

Outcomes of those Leaving Assistance

Introduction

Since the introduction of British Columbia Employment and Assistance (BCEA) in April 2002, the employable income assistance (IA) caseload has declined by 53,850 cases or 70 percent. What makes this decline even more significant is that it followed a 47 percent decline in the employable caseload over the preceding six years, following the introduction of BC Benefits in January 1996.

The most effective way of determining what happens to clients who leave assistance is to use client tax records. A linkage with tax data allows the ministry to determine what has happened to clients after they exit assistance by allowing subsequent annual employment and income history of participants to be tracked, as well as other circumstances such as participation in education, changes in marital status or moves to another province.

In 2006, the ministry was successful in conducting a data linkage between ministry administrative data and tax data in Statistic Canada's Longitudinal Administrative Databank (LAD). The LAD is a 20 percent sample of annual cross-sectional data of all tax filers and their families, and contains information on demographics, income, residence, and other taxation data.

This analysis uses the tax records of clients who have left assistance between 2000 and 2003 and have not returned to examine what has happened to clients after they have left assistance.¹

Data Match and Methodology

The administrative data from the ministry's Central Registry Database has been deterministically linked with the LAD data using the Social Insurance Number (SIN) as the matching variable. The resulting linked file consists of a 20 percent sample of income assistance clients (as the LAD is a 20 percent sample of the population).

Data used in this analysis consist of clients who left assistance between 2000 and 2003 inclusive and have not returned by 2005. The choice of the 2000 to

¹ Cases leaving and not returning are defined as cases exiting assistance and not returning as of December 2005.

2003 time period allows us to examine what happened to clients leaving assistance before and after the introduction of BCEA in 2002. Some client categories did not exist prior to the introduction of BCEA (e.g., Persons with Persistent Multiple Barriers, Expected to Work – Medical Condition). To provide a consistent data set for analysis, a backcasted series is used prior to 2002 to estimate which clients would have been in these categories if they existed at the time.

For cases that have left assistance and have not returned, the analysis uses income tax information in the year prior to leaving, the year the case left and the subsequent year to examine what has happened to clients. For the time period 2000 to 2003, the filing rate for cases that left assistance is 75 percent which is considered normal for this population. Over the last nine years, the filing rate for income assistance recipients in BC has been 76 percent. The data presented in this report are for the 75 percent who filed a tax return. Omitting the others does not bias the results since the tax filing rate did not change with the introduction of BCEA.

Tax data is annual and it is not unusual for people to experience multiple events in the span of 12 months (e.g., work, school, marriage) resulting in double counting if we were to count every event for an individual during that year. In order to eliminate double counting, a hierarchy is used to assign a primary event for the client. The hierarchy is chosen so as to maximize the information available regarding the client's circumstances. For example, if "moved out of province" were first in the hierarchy we would lose any information on events that occurred in that year prior to the client moving. Changing the order of the hierarchy would not have a substantial impact on the results presented in this paper. The hierarchy used in this analysis is as follows:²

- 1) Work
- 2) School
- 3) Other income (including CPP/CPPD/OAS/WCB)
- 4) Changes in family structure
- 5) Moved to another province
- 6) Went to long term care
- 7) Went to Medical Services Only³
- 8) Died

If a client's information indicates employment, it means that the client had employment income in the year following their exit from IA. However, the client could also have experienced another event such as marriage but because employment is ranked higher in the hierarchy, employment is indicated as the event of primary interest. Another implication of the use of a hierarchy is that events appearing lower on the list may be underestimated.

² More detailed hierarchy list contained in Appendix A.

³ The majority of those who leave IA and remain eligible for Medical Services Only (MSO) leave because they have other income.

Results

Since 2002, 88.2% of Expected to Work (ETW) clients who have left assistance and have not returned as of 2005 have employment income, are attending education or have other income in the year following their exit from IA. Of ETW exiting clients who have not returned to IA, 81.5 percent have employment income. An additional 5.6 percent have other income (including Canada Pension Plan (CPP), Canada Pension Plan Disability (CPPD), Old Age Security (OAS), Workers' Compensation Board (WCB) or rental/investment income) and 1.1 percent are attending school.

What Happened to Employable Clients Exiting IA? 2002-2003		
	Pre-2002	Post-2002
Work	83.0%	81.5%
School	0.8%	1.1%
CPP/CPPD/OAS	3.0%	2.1%*
Other Income	3.5%	3.5%
Family Change	0.8%	1.2%
Moved	2.8%	2.2%
Long Term Care	0.0%	0.0%
Medical Services Only	0.0%	0.2%
Died	0.6%	0.5%
Incomplete Data ⁴	1.2%	1.6%
Undetermined ⁵	4.3%	6.1%*

* Statistically significant difference compared to pre-2002 based on a 95 percent confidence level.

Although the proportion of employable clients having employment income has declined, the magnitude of the decline is not statistically significant. Of ETW clients who have left and reported employment earnings, 78.9 percent have jobs in BC with an additional 3.6 percent reporting earnings from self-employment. Approximately 4.9 percent have had a spouse report employment earnings in excess of \$10,000 while the remainder (12.6 percent) have a job in another province.

⁴ Incomplete data means the clients filed a tax return in at least one year of the analysis period, but did not file them in every year, as required for this analysis.

⁵ Undetermined means the clients filed tax returns, but it was not possible to determine any outcomes for them – they did not fit in any of the above groups.

ETW Exiting Cases who Have Employment Income 2000-2003

	Pre-2002	Post-2002
Employment - BC	73.6%	78.9%
Employment – Other Prov.	17.8%	12.6%
Self-Employment	4.1%	3.6%
Spouse Employed	4.5%	4.9%

The proportion of ETW clients with employment within the province has increased 5.3 percentage points from 73.6 percent prior to 2002 to 78.9 percent. Over the same period, the proportion of ETW stopping cases leaving the province and having a job in the province they move to has declined from 17.8 percent to 12.6 percent. This is indicative of a strong BC economy. The province is leading the country in economic growth with 275,000 jobs created since 2001. In 2006, 70 percent of employment growth was full-time jobs.

The proportion of ETW exiting cases moving to another province has been declining (18.0 percent prior to 2002 compared to 12.5 percent post-2002). Of employable clients moving out of the province, 82.5 percent have employment income.⁶ Approximately 12.7 percent of ETW exiting cases who moved to another province receive IA in that province.

Where do ETW Exiting Cases moving to another Province Go? 2000-2003

	Pre-2002	Post-2002
Employment	84.3%	82.5%
On Assistance	11.6%	12.7%
Undetermined	4.1%	4.7%

Program Breakdown

ETW clients are most likely to have employment income (81.5 percent) compared to 67.3 percent of Expected to Work – Medical Condition (ETW-MC) clients and 61.4 percent of Temporarily Excused clients. This result is not surprising considering that the Temporarily Excused category is primarily comprised of single parents with a child under three who have no employment obligations and face other barriers to employment (e.g., child care). ETW-MC clients are persons with temporary medical, drug and alcohol or mental health conditions that interfere with their ability to participate in employment.

⁶ Includes self-employment.

Approximately 28.6 percent of clients with the Persons with Disabilities (PWD) designation have employment income in the year after they leave assistance. Although the rate of employment remains lower than for other client groups, the proportion of PWD exiting clients with employment income has increased (up from 20.4 percent prior to 2002). This is an encouraging sign given the additional barriers faced by this client group.

Less than one-half of Persons with Persistent Multiple Barriers (PPMB) clients have employment income in the year after exiting IA (40.4 percent).

What Happened to Clients Leaving IA by Client Category 2000-2003

Pre-2002					
	ETW	ETW-MC	Temp. Ex.	PPMB	PWD
Work	83.0%	78.9%	68.5%	56.3%	20.4%
School	0.8%	0.0%	1.6%	0.0%	0.0%
CPP/PPD/OAS	3.0%	3.0%	10%	23%	37%
Other Income	3.5%	4.2%	6.5%	0.0%	8.9%
Family Change	0.8%	1.4%	0.5%	0.0%	0.0%
Moved	2.8%	4.2%	6.0%	6.3%	7.6%
Long Term Care	0.0%	0.0%	0.0%	0.0%	0.0%
Medical Services Only	0.0%	0.0%	0.0%	0.0%	0.0%
Died	0.6%	1.4%	1.1%	12.5%	19.7%
Incomplete Data	1.2%	1.4%	0.0%	0.0%	0.0%
Undetermined	4.3%	5.6%	5.4%	2.1%	6.4%
Post-2002					
	ETW	ETW-MC	Temp. Ex.	PPMB	PWD
Work	81.5%	67.3%*	61.4%*	40.4%*	28.6%*
School	1.1%	0.9%*	1.8%	0.0%	0.0%
CPP/PPD/OAS	2.1%*	8.4%*	15.7%*	33.3%*	34.2%*
Other Income	3.5%	4.7%	7.2%	8.8%*	9.2%
Family Change	1.2%	0.9%*	0.9%	0.0%	0.0%
Moved	2.2%	6.5%*	4.0%*	7.0%	5.1%*
Long Term Care	0.0%	0.0%	0.0%	0.0%	0.0%
Medical Services Only	0.2%	0.0%	0.0%	0.0%	0.0%
Died	0.5%	1.9%	0.9%	5.3%*	16.8%*
Incomplete Data	1.6%	2.8%*	0.0%	0.0%	0.0%
Undetermined	6.1%*	6.5%	8.1%*	5.3%*	6.1%

* Statistically significant difference compared to pre-2002 based on a 95 percent confidence level.

Appendix A Event Hierarchy

1. Employment – in BC
2. Employment – Other Province
3. Self-Employment – in BC
4. Self-Employment – Other Province
5. Spouse earned employment income in excess of \$10,000
6. Education – Full Time
7. Education – Part Time
8. Canada Pension Plan (CPP) or CCP Survivor
9. CPP Disability (CPPD)
10. Old Age Security (OAS)
11. Workers' Compensation
12. Social Assistance – Other province
13. Rental OR interest OR capital gain OR alimony income
14. Spouse earned in excess of \$10,000 total after tax income
(excludes employment income)
15. Got married or became common law
16. Child left household
17. Child turned 19
18. Moved out of province
19. Went to long term care
20. Medical Services Only (MSO)*
21. Died
22. Missing Information
23. Undetermined

The data match was unable to determine a primary event for some clients who have left assistance. These clients filed a tax return in the year prior to leaving IA, the year they left and the subsequent year but were not captured under any of the events considered in the analysis (“Undetermined”). There were also some clients for which there was missing information. These clients did not file in the year prior to leaving assistance and/or the year they left assistance so the information necessary to assign an event was missing (“Missing Information”).

- * PWD clients may retain eligibility for MSO coverage if they, or their spouse, leave assistance for employment or leave for federal income support such as OAS, CPP or CPPD. PPMB clients who are over 65 and leave assistance for federal income support such as OAS, CPP or CPPD also remain eligible for MSO. The majority of those who leave IA and remain eligible for MSO have other income.