, and advancement. Many commented that their overall career outlook was brighter.

Increase skills level

Opportunities to increase skill levels mentioned by eight key informants included certification for job categories such as daycare worker, forestry worker, mechanic, linesman, pharmacy technician, computer-related fields, teacher, nurse, and lawyer, as well as various apprenticeship programs.

Two key informants pointed out that many clients face multiple barriers and that personal development must precede any academic upgrading or acquisition of occupational skills. An additional challenge noted by one key informant in a remote area is that certification and most training options are not available in the community, travel involves high costs, and participants face other learning and lifestyle challenges when leaving the community.

As noted earlier, most discussion group participants indicated that the programs had a positive impact on improving their skills.

Attitude towards finding and maintaining employment

Nearly all key informants indicated that programs were having a positive impact on attitudes towards finding and maintaining employment, but noted that real change can take time and repeated interventions are needed.

Consensus in sixteen of the discussion groups was that participation in the programs had a positive impact on the participants' attitude towards finding and maintaining employment.

Providing training and job experience for high-demand jobs

Four AHRDA key informants said they have made it a priority to focus on high-demand sectors such as oil and gas, construction, nursing, and forestry. Another four AHRDA key informants said much of their work consists of matching clients with jobs that are in demand, and an additional four key informants mentioned specific programs: On the Job Training, Internships, Wage Subsidy, Summer Student, and Purchase of Training that address this area.

Three out of 28 AHRDA key informants stated that their relationship with regional economic development organizations is a source of labour market information and training. An additional three AHRDA key informants reported they conduct their own labour market studies and economic analyses to identify which jobs are most in demand. Other AHRDAs use existing labour market information.

Increasing personal confidence

Most key informants agreed that AHRDA assistance helps clients to gain confidence, especially if they get a job or graduate from a training program. Even those that do not find employment build confidence by developing skills such as using a computer or writing a resume or through positive interaction with AHRDA staff.

In sixteen of eighteen discussion groups, the majority of participants indicated that taking part in their programs helped to increase their self-confidence. In eleven groups, this was the response of a clear majority of participants.

Impact on satisfaction with current job

In fifteen of the eighteen discussion groups, participants indicated that they were satisfied with their current job they had secured after program participation.

Difference in use of EI benefits or Income support

Participants in seven of the discussion groups indicated that program participation resulted in a reduction in EI benefits and income support. For participants in three locations, taking part in a program made no difference at all to their EI benefits or income support.

Change in employment earnings

Participants in fourteen of the eighteen discussion groups indicated that their income had increased as a result of getting a job. In seven locations, some participants indicated that there was no change to their income as a result of their program.

6. Cost-Effectiveness

The cost-effectiveness analysis provided estimates of how much it costs to achieve the impacts of participation. Costs were defined as expenditures by government for providing programs and services to participants. Participating in AHRDA interventions had impacts on the selected outcomes both during and after participation. Impacts were measured as annualised increments over and above what the outcomes would have been in the absence of AHRDA interventions. Impacts in the first three years following participation were reported earlier in Section 5.2. Impacts during the participation period (i.e. "in-program" impacts) were also measured, and were included in the cost-effectiveness calculations. "In-program" impacts reflect the "opportunity costs" of participation.

Cost-effectiveness is defined as the ratio of the cost of achieving a given impact versus the present value of the impact (the present value being measured as of the time of participation). The cost-effectiveness ratio is the cost per dollar of value achieved. Program options are assessed with respect to their cost-effectiveness ratios, and the option with the lowest cost-effectiveness ratio is considered the most desirable. Since cost-effectiveness measures vary with respect to different outcomes, the optimum program choice accordingly varies with respect to the outcome of interest.

The cost-effective methods and calculations are described more fully below.

6.1 Cost-effectiveness method

Costs of participation

The cost of participation was estimated based on the composition of EBSMs within the average APE by client type and by principal EBSM. Average costs for EBSMs delivered under LMDAs within the APEs were derived from annual EI Monitoring and Assessment Reports (HRSDC).

Data were available on the total expenditures (both EI and CRF), as well as on the total number of EBSMs delivered by AHRDAs. Based on these, costs under AHRDAs are 16% higher than under LMDAs, potentially due to the rural or remote locations or to inefficiencies resulting from the smaller sizes, relative to LMDAs, that characterise many AHRDAs. This factor was used to increase the average cost per EBSM delivered by LMDAs to approximate AHRDA costs per EBSM.

These LMDA and AHRDA costs per EBSM were then multiplied by the average number of LMDA and AHRDA EBSMs in the average APE to estimate the average costs per APE.

Table 11 presents average total costs by principal EBSM and by client type for APEs of AHRDA clients.

Table 11 Average Total Costs of AHRDA APEs by Principal EBSM and Client Type					
	Principal EBSM				
	SD	TWS	SE	JCP	EAS
Averages	($)	($)	($)	($)	($)
Active Claimant	15,584	12,257	24,924	16,663	1,311
Former Claimant	12,775	10,322	21,477	16,338	1,313
Non-Claimant	12,443	8,516	18,751	15,007	1,295

Impacts of participation

The cost-effectiveness analysis used all estimated impacts of participation, regardless of statistical significance, as they represented the best estimates of impact available from the study.

Incremental estimates from the evaluation provided impacts in the first, second, and third year after participation ended. Based on these annual estimates, impacts do not appear to be approaching zero in the immediate period after year three. To account for likely impacts beyond our analysis period, third year impacts were assumed to continue for two additional years (year 4 and 5). Impacts beyond year 5 were assumed to contribute little to the present value and, therefore, were excluded from the analysis.

In-program impacts are calculated by pro-rating the annualized impacts in the participation year according to the ratio of the average duration of the typical APE to the calendar year.

The present value of the stream of impacts was determined as of the period of participation using a 5% discount rate. That is, impacts in years 1 through 5 were discounted to reflect their value as of the period of participation. All adjusted annual impacts and the during-participation impacts were then added to yield a total effect as of the period of participation.

Four estimates of incremental impacts were used for the cost-effectiveness analysis:

- Earnings. Positive values represent earnings gains for participants over and above what they would have experienced in the absence of participation, while negative values represent losses in earnings. Many participants experienced an earnings loss (opportunity cost) during participation as they had to forego earnings to participate.
- EI savings. Less EI paid to the participant represents a savings to the government. EI savings are the inverse of the incremental effect on EI received by the participant presented earlier. In other words, less EI paid to the participant is equivalent to EI savings.
- SA savings. Less SA paid to the participant represents a savings to the government. SA savings are the inverse of the incremental effect on SA presented earlier. Less SA paid to the participant is the same as SA savings.

- Government benefit measures an incremental accounting benefit to the government. This is measured as taxes paid[38] on any (taxable) earnings gain plus EI savings and SA savings.

6.2 Cost-effectiveness results

Results are presented in Table 12 and highlighted below. The cost-effectiveness calculations are presented in the Appendix (See Table A.2).

Table 12
Cost-Effectiveness Results by Principal EBSM and Client Type

Impact by client type	Cost per impact by Principal EBSM				
	SD	TWS	SE	JCP	EAS
Active claimant					
Earnings	1.65	0.94		4.58	0.18
EI savings	36.75	6.65	8.47	13.47	
SA savings	124.75	29.18	50.81	47.15	8.78
Government benefit	6.70	2.61	30.47	7.33	2.34
Former claimant					
Earnings		1.56			1.11
EI savings	100.60		108.06		2.95
SA savings	611.49	12.55	80.41	19.94	
Government benefit		155.06			2.78
Non-claimant					
Earnings	1.65	3.13		24.81	0.64
EI savings					39.60
SA savings	10.23	5.37	26.00	5.62	
Government benefit		10.74	29.58		

Lower cost per impact indicates greater cost-effectiveness.

As mentioned in the introduction to section 6, the value of results achieved by the AHRDA program (as is true with all programs in general) varies with respect to the outcome of interest examined, as does the cost of achieving it. As a result, the most cost-effective program option varies with respect to the outcome of interest.

Accordingly, the best program options are examined below with respect to four outcomes of interest:

- Impact on earnings;
- Impact on return to government;
- Impact on EI benefit savings; and
- Impact on SA savings.

[38] To estimate taxes paid an effective tax rate for earned income was determined based on the pre-APE earnings and the proportion of income that is taxed for participants. Related to the first a weighted (based on the proportion of participants by jurisdiction) marginal tax rate was determined using the pre-participation average income level by client type and tax rates by jurisdiction for 2005 from http://www.ey.com/GLOBAL/content.nsf/Canada/Tax_-_Calculators_-_2005_Personal_Tax.) This was then reduced by the proportion of earnings that are exempt for tax purposes under paragraph 81(1)(a) of the *Income Tax Act* and section 87 of the *Indian Act.*

Gains in Earnings

Program costs per dollar of earnings gain were lowest for the following client type and principal EBSM combinations:

- active claimants participants taking EAS – only - $0.18;
- active claimant participants who had a TWS intervention – $0.94;
- active claimant participant who had an SD intervention – $1.65;
- former claimant participations taking EAS-only – $1.11;
- former claimant participants who had a TWS intervention – $1.56;
- non-claimant participants taking EAS-only – $0.64; and
- non-claimant participants who had an SD intervention – $1.65.

In other words:

- An expenditure of 18 cents in program funds was required to return a dollar in additional earnings to active claimant EAS-only participants.
- It cost $1.65 for every dollar in additional earnings to active claimant participants with SD as their principal EBSM.

Other combinations of client type and principal EBSM were less cost-effective. Program costs per dollar of earnings gains were not defined for some combinations of client type and principal EBSM where participation reduced earnings.

Return to Government

Program costs per dollar of return to government are lowest for active claimant participants taking EAS-only ($2.34) and TWS ($2.61). In other words:

- Among active claimant AHRDA clients with an EAS-only intervention, an expenditure of $2.34 in program funds led to a dollar return to government.
- Among active claimant AHRDA clients whose principle intervention was TWS, an expenditure of $2.61 in program funds led to a dollar return to government.

Other client type, EBSM combinations are less cost-effective while program costs per dollar return to government are not defined for some client type and principal EBSM combinations that result in a negative return to the government.

EI Benefit Savings

The most cost-effective application of AHRDA programming to achieve EI benefit savings occurred among former claimants taking EAS-only, where the cost-effectiveness ratio was $2.95. Other combinations of client type and principal EBSM are less cost-effective in terms of costs per dollar saved in EI or are not defined as they do not yield savings.

SA Savings

Program costs per dollar of SA saved indicate less cost-effective results than those reported above.

These cost-effectiveness results were obtained by extrapolating third year estimated impacts for an additional two years, and assuming that thereafter impacts are zero. Should impacts truly extend beyond year 5 the results would be more cost-effective than those identified in the above calculations.

7. Conclusion

Program Relevance

Consistency with departmental and government-wide priorities

This evaluation confirms that the AHRDS is relevant to HRSDC/Service Canada and federal government priorities for Aboriginal human resource development as set out in legislation and policy documents. HRSDC/Service Canada key informants agreed that the AHRDS meets many of the government-wide priorities, as well as HRSDC and Service Canada priorities for a skilled and educated workforce in Canada.

Addressing the needs of Aboriginal People

Census data confirm that Aboriginal peoples continue to experience, despite improvements in the 1996-2006 period, higher rate of unemployment, lower rates of labour force participation and higher rates of social assistance then other Canadians. Most participants in discussion groups reported that the main barriers to employment are lack of basic education and insufficient job related skills (e.g., needs for specialized certification). Participants in remote and northern locations pointed to the lack of local employment opportunities.

AHRDA and NAO key informants pointed to the AHRDS contribution to addressing the employment needs of Aboriginal peoples through the provisions of flexible and culturally sensitive programs and services. Key informants from HRSDC/Service Canada and NAOs reported that programs and services currently offered by the AHRDAs are linked to the labour market needs of Aboriginal peoples.

Aboriginal clients also face multiple barriers, and AHRDAs are called on to address needs with respect to lack of education and work experience, transportation, childcare, health, transition to an urban environment, addictions, coping skills, poverty, inadequate housing, and isolation and remoteness.

AHRDA representatives and discussion group participants confirmed that programs and services are, in general, helping participants in acquiring job related skills, and increasing their skills levels and self-confidence. They also pointed to areas for improvement that included the need to: increase partnership with private sector; increase wages to attract and maintain AHRDA skilled staff; dedicate resources to ensure a quality administrative database; and decrease reporting burden.

Areas not well addressed by AHRDAs include: linking AHRDA programs with economic opportunities at the community level; literacy and Essential Skills; disability issues; and lack of availability of childcare support for off-reserve, Métis, and urban clients.

Client Perspectives on the Relevance of AHRDA Programs and Services

The most frequent employment challenge, discussed in eleven of the eighteen discussion groups, was participants' lack of basic education, literacy, and job skills. In fourteen of the eighteen discussion groups, participants agreed that the programs and services received helped them to meet their employment challenges and to overcome employment barriers. In eight discussion groups, there was a clear consensus that participation in programs led to employment and further training.

Closing the gap between Aboriginal and non-Aboriginal People

Overwhelmingly, key informants said AHRDAs have made a difference in increasing clients' access to, and use of, labour market programs and that there is a high level of trust between clients and AHRDAs, which are an integral part of the community. AHRDAs can leverage other mainstream labour market programs to assist clients and AHRDA staff can act as role models and encourage clients.

Alignment of design and delivery structure with lessons learned and best practices

All HRSDC/Service Canada and NAO key informants stated that the AHRDS does address the identified lessons learned and best practices, in large part because of the way programs are designed and delivered by Aboriginal people and organizations. There are economies of scale as many AHRDAs integrate programming for youth, disabled individuals, and childcare under one agreement. A number of AHRDAs have incorporated the social support aspect of programming directly into work plans, as presented in contribution agreements. First Nation and Inuit AHRDAs have access to childcare funding through the First Nations Inuit Child Care Initiative (FNICCI), but no comparable funding for childcare is available to Métis or urban AHRDAs.

Eight designated "urban" AHRDAs offer programs and services to Aboriginal people living in urban centres. There is extensive community involvement with the AHRDAs, and consistent support for the AHRDA governance model, which allows for community input into decision-making and planning processes at the local level. Levels of integration and support for clients on social assistance vary considerably among the AHRDAs. Some are co-located with other social and health services, which facilitates greater integration. A majority of AHRDAs offer programs targeted at Aboriginal youth, and a number are aimed at youth on social assistance.

Program Success

Participants in seventeen of the eighteen discussion groups were satisfied with the services or programs they received. Positive outcomes included securing of a job or a promotion within an existing job, better preparation for a future employment opportunity, increased self-confidence, certification and other educational credentials, and establishment of good relationships with AHRDA staff and employers.

Incremental impacts on participants

Results of the econometric analysis of AHRDA participants who completed their participation between 1999 and 2004 follow. Only results that are statistically significantly different from zero at the 5% level of confidence are discussed. These results are incremental in the sense that they represent impacts attributable to the program alone, which would not have occurred in the absence of participation.

Active EI claimants experienced increase in employment earnings (relative to the comparison group) and in the incidence of employment, and declines in EI and SA benefits received and in reliance on government income support. Impacts on employment earnings and the incidence of employment were positive for all programs and services with the exception of the self-employment program.

For **former EI claimants**, participation led to a higher incidence of employment, but lower earnings. Lower amounts of EI benefits immediately after participation were almost balanced by higher amounts in year three. There was a reduction in SA benefits in year two and an increase in reliance on government income support in year three. The Targeted Wage Subsidies program exhibited the only positive impact on employment earnings.

Non EI claimants experienced an increase in employment earnings and in the incidence of employment. These clients increased their use of EI in the three years post-program and decreased the use of SA and reliance on government income support. The increase in EI use in the post-program period reflects an increase in EI eligibility based on post-program employment activities. Skills Development, Targeted Wage Subsidies and Employment Assistance Services had positive impacts on employment earnings and on the incidence of employment.

Skills Development (SD) increased the incidence of employment and earnings for Active EI clients and non EI eligible clients and reduced their use of Social Assistance and dependence on government income support. Non EI eligible clients have increased their EI use in the full post-program period, reflecting an increased EI eligibility based on post-program employment activities. Former EI claimants experienced an increased incidence of employment but lower earnings and mixed results for EI benefits and dependence on income support.

Targeted Wage Subsidies (TWS) increased the incidence of employment and earnings for all clients. Former EI clients and non EI eligible clients increased their EI use through insurable earnings and reduced the use of SA.

Self-employment (SE) participation resulted in decline in the incidence of employment and earnings for Active and Former EI clients.

Participation in Job Creation Partnerships (JCP) increased the employment earnings for Active EI claimants only. There was also an increase in the incidence of employment for all client groups. Former EI clients and non EI eligible clients increased their EI use and reduced the use of SA.

Employment Assistance Services (EAS) increased the incidence of employment in the short term and employment earnings for Active EI clients and non EI eligible clients.

Single Parents, **Women** and **Youth** (under 30 years old) experienced an increase in earnings and in the incidence of employment across all three clients groups.

Active claimants and non-claimants from **East, Centre, West** and **North** regions displayed impacts similar to the overall results. Former claimants in the **Centre** and **North** regions did not experience the earnings reductions found in other regions although those from the North also did not experience the increased incidence of employment found elsewhere.

What works and what doesn't work for clients, and what are the reasons

Participation under the AHRDAs was successful for active claimants and non-claimants (excluding those taking SE in each case) and less successful for former claimants (except for those taking TWS).

Participation was more successful when SD, TWS, or EAS was the principal intervention taken. Participation was less successful generally if SE or JCP was the principal intervention.

Males experienced some success through participation but women were more successful. Incremental results favouring women are a common finding in the literature. Former claimants who were female or single parents were the only sub-groups of former claimants to show some improvement toward success.

AHRDAs and Participants' Perception of Impact on clients

Most participants in seventeen of the discussion groups indicated their participation in programs had a positive impact on their job skills. In all but one group, participants responded that their job prospects and outlook had improved through participation in AHRDA programs. Many commented that their overall career outlook was brighter.

Nearly all AHRDA key informants indicated that programs have a positive impact on attitudes towards finding and maintaining employment, but noted that real change can take time and repeated interventions may be needed.

Consensus in sixteen of the discussion groups was that participation in the programs had a positive impact on the participants' attitude towards finding and maintaining employment. In sixteen of eighteen discussion groups, the majority of participants indicated that taking part in their programs helped to increase their self-confidence. In fifteen of the eighteen discussion groups, participants indicated that they were satisfied with their current job, which had been secured after program participation.

Cost-Effectiveness

Cost-effectiveness analysis indicates how much it cost to achieve the estimated impacts through participation. Four cost-effectiveness measures were considered: cost per additional dollar of earnings; cost per dollar of EI saved; cost per dollar of SA saved; and cost per dollar return to the government. The latter was measured as the taxes paid on (taxable) earnings, plus EI saved plus SA saved.

Program costs per dollar of earnings gain were lowest for the following client type and principal EBSM combinations: active claimants taking EAS – $0.18, TWS – $0.94, and SD – $1.65; former claimants taking EAS – $1.11 and TWS – $1.56; and non-claimants taking EAS – $0.64 and SD – $1.65. In other words, an expenditure of 18 cents in program funds was required to return a dollar in additional earnings paid to active claimant EAS-only participants. It cost $1.65 for every dollar in additional earnings paid to active claimant participants with SD as their principal EBSM. Other combinations of client type and principal EBSM were less cost-effective. Program costs per dollar of earnings gains were not defined for some combinations of client type and principal EBSM where participation reduced earnings.

Program costs per dollar of return to government are lowest for the active claimants taking EAS – $2.34 and TWS – $2.61. Other client type, EBSM combinations are less cost-effective while program costs per dollar return to government are not defined for some client type and principal EBSM combinations that result in a negative return to the government.

In terms of **program dollars paid per dollar of EI savings** the most cost-effective combination was for former claimants taking EAS only – $2.95. Other combinations of client type and principal EBSM are less cost-effective in terms of costs per dollar saved in EI or are not defined as they do not yield savings.

Appendix A
Additional Tables

Table A.1
AHRDAs by Region and Agreement Type

Region	Agreement Type				
	First Nations	**Inuit**	**Métis**	**Urban**	**Total**
Alberta	11	0	2	0	**13**
British Colombia	10	0	1	1	**12**
Manitoba	2	0	1	1	**4**
New Brunswick	3	0	0	1	**4**
Newfoundland/Labrador	3	1	1	1	**6**
Northwest Territories	5	1	2	0	**8**
Nova Scotia	1	0	0	1	**2**
Nunavut	0	3	0	0	**3**
Ontario	14	0	1	2	**17**
Prince Edward Island	1	0	0	0	**1**
Quebec	3	1	0	1	**5**
Saskatchewan	1	0	1	0	**2**
Yukon	2	0	0	0	**2**
Total	**56**	**6**	**9**	**8**	**79**

Table A.2
Cost of Participation, Present Value of 5-Year Impact and Cost per Impact by Principal EBSM and Client Type

Impact by client type	SD			TWS			SE			JCP			EAS		
	Cost	Present Value* of Effect (@ 5%)	Cost per Effect	Cost	Present Value* of Effect (@ 5%)	Cost per Effect	Cost	Present Value* of Effect (@ 5%)	Cost per Effect	Cost	Present Value* of Effect (@ 5%)	Cost per Effect	Cost	Present Value* of Effect (@ 5%)	Cost per Effect
	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
Active claimant	15,584			12,257			24,924			16,663			1,311		
Earnings		9,455	1.65		12,987	0.94		-13,923			3,636	4.58		7,311	0.18
EI savings		424	36.75		1,842	6.65		2,944	8.47		1,237	13.47		-962	
SA savings		125	124.75		420	29.18		490	50.81		353	47.15		149	8.78
Government benefit		2,325	6.70		4,702	2.61		818	30.47		2,274	7.33		561	2.34
Former claimant	12,775			10,322			21,477			16,338			1,313		
Earnings		-4,983			6,626	1.56		-10,840			-5,592			1,178	1.11
EI savings		127	100.60		-1,848			199	108.06		-2,162			445	2.95
SA savings		21	611.49		823	12.55		267	80.41		820	19.94		-167	
Government benefit		-673			67	155.06		-1,320			-2,263			472	2.78
Non-claimant	12,443			8,516			18,751			15,007			1,295		
Earnings		7,558	1.65		2,723	3.13		-604			605	24.81		2,031	0.64
EI savings		-1,493			-793			-87			-3,365			33	39.60
SA savings		1,216	10.23		1,586	5.37		721	26.00		2,668	5.62		-367	
Government benefit		-276			793	10.74		634	29.58		-697			-334	

Notes:
* Present value as of end of participation period estimated for impacts over five years using discount rate of 5%. During participation period, adjusted for period length, and impacts in first through third year following participation from incremental analysis. Third year effects extended to years four and five.