



Goodwill
Amity

Changing lives and strengthening
communities through the power of work.

Budget Submission from Goodwill Amity

Submitted to:

The Honourable Peter Bethlenfalvy, Minister of Finance

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Introduction

Since 1935, the mission of Goodwill has been to strengthen employment readiness, facilitate the return to work of job seekers, and serve as a resource for employers to attract and retain a workforce. Goodwill's founder, Edgar J. Helms, created Goodwill to provide "a chance not a charity" and "a hand up not a hand out." These sentiments continue to guide our work today. We deliver Employment Services that help people enter or re-enter the workforce, including for people too often marginalized – those with a disability, women, newcomers, those from racialized communities, at-risk youth, individuals with a criminal record, and Indigenous peoples, among others.

Typical Results and ROI

Goodwill across Ontario place a person in a job every 46 minutes.¹

Every year Goodwill Amity serves over 330 employers in hiring candidates.²

Our clients typically earn an average starting wage 19% to 25% higher than minimum wage and often see further wage increases as they progress in their employment.³

Social assistance savings for those who attained employment was 4.6 times the government funding Goodwill received to provide the service.⁴

33.3 was the average working hours per week for those who found employment last year. With OW clients, Goodwill has achieved a placement rate of over 40% (compared to the three year provincial average of 10-13%).

With ODSP clients we are also very successful with retention, achieving 12.58 months on average.

Our Employment Services offer:

Employment Readiness: We give people experiencing barriers to employment a chance to expand their skill set and explore their work goals.

Employment: We support people who are entering the workforce for the first time, people who have been experiencing long-term unemployment or people looking to transition careers. We serve job seekers across the spectrum of skills, from unskilled to professional and have placed part-time retail sales associates and pilots, maintenance staff and PhDs.

¹ In 2019 Goodwill's in Ontario placed 2,445 individuals in employment. The time is considered to be 1,875 working hours a year.

² In 2019/2020 we served 331 employers in placing candidates.

³ In 2019/2020 our clients' average starting wage was \$17.45 (while minimum wage was \$14) and in 2020/2021 it was \$16.98 when minimum wage was \$14.25.

⁴ In 2019/2020 Goodwill supported 48 OW and 125 ODSP recipients in securing employment. Average annual OW and ODSP payments multiplied by the average retention of 12.58 months, results in savings of \$2,676,480 in social assistance versus provincial funding for Goodwill's program delivery of \$575,671.

⁵ Bank of Canada inflation calculator illustrates that \$100 in 2010 equals \$122.72 in 2021.

Resources for Employers: We act as an extension of a business’s human resource team by identifying candidates, assisting with the interview process, and supporting large and small employers in recruiting and retaining their desired workforce.

The outcomes and impact of these services, as illustrated above, gives opportunities to people facing barriers to employment; a healthy workforce for employers; a solid ROI to taxpayers; and contributions to the economic resilience, growth, and prosperity of our communities.

As a result of COVID-19, unemployment has increased; already marginalized individuals and communities have been disproportionately impacted; some sectors will grow, and others have and will continue to shrink; automation will increase; and new skills will be required.

These impacts mean Employment Services are now more critical and point to evolutions in Employment Services that will be necessary to contribute to economic recovery in the months and years ahead.

Our Recommendations are offered with that knowledge and in the spirit of the objectives expressed by Minister Bethlenfalvy in launching the consultations: “to continue to build Ontario’s long-term prosperity and create jobs, while supporting workers and communities in every corner of our province.”

Recommendations

Recommendation 1: Assure Provincial Employment Services programs and funding are in place to achieve the government’s job-creation priority, by:

- **Maintaining existing Provincial Employment Services program and increasing base funding for the core programs.**

Employment Services are essential to a post-COVID recovery, but providers are facing enormous financial constraints. While targets have not declined – and in some cases have increased – funding for core programs such as Employment Services (ES) and Ontario Disability Support (ODSP) has not increased since 2010.

Since then, costs have risen exponentially for rent, utilities, and insurance, among other things. COVID has added further expenses associated with PPE, ventilation, and technology. Recent higher inflation rates are adding further pressures.

Like many sectors, nonprofit social services are also facing human resource crises with the great resignation, COVID-related absences, and significant declines in team members’ mental health, leading to further resignations, absences, and accommodations. Competition for talent is further driving up staffing costs and threatening providers’ ability to attract and retain the workforce we need.

The result is that in real terms there are fewer dollars now to deliver the same or greater level of service. These pressures must be recognized and addressed in a base funding increase in the next fiscal year, with further annual increases pegged at least to inflation.

- **Allowing flexibility in Employment Services funding to enable providers to respond to the demands of COVID.**

We support the Ontario Nonprofit Network's (ONN's) recommendation in their letter of January 5 2022 (<https://t.co/my2tsSj3X0>) to: "Ensure budget flexibility with 2021-2022 transfer payment agreements, including the ability to shift amounts between budget lines, the ability to carry forward any surplus year end funds, etc."

As many employers did not – or were not able – to hire in the 2021-2022 fiscal year due to capacity limitations, declines in business, and lockdowns, some funds are unspent in related budget lines. Costs elsewhere, however, from staffing to PPE as outlined above, have risen dramatically. If employment rebounds and job seekers are willing to return to work, as is predicted in the spring and onwards, those unspent dollars would be well used in the fiscal year ahead. Flexibility, especially given the lack of funding increases over the last 12 years, is critical in order to respond.

- **Recognizing mental health impacts on employment in policy and funding frameworks.**

Mental health was a major concern before the pandemic and has become a crisis since then. With respect to employment, mental health is becoming THE primary barrier to attaining and retaining work. Anxiety and depression keep people out of the workforce. Many who are able to work can only manage part-time employment. These realities need to be reflected in policy and funding decisions.

First, we recommend including funding for Cognitive Behavioral Therapy (CBT) in Employment Services funding so that clients in service who need it can access targeted, practical, work-related mental health supports to cope with the anxiety of starting a new job and managing workplace stress.

Second, we recommend that funding be expanded to support part-time placements. A large and growing number of people will be excluded from the labour market if Employment Service providers can only serve those seeking full-time work. For many people with disabilities or significant barriers to employment, including mental health, working full-time is not possible. With employer incentive funds only available for full-time hires, these already-marginalized job seekers are often not even considered.

To ensure part-time work does not become the first go-to for Employment Service providers, it could be considered for incentive funding only if the nature of the employment barrier warranted it and it was the job seeker's objective, as established in the Employment Action Plan.

These two funding and policy changes would make a real impact in getting more people into employment.

- **Ensuring the Skill Development Funding (SDF) can provide multi-year support.**

Funding for Skill Development is essential as the nature of work evolves, as COVID necessitates re-skilling among workers whose sectors have been hardest hit, and as we strive for an economic recovery that includes people with fewer skills and less education. But driving genuine and sustained employment impacts is not a 12-month proposition. Especially in today's highly competitive labour market it will be almost impossible for Employment Service providers

to attract the talent needed to deliver a program if they can only offer a one-year contract. Launching a program and integrating learnings into continuous improvements is also not a short-term proposition. To see the caliber of proposals and the nature of impact that SDF has the potential to deliver, multi-year programs must be eligible for funding.

- **Removing the structural disincentive to referring participants for essential community supports.**

For job seekers to be successful there is often the need for “wrap around” or “life stabilization” interventions, provided by community partners. Before seeking work, for instance, newcomers may need shelter, food, language, and literacy services. While community partnerships to provide wrap around support are an expressed value in service provision, in the transformed catchments (including Hamilton-Niagara where we operate) CAMS actually requires a provider to “close” a client in their organization if they wish to refer them to another provider for training or skill development. “Closing” a client before a successful outcome means that the original provider is not eligible to capture a successful outcome, which is one of the key contract deliverables. This is likely an unintended outcome but disincentivizes the very collaborations that need to be in place for job seekers’ ultimate success.

- **Scaling employer incentives to stimulate hiring and economic recovery.**

Placements and incentives for employers will be critical to employers’ willingness to staff up.

We recommend “scaling” incentives to encourage the hiring of job seekers from equity seeking groups and with barriers to employment. This approach has recently been launched in the Hamilton-Niagara catchment under the System Service Manager Fedcap and could serve as a pilot for the rest of the province. A province-wide approach is important as it mitigates the ability of savvy employers to “incentive shop.”

As an example of how this “scaling” can work, at Goodwill, the average incentive we flow to an employer has been \$2,200 per candidate. If we apply the EO Transformation candidate streams, however, job seekers considered “B” clients (meaning the easier to serve) attract at \$1,000 incentive – which would stimulate hiring generally – but the “C” (more barrierred) clients attract a \$3,000 incentive to contribute to a more inclusive recovery.

The total pool of incentive funding could be constant, but this type of sliding scale approach would provide tangible support for hiring more vulnerable job seekers.

Recommendation 2: Continuously engage with the non-profit sector as well as business.

Nonprofits, especially social services, are connected and knowledgeable about our communities. We know what’s needed and can be part of the solution – and a cost-effective part at that. As already noted, at Goodwill, for instance, we are on the front lines in the labour market, supporting employment readiness so those not attached to the workforce develop the attributes they will need in employment; coaching job seekers so they successfully attain and retain a job; and serving employers in finding the skills and staff they need to meet their operational objectives.

Also as already noted, COVID has made all of this more essential than ever but nonprofits are too often an afterthought, sitting at only sector-specific tables while business is considered and consulted

separately. Ensure that the nonprofit sector is recognized as integral to and included in recovery conversations.

Summary

Our Recommendations are meant to support the government's objectives of "help us continue to build Ontario's long-term prosperity and create jobs, while supporting workers and communities in every corner of our province."

The Recommendations can also contribute to the successful transformation of Employment Services underway, so that job seekers, employers, communities, and taxpayers benefit from both ongoing supports and new response measures to stimulate employment and contribute to recovery.

We stand ready to consult with government on the tactics that could bring our Recommendations into effect. To that end, we will also be sharing this submission and seeking opportunities to meet within the Ministries engaged in Employment Service delivery.

We look forward to ongoing discussions and are committed to doing our part to ensure that Ontario is on the path to recovery and continues to "make Ontario the best place to build a career, a family and a future."

About Goodwill Amity

Goodwill Amity harnesses the power of work to address the most pressing economic and social issues facing our communities today.

We're a path to income security for individuals and their families and in some cases, a means of breaking generational cycles of poverty. Having work can determine how people raise their children, provide for their health, attain or maintain housing, and plan for the future.

We're a catalyst for strong and healthy neighbourhoods.

We're a means of filling workforce needs so employers can meet their business objectives.

In all these ways, Goodwill Amity is influencing positive, long-lasting transformational change. Goodwill Amity, which operates in the Halton and Hamilton-Niagara regions, is one of the networks of 157 Goodwills across North America.