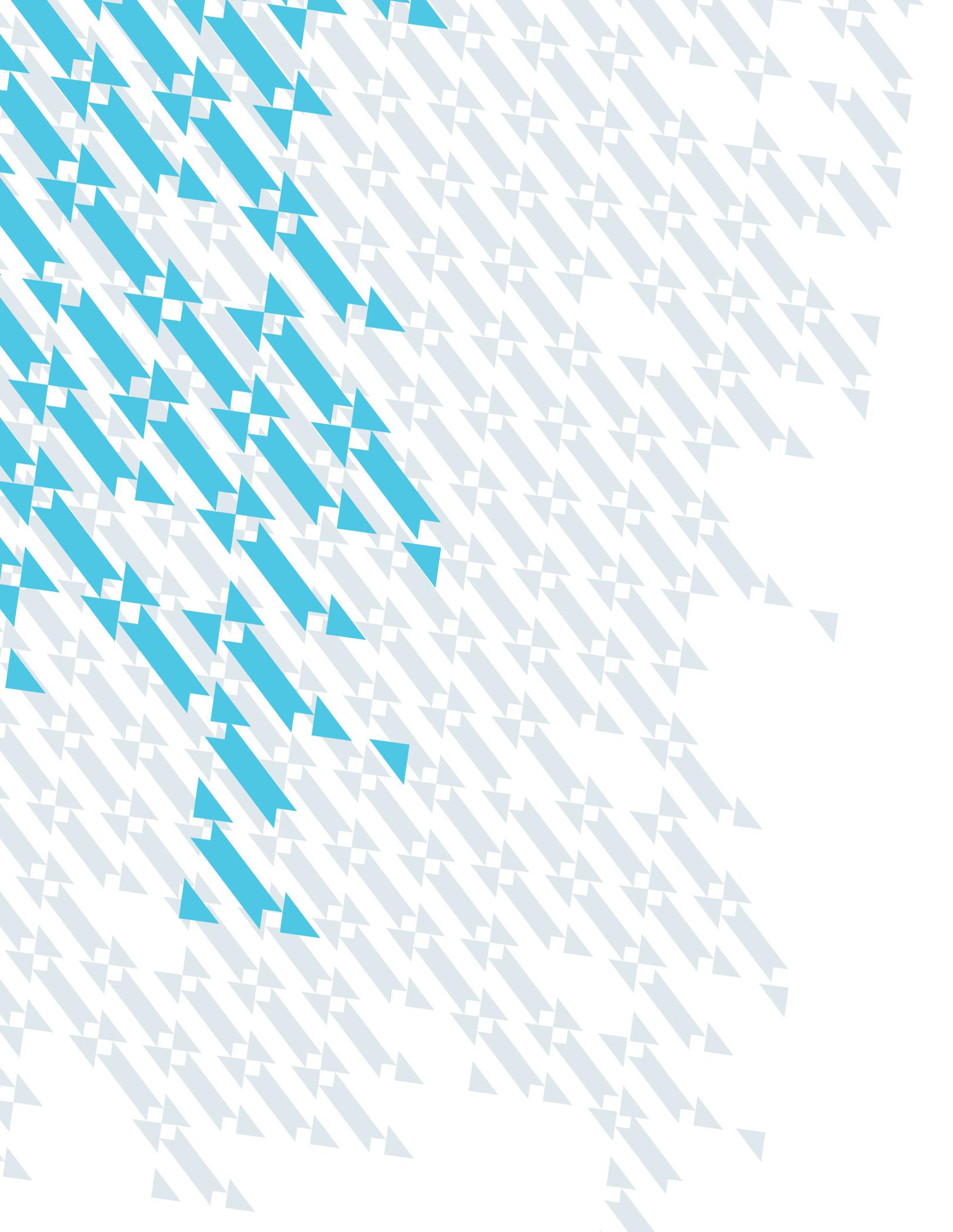


# What works?

## Proven approaches to alleviating poverty

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# Executive Summary

In anticipation of a new Poverty Reduction Strategy, Ontario is reviewing new directions other governments are taking to meet poverty reduction goals. The Mowat Centre at the University of Toronto has prepared this report, *What Works: Proven Approaches to Alleviating Poverty*, for the Ministry of Children and Youth Services to help identify and evaluate poverty reduction initiatives that are generating promising results in key peer jurisdictions including Australia, the United Kingdom and the United States.

To identify promising programs, Mowat relied on evidence-based repositories and inventories such as Blueprints Colorado, the Coalition for Evidence-based Policy, the US National Registry of Evidence-based Programs, the UK Social Research Unit, and the National Endowment for Sciences and the Arts (NESTA); and consulted organizations credited with creating proven programs, such as the Nurse Family Partnership, as well as organizations that evaluate them, including the Manpower Demonstration Research Corporation (MDRC) in the US, and its sister organization, the Social Research Demonstration Corporation (SRDC), in Canada.

The resulting *What Works* report looks at innovations in poverty measurement, explores in detail the programs that work for poverty alleviation, and highlights supportive infrastructure and capacity-building frameworks that jurisdictions are employing to better understand and address the complex factors of poverty. It concludes with ten key recommendations that Ontario should consider as it moves toward a new Poverty Reduction Strategy.

The report is not an assessment of the current Poverty Reduction Strategy and did not evaluate the effectiveness of existing initiatives within Ontario.

## INNOVATIONS IN POVERTY MEASUREMENT

Measuring poverty helps governments understand not only how many citizens are living in poverty but also whether efforts to reduce poverty are working. Poverty has primarily been measured based on income. However, non-monetary indicators, which capture a more multi-dimensional portrait of poverty, are increasingly being used. These indicators are consistent with the lived experience of poverty, measuring areas such as health, education and housing. Ontario, the OECD, the European Union, and other jurisdictions have developed deprivation indices of non-monetary indicators to improve reliability in identifying the poor and assessing the impact of poverty reduction strategies.

Non-monetary indicators are also increasingly employed as a guide for allocating resources. For example, in the United Kingdom, the *English Indices of Deprivation* gives a score to local areas based on a number of poverty indicators (such as education level and barriers to housing and services) to better understand local needs and allocate appropriate resources.

## PROGRAMS THAT WORK FOR POVERTY ALLEVIATION

Poverty is multi-dimension—it has no single cause. Different groups face different barriers to economic self-sufficiency. In many jurisdictions, services are increasingly reflecting this reality by supporting individuals based on their specific needs. This client-focused approach emphasizes flexibility in services and service delivery.

Programs are also being designed to increasingly track progress and outcomes at an individual level. This allows for robust program evaluation and continuous improvement. When strong programs are designed, governments make policy decisions based on evidence, and have confidence that investments are delivering meaningful results.

In total, 13 such programs were chosen for inclusion and analysis and are highlighted in detail throughout the report and in Appendix A. The programs are grouped by three key outcome categories—employment, treatment and intergenerational—for ease of analysis, but many programs have multiple outcome objectives, indicative of the trend toward more holistic and needs-based support for individuals at risk of poverty.

The 13 selected programs also share three important common elements. The report concludes that these elements are what make the programs ‘work’:

- **Use of rigorous needs-based assessment tools** to identify barriers to employment and treatment needs so corresponding services can be offered quickly;
- **Strong referral systems** and links between support agencies to provide a tailored package of services to help individuals overcome multiple challenges, and;
- **Robust program design and evaluation** to accurately track progress of new programs and approaches over the status quo, usually through randomized assignment design.

## SUPPORTING PROGRAMS THAT WORK

Evidence infrastructure development, new forms of capital and funding models, and integrated service delivery are some of the key efforts jurisdictions are deploying to support effective programs for poverty alleviation.

Structures that help trial different models and disseminate knowledge are essential to establishing programs that work. This has prompted jurisdictions to create institutions that assess the effectiveness of policies and programs, which then inform government decisions and public debate. The growth of this ‘evidence infrastructure’ represents a significant international trend, and has the potential to improve the understanding of complex social policy challenges and solutions. Examples of such structures include special government units that encourage greater flow of evidence in policy-making and locally-focused support centres that build local knowledge and facilitate regional comparisons.

New forms of capital and funding models are also emerging to support program sustainability and self-sufficiency. These models not only provide increased funding stability to community organizations that deliver the programs but offer governments an opportunity to mitigate risk when implementing new, innovative approaches. Positive reinvestment cycles, social impact bonds and social innovation funds are some of the leading mechanisms governments and communities are working with to achieve scalability and better outcomes.

A number of jurisdictions have also moved forward with investments in integrated service structures, which can improve delivery of holistic services including early interventions and prevention programs for individuals at risk of poverty. Though services integration can be challenging, better collaboration among various departments and agencies (for example, combined funding arrangements that help align incentives and improved information sharing that provides a fuller picture of the individual) allows for more coordinated and effective efforts in addressing client needs. Lessons from these jurisdictions provide useful insights to overcoming the difficulties of integrations, such as data sharing, governance and information technology.

As governments have adopted more client and user-focused strategies, evidence-based practices and integrated structures, they have also sought and developed new skill-sets, such as designing randomized control trials, data analytics and budgeting that includes outcomes-based funding.

Finally, it is important to note that when faced with the risks posed by full system transformation—cost, disruption, uncertain results, and unintended consequences—many jurisdictions have chosen to start small. In a number of cases, community-led trial projects have been expanded based on evidence of success. The scalability of these programs allows innovation and experimentation, with successful initiatives adopted more broadly as funding, skills and other resources are available.

## RECOMMENDATIONS FOR ONTARIO

As Ontario develops a new poverty reduction strategy, it should consider the following key recommendations that emerge from this inter-jurisdictional scan on useful innovations, proven programs, and approaches to alleviating poverty.

### Measure

#### Focus on needs-based support

Ontario should consider how it can construct programs and organize service delivery based on client needs.

In-depth assessment tools like standardized surveys and rigorous needs-based screening are increasingly used and integrated across communities and social service providers in other jurisdictions.

#### Evaluate Ontario's programs

Programs and services are often measured by budgetary success on inputs (human resources) or outputs (expenditure) with limited focus on whether outcomes for individuals are improved. In order to best support individuals and families and help lift them out of poverty, the Province should focus on rigorously evaluating the outcomes of key programs.

### Innovate

#### Establish a "What Works" Centre

These supportive centres produce and disseminate research to local decision-makers transparently and independently from government, supporting them in investing in services that deliver the best outcomes for citizens and value for money for taxpayers.

#### Earmark funds for innovation

Ontario should consider a targeted pool of funding or an innovation awards scheme to trial and scale promising solutions to priority challenges. A targeted pool of funding for promising programs could also provide the impetus municipalities and regions need to invest in these programs.

### Coordinate and integrate supportive services

The Province should consider how stronger ties within human services and between human services and other support structures like employment could enable more innovative and customized services to address individual's needs. Advances in technology and approaches to client-focused services should be explored to ensure a cost-effective approach to integration.

### Deploy pilots for promising approaches

Many of the promising programs and approaches reviewed in this report were developed as demonstration projects or pilots. Ontario should consider moving forward with a few pilots in key areas of need and for populations at greatest risk of poverty in Ontario in the short-term in order to have results and evidence with which to build future strategies in coming years.

### Consider new forms of capital and positive re-investment pilots

Through their prevention and early intervention-focused programs, Social Investment Bonds (SIBs), positive reinvestment cycles and other alternative financing and social investment models offer positive returns in both outcomes and expenditure within less than a decade, making it possible to begin sustainably addressing large-scale challenges.

### Partner

#### Employ a community-based approach

There is growing support for the notion that complex social problems are best addressed through coordinated local level interventions. In particular, the Province may wish to explore supported devolution in areas where strong community integration exists in order to build an Ontario-based approach for replication.

## Expand partnership opportunities with the Federal government

The choices made by the Government of Canada have major impacts on poverty in Ontario and affect the choices available to the provincial government. Ontario should consider partnering with the federal government on poverty reduction initiatives and supports.

## Ensure poverty indicators are linked to individual outcomes

Poverty targets and indicators are increasingly linked to program outcomes and impact indicators at the local, community and individual client level. Ontario should consider how it might better partner with communities to agree to poverty reduction strategies, programs and, importantly, targets that inform the Province's strategy.



# SECTION 1

## Introduction

Ontario has made poverty reduction a priority since it first committed to a comprehensive Poverty Reduction Strategy in 2008. The province has made major new investments in poverty-related initiatives. These include increases to the Ontario Child Benefit, implementation of full-day kindergarten, investments in new affordable housing units, increases to the minimum wage, skills training, efforts to support vulnerable workers, and a review of social assistance programs.

However, as in other jurisdictions, Ontario continues to feel the effects of the global economic downturn. Continuing demand pressures, between balancing the budget and reducing poverty, mean that any new programs require challenging trade-offs. Now, more than ever, poverty reduction policy choices must be based on rigorous evidence in order to maximize the impact and minimize the cost.

This paper's inter-jurisdictional review indicates that poverty reduction initiatives are most effective when services are integrated and provided based on client need. Rather than focusing on programs in a single area, governments have been most successful when they focus on constructing comprehensive supports for individuals. Effective programs examined in this report share three important common elements:

- **Use of rigorous needs-based assessment tools** to identify barriers to employment and treatment needs so corresponding services can be offered quickly;
- **Strong referral systems** and links between support agencies to provide a tailored package of services to help individuals overcome multiple challenges, and;
- **Robust program design and evaluation** to accurately track progress of new programs and approaches over the status quo, usually through randomized assignment design.

## Key Concept

### Evidence-Based Programs

A program is judged to be evidence-based if:

- a) the evaluation research shows that the program produces the expected positive results;
- b) the results can be attributed to the program itself, rather than to other extraneous factors or events;
- c) the evaluation is peer reviewed by experts in the field; and
- d) the program is “endorsed” by a respected research organization and included in their list of effective programs.

Results of studies using experimental design (quantitative, randomized control trials) are generally considered to be the most reliable form of evidence available.<sup>1</sup>

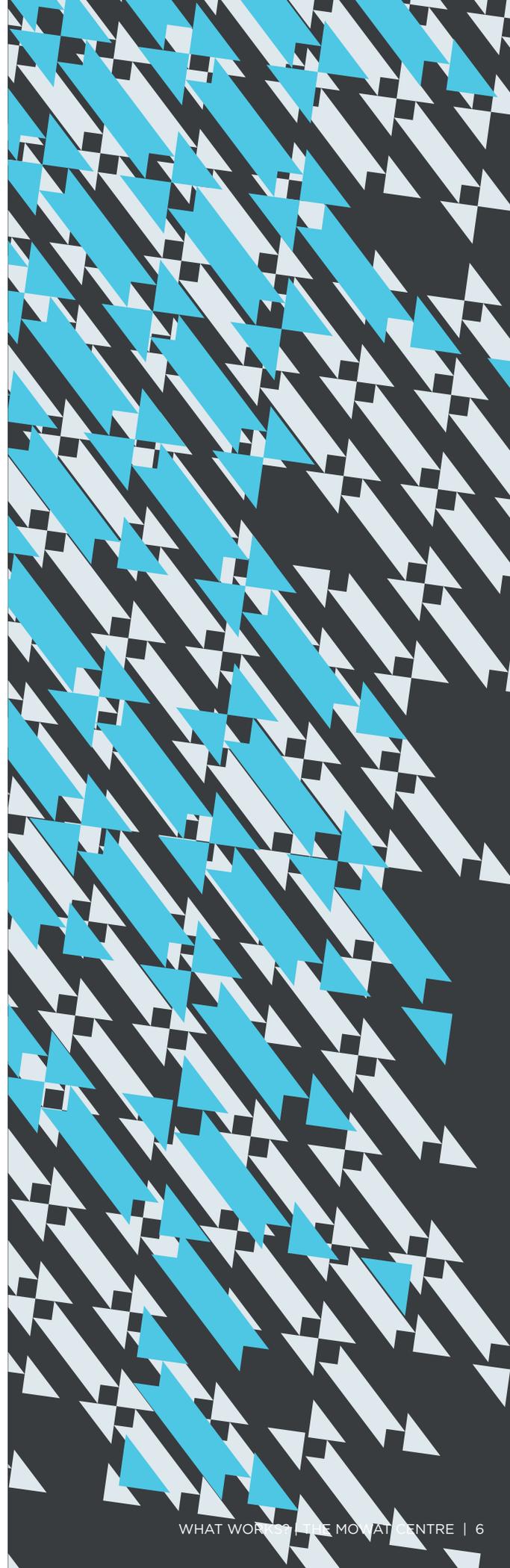
Clients enrolled in such programs receive services tailored to their requirements in different areas, such as housing, employment counseling, child care, and mental health. These services are delivered in an integrated way, often by a single case manager or skilled practitioner, and progress is closely monitored. This need-based approach has been shown to be more effective than traditional program delivery for individuals with complex needs as well as for those individuals who are closer to economic self-sufficiency.

Although such programs involve new common assessment approaches and can be more costly to deliver than traditional compartmentalized programs in the short run, research indicates that they are cost-effective, with the potential for significant savings in the medium to long term. Several jurisdictions are implementing innovative funding approaches for their programs, and in some cases reinvesting cost savings back into the programs themselves.

<sup>1</sup> Siobhan M. Cooney, Mary Huser, Stephen Small and Cailin O'Connor. "What Works, Wisconsin – Research to Practice Series." University of Wisconsin. [http://whatworks.uwex.edu/attachment/whatworks\\_06.pdf](http://whatworks.uwex.edu/attachment/whatworks_06.pdf).

As it moves forward with a renewed Poverty Reduction Strategy, Ontario should consider following the lead of other jurisdictions and piloting structured approaches to needs-based programs similar to the ones reviewed in this report. This could be supported by a strengthening of Ontario's evidence-based policy capacity, as has been seen in other jurisdictions. Clear, independent outcome results measurement may identify new ways to reduce poverty in Ontario and ensure the highest return on government investment.

The report proceeds in the following way: section 2 offers useful background on the 'operating environment,' that is, the economic, fiscal and political context and factors affecting poverty reduction efforts in Ontario; section 3 provides a literature review on how poverty is understood and measured in peer jurisdictions; section 4 explores proven programs and methods for poverty alleviation, grouped into three broad categories ('employment-focused', 'treatment-focused' and 'intergenerational poverty reduction'); section 5 addresses the supports needed to adopt more innovative and evidence-based programs and practices and, finally; section 6 outlines recommendations for the next phase of Ontario's Poverty Reduction Strategy.



# SECTION 2

## Operating Environment

Policies and programs to address poverty in Ontario take place in a particular fiscal, economic, and national operating environment that shapes the options available to address poverty. There are two specific aspects of this operating environment worth keeping in mind when considering lessons from abroad:

- 1) The economic and fiscal context
- 2) The role of the federal government

### 2.1 THE ECONOMIC AND FISCAL CONTEXT

Like other jurisdictions around the world, the Ontario economy was hard hit by the global recession and financial crisis of 2008.<sup>2</sup> Recovery has been persistently slow, falling below growth targets for both GDP and employment.<sup>3</sup>

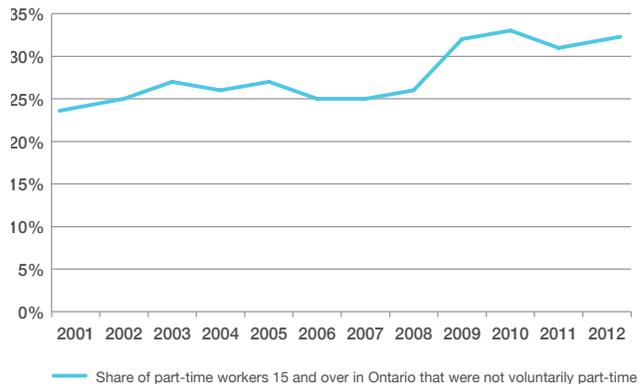
In addition, longer-term structural changes in the economy have left many workers without jobs and facing a difficult path to employment. In particular, the manufacturing sector has seen a long-term decline in its share of employment, which was additionally impacted by the recession. Between 2001 and 2011, manufacturing's share of Ontario's GDP declined from 22 per cent to 13 per cent, underscoring the particular challenges facing that sector.<sup>4</sup>

Recent years have seen a trend towards more precarious employment in Ontario with less job security, few if any benefits and minimal control over working conditions.<sup>5</sup> While this change has affected all groups of workers, women, racialized persons and recent immigrants are more likely to be "vulnerable workers" engaged

in precarious work.<sup>6</sup> The share of part-time workers in Ontario who worked part-time involuntarily, because full-time work was not available, has surged since 2008 (see Figure 1). This reflects a broad trend toward part-time work that has seen overall full-time employment decline significantly for workers aged 35-49, and a significant increase in part-time employment for workers 15 and over.

**FIGURE 1**

Share of Part-time workers that were not voluntarily part-time (Ontario 15 years or over)



BASED ON STATSCAN DATA<sup>6</sup>

A softer job market is making it more difficult for those groups at highest risk of poverty to find stable, full-time employment. The economic downturn hit hard those who tend to have more tenuous labour market attachment. Between 2008 and 2010, the unemployment rate for immigrants in Ontario landed 5 years or less surged by 45 per cent, before settling at a rate of 14 per cent, nearly twice the rate for Canadian-born by 2012.<sup>8</sup> Youth aged 15-24 have seen nearly a 10 per cent decline in total employment in the period since the downturn, creating real risk of long-term labour market 'scarring'.

2 Ontario Ministry of Finance. 2009 *Ontario Economic Outlook and Fiscal Review*. <http://www.fin.gov.on.ca/en/budget/fallstatement/2009/chapter2.html>.

3 Ontario Ministry of Finance. 2010. *Ontario's Long-term Report on the Economy*. <http://www.fin.gov.on.ca/en/economy/ltr/2010/ch2.html>; Employment figures based on Statscan Labour Force Survey data, CANSIM Table 282-0002 Labour force survey estimates (LFS), by sex and detailed age group, annual.

4 Ontario Ministry of Finance. 2013 *Ontario Budget*. <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2013/>.

5 Law Commission of Canada. 2012. *Vulnerable Workers and Precarious Work*. <http://www.lco-cdo.org/vulnerable-workers-final-report.pdf>.

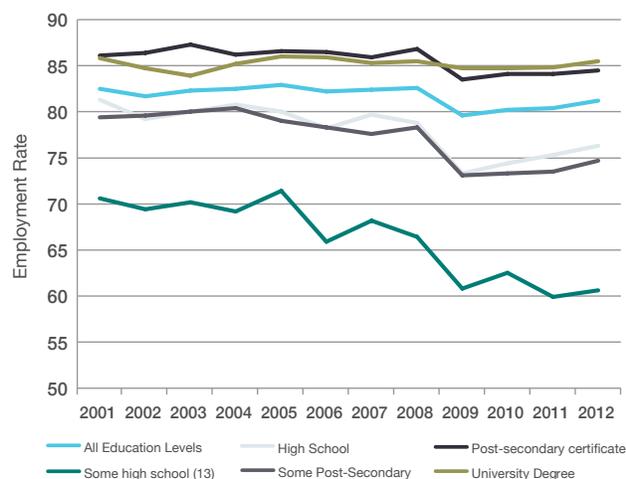
6 Ibid

7 Based on Statscan Labour Force Survey data, CANSIM Table 282-0014 Labour force survey estimates (LFS), part-time employment by reason for part-time work, sex and age group, annual.

8 Based on Statscan Labour Force Survey data, CANSIM Table 282-0102. "Labour force survey estimates (LFS), by immigrant status, age group, Canada, regions, Provinces and Montreal, Toronto, Vancouver census metropolitan areas"

The labour market context is also making education a more prominent factor in the ability to find employment (See Figure 2). Employment rates for adults who have not completed high school in particular are declining, and high school graduates are losing ground against people with post-secondary certificates or degrees.

**FIGURE 2**  
Ontario Employment Rates by Educational Attainment: Ages 25-44



Together these trends in Ontario’s economic context make poverty reduction efforts more challenging. There are fewer jobs being created, those jobs are increasingly part-time and precarious, and increasingly difficult to attain for at risk populations.

The impacts are particularly strong on vulnerable workers and extend to areas of their lives beyond employment itself. A precarious work situation leads to a greater risk of injury and illness, stress and challenges to accessing entitlements to health care.<sup>9</sup> It creates strains that make it difficult for adults to find the time and energy to increase educational attainment or take training. Older persons who have undertaken this type of work all their lives will not have pensions and will not have been able to save. More generally, these workers and their families are likely to experience the intergenerational costs of poverty.<sup>10</sup>

<sup>9</sup> Ibid.  
<sup>10</sup> Law Commission of Canada. 2012. *Vulnerable Workers and Precarious Work*. <http://www.lco-cdo.org/vulnerable-workers-final-report.pdf>.

Simultaneously, the impact of the economic downturn has created a very tight fiscal environment for program spending in government. Ontario is particularly hard-pressed by current federal fiscal arrangements, which continue to redistribute funds away from Ontario at a time of below average fiscal capacity.<sup>11</sup> Ontario’s per-capita program spending is already the lowest of any Canadian Province, and will face further pressure from debt service costs (already the third largest expense area behind health and education).<sup>12</sup>

As of 2009, Ontario spent \$470 less per capita than the average of all other Provinces for social services.<sup>13</sup> To meet budget balance, the Commission on the Reform of Ontario’s Public Services projected that real per-capita program spending would need to *decline* by an average of 2.5 per cent annually through 2017-18, after taking into account population growth and inflation.

The result of economic pressures and challenging employment terrain has left governments in a tight squeeze. Poverty alleviation programs must increasingly address new employment dynamics, which increase the vulnerability of workers to poverty traps. Programming which addresses holistic aspects of poverty and focus on the individual or family can require significant up-front investment and take years to see results. To invest in poverty reduction while limiting the accumulation of debt, the Province will need to balance these investments with expenditure restraint and/or increased revenues.

<sup>11</sup> Matthew Mendelsohn. 2012. “The Future of the Fiscal Arrangements”. *The Mowat Centre for Policy Innovation*; Noah Zon. 2013. “Filling the Gap: Measuring Ontario’s Balance with the Federal Government”. *The Mowat Centre for Policy Innovation*.  
<sup>12</sup> Ontario Ministry of Finance. 2013 Ontario Budget. <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2013/>; Ontario Ministry of Finance. 2012. Ontario Budget 2012 Background—*Balancing the Budget* <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2012/bk3.html>.  
<sup>13</sup> Institute for Competitiveness and Prosperity. 2013. *Making Sense of Public Dollars: Ontario Government Revenue, Spending and Debt*. pg. 38.

## 2.2 THE POLITICAL CONTEXT: POLICY-MAKING IN A FEDERATION

Policy and program interventions available to the Government of Ontario to reduce poverty are also shaped by another important dimension—the role of the federal government. While Canada is among the most decentralized federations in the world, the federal government holds many of the policy levers that are essential to addressing poverty in Ontario. The choices made by the federal government about how these levers are used frames the realities faced by Ontarians and the choices available to the Government of Ontario.

For example, the federal government has a prominent role in income supports. These include universal programs based on family composition (e.g., the Universal Child Care Benefit) and those targeted at low-income households (e.g., the Canada Child Tax Benefit, the Working Income Tax Benefit). These latter two programs are major planks in the existing framework for poverty reduction in Ontario. The Canada Child Tax Benefit provides cash benefits to nine out of ten families with children.<sup>14</sup> Working Income Tax Benefit in particular represents a promising initiative, but as currently designed it fails to fully achieve its intended goals (see “A Note on Means-Tested Policies”, section 4).

More broadly, federal decisions about income tax rates and support through the tax system can be a substantial source of income for low-income Ontarians, particularly those with children or with disabilities. Likewise, the Old Age Security program and Guaranteed Income Supplement have played a significant role in reducing seniors’ poverty in Canada.

The two primary public income security programs funded by employment income contributions (rather than taxes) are also managed by the federal government—the Canada Pension Plan and

Employment Insurance (EI). While the contributions of these programs help to reduce poverty, there are also issues with their adequacy that are out of reach of provincial government control. EI coverage rates have declined to the point where only 30.6 per cent of unemployed Ontarians received regular EI benefits in 2011, compared to 49.2 per cent in the rest of the country.<sup>15</sup>

The EI program is poorly aligned with Ontario’s labour market, resulting in Ontarians contributing 40 per cent of the EI funds while receiving only 33 per cent of income benefits, despite higher than average unemployment. This arises from the many factors, including regional differentiation within the benefit system;<sup>16</sup> fewer seasonal workers in Ontario; and the rise in the number of urban, contract, precarious and service workers, all of whom have more difficulty accessing EI than their rural and/or goods-producing counterparts.<sup>17</sup>

While most social services fall under provincial jurisdiction, the federal government has also been involved in a number of program investments that can help alleviate poverty. The federal spending power allows for this role to be wide-ranging, but also subject to discretionary changes to the federal role by the government of the day. This discretion creates a condition of uncertainty for provincial policy approaches to poverty reduction—a fact made clear when child care funding agreements signed between the federal government and Provinces in 2005 were cancelled in 2006.

The importance of federal funding and the role of uncertainty is particularly salient in housing, which is an essential foundational support for poverty reduction. The federal government is the largest single funder of social and affordable housing in Ontario, providing roughly one third of the government financial support

14 Ken Battle and Sherri Torjman. 2012. “Enhancing the Working Income Tax Benefit: Presentation to the All-Party Anti-Poverty Caucus”. *Caledon Institute of Social Policy*. <http://www.caledoninst.org/Publications/PDF/1001ENG.pdf> pg. 4.

15 Ontario Ministry of Finance. 2012 *Ontario Budget*. <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2012/ch3.html>.

16 Jon Medow. 2011. “Hidden Regional Differentiation: EI and Unequal Support for Low Income Workers”. *Mowat Centre EI Task Force*.

17 Mary Davis. 2012. “Workers Left Outside the EI Umbrella: Explanations and a Simple Solution”. *Mowat Centre*; Jon Medow. 2011. “Hidden Regional Differentiation: EI and Unequal Support for Low Income Workers”. *Mowat Centre EI Task Force*.

for social housing in Ontario. However, despite the federal government's announcement in their 2013 budget that they would renew the Investment in Affordable Housing and Homelessness Partnership Strategy, it is outweighed by the legacy of their 1994 decision to phase out their support for the existing social housing stock, representing over 200,000 units in Ontario.

Historically, the federal government has also had an important role in data collection allowing for consistent measurement and comparisons. This role has diminished in recent years, as the federal government opted to eliminate the mandatory long-form census as well as eliminating or scaling back a number of surveys relevant to poverty reduction including the Survey of Labour and Income Dynamics, the Participation and Activity Limitation Survey, the National Longitudinal Survey of Children and Youth and the Longitudinal Survey of Immigrants to Canada. The federal government has not moved forward on most of the recommendations made by the Advisory Panel on Labour Market Information.<sup>18</sup> These gaps make it more difficult to calibrate effective poverty reduction interventions in Ontario at the present time.

<sup>18</sup> Labour Market Information Advisory Panel. 2009. *Working Together to Build a Better System for Canada*. <http://www.flmm-lmi.org/english/view.asp?x=1271&id=151>.

# SECTION 3

## Innovations in Poverty Measurement

Measuring poverty helps governments understand not only how many citizens are living in poverty but also whether or not efforts to reduce poverty are working.<sup>19</sup> Poverty has primarily been measured based on income. However, **non-monetary indicators**, which capture a more multi-dimensional portrait of poverty, are increasingly being used. These indicators are consistent with the lived experience of poverty, measuring areas such as health, education and housing. Ontario, the OECD, the European Union, and other jurisdictions have developed **deprivation indices** of non-monetary indicators to improve reliability in identifying people living in poverty and assessing the impact of poverty reduction strategies.<sup>20</sup>

### 3.1 ABSOLUTE AND RELATIVE MEASURES OF POVERTY

Conventional measures of poverty are most often constructed around monetary thresholds. Monetary measures define poverty either in absolute terms; the inability to obtain the necessities of life—or in *relative* terms; the comparison of poverty to a standard in a particular jurisdiction.

Ontario's Poverty Reduction Strategy (2008) uses Statistics Canada's Low-Income Measure (LIM), a relative approach that defines poverty as income below 50 per cent of the median income, depending on family size.<sup>21</sup> This relative "poverty line" is consistent with the threshold used by the OECD. The European Union, United Kingdom and Australia use a similar

approach, defining poverty as income below 60 per cent of median income.<sup>22</sup>

By contrast, *absolute* poverty measures are based on material deprivation, setting thresholds below which people are "understood as lacking sufficient money to meet basic physical needs."<sup>23</sup> Canada uses the Low Income Cut-Off (LICO) to capture an absolute picture of poverty by setting a poverty threshold, below which 20 per cent or more of family income is spent on typical basic necessities (e.g., food, shelter and clothing).<sup>24</sup> The United States' official poverty threshold, developed in the 1960's, is set to three times the cost of a "minimum food diet", adjusted for inflation, family size and age.<sup>25</sup> The LICO measure and the United States' official measure are unique poverty measures not found in any other peer jurisdictions; both peg the poverty threshold rate based on an *absolute* concept of poverty and the income required for survival.

Figure 3, next page, summarizes the use of monetary poverty metrics in Ontario compared to other key peer jurisdictions around the world as well as the poverty reduction strategies in Nova Scotia and Quebec.

19 Kristian Niemietz. 2011. *A New Understanding of Poverty: Poverty Measurement and Policy Implications*. London: The Institute of Economic Affairs.

20 Brian Nolan, and Christopher T. Whelan. 2009. "Using Non-Monetary Deprivation Indicators to Analyse Poverty and Social Exclusion in Rich Countries: Lessons from Europe?" <http://www.ucd.ie/t4cms/wp11%2009%20noaln%20whelan.pdf>, p. 23.

21 Campaign 2000. 2013. *Strengthening Families for Ontario's Future: 2012 Report Card on Child and Family Poverty in Ontario*. <http://www.campaign2000.ca/Ontario/reportcards/2013ReportCardOnChildPovertyOntario.pdf>.

22 Australia Council of Social Service. 2012. *Poverty in Australia*. [http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012\\_Final.pdf](http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012_Final.pdf); Michael F. Förster and Marco Mira d'Ercole, The OECD Approach to Measuring Income Distribution and Poverty: Strengths, Limits and Statistical Issues. [http://umdcipe.org/conferences/oecdumd/conf\\_papers/Papers/The%2520OECD%2520Approach%2520to%2520Measuring%2520Income%2520Distribution%2520and%2520Poverty.pdf](http://umdcipe.org/conferences/oecdumd/conf_papers/Papers/The%2520OECD%2520Approach%2520to%2520Measuring%2520Income%2520Distribution%2520and%2520Poverty.pdf); Office for National Statistics. 2013. *Poverty and Social Exclusion in the UK and EU, 2005-2011*. [http://www.ons.gov.uk/ons/dcp171776\\_295020.pdf](http://www.ons.gov.uk/ons/dcp171776_295020.pdf).

23 Ruth Lister. 2004. *Poverty*. Cambridge: Polity Press.

24 Statistics Canada does not refer to LICOs as a poverty measure, they identify "those who are substantially worse off than the average". Canadian Council on Social Development. *Stats & Facts: A Profile of Economic Security in Canada: Poverty*. [http://www.ccsd.ca/factsheets/economic\\_security/poverty/index.htm](http://www.ccsd.ca/factsheets/economic_security/poverty/index.htm).

25 Institute for Research on Poverty. 2013. *How is poverty measured in the United States?* <http://www.irp.wisc.edu/faqs/faq2.htm#official>; Ruth Lister. 2004. *Poverty*. Cambridge: Polity Press.

**FIGURE 3**  
Jurisdictional Comparison of Poverty Metrics\*

Monetary Poverty Indicators	Ontario PRS	Nova Scotia PRS <sup>26</sup>	Quebec PRS <sup>27</sup>	Canada <sup>28</sup>	US <sup>29</sup>	Australia <sup>30</sup>	UK <sup>31</sup>	EU <sup>32</sup>	OECD <sup>33</sup>
RELATIVE THRESHOLD BASED ON MEDIAN INCOME	✓ (<50%)		✓	✓ (<50%)		✓ (<60%)	✓ (<60%)	✓ (<60%)	✓ (<50%)
ABSOLUTE THRESHOLD BASED ON THE COST OF ESSENTIAL GOODS		✓	✓	✓	✓				
DEPTH OF POVERTY	✓	✓							
INEQUALITY			✓	✓	✓	✓	✓	✓	✓
CHILD POVERTY	✓	✓					✓		

\*MANY COUNTRIES, INCLUDING CANADA, THE UNITED KINGDOM AND AUSTRALIA, HAVE NO OFFICIAL POVERTY LINE AND MOST COUNTRIES EMPLOY MULTIPLE POVERTY LINES IN THEIR ANALYSIS. THIS CHART IDENTIFIES THE MOST CURRENT METRICS USED BY GOVERNMENTS TO IDENTIFY POVERTY.

26 Nova Scotia specifically measures the poverty gap for people with work-limiting disabilities. Nova Scotia. 2009. Preventing Poverty. Promoting Prosperity: Nova Scotia's Poverty Reduction Strategy. [http://novascotia.ca/coms/specials/poverty/documents/poverty\\_report\\_2009.pdf](http://novascotia.ca/coms/specials/poverty/documents/poverty_report_2009.pdf).

27 Canada Without Poverty. 2012. Quebec Provincial Poverty Profile. <http://www.cwp-csp.ca/wp-content/uploads/2012/05/Quebec-Provincial-Poverty-Profile-FINAL-May-2012.pdf>.

28 Canadian Council on Social Development. Stats & Facts: A Profile of Economic Security in Canada: Poverty. [http://www.ccsd.ca/factsheets/economic\\_security/poverty/index.htm](http://www.ccsd.ca/factsheets/economic_security/poverty/index.htm).

29 Institute for Research on Poverty. 2013. "How is poverty measured in the United States?" <http://www.irp.wisc.edu/faqs/faq2.htm#official>.

30 Australia Council of Social Service. 2012. Poverty in Australia. [http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012\\_Final.pdf](http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012_Final.pdf). [http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012\\_Final.pdf](http://www.acoss.org.au/uploads/ACOSS%20Poverty%20Report%202012_Final.pdf).

31 Government of the United Kingdom. 2013. Households below average income (HBAI). <https://www.gov.uk/government/organisations/department-for-work-pensions/series/households-below-average-income-hbai--2>.

32 European Foundation for the Improvement of Living and Working Conditions. 2007. Income poverty in the European Union. <http://www.eurofound.europa.eu/ewco/surveyreports/EU0703019D/EU0703019D.pdf>.

33 OECD (2009). Growing Unequal? : Income Distribution and Poverty in OECD Countries. <http://www.oecd.org/els/soc/41527936.pdf>.

## 3.2 NON-MONETARY MEASURES OF POVERTY

The multiple dimensions of poverty cannot be captured simply through measures of income. Ontario and other jurisdictions around the world are increasingly employing non-monetary poverty metrics in order to better understand how to assist those in need and measure the impact of investments.<sup>34</sup>

Non-monetary measures capture the *experience* of those who are living in poverty.<sup>35</sup> These measures can examine, for example, the relationship between poverty

and labour market exclusion, lack of education, poor health, lack of affordable housing and inadequate access to services.<sup>36</sup> Non-monetary measures focus on the social dimensions known to be related to poverty. For example, lower educational attainment is linked to lower future earnings as well as lost economic opportunity costs for Ontario.<sup>37</sup>

Ontario's Poverty Reduction Strategy (2008), the OECD, European Union, Australia, the United Kingdom and other jurisdictions have begun grouping non-monetary outcomes indicators into deprivation indices to measure

34 Brian Nolan, and Christopher T. Whelan. 2009. "Using Non-Monetary Deprivation Indicators to Analyse Poverty and Social Exclusion in Rich Countries: Lessons from Europe?" <http://www.ucd.ie/t4cms/wp11%2009%20noaln%20whelan.pdf>.

35 Ibid; This data is normally captured by survey, for example Townsend's (1979) pioneering survey in the United Kingdom and Sweden's "Level of Living" Survey. Peter Townsend. 1979. *Poverty in the United Kingdom: a survey of household resources and standards of living*, Harmondsworth: Penguin Books, 1979.

36 Ontario Association of Food Banks. 2008. "The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario."

37 Ibid.

the social dimensions of poverty. The indices are often based on surveys that capture societal norms of material and non-material necessities, such as education, housing and nutrition. A high-level comparison of *deprivation* indices is shown in Figure 4 below.

**FIGURE 4**  
Jurisdictional Comparison of Deprivation Indices

Deprivation Index Themes	Ontario PRS (2008)	European Union	Australia	United Kingdom	OECD
HEALTH	✓	✓	✓	✓	✓
NUTRITION	✓	✓			✓
EDUCATION	✓	✓	✓	✓	✓
MATERIAL DEPRIVATION	✓	✓	✓		✓
EMPLOYMENT	✓	✓		✓	
TRANSPORTATION	✓	✓	✓		✓
SOCIAL INCLUSION	✓	✓	✓		✓
HOUSING	✓	✓	✓	✓	✓
EMERGENCY EXPENSES		✓	✓		
CRIME				✓	

38 Eurostat. 2013. *Glossary: Material Deprivation*. [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Glossary:Material\\_deprivation\\_rate](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Material_deprivation_rate).

39 Australia Council of Social Service. 2012. *Who is missing out? Material deprivation and income support payments*. [http://acoss.org.au/images/uploads/Missing\\_Out\\_2012\\_ACOSS.pdf](http://acoss.org.au/images/uploads/Missing_Out_2012_ACOSS.pdf).

40 Government of the United Kingdom. 2011. *The English Indices of Deprivation 2010: Neighbourhoods Statistical Release*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6871/1871208.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6871/1871208.pdf).

41 OECD. 2007. *Society at a Glance: Social Indicators—2006 Edition*. [www.oecd.org/els/societyataglance.htm](http://www.oecd.org/els/societyataglance.htm).

### 3.3 CHARTING PROGRESS TOWARD POVERTY REDUCTION

Governments increasingly use a combination of outcome indicators (indices) not only to measure poverty but as a guide for allocating resources for programs ranging from neighbourhood renewal to identifying disadvantaged students for additional support or allocating grants to community groups.

For example, in the United Kingdom, the *English Indices of Deprivation* capture a number of dimensions of poverty; The index is broken down into: income; employment; health and disability; education, skills and training; barriers to housing and services; crime and living environment.<sup>42</sup> Each of these areas is scored on its own metric and weighted to determine an overall score.<sup>43</sup> The data can then be used to better understand local needs.<sup>44</sup>

Australia uses the Poverty and Exclusion in Modern Australia (PEMA) survey to determine 24 essential social needs; households lacking three or more of these 24 are considered to be experiencing “multiple deprivations.”<sup>45</sup> The PEMA survey also identifies the costs of specific social needs, the population groups most likely to encounter these costs and the adequacy of income support payments to meet these costs.<sup>46</sup>

Of the jurisdictions surveyed, Scotland’s approach to charting progress is the most dynamic and comprehensive. The country has established a fully integrated system of local and national indicators. The system, *Scotland Performs* began in 2007 and measures progress toward a wide range of national policy goals by tracking local outcomes for individuals. Poverty is tracked across multiple income and non-income measures.

The Scottish approach to poverty alleviation sets a wider umbrella for the root causes of poverty and also tracks outcomes measures which contribute to poverty like reconviction rates, problem drug use, number of youth engaged in training, education or work, and support levels for individuals who need care. These national indicators are informed by local outcomes indicators that have been created in partnership with local authorities to identify and assess the most relevant measures, which allow governments to track progress for individuals at risk of, and living in, poverty.

For example, working in partnership with local and community stakeholders, Scotland has agreed to an “early years” outcomes framework to identify the outcomes that are crucial to all measures of success in early childhood. This outcomes framework supports progress toward higher level national outcomes and each outcome has been arranged using a life course model to track and support each child. At the local level, practitioners are supported in decision-making not only with agreed outcomes with which to report on, but also with best practice based on the needs of the individual they are working with.<sup>47</sup>

42 Government of the United Kingdom. 2011. *The English Indices of Deprivation 2010: Neighbourhoods Statistical Release*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6871/1871208.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6871/1871208.pdf).

43 Government of the United Kingdom. 2011. *The English Indices of Deprivation 2010: Neighbourhoods Statistical Release*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6871/1871208.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6871/1871208.pdf).

44 Ibid.

45 Australia Council of Social Service. 2012. *Who is missing out? Material deprivation and income support payments*. [http://acoss.org.au/images/uploads/Missing\\_Out\\_2012\\_ACOSS.pdf](http://acoss.org.au/images/uploads/Missing_Out_2012_ACOSS.pdf).

46 Ibid.

47 Scottish Government. 2013. Well-being: A guide to measuring meaningful outcomes. <http://www.scotland.gov.uk/Topics/People/Young-People/gettingitright/background/wellbeing>.

# SECTION 4

## What Works for Poverty Alleviation

The research evidence gathered for this report indicates that customizable programs, which target the unique needs of individuals, can be highly effective in alleviating poverty. Importantly, such programs should work in tandem with foundational supports—income security, transportation, childcare, housing—to break the cycle of poverty for individuals and families.

Needs-based programs coupled with foundational supports are effective for poverty alleviation because factors linked to poverty impact individual outcomes in different ways.

For instance, people on social assistance often face more significant barriers to employment, but the relationship between these barriers and employment is complex.<sup>48</sup> Some recipients with a specific barrier can work while others cannot or can only do so with highly customized supportive structures.

In Ontario, most people receiving Ontario Works have been unemployed for longer periods and may need more comprehensive employment and job skills training and supports than those who are recently unemployed.<sup>49</sup> People living with disabilities may require more comprehensive supports, such as liaising with employers about their particular workplace needs and appropriate accommodation. For people with episodic or chronic conditions, this can be a significant challenge and flexibility in employment arrangements is required. In order to create long-term workforce attachment people on social assistance may need additional supports like subsidized child care, early learning programs, transportation allowances, and respite care.<sup>50</sup>

48 Urban Institute. 2011. *TANf recipients with barriers to employment*. <http://www.mdrc.org/sites/default/files/TANF%20Recipients%20with%20Barriers%20to%20Employment.pdf>.

49 Steve Barnes. 2012. Breaking down the barriers to employment. *Wellesley Institute*. <http://www.wellesleyinstitute.com/news/breaking-down-the-barriers-to-employment/>. 50 Ibid.

### Key Concept

#### Factors linked to poverty

- Work, income and wealth
- Education
- Housing
- Physical and mental health
- Access to services

Overall, it is difficult to identify the specific factors that prevent some low-income individuals from succeeding in the paid labour market. The available research examines the prevalence of a broad range of potential obstacles and then seeks to determine which have a significant influence on whether an individual is employed, taking into account a parent's demographic characteristics and previous welfare experience.

The potential obstacles vary, but generally fall into three broad categories:

- **human capital deficits** (including limited work experience and low levels of education);
- **personal and family challenges** (including substance abuse, mental or physical health problems, domestic violence, and learning disabilities); and
- **logistical obstacles** (including transportation and child care).<sup>51</sup>

Certain population segments are at higher risk of experiencing these barriers and living in poverty.<sup>52</sup>

This includes unattached individuals, lone-parent households (which are most often female-led), recent immigrants, people living with disabilities and Aboriginals.<sup>53</sup> The debate has focused on whether

51 LaDonna Pavetti. Helping the Hard-to-Employ. In Isabel V. Sawhill (ed.) *Welfare Reform and Beyond: The Future of the Safety Net*. Washington D.C.: Brookings Institution Press. [http://www.brookings.edu/press/books/chapter\\_1/welfare\\_reform\\_and\\_beyond\\_chapter15.pdf](http://www.brookings.edu/press/books/chapter_1/welfare_reform_and_beyond_chapter15.pdf).

52 Ontario Association of Food Banks. (2008). *The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario*.

53 Ibid.; Human Resources Development Canada (1994). Improving Social Security in Canada: Guaranteed Annual Income, a Supplementary Paper. <http://www.canadiansocialresearch.net/ssrgai.htm>; Institute for Competitiveness and Prosperity (2007). *Prosperity, inequality, and poverty*. Working Paper 10.

poverty reduction programs should target these “high-risk” populations directly or whether programs should be universal, providing the same services or benefits to everyone.<sup>54</sup>

Increasingly, programs and policies are used to address the individual factors that make families and individuals at risk for poverty. Indeed, when supported with sound universal and community supports such as access to childcare and a progressive tax system, the distinction between targeted and universally-available customized-support begins to fade. Countries and programs are increasingly providing customized support based on the spectrum of needs of individuals and families. Each support is available to anyone if needed and treatments or programs are individualized for each unique situation.

## 4.1 FOUNDATIONAL SUPPORTS

There are a number of foundational supports that are essential to allow individuals to overcome barriers in order to access programs, enter the labour market and live a dignified existence. These include basic necessities as well as necessary logistical supports. While these supports are crucial, their impact is more difficult to measure and therefore the evidence-base for their effectiveness is more limited than for programs that target specific groups and seek certain priority outcomes (section 4.2). These supports are not the focus of the report but here we identify four foundational supports necessary for any poverty reduction strategy:

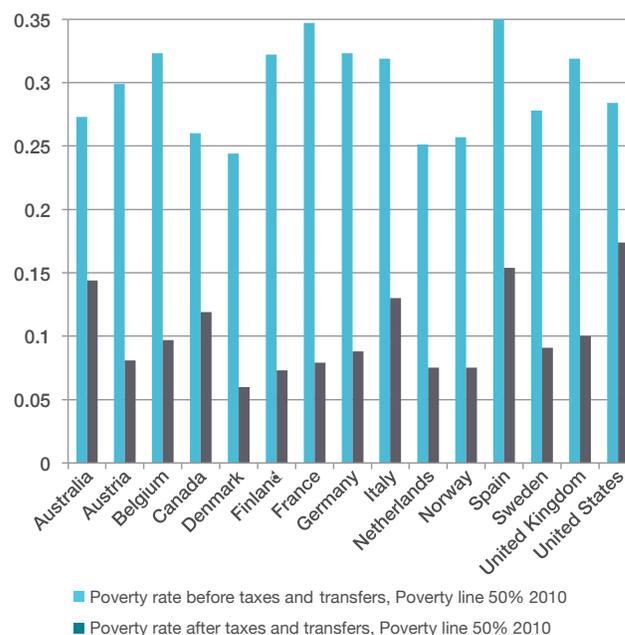
- 1) Income Security
- 2) Childcare
- 3) Transportation
- 4) Housing

54 Thandika Mkandawire. (2005). “Targeting and Universalism in Poverty Reduction.” *United Nations Research Institute for Social Development. Social Policy and Development Programme Paper 23.*

### 4.1.1 INCOME SECURITY

Studies have consistently demonstrated that there is a statistically significant, negative relationship between poverty and social spending.<sup>55</sup> Figure 5, below, clearly illustrates the important role of transfers and taxes, which are responsible for dramatically reducing relative income poverty throughout the OECD.<sup>56</sup>

**FIGURE 5**  
Poverty rates before and after taxes and transfers (2010)



The relationship between social spending and poverty rates has become more obvious over time, and it is clear that the leading countries boast strong traditions of wealth distribution.<sup>57</sup> The success of the top countries in maintaining low poverty rates is attributed to a universal welfare policy that has been effectively combined with job creation strategies that support gender equality and accessibility.

55 Timothy Smeeding. 2006. Poor People in Rich Nations: The United States in Comparative Perspective. *Journal of Economic Perspectives*. 20 (1): 69-90; Koen Caminada, Kees Goudswaard and Ferry Koster. 2012. Social income transfers and poverty: A cross-country analysis for OECD countries. *International Journal of Social Welfare*. 21: 115-126.

56 Koen Caminada and Keen Goudswaard. 2009. “Effectiveness of poverty reduction in the EU15: An empirical analysis.” <http://www.irp.wisc.edu/initiatives/vscholars/pdfs/Caminada-Goudswaard-18%20May2009.pdf>.

57 Conference Board of Canada. 2013. *Working-Age Poverty*. <http://www.conferenceboard.ca/hcp/details/society/working-age-poverty.aspx>.

Access to employment is a major protective factor and limits poverty risk in households with a head of working age.<sup>58</sup> Long-term reliance on income support has been found to have negative effects on individuals, families and communities in numerous studies.<sup>59</sup> The extent of dependence on welfare has been a significant concern for policy-makers in many developed countries in recent decades as it is associated with significant demands on government budgets and reduced economy-wide market output, and individuals' reliance on welfare is often associated with long-term poverty and social exclusion.<sup>60</sup>

While employment reduces considerably the risk of poverty, it does not solve all problems. Indeed, a 2009 study found the risk of poverty is higher than the risk of unemployment among the population aged 15-64 in most OECD countries.<sup>61</sup> Additional factors such as the rise of precarious work, insufficient work participation, and caring for children add significantly to the poverty risk for those who are able to find employment.

Fighting poverty requires implementing targeted policy responses. In this respect, income benefits play a key role, precisely because they can be targeted towards the most vulnerable households: on average in the OECD area, they reduce by almost half the rate of in-work poverty. Among these transfers, in-work benefit schemes can be particularly effective if they are well conceived and interact smoothly with additional supports.<sup>62</sup>

In addition, when progressing to a full-time job, low-wage workers see a large proportion of their gross earnings consumed by social contributions, income taxes and reduced social benefits. In this case, the effective tax burden on labour incomes plays a dominant role, and for these families a smoother progression in the tax system

would help to make full-time employment a more solid path towards economic self-sufficiency.<sup>63</sup> (See "A note on means-tested policies", next page).

The minimum wage may constitute a useful complement to in-work benefit schemes, but taken in isolation, has a limited effectiveness in fighting in-work poverty as it is not well targeted.<sup>64</sup> While in 2011, 9 per cent of workers in Ontario were minimum wage earners,<sup>65</sup> earlier studies of minimum wage earners in Ontario have shown that most low wage earners were not in poor households and most poor households did not have a low wage earner.<sup>66</sup> In particular, it does not offer much support to the large majority of the working poor who cannot find a full-time job, and is not well suited to address other important factors underlying poverty risk, such as specific family situations.

The evidence on how minimum wage policies effects employment has been mixed<sup>67</sup> but studies in Canada have tended to show negative effects on total employment (notwithstanding some evidence to the contrary).<sup>68</sup> For minimum wage policies to effectively complement poverty alleviation schemes, care must be given to setting an appropriate rate.

58 OECD. 2009. OECD Employment Outlook 2009. <http://www.oecd.org/els/emp/45219514.pdf>.

59 Yi-Ping Tseng and Roger Wilkins. 2002. "Reliance on Income Support in Australia." *Melbourne Institute of Applied Economic and Social Research*.

[http://www.melbourneinstitute.com/downloads/labour/1\\_final-report\\_RIS.pdf](http://www.melbourneinstitute.com/downloads/labour/1_final-report_RIS.pdf).

60 Yi-Ping Tseng and Roger Wilkins. 2002. "Reliance on Income Support in Australia." *Melbourne Institute of Applied Economic and Social Research*.

[http://www.melbourneinstitute.com/downloads/labour/1\\_final-report\\_RIS.pdf](http://www.melbourneinstitute.com/downloads/labour/1_final-report_RIS.pdf).

61 OECD. 2009. OECD Employment Outlook 2009. <http://www.oecd.org/els/emp/45219514.pdf>.

62 Ibid.

63 Ibid.

64 Ibid.

65 Sheila Block. 2013. <http://www.wellesleyinstitute.com/wp-content/uploads/2013/10/Who-Makes-Minimum-Wage.pdf>.

66 Allison Mascella, Shahzia Teja, Brennan S. Thompson. 2009. "Minimum Wage Increases as an Anti-Poverty Policy in Ontario". *Canadian Public Policy* Volume 35 number 3, p. 373-379.

67 Olalekan Edagbami. 2006. The Employment Effects of the Minimum Wage: A Review of the Literature. [http://www.cprn.org/documents/42718\\_en.pdf](http://www.cprn.org/documents/42718_en.pdf).

68 James Ted McDonald and Anthony E. Myatt. 2004. The Minimum Wage Effect on Youth Employment in Canada: Testing the Robustness of Cross-Province Panel Studies. <http://economics.ca/2004/papers/0083.pdf>.

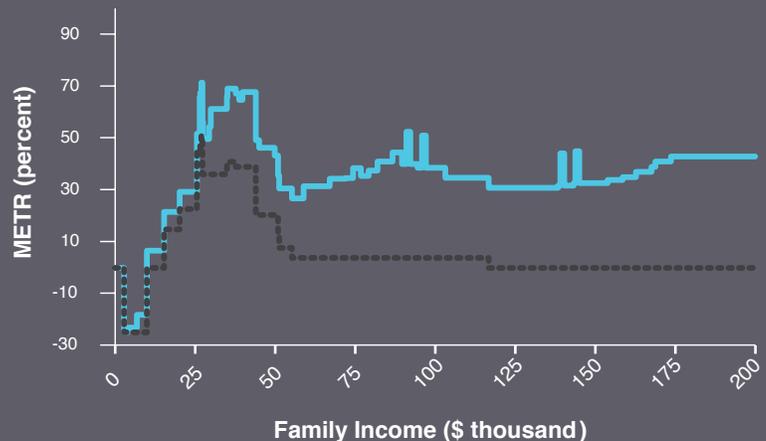
# A Note on Means-Tested Policies

In Ontario, a number of aspects of our tax and benefit systems are designed so that those in need are asked to pay less in taxation and have access to additional benefits. As their income increases, people are required to pay more tax and are no longer eligible for those same benefits. In tax policy the approach of paying more as one makes more is known as *progressivity*, while providing benefits to only those at or below certain income levels is referred to as *means testing*.

The intent of means-testing is to instill equity and efficiency into social policies. In principle, as someone moves up the income ladder they should gradually contribute more through taxation and receive less benefits.<sup>69</sup> In practice, the combined effects of benefit clawbacks and higher tax rates from increased earnings can create a “welfare wall” which can make it very difficult for work to sufficiently compensate for lost benefits. While the overall system remains progressive, at the margins of certain income levels we see policy and tax system design create unintended consequences which lead to disincentives to the desired outcome—moving from social assistance to full-time work. This effect is best understood through the lens of Marginal Effective Tax Rates (METRs), which measure the impact on take-home pay of reduced benefits (whether tax credit or cash transfers) and increased income tax as income increases.<sup>70</sup>

There are a number of income support programs and tax benefits available to low-income families that decline sharply when an individual or family reaches a certain income level. These include social assistance, rent-geared-to-income housing and other housing supports, the Ontario Trillium Benefit, and Canada and Ontario child benefits. While these policies are all in place to increase the take home income of lower-income households, the fact that they are all withdrawn at steep rates at similar levels of income can create barriers to work. Ontario has some of the most severe combined clawback effects in Canada—families with children face METRs generally exceeding 50 per cent on income between \$25,000 and \$45,000.<sup>71</sup> By way of comparison, their marginal income tax rates alone are about 20 per cent.<sup>72</sup>

Ontario



SOURCE: ALEXANDRE LAURIN AND FINN POSCHMANN, C.D. HOWE INSTITUTE.<sup>72</sup>

To combat these effects, the Working Income Tax Benefit (WITB), introduced by the federal government in 2007 (and enhanced in 2009) is intended to help “make work pay” for low-income workers. However, the WITB too is a means-tested program, and it is withdrawn at an employment level that begins well below a full-time minimum wage salary.<sup>74</sup> Consequently, in its current form, the WITB also contributes to the welfare wall, as benefits peak at part-time hours of employment, and fail to create a clear financial incentive to move off of social assistance with full time employment.<sup>75</sup> While any benefit that is targeted based on income has to be withdrawn at some point of income (a fundamental trade-off of targeted vs. universal policies) attention should be paid to the interactive effects of means-tested policies and tax design and the METRs that they generate.

69 This term comes from a 1993 article by Sherri Torjman and Ken Battle. “Breaking Down the Welfare Wall”.<http://www.caledoninst.org/Publications/PDF/488ENG.pdf>

70 Alexandre Laurin and Finn Poschmann. “What’s My METR? Marginal Effective Tax Rates Are Down— But Not for Everyone: The Ontario Case”. April 27, 2011. [http://www.cdhowe.org/pdf/ebrief\\_114.pdf](http://www.cdhowe.org/pdf/ebrief_114.pdf)

71 Laurin, A. & Poschmann, F. (2013). Treating Water: The Impact of High METRs on Working Families in Canada. C.D. Howe Institute E-Brief. [http://www.cdhowe.org/pdf/e-brief\\_160.pdf](http://www.cdhowe.org/pdf/e-brief_160.pdf).

72 <http://www.cra-arc.gc.ca/tx/ndvds/tq/txrts-eng.html>

73 Laurin and Poschmann. 2013. Treating Water: The Impact of High METRs on Working Families in Canada [http://www.cdhowe.org/pdf/e-brief\\_160.pdf](http://www.cdhowe.org/pdf/e-brief_160.pdf)

74 Commission for the Review of Social Assistance in Ontario. 2012. “Brighter Prospects: Transforming Social Assistance in Ontario.” [http://www.mcass.gov.on.ca/documents/en/mcass/social/publications/social\\_assistance\\_review\\_final\\_report.pdf](http://www.mcass.gov.on.ca/documents/en/mcass/social/publications/social_assistance_review_final_report.pdf). pg. 110.

75 James Milway, John Stapleton, and Katherine Chan. 2009. “Time for a “Made in Ontario” Working Income Tax Benefit”. Institute for Competitiveness and Prosperity. [http://www.competeprosper.ca/images/uploads/WITB\\_September09.pdf](http://www.competeprosper.ca/images/uploads/WITB_September09.pdf)

## 4.1.2 CHILDCARE

Childcare is an essential service for parents of young children to be able to access the labour market, particularly for single parents.<sup>76</sup> Many are not able to enter the labour market due to a lack of access to jobs with an adequate wage, leading to dependence on social assistance.<sup>77</sup> The lack of access to reliable and affordable childcare constitutes a systemic barrier to employment; for example, up to 40 per cent of single parents on Ontario Works cannot access reliable childcare when needed.<sup>78</sup>

Childcare is increasingly used as not only an opportunity to enable parents to work but also a key lever to improve educational outcomes for children through quality early childhood care and education. The Province's extension of full-day kindergarten is one step forward. A high-quality comprehensive affordable early childhood care and education strategy would further support employment opportunities for low-income parents and, importantly, help improve their children's outcomes. An overview of high-quality education is included under intergenerational poverty programs.

## 4.1.3 TRANSPORTATION

In order to access health care, education, childcare, community organizations and employment, adequate transportation is a necessity. The people who face disproportionate barriers to affordable transportation are the same groups who are most vulnerable to poverty.<sup>79</sup> There is a strong connection between poverty, poor access to transportation and poor health outcomes.<sup>80</sup>

76 City of Toronto. 2003. Social Assistance and Social Exclusion: Findings from Toronto Social Services' Survey of Single Parents on Ontario Works. <http://www.toronto.ca/socialservices/pdf/reports/singleparentsurvey.pdf>.

77 Ibid.

78 Ibid.

79 Canadian Urban Transit Association (2003). *Better access through mobility: Getting ahead with public transit*. [http://www.cutaactu.ca/en/publicationsandresearch/resources/IssuePaperNo.6\\_BetterAccessThroughMobility\\_GettingAheadwithPublicTransit.pdf](http://www.cutaactu.ca/en/publicationsandresearch/resources/IssuePaperNo.6_BetterAccessThroughMobility_GettingAheadwithPublicTransit.pdf).

80 Andrew Bindman, Kevin Grumbach, Dennis Osmond, Miriam Komaromy, Karen Vranizan, Nicole Lurie, John Billings and Anita Stewart. 1995. Preventable hospitalizations and access to care. *Journal of the American Medical Association* 274 (4), 305-311.

Transportation needs vary between urban and rural areas; in rural Ontario the lack of access to a personal vehicle or the ability to use one can be severely debilitating and a significant barrier to accessing services and employment.<sup>81</sup> In urban areas, such as Toronto, poverty has moved from the inner city to many suburbs.<sup>82</sup> This has resulted in a significant decline in access to adequate transportation to employment for people in low-income households.<sup>83</sup> In urban areas, expanding access to public transport in underserved low-income areas is a potential poverty lever. In rural areas providing subsidies for taxis, community transportation and low-income car loans may be effective.<sup>84</sup> For example, Toronto has been found to have one of the least affordable transit passes relative to minimum wage, in comparison to other Canadian municipalities.<sup>85</sup>

In Scotland, the government has introduced a targeted transport program, Transport to Employment (T2E), intended to overcome transportation barriers in accessing employment in rural areas.<sup>86</sup> The program subsidizes taxi usage for people transitioning into employment.<sup>87</sup> T2E's social return on investment was calculated as benefiting individuals entering employment by £2,204 in the first year compared to a full range of benefit payments and saving the state £8,315 per user in the first year.<sup>88</sup>

81 University of Guelph. 2008. *The impact of access to transportation on the lives of rural women*. [http://www.rwmc.uoguelph.ca/cms/documents/181/RWT\\_Report\\_DRAFT\\_Feb\\_6\\_2008.pdf](http://www.rwmc.uoguelph.ca/cms/documents/181/RWT_Report_DRAFT_Feb_6_2008.pdf).

82 David Hulchanski. 2006. "The Three Cities within Toronto: Income Polarization Among Toronto's Neighbourhoods, 1970-2005." <http://www.urbancentre.utoronto.ca/pdfs/curp/trnr/Three-Cities-Within-Toronto-2010-Final.pdf>.

83 Ibid.

84 University of Guelph. 2008. *The impact of access to transportation on the lives of rural women*. [http://www.rwmc.uoguelph.ca/cms/documents/181/RWT\\_Report\\_DRAFT\\_Feb\\_6\\_2008.pdf](http://www.rwmc.uoguelph.ca/cms/documents/181/RWT_Report_DRAFT_Feb_6_2008.pdf).

85 Toronto Public Health. 2013. Next Stop Health: Transit Access and Health Inequities in Toronto. <http://www.toronto.ca/legdocs/mmis/2013/hl/bgrd/backgroundfile-56681.pdf>.

86 James Cooper, John Nelson, Steven Wright, Kenneth MacInnes and Robert Edwards. 2006. "Community-based flexible transport as a method for addressing community inclusion: developing and evaluating specialist DRT in Highland Scotland." *Association for European Transport*. [http://stuff.mit.edu/afs/athena/course/11/11.951/oldstuff/albacete/Other\\_Documents/Europe%20Transport%20Conference/local\\_public\\_transport/communitybased\\_fle1527.pdf](http://stuff.mit.edu/afs/athena/course/11/11.951/oldstuff/albacete/Other_Documents/Europe%20Transport%20Conference/local_public_transport/communitybased_fle1527.pdf).

87 Ibid.

88 Ibid.

## 4.1.4 HOUSING

The lack of access to stable and affordable housing is intertwined with poverty, as housing costs are “far and away the largest expense of moderate and low income households.”<sup>89</sup> This translates to a lack of security and vulnerability to homelessness, one of the keenest examples of material deprivation in Canada. Stable housing also functions as an “anchor,” necessary to improve health, education and employment outcomes.<sup>90</sup>

Ontarians with lived experience of poverty have “identified housing costs as the greatest obstacle to making ends meet, and saw stable and secure housing as the most important factor in being able to stabilize their lives before looking for work.”<sup>91</sup> Stagnation of income relative to housing prices, depletion in the stock of rental housing and a lack of social housing has led to an increase in core housing need (where households cannot find housing that is adequate and suitable without spending more than 30 per cent of their income).<sup>92</sup> The subsidized housing units that represent approximately 5 per cent of Ontario’s housing stock have not been enough to address the pressures felt by the community—Ontario’s centralized waiting list for subsidized affordable housing rose by 25 per cent between 2004-2011.<sup>93</sup>

Potential levers to reduce core housing need and homelessness include public provision (i.e., social housing), demand-side supports (such as rent supplements and housing allowances), and supply-side incentives (whether direct subsidies or tax incentives) to encourage more affordable housing from private sector and nonprofit actors. Regardless of the lever, evidence

89 Ontario Non-Profit Housing Association. 2013. *Where’s Home? Looking back and looking forward at the need for affordable housing in Ontario*. [http://www.onpha.on.ca/AM/Template.cfm?Section=Where\\_s\\_Home&Template=/CM/ContentDisplay.cfm&ContentID=14520](http://www.onpha.on.ca/AM/Template.cfm?Section=Where_s_Home&Template=/CM/ContentDisplay.cfm&ContentID=14520). P. 39.

90 Senate Subcommittee on Cities of the Standing Senate Committee on Social Affairs, Science and Technology. 2008. *Poverty, Housing and Homelessness: Issues and Options*. <http://www.parl.gc.ca/Content/SEN/Committee/392/soci/rep/repfinaljun08-e.pdf>.

91 The Commission for the Review of Social Assistance in Ontario. 2012. *Brighter Prospects: Transforming Social Assistance in Ontario*. [http://www.mcass.gov.on.ca/documents/en/mcass/social/publications/social\\_assistance\\_review\\_final\\_report.pdf](http://www.mcass.gov.on.ca/documents/en/mcass/social/publications/social_assistance_review_final_report.pdf). p.86.

92 Ontario Non-Profit Housing Association. 2013. *Where’s Home? Looking back and looking forward at the need for affordable housing in Ontario*. [http://www.onpha.on.ca/AM/Template.cfm?Section=Where\\_s\\_Home&Template=/CM/ContentDisplay.cfm&ContentID=14520](http://www.onpha.on.ca/AM/Template.cfm?Section=Where_s_Home&Template=/CM/ContentDisplay.cfm&ContentID=14520). P. 39.

93 Based on data from the Ontario Ministry of Municipal Affairs and Housing.

indicates that stable shelter is an essential foundation for the success of other interventions. “Housing first” programs build on this lesson by making a stable home a first priority, using that as a base from which to provide other treatment or programs. This approach has been shown to be useful in helping to lift homeless individuals out of poverty (see Appendix A, case study on the At Home / Chez Soi program).<sup>94</sup>

## 4.2 PROGRAMS THAT WORK

As this report has demonstrated so far, poverty is multi-dimensional, with different groups facing different barriers to economic self-sufficiency. As a result, services in many jurisdictions are increasingly reflecting this reality by supporting individuals based on their specific needs. This client-focused approach emphasizes flexibility in programs and service delivery.

Programs are also being increasingly designed to track progress and outcomes at an individual level. This allows for robust program evaluation and continuous improvement. Where strong program design is implemented, governments can make policy decisions based on evidence, and have confidence that their investments are delivering meaningful results.

A review of evidence-based programs around the world indicates there is no shortage of demonstration projects and ongoing programs that are improving outcomes for the poor. This report consulted inventories such as *Blueprints Colorado*, *Coalition for Evidence-Based Policy*, *US National Registry of Evidence-based Programs*, *UK Social Research Unit*, and the *National Endowment for Sciences and the Arts (NESTA)*, among others, to identify the most promising program examples.

Programs with Canadian trials were also prioritized for inclusion in the report.

94 Senate Subcommittee on Cities of the Standing Senate Committee on Social Affairs, Science and Technology. 2008. *Poverty, Housing and Homelessness: Issues and Options*. <http://www.parl.gc.ca/Content/SEN/Committee/392/soci/rep/repfinaljun08-e.pdf>.



Figure 6 provides high-level summaries and demonstrated results—specified by outcome area and cost-benefit analysis where available—of the programs researched for this report. The highlighted programs are the principle case studies examined in section 4, while all other programs are explained in equal detail in Appendix A.

The programs are grouped into three categories according to their priority outcome: employment focus, treatment focus, and intergenerational focus. The specific outcomes of each program are explained in greater detail in Appendix B.

These outcome categories are not rigid, and many programs have multiple focus points. For example, the Individual Placement and Support Model, targeted primarily at individuals with severe mental illness, prioritizes positive mental health outcomes (i.e. ‘treatment focus’) as much as it does improved employment outcomes (i.e. ‘employment focus’). The purpose of categorization is to simply illustrate some of the broader groupings in a breadth of innovative and holistic programs.

Though the programs above target various populations and diverse outcomes, they do share three important common elements:

- **Use of rigorous needs-based assessment tools** to identify barriers to employment and treatment needs so corresponding services can be offered quickly;
- **Strong referral systems** and links between support agencies to provide a tailored package of services to help individuals overcome multiple challenges, and;
- **Robust program design and evaluation** to accurately track progress of new programs and approaches over the status quo, usually through randomized assignment design.

These three program elements make the programs ‘work’. The programs and their outcome categories (employment-, treatment-, intergenerational-focused) are explored in more detail in the following sections.

**FIGURE 6**  
Program Summaries

Program Categories	Programs	Description	Country of Origin	Stable Housing	Improved Health Outcomes	Improved Educational Attainment	Increased Employment and Retention	Reduced Criminal Activity	Cost/ Benefit Analysis*
EMPLOYMENT FOCUS	Texas Employment Retention and Advancement	Provides a financial incentive for those leaving 'Temporary Assistance for Needy Families' for work, coupled with job search assistance and post-employment services.	USA				✓		
	Earned Income Tax Credit	Earnings supplement available through the income tax system that offsets payroll taxes. Distinguished from other support and tax policies because it is predicated on work.	USA				✓		
	Personal Roads to Individual Development and Employment (PRIDE)	Mix of paid work experience, educational activities and job search assistance. Targets 'Temporary Assistance for Needy Families' recipients with work-limiting health conditions	USA				✓		
	Families First	Mix of health, employment and recreation supports for parents and children.	Canada		✓		✓		↓
TREATMENT FOCUS	At-Home/Chez Soi	Housing-first approach for individuals experiencing homelessness and mental health issues.	Canada	✓	✓				↓
	Critical Time Initiative	Supports individuals transitioning from institutions to the community through a case management approach that emphasizes personal and community relations.	USA	✓	✓				neutral
	Individual Placement and Support (Dartmouth)	A time-unlimited model that focuses on individual employment preferences, mental health services and rapid job search. Effective for multiple sub-populations.	USA		✓		✓		↓
INTERGENERATIONAL FOCUS	Nurse-Family Partnership	Intensive 3-year home visitation model for low-income, first-time mothers and their families.	USA		✓	✓		✓	↓
	Getting it Right for Every Child	Assigns a 'named person' (e.g., teacher, nurse) for every Scottish child and mandates all services working with children to operate in a collaborative and integrated way.	UK						
	Functional Family Therapy	Family-based therapeutic program for delinquent youth. Range of behaviour change interventions are individualized and targeted based on the profile of each family.	USA					✓	
	Evidence2Success**	Engages public systems and local community members in implementing evidence-based programs that lead to better developmental outcomes for children and youth.	USA						
	Communities That Care	Employs a public health approach to implement a community-led prevention strategy addressing problem behaviours in youth.	USA					✓	↓
	Children's Ground**	A place-based approach, guided by evidence to deliver high-quality well-being and learning services to children in disadvantaged aboriginal communities.	Australia						

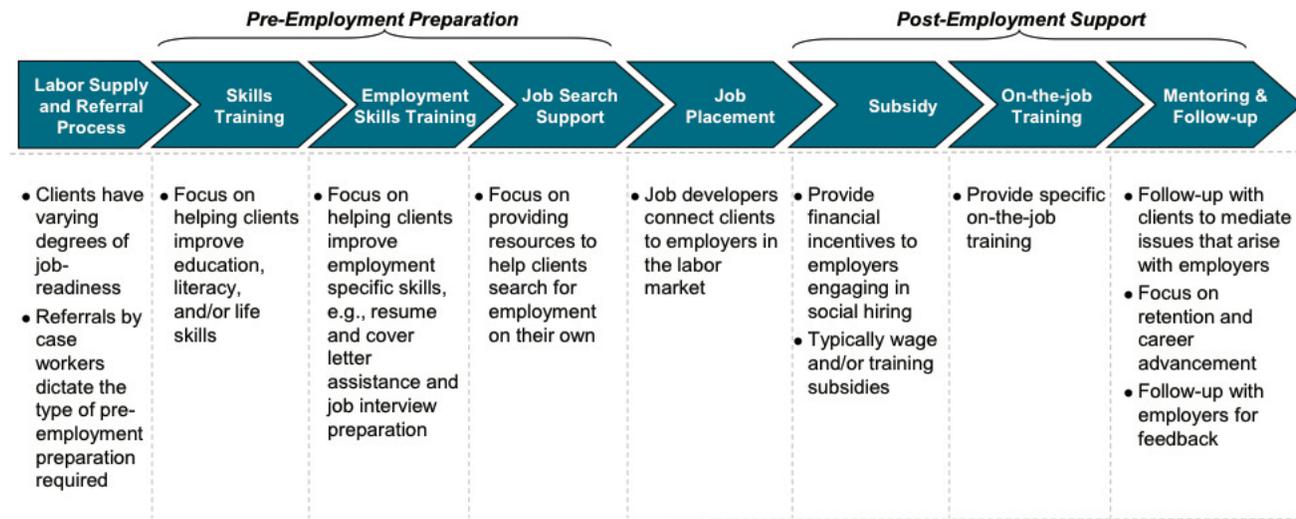
\*THIS CATEGORY INDICATES WHETHER OR NOT THE PROGRAM CONDUCTED A COST-BENEFIT ANALYSIS.

\*\*RESULTS TO BE DETERMINED

↓ DECREASED COSTS

**FIGURE 7**

Employment Services Value-Chain



### 4.3 EMPLOYMENT-FOCUSED PROGRAMS

Labour attachment policies have been actively studied in recent history.<sup>95</sup> Governments have an interest in employment strategies for both budgetary and social justice reasons and a chief area of focus since the 1980s has been supporting welfare recipients facing barriers to work. As a result of this focus, a general consensus exists regarding supportive platforms for welfare to work programs including pre-employment, job-search and placement services and post-employment support (Figure 7).<sup>96</sup>

The level of evidence for specific programs and implementation approaches for these supportive steps is varied and often population-specific. Evidence does exist to support or refute specific program approaches for target populations in specific locations. It is also clear that a culture of continuous improvement and evidence-gathering has developed, which allows agencies and governments to better inform their approaches based on client needs and rigorous evaluation. New tools and promising programs are highlighted in sections 4.3.1 and 4.3.2, respectively.

95 Ingo Bode and Johans Tveit Sandvin. 2012. The many rationales of welfare to work regimes. *Journal of Comparative Social Work*. 2. [http://jcs.w.no/local/media/jcs.w/docs/jcs.w\\_issue\\_2012\\_2\\_1\\_editorial.pdf](http://jcs.w.no/local/media/jcs.w/docs/jcs.w_issue_2012_2_1_editorial.pdf).

96 Harry J. Holzer and Karin Martinson. 2006. Can we improve job retention and advancement among low-income working parents? *Focus*. 24 (2), 31-38. <http://www.irl.wisc.edu/publications/focus/pdfs/foc242f.pdf>.

#### 4.3.1 NEW TOOLS IN EMPLOYMENT SUPPORT

A growing number of governments, individual employment agencies and non-profits are using new tools and strategies to support individuals into work who have not succeeded in traditional programs. These tools and strategies are often used to direct clients to evidence-based programs generating improved outcomes.

#### Specialized Screening and Assessment

Screenings identify which clients require more extensive assessment or specialized service in areas such as substance abuse, mental health conditions, domestic violence, and learning disabilities. Information from specialized screenings may be used to refer clients to specialized interventions (below) to exempt clients from participation in work activities, or to modify their work requirements. Specialized assessments are conducted to provide a diagnosis that can be used to develop a treatment and employment plan with the client.

#### Specialized Interventions

Interventions are designed to eliminate or reduce potential barriers to employment. Strategies that fit into this category include alcohol, drug, and mental health

treatment; accommodations for recipients with learning disabilities; and development of safety and treatment plans for victims of domestic violence. While these strategies are implemented to facilitate the transition to employment, the initial emphasis often is on reducing or eliminating the barrier rather than on placing recipients immediately into a job. Since implementation often requires professional expertise that extends beyond the capabilities of welfare office staff, they are usually carried out in partnership with other agencies that specialize in addressing these issues.

## Enhanced Transitional Employment Programs

Programs of this type recognize that some families need to make a more gradual transition to work. These programs attempt to develop supervised volunteer or work opportunities for recipients that allow them to gradually assume more and more responsibility. Included in this category is unpaid community work experience, subsidized employment, and supported unsubsidized employment programs. While these programs take many different forms, most of them provide intensive personal support and emphasize rapid job placement.<sup>97</sup>

## Intensive Case Management

This is perhaps the most common strategy being used to help hard-to-employ recipients make the transition to employment. Welfare offices that use this approach attempt to link welfare recipients with a broad range of services and provide more individualized attention to ease the transition to employment. Since welfare offices that use this approach often link recipients with community resources, the offices are able to respond to a broad range of needs. Consequently, successful implementation requires the availability of a broad range of services in the local community or a willingness to expand services to respond to unmet needs. In addition, the welfare workers responsible for providing intensive case management need to have strong assessment, relationship building, and case planning skills and supportive tools.

97 LaDonna Pavetti. Helping the Hard-to-Employ. In Isabel V. Sawhill (ed.) *Welfare Reform and Beyond: The Future of the Safety Net*. Washington D.C.: Brookings Institution Press.[http://www.brookings.edu/press/books/chapter\\_1/welfare\\_reform\\_and\\_beyond\\_chapter15.pdf](http://www.brookings.edu/press/books/chapter_1/welfare_reform_and_beyond_chapter15.pdf).

## CASE SUMMARY

### Program

PRIDE

New York City, USA

### Target Group

Temporary Assistance for Needy Families recipients with work-limiting health conditions.

### Program Model

Mix of paid work experience, educational activities and job search assistance.

### Evidence Base

Over 3,000 recipients in NYC between 1999-2004.

Random assignment design.

### Results

Statistically significant increases in employment sustained at least at 4 years.

## 4.3.2

### What Works? Case Study

#### PERSONAL ROADS TO INDIVIDUAL DEVELOPMENT AND EMPLOYMENT

#### Program Overview

New York City's Personal Roads to Individual Development and Employment (PRIDE) is a large-scale welfare-to-work program for recipients with work-limiting medical or mental health conditions that prevent them from participating in regular welfare-to-work activities, but who are not eligible for federal disability benefits.

Participants received placement assistance into unpaid work, education, and other employment activities that took account of their medical conditions and were designed to help them find paid work. PRIDE starts with an in-depth

assessment of participants' work and education history and their medical conditions. PRIDE's employment services are similar to those in New York's regular welfare-to-work program—emphasizing unpaid work experience, education, and job placement assistance—but, in PRIDE, staff try to ensure that participants were assigned to activities that took account of their medical conditions (most commonly orthopedic problems, mental health conditions, asthma, or high blood pressure).

### Key Tools

#### Assessment

Highly specialized assessment process (60 days total). Tests of adult basic education, medical evaluation and functional assessment outcome; screening and referral tools.

#### Referrals

Strong employment services and linkages among several state and local agencies.

#### Design and Evaluation

Randomized assignment design.

### Results

PRIDE generated increases in employment throughout the four-year follow-up period. 45 per cent of the PRIDE group worked in an unemployment-insured job within four years after entering the study, compared with 40 per cent of the control group. The difference in employment materialized in the first year following random assignment and persisted through the end of the four-year follow-up period.

While overall employment rates in the program group were still low, the results of the evaluation suggest that providing employment-related assistance to public assistance recipients who have conditions that limit their ability to work, and requiring them to participate in activities, can result in moderate gains in employment.<sup>98</sup>

See Appendix A for other employment-focused program case studies.

<sup>98</sup> David Butler, Julianna Alson, Dan Bloom, Victoria Deitch, Aaron Hill, JoAnn Hsueh, Erin Jacobs, Sue Kim, Reanin McRoberts and Cindy Redcross. 2012. "What Strategies Work for the Hard-to-Employ?" Office of Planning, Research and Evaluation (OPRE) Administration for Children and Families U.S. Department of Health and Human Services. <http://www.mdrc.org/sites/default/files/What%20Strategies%20Work%20for%20the%20Hard%20FR.pdf>.

## 4.4 TREATMENT-FOCUSED PROGRAMS

In addition to employment-focused activities, many individuals require substance abuse, mental health, or other types of counseling to help support them. These additional supports are often critical to the ability of an individual to focus on addressing his or her other challenges.

Programs for homeless individuals and those with severe mental health challenges are examples of treatment-focused programs which provide foundational supports as well as a focus on additional capacity-maximizing activities including employment. Referrals to treatment-focused programs can come from a number of social services access points or a needs-assessment by employment services.



## 4.4.1 What Works? Case Study

### INDIVIDUAL PLACEMENT AND SUPPORT

#### Program Overview

Steady, rewarding work is an important part of treatment for those experiencing serious mental illness. Yet too often, the willingness of people with mental illness to work is overlooked or challenged by false assumptions about their abilities. The Individual Placement and Support model (IPS) is a proven method of helping people experiencing severe mental illness enter the competitive labour market. When tested against traditional vocational rehabilitation programs (e.g., group skills training, brokered vocational services, transitional employment programs) it has proven nearly three times as effective in increasing the number of hours worked.<sup>99</sup>

The IPS model of supported employment, developed by Dartmouth Psychiatric Research Center, is based on seven key principles:<sup>100</sup>

1. Focus on competitive employment
2. Eligibility based on consumer choice
3. Rapid job search
4. Integration of mental health and employment services
5. Attention to consumer preference in the job search
6. Individualized job supports
7. Personalized benefits counseling

#### Key Tools

##### Assessment

A 'career profile' tool, assess education preferences, work history, education, strengths, justice system involvement and other information related to employment goals.

##### Referrals

1:1 job counselling, benefits planning and mental health services. Mental health practitioners and employment specialist meet weekly to discuss ways to support people's employment goals.

##### Design and Evaluation

IPS is carefully defined by a 25-point fidelity scale and has been rigorously tested using randomized assignment design in rural, urban and international settings.

## CASE SUMMARY

### Program

Individual Placement and Support  
New Hampshire (USA)

### Target Group

Individuals with severe mental illness and a co-occurring disorder.

### Program Model

A time-unlimited model, which focuses on individual employment preferences, mental health services and rapid job search.

### Evidence Base

Randomized control trials.

### Results

Participants receiving IPS obtained employment significantly faster and were more likely to work 20 hours per week at some point during the 18-month follow up.

99 See G.R. Bond et al. 2008. "An update on randomized controlled trials of evidence-based supported employment". *Psychiatric Rehabilitation Journal* (31) 280-290; G.R. Bond et al. 2012. "Standardizing measures in four domains of employment outcome for Individual Placement and Support". *Psychiatric Services* (63) 751-757; R.R. Drake et al. 2012. "IPS supported employment: An evidence-based approach to supported employment". New York: Oxford University Press.

100 Dartmouth IPS Supported Employment Centre. "IPS Practice and Principles". <http://sites.dartmouth.edu/ips/about-ips/ips-practice-principles/>

## Mental Illness in Canada

At any given time, major depression, schizophrenia and bipolar disorder affect almost 10 per cent of the Canadian population. While employment is a meaningful part of recovery, and 80 per cent of people with serious mental illness express a willingness to work, a large majority, 70-90 per cent remain unemployed in Canada.<sup>101</sup>

- Total economic burden caused by mental illness: \$51 billion<sup>102</sup>
- Cost of individual hospitalization per annum: \$170,820<sup>103</sup>
- Cost of supporting someone with a severe mental illness to live in the community p.a.: \$34,418<sup>104</sup>

The factors that set IPS apart from other programs aimed at employment for people with mental illness are: its focus on integrating participants into the community through competitive work vs sheltered jobs; its focus on individual choice, and; its preference for beginning the job search as quickly as possible over providing training and skills assessments. This is undertaken through a holistic case management process, which includes mental health services and benefits counselling.

The IPS model has also proven effective when applied to a number of different sub-populations, including young adults, long-term social security beneficiaries, and people with varying education levels, among others.<sup>105</sup>

## Results

In a literature review<sup>106</sup> of 11 IPS studies employing randomized control trials in the US, researchers found that:

- The competitive employment rate was significantly higher for IPS participants than for control program participants (those in traditional vocational rehabilitation).
- Across the 11 studies, the average competitive employment rate was 61 per cent for IPS compared to 23 per cent for controls.
- The average difference in per centage employed between IPS and controls was 38 per cent. Days to first competitive job (reported in 7 studies) was on average 50 per cent faster in first competitive job for IPS compared to controls (138 days versus 206 days).
- IPS is cost-effective: US-based studies (outside of this literature review) “have demonstrated a reduction in community mental health treatment costs” as well as “decreases in psychiatric hospitalization and emergency room usage” by IPS participants.<sup>107</sup>

Furthermore, there is also evidence that these positive outcomes are durable. Follow-up studies show that those in IPS/ supported employment programs “tended to increase or maintain employment outcomes for 4-12 years.”<sup>108</sup>

See Appendix A for other treatment-focused program case studies.

101 Mood Disorders Society of Canada. 2009. *Quick Facts: Mental Illness and Addiction in Canada, 3rd Edition*. <http://www.mooddisorderscanada.ca/documents/Media%20Room/Quick%20Facts%203rd%20Edition%20Eng%20Nov%2012%2009.pdf>

102 Mental Health Coalition of Canada. 2013. *Making the Case for Investing in Mental Health in Canada*. <http://www.mentalhealthcommission.ca/English/node/5020>

103 Mood Disorders Society of Canada. 2009. *Quick Facts: Mental Illness and Addiction in Canada, 3rd Edition*. <http://www.mooddisorderscanada.ca/documents/Media%20Room/Quick%20Facts%203rd%20Edition%20Eng%20Nov%2012%2009.pdf>

104 Mood Disorders Society of Canada. 2009. *Quick Facts: Mental Illness and Addiction in Canada, 3rd Edition*. <http://www.mooddisorderscanada.ca/documents/Media%20Room/Quick%20Facts%203rd%20Edition%20Eng%20Nov%2012%2009.pdf>

105 Dartmouth IPS Supported Employment Centre. “Making the Case for Supported Employment” <http://sites.dartmouth.edu/ips/files/2013/08/Making-the-Case-for-IPS-Supported-Employment-with-references.pdf>

106 G.R. Bond et al. 2008. “An update on randomized controlled trials of evidence-based supported employment”.

107 Dartmouth IPS Supported Employment Centre. “Making the Case for Supported Employment”

108 P.W. Bush et al. 2009. “The Long-Term Impact of Employment on Mental Health Service Use and Costs for Persons With Severe Mental Illness”. *Psychiatric Services*, 60 (8)

## 4.5 INTERGENERATIONAL-FOCUSED PROGRAMS

There is substantial evidence for the intergenerational transmission of reliance on income support.<sup>109</sup> A range of factors are associated with the intergenerational dimension of poverty (see Key Concept Box).

Poverty is not transferred as a ‘package’, but as a complex set of factors.<sup>110</sup> These include both the ‘private’ (family and friends) transmission of capital and the ‘public’ (government and community support) of resources from one generation to the next.<sup>111</sup>

Social and economic deprivation during childhood and adolescence can have a lasting effect, making it difficult for children who grow up in low-income families to escape poverty when they become adults.<sup>112</sup> Because the negative effects of deprivation on human development tend to cumulate, individuals with greater exposure to poverty during childhood are likely to have more difficulty escaping poverty as adults.

## Key Concept

### Factors linked to intergenerational poverty

- Family income
- Parental education
- Parenting style
- (Lack of) Childcare
- (Lack of) Community safety
- (Lack of) Community cohesion
- (Lack of) Community programs

Source: Hertzman, C. & Kohen, D. (2003). Neighbourhoods Matter for Child Development. *Transition: Lessons Learned from Canada's Survey of Children & Youth*

### What qualifies as high-quality early education?

There are two generally accepted approaches to measuring the quality of early childhood programs:

#### PROCESS QUALITY

Process quality emphasizes the actual experiences that occur in educational settings, such as child-teacher interactions and the types of activities in which children are engaged. Process quality is typically measured by observing the experiences in the center and classrooms and rating the multiple dimensions of the program, such as teacher-child interactions, type of instruction, room environment, materials, relationships with parents, and health and safety routines. The Early Childhood Environmental Rating Scale (ECERS) has been widely used in early education research to measure process quality.

#### STRUCTURE QUALITY

The second way to measure quality is to review the structural and teacher characteristics of the program, such as teacher-child ratios, class size, qualifications and compensation of teachers and staff, and square footage. The structural features of a program are thought to contribute to quality in more indirect ways than process features. Structural features are frequently regulated by government.<sup>113</sup>

109 Department of Families, Community Service and Indigenous Affairs. *Intergenerational reliance on income support: psychosocial factors and their measurement*. Social Policy Research Paper Number 31. <http://www.fahcsia.gov.au/about-fahcsia/publications-articles/research-publications/social-policy-research-paper-series/number-31-intergenerational-reliance-on-income-support-psychosocial-factors-and-their-measurement?HTML>

110 Kate Bird. “How is poverty transmitted intergenerationally and what might be done to stop it in its tracks?” *Chronic Poverty Research Centre*. [http://www.chronicpoverty.org/uploads/publication\\_files/bird\\_IGT\\_synthesis.pdf](http://www.chronicpoverty.org/uploads/publication_files/bird_IGT_synthesis.pdf)

111 Ibid

112 Mary Corcoran. 1995. “Rags to Rags: Poverty and Mobility in the United States”. *Annual Review of Sociology* (21) 237-267; Orley Ashenfelter and David Card (eds.) 1999. “Intergenerational Mobility in the Labour Market, Amsterdam: North-Holland”. *Handbook of Labour Economics* (3A) 1761-1800.

113 National Institute for Early Education Research, <http://nieer.org/resources/policybriefs/1.pdf>

Three factors linked to intergenerational poverty—‘family income’, ‘education’, and ‘parenting’—are explored in further detail, below.

## Family Income

Family income is consistently associated with intergenerational poverty transmission.<sup>114</sup> Approaches to employment and career (and income) advance are discussed in 4.1.1, however, it is useful to note the intergenerational impacts associated with effective employment programs. A second interlinking factor regarding family income and employment is childcare. Evidence indicates that children’s outcomes can be negatively related to parental employment, particularly maternal employment, when programs and family supports are not in place.

## Education

High-quality early education is linked to improvements for disadvantaged children’s test scores, high school graduation rates, adult employment, and crime involvement.<sup>115</sup> Research that tracks participants in early childhood programs has shown that high-quality education and early family support improves numerous outcomes, both in children’s formal education and beyond. It lowers their need for special education and when they become adults, the average results include lower arrest rates, reduced welfare use, and steadier and better-paying employment.

Holistic early care and education programs that include parental involvement in the classroom, vocational and education training, and home visits from school-community representatives, have been proven to reduce child maltreatment and abuse.<sup>116</sup>

## Parenting

There is a clear link between poverty, parental stress and negative outcomes for children.<sup>117</sup> The link however is not necessarily causal. That is, it is unclear from the research if poverty causes negative outcomes for the child or if pre-existing personal or family factors which contribute to poverty also affect children adversely.

For instance, an international study found that the majority of parents in poverty (like those living in relative affluence) possess adequate parenting capacity but that the experience of poverty and deprivation affects parenting style and adds stress that is often disruptive to supportive parenting behaviour. On the other hand, longitudinal studies in New Zealand predict the types of families in which a newborn’s normal development is likely to be seriously compromised and find that families at risk of passing on their dysfunction to the next generation live under constant stress from multiple complex problems, including poor family structures, mental health problems, and substance abuse.<sup>118</sup>

Addressing the problems of these families early, before they negatively impact on children, is necessarily a multi-dimensional challenge which must support the unique needs of each family. In some cases, parents lack education and knowledge of positive parenting practices. In other cases, they may require intensive support to address underlying personal issues that are affecting their parenting style. Often elements of both will be required.

114 Gary Solon. 1992. "Intergenerational Income Mobility in the United States". *The American Economic Review*. 82 (3) 393-408

115 Steffanie Clothier and Julie Poppe. "New Research: Early Education as Economic Investment". *National Conference of State Legislatures*. <http://www.ncsl.org/issues-research/human-services/new-research-early-education-as-economic-investme.aspx>;

116 Centre for the Study of Social Policy. *Strengthening Families through Early Care & Education: Protective Factors Literature Review*. <http://www.cssp.org/reform/strengthening-families/resources/body/LiteratureReview.pdf>

117 Ilan Katz et al. 2007. "The Relationship Between Parenting and Poverty". *Joseph Rowntree Foundation*. <http://www.jrf.org.uk/sites/files/jrf/parenting-poverty.pdf>

118 Jennifer Coote et al. 2009. "Ending Intergenerational Dysfunction in NZ Families: The Importance of Early Intervention". *New Zealand Federation of Graduate Women*. <http://www.nzfgw.org.nz/Documents/ihfgw-paper.pdf>

## CASE SUMMARY

### Program

Nurse-family Partnership  
Elmira, New York; Memphis, Tennessee;  
Denver Colorado.

### Target Group

Young, low-income, first-time mothers and their families.

### Program Model

Intensive home-visitation model over 3 years.

### Evidence Base

Three randomized trials in US (multiple others ongoing internationally and in BC, Canada).

### Results

Reduced addiction, fewer child births, increased employment for the mother. Reduced crime, increased educational gains for the child.

## 4.5.1 What Works? Case Study

### NURSE-FAMILY PARTNERSHIP

#### Program Overview

The Nurse-Family Partnership (NFP) is an evidence-based preventive intervention with demonstrated effectiveness in improving maternal and child health outcomes in targeted populations of young, low-income, first-time mothers and their families. Over three decades, the NFP has been tested in three large US-based randomized controlled trials (RCTs).<sup>119</sup>

NFP goals include improvement in:

1. pregnancy outcomes, by promoting healthy prenatal behaviours;
2. child health and development, by promoting parents' competent care of their children; and
3. parents' life-course development.

Nurses visit clients at home starting early in the pregnancy and continuing until the child's second birthday. Through the establishment of a therapeutic relationship, nurses provide support and life coaching, review preventive health and prenatal practices, guide clients with system navigation, and engage in health education and discussions of child development and parenting. Visit guidelines, in-home activities and nurse instructions for each activity are developed for each of the 64 home visits during the program.

The intervention is distinguished from other home visitation programs by its firm foundations in epidemiology and theories of self-efficacy, attachment and human ecology.<sup>120</sup>

## Key Tools

### Assessment

Rigorous needs-profiles based on epidemiology.

### Referrals

Nurses are provided with tools to decide when to communicate with health care professionals; promote parent-child interactions; create safe households; and consider educational and career options.

### Design and Evaluation

Nurses follow a detailed, visit-by-visit guide that provides information on tracking detailed progress including dietary intake; reducing cigarette, alcohol, and illegal drug use; identifying symptoms of pregnancy complications and signs of children's illnesses.

119 Susan M. Jack et al. 2012. "Adaptation and Implementation of Nurse family Partnership in Canada" *Canadian Journal of Public Health*. 103 (7).

120 Susan M. Jack et al. 2012. "Adaptation and Implementation of Nurse family Partnership in Canada" *Canadian Journal of Public Health*. 103 (7).

## Results

According to a recent study carried out in New York,<sup>121</sup> the effects on the nurse-visited women when their children reached age 15 (versus the control group) were:

- 20 per cent less time spent on welfare (an average of 53 months per nurse-visited woman versus 66 months per woman in the control group).
- 19 per cent fewer subsequent births.
- 61 per cent fewer self-reported arrests.
- 72 per cent fewer self-reported convictions.
- No significant effects on months employed, months on food stamps or Medicaid, or behavior-impairing substance abuse.

There was suggestive evidence that the above effects on the children and women were largest for the subgroup of women who, at study enrollment, were unmarried and of low socioeconomic status.

### LONG-TERM RESULTS/EFFECTS ON CHILDREN

The program produced enduring effects on girls' involvement with the criminal justice system but, except for youths born to high-risk women, had no other effects on their life course. For boys, the likelihood of an arrest increased substantially for the intervention and control groups after the age of 12 and there were no significant treatment-control differences in arrests for boys through age 19.

Girls in the nurse-visited group born to high-risk (unmarried and low-income) mothers had fewer children and were less likely to have received Medicaid than high-risk girls in the control group. The pattern of effects for crime, childbirth, and use of Medicaid is consistent with earlier findings for the youths' mothers: high-risk nurse-visited mothers had fewer arrests, had fewer and more widely spaced subsequent children, and used less public assistance during the 15 years after the birth of the first child than did their comparison group counterparts.

Independent analyses by the Brookings Institution, RAND Corporation and Washington State Institute for Public Policy have documented that NFP produces a positive return on investment for society and for government. A recent model estimates a benefit-cost ratio for NFP of 6.2 to 1, when taking into consideration all resource cost savings across federal, state, and local governments (including reduced Temporary Assistance for Needy Families payments, increased Medicaid graduation, lower costs if on Medicaid, less remedial education, fewer cases of child abuse, fewer arrests, fewer crimes, fewer substance abusers, etc.) and less tangible savings (including gains in wages and work, quality of life, etc.).

See Appendix A for other intergenerational-focused program case studies.

<sup>121</sup> See <http://evidencebasedprograms.org/1366-2/nurse-family-partnership> for similar results from other USA trials.



## CASE SUMMARIES

### Evidence2Success

Engages public systems, schools, and local communities members in implementing evidence-based programs that lead to better developmental outcomes for children and youth.

### Communities That Care

Employs a public health approach to implement a community-led prevention strategy addressing problem behaviours in youth.

### Children's Ground

A place-based approach, guided by significant evidence to deliver high-quality well-being and learning services to children in disadvantaged aboriginal communities.

## 4.5.2 What Works? Case Study

### COMMUNITY-LED PROGRAMS

Evidence2Success (E2S), Communities That Care (CTC), and Children's Ground are three promising examples of community-led trials aimed at improving developmental outcomes for children and youth and reducing intergenerational poverty. The initiatives are guided by evidence and leading practice for improving children's outcomes, but also acknowledge the value of each community's unique perspective and experience that ought to contribute to developing locally-tailored solutions.

Each initiatives' key process steps can be broadly grouped in the following way:

1. Ensuring community readiness and obtaining buy-in
2. Organizing community (e.g., governance, roles assignment)
3. Data collection and needs assessment
4. Selection of evidence based programs to address needs
5. Implementing and evaluating selected programs

Discussion of E2S, CTC and Children's Ground is structured in a somewhat different way from that of other programs in the current section because each case serves as an example of an approach for adopting a selection of evidence-based programs, rather than an example of a discreet program for poverty alleviation. In other words, the cases explored here are designed to assess communities as a whole and implement a variety of evidence-based programs based on locally identified needs. As such, particular attention is given to their governance structures, assessment and capacity building, and funding. A short discussion on results follows.

## Governance

A common point between E2S, CTC and Children's Ground models is their 'ecological' outlook—the initiatives consider both 'foreground' factors, such as family, peers and household income, alongside broader 'background' factors such as media, social norms, and public policy in their assessment of family functioning and child development.<sup>122</sup>

One way in which this ecological focus is manifest is in the inclusive, cross-sectoral governance structures of each model. All three benefit from a wide perspective on local issues as seen through the eyes of various community leaders, public officials, teachers, business people and residents.

E2S and Children's ground, which target multiple communities within a region at a single time, rely on a two-tiered system where a central body is responsible for setting a broader strategy while local teams are tasked with adapting it to the specific conditions at the community level. CTC, on the other hand, only requires a single 'community coalition', as each community works independently from any wider, regional strategy.

<sup>122</sup> Urie Bronfenbrenner. 1979. *The Ecology of Human Development: Experiments by Nature and Design*. Cambridge, Massachusetts: Harvard University Press

## Governance Structures

Evidence2Success	Communities That Care	Children's Ground
<p>A city-wide partnership (includes Chief Executive, public system and community leaders) provides financial oversight, develops a broad strategy and is accountable to achieving agreed upon outcomes.</p> <p>Community partnerships (includes local leaders, not-for-profit members, residents and children) 'mirror' the city-wide process within a disadvantaged community, and are accountable to the city-wide partnership for local outcomes and associated funding.</p>	<p>A community-coalition, comprised of local youth agency staff, public health officials, parents, business people and law enforcement members, is responsible for implementing all five project phases and is accountable for measuring and meeting agreed upon results.</p>	<p>A central board is responsible for the integrity of program models, measurement and evaluation, financing, dissemination of best practice, and strategic planning.</p> <p>Local teams are responsible for operation and delivery, and include users, community, other professionals and service providers.</p>

## Assessment and Capacity Building

Though E2S, CTC and Children's Ground aim to make significant, long-term changes, they have been designed for relatively quick implementation and results tracking within a few years, even in communities with little baseline data or technical capacity for analysis. The initiatives (specifically CTC and E2S) do this by making common survey and assessment tools available to the local community, along with expert training and coaching and free online guidance materials.

The longest running of the three, CTC, which has been replicated in over 600 communities world-wide since its inception in the 1990s,<sup>123</sup> delivers six training workshop to community board members at critical points in the project process and builds capacity within the community to train others in data collection, needs assessment, program selection and evaluation. Moving as much of the process into the hands of the community thus not only generates greater buy-in and quality evidence, it also creates public value.

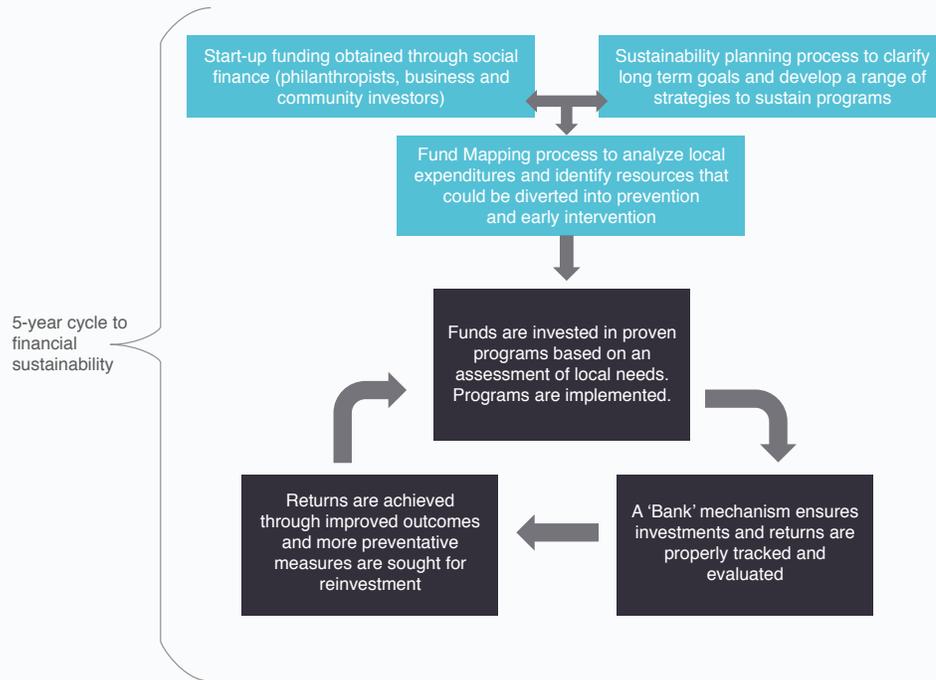
## Common Assessment Tools

Evidence2Success	Communities That Care
<p>A series of standardized surveys designed to identify key risk factors and prioritize issues.</p> <p>An evidence assessment tool to determine which programs to implement.</p> <p>A fund-mapping tool to analyze expenditures and guide a strategic financing process.</p> <p>An Implementation monitoring tool to ensure fidelity and signal any problems early on.</p> <p>Access to coaches and technical training materials.</p>	<p>A standard youth survey to establish key risk and protective factors.</p> <p>A preventions strategies guide to help communities select high-quality programs.</p> <p>Six training courses delivered at key points in the project process.</p>

## Funding

An explicitly stated goal of the E2S model is achieving long-term funding sustainability. In pursuit of this objective, the model implements a positive reinvestment cycle (see adjacent diagram) in each E2S community. The process allows the community to manage funds and systemically divert outcome gains and economic benefits into prevention and early intervention programs. In other words, the model actively monitors the effects of implemented programs and reinvests in preventative efforts once gains are set in other areas. Through the positive re-investment cycle, E2S communities are expected to become self-sustaining within a five year period.

## EVIDENCE2SUCCESS POSITIVE REINVESTMENT CYCLE Maximizing ROI Through Smarter Investment



Children’s Ground also places significant emphasis on financial independence. Using a **collective social investment model**, the initiative has collected 50 per cent of its funding from the community through the Gundjeihmi Aboriginal Corporation, which itself acts as a vehicle to collect, disburse and invest funds on behalf of the local residents. The remaining required funds are being generated through social investment of roughly 20 to 30 philanthropists, social investor syndicates, and corporations, with state and national governments together contributing around 22 per cent.<sup>124</sup>

Evidence2Success	Communities That Care	Children’s Ground
An explicit objective of the program is to achieve long-term funding sustainability via positive re-investment cycles, in which outcome gains are put toward prevention and early intervention programs.	Funding for most CTC projects comes from sub-national government grants, and is supplanted by additional private and community resources. CTC intellectual property is owned by The US Department of Human Services, which offers training and technical assistance free of charge.	A collective social investment model collects 50 per cent of total funding from the community, 22 per cent from government and 28 per cent from private and corporate philanthropy.

<sup>124</sup> Children’s Ground. 2013. *Social Investment Prospectus*. <http://www.childrensground.org.au/wp-content/uploads/2013/05/Childrens-Ground-Prospectus06032013.pdf>

## Results

At the moment, E2S and Children's Ground are still in their implementation stages (E2S is being tested at two sites in the UK and the US and Children's ground is available in two Australian Aboriginal communities) while CTC has undergone a number of rigorous evaluations across its 600-community commonwealth.

The most significant CTC analysis tracked grade five students over a period of four years in 24 communities across seven US states and demonstrated a \$5.30 ROI per CTC participant.

In other terms, the study showed that for a relatively low investment of \$991 per CTC participant over the five year period, total benefits accrued to \$5250, with \$671 accruing to each participant, \$2173 to taxpayers and \$2405 to general public.<sup>125</sup>

### Time to Results

#### Evidence2Success

An explicit objective of the program is to achieve long-term funding sustainability via positive re-investment cycles, in which outcome gains are put toward prevention and early intervention programs.

#### Communities That Care

Demonstrated decline in problem behaviour initiation and maintenance within 4 years.

#### Children's Ground

Expects significant tracking in eight key outcome areas by year three of implementation.

125 J. David Hawkins et al. 2009. "Results of a Type 2 Translational Research Trial to Prevent Adolescent Drug Use and Delinquency: A Test of Communities That Care". *Archives of Pediatrics and Adolescent Medicine*. 163(9) 789-798.



# SECTION 5

## Enabling What Works

Upbringing, place and economy are a few in a range of factors that combine to form various lived experiences of poverty. What works for lifting people out of poverty, therefore, is an individual needs-based approach that is underpinned by constant learning, evaluation and evolution.

Section 5 of the report explores the supports needed to enable such programs and approaches. Examples from leading jurisdictions in this section provide insights on the fundamental strategies to forge a path toward what works, the structures to help institutionalize evidence-based policy and coordinate services based on individual need, innovative funding models to increase sustainability of new initiatives, and the skills necessary to put it all into practice.

### 5.1 STRATEGIES

The strategies used by governments to get to what works focus on three key areas—evidence, the client and community. All of the cases cited in the previous section exhibit an explicit focus on both evidence and the client, while several (see section 4.5.2 on community-led programs) also emphasize a community focus. The following sub-sections highlight the key motivations behind these focus-areas and how related strategies are being deployed.

#### 5.1.1. FOCUS ON EVIDENCE

In the current economic downturn, governments are becoming increasingly receptive to adopting evidence-based practices in their policy-making processes.<sup>126</sup> As the case studies throughout this report and Appendix A suggest, evidence-based programs are not only succeeding in cracking some of societies' toughest

### Key Concept

Common elements of programs that work

**Use of rigorous needs-based assessment tools** to identify barriers to employment and treatment needs so corresponding services can be offered quickly;

**Strong referral systems and links** between support agencies to provide a tailored package of services to help individuals overcome multiple challenges, and;

**Robust program design and evaluation** to accurately track progress of new programs and approaches over the status quo, usually through randomized assignment design.

challenges, but are also improving resource allocation and generating greater social returns.

Governments are focusing on evidence by implementing proven programs and approaches from abroad, building their own local and national evidence-based programs and supporting local evidence-building capacity.

### Implementing Proven Programs

Programs which have been rigorously tested in multiple locations (and with multiple sub-populations) rank highly on inventories of evidence-based practice advocacy networks. Foundations, such as the *Coalition for Evidence-Based Policy and Blueprints* advocate for those approaches that have the strongest evidence and governments can work with the program creators to trial and implement the program. Proven programs typically provide implementation handbooks and a set of common assessment and evaluation tools to guide decision-makers and practitioners through every step of the process.

Where a local community is engaged and willing, implementing a proven program can be a more rapid approach to piloting and structuring an evidence-based program which can then be scaled or replicated more widely.

126 Ashley Lenihan. 2013. "Lessons From Abroad". *Alliance for Useful Evidence*. [www.alliance4usefulevidence.org](http://www.alliance4usefulevidence.org). <http://www.scotland.gov.uk/Resource/Doc/318937/0101828.pdf>

## Building Evidence-Based Programs

Governments are increasingly re-designing services in order to offer needs-based programs. They are also incorporating evidence-based interventions and approaches through the referral process. In most cases, demonstration projects and pilot projects are used to test home-grown programs and refine systems toward evidence-based approaches before scaling or replicating.

Scotland, for example, has undertaken a comprehensive evidence-based initiative through its national Getting It Right for Every Child (GIRFEC) policy. GIRFEC is based on a standardized framework and common assessment tool, which all child services agencies, including schools and community non-profits, are increasingly using to build a comprehensive view of the needs of a child. A dedicated “lead professional” has overall responsibility for ensuring the child receives appropriate help. The approach began as a pilot in 2004 and is now being scaled across the country. Early results show reduced demand for social work services and a reduction in cases of children slipping through cracks of a previously siloed systems.<sup>127</sup>

Developing evidence-based programs from the ground up can provide an opportunity for an asset-building approach which relies on local and regional skills and knowledge. Engagement and refinement strategies can be lengthy and it may take years to agree to standardized core principles, tools and practices. These must then be detailed in implementation manuals and handbooks to ensure program fidelity—the adherence to agreed practices which ensure inputs, outputs and resulting outcomes of the approach are rigorous and comparable.

## Support Local Evidence-Building Capacity

Strong program design, common frameworks, implementation fidelity, and program evaluation can present significant difficulty for agencies and communities that are under-skilled and unaccustomed to these approaches. Capacity-building and engagement is therefore an essential component of any evidence-focused strategy that seeks to rigorously track outcomes. Increasingly, jurisdictions are providing structures and external supports to aid local community organizations, non-profits, and government organizations move toward rigorous program design and evaluation methods.

The Big Lottery case, below, serves as an example of how results-focused projects are driving a number of local capacity-building strategies in the UK. More examples of structures that promote evidence-base policy making are available in section 5.2.

### Big Lottery: Capacity Building for Outcomes

UK's Big Lottery Fund (BIG) is responsible for investing over £370m annually in various projects with social and environmental objectives. 90 per cent of this funding goes directly to voluntary and community organizations, many of which are small and have difficulty meeting BIG's increasingly rigorous monitoring and evaluation methods. In response, BIG has employed a multi-prong strategy to help providers and not-for-profits build capacity for outcomes-focussed programming. For example:

- BIG provides numerous web-based tools and supportive frameworks for measuring outcomes-based impact.
- BIG sponsors individual projects to measure baselines and outcomes-related impacts.
- BIG has funded a significant portion of the ‘What Works’ centres (see section 5.2.1) that will help local decision makers implement evidence-based policies.
- BIG, has funded the Evidence2Success model in 15 local communities, which will learn to build and assess evidence and implement proven programs to improve children's outcomes.<sup>128</sup>

<sup>127</sup> Scottish Government. 2010. *A Guide to Implementing Getting it Right for Every Child: Messages from Pathfinders and Learning Partners*. <http://www.scotland.gov.uk/Resource/Doc/318937/0101828.pdf>

<sup>128</sup> Big Lottery Fund. 2009. *Capacity building through the Developing Communities Scotland programme—Evaluation Summary*. Big Lottery Fund Research Issue 51. ; The Social Research Unit. <http://dartington.org.uk/>; Ceni. Case Study: Big Lottery Fund: Supporting funded projects to baseline and measure change. <http://www.ceni.org/sites/default/files/13593%20MC%20Casestudies%20BIGLF4.pdf>

### 5.1.2. FOCUS ON THE CLIENT

Governments are increasingly recognizing that siloed approaches to service provision are not only failing to meet desired client outcomes, but are also resulting in an inefficient use of program funds.<sup>129</sup> As a result, policy makers are increasingly employing client-focused approaches that allow individuals with multiple needs to receive wrap-around services and needs-based care. In addition, some jurisdictions are enabling “self-serve” strategies for clients who require limited support. When both are employed together, resources are freed up to be redirected where needed, resulting in better outcomes.<sup>130</sup>

Evidence-based programs, such as those covered in section 4 explicitly focus on meeting individual client needs. In many cases, they further individual pathways of support throughout the wider government services system through client-based referrals. While the programs outlined in this report specifically impact client outcomes related to alleviating poverty, a greater focus on the needs of clients as a service-transformation strategy can help impact overall government resources positively as well.

### 5.1.3. FOCUS ON COMMUNITY

There is mounting evidence to support that ‘place’ matters when it comes to developing a productive, healthy and prosperous society. Strong communities are essential in supporting children and families, helping them to do better and improve their long-term outcomes.<sup>131</sup> Like individuals, communities may face numerous interrelated challenges, such as crime, poor transit links, and/or chronic unemployment. For individuals within these communities, local conditions can contribute to a poorer quality of life and perpetuate the cycle of poverty.

Locally-focused strategies are now gaining in popularity over centrally designed ‘one-size-fits’ all approaches, which are less responsive to local contexts.<sup>132</sup> Community-based models are being employed to successfully empower local governments and stakeholders, tap into local talent, and build community capacity to transform disadvantaged neighbourhoods into areas of opportunity.

Community-based solutions are also being credited with generating greater public value, by responding more efficiently to community needs. For example, Communities That Care initiative (see Figure 8 on pg 44) has achieved better outcomes while generating savings, thanks to intensive community participation. Early results from the Whole-Place Community Budgets, a large-scale UK initiative (below), are also demonstrating the significant social and economic benefits that can be generated through increased community control.

While community-based strategies may sometimes start off small (and not all do, Whole-Place Community Budgets are city-region initiatives,) their approaches—collecting local evidence, engaging area stakeholders and developing appropriate solutions—are all scalable to at least a regional or sub-national level.

#### Whole Place Community Budgets—UK

In the UK, where the deficit reduction plan will reduce funding to local authorities by 26 per cent by 2015, Whitehall is counting on Whole-Place Community Budgets to spur innovative, local solutions and help residents facing unemployment, lack of skills and poor early years performance.<sup>133</sup> The Whole-Place strategy, which devolves finances and systems management to local areas, is being piloted in 4 communities and is already demonstrating promising results: a randomized control trial in Greater Manchester has shown improved outcomes as a result of better local collaboration, while an evaluation report from Ernst & Young also demonstrated that the potential 5-year net benefit from all four sites amounts to £9-20 billion.<sup>134</sup>

129 Jennifer Gold and Nevena Dragicevic. 2013. “The Integration Imperative: Reshaping the Delivery of Human and Social Services”. *KPMG; The Mowat Centre*. 130 Ibid.

131 Essential Skills Ontario. “Building Strong Communities”. <http://www.essentialskillsontario.ca/research/building-strong-communities>

132 Jonathan Carr West. 2013. *Connected Localism*. Local Government Information Unit. <http://www.lgiu.org.uk/wp-content/uploads/2013/06/Connected-Localism.pdf>

133 National Audit Office. 2013. *Case Study on Integration: Measuring Cost and Benefits of Whole Place Community Budgets*. [http://www.nao.org.uk/wp-content/uploads/2013/03/10088-002\\_Whole-Place-Community-Budgets.pdf](http://www.nao.org.uk/wp-content/uploads/2013/03/10088-002_Whole-Place-Community-Budgets.pdf);

134 Ernst & Young. 2013. *Whole Place Community Budgets: A Review of the Potential for Aggregation*. <http://www.lgcplus.com/Journals/2013/01/10/c/11/x/LGA-and-EY-Community-Budgets-Report-.pdf>

## 5.2. STRUCTURES

Around the world, government service structures remain largely siloed, emphasizing activities as opposed to impacts and outcomes. In order to move toward evidence-based, client-focused approaches (whether at the community, regional or national level), new supports are required. In particular, infrastructure for promoting evidence-based policy and more integrated service structures are needed to enhance the sustainability and effectiveness of promising programs. Examples in the following subsections illustrate some of the novel ways in which leading jurisdictions are pursuing these changes.

### 5.2.1. INFRASTRUCTURE SUPPORTS FOR PROMOTING EVIDENCE-BASED POLICY

While governments are generally exhibiting a rising interest in evidence-based policy regimes, most remain far from an established evidence infrastructure that facilitates “a smooth transition between knowledge and practice”.<sup>135</sup> Examples that aim to bridge the knowledge-practice divide are described and categorized according to their support type in Figure 8, next page.

135 “Ashley Lenihan. 2013. “Lessons From Abroad”

**FIGURE 8**  
International Examples of Infrastructure Supports for Evidence-Based Policy

Support Type	Examples
<p><b>SOCIAL POLICY INSTITUTES</b> Focus on advancing evidence in the policy-making process and actively targeting decision makers.</p>	<p><b>Washington State Institute for Public Policy, USA</b> Created by the state legislature to inform policy decisions in 1983, WSIPP’s most influential offering is its Return on Investment report, which evaluates evidence-based policies and generates accessible cost-benefits analyses. Report recommendations have led to improvements in the crime and juvenile arrest rates, decreasing incarceration rates, and a biennial savings of \$1.3 billion.<sup>135</sup></p>
<p><b>LOCALLY-FOCUSED SUPPORT CENTRES</b> Research institutes with a specific mission to help build local evidence and the capacity to design appropriate community-level solutions.</p>	<p><b>What Works Centres, UK</b> The UK is launching a network of four independent centres, which will focus on crime reduction, local economic growth, ageing and early intervention. The centres will: undertake systemic assessment of evidence; translate evidence into a ‘common currency’ to facilitate comparison of effectiveness and cost; produce actionable synthesis reports, and; share findings in with local government decision-makers and practitioners.<sup>136</sup></p> <p><b>The New York City Center for Economic Opportunity (CEO), USA</b> CEO works with City agencies and the federal government to implement evidence-based, anti-poverty initiatives in New York City and partner cities across the USA. CEO has created an Office of Financial Empowerment, implemented and tested numerous evidence-based approaches to poverty alleviation and developed more accurate measures of poverty. In 2011, CEO received a Federal Innovation Fund grant to replicate its most promising programs in New York and seven other urban areas around the country.</p>
<p><b>ACTION LABS</b> Bring together cross-disciplinary teams, including service-users, designers, ethnographers and business organizations, to address social problems through proven and repeatable protocols.</p>	<p><b>Mindlab, Denmark</b> Uses an ethnographic approach to study users as they interact with government services and combines this knowledge with behavioural studies, in order find efficiencies in the system. The lab’s work with people who have experienced workplace injury has helped get employees back to work sooner and cut associated costs by 30 per cent.<sup>137</sup></p>
<p><b>GOVERNMENT BODIES</b> In-house shops that ensure rigorous evaluation and research flow to decision-makers and the public.</p>	<p><b>The Productivity Commission (APC), Australia</b> Informs the national policy making process through various research and evaluation projects across social and economic policy areas. The APC was formed by an act of parliament, is lead by a federally appointed chair and commissioners and is supported through its own budget stream. The Commission relies on a multi-method approach to produce the best evidence, including RCTs, experiments, regressions analysis and case studies.</p> <p><b>Iterative Best Synthesis Program (BES)—New Zealand</b> BES is run through New Zealand’s Ministry of Education and seeks to build and strengthen the evidence base that informs education policy and practice. BES is facilitated through a web portal which aggregates successful interventions for an audience of practitioners and policy makers. The program has been lauded by international organizations and experts for its “multi-method approach to synthesising evidence on education interventions as well as it provision of clear examples and guidance for educators.”<sup>138</sup></p>

136 Ashley Lenihan. 2013. “Lessons From Abroad”

137 UK Cabinet Office. 2013. *What Works: Evidence Centres for Social Policy*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/136227/What\\_Works\\_publication.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/136227/What_Works_publication.pdf)

138 Les Echos. 2013. “Danes Leading the Way”. [http://www.mind-lab.dk/assets/886/Les\\_Echos.pdf](http://www.mind-lab.dk/assets/886/Les_Echos.pdf)

139 Ashley Lenihan. 2013. “Lessons From Abroad”

## 5.2.2. INTEGRATED SERVICES STRUCTURE<sup>140</sup>

As the cases in this report have shown, individuals facing the greatest disadvantages often require a package of supports that transcend organizational boundaries. However, when people with complex needs make their way through current systems, they are met with uncoordinated efforts that result in frustration, lost time and system inefficiencies. Ultimately, opportunities to act early and intervene in a manner that optimizes outcomes are missed.<sup>141</sup>

As a result, governments are increasingly turning to services integration that enable government and community agencies to offer wrap-around services and early intervention or prevention programs. Many are also achieving greater value for money through consolidated IT systems and front line procedures that help assess individual need, move people through the system efficiently, and ultimately free up more resources for more complex need-based case management.<sup>142</sup>

In establishing more integrated service regimes, governments are making changes to their IT systems, data sharing mechanisms, funding arrangements, and accountability frameworks.

### IT Systems

Technological advancements offer new frameworks and tools for government agencies to enable information sharing across departments and/or local organizations. Integrated and interoperable IT systems are a key enabling tool for client-based programs.

A notable example is New York's HHS-Connect, an integration platform for the city's social services. HHS-Connect links nine agencies' data to provide both staff and clients with 'one-stop shopping' for data and services, through respective portals. This is facilitated

140 Jennifer Gold and Nevena Dragicevic. 2013. "The Integration Imperative: Reshaping the Delivery of Human and Social Services".

141 Ibid  
142 Ibid

## Key Concept

### Integrated Services

Service integration aims to increase coordination of various operations within in a system. There is no universal approach to or definition of 'service integration'. Rather, experts in the field of organizational behaviour prefer to view it as a continuum of organizational relationships, ranging from loose, informal cooperation (e.g. information sharing) between practitioners to integrated staffing, funding, technology applications, and case management.<sup>139</sup>

through a common client index, which assigns users a unique identifier across the nine systems, making for a seamless experience that generates a more complete picture of the client for staff, while allowing clients to more easily access an array of services. Moreover, HHS is being "built upon an astounding analytic foundation" by linking 600 operational measures to a series of overall outcome measures to track client and systems progress over time.<sup>143</sup>

### Data Sharing and Privacy Considerations

Quality data and the ease with which it can be shared is essential to the integration of services. Privacy regulation is often a challenge governments face when moving toward client-focused approaches. Not only does client information need to be assessed with respect to whether the information can legally be shared but, also, questions related to how it can be shared, with whom, and for what purposes, must be addressed to ensure client privacy considerations are respected and balanced with helping them received the help they need.

To overcome data sharing and privacy issues, governments have enacted legislation (e.g., Scotland, Tasmania), engaged in awareness campaigns with

143 Zachary Tumin. 2009. "New York's HHS-Connect: IT Crosses Boundaries in a Shared Mission Word". *Governing*. <http://www.governing.com/blogs/bfc/New-Yorks-HHS-Connect-IT.html>

privacy commissioners (e.g., Scotland) and built tool-kits to promote better data sharing (e.g., USA).<sup>144</sup> Another frequently implemented solution has been to obtain client-consent for the purposes of treatment services prior to sharing information.

## Funding Arrangements

Current budgeting and accounting practices create barriers in and of themselves to redeploying capital toward preventative or client-focused investment. Wrap-around programs often require cross-Ministry budgeting and cross-government cooperation. A focus on outcomes requires a longer-term period of coordination and often yields savings disproportionately to expenditure and resource investments over time.

These systemic barriers maintain the status quo: budgets focus on modest change from previous years and sustain existing service delivery as opposed to transformation. Governments are deploying new funding arrangements, such as joint commissioning, place-based budgeting and personal budgets, to overcome these challenges and enable service integration.

## Joint Commissioning

Allows agencies within and across different levels of government to set common targets, design longer-term strategies, share resources and coordinate investments. Often pooled-budgets are involved. Whole Place Community Budgets (see section 5.1.3) are an example of joint commissioning, which led to “single performance frameworks that span across public sector agencies to avoid silo thinking and cultures.”<sup>145</sup>

Place-based Budgets devolve more finances and system management to local areas to spur locally tailored solutions and deploy limited resources more efficiently.

144 Jennifer Gold and Nevena Dragicevic. 2013. “The Integration Imperative: Reshaping the Delivery of Human and Social Services”.

145 UK Government and Local Government Association. 2013. *Local Public Service Transformation A Guide to Whole Place Community Budgets*. [http://www.local.gov.uk/c/document\\_library/get\\_file?uuid=a9c334f0-b539-4b26-8aa0-33169e55d48e&groupId=10180](http://www.local.gov.uk/c/document_library/get_file?uuid=a9c334f0-b539-4b26-8aa0-33169e55d48e&groupId=10180)

Based on a significant body of evidence, the Local Government Association in the UK estimates that in that country “devolving governance will deliver better value for money, more transparency and accountability and more effective services...at an annual administrative savings of £4.5 billion.”<sup>146</sup>

## Personal Budgets

Circumvent major structural reorganization by putting financial and decision-making control into user’s hands, allowing funding to follow the individual instead of the program.

The UK, US, and Australia in particular have been experimenting with personal budgets for managing the needs of more complex-case individuals (e.g., people with chronic-care needs or with developmental and physical disabilities). So far, the evidence from these jurisdictions suggests personal budgets “outperform traditional services in meeting users’ needs”<sup>147</sup> and some studies have even demonstrated an improvement in health as a result of increased uptake of preventative care services.<sup>148</sup> Personal budgets appear to be cost-neutral for the most part, and in some instances have shown increased cost effectiveness over traditional service delivery.<sup>149</sup>

## Accountability Frameworks

Where agencies come together to pool staff, resources and funding for better service delivery, clear governance and accountability frameworks are needed. Strong accountability structures for integrated organizations feature clearly defined outcomes to support a system that is increasingly flexible and results-based.

146 Local Government Association. 2010. *Placed Based Budgets: The Future Governance of Local Public Services*. [http://www.local.gov.uk/c/document\\_library/get\\_file?uuid=c698bbfb-855c-430b-bbbd-2e727257aea6&groupId=10180](http://www.local.gov.uk/c/document_library/get_file?uuid=c698bbfb-855c-430b-bbbd-2e727257aea6&groupId=10180)

147 Janet Carter Anand, Gavin Davidson, Geraldine Macdonald and Berni Kelly. 2012. *A National Disability Authority Working Paper*. [http://www.nda.ie/website/nda/cntmgmtnew.nsf/0/F6E10844509D45B780257B3C00517FB4/\\$File/Personal\\_Budgets\\_State\\_of\\_Evidence.pdf](http://www.nda.ie/website/nda/cntmgmtnew.nsf/0/F6E10844509D45B780257B3C00517FB4/$File/Personal_Budgets_State_of_Evidence.pdf)

148 Ibid

149 Ibid



## Key Concept

### Social Finance

Human Resources and Skills Development Canada defines social finance as “an approach to mobilizing private capital that delivers a social dividend and an economic return to achieve social and environmental goals. It creates opportunity for investors to finance projects that benefit society and for community organizations to access new sources of funds.”

For example, Ontario’s Community Homelessness Prevention Initiative, which brings together five previously discreet homelessness and housing programs into a single flexible fund, allows the Province’s 47 local Service Managers to develop locally-tailored solutions to homelessness with the only requirements being that spending must be guided by two specific outcomes: 1) that people who are homeless obtain and retain housing and 2) people who are at risk of homelessness remain housed.<sup>150</sup> In support of these objectives, Service Managers must develop long-term (10-year) strategic plans in consultation with the local community, and produce plans for tracking progress.

## 5.3 FUNDING MODELS

Many promising, innovative programs often fail to be replicated or scaled beyond the pilot project stage due to a lack of funding. This is true of multiple demonstration projects and evidence-based programs which have been trialed in Canada and abroad for a few years and dropped regardless of whether positive outcomes were found. To address this common barrier, new funding models that employ social finance principles to achieve greater sustainability are emerging. These models not only provide more stable funding to community organizations who deliver the programs but increasingly offer governments an opportunity to partner in the application or replication of a program before committing to wholesale transformation more widely.

The following three funding models and examples (Figure 9) illustrate how governments and communities are working together with **positive re-investment cycles, social impact bonds** and **social innovation funds** to arrive at better outcomes and achieve scalability.

150 OMSSA Housing and Homelessness Forum. 2012. *Community Homelessness Prevention Initiative*. <http://www.ssm-dssab.ca/documents/assets/uploads/files/en/chpi-part-1-overview.pdf>

**FIGURE 9**

New funding models

Funding Model	Examples
<p><b>POSITIVE REINVESTMENT CYCLE</b>                      Uses a social finance process to raise start-up funds, invests funds in proven programs and diverts outcomes gains into more preventative and early intervention measures.</p>	<p><b>Evidence2Success (E2S), Rhode Island, USA</b>                      E2S engages local authorities and community members in implementing evidence-based programs that lead to better developmental outcomes for children and youth. As start-up funding is collected through a social finance process (in RI it totalled \$300K<sup>151</sup>), stakeholders are brought together to build a shared vision of how improvements will be achieved. At the same time, a fund-mapping process is initiated to assess local expenditure and determine what resources could be further diverted to prevention activities—in RI, out of \$55 million of public expenditure, 1 per cent will be shifted to investments in preventative programs<sup>152</sup>. Results and gains from these programs are tracked through a separate ‘Bank’ mechanism, and finally reinvested in other preventative services. Through this cycle, E2S communities are expected to become self-sustaining within a five year period.</p>
<p><b>SOCIAL IMPACT BOND (SIB)</b>                      SIB providers are contracted by government to deliver services. The provider is then responsible for raising capital through private and philanthropic organizations. Investors receive their initial investment back plus a return if agreed-upon outcomes are achieved.</p>	<p><b>HMP Peterborough SIB, UK</b>                      The first SIB ever created, HMP Peterborough was launched in 2010 and raised a total of £5m for its efforts to reduce recidivism rates of short-sentenced male offenders through intensive and holistic supports. These supports are being provided through a specialist team at ‘ONE Service’, which will engage 3000 prisoners over a 6 year term.<sup>153</sup> Though longer-term evaluation is necessary to track success in truly reducing recidivism, early results are promising: according to the UK Ministry of Justice, there was a 6 per cent decline in reconvictions of released Peterborough prisoners since the introduction of the SIB, compared with a 14 per cent increase nationally.<sup>154</sup></p>
<p><b>INNOVATION/OUTCOME FUNDS</b>                      Created by governments to mobilize public and private resources to find and grow community-based nonprofits and municipal leadership with evidence of strong results.</p>	<p><b>The Federal Social Innovation Fund (SIF), USA</b>                      A public-private partnership designed to identify and expand effective solutions to critical social challenges. The SIF generates a 3:1 private-public match, sets a high standard for evidence, empowers communities to identify solutions, and creates an incentive for grant-making organizations to target funding more effectively to promising programs in three issue areas: economic opportunity, healthy futures, and youth development and school support.</p> <p><b>Social Outcomes Fund, UK</b>                      A £20m created by UK’s Cabinet Office to provide funding to government departments, local authorities and other commissioning bodies. The funding is used to ‘top-up’ contribution to outcomes based funding mechanisms like social impact bonds or payment by results that are designed to deal with complex social issues. The fund provides additional support where no single entity can fund an entire innovative project. As reporting and assessment of performance data is a condition of funding, the fund is designed to generate evidence on the effectiveness of holistic projects to overcome these barriers in the future.</p>

151 Kate Kiernan. 2013. “City Debuts New Education Initiative”. *The Brown Daily Herald*. <http://www.browndailyherald.com/2013/03/07/city-debuts-new-education-initiative/>

152 Annie E. Casey Foundation. 2012. *Evidence2Success-Presentation for the Providence School*. <http://webcache.googleusercontent.com/search?q=cache:VmvBK87B8gcJ.esb.ppsd.org/Attachments/3693ef03-019f-4267-bb8d-89d1a8ac0383.pptx+&cd=1&hl=en&ct=clnk&gl=ca>

153 One Service. <http://www.onesib.org/#/home/4542508805>

154 Jenna Pudelek. 2013. “HM Prison Peterborough Social Impact Bond has Led to a Fall in Reconvictions, Official Figures Show”. *Third Sector*. <http://www.thirdsector.co.uk/news/1186265/>

## 5.4. SKILLS

Novel perspectives, operating environments, tools and structures require a new range of skills for government. Figure 10 summarizes the key skills and competencies governments around the world are developing as they move toward implementing programs and approaches that work to improve outcomes for their citizens.

**FIGURE 10**

New skills for programs that work

Skill Area	Specific Knowledge and Competencies
NEEDS ASSESSMENT	<p>Design and employ common assessment frameworks to accurately determine individual barriers and needs.</p> <p>Data mining skills and advanced modelling techniques to unearth patterns of need and develop better interventions.</p> <p>Capacity of individual case workers and front-line staff to deal with diverse populations and diverse needs within populations.</p>
REFERRALS	<p>Broad knowledge of services and programs available across organizational boundaries to allow for a quicker and more effective referral process.</p> <p>Ability to interpret, properly sequence and implement evidence-based programs and services.</p> <p>Good understanding of data sharing statutes and protocols.</p>
PROGRAM DESIGN & EVALUATION	<p>Engage productively with various stakeholders and multi-disciplinary teams to design better service systems and programs.</p> <p>Faithfully apply proven models and make adjustments as needed, based on the implementation context.</p> <p>Employ randomized control trials and other scientifically rigorous methodologies to evaluate new service models against existing offerings.</p> <p>Effectively manage the different risks, roles and responsibilities in relation to the outcomes sought and their measurement (critical for outcomes funding).</p>

Skillfully steering the public service towards the programs, strategies, funding models and structures discussed in this report also requires significant change in management efforts. Strong leadership, collaboration, staff engagement, and guidance is crucial to advancing positive change and achieving long-term success.

## Leadership

Political will paired with a clear, persuasive and consistently communicated vision for change is necessary to generate broad buy-in. Commitment and enthusiasm from senior executives and managers is also essential for instilling confidence in the new process and ensuring staff are comfortable with changes. In Scotland's case, for example, operational managers were trained to quickly dispel any confusion or resistance regarding GIRFEC's implementation, by "ensuring access to training, good supervision and support, peer mentoring and identifying champions within their agencies".<sup>155</sup>

<sup>155</sup> Scottish Government. 2010. *A Guide to Implementing Getting it Right for Every Child: Messages from Pathfinders and Learning Partners*.

## Collaboration and Building on Existing Assets

Change does not have to be achieved from scratch. In many cases, significant expertise and assets within government, partner organizations and communities exist and can be leveraged to achieve transformative practices. Community-led programs such as Communities That Care and Evidence2Success employ models that help tap into local resources and talents through collaborative governance processes (see section 4.5.2). Furthermore, through the use of assessment tools and surveys, both approaches also help identify existing protective factors and well-functioning programs that can be built upon.

### Staff Engagement

Meaningfully engaging staff throughout various phases of the process and celebrating early success helps build trust as employees adjust to new roles and operating environments. Demonstrating how efforts are making a tangible difference in the lives of real-life program and service users is another powerful method of generating commitment to change despite short-term uncertainty and disruption. For example, interviews with nurses involved in implementing the Nurse-family Partnership in Hamilton, Ontario describe greater fulfillment in their daily tasks due to the holistic accountability and positive outcomes generated from implementing the program.<sup>156</sup>

### Implementation Guidance and Support

Ensuring new practices are embraced and adopted appropriately will likely require comprehensive guidance and support. Again, Scotland serves as an excellent example. For instance, GIRFEC's official Implementation Manual stipulates that a long-term training strategy be deployed to embed the policy in all aspects of daily agency practice and ensure staff feel supported and well prepared to handle new protocols.<sup>157</sup> The Implementation Manual also recommends that each

agency issue guidance materials to help practitioners understand their specific practice in relation to GIRFEC as well as how it fits in relation with the practice of other types of agencies, including health, education and youth justice.

<sup>156</sup> Interview with Sue Jack, Nurse-family Partnership, Hamilton Ontario.

<sup>157</sup> Scottish Government. 2010. *A Guide to Implementing Getting it Right for Every Child: Messages from Pathfinders and Learning Partners*.

# SECTION 6

## What's Next for Ontario?

Jurisdictions around the world are reshaping their approach to poverty alleviation by focusing on proven programs and innovations in service delivery which increasingly provide needs-based, client-focused support. This report provides an overview of some of those innovations with a focus on proven programs and insights into enabling strategies, structures, funding models and skills which support improvements in outcomes for the poor.

The programs are varied with respect to the outcomes they aim to improve in the short, medium and longer term. Some focus on employment and labour attachment as a necessary pre-condition to more generalized outcomes improvements; others attempt to address personal and family challenges with a treatment-focused approach solely or prior to any labour attachment programs beginning; many address both types of challenges simultaneously. Regardless of priority outcome, the programs all share three important common elements:

- **The use of rigorous needs-based assessment tools** to identify barriers to employment and treatment needs so corresponding services can be offered quickly;
- **Strong referral systems** and links between support agencies to provide a tailored package of services to help individuals overcome multiple challenges, and;
- **Robust program design and evaluation** to accurately track progress of new programs and approaches over the status quo, usually through randomized assignment design.

The strategies used by governments to get to what works focus on three key areas—evidence, the client and community. Governments are:

- **Focusing on evidence** and implementing proven programs for individuals and families who need more intensive support;
- **Focusing on the client** and delivering services that fit to their individual needs, rather than existing organizational structures, and;
- **Focusing on the community**, through local partnership and budgeting approaches to better respond to local need, capacities and resources.

Governments are increasingly investing in supportive structures to build the capacity for evidence-based decision-making in government and to support the implementation of proven programs and tools at the local and community levels. Of particular note:

- “What Works evidence centres” in the UK support local decision-makers to implement best practice for particular populations (in addition to the National Institute for Clinical and Health Science and the Education Endowment Foundation, the UK is building four new evidence centres focused on crime reduction, local economic growth, ageing better and early intervention.)<sup>158</sup>
- Organizations like the Washington State Institute for Public Policy perform rigorous econometric meta-analysis on State services at the request of the legislature and report back on what works to aid decision-makers in deciding what programs to invest in and which to transform.

The supportive structures not only aim to bring best practice to existing service delivery, but also to build capacity and skills across community and local partners as well. For example, the What Works centres have an advisory capacity for local and government innovators;

<sup>158</sup> UK Cabinet Office. 2013. *What Works: Evidence Centres for Social Policy*.



the BIG Lottery's "Realizing Ambition" capacity-building work with the Social Research Unit is founded on advisory and support for charities to move to proven practice.

The programs and innovations reviewed are occurring at a range of scales. In some jurisdictions, fundamental, macro-level reform of service delivery systems is undertaken. Examples include new integrated human and social services departments, wholesale reorganizations of existing departments, and the creation of formal networks that offer service users seamless referrals between government agencies and community service providers. In other cases, micro-level change is focused on devolving control to the community and individual. Rather than transforming established structures from the top down, such schemes empower users and communities to tailor their own holistic care packages.

New tools and funding models are enabling the current wave of innovations. Innovative funding models are being leveraged to drive integration, such as outcomes-based payments and positive reinvestment cycles that promote the use of coordinated interventions to address social problems. New technologies and statistical tools are being used to triangulate client information across program areas and target resources more effectively.

Though much innovation is occurring across jurisdictions, new approaches and programs don't operate in a vacuum. Individuals and families have basic needs for income, shelter, and food which are foundational to any additional supports. Lack of childcare, transportation and numerous, often conflicting, tax and benefit policies may additionally create barriers for individuals to enter the labour market.

While there is no consensus across jurisdictions about optimal support levels of taxes or benefits, countries that have greater social safety supports have less poverty and less inequality of opportunity. Where governments do not offer sufficient support, successful programs bridge the gap with additional provision and funding for income security, housing, transportation or childcare.

Underpinning all of this innovation is a focus on measurement and meaningful targets. Governments are increasingly building new and more comprehensive indicators to track and monitor progress on poverty in a dynamic (typically annual) fashion over time. Measuring progress against poverty targets is increasingly considered within the wider context of improving outcomes for individuals.

## 6.1 KEY RECOMMENDATIONS FOR ONTARIO

The Government of Ontario should closely consider the progress occurring in other jurisdictions and determine which innovations could help alleviate poverty here. The following key recommendations emerge from this inter-jurisdictional scan on useful innovations, proven programs and approaches to alleviating poverty:

### 1) Measure

#### Focus on needs-based support

Ontario has a history of strong universal programs which support all individuals. In order to ensure existing programs are reaching the right individuals at the appropriate intensity level, the Province should consider how it can help individuals and local social service delivery organizations navigate programs based on client needs. In-depth, assessment tools like standardized surveys and rigorous needs-based screening are increasingly used and integrated across communities and social service providers. These ensure social services professionals and case-managers have access to robust standardized profiles with which to inform their decisions for program support, including referrals to specialized treatment programs where necessary.

#### Evaluate Ontario's programs

Ontario offers several high-ranked programs and interventions for individuals who require intensive support. The Province also employs some approaches to poverty alleviation and innovation which mirror proven

practices abroad. Few of these programs are evaluated rigorously in this Province and services continue to be measured by budgetary success on inputs (human resources) or outputs (expenditure) with limited focus on whether the outcomes for individuals are improved. Many existing programs may never have been rigorously evaluated, either locally or nationally. In order to best support individuals and families and help lift them out of poverty, the Province should consider rigorously evaluating the outcomes of key programs which support known population groups who are over-represented in poverty.

### 2) Innovate

#### Establish a "What Works" centre

In order to support local decision-makers and community organizations to deliver programs that work to improve outcomes, the Province should consider creating a "What Works" Centre focused on evidence-based programs and evaluation. These supportive centres produce and disseminate research to local decision-makers transparently and independently from government, supporting them in investing in services that deliver the best outcomes for citizens and value for money for taxpayers. Some also provide dynamic software tools with which government decision-makers can better inform policy choices and budgeting.

#### Earmark funds for innovation

Evidence-based programs and promising approaches to solving society's challenges are constantly evolving. The Province should consider a targeted pool of funding or an innovation awards scheme to trial and scale promising solutions to priority challenges. In addition to spurring new ideas and collaboration for particular social problems, providing a targeted pool of funding for promising programs could provide the impetus municipalities and regions need to invest in these programs.

## Coordinate and integrate supportive services

Ensuring that citizens have a basic level of economic and social security is a key responsibility for governments and many jurisdictions have found this task even more difficult in recent years as a range of external and internal pressures raise urgent questions about the sustainability of support systems. Developments in technology, better needs-assessment tools, the emergence of integrated evidence-based programs and a range of other catalysts are spurring innovative thinking in governments' responses to social welfare challenges.<sup>159</sup>

Many governments are taking decisive action in integrating services as a means of improving system capacity and the effectiveness of program interventions. Ontario should consider how stronger ties within human services and between human services and other support structures like employment could enable more customized services to address individual's needs. Advances in technology and approaches to client-based services should be explored to ensure a cost-effective approach to integration.

## Deploy pilots for promising approaches

Many of the promising programs and approaches reviewed in this report developed as demonstration projects or pilots. Jurisdictions innovate, test and evaluate in relatively small geographical areas before expanding, even when the intended approach is to offer programs universally. Where there is success, a decision is made to scale or replicate with public funds or by using other partnership mechanisms with philanthropists or impact investors. Overall, this smaller scale approach ensures change moves forward at a pace that mitigates risk and is feasible under fiscal constraints. Ontario should consider moving forward with a few pilots in key areas of need and for populations at greatest risk of poverty in Ontario in the short-term in order to have results and evidence with which to build future strategies.

<sup>159</sup> Mowat KPMG report, Integration Imperative.

## Consider new forms of capital and positive re-investment pilots

New models of social investment that offer alternative financing vehicles and sources of capital to governments are emerging. Increasingly, blended value, social impact and outcomes are part of the core of the value proposition for investment for philanthropists, rather than as a side effort. Today, many institutions, foundations, governments and community organizations around the globe are experimenting with new forms of investment designed to generate various rates returns alongside equally quantified robust measures of positive social and environmental impact.

Social Impact Bonds are one popular vehicle which governments around the world are increasingly testing to improve positive social outcomes which simultaneously reduce government expenditure. Positive reinvestment cycles are another financial innovation which large organizations like the Annie E. Casey Foundation are increasingly relying on for all their transformative programs like Evidence2Success. With both these approaches, prevention and early intervention programs begin to offer positive returns in both outcomes and expenditure within five to seven years, making it possible to begin sustainably addressing large-scale challenges which contribute to intergenerational poverty during a period of fiscal austerity.

## 3) Partner

### Employ a community-based approach

There is growing support for the notion that complex social problems are best addressed through coordinated local level interventions. Governments are increasingly restructuring their social and human services departments along geographical rather than program lines so they can better understand and respond to local needs. Experiments with new governance models are also underway, where control over finances, systems management and programming decisions are devolved

to local authorities and community organizations. The approach aims to bolster the capacity and collaboration of community-based organizations to invest in programs and approaches which respond to the specific needs and challenges they face.

Supportive structures must be built in tandem to work with communities to implement and strengthen client-focused approaches. Ontario may wish to consider how place-based approaches can be incorporated to poverty alleviation approaches to better improve outcomes for individuals and families. In particular, the Province may wish to explore supported devolution in areas where strong community integration exists and build an Ontario-based approach for replication from there.

For example, community-led trial models such as Communities That Care, which has been replicated over 600 times in the US and across the world, and Evidence2Success offer standardized tools, detailed guidance materials and training supports to local authorities and community members to identify and address local challenges through evidence-based programs.

## Expand partnership opportunities with the Federal government

The federal government has a prominent role in poverty reduction. The choices made by the Government of Canada regarding universal and targeted income supports as well as housing have major impacts on poverty in Ontario and affect the choices available to the Government of Ontario. Ontario should consider partnering with the federal government on poverty reduction initiatives and demonstration projects to build evidence of what works in areas of joint jurisdiction.

Building on a platform of place-based approaches to poverty reduction means finding successful tripartite approaches to cooperation among Ontarians' federal, provincial, and local governments. The tri-level approach of the Urban Development Agreements used in 6 Western Canadian cities through 2010 coordinated governments' efforts towards practical steps to

revitalize urban areas facing complex challenges, such as Vancouver's Downtown Eastside.<sup>160</sup> These types of focused governance arrangements to meet the needs of cities can create spillover effects that improve dialogue and alignment in critical shared policy areas such as transit, childcare, and income security.

## Ensure poverty indicators are linked to individual outcomes

Poverty targets and indicators are increasingly linked to program outcomes and impact indicators at the local, community and individual client level. Interrelated indicators function as dynamic progress metrics that are linked to communities (and communities to individuals) to help assess the direction poverty challenges and barriers are taking. With this type of information, governments are increasingly in a position to respond to challenges as they occur and deploy resources where they are most needed. Ontario should consider how it might better partner with communities to agree to poverty reduction strategies, programs and, importantly, targets that inform the Province.

160 Neil Bradford.2011. "Urban Development Agreements: A Poverty Prescription For Hamilton?" <http://www.crunch.mcmaster.ca/documents/Bradford%20UDA%20Hamilton.pdf>

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# APPENDIX A

## Program Case Studies

Appendix A contains detailed explanations of all of the case study programs not examined in detail in Section 4 of the report.

### Employment Focused

Earned Income Tax Credit (USA)

Employment and Retention Assessment Project (USA)

### Treatment Focused

At Home/Chez Soi (Canada)

Critical Time Intervention (USA)

Families First (Canada)

### Intergenerational Focused

Functional Family Therapy (USA)

## Employment-Focused Programs

Earned Income Tax Credit (USA)

### PROGRAM OVERVIEW

The Earned Income Tax Credit (EITC) is an earnings supplement available through the income tax system in the United States that offsets payroll taxes. It is targeted to low-income workers raising children and is distinguished from traditional family support and tax policies in that it is predicated on work. The EITC is claimed solely by filing a tax return and it is refundable, meaning that the amount of the credit is not tied to one's federal income tax liability.<sup>161</sup> Given its favorable employment incentives and ability to target the working poor, the EITC is recognized as the primary antipoverty programs at both the federal and state levels.

161 Steve Holt. 2011. Ten Years of the EITC Movement: Making Work Pay Then and Now. *Brookings Institution: Metropolitan Opportunity Series*. [http://www.brookings.edu/~media/research/files/papers/2011/4/18%20eitc%20holt/0418\\_eitc\\_holt.pdf](http://www.brookings.edu/~media/research/files/papers/2011/4/18%20eitc%20holt/0418_eitc_holt.pdf).

In 1975, the EITC was a modest program aimed at offsetting the social security payroll tax for low-income families with children. It was the outcome of a policy debate surrounding a negative income tax as a means of reducing poverty. The EITC was developed to reward work rather than provide a guaranteed income.<sup>162</sup> Today, the EITC is the US' largest anti-poverty program for working families. The Earned Income Tax Credit (EITC) grew from \$3.9 billion in 1975 (in 1999 dollars), the first year it was part of the tax code, to \$31.5 billion in 2000. No other federal antipoverty program has grown at a comparable rate. In 2000 EITC spending was within \$4 billion of the combined federal spending on Temporary Assistance for Needy Families (TANF) and food stamps.<sup>163</sup>

### RESULTS

A large body of research has accumulated over the 38 years the EITC has been in existence.<sup>164</sup> When evaluating the effect of EITC programs on income and poverty, governments generally calculate the effect using simple accounting, where the value of the state or federal EITC benefit is added to a person's income. Using these calculations and historical analysis, the federal EITC has significantly increased income among poor families, lifting approximately 6.6 million people out of poverty nationally in 2011 alone and contributing to substantial increases in employment among single mothers.<sup>165</sup>

Most calculations of EITC, however, are not based on rigorous program design and necessarily omit many of the complex behavioral incentives created by the existence of these programs, the corresponding effect on labour supply and hours worked, and therefore the actual effect on income and poverty.<sup>166</sup>

162 Nada Eissa and Hilary Hoynes. 2011. Redistribution and tax expenditures: The earned income tax credit. *National Tax Journal*, June 2011, 64 (2, Part 2), 689–730.  
163 V. Joseph Hotz. "The Earned Income Tax Credit." <http://www.nber.org/chapters/c10256.pdf>.

164 Steve Holt. 2011. Ten Years of the EITC Movement: Making Work Pay Then and Now. *Brookings Institution: Metropolitan Opportunity Series*. [http://www.brookings.edu/~media/research/files/papers/2011/4/18%20eitc%20holt/0418\\_eitc\\_holt.pdf](http://www.brookings.edu/~media/research/files/papers/2011/4/18%20eitc%20holt/0418_eitc_holt.pdf).

165 MDRC. 2013. *Paycheck Plus: Expanded Earned Income Tax Credit for Single Adults*. [http://www.mdrc.org/project/expanded-earned-income-tax-credit-single-adults#featured\\_content](http://www.mdrc.org/project/expanded-earned-income-tax-credit-single-adults#featured_content).

166 Maximilian D. Schmeiser. 2008. Expanding New York State's Earned Income Tax Credit Program: The Effect on Work, Income, and Poverty. *Institute for Research on Poverty Discussion Paper no. 1341-08*. <http://www.irp.wisc.edu/publications/dps/pdfs/dp134108.pdf>.

Similarly, other analysis attempts to measure the effects on children's outcomes of parental increases in income through the EITC.<sup>167</sup> Similar econometric challenges arise with respect to the endogeneity of results since children growing up in poor families are more like to experience adverse conditions. This makes it challenging to determine whether the EITC has a causal effect on children's outcomes. Nonetheless, analysis indicates at least directional support that EITC positively affects children's school and learning outcomes—as much as a 6 per cent increase in test scores in the short-term for a \$1000 USD change in income.<sup>168</sup>

Researchers have also attempted to simulate the full effect of the EITC on employment, hours worked, income, poverty, and program expenditures and, while research does suggest favourable effects on employment and decreased poverty, many endogeneity concerns remain around causal factors and interaction effects.<sup>169</sup> As with any means-tested policy, the impacts of EITC across States will differ according to how the tax credit interacts with local and State programs and require locally-relevant research to understand and estimate outcomes changes for families.

## EFFORTS TO EVALUATE EITC

This level of evidence for a universal program such as EITC, implemented decades ago in the 1970s, is significant. Given the longevity and popularity of the program, rigorous assessment for existing populations, is practically challenging if not impossible as it would require clawing back benefits in order to assess their effectiveness vis-à-vis a comparison population.

The evolution and expansion of EITC, however, will undergo a rigorous pilot phase to inform its complete effects on poverty in New York City. The New York City

Center for Economic Opportunity (CEO) is currently evaluating a pilot program to simulate an expanded EITC in New York City for low-income single workers without dependent children, with the goal of increasing employment and earnings, and reducing poverty.

The evaluation will use a random assignment research design, with a program group that is eligible to receive the expanded credit and a control group that is not. Individuals in the program group will be eligible for the credit payments for earnings in up to 2016. Both groups will be tracked for up to four years to determine the effects of the expanded credit on income, earnings, poverty, child support payments, criminal justice involvement, and family formation outcomes.

The assessment of EITC in this way, for a new population, represents a significant step forward in the evaluation of sustainable outcomes changes for populations receiving the credit. As Canada experiences increased expansion of its WITB and Child Tax Credit (CTC), it may benefit from similarly investing in evaluation approaches of expansion in order to ensure programs are effectively lifting target populations out of poverty and not, inadvertently, creating disincentives or unnecessary costs which outweigh benefits for particular population groups.

## The Employment and Retention Assessment Project (USA)

### PROGRAM OVERVIEW

Several studies have shown that programs that provide financial incentives to supplement earnings in combination with services can promote employment retention among low-wage workers.<sup>170</sup> The Texas Employment and Retention Assessment Project (ERA) was launched to test the effect of financial incentives on employment for low-income workers. To encourage employment retention and advancement, the program

167 Gordon B. Dahl and Lance Lochner. The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit. *American Economic Review* 2012, 102(5): 1927–1956.

168 Gordon B. Dahl and Lance Lochner. The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit. *American Economic Review* 2012, 102(5): 1927–1956.

169 Maximilian D. Schmeiser. 2008. Expanding New York State's Earned Income Tax Credit Program: The Effect on Work, Income, and Poverty. *Institute for Research on Poverty Discussion Paper no. 1341-08*. <http://www.irp.wisc.edu/publications/dps/pdfs/dp134108.pdf>.

170 Richard Hendra, Keri-Nicole Dillman, Gayle Hamilton, Erika Lundquist, Karin Martinson and Melissa Wavelet. 2010. "How Effective Are Different Approaches Aiming to Increase Employment Retention and Advancement?" [http://www.mdrc.org/sites/default/files/full\\_390.pdf](http://www.mdrc.org/sites/default/files/full_390.pdf); Coalition for Evidence Based Policy. 2012. *Minnesota Family Investment Program*. <http://evidencebasedprograms.org/1366-2/minnesota-family-investment-program>.

provided job search assistance, pre- and post-employment case management, and a monthly stipend of \$200.

### Key Tools

#### ASSESSMENT

No common assessment framework. Focused on employment assessment only.

#### REFERRALS

Case management services included employment assessment, goal setting and career planning, support services, resolution of employment barriers, and job search assistance. Referral available to external parties based on perceived needs of case-manager.

#### DESIGN AND EVALUATION

Randomized assignment design.

### RESULTS

Results showed that employment and earnings of individuals in the program group increased relative to those in the control group—the primary goal of the project. In addition, evaluation of the Texas program suggested that:

#### **Earnings supplements to promote employment retention.**

Ideally coupled with job coaching, can increase rates of sustained employment. Past research has shown that supplementing low-wage workers' earnings can promote employment. The effects, however, tended to fade before eligibility for the supplement ended. Results for the Texas ERA program in Corpus Christi suggest that longer-lasting effects may be attainable. The economic effects of the program lasted into the final year of the study's follow-up period (the fourth year), well beyond the period during which the incentive was offered.

#### **Counseling and referrals to services alone do not appear to increase employment retention and advancement.**

Staff-client interaction is often looked to as a promising tool to help workers stay in jobs and move up in the labour market. Evidence from ERA, however, suggests that while it may be a necessary ingredient of programs, it is not sufficient to make a meaningful difference

in employment outcomes. It can be effective when combined with other services, such as with earnings supplements, as was the case in the Texas ERA program.

## Treatment-Focused Programs

### At Home/Chez Soi (Canada)

A number of quantitative studies indicate the Housing First approach is effective in finding and maintaining housing for homeless individuals. Most evaluations target single adults with mental illness and substance abuse issues in urban locations. Due to the relatively recent implementation of the Housing First approach, there is no "best practice" evidence yet in the form of randomly assigned, longitudinal studies on families, youth, those with primary addictions, those coming from a period of incarceration, and those with diverse ethnic backgrounds.

### PROGRAM OVERVIEW

At Home/Chez Soi is an evidence-based program based on Housing First—a practice originating in New York City (Pathways to Housing) and Toronto (Streets to Homes). Housing First provides immediate access to both permanent, independent housing through rent subsidies and to mental health and support services offered by community teams. It provides an alternative to traditional emergency shelter or transitional housing approaches in that it provides immediate access to permanent housing.

Most of the housing is in the private market, and housing is provided through rent subsidies, with participants paying up to 30 per cent of their income towards their rent. Supportive services are provided according to two levels of need: Assertive Community Treatment (high need); and Intensive Case Management (moderate need).

## Key Tools

### ASSESSMENT

Structured in depth holistic needs assessment with strong focus on mental health.

### REFERRALS

Provides multi-professional intensive service for people with serious mental health issues. ACT teams provide a range of supports directly to individuals living in the community (e.g. recovery and wellness services; peer support; integrated mental health and addictions supports). Services and crisis coverage are available 24 hours, 7 days per week. Staff to client ration of 1:10.

### DESIGN AND EVALUATION

Randomized assignment design.

## RESULTS

Preliminary results support improved outcomes of the Housing First approach.

- Nation-wide, **86 per cent per cent of participants remained in their first or second unit** (as of August 2012).
- A year into the program, those in the Housing First intervention had **spent an average of 73 per cent of their time in stable housing**, while those in the Treatment As Usual group spent 30 per cent of their time in stable housing.
- Early results show that once housed, a number of participants are **beginning to pursue education and employment** opportunities.
- Preliminary findings on financial cost-benefit analysis show an **average cost of \$17,452** (plus other health and social services outside the program which is an additional \$31,495) **versus a counterfactual cost of \$44,552** during the program. An investment in Housing First requires an additional investment of just over \$4,000 per person per year to reach housing stability. Long-term benefits and impacts on health, justice and education/revenue are not yet known.

## Critical Time Intervention (USA)

### PROGRAM OVERVIEW

Critical Time Intervention (CTI) is an empirically supported, time-limited case management model designed to prevent homelessness and other adverse outcomes in people with mental illness following discharge from hospitals, shelters, prisons and other institutions.<sup>171</sup> The program combines psychosocial supports with timing-specific service delivery, ensuring a continuity of support for individuals transitioning from institutional care to the community living.

The program aims to strengthen individuals' long-term ties to services, family, and friends and provides emotional and practical support during the critical time of transition. An important aspect of CTI is that post-discharge services are delivered by workers who have established relationships with patients during their institutional stay.

Typically these workers are bachelor's or master's level individuals operating under the supervision of an experienced clinically trained professional following a focused model of care. Once the worker has established a relationship with the client and begun to organize his or her support plan, the post-discharge phases of the intervention are delivered as follows:

- **Phase one** follows the individual's transition from institution to the community, during which a plan is developed for various services and community supports the program participant will receive.
- In **phase two**, the plan is refined and the case worker takes a step back to allow the participant deeper engagement with the family and community resources.
- During **phase three** the case worker and participant work together to develop a long-term plan and finalize transfer of responsibilities to caregivers and community providers.

171 Critical Time Intervention. "Model". <http://www.criticaltime.org/model-detail/>

## Key Tools

### ASSESSMENT

Structured in depth holistic needs assessment with strong focus on mental health.

### REFERRALS

3-phase assisted process with dedicated, highly-trained case manager.

### DESIGN AND EVALUATION

Randomized assignment design.

## RESULTS

Multiple studies indicate effectiveness and cost savings for CTI:

- Sizable reductions (**24-67 per cent**) in average number of nights spent homeless over the 18-month follow-up period.
- More than a **60 per cent reduction in likelihood of being homeless** in the final weeks of the 18-month follow-up.
- Costs are mostly offset in the short-term (18 months).<sup>172</sup>

## Families First (Canada)

### PROGRAM OVERVIEW

Families First is an intensive case management initiative for sole support families on social assistance in Peel Region, Ontario. To build on existing supports and services of the current social assistance system, the Families First program incorporates supports in three additional areas: health, employment and recreation. The program is an integrated service model, with a partnership between Human Services (Client Access and Client Relationships) and Public Health.

Dr. Gina Browne's findings in "When the Bough Breaks" indicated that 50 per cent of heads of sole support families suffer from mental health problems typically in the form of depression or anxiety disorders. By providing additional health, social services and quality childcare and recreation to social assistance families, Peel Region

172 Coalition for Evidence-Based Programs. "Critical Time Intervention". <http://evidencebasedprograms.org/1366-2/critical-time-intervention-top-tier>

tested the hypothesis that needs-based support would create beneficial outcomes in families at risk.

## Key Tools

### ASSESSMENT

Health, employability analysis, child care needs, and recreational interests of the children.

### REFERRALS

Specialized health supports to address physical, emotional, psychological and social health issues; 1:1 support for employment skills and job readiness; Choice-based community recreation options.

### DESIGN AND EVALUATION

Randomized assignment design.

## RESULTS

The impact of the Families First program is progressive and cumulative:

- **Family First participants are 1.3 times more likely to exit social assistance** compared to OW counterparts over a 24 month period.
- **A total of 61.7 per cent of people in the initiative became self-sufficient** and exited social assistance after 24 months where the OW group had 46.4 per cent exit the program.
- Within the first year, the OW cluster produced higher exit rates; however, by 18 and 24 months respectively, those in the Families First program were three to four times as likely to exit social assistance.

In addition to social assistance savings and improved outcomes, a post-treatment survey suggests a decline in health services used from entry to exit for Families First parents:

- Parents in Families First identify a **decrease of about 55 per cent** in their hospital admissions and days spent in hospital while usage of those in the OW cluster remains the same.
- Although parents in Families First report no changes in children's use of health services, **usage by children of those in the OW cluster increases by 20 per cent from entry to exit.**

The effectiveness of the Families First program is based on an internal analysis of program outcomes in the short-term (2 years). The positive cost-benefit calculation of the program within the evaluation term suggests that integrated programs which involve highly specialized assessment and employment services can not only be achieved but also structured to generate financial benefits in a short time frame.

## Intergenerational-Focused Programs

### Functional Family Therapy (USA)

#### PROGRAM OVERVIEW

Functional Family Therapy (FFT) is a short-term (approximately 30 hours), family-based therapeutic intervention for delinquent youth at risk for institutionalization and their families. FFT is designed to improve within-family attributions, family communication and supportiveness while decreasing intense negativity and dysfunctional patterns of behavior. Parenting skills, youth compliance, and the complete range of behavior change (cognitive, emotional, and behavioral) domains are individualized and targeted for change based on the specific risk and protective factor profile of each family.

#### Key Tools

##### ASSESSMENT

Rigorous needs-profiles based on epidemiology. Practitioners and sites must be clinically trained and certified.

##### REFERRALS

A practice research network is set up with all interlinking agencies as part of the site certification. A database system supports links.

##### EVALUATION AND EVALUATION

Randomized assessments and detailed guidance and supervision.

## RESULTS

FFT is supported by 38 years of investigation that has demonstrated improvements with difficult-to-treat adolescents and their families in a range of settings and delivery sites.

FFT has been evaluated in multiple studies in samples across the United States and in Sweden. Study design has ranged from random assignment to treatment conditions, to quasi-experimental designs that involved matched but not randomly assigned comparison groups, to comparisons with base rates for that population.

Studies across several locations demonstrated consistent program benefits for recidivism among juveniles<sup>173</sup>:

#### **Re-offense**

FFT families show significant improvement compared to no treatment and alternative treatment groups in rates of re-offense and recidivism, juvenile court records of siblings of targeted youth, and recidivism among serious delinquent youth.

#### **Behaviour modification**

Youth show improvement in life domain functioning, behavioural/emotional needs, and child risk behaviours (suicide risk, self-mutilation, sexual aggression, running away, delinquency, fire setting).

#### **Marijuana use**

FFT youth (either alone or in combination with another therapy) showed significant reductions in marijuana use while other therapy and controls groups did not.

173 Blueprints for Healthy Youth Development. "Functional Family Therapy".

<http://www.blueprintsprograms.com/factSheet.php?pid=0a57cb53ba59c46fc4b692527a38a87c78d84028>

# APPENDIX B

## Program Outcomes

This table contains all of the indicator categories and measured outcomes of all of the case studies contained in Figure 6 on p. 25.

Indicator Category	Program Outcomes
Stable Housing	<p>Stable housing indicates both increased housing and housing retention.</p> <p>CRITICAL TIME More than 60 per cent reduction in likelihood of homelessness, 18 months after random assignment.</p> <p>AT HOME/CHEZ SOIS 86 per cent per cent of participants remain in their first or second unit (as of August 2012).</p>
Improved Health Outcomes	<p>Families First: A post-treatment survey suggests a decline in health services used from entry to exit for Families First parents. 55 per cent decrease in hospital admissions and days spent in hospital.</p> <p>AT HOME/CHEZ SOIS Cost-benefit analysis of the program found significant health savings</p> <p>CRITICAL TIME Cost-benefit analysis of the program found significant health savings</p> <p>IPS US-based studies have demonstrated a reduction in community mental health treatment costs as well as decreases in psychiatric hospitalization and emergency room usage by IPS programs participants. A UK study also showed that IPS participants who entered work reduced their consumption of mental health services.</p> <p>NFP 38 Findings of fewer preterm births and a decrease in substance abuse</p>
Improved Educational Attainment	<p>NFP Increased educational gains for the child</p>
Increased Employment and Retention	<p>Texas ERA produced consistent impacts in employment retention and advancement</p> <p>PRIDE Statistically significant increases in employment sustained at least at 4 years</p> <p>IPS Participants receiving IPS obtained employment significantly faster and were more likely to work 20 hours per week at some point during the 18-month follow up</p>
Reduced Criminal Activity	<p>NFP: CBA found a reduction in crime: fewer arrests, fewer crimes.</p> <p>FFT FFT families show significant improvement compared to no treatment and alternative treatment groups in rates of re-offense and recidivism , juvenile court records of siblings of targeted youth, and recidivism among serious delinquent youth</p> <p>CTC 24 per cent less likely to initiate delinquent behavior.</p>

## About the Mowat Centre

The Mowat Centre is an independent public policy research centre located at the School of Public Policy & Governance at the University of Toronto. The Mowat Centre is Ontario's non-partisan, evidence-based voice on public policy. It undertakes collaborative applied policy research, proposes innovative research-driven recommendations, and engages in public dialogue on Canada's most important national issues.

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