



## STAFF REPORT INFORMATION ONLY

### Impact of Lost Employment and Social Development Canada Funding on Youth

<b>Date:</b>	June 3, 2014
<b>To:</b>	City Council
<b>From:</b>	Executive Director, Social Development, Finance and Administration
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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On February 19, 2014, City Council adopted the Toronto Youth Equity Strategy (TYES) and committed the City to recognizing and addressing the needs of youth most vulnerable to violence and crime. Youth Employment Toronto (YET), a case management program designed to help youth with multiple barriers to employment obtain secure meaningful work, is a 30-year partnership program with Employment and Social Development Canada (ESD) that exemplifies the kinds of service approaches envisioned under TYES. On April 9, 2014, Social Development, Finance and Administration received written notice from ESD that the program would no longer be funded. ESD did not provide any information about the basis for their decision.

The Youth Vocation Caseworkers who deliver the YET program are members of CUPE Local 79, and the program will continue to operate until staff have been redeployed as per the Local 79 Collective Agreement. Once closed, the loss of the program will eliminate a unique resource for vulnerable youth in Toronto.

YET is one of many community employment supports for youth that have closed in Toronto because of a withdrawal of funding from ESD Canada, and their loss is expected to make it more challenging for youth with barriers to employment to find work and begin a career. In the longer term, they are unlikely to improve a youth services system that the Toronto Youth Equity Strategy notes "is vast and poorly coordinated across communities, service providers, and governments," and a major contributor to continued youth violence in Toronto.

## **Financial Impact**

The Youth Employment Toronto program has been cost shared for thirty years with Employment and Social Development Canada with a roughly 75% contribution from ESD Canada and 25% net City contribution. For the 2014 contract year, the City had requested a contract renewal for a \$606,576 program comprised of \$445,466 federal contribution and \$161,110 net City contribution. Since February 1, 2014, Social Development, Finance and Administration (SDFA) has used 100% net City funds in order to sustain the program.

SDFA is working with Human Resources to redeploy the six Youth Vocation Caseworker associated with the program to other positions as per the CUPE Local 79 Collective Agreement. The impact of this funding loss on SDFA's 2014 operating budget will depend on the length of this redeployment process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

On February 19, 2014, City Council adopted the *Toronto Youth Equity Strategy*. The *Strategy* commits the City to a series of principles and actions to better meet the needs of youth most vulnerable to violence and crime.

In adopting the report, City Council requested that the Minister of Employment and Social Development clarify the business practice for assessments and notification of contract renewals and to consider the Youth Employment Toronto contract renewal in a timely fashion.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD26.2>

On May 27, 2014, the Executive Committee adopted the recommendations of a letter from Councillor Joe Mihevic titled *Restoration of Funding for Youth Employment Toronto Program* with amendments. The Committee requested that the Executive Director, Social Development, Finance and Administration report directly to Council on the service impact of the loss of Youth Employment Toronto and other youth employment services no longer funded by Employment and Social Development Canada.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.33>

## **ISSUE BACKGROUND**

Youth Employment Toronto (YET) is a City-administered, cost-shared program between Toronto and Canada that provides the only mobile employment assessment and case management service in Toronto for youth with multiple barriers to employment. This inter-governmental partnership has been in place for 30 years, and has been cost shared with a roughly 75% contribution from Employment and Social Development Canada (ESD) and a 25% net City contribution. The program is delivered through six Youth

Vocation Caseworkers who engage youth where they congregate, such as housing complexes, hostels, drop-in programs and other youth serving agencies.

For the 2014 contract year, the City submitted a proposal to ESD Canada on September 9, 2013 in keeping with ESD Canada's submission guidelines. On December 20, 2013, ESD Canada granted an amendment to the 2013 agreement to extend funding to January 31, 2014 to allow for service continuation pending a decision on the 2014 application.

On January 27, 2014, ESD Canada advised Social Development, Finance and Administration Canada (SDFAC) that although no decision had been made about its application, another extension to the 2013 contract would not be granted. On March 25, 2014, ESD Canada staff advised City staff verbally that the new agreement was not approved. No details were provided at that time.

On April 9, 2014, SDFAC received a formal letter from ESD Canada about their decision to withdraw funding for YET that stated: "Following the analysis of your proposal, the funding for your Skills Link project titled Youth Employment Toronto (YET) was not accepted." No additional information has been provided by ESD Canada.

## **COMMENTS**

Youth unemployment is a significant issue in Toronto, as it is in much of Ontario and the rest of Canada. According to the 2011 Labour Force Survey, Toronto's unemployment rate for youth aged 15 to 24 was 21.7%, more than two times the rate for adults aged 25 - 64 (9.3%). This rate was also slightly higher than the youth unemployment rate in Ontario (20.2%), and significantly higher than the rate for youth across Canada (16.6%).

In its recent report, *The Young and the Jobless: Youth Unemployment in Ontario*, the Canadian Centre for Policy Alternatives notes that the actual number of youth who have jobs is still significantly worse than it was before the 2008-9 recession. With respect to Toronto, the report notes that:

- "Toronto's youth employment rate of 43.5% is the worst of any Ontario region;
- In Toronto, the youth joblessness problem is so bad, it's driving the city's overall unemployment and employment rates, both of which are tracking worse than the national rate;
- Toronto also holds the distinction of having the worst gap between youth and adult employment in the province, at 21.8%.<sup>1</sup>

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<sup>1</sup> Canadian Centre for Policy Alternatives, *The Young and the Jobless: Youth Unemployment in Ontario*, September 2013. Downloaded June 2, 2014 from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2013/09/Young\\_and\\_jobless\\_final3.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2013/09/Young_and_jobless_final3.pdf). This report cites 2012 data.

With so many Toronto youth looking for work, finding a job is particularly challenging for youth with barriers to employment. YET was specifically designed to meet the needs of youth furthest from the labour force, targeting young people who lack marketable skills, have little or no work experience, have low educational achievement, and may have low levels of literacy. Young people served by the program may also face a range of other barriers to employment, including physical and mental health issues, a lack of stable housing, family conflict, and past or present involvement with the criminal justice system. They are often unaware of the resources available to them, and may face barriers to service in some settings.<sup>2</sup>

There are two unique features the YET program offers to help these youth reach success in employment. First, YET staff find and connect with youth in locations where they will feel most comfortable, including youth centres, housing complexes, employment resource centres, hostels, ethno-specific agencies and other community locations. This allows the program to reach the most vulnerable youth, who may be unaware of community resources or have barriers to accessing services.

Second, the YET program provides youth with a comprehensive case management approach. This case management approach may require, for example, that YET staff first develop a plan to help youth stabilize their lives by finding housing, a critical step on the path to secure employment. Employment, education and training strategies are then developed with youth once their other more critical barriers have been addressed. This on-going case management approach ensures that youth do not fall through the cracks as they attempt to address their needs and start on the path to achieving their goals.

The program has a long history of success, reaching a substantial number of youth each year. In the 2013 funding year, the program reached 1,772 youth, 886 of whom worked with YET staff on a full assessment of their needs, an uptake rate of more than 50%. During the year, 895 youth received case management services,<sup>3</sup> 225 youth were employed, 111 returned to school, and 184 registered in skills enhancement programs.

The YET program is just one of many resources for youth that have recently been forced to close because of a loss of funding from ESD Canada. YET staff report the following programs had closed by the end of the 2013-14 funding year:<sup>4</sup>

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<sup>2</sup> For example, a written deputation submitted by Supporting Our Youth to the Executive Committee's May 27, 2014 meeting noted how discrimination some trans youth have experienced at some community agencies has made them reluctant to use the services available to them.

<sup>3</sup> 195 of these youth began case management services in the previous year.

<sup>4</sup> ESD Canada discloses information on its grants and contributions by agency and not by funding program. For this reason, it is not possible to directly determine which youth programs have lost ESD funding from publicly accessible ESD Canada documents.

<b>Program</b>	<b>Agency</b>
Employability Skills for Youth Program	Centre for Education and Training
Breaking the Cycle Program	Canadian Training Institute
Youth Employment Project	Birchmount Bluffs
Malvern Youth Community Employment Program	West Scarborough Neighbourhood Community Centre
Individual Skills Enhancement Funding	Service Canada
Opportunity Knocks Program	St. Stephens
Youth Job Central Program	Youth Employment Services
Youth Collaboration Program	Youth Employment Services
Youth Works Program	Neighbourhood Link
Youth at Work Program	Operation Springboard
Young Parent Employment Program	Rosalie Hall
Youth Succeeding in Employment	Eva's Phoenix
Gateway Cafe GTA Program	West Scarborough Neighbourhood Community Centre

In the short term, the loss of YET and other community resources is expected to make it more challenging for youth with barriers to employment to find work and begin a career. As the Toronto Youth Equity Strategy notes, "youth most in need of supportive intervention to reduce the likelihood of involvement in violence are those who face the most barriers to accessing those supports." The loss of supports designed to meet the specific needs of vulnerable youth will not reduce the barriers they face.

The long term impact of the loss of YET and other community resources designed to work with vulnerable youth will not be immediately evident. They are unlikely to improve a youth services system that the Toronto Youth Equity Strategy notes "is vast and poorly coordinated across communities, service providers, and governments," and cites as one of the main contributors to continued youth violence in the city.

## **CONTACT**

Jabari Lindsay  
Manager, Youth Development  
Social Development, Finance and Administration  
E: [jlindsa@toronto.ca](mailto:jlindsa@toronto.ca)  
T: 416-397-1750

## **SIGNATURE**

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Chris Brillinger  
Executive Director  
Social Development, Finance and Administration