



STAFF REPORT ACTION REQUIRED

Work-Based Learning Works: An Action Plan for Youth Employment in Toronto

Date:	March 31, 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:	20943

SUMMARY

At 18%, the youth unemployment rate (15-24) in the Toronto Census Metropolitan Area is nearly triple the overall rate and is consistently higher than the rates for Ontario and Canada. There are significant variations between different groups of youth. For example, 28% of youth aged 15-19 are unemployed, compared to 35% and 31% of Aboriginal and newcomer youth in the same age range. There are also significant variations across Toronto's neighbourhoods, with one quarter experiencing a youth unemployment rate higher than 18%.

After briefly describing important labour market changes which are driving these high levels of youth unemployment, this report notes the important role of work-based learning in successful responses. It describes the City's current work in this area and highlights a number of promising models and practices that the City can build on to connect more unemployed youth with jobs, career pathways and a wider range of work-based learning opportunities.

Based on best practices and the local context, the report focuses on short-term actions that leverage the City's role as an employer, capitalize on existing connections with employer and sector partners, increase support to youth entrepreneurs and support youth who are more distant from the labour market. Moving forward, the City will seek feedback from internal and external stakeholders on ways to better align this work and support the replication and scaling up of promising approaches.

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 request that the Acting Deputy City Manager, Cluster A, engage appropriate City Divisions to:
 - a) Work with Corporate Human Resources and Toronto Employment and Social Services to increase youth access to existing City positions, including seasonal, temporary and summer positions, by developing outreach plans that target unemployed youth in receipt of Ontario Works, youth connected to other youth programs and youth in Neighbourhood Improvement Areas;
 - b) Increase the number of City apprenticeship positions in a variety of occupations for unemployed youth;
 - c) Expand the number of work-based learning opportunities for youth in the Toronto Public Service, including the development of a City of Toronto pilot internship program; and
 - d) Increase the number of City Job Incentive Program opportunities for youth in receipt of Ontario Works.

2. City Council direct 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 to identify opportunities to expand the range of employer- and sector-specific work-based learning initiatives for unemployed youth.

3. City Council direct the General Manager, Toronto Employment and Social Services and the Acting Executive Director, Social Development, Finance and Administration, in conjunction with other appropriate divisions, to work with the General Manager, Economic Development and Culture to increase access for youth in receipt of Ontario Works and youth living in Neighbourhood Improvement Areas to entrepreneurship programming, including the repurposing of an existing TESS Employment Centre.

4. City Council direct 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, to provide Economic Development Committee with a report in fall 2015 that includes:
 - a) a status update on completed actions and any subsequent measures needed to fully address recommendations 1-3, including any resource requirements;
 - b) a common process for tracking outcomes for City youth employment initiatives; and
 - c) practices to better align work and support the replication and scaling up of promising approaches over the long term based on consultations with internal and external stakeholders, including other orders of government, business, community, labour, education and labour market experts.

Financial Impact

There are no financial implications arising from this report beyond what is included in the 2015 Approved Operating Budget for City Divisions. Any additional resources required beyond 2015 will be addressed through subsequent budget processes.

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

Equity Impact

The City's youth employment initiatives support 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. This report highlights short-term actions the City can take to better connect more unemployed youth with quality jobs and careers and increase the number and range of work-based learning opportunities available for a spectrum of youth in Toronto.

DECISION HISTORY

At its meeting on February 16, 2015, The Economic Development Committee:

1. Requested the General Manager, Toronto Employment and Social Services, in conjunction with the General Manager, Economic Development and Culture, and the Executive Director, Social Development Finance and Administration, to report to the April 16, 2015 meeting of the Economic Development Committee with a Youth Employment Action Plan that includes:

- a. a broad and comprehensive apprenticeship/internship component, including job activities/classes not typically considered; and
- b. an outcome tracking process that tracks participant outcomes for a 24 to 36 month period, or longer if feasible.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.ED2.3>

ISSUE BACKGROUND

Concerns about youth unemployment and underemployment in Toronto extend far and wide. A succession of reports by business, community organizations and think tanks have highlighted the growing numbers of youth struggling to find work, balance multiple, insecure contracts and identify pathways to better jobs and careers.¹ The following brief

¹ See, for example: Geobey, S. (2013), "The Young and the Jobless: Youth Unemployment in Ontario." Canadian Centre for Policy Alternatives; Toronto Region Board of Trade (2014), *Closing the Prosperity Gap: Solution for a More Liveable City Region*. CivicAction (2014) Escalator Jobs for Youth Facing

overview of the scale and costs of youth unemployment provides insight into the basis for this shared concern:

- More than 47,000 youth (15-29) are unemployed in Toronto and 83,000 youth (15-24) in the GTA-Hamilton region are neither employed nor in education and training;
- At 18%, the youth unemployment rate (15-24) in the Toronto CMA is nearly triple the overall rate (25+). It is consistently higher than Ontario (16%) and Canada (14%).
- Youth 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.
- Toronto has the largest gap -- 21.8% -- between youth and adult employment and the lowest youth employment rate -- 43.5% -- in the province.
- There are significant variations between different groups of youth:
 - The unemployment rate is 28% for youth 15-19 and 18% for youth 20-24;
 - For Aboriginal youth, it is 35% (15-19) and close to 20% (20-24);
 - For visible minorities, it is 33% (15-19) and over 20% (20-24); and
 - For newcomers, it is 31% (15-19) and 21% (20-24)²
- There are also significant variations across Toronto's 140 neighbourhoods, including one third (36) having a youth (15-29) unemployment rate higher than 18%, and smaller subset of these neighbourhoods having a rate of 25%.³

Beyond these numbers, there is strong evidence that extended periods of youth unemployment and underemployment at the onset of an individual's career imposes short and long term costs (often described as “scarring”) through reduced income, loss of skills and limited career trajectory. As noted by TD Economics (2013) these costs are apparent in “a persistent wage penalty” that can last an entire working lifetime. More broadly, there is also a negative impact on the overall quality of the workforce and productivity. For example, such scarring is estimated to have cost Canada the equivalent of 0.6% of GDP during the recent recession.⁴ Finally, high rates of youth unemployment and underemployment are also associated with higher levels of psychological distress, poorer physical health, and a reduced quality of life.⁵

Before focusing on actions that can address youth unemployment, the report highlights a number of labour market changes that are creating particular disadvantages for youth.

The Changed Labour Market Context Facing Youth

Some commentators suggest that while the current elevated levels of youth unemployment are concerning, they are in line with historical trends and are optimistic that a return to solid economic growth will ‘solve’ the problem of youth unemployment.⁶

Barriers: Companies and Jobs Moving Up in the World; Mowat (2014) Redesigning Collaboration: Opportunities for Innovation in Toronto's Labour Market.

² Additional analysis of 2011 National Household Survey data by CivicAction.

³ Unpublished 2011 National Household Survey data.

⁴ TD Economics (2013), “Assessing the Long Term Cost of Youth Unemployment”, January.

⁵ Shafik, N. (2012), *Avoiding a Lost Generation*, IMF Global Economy Forum

⁶ Gordon, S. (2015), Job Creation is not very high on Canada's list of problems, National Post, February 23.

However, there are a number of compelling reasons why this analysis may not hold true, especially for Toronto.

First, in the short-term, there continues to be little expectation of an economy firing on all cylinders any time soon. Indeed, many commentators have downgraded their forecasts, anticipating that the "new normal" is an extended period of moderate economic growth and job creation. Recent analyses by RBC, CIBC and TD note concerns about the underlying strength of the economy, with job quality at its lowest level in two decades.⁷

Second, while the 2008 global recession exacerbated youth unemployment, its persistence at elevated levels reflects a number of significant changes, including:

- Over the last two decades, labour markets have become increasingly polarized, with the disappearance of 'mid-level' jobs and the expansion of knowledge and entry level positions.⁸ This loss has, in turn, removed traditional career ladders which provided previous generations with clear and stable pathways to success.
- The nature of work has also changed, with a shift to more precarious employment in the form of part-time, low paid, episodic and contract-based jobs.⁹ In the GTA-Hamilton region, for example, precarious employment has increased by nearly 50% in the last 20 years, resulting in 40% of workers holding jobs with some degree of precariousness. Youth, in particular, are far more likely to be precariously employed.
- Related to this, there has been a general shift by employers away from investing in training. As employers demand very specific skill sets and experience, the focus has shifted to "just in time" hiring, making pathways to quality jobs, careers and decent incomes harder to find and navigate for large numbers of youth in particular.

Finally, regardless of the economic situation nationally or provincially, there are sizable variations at the local level. As noted above, the underlying trend in Toronto is of high and elevated levels of youth unemployment that are increasingly concentrated in specific neighbourhoods and specific populations. The magnitude, distribution and persistence of youth unemployment in Toronto mean that economic recovery alone will not be enough. Instead, a range of policies and approaches are needed, over both the short and longer term, to engage employers to meet their needs, to provide youth with the experience and skills required to find and keep jobs, and to better connect employers and youth.

Responding to Youth Unemployment: Work-Based Learning Works

Recognizing the dangers of high youth unemployment and the reality of changed labour markets, policymakers and practitioners around the globe have redoubled their efforts to

⁷ RBC Economics (2015), Economic and Financial Market Outlook, March; CIBC Employment Quality Index, March 2015; TD Bank Index, February 2015.

⁸ Zizys, T. (2011), *Working Better: Creating a High-Performing Labour Market in Ontario*, Metcalf Foundation.

⁹ 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.

address youth unemployment by identifying what works and building on best practice. A diverse range of international bodies, from the Organization for Economic Cooperation and Development (OECD) to the International Labour Organization (ILO), have established policy frameworks, action plans and initiatives to address youth employment.¹⁰ Reflecting an extensive body of research, the consensus from this work is that extensive employer engagement and greater access to the workplace are key to successful labour market transitions for youth.¹¹ As a result, recent years have seen a renewed emphasis on various forms of Work-Based Learning (WBL).

While WBL has no single definition, it is often understood as an umbrella term, covering a continuum of activities with an emphasis on learning in a real work environment and through practice. Activities range from shorter and less formal workplace exposure to longer term and more intensive activities such as internships and apprenticeships. Research suggests that WBL results in significant benefits to both youth and employers:

- For youth, it boosts hard and soft skills, offers vital workplace, knowledge and experience, and instills positive work habits.
- WBL also has a positive impact on wages and effectively supports transitions from school to work, leading to quality jobs and career pathways.
- For employers, WBL helps address skills gaps, supports effective talent recruitment, enhances employee retention and satisfaction and increases productivity overall.¹²

Closer to home, recent reports by CivicAction, United Way Toronto and the Toronto Region Board of Trade, among others, stress the importance of effective employer engagement and work experience activities in addressing youth unemployment.¹³ As we note below, WBL activities also form an essential element of City initiatives for youth and others.

The City's Approach to Youth Unemployment

A previous report to the Economic Development Committee provided a brief overview of City strategies and actions that address youth unemployment, as well as a description of the steps that are being taken to expand one successful initiative – the Partnership to Advance Youth Employment.¹⁴ The report described a number of City strategies that are driving the City's approach, including the Workforce Development Strategy, the Economic Growth Plan and the Toronto Youth Equity Strategy, as well as specific City

¹⁰ OECD (2013) *The OECD Action Plan for Youth: Giving Youth a Better Start in the Labour Market*; European Commission (2013) *Working Together for Europe's Young people: A Call to Action on Youth Unemployment*; International Labour Organization (2012) *Overview of Apprenticeship Systems and Issues*.

¹¹ European Commission (2013), *Work-Based Learning in Europe: Practices and Policy Pointers*, UK Commission for Employment and Skills (2013) *Precarious Futures? Youth employment in an international context*; Canadian Chamber of Commerce (2014), *A Battle we can't Afford to Lose: Getting Young Canadians from Education to Employment*.

¹² European Training Foundation (2013) *Work-Based Learning: Benefits and Obstacles*.

¹³ Toronto Region Board of Trade (2014), *Closing the Prosperity Gap: Solution for a More Liveable City Region*. Toronto

¹⁴ City of Toronto (2015), *Expanding the Partnership to Advance Youth Employment (PAYE)*.

initiatives that connect youth to jobs and enhance employability. In addition to this work, the City has recently undertaken extensive consultations to shape the development of a Poverty Reduction Strategy. The 2015 Approved Operating Budget committed additional resources to a range of poverty reduction initiatives.

Reflecting the broad range of youth the City serves, these strategies and initiatives vary considerably in scope and duration. Just as unemployed youth have a diverse range of skills and experiences, they also have diverse employment service needs. At one end of this continuum are youth with highly marketable skills and qualifications who are "close" to the labour market. These youth typically require job search supports that focus on making connections with employers and job opportunities. At the other end of the spectrum are youth who are "distant" from the labour market. These youth face multiple barriers to employment and often require intensive supports, including targeted career exploration supports, essential skills training and specialized services and assessments.

To address these different needs the City plays a number of roles.

- First, the City leverages its role as an employer to increase access to employment opportunities for youth and others. For example, the City's Job Incentive Program provides opportunities for OW recipients to acquire valuable workplace skills and experience in the public sector. In addition, initiatives such as Parks Forestry and Recreation's Youth Leadership Programs are designed to provide volunteer opportunities and build leadership skills, civic engagement and life and employability skills. In 2015, this support has already helped approximately 1000 youth from Neighbourhood Improvement Areas to apply to summer jobs with the City.
- Second, the City directly delivers -- and refers youth to -- a range of employment-related services and supports. For example, the City's Partnership to Advance Youth Employment (PAYE) provides youth (18-29) with one-one-one employment coaching, learning and networking opportunities and access to jobs.¹⁵ In addition, the City also leverages community connections through SDFA's Youth Employment Partnership network to maximize employment supports available for youth. The City also has a variety of initiatives that support young entrepreneurs.
- Finally, the City also contracts out a range of employment services. For example, through its recent Purchase of Employment Services, Toronto Employment and Social Services (TESS) has contracted with 60 service providers to deliver more than 100 programs that serve a range of population groups, including youth. In addition, the Toronto Youth Jobs Corps program, coordinated by SDFA and delivered by three community agencies selected through an open request for proposals process, provides youth aged 16-29 with pre-employment and job placement support.¹⁶

¹⁵ Further details about PAYE can be found in the report: City of Toronto (2015), Expanding the Partnership to Advance Youth Employment (PAYE).

¹⁶ Further details about the Toronto Youth Jobs Corps program can be found in the report: City of Toronto (2015), Service Canada Funding for the Toronto Youth Jobs Corps Program.

Through these various roles and the wide range of initiatives they encompass, the City connects youth with opportunities to build work experience and also supports their transition into good jobs. Despite this positive impact, the scale and persistence of youth unemployment means that more needs to be done. The following section describes the short-term actions the City will take to increase work-based learning opportunities for youth. Subsequently, the City will identify ways to better align work and support the replication and scaling up of promising approaches by consulting with a range of internal and external stakeholders.

COMMENTS

Work-Based Learning (WBL) is a long-standing practice that has received renewed attention in recent years given the low levels of youth unemployment found in jurisdictions that place a strong emphasis on workplace experience. While the positive impacts of more formal approaches, such as apprenticeships, on earnings and productivity are well documented, there are also substantial benefits that result from work experience more generally.¹⁷

As noted above, the City currently provides a range of work-based learning opportunities that cover the continuum from shorter-term work experience opportunities to career preparation and permanent employment. The City's experience in this area, combined with the growing international evidence-base on the benefits of WBL, strongly suggests that a focus on expanding work-based learning opportunities will yield positive outcomes for youth, enabling them to access vital experience, jobs and careers.

Once again reflecting best practice and the City's own experience, moving forward, the City will increase the number and range of work-based learning opportunities by taking actions in the following three areas.

1: Leveraging the City's Role as an Employer: The initial and primary focus is on actions that can be taken to leverage the City's role as an employer. This is an area where the City can exert the most influence and further enhance its leadership role.

2: Capitalizing on Existing Connections with Employer and Sector Partners: A second set of actions builds on the City's existing connections with employers and sectors. These actions reflect demand-led approaches that meet current and future recruitment needs.

3: Increasing Support to Entrepreneurs, including Youth: The third area targets actions that support youth to develop entrepreneurial skills and experience. Once again, this builds on existing City strengths and provides the kinds of creative responses that are required in a fast changing labour market.

¹⁷ UK Commission for Employment and Skills (2013) *Precarious Futures? Youth employment in an international context*

In each of these areas, the report briefly describes the range of current city initiatives; details a number of promising models and the actions that can be taken to expand or replicate them; and summarizes next steps that will be taken. In some cases, the initiatives are already youth-focused and the actions moving forward centre on expanding their reach. In others, they currently have a broader focus, but moving forward there is scope to increase the number of opportunities in these areas for youth.

Lastly, as described earlier, the City serves a wide range of youth. The examples and actions described in each area, therefore, are designed to meet the needs of a continuum of youth from most employable to most 'distant'. However, youth in this latter group face multiple complex labour market challenges which if left unaddressed risk extended periods of poverty and exclusion. Given the increase in such youth on the social assistance caseload in recent years, before concluding, the report describes further actions that the City can take to increase access to employment opportunities for disadvantaged youth.¹⁸

1: Leveraging the City's Role as an Employer

The City offers a wide variety of high quality jobs and career path opportunities for almost any professional, trade, administrative or managerial occupation. While the City has long had a reputation as a leading employer, such positions are particularly desirable in the current labour market context and especially so for youth. Indeed, during the recent consultations to support the development of a Poverty Reduction Strategy, participating youth noted the important role the City could play by providing more employment and training opportunities for youth.

Leading by example, in recent years the City has begun to more systematically leverage its own role as an employer to connect qualified job seekers, including youth, with a range of work experience, short-term jobs, career preparation and apprenticeship opportunities. Through this work, the City is addressing emerging recruitment challenges associated with specific City positions and ensuring that City opportunities are made available to diverse communities and populations across Toronto. Significantly, it is also providing youth and other job seekers with high quality work experience opportunities and supporting successful transitions into good jobs and careers.

Nevertheless, given the scale of the challenge more could be done. Indeed, as this is an area where the City does not have to rely on the actions of others, more should be done. Moving forward, therefore, the City will leverage its role as an employer in two ways: by increasing access to existing City jobs for disadvantaged youth and by building on a number of promising practices.

¹⁸ In recent years the social assistance caseload in Toronto has become more distant from the labour market. For example, over 60% of Ontario Works clients identify multiple barriers to employment; fewer than 50% have Canadian work experience and approximately one-third of applicants have less than a high school education.

(i): Increasing Access to Existing City Jobs

RECOMMENDATION 1

- a) Work with Corporate Human Resources and Toronto Employment and Social Services to increase youth access to existing City positions, including seasonal, temporary and summer positions, by developing outreach plans that target unemployed youth in receipt of Ontario Works, youth connected to other youth programs and youth in Neighbourhood Improvement Areas.

The City already provides a broad range of employment opportunities for youth. Indeed, currently, approximately 7000 City staff are youth (18-29) employed in a variety of positions which include both full and part-time jobs. The majority of youth hired by the City are recreation workers through PFR. Other Divisions also hire youth to fill a range of positions. For example, TESS recently hired 130 summer receptionists for 2015, most of whom are youth. YouthWorx, meanwhile, is a Toronto Community Housing (TCH) initiative that employs youth in summer positions to undertake maintenance and community beautification projects. In addition to gaining paid work experience, youth also receive life skills, employment and job related training. Some 100 youth who are TCH residents are hired each summer, a number increasing to 150, as an action under the Toronto Youth Equity Strategy.

While these initiatives are both important and positive, there is an opportunity to increase the number of disadvantaged youth in these positions. One way to do this is by more explicitly conducting outreach for City jobs to unemployed youth in receipt of social assistance, youth connected through other youth programs or those living in Neighbourhood Improvement Areas. By committing to increase access to City positions in this way, the City will build on the leadership role it has already taken as an employer and play an even greater role in addressing youth unemployment in the city.

ii): Building on Promising Practices

RECOMMENDATION 1

- b) *Identify opportunities within their respective clusters to increase the number of City apprenticeship positions in a variety of occupations for unemployed youth*
- c) *Work with appropriate City divisions to expand the number of work-based learning opportunities for youth in the Toronto Public Service, including the development of a City of Toronto pilot internship program*
- d) *Increase the number of City Job Incentive Program opportunities for youth in receipt of Ontario Works.*

In addition to its direct hiring, the City provides a diverse range of work-based learning opportunities which span work experience and coops, paid internships, career preparation opportunities and apprenticeships. Currently, a number of Divisions have placement programs that cover a variety of occupations such as nursing and social work. For

example, in 2014, TESS offered 34 student placements through partnerships with 7 educational institutions. The City also provides paid internship opportunities to students and recent graduates, individuals with disabilities and internationally qualified professionals through Career Edge. The duration of these positions ranges from 4-12 months. In 2014, 4 divisions participated and there were 26 Career Edge internship placements.

These initiatives provide a solid foundation for the City to build on. The work experience, skills and qualifications they provide can help youth to become both better connected to the labour market and more secure in it.

Below, we highlight just a few promising models and practices that the City can look to replicate and/or scale up to provide more opportunities for youth. In general terms, apprenticeship, career preparation and work experience opportunities such as these build pathways to good quality jobs and careers for youth. More specifically, the JIP initiative provides residents in receipt of OW with valuable experience, access to professional networks and current work references. Career preparation and apprenticeship opportunities like those with Paramedics and Fleet Services, meanwhile, provide widely recognized qualifications and the first step on a meaningful career path.

- ***Job Incentive Program:*** Launched by TESS in 2010, the Job Incentive Program (JIP) provides job seekers in receipt of OW 3 to 6-month volunteer work opportunities with the City. It provides participants with current, marketable workplace experience, as well as the enhanced skills and networks needed to secure permanent employment. To date, over 30 City Divisions, along with Business Improvement Areas have embraced the program. Some 465 placements have been filled and of the 427 candidates who have now completed their placements, 225 found employment within 6 months. To date, approximately 60 youth (15%) have participated with 36 finding employment. Although City hiring was not expected, nine individuals were hired by the Toronto Public Service (TPS) reflecting the calibre of participants and underlining the success of the initiative.
- ***Primary Care Paramedic Training Program:*** Toronto Paramedic Services, in partnership with TESS, and with the support of PFR, has developed a 16 month program geared towards residents in receipt of OW. The program, which has been recognized by the Ministry of Health and Long-Term Care (MOHLTC) as equivalent to a college primary care paramedic program, consists of 12 months of classroom-based paramedic theory and practice, a hospital-based practicum, more than 450 hours of practical experience, access to athletic facilities to support the physical fitness requirements of a paramedic, and employment-related financial supports. Upon completing the program, participants are able to take the MOHLTC Certification Exam, which provides an opportunity to apply and work as paramedics across Ontario, including with the Toronto Public Service. To date, 11 individuals have completed the program resulting in 9 successful hires. Currently, 13 individuals are participating, half of whom are youth aged 18 to 29 years.

- ***Automotive Mechanic Apprentice Recruitment Initiative:*** Declining enrolment in technical programs, particularly in technical trade environments like fleet and equipment, is a growing concern across North America. To engage and attract young apprentices into City positions, the City's Fleet Services division has recently developed an innovative recruitment model by creating a new Truck and Coach and Automotive Apprentice position. Recent graduates of Centennial College's Automotive Mechanic program are encouraged to apply to the temporary apprentice position with Fleet Services. Successful candidates are employed by the City of Toronto and are supported to obtain a Ministry-approved apprenticeship and work towards a full automotive mechanic licence.

Next Steps

By increasing access to existing City jobs and building on promising practices, the City can maximize its role as an employer in ways that are effective, innovative and proven. More specifically, by developing outreach plans that explicitly take into account the demographic characteristics of unemployed youth, including where they live, it can address some of the barriers low-income youth face in accessing City opportunities. In addition to outreach plans, the City will also explore a pilot program to provide 6-month paid entry-level internships for select non-union job classifications. Key divisions will also explore the feasibility of increasing City apprenticeship positions in a variety of occupations. Collectively, these steps will ensure that the City helps more youth access jobs, build skills and create sustainable career pathways.

2: Capitalizing on Existing Connections with Employer and Sector Partners

By engaging with employers and sectors, the City is able to identify current and future workforce needs and develop responsive recruitment strategies specific to these needs. Such partnerships also offer important benefits to the supply side of the labour market. Job seekers get access to job and training opportunities in demand sectors, and tap into promising career pathways over the long term. Increasingly, the City has played a prominent role in convening employers and growth sectors and catalyzing promising demand-led approaches to training and recruitment for youth as well as other groups.

Capitalizing on the City's current relationships with employers and sectors through various initiatives and partnerships and building on the promising models highlighted below, this report recommends that the City:

RECOMMENDATION 2

- *Identify opportunities to expand the range of employer- and sector-specific work-based learning initiatives for unemployed youth.*

Current City Initiatives

Since the introduction of Ontario Works in the 1990s, TESS has contracted with a range of service providers to deliver responsive employment services and programs. Attachment 1 provides an overview of the new Purchase of Employment Services (POES) program streams and anticipated service levels for 2015. The new POES provides an increased investment (from \$10.5M in 2014 to \$15M in 2015) and an enhanced emphasis on employer and sector engagement as well as work-based learning. For example, programs offered under the Occupational-Specific Skill Training stream help participants find and maintain suitable employment through occupation-specific skill training and practical work experience. Meanwhile, the newly introduced Sector-Focused Career Development program stream helps individuals moving closer to the labour market explore career pathways in growth sectors such as Information Communications and Technology, Construction and Food.

The City's continued work with the various Council Advisory Bodies also reflects increased sector engagement in workforce development activities. For example, TESS and EDC are actively developing strategies to foster collaboration between Toronto's manufacturing sector through the Industrial Manufacturing Program Advisory Committee in Toronto (IMPACT) and postsecondary institutions, with the goal of filling emerging labour market needs.¹⁹ More recently, various employers from IMPACT and the Innovation and Technology Council Advisory have pledged their support to expand the City's PAYE initiative. These new partnerships are expected to result in a greater number of entry and mid-level positions, as well as work-based learning opportunities, for youth in these growth sectors.

Finally, the City has also partnered with various sector councils and training centres to support year-round targeted recruitment initiatives and sector-based training. For example, in 2015, TESS provided support for a small-scale vocational training program in hotel maintenance in partnership with UNITE HERE Local 75 and the Hospitality Workers Training Centre. This 20-day program was developed with input from employers in the hospitality industry and consisted of classroom training, hands-on training, employment preparation and placements in Toronto-area hotels.

Building on Promising Practice

Below, we highlight selected examples of promising models where the City has worked with employers and sectors to align workforce needs to preparation, training and employment opportunities for Toronto's younger workforce. While these examples represent small-scale initiatives, they embody the elements of successful demand-led approaches which can form the basis for future expansion and/or replication. Specifically, these elements include: strong industry partnerships, a focus on work-relevant training and education and an orientation of service towards a career pathways approach.

- ***Bombardier Aircraft Assembler Fast Track Certification Program:*** In partnership with Centennial College, TESS has recently developed a customized training and recruitment model for youth between 18-29 years of age interested in pursuing a career in Aircraft Assembly with Bombardier. Interested candidates are coached and pre-screened by TESS staff and encouraged to apply to a 16-week Aircraft Assembler Certification Program with Centennial College. Successful graduates of the training program are fast tracked into unionized positions with Bombardier Aerospace. In 2014, 5 youth completed the program, resulting in 5 successful hires. Support for this program has been provided by the Ministry of Economic Development, Employment and Infrastructure.
- ***CNC Machinist Recruitment and Training Program:*** The Ontario Manufacturing Learning Consortium (OMLC), in collaboration with TESS, has recently introduced a comprehensive recruitment and training program targeting youth (18-29) for entry level CNC (Computer Numerical Control) Machinist positions. TESS, together with community partners, works together to identify and prepare interested youth. Successful candidates receive a 21-week work-based training program provided by the Institute of Machine Tool Technology (iMTT) and are matched with employer mentors. At the end of the program, trainees receive industry-recognized CNC certification and are connected to employers in the advanced manufacturing sector. In 2014, 13 youth were hired, 6 of whom were youth in receipt of social assistance.
- ***NPower Technology Service Corps program:*** In November 2014, NPower Canada, in collaboration with United Way and CivicAction, launched an intensive 22-week information technology (IT) skills training program for a group of 25 young people (aged 18-25) in Toronto. Held at Ryerson University, the first phase of the program consists of a 15 week, part time in class IT and life skills training program. The second phase is a 7 week paid internship with leading –businesses such as Accenture, CISCO, TD and Virgin Mobil. The City has supported the first cohort of the program by referring suitable youth, identifying guest speakers and facilitating the placement of two participants. The City is now in the process of exploring opportunities to offer paid internships at the City for the program’s second cohort beginning in July 2015.

Next Steps

Collectively, TESS, SDFa and EDC will identify ways to provide employer and sector partners with the necessary supports to offer the kinds of initiatives described above. For example, this will include developing customized training programs, exploring the feasibility of providing financial incentives to employers and leveraging existing technology platforms to facilitate outreach and selection of suitable youth. Additionally, the City, United Way and other stakeholders will engage in a joint initiative to map the current youth employment service system landscape in Toronto. This collaborative exercise will allow for a more systematic approach to working with industry partners.

3: Increasing Support to Entrepreneurs, including Youth

Given the significant changes to the labour market noted earlier, and the pervasiveness of precarious work, supporting entrepreneurship is another key way of integrating youth into the labour market. Experience in this area provides youth with valuable knowledge and skills to start their own business, gain access to capital, and increase economic advancement.

Guided by its Economic Growth Plan, *Collaborating for Competitiveness*, the City has already committed to creating a positive environment for small businesses and entrepreneurs of all ages as a priority for advancing job growth in Toronto.

Building on the positive framework that has already been established to encourage entrepreneurs in Toronto, this report recommends that the City:

RECOMMENDATION 3

- *Increase access for youth in receipt of Ontario Works and youth living in Neighbourhood Improvement Areas to entrepreneurship programming, including the repurposing of an existing TESS Employment Centre.*

Current City Initiatives

Entrepreneurship services delivered by the Economic Development & Culture division provide a range of assistance for those looking to establish or grow a small business through Enterprise Toronto, the City's small business enterprise centre, and the business incubation program. The City has made available through its website a database of resources such as business incubators, accelerators and mentors that can assist entrepreneurs in overcoming barriers faced when starting and growing a small business.

In addition, Enterprise Toronto provides a range of services for entrepreneurs in the City, including targeted programming for youth. For instance, Starter Company provides eligible youth aged 18-29 with business advice, training and mentoring support over a 6-month period and grants of up to \$5,000 to start or grow a business. The program targets youth who are not in full-time education or employment and do not plan to return to school. Summer Company, on the other hand, is a program designed to foster entrepreneurial skills in students between 15-29 years who plan to return to school. In place of summer employment, participants submit a detailed business plan for approval and receive hands-on business training, financial support with awards of up to \$3,000 and an opportunity to earn money while gaining business experience over the summer.

Finally, a number of City initiatives have been developed to support individuals in receipt of OW to develop the skills necessary for self-employment. Through the Self-Employment Development stream of TESS' Purchase of Employment Services, individuals receive support to develop and implement profitable business plans within a 60-week time frame. Launched in 2013 by EDC and TESS, JUMPSTART Your Biz also

provides entrepreneurial support to OW clients. This joint initiative consists of a 14-month program which provides participants access to a range of resources including: professional guidance and business advice; business management workshops; and peer-to-peer support to accelerate business growth.

Building on Promising Practices

Below, we highlight emerging City projects focused on promoting and supporting entrepreneurship in Toronto. While not all projects specifically focus on youth, they reflect a spectrum of entrepreneurship supports, including mentorship and business incubation which can potentially be leveraged to reach and better support young people interested in entrepreneurship.

- ***Young Entrepreneurs Council Advisory Body Projects:*** EDC and TESS have been actively working with the Young Entrepreneurs Council Advisory Body to generate ideas that can be implemented by the City as policies, programs or special projects that will advance youth entrepreneurship opportunities in Toronto. Several potential projects that the City could undertake have been discussed, including providing young entrepreneurs with a network of work spaces in civic centres and public libraries to support innovation and entrepreneurship. As a connector to people, programs and business, the City could also leverage existing programs such as Enterprise Toronto's youth programming, and strengthen linkages between ecosystem partners and City divisions that serve young entrepreneurs. A report will be generated by the end of 2015 with the policy and program suggestions, with implementation to commence in 2016.
- ***Enterprise Toronto Entrepreneur Mentoring Program:*** Expected to be launched in April 2015, the Entrepreneur Mentoring Program will connect new entrepreneurs to experienced professionals and established entrepreneurs in the community with the goal of helping mentees build and grow their businesses. An online platform will support matching and interaction between mentees and mentors and will also facilitate reporting, including tracking mentoring relationships, collecting satisfaction surveys, and tracking hours of mentoring completed. To expand the scope and reach of the Enterprise Toronto Entrepreneur Mentoring Program, TESS and EDC are currently exploring opportunities to increase access for OW clients participating in TESS' Self-Employment Development program.
- ***TESS-EDC Integrated Site:*** Expected to launch in fall 2015, TESS and EDC are currently scoping a plan to repurpose an existing TESS Employment Centre to increase access to a range of entrepreneurship supports for city residents, including youth. Furthering economic development and workforce development services, the site will support entrepreneurship, business incubation and business retention and advancement. Over the longer-term, the City could examine the feasibility of expanding this model to create sector-based Workforce Development Centres focusing on growth sectors.

Next Steps

Moving forward, TESS and EDC will continue to collaborate to advance solutions to increase support to entrepreneurs, including youth. This work will inform the implementation of the opportunities identified, such as increased access to entrepreneur mentoring, the co-location of economic development and workforce development services through an integrated site and supportive interventions through the City's Young Entrepreneurs Council Advisory Body.

Supporting Youth Most Distant from the Labour Market

As described at the beginning of this report, there are significant variations in the scale and distribution of youth unemployment rates in Toronto. Many groups, including racialized and newcomer youth, aboriginal youth, and youth living in poor neighbourhoods, are overrepresented in unemployment numbers. The underlining causes of these trends are multifaceted and complex. Furthermore, youth with less than high school education or who have conflict with the law experience greater barriers to employment.

The profile of youth on social assistance in Toronto tells an interesting story. Significantly, TESS serves approximately 33,000 youth (15-29) through Ontario Works. This represents approximately 6% of Toronto's youth population (15-29) and one quarter (24%) of the caseload. Administrative data show that:

- Almost half of these are 21 or under, while 54% are female;
- Approximately 60% of youth have less than high school education; and
- More than one-third of youth have been in receipt of assistance for 36 months or longer.

The Toronto Youth Equity Strategy (TYES) recognizes the disproportionate barriers faced by many of these youth in Toronto and targets many of its actions to young people who are most vulnerable to involvement in serious violence and crime. The strategy identifies 11 specific actions to better support youth most distant from the labour market.

The City provides a number of employment services and programs that contribute to TYES objectives and assist youth who are more distant from the labour market, most notably those in receipt of social assistance. Key among these, TESS' new Purchase of Employment Services contracts have established a particular focus on those who are more distant, including youth. To fully address needs, service providers offer more intensive services, with greater scope for one-on-one support and practical, hands-on experience. For example, TESS has contracted with the Yonge Street Mission to deliver its Evergreen Next Step Program, an initiative that provides paid and unpaid placements specifically for youth distant from the labour market. The program also provides more intensive supports and referrals to mental health and addiction programs for participants with complex needs, including street-involved youth.

Shelter, Support and Housing Administration (SSHA) have also established a number of initiatives targeted at youth who are distant from the labour market. Run by Eva's Initiatives and funded through the Toronto Enterprise Fund, the Phoenix Print Shop is a commercial print shop that provides training and transitional employment to youth who are homeless or at risk of homelessness. Blackboard Marketing, operated by the Remix Project, meanwhile, is a full-service creative marketing agency providing hands-on career training and experience to 35 youth from disadvantaged, marginalized and underserved communities.

Next Steps

While this report recommends various actions that will benefit more distant youth, including expanding initiatives like JIP and working with employers and sectors in new ways, more needs to be done to address the unique barriers to employment faced by Toronto's most vulnerable youth.

Moving forward, the City will leverage its position as an employer to improve access to economic opportunities for vulnerable youth. In addition to the expansion of TCH's YouthWorx program, TYES calls for the City to undertake or expand a series of initiatives related to supporting youth, especially youth vulnerable to involvement in serious violence and crime and youth who have criminal records.

To implement pivotal TYES recommendations, TESS and SDF&A, in conjunction with other City divisions, are taking the following steps: organizing and hosting annual forums that identify barriers to employment for vulnerable youth; developing employment programs and recruitment events that are specifically geared to meeting the needs of this population, and providing appropriate work experience opportunities. It is important to note that successfully working with these youth requires intensive engagement beyond what is often provided through conventional youth related programs.

There are other actions in the Toronto Youth Equity Strategy which, while not specific only to youth employment, address the systemic barriers that vulnerable youth face. For example, the City has made tackling policy barriers a significant piece of TYES. SDFA and the Equity, Diversity and Human Rights division have committed to developing a youth component to the City of Toronto's Equity Lens (Action 24c), which will ensure that the service planning principles and recommendations of TYES are considered in divisional strategic planning. Additionally, TESS will continue to look at ways of supporting vulnerable youth by utilizing intensive case strategies to support vulnerable youth.

It is also vital that vulnerable youth have a voice in the programs that are intended to serve them. For this reason, the City is creating a policy table, comprised of youth most vulnerable to involvement in serious violence and crime from across the City, to make recommendations, review programs, and provide strategic input to the City. By taking the specific service needs and service experience of youth seriously, the City can become a leader in improving its own youth employment (and other) services.

Conclusion and Next Steps

The report has identified a number of short-term actions that leverage the City's role as an employer, capitalize on existing connections with employer and sector partners, increase support to youth entrepreneurs and support youth who are more distant from the labour market.

While these reflect promising approaches, the City must also focus on critical areas such as measurement and system coordination to maximize impact and ensure that responses deliver value to both youth and employers over time.

As a result, measuring the impact of youth employment initiatives and tracking the outcomes of youth is key to understanding what works and identifying what should be expanded or replicated as best practice. Currently, there is no common approach to collecting and reporting data on City youth employment initiatives, as each division or initiative independently establishes metrics to measure outputs and outcomes.

Furthermore, the City continues to face challenges in ensuring appropriate alignment with the broader youth employment service landscape in Toronto. This is a critical step given that various orders of government as well as leading institutions in Toronto have recently made explicit commitments to address youth unemployment. Some of these commitments include:

- Canada's Youth Employment Strategy which invests over \$330 million annually through three funding streams accessible by employers and organizations.
- Extending Ontario's Youth Jobs Strategy which has already invested \$295 million and supported over 23,000 youth to find jobs through its Youth Employment Fund.
- Launching Experience Ontario, a nine-month paid program aimed to support high school graduates to gain work experience and pursue pathways to postsecondary education, training, paid employment or apprenticeship.
- United Way Toronto's Youth Success Strategy, to be launched in spring 2015.
- CivicAction's 2014 Escalator: Jobs for Youth Facing Barriers initiative, which is currently focused on implementing a series of employer-driven pilots.

Moving forward, 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 will establish an advisory committee to support the successful implementation of the Youth Employment Action Plan. The committee will provide strategic advice on the recommendations and directions set out in this report. In Fall 2015, TESS, SDFA and EDC will report back with a status update on the recommendations contained in this report. The report will include details on completed actions, resource requirements and a common process for tracking outcomes for City youth employment initiatives. It will also identify ways to better align work and support the replication and scaling up of promising approaches based on consultations with a range of internal and external stakeholders.

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ATTACHMENTS

Attachment 1: Overview of Toronto Employment and Social Services' Purchase of Employment Services.