

August 28, 2020

Amarjot Sandhu, MPP, Chair
Chair, Standing Committee on Finance and Economic Affairs
Room 1405, Whitney Block
Queen's Park, Toronto, ON M7A 1A2
c/o Julia Douglas, Clerk

Dear Members of the Standing Committee on Finance and Economic Affairs,

Thank you for the opportunity to discuss the impacts of COVID-19 on the employment service delivery sector, as presented by First Work – Ontario's youth employment network.

Representing over 80 organizations serving youth seeking employment, First Work is the convening body for sector dialogue, research advancement, and advocacy for the Ontario employment service sector. First Work advances positive changes for employment service delivery resulting from collaboration of our employment service providers through research, knowledge-sharing events, and advocacy. We are thankful for the opportunity to shed light on the effects of COVID-19 on our sector, inclusive of the positive innovation we achieved to continue our important work during the crisis and lockdown, and provide recommendations on how we can best support the Ontario economy as we embark on the road to recovery.

Youth Employment and COVID-19

Over the last six months, the sector has transitioned of all employment services in Ontario to a remote working model, while also trying to adjust to a new labour market with far fewer jobs and a growing fear among job seekers of the associated health risks of the jobs which are available.

Within this period, the labour market has also shed over 1,011,000 jobs in March, with over 50% being in the hospitality and retail sectors – industries that have a large concentration of youth employed, as well as many newcomers.

The current youth unemployment rate youth Unemployment Rate in Canada has decreased to 24.20 percent in July from 27.50 percent in June of 2020¹, indicating a long road ahead for recovery. Based on the current labour market conditions; agencies, post-secondary institutions, advocates and policy

¹ [Trading Economics: Canada Youth Unemployment Rate](#)

makers are already anticipating the impact of COVID-19 to have prolonged effects on youth employment.

In addition to these employment risks, many of Ontario's youth are facing additional challenges including anxiety and other mental concerns, lack of opportunity to network, and practical experience due to the economic impacts of COVID-19.

These trends are particularly concerning as the effects of employment disruption or a break from employment in the formative years can result in employment 'scarring', resulting in lower future labour market participation and earnings.

Sector Response to COVID-19

While many sectors have been hit hard by the effects of COVID-19, the employment service sector faced unique challenges unlike any other in Ontario. The sector responded to the challenges presented by COVID-19 by providing innovative service delivery, new programming for the new workforce reality, and supporting a new wave of jobseekers while continuing to manage existing caseloads.

Transition to Digital Delivery

While most of the world was shutting down, the employment service sector successfully pivoted from 100% in-person delivery to 100% virtual delivery. Our sector found new ways to engage with jobseekers: moving job fairs to Zoom; providing the tablets, laptops and other technology demanded by the new virtual reality; and developing new virtual events and programming for remote access. The insights from front-line staff indicate a tailored approach to each client, accommodating those who prefer to video chat with their camera off or changing meetings to phone calls, dependant on that client's preference. Employment service centres also powered jobseekers by providing the technology supports they needed to maintain their work with the providers.

Acute Mental Health Support

The sector also stepped up to heed the call for the human-side of human services, providing counselling to support youth through what was, and still is, an exceptionally tumultuous time in the world. At the beginning of COVID, many youth transitioned from needing employment support to needing counselling support to survive the health and economic crisis. This came at great cost to the providers, who went above and beyond to provide that emotional support, while undergoing their own challenges with the pandemic. It is important that the government recognize this mental health work is critical for the end-user (i.e. job seeker), particularly young people, to find success in the labour market.

Innovative Programming for New Normal

In addition to the digital transition, the employment service sector also developed innovative programming for what was "new normal" and what now is a forever changed labour landscape. The sector had to grapple first with moving those programs which remained relevant to virtual delivery.

Moreover, the subject matter of programming needed to adapt to the new challenges brought on by the pandemic. Mental health and wellness became prominent subject matter, in addition to the basics of utilizing digital platforms.

The employment service sector in Ontario has done a tremendous job of being agile in the face of adversity and will continue to deliver the supports needed for those jobseekers facing barriers. However, as this sector was already undergoing a systems transformation prior to COVID-19, resiliency in the face of recovery is a primary concern. The sector needs additional support now to ensure youth in Ontario who were already facing barriers to employment prior to COVID-19 are not now left out of recovery.

Recommendations

As informed by our network, First Work puts forward the following recommendations to government to support the youth employment service sector and ultimately those young Ontarians who are facing the most barriers to participating in the workforce.

Increased Mental Health Support

As outlined above, the need for the 'human' side of human services became increasingly apparent through this pandemic. Employment service providers took on the role of counsellor by easing the social isolation felt by those already ostracised from the workforce. Programming adapted to support clients with their mental health struggles by teaching resiliency, creating virtual communities, and tailoring engagement to address these struggles. Particularly, youth are reaching out in volume, expressing diminished confidence and motivation in their career trajectory.

We encourage government to recognize the mental health support this sector provides and to reflect this recognition by incorporating wellbeing milestones in the employment process². Our goal is to ensure sustaining employment for those removed from the labour force, which can only be achieved if those jobseekers have the supports for resiliency. As there is no end to the pandemic in sight, the government must provide further supports to ensure that mental health struggles do not impede a successful recovery for all Ontarians.

Flexible Delivery Targets

During this unprecedented time, employment service providers have continued to deliver reporting to the Ministry of Labour, Training and Skills Development as per ministry requirements. However, the ministry has not updated delivery target numbers to reflect the poor state of the economy, which is of course impeding the ability of providers to secure employment for jobseekers. At a time when their services are most in demand, employment providers should not be burdened with meeting targets that

² [UN Policy Brief | COVID and Mental Health](#)

are not reflective of the landscape. Particularly as this sector works with those in Ontario facing the most barriers to the workforce, there is a real concern that by prioritizing delivery target numbers, the sector will favour those jobseekers who are readily employable. Though this may look like success on paper, the reality is there is risk to further increase the gap between the have's and the have-nots of the province by operating in this manner.

We ask the government that during this time of severe job loss to reduce some of those reporting protocols so that providers can divest that time spent to supporting job seekers undergoing the employment journey. We encourage the government to provide forthright acknowledgement that delivery targets during this crisis and recession will not penalize these organizations moving forward.

Increased Funding for Youth focused Employment Programming

Research studies³ conducted during the recession of 2008 revealed concerning, long-term effects of a recession on earnings, known as employment “scarring⁴.” These studies showed that youth took nearly a decade to recover when compared to their counterparts who graduated in other years. The impact of COVID-19 will therefore negatively affect these youth looking to secure their first job significantly more than any other population. Those most vulnerable youth, who are already furthest away from the labour market, are not getting any closer to securing employment with employers favouring experienced workers. Therefore, it is imperative for the government to add more funding to those youth focused employment programs to ensure that we lessen the impact of this recession on our youth cohort.

Building Capacity for Economic Recovery

During this pandemic, the employment services sector has found itself nearing capacity, balancing a swift transition to work-from-home from in-person delivery only to grappling with a vastly different economic landscape than years prior. Despite the continued personal support provided by government to Ontarians at this time, the people of this province want to go back to work. This sector will continue to help those jobseekers, however, the reality of the new normal must be addressed.

There is a very real concern that with the end of the Canada Emergency Response Benefit and other supports, there will be a massive influx of new clients entering into employment services without growth in job opportunities. This will result in ballooning caseloads, which will further disrupt organization target delivery numbers. The Ministry currently has not announced further funding for existing staff and the sector is concerned that staffing cuts may be on the horizon. We ask the government to commit to increase the existing funding for staff, so that this sector can continue to deliver the fulsome support required by jobseekers.

³ [IZA World of Labour | Do youths graduating in a recession incur permanent losses?](#)

⁴ [Reuters | Jobless youth risk lifelong 'scarring' from pandemic: ILO](#)

Safe Return to Work

Though the sector has successfully transitioned to remote delivery and will continue to provide virtual services, the nature of engagement with young people and youth facing barriers demands in-person presence. The sector has already improved youth outreach and engagement efforts, however, in-person service delivery allows for greater engagement and relationship development, ultimately leading to more successful employment in the long term. Additionally, those youth who are not engaged in education or training, making them inherently further away from employment, may be unaware of the supports available to them.

As such, our employment service centres need to be supported financially to prepare for safe, in-person delivery. Additionally, they require operational supports to maintain remote delivery, such as technology provisions, supports for work-from-home, and preparing for another outbreak. This requires dedicated funding for employment services centres so they may continue to support those youth in Ontario who need it most.

Reducing Administration Burden through Technology

We appreciate the positive steps the government has taken to reducing administrative burden as dictated by the confines of a pandemic workforce. We are supportive of and thankful for the changes government has already made to improve online access for caseload management, reducing the need for printers and scanners to complete ministry requirements. The changes made, however, have largely benefitted the employment service providers without supporting the end-user (i.e. youth). We ask the government to continue to modernize administrative practices so that the end-user is not reliant on in-person support for job-seeking.

The clients in this sector are Ontario's most vulnerable. To ensure their engagement with the sector—and thereby the labour force—is more accessible, the government must make their participation in the administrative process as simple as possible. For example, providing easily fillable, online forms for jobseekers would mean they could access the tools they need with basic technology, like a cell phone. Reports have shown that the use of technology and virtual access is critical to COVID-19 recovery, and so the government should continue to take all steps possible to ensure equal access to these critical resources.⁵ Continued, successful remote-delivery can only be ensured if the client's needs and accessibility are taken into account.

⁵ [International Labour Organization | Digital channels improve access to employment support](#)

Summary of Recommendations

To ensure those youth in Ontario facing barriers to employment are not left out of recovery, we recommend the government:

- Provide additional support for mental health so that clients can receive the care they need to be able to achieve sustaining employment.
- Build capacity in the sector by ensuring the retention of employment service providers so that the service delivery network is not overwhelmed by the influx of new clients with the end of federal support programs.
- Provide flexibility for meeting delivery-targets as prescribed by the ministry as the numbers cannot be reflective of the work completed by this sector as currently tracked and ensure organizations are not penalized for not meeting targets as currently prescribed.
- Increase funding for youth focused programming such as YJC/YJCS Programs to combat employment scarring for Ontario's young people.
- Support the safe transition for in-person service delivery at employment services centres through financial supports.
- Continue to modernize administrative practices so that the end-user is not reliant on in-person support for job-seeking. For example, easily fillable, online forms so that jobseekers can access the tools they need with basic technology.

We urge government to provide increased financial support to the sector for these measures to ensure our youth, those most vulnerable in our communities are not left out of recovery.

Sincerely,

Akosua Alagaratnam

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Executive Director

First Work | Ontario's Youth Employment Network