

REMOVING BARRIERS TO EMPLOYMENT: Strengthening Work-Integrated Training Programs

October 2020

Executive Summary

What is the Problem?

Albertans across the province continue to feel the economic impacts of increased unemployment due to the COVID-19 pandemic and the shock to global oil prices. The current supply of employment training for initial skills development, and subsequent up-skilling and re-skilling does not meet the demand from Albertans struggling to get good jobs in a more competitive labour market.

Who does the problem affect?

The negative impacts of prolonged high unemployment on individuals, families, and communities have been well documented: financial insecurity contributes to poor physical and mental health along with increases in substance abuse, domestic violence, and family breakdown. Individuals with weaker attachment to the labour market are particularly impacted. With the downturn in Alberta's oil and gas sector, and the potential for ongoing disruption in other sectors like tourism, retail, and hospitality, now is the time to act to ensure more individuals do not experience the negative impacts of prolonged unemployment.

What is the proposed solution?

Alberta's Recovery Plan outlines a promising vision for creating future prosperity. Attracting investments to diversify the economy and grow emerging industries, supporting innovation in our primary resource sectors, and building infrastructure in our cities and rural communities are strategies that present unique challenges for Alberta's job creators. Of primary importance is developing workers with the right skills now and into the future.

The federal government will be transferring an additional \$1.5 billion in Workforce Development Agreement funding to provinces and territories. This investment targets employment training for workers who have been particularly disadvantaged by the COVID-19 pandemic; Alberta is home to a disproportionate percentage of these individuals.

In a highly competitive labour market, it is critical that the Government of Alberta invest in effective training programs so that all Albertans, including those hardest hit by the pandemic —low-skilled individuals, women, immigrants, Indigenous persons, young men, and the long-term unemployed— can access training opportunities that include work experience (work-integrated training) to acquire in-demand skills and secure stable employment. Many of these programs have 75-95% success rates of learners achieving employment within 90 days of graduating and strengthening these pathways to employment will enable more Albertans to contribute to our province's economic prosperity.

Work-Integrated Training Pathway



What needs to be reformed?

1. Prioritize new federal investments into work-integrated training programs that are responsive to both employer demands and training needs of Albertans, with a specific focus on Integrated Foundational Pathways and Integrated Training programs.
2. Support training providers, employers, and other stakeholders to collaborate and innovate so they can provide training opportunities for marginalized people to acquire in-demand skills and secure employment.

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Background

Albertans across the province continue to feel the economic impacts of the COVID-19 pandemic. While the most recent Labour Force Survey from Statistics Canada shows promising gains to employment, low-wage workers, youth, and visible minorities are seeing fewer of these gains.¹ These trends echo past recessions in which individuals with barriers to employment are often the first to lose their jobs and the last to find gainful employment as the economy recovers.² To address these trends, the federal government recently announced an additional transfer of \$1.5 billion to provinces and territories through the Workforce Development Agreements.

In a highly competitive labour market, it is critical that the Government of Alberta use this influx of new federal funding to invest in effective training programs so that all Albertans can acquire in-demand skills and secure stable employment. The negative impacts of prolonged high unemployment on individuals, families, and communities have been well documented: financial insecurity contributes to poor physical health outcomes³ and mental distress⁴, along with increases in substance abuse, domestic violence, family breakdown and even higher rates of suicide and crime.⁵ Failure to invest at this crucial time, will only intensify the economic scarring that follows periods of recession.⁶

Alberta's Recovery Plan outlines a promising vision for creating future prosperity. Attracting investments to diversify and grow emerging industries, supporting innovation in our primary resource sectors, and building infrastructure in our cities and rural communities are strategies that present unique challenges for Alberta's job creators. Of primary importance is having access to workers with the right skills now and into the future.

As Albertans await the forthcoming recommendations of the *Skills for Jobs Taskforce* as well as the *Alberta 2030* review of our adult learning systems, we encourage the Government of Alberta to make

strategic investments in programs that facilitate collaboration between employers and training providers, and that demonstrate strong employment outcomes for people facing barriers to good jobs.

The Work-Integrated Training Advantage

Work-integrated training can take many forms: Integrated Foundational Pathway (IFP) and Integrated Training (IT) programs with work experience placements, along with apprenticeship and co-op programs are more time intensive, while shorter-term work experiences include job shadowing, workplace problem-based learning and site visits. According to the Business Council of Alberta, work integrated training enables learners to apply their skills in a real-world setting, developing both technical and practical aptitudes, as well as the soft skills needed to work effectively in business.⁷

The Government of Alberta currently offers a wide range of opportunities for individuals to develop the skills they need to get good jobs. Hundreds of employment training programs and services are available to Albertans, however, funding in recent years has prioritized rapid re-employment supports and training for employed individuals. These programs often work well for recently unemployed individuals who already hold a post-secondary degree or diploma and have a consistent history of employment. They do little, however, to support those with barriers to employment. For example, investment in the Canada Alberta Job Grant has primarily supported Albertans who are already employed with up-skilling and professional development.⁸

Work-integrated training works better for people who struggle to get and keep good jobs.

Individuals with weaker attachment to the labour market often need more comprehensive training. IFP and IT programs are particularly effective in bridging education and employment gaps resulting prolonged periods of unemployment, minimal Canadian work experience, and systemic discrimination that persons with disabilities, Indigenous Peoples, women, and immigrants can face when seeking employment. Additionally, many Albertans, largely young men with low educational attainment, are experiencing prolonged unemployment due to the downturn in the oil and gas sector. They have lost significant employability over that time and require a new approach to help them gain access to future jobs.

IFP and IT programs combine academic upgrading (including English as an Additional Language), employability and essential skills training, technical and occupation-related skills training, and work experience placements. These programs fill an essential space on the employment training continuum for Albertans whose needs, interests, or circumstances are not suited to a full post-secondary program. The community setting, small learning cohorts, and staff support at each stage of the program all serve to reduce barriers for participants to learn in-demand skills and facilitate connections to local employers.

Investing in essential skills makes economic sense. A 1% increase in a country's average score on adult literacy is associated with an eventual 5% rise in labour productivity and 3% rise in GDP per capita; raising literacy and numeracy for people at the bottom of the skills distribution has a greater positive effect on economic growth than producing more highly-skilled graduates.⁹ These programs also deliver a high return on government investment: the Government of Alberta's financial contribution to Momentum's Trades Training program for immigrants and Indigenous persons is returned in only three years due to graduates receiving substantial wage increases and paying higher taxes as a result.¹⁰

Investing for Impact

According to the Ministry of Labour and Immigration, 75% of participants in Training for Work programs were employed or in further training 90 days after completing a program in 2019-20.

Among these programs, community-based Integrated Training programs have demonstrated high levels of success in bridging people with barriers to employment into career track jobs.

The Centre for Newcomers has offered Canadian Business Essentials for Accountants to immigrant and refugee newcomers since 2006. The average employment success rate over the past 14 years is over 95%.

Since 2001, 85% of graduates from Calgary Catholic Immigration Society's Industrial Mechanic / Millwright Pre-Apprenticeship Training Program have found employment as apprentices within 90 days of completing the program.

Momentum introduced the Tech Plus program in 2019 to address the rising demand for talent in the Information and Communications Technology (ICT) sector. Within 90 days of completing the program, 84% of graduates from the first cohort were employed in the ICT field.

Calgary Immigrant Women's Association has achieved strong labour market attachment by underrepresented groups through its suite of 12 integrated training programs - three of which serve those who have attained high school or less and have low levels of English. Reaching over 600 Calgarians annually, these programs have achieved a 76% job acquisition/retention rate over the years. The IFP-funded Childcare Training Pathway Program typically achieves an 80% employment rate. In 2013, ABC Life Literacy awarded CIWA's Modular Employment Program with the Canada Life Innovation Award .

A Path Forward

The following recommendations build on the strength and success of work-integrated training programs to ensure that people facing employment barriers can train for long-term jobs in the trades and other high-demand occupations.

1. Prioritize new federal investments into effective work-integrated training programs that are responsive to both employer demands and training needs of Albertans, with a specific focus on Integrated Foundational Pathways and Integrated Training programs.

Budget 2020-21 included welcome funding stability to the Ministry of Labour and Immigration's Training for Work portfolio, including an estimated \$11.9 million allocated to Integrated Training programs. Additional investments from Advanced Education in community-based apprenticeship training programs like Women Building Futures and CAREERS: The Next Generation, will further improve access for women and young people to career-track training in the skilled trades.

These boosts to funding, however, may still be insufficient to meet the demand for training opportunities from Albertans, and the projected demand for skilled workers from key sectors of Alberta's economy.

COVID-19 has drastically shifted the employment outlook for thousands of Albertans. For example, labour market activity in the hospitality and food service sectors fell by half in April and currently sits at 15% below pre-pandemic levels.¹¹ At the same time, the volatility of global oil and gas prices has negatively impacted employment opportunities for natural resource workers – specifically young males that have not completed post-secondary studies.

Demand for employment training opportunities by Albertans who were unemployed or underemployed in survival jobs prior to the pandemic far surpassed available training spaces. For example, the Centre for

Newcomers receives, on average, 120 applications for each 16-seat class in its Canadian Business Essentials for Accountants program, while 485 Calgarians applied for the 37 available spots in Momentum's Tech Plus program in 2019. In the face of prolonged stretches of unemployment and financial insecurity across key sectors of our economy, we can only expect demand for training to increase.

Employer demands for skilled labour are also at risk of going unmet. The looming "grey wave" will see thousands of trades, transport, and equipment operation workers retire in Alberta each year.¹² Additional workers will be needed to meet the anticipated job growth spurred by *Alberta's Recovery Plan*.

Strategic investments in work-integrated training, including IFP and IT programs supported through Labour Market and Workforce Development Transfers, can bridge the gap between opportunity seekers and job creators, leveraging investments in infrastructure and economic diversification to their maximum effect.

2. Support training providers, employers, and other stakeholders to collaborate and innovate so they can provide training opportunities for marginalized people to acquire in-demand skills and secure employment.

In a little more than a decade, Albertans have faced a crisis in international financial markets, two collapses of global oil prices, 1 in 100 years floods in the south, devastating forest fires in the north, and a health pandemic brought by a novel and highly contagious virus. Adding to these shocks, more gradual advancements in information and communications technologies, automation, and artificial intelligence have irreversibly altered how and where we work, and in many cases, the kind of work we do. Responding to these, and future disruptions will require greater flexibility in our workforce development systems and increased capacity for collaboration and innovation.

The Government of Alberta can take advantage of the increased flexibility in the federal-provincial Labour Market and Workforce Development Agreements, as well as the year-over-year increases in the corresponding federal transfer payments, to invest in effective and innovative work-integrated training programs. The Government of Alberta can also encourage all ministries that receive federal funding through these agreements to prioritize and expand the range of work-integrated training available to Albertans.

In 2016, the Federal, Provincial, and Territorial Labour Market Ministers conducted stakeholder consultations to ensure that Labour Market Transfer Agreements were responding effectively to labour market priorities. Over 700 organizations and individuals participated, and their input included several recommendations to increase program responsiveness in a constantly shifting employment landscape:¹³

- Program design that balances employer needs for occupational and technical skills and foundational employability skills that improve workers' abilities to navigate labour market changes.
- Multi-year service delivery contracts with flexibility to adopt alternative delivery formats, and adapt program content in response to rapid, industry-wide adoption of new technologies.
- Programs to address underlying issues of workplace readiness among vulnerable populations.
- Improved information and data systems to support the design, testing, and evaluation of innovative pilot programs, research partnerships to address emerging trends, and greater collaboration and sharing of best practices.
- Apprenticeship-type programs in other fields, as well as modular education and laddered credentialing opportunities to support industry-specific up-skilling and re-skilling needs.

Each of these recommendations fit well with work-integrated training programs and would be welcomed by training providers and employers alike.

For example, improved information and data systems could support greater business involvement in work-integrated training. The Business Council of Alberta recommends that the Government of Alberta publish a guide that lays out the processes businesses must follow, suggest best practices, and provide a one-stop access point for existing and future government supports.¹⁴

To address issues of workplace readiness, the government can support collaboration among training providers and other social service agencies to provide wrap-around services (e.g. mental health support, affordable housing, childcare) to learners who face multiple barriers to getting and keeping a job. The Premier's Council on Charities and Civil Society has identified enhanced collaboration among service providers as a key opportunity for future economic recovery efforts.¹⁵

Governments, employers, education and training providers, and other civil society organizations all have a role to play in *Alberta's Recovery Plan*. Investing and innovating to bridge the skills and experience gaps of marginalized workers while strengthening connections between employers and educators through programs that include work experience, like Integrated Foundational Pathways and Integrated Training, will ensure more Albertans can acquire in-demand skills, secure stable employment, build financial security, and contribute to our province's future prosperity.

Endnotes

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