



STAFF REPORT ACTION REQUIRED

Expanding the Partnership to Advance Youth Employment (PAYE)

Date:	February 11, 2015
To:	Economic Development Committee
From:	General Manager, Toronto Employment and Social Services General Manager, Economic Development and Culture Acting Executive Director, Social Development, Finance and Administration
Wards:	All
Reference Number:	20719

SUMMARY

Several years since the end of a deep and far-reaching recession, youth unemployment remains extremely high in Toronto. Despite a recent decline, at approximately 18% youth unemployment is still double the City's overall average unemployment rate and among the highest in the province. Unemployment rates for vulnerable groups, such as racialized youth, newcomers, and youth with lower educational attainment, are significantly higher, as are the rates in some of the City's poorest neighbourhoods.

Addressing youth unemployment requires concerted actions by a range of stakeholders. The Partnership to Advance Youth Employment (PAYE) is central to the City's work to create more opportunities for youth. Working directly with a range of employers, PAYE has evolved into a successful model for increasing access to employment opportunities and vital job preparation supports for youth (aged 18-29) across Toronto.

Following a brief overview of PAYE's features and accomplishments, this report highlights a number of actions that are being taken to expand PAYE. In 2015, these steps will double both the number of hiring employers engaged annually from 40 to 80 and the number of youth served from 500 to 1000. In addition, given the scale of youth unemployment, Toronto Employment and Social Services, Economic Development and Culture and Social Development, Finance and Administration are developing a more comprehensive City approach to support youth through employer-led training, work experience, entrepreneurship, and career pathway approaches, among others.

RECOMMENDATIONS

The General Manager, Toronto Employment and Social Services, the General Manager, Economic Development and Culture, and the Acting Executive Director, Social Development, Finance and Administration recommend that:

1. City Council direct the General Manager, Employment and Social Services and General Manager, Economic Development and Culture to develop an annual PAYE Employer Recognition Award.
2. City Council direct the General Manager, Employment and Social Services, to prepare a progress report on the results of efforts to expand PAYE to the Economic Development Committee in the First Quarter of 2016.
3. City Council forward this report to the following Ministries, Networks, Agencies and Institutions for information:
 - a. Ministry of Training, Colleges and Universities, Central Region
 - b. Youth Employment Partnership (YEP) Network
 - c. Civic Action
 - d. United Way Toronto
 - e. Toronto Region Board of Trade
 - f. Prince's Charities Canada

Financial Impact

There are no financial implications arising from this report over and above what is included in the 2015 Recommended Operating Budget for City Divisions. Any additional resources needed to expand PAYE beyond 2015 will be addressed through subsequent budget processes.

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

Equity Impact

The PAYE initiative provides employment supports for a range of equity seeking youth groups including youth from Neighbourhood Improvement Areas (NIAs) across Toronto, Aboriginal youth, youth with disabilities, racialized and newcomer youth and other vulnerable groups. Through local delivery teams, PAYE focuses on increasing economic opportunities for youth who are out of school and are unemployed or underemployed.

DECISION HISTORY

On August 25, 2014, as part of the of the Deputy Mayor's Roundtable on Manufacturing, City Council directed the General Manager, Toronto Employment and Social Services to report to the Economic Development Committee in the first quarter of 2015 on the feasibility of extending PAYE to the manufacturing sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.ED33.9>

ISSUE BACKGROUND

Several years since the end of a deep and far-reaching recession, youth unemployment remains stubbornly -- and worryingly -- high in Toronto. Youth unemployment has been trending upward in Toronto since the early 2000s and has remained above the national youth unemployment average. After reaching a high of 21% in 2012, youth unemployment in the city has fallen to 18%.¹ However, it is still double the city's overall average unemployment rate and among the highest in the province. Rates for vulnerable groups, such as racialized youth, newcomers, and youth with lower educational attainment, are often significantly higher. For example, the rate for recent immigrant youth is almost 30%. Youth unemployment rates in Toronto's poorest neighbourhoods are higher still.

Reflecting the challenges youth face in the labour market, participation rates in Toronto have fallen from 62% in 2003 to 58% -- some 10% lower than adult participation rates and among the lowest in Ontario. Finally, Toronto has the largest gap -- 21.8% -- between youth and adult employment in the province and at 43.5%, the employment rate of youth in Toronto is the lowest of any region in Ontario.

Youth unemployment is often significantly higher than the unemployment rate of the general population. Moreover, youth typically find it difficult to secure jobs during and after an economic downturn. There is no doubt that the 2008 global recession exacerbated youth unemployment rates.² However while there is a cyclical component there are also deeper underlying structural issues, relating to the extent to which the economy and the nature of work have changed in recent decades.³ Labour markets have become increasingly polarized, with the disappearance of 'middle jobs' and the expansion of knowledge and entry level jobs.⁴ At the same time, the nature of work has also changed -- with a shift to more precarious work.⁵ Exacerbating these effects is the way in which

¹ In 2014, according to unpublished Labour Force Survey data, more than 40,350 Toronto youth age 20-29 were unemployed.

² Fong, F. (2012), "The plight of younger workers," *Observation*. March 8. Toronto. TD Economics.

³ Geobey, S. (2013), "The Young and the Jobless: Youth Unemployment in Ontario." Canadian Centre for Policy Alternatives.

⁴ Zizys, T. (2011), "Working Better: Creating a High-Performing Labour Market in Ontario." Metcalf Foundation.

⁵ Law Commission of Ontario (2012), *Vulnerable Workers and Precarious Work*, Toronto; Poverty and Employment Precarity in Southern Ontario, United Way Toronto and McMaster University (2013), *It's More than Poverty: Employment Precarity and Household Well-being*. Toronto.

educational attainment, particularly advanced degrees, no longer guarantees labour market success.²

These changes create particular disadvantages for youth. Many unemployed youth are entering the labour market for the first time, and often just after completing education. This means they often lack work experience, networks and mentors. Post-secondary graduates also often lack the required competencies or technical skills to be competitive in today's labour market. Young workers with less seniority are also at greater risk of layoffs and restructuring than their adult counterparts. Longer-term unemployment and underemployment impose immediate costs in the form of reduced income, as well as other "scarring" effects for individuals, such as loss of skills, and for the broader economy as youth fail to achieve their full potential in the labour market.

Looking ahead, growing economic uncertainty suggests that the challenges facing youth will not be resolved by a return to strong employment growth any time soon. As a result, concerted actions will be required by all stakeholders to address youth unemployment in Toronto. This includes action by all orders of government, community organizations and employers. Indeed, a recent report by the Toronto Region Board of Trade notes the importance of private sector leadership in this area that acknowledges the causes and consequences of precarious employment and highlights the role that employers can take to lessen the social impacts of non-standard employment whether by providing more benefits to temporary employees or expanding supports such as career planning⁶.

City Actions to Address Youth Unemployment

Recognizing the nature and extent of youth unemployment in Toronto, the City has taken a number of steps in recent years to coordinate and enhance its work in this area. At a general level, the City has introduced a comprehensive and integrated approach to better support residents – including youth -- connect jobseekers with employers and strengthen communities.⁷ Actions have also been taken in the areas of quality jobs, newcomers and social procurement which will benefit youth as well as others⁸. In addition, the Toronto Youth Equity Strategy sets out concrete actions to better serve youth vulnerable to involvement in violence and crime. Among other areas, it highlights steps the City is taking to better coordinate youth services, leverage its position as an employer to improve access to economic opportunities for vulnerable youth and ensure that available employment services are accessible to vulnerable youth.

A number of City initiatives have been established to connect youth to jobs and to provide youth with vital supports focused on improving employability. This work

⁶ Toronto Region Board of Trade (2014), *Closing the Prosperity Gap: Solution for a More Liveable City Region*. Toronto

⁷ *Working as One: A Workforce Development Strategy for Toronto* (2012); *Collaborating for Competiveness: A Strategic Plan to Accelerate Economic Growth and Job Creation in Toronto* (2013); *Toronto Strong Neighbourhoods Strategy 2020* (2014); *Toronto Newcomer Strategy* (2012).

⁸ *Quality Jobs, Living Wages and Fair Wages in Toronto* (2013); *Toronto Newcomer Strategy* (2012); *Update on the Toronto Social Procurement Framework* (2014).

includes an enhanced emphasis on supporting youth entrepreneurship, including launching programs that provide training, mentoring and grants for young entrepreneurs, as well as advancing sector-based approaches and leveraging the City's role as an employer to increase youth access to employment opportunities.

The City's Partnership to Advance Youth Employment Initiative

The Partnership to Advance Youth Employment (PAYE) is a key component of the City's work to address youth unemployment. Established in 2007 as a pilot between private sector employers, the City of Toronto and an extensive network of community service providers, PAYE has a proven track record of connecting youth (aged 18-29) from disadvantaged communities with jobs and employment opportunities that they would not otherwise access.

Since 2009, PAYE has evolved into a city-wide initiative, connecting employers and job seekers at signature learning, networking and hiring activities year round. Through PAYE, employer partners bring forward a range of employment opportunities. On the ground, PAYE works with local delivery teams to recruit youth from diverse neighbourhoods. Interested youth are provided with employment coaching and linked to a range of City and community services and supports. Youth are then screened and matched to available positions with partner employers. See attachment 1 for an overview of the PAYE process and the benefits to employers and youth at each step.

COMMENTS

The PAYE Model: A Successful Demand-led Strategy

PAYE is a demand-led initiative with the recruitment and coaching of youth geared to the workforce needs of employers. The model leverages existing service delivery infrastructure in the City and builds on the strength and connections of the community sector. A number of the key accomplishments that have resulted from PAYE are highlighted below:

Since 2009, PAYE has:

- Partnered with over 100 leading employers and sector councils;
- Served over 4000 youth through one-on-one employment coaching and learning and networking opportunities;
- Facilitated over 2800 interviews between employer partners and youth; and
- Resulted in the hiring of 700 youth from diverse neighbourhoods in the city.

In 2014, PAYE:

- Maintained partnerships with 40 leading employers who offered a range of entry and mid-level positions and/or participated in the delivery of learning events;
- Matched over 500 youth with an employment coach; and
- Connected more than 150 youth to jobs.

While these accomplishments demonstrate high employer commitment and promising employment results for youth, the PAYE process – which includes employer needs assessments, youth outreach, job coaching, screening and matching, interviews and action planning - also results in additional benefits for youth and employers at various stages. These benefits, highlighted below, have the potential to impact employers’ long term workforce needs and increase employability by equipping youth with the skills, knowledge and confidence required to compete in today’s labour market.

Benefits to Youth	Benefits to Employers
<ul style="list-style-type: none"> ● Explore career goals and develop personalized actions plans ● Receive one-on-one job coaching ● Attend resume and interview preparation workshops ● Connect face-to-face with employers and professional networks at learning and networking events ● Get interview experience ● Access jobs with career path potential through year-round hiring initiatives ● Obtain wrap-around social supports and additional benefits such as transportation allowance 	<ul style="list-style-type: none"> ● Obtain customized recruitment matched to workforce needs at no cost ● Access to pipelines of pre-screened, skilled and engaged talent ● Increased business advantage by hiring diverse candidates that reflect changing customer or client base ● Boost the local economy by supporting the integration of new entrants to the local labour market ● Shape Toronto’s future workforce by sharing expertise and network connections with motivated youth

The following testimonials shed light on the positive and long-lasting impact PAYE has had on youth in obtaining career-track work and on employers in finding talented and qualified employees to meet their hiring needs.

"The hardest part for someone at the start of their career is getting that foot in the door; you knock on them, but they just won't open. PAYE is a program that helps open those doors, and helps you walk through them, however, what you do once inside is up to you.

PAYE helped me get a temporary role at Deloitte... I now have my dream job. I work in a permanent Marketing role at Deloitte, surrounded by highly intelligent people who inspire me to be really great. This destination was hard to picture a few years back when I came to PAYE... but it is thanks to PAYE that I am now living my dream."

Dina – PAYE Alumni, Marketing Coordinator at Deloitte Canada

"PAYE has attracted some of Toronto’s largest employers and provides meaningful employment to so many of our youth. The initiative makes the process of finding talented and qualified employees very easy."

Steve Diamond – President, DiamondCorp

The Scope and Reach of PAYE

Current Youth Served by PAYE

Since its inception, PAYE has been committed to providing opportunities to a diverse set of youth. While the model has evolved from a place-based to a city-wide initiative, PAYE continues to focus on job-ready youth between 18-29 years of age, who are out of school and unemployed or underemployed.

Delivery teams composed of TESS staff and community agencies with intimate knowledge of local service needs ensure that youth are recruited from communities that represent Toronto's diversity. PAYE has also partnered with organizations such as the Toronto Region Immigrant Employment Council, the Ontario Job Opportunity Information Network and Aboriginal service providers to ensure that diverse groups such as trained newcomers, persons with disabilities and Aboriginal jobseekers benefit from the opportunities available through PAYE.

In 2014, 60 percent of PAYE youth were in receipt of Ontario Works (OW). Of the 150 youth connected to jobs through PAYE in 2014, over 50 percent were youth on OW. Overall, there has been an equal rate of female-to-male participation in PAYE, including the ratio of youth who have successfully gained employment.

Current Employer Partners and Opportunities Profile

The primary focus of PAYE has been partnerships with the financial and corporate services sector – including Toronto's Big Five Banks. In recent years, the PAYE model has also been successfully integrated with SDFS's Youth Employment Partnership network activities. This has enabled the growth of large-scale initiatives in retail and hospitality, such as a twice annual customized job fair with the Retail Council of Canada, an annual recruitment initiative with Landscape Ontario, customized job fairs with Yorkdale, and the 2014 Hospitality Job Fair delivered in partnership with the Ontario Tourism, Education Corporation and the Toronto Workforce Innovation Group.

The City has also replicated the PAYE model with employers participating in the City's Imagination Manufacturing Innovation Technology (IMIT) grant program.⁹ For instance, in 2012-2013, TESS staff worked closely with Ripley's Aquarium of Canada to develop customized employment plans that led to the recruitment of 10% of the Ripley's workforce.

By building and leveraging these multiple and varied City partnerships, PAYE works with employers to determine and meet their workforce needs through customized recruitment, training and retention supports. Employers, meanwhile, offer a range of entry and mid level positions to job-ready youth across multiple business lines including full-time, part-time and seasonal positions.

⁹ The IMIT program allows eligible businesses to receive a Tax Incremental Equivalency Grant (TIEG) while also committing to participate in a City-endorsed hiring initiative.

Efforts to expand PAYE, as discussed in the next section, will require working with an increased number of business leaders in ways that not only support job-ready youth, but in ways that also support other youth in obtaining first-work experiences and vital professional network connections.

City Actions to Expand PAYE

Given the continued high levels of youth unemployment and the success achieved by the PAYE model to date, expanding PAYE is one concrete way in which the City can strengthen its efforts to address youth unemployment. As a result, the following steps, described in detail below, will be taken in 2015 to expand PAYE:

1. Engaging Champions and Recognizing Employer Commitment
2. Consolidating and Extending Existing Employer and Sector Connections
3. Aligning City Employment Opportunities with PAYE
4. Establishing Youth Mentors and Ambassadors
5. Building on Community Strength to Serve More Youth
6. Strengthening Government and Institutional Partnerships
7. Updating PAYE marketing materials and strategies to showcase success

These actions, reflecting the input of employers, youth, community organizations and City staff, will result in the following outcomes in 2015:

- Doubling the number of hiring employers engaged from 40 to 80;
- Diversifying the types of employers and sectors engaged;
- Doubling the number of youth served from 500 to 1000; and
- Working with employers in other ways, beyond hiring, to better support youth.

1. Engaging Champions and Recognizing Employer Commitment

Previous experience and successes from establishing a PAYE Leadership Board support the need to identify and engage new business and political champions to build momentum and increase business participation through PAYE.

TESS and EDC are currently working with the Mayor's Office and the Chair of the Economic Development Committee to confirm opportunities for Mayor John Tory and the Councillor Michael Thompson to champion PAYE through various activities in 2015. One confirmed event is an Employer Reception to be hosted by the Mayor on March 25, 2015. The purpose of the event is to recognize and renew the commitment of current PAYE employer partners and to encourage new business leaders to join PAYE. The Reception is expected to attract up to 100 leading employers and will be the first in a series of more targeted employer and sector engagement events in 2015.

Given the central role businesses and employers play in the success of PAYE, a formal way of recognizing employer contributions is necessary. As a result, TESS and EDC will explore opportunities, such as the upcoming Employer Reception, to launch an inaugural

PAYE Employer Champion award, to celebrate the valuable contribution of an employer partner who has demonstrated outstanding leadership through PAYE.

2. Consolidating and Extending Existing Employer and Sector Connections

A key step to doubling and diversifying the number of employers engaged through PAYE is to consolidate and leverage existing connections to employers and sectors through various City activities. For instance, the 2014 Deputy Mayor's Roundtables highlighted strong desire from Toronto's various sectors and businesses, including manufacturing, innovation and technology, black business professionals and young entrepreneurs to work with the City. Currently, EDC and TESS are working with these business leaders to take part in various activities to support training, mentorship, incubation and employment at the City. SDFA will leverage its relationship with employers who work with Toronto Youth Jobs Corps by introducing PAYE to those employers not connected to the program. These partnerships are expected to result in increased opportunities for PAYE youth, particularly through participation in emerging growth sectors in Toronto.

Leveraging relationships with employers participating in Toronto's IMIT program is another concrete avenue to increase and diversify the number of employers participating in PAYE. To this end, TESS will continue to work proactively with IMIT employers to develop customized employment plans and recruitment strategies that will broaden the scope of opportunities available for PAYE youth. Some projected IMIT employer partners for 2015 include Corus Entertainment and Coca-Cola Refreshments Canada.

In 2015, TESS will also leverage current sector initiatives with the construction trades and customer service and retail to better support PAYE youth. Through TESS' 2015 purchase of employment services, PAYE youth in receipt of OW will be able to access innovative career exploration and sector-based training programs through partnerships with Hammer Heads and the Hospitality Workers Training Centre. These partnerships provide hands-on, relevant training in demand industries that will meet the needs of PAYE youth requiring skill development support prior to entering the labour market.

3. Aligning City Employment Opportunities with PAYE

The City of Toronto, including its Agencies, Boards, Commissions and Corporations (ABCCs), is an important source of employment for young residents in the city.¹⁰ Increasing access to these City job opportunities through PAYE will not only increase the types of opportunities offered but also ensure that youth obtain reputable work experience and potential placements in sustainable jobs with career path potential.

Initiatives like the Toronto 2015 Pan Am/Parapan Am Games (TO2015) represent long-term investments that the City is strongly committed to and highlight how the City can demonstrate leadership as both an employer and convener to deliver positive impacts for

¹⁰ As of December 31, 2014, the City of Toronto (excluding ABCCs) employed approximately 7000 youth between 18-29 and over 1200 youth under 18.

young residents. For instance, EDC has recently committed to employ 24 youth through TO2015 and TESS and SDFA are currently partnering with the Ministry of Training, Colleges and Universities to support the recruitment for 150 youth jobs available through a TO2015 SEEDS initiative¹¹. These latter opportunities are seasonal, full time opportunities covering a range of positions, from transportation to venue management; logistics to customer service.

Building on recent inter-divisional collaboration between TESS and Human Resources, the City will pursue more targeted work in 2015 to align youth-focused City opportunities with PAYE.

4. Establishing Youth Mentors and Ambassadors

The practice of mentoring in general and peer mentoring in particular is now widely recognized as a positive component of many employment programs. The experience, support and guidance that mentors share and provide can have a positive impact and lasting effect on employment outcomes. The introduction of a peer mentoring component to PAYE would provide valuable support for youth throughout their recruitment and participation, with particular value for youth with limited work experience. As a result, in 2015, TESS will work with PAYE partners and alumni to establish peer mentors for PAYE youth. In addition, to fully capitalize on the skills and experience of former participants, PAYE will establish a number of Youth Ambassadors who will champion the PAYE initiative to youth, employers and other key stakeholders.

5. Building on Community Strength to Serve More Youth

Community agencies play a central role in outreaching and delivering a full suite of employment services to PAYE youth. Efforts to double the number of youth residents participating in PAYE on an annual basis will invariably require strengthened community partnerships.

In 2015, TESS in collaboration with SDFA's Youth Employment Partnership network will work closely with the community sector to ensure that youth employment opportunities are shared widely. To date, TESS and SDFA have held multiple information sessions with community and employer partners on upcoming youth employment initiatives and have leveraged the role of existing local planning tables, such as the Integrated Local Labour Market Partnerships to improve planning and integrated service delivery.

6. Strengthening Government and Institutional Partnerships

As PAYE has evolved over the years, it has developed a number of different partnerships with the Province and organizations such as the Toronto Region Board of Trade, the Toronto Workforce Innovation Group, Metrolinx and the Community Benefits Network,

¹¹ SEEDS is a Toronto 2015 Pan Am/Parapan Am Games (TO2015) diversity and inclusion initiative that includes a corporate mentorship partnership component.

and the United Way, among others. These relationships have served primarily two objectives: to broaden private-sector reach and to share knowledge about emerging strategies and actions to address the needs of youth and employers. Overall, this has contributed to PAYE's evolution as a responsive workforce development model.

Currently, the City, through TESS, has partnered with CivicAction to advance several objectives articulated in their youth strategy - Escalator: Jobs for Youth Facing Barriers. As part of this partnership, TESS' General Manager has committed to participate in CivicAction's Youth Champions Council, a group of private, public and community leaders convening to address unemployment challenge with creative, industry-driven solutions.

In 2015, PAYE will continue to strengthen relationships with youth employment-focused stakeholders, like CivicAction and United Way, and will collaborate with business institutions and relevant orders of government to better support youth.

7. Updating PAYE Marketing Materials and Strategies to Showcase Success

To better support the marketing of PAYE in 2015, efforts are underway to update employer and youth outreach materials, redesign the PAYE website (www.torontopaye.ca) and establish greater social media presence through existing City of Toronto Twitter accounts and LinkedIn.

Conclusions and Next Steps

PAYE is a model that works. Its holistic approach – focusing on the needs of youth and employers– results in multiple success factors throughout the process. Beyond hiring, youth receive valuable experience preparing for employment and building lasting professional networks. Participating employers on the other hand, amplify business leadership in Toronto and benefit directly by obtaining streamlined access to a pool of diverse job-ready youth to meet their current and future hiring needs.

The actions being taken to expand PAYE reflect the lessons learned over several years of implementation. But there are other important lessons too. It is evident, for example, that the lack of decent (well paid, full-time, secure) employment prospects within the local labour market in Toronto exacts a high toll on youth. As new employers are engaged, PAYE will give careful consideration to the types of opportunities offered and the retention and other supports that are made available to youth. But clearly, the goal of ensuring quality jobs with career path potential is beyond the scope of PAYE alone.

Similarly, although PAYE has achieved significant success in identifying and supporting underserved youth from priority neighbourhoods, it is evident that youth who have not finished high school or who have limited or no work experience have been unable to fully capitalize on the opportunities provided. For these youth more and different opportunities beyond what PAYE can provide are needed to gain the skills, work experience and knowledge that will open the door improved career opportunities.

Consequently, moving forward, expanding PAYE is just one element of the work the City will be undertaking to tackle youth unemployment in Toronto. In addition to the City's ongoing work in the areas of workforce development, quality jobs, social procurement and newcomers for example, Toronto Employment and Social Services (TESS), Economic Development and Culture (EDC) and Social Development Finance and Administration (SDFA) are developing a more comprehensive City approach to address the full spectrum of youth employment needs, with a focus on employer-led training, gaining work experience, building skills and employability, developing career pathways and supporting entrepreneurship, among others. Finally, in collaboration with key divisions, TESS, EDC and SDFA will also continue to advance workforce development and youth equity objectives and support other youth employment strategies being undertaken across the city.

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ATTACHMENTS

1 - PAYE Process