

## Canada West Foundation, "Where Are They Now?": A Critical Assessment

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The social assistance caseload in Alberta fell by nearly 50% from 1993 to 1996. In a study commissioned by the Government of Alberta, the Canada West Foundation (CWF) attempts to answer "[t]he questions most often raised about welfare reform [which] refer to the individuals affected by them: 'Where are they now?' 'How are they doing?'" (6). The answer: "[r]espondents generally left welfare [because] they found a job" (6). In addition, the report notes, "[o]ne-third of the sample reported that they have participated in some form of job training since January 1993" (6); "[a]bout four in ten respondents said the training that they received helped them get a job" (6); "[a]lmost three-quarters (72.5%) of the sample rated the helpfulness of AFSS [Alberta Family and Social Services] staff a 5 or better out of 10" (7); "[a]s a group, respondents not on SFI felt their lives are better since leaving welfare" (8). The study makes repeated reference to a shift in the focus of social assistance from providing "passive" income support to providing "active" support to recipients in achieving independence. These would be positive results indeed.

However, the CWF report is deeply flawed and presents a highly misleading portrait of the effects of social assistance reform in Alberta. There are four serious methodological flaws with the study which should have been patently obvious at the research design stage:

- *The CWF survey completed interviews with only 12% of the former welfare recipients it attempted to contact.* (The answer to the question "Where are they now?": for 88% of the survey sample neither CWF nor AFSS know.)
- *As a result of the survey technique, these respondents are very likely to be highly unrepresentative both of the remaining 88% of the survey sample and of the broader population of people who left welfare in this period.*
- *The study excludes the initial period of caseload reduction (which accounts for over one-third of all caseload reductions from when reductions first began to occur to the endpoint of the CWF study) and thus likely surveys a significantly biased sample.*
- *The study overlooks the most important component of caseload reductions in Alberta which has been the decreasing number of people allowed on social assistance and, thus, fundamentally misjudges the impacts of social assistance reform in Alberta.*

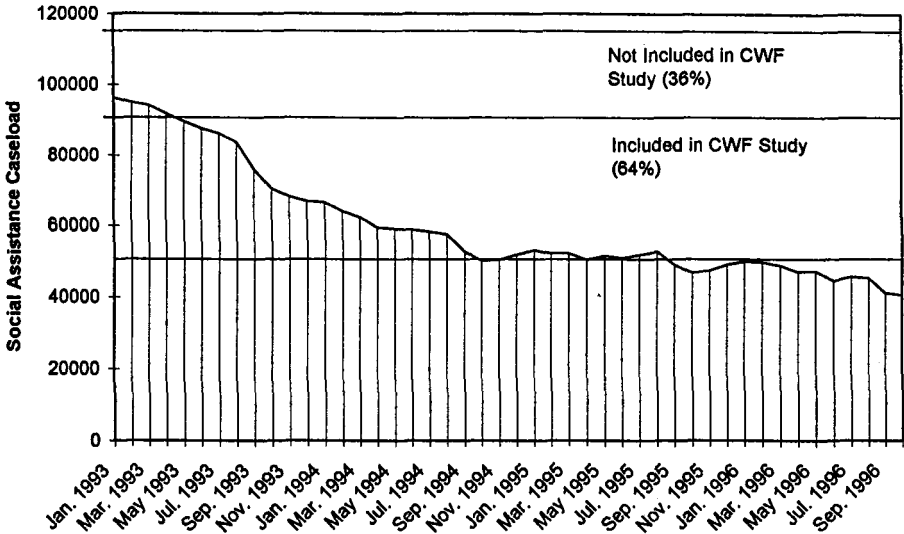
It is difficult to imagine a survey methodology that would be more certain to exaggerate the positive post-welfare experience of those leaving social assistance as well as the number of recipients leaving social assistance for employment. Despite the report's focus on a shift in social assistance from the provision of "passive" income support to "active" employment and training programs, the most significant change in focus in the Alberta system has been the restriction of eligibility and the reduction of benefits—hardly the hallmarks of an effective active social assistance strategy. To the extent that active programs provided through social assistance have been expanded from very meager initial levels, the survey results suggest that these measures have been largely unsuccessful.

### **“Where Are They Now?”: We Don't Know . . .**

The CWF notes that “[t]he questions most often raised about welfare reform refer to individuals affected by them: ‘Where are they now?’ ‘How are they doing?’” However, the CWF study overlooks the crucial fact that the caseload in Alberta declined primarily because people were not going on social assistance to the extent they were prior to changes in the administrative culture of the department—not because people were leaving the social assistance rolls at a greater rate.<sup>1</sup> A C.D. Howe Institute study argues: “Short of conducting extensive follow-up interviews, there is no way of being certain where former, or *more important* [sic], potential recipients of welfare in Alberta have gone. Furthermore, *since Alberta primarily reduced its welfare caseload by preventing potential recipients from gaining access to welfare, it is unlikely that interviews tracking former welfare recipients would shed much light on what happened.*”<sup>2</sup> The real question regarding social assistance reform—including the effectiveness of Alberta's ostensible new focus on active programming—is what happened to the people who would have otherwise relied on social assistance but did not receive it. On this crucial question, the CWF report is silent.

Even given the more limited focus on people who have left assistance, the first objection to the CWF study is that the survey (which covers September 1993 to October 1996) does not consider the initial period from January 1993—when the caseloads first began to drop—to September 1993. Over 1/3 of the caseload reduction that took place from January 1993 to October 1996 (the end of the period studied by CWF) took place in this first eight-month period.<sup>3</sup> There are good reasons to suspect that the people leaving welfare in this initial period likely do not match the profile of those leaving later and that leaving this group out of the sample significantly biases the results of the survey. For one, those leaving later likely would have had an extended period in which to find employment while those in the initial period

**Figure 1**  
 Social Assistance Caseload  
 Alberta, Jan. 1993–Oct. 1996

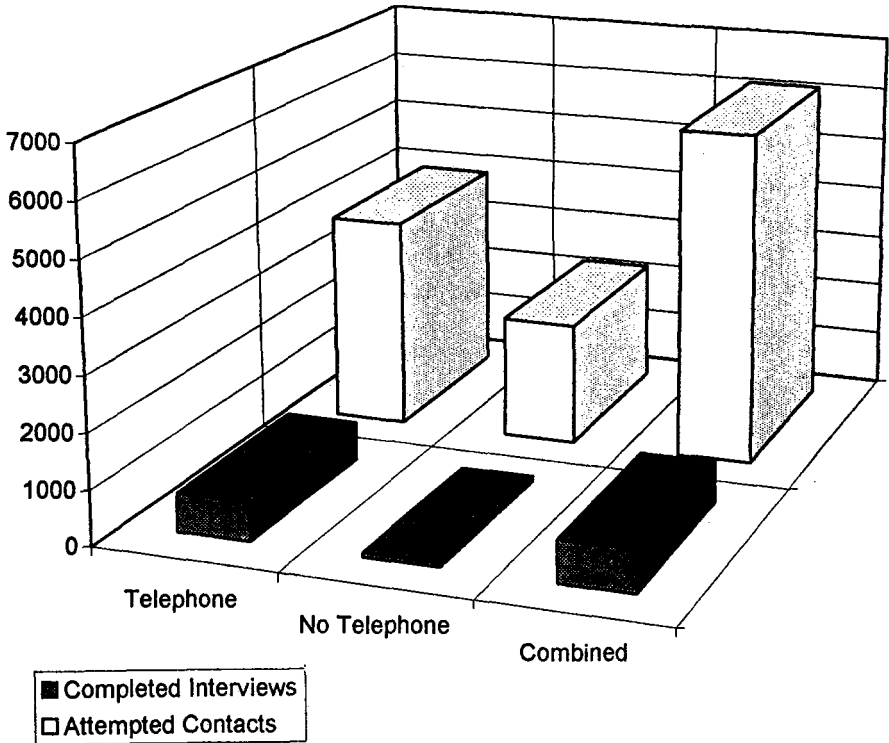


Source: Government of Alberta News Release, “Welfare Caseload Falls Below 35,000 — Hits 15-year Low,” October 2, 1996.

are more likely to have been those disqualified from welfare and left without other means of support.<sup>4</sup> Secondly, to the extent that active programs were to be made more available to recipients, those leaving social assistance in this initial period would not have had access to these enhanced programs.

The second major objection arises from the method of gathering data—telephone interviews. The study failed dismally in its efforts to find former social assistance recipients. The survey did not complete interviews with 96.5% of the survey sample of people who did not have a telephone number in the AFSS database.<sup>5</sup> This group (people without a telephone while on social assistance) likely represents those who were in the most tenuous circumstances at the time that they left the social assistance rolls and the least likely to have left social assistance for employment—even if by virtue of simply not having access to a telephone. The report notes a “positive bias” resulting from the fact that this group was significantly underrepresented in the survey.<sup>6</sup> However, this is not the main source of bias. The main source of bias is that the 79 respondents who completed interviews are likely to be highly unrepresentative of the 2,250 people CWF attempted to contact.

**Figure 2**  
 CWF Survey, "Where Are They Now?"  
 Attempted Contacts and Completed Interviews



Source: Canada West Foundation, *Where are They Now?*

Roughly 3/4 of the sample of those for whom AFSS had a telephone number in the database could not be found or contacted. Thus, of 3900 telephone numbers attempted, only 1100 recipients were contacted. Of these 1100 persons, 400 or 37% refused to cooperate. Thus, of those with telephones, the CWF survey team contacted 3900 people to complete just under 700 interviews—a success rate of less than 18%. Including both recipients with and without a telephone number in the AFSS database, the CWF survey completed interviews with a scant 12% of the former social assistance recipients that they attempted to contact.

The methodology employed by the CWF survey is fundamentally flawed in that *the former recipients which were contacted are likely to be highly unrepresentative of the broader group of potential survey respondents*. First, the

number of people refusing to cooperate is problematic and is likely to bias the survey results.<sup>7</sup> For example, the CWF report notes that less than 10% of the survey respondents reported being “cut-off” welfare. It is easy to imagine that those cut off assistance are also most likely to be those refusing to cooperate with the survey. Similarly, responses on issues such as “the helpfulness of AFSS staff” are likely to be much more favorable among those who agreed to cooperate than those who refused to respond.

Secondly, and more importantly, it is very probable that the former welfare recipients which the CWF could contact by telephone several years after having left social assistance are also those most likely to have left social assistance for employment and those enjoying the most favorable post-welfare conditions. Those leaving social assistance for reasons other than employment are much more likely to have moved and not be available for telephone contact using the telephone numbers in the AFSS database. This cohort would include all persons who moved to another province, moved to cheaper accommodation, moved in with family or back with a spouse from which they were separated, or simply became homeless. Where are they now?

### **From “Passive” to “Active” Assistance?**

In describing the changes to the social assistance system in Alberta made in 1993, the CWF study notes:

the reform effort had three broad directions. First a series of changes were implemented in order to “deflect” potential clients. . . . At the same time, new eligibility criteria were introduced that made it more difficult for some applicants to qualify for assistance. Second, a series of changes were made to ensure that welfare clients received a level of support that did not exceed the earnings of low-income workers. . . . Third, there was a broad direction shift from passive to active supports for those on the caseload . . . that provided a new series of training opportunities for clients that remained on the caseload. (11)

The available evidence suggests that this latter initiative was a distant third in terms of priorities. Moreover, the CWF data reveal that even the limited changes which were undertaken in this regard were not successful.

The social assistance caseload in Alberta dropped by 58% from January 1993 to October 1996. While undoubtedly aided by the economic boom, these caseload reductions far exceeded reductions in other provinces at various times when they were experiencing higher and more sustained economic growth rates. They also exceeded by far the caseload changes experienced during the much more robust growth rates of the mid-1980s.<sup>8</sup> Clearly, caseload reductions in Alberta are the direct result of changes in social assistance provision. However, caseloads have dropped not primarily due to the increasing number

of people leaving social assistance but due to the decreasing number of people being allowed to go on social assistance benefits in the first place. Alberta has encouraged labour market participation primarily through retrenching social assistance provision.

The most important changes in this regard have been two-fold: the restriction of eligibility and the reduction of benefits.<sup>9</sup> To routinely deny the first application for assistance has become a standard operating procedure in Alberta and, according to a C.D. Howe Institute study, this change alone explains most of the decrease in caseloads.<sup>10</sup> The CWF notes that “[t]he *most significant change* in the focus of Alberta’s welfare program has been one of philosophy or attitude. . . . The product of this new stance is that the SFI program now ‘errs on the side of not providing assistance.’”<sup>11</sup> The C.D. Howe Institute study notes that “[t]he shift in focus was to prevent people from coming onto welfare, rather than to move individuals off the rolls.”<sup>12</sup>

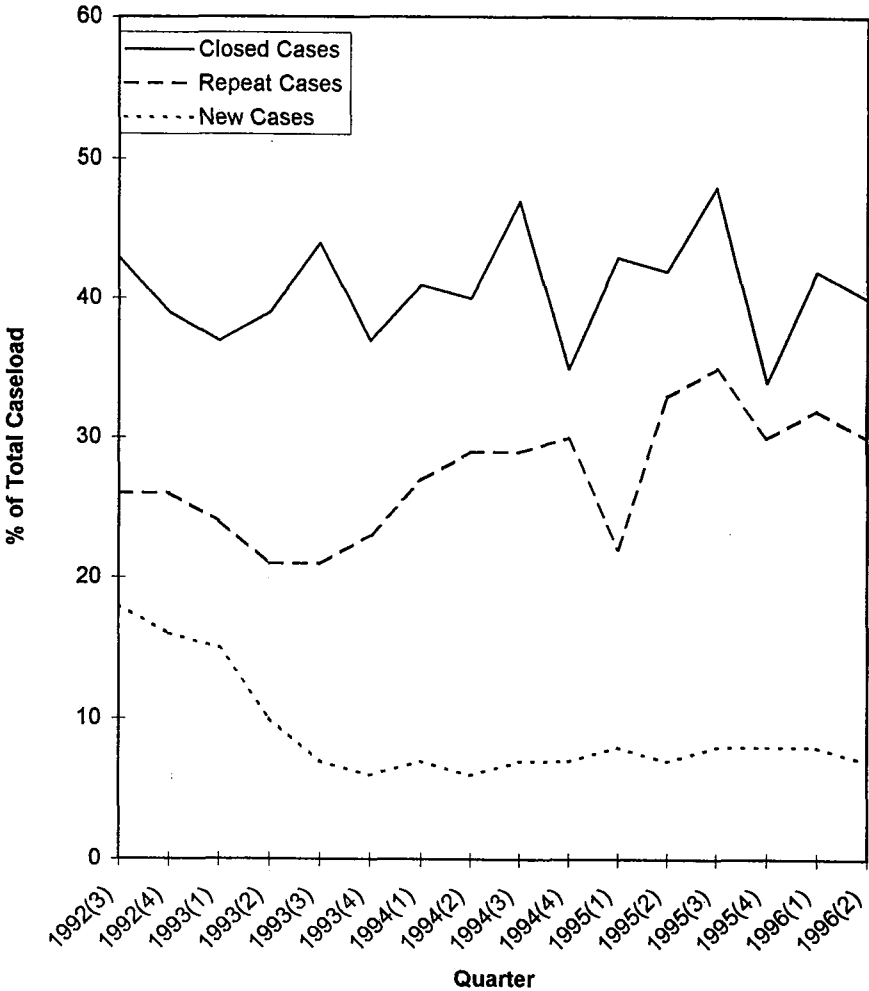
It is not surprising that the effects of these practices are evident in the data for social assistance uptake: “Alberta now has the lowest uptake of clients entering or re-entering the welfare system of any province in Canada. As a result, between March 1993 and April 1997, the monthly caseload dropped from 94,087 to 39,506” (29).

Two other patterns must be noted here. First, the number of repeat cases increased by 60% from mid-1993 to mid-1995. Subsequently, it dropped but still rested at 36% higher in early 1997 than it had been in mid-1993.<sup>13</sup> This pattern is suggestive of the failure of active programming to move people into independence and is indicative of the fact that the circumstances of people leaving welfare since 1993 is even more tenuous than it was before the changes to active programming. Secondly, it is also crucial to note the pattern that is *not* evident: *people are not leaving social assistance at a markedly increased rate than was the case before the change from a passive to ostensibly “active” program.*

Despite the claim that the change to “erring on the side of not providing assistance” was the most important change to the social assistance system, the CWF report also argues that the changes in Alberta “shifted the welfare system from a passive system to an active system” (29). One wonders whether, by this logic, the most active program would be one that provided no assistance at all!

Alberta did expand voluntary employment programs designed primarily for long-term dependents.<sup>14</sup> However, the government reinvested only 5% of its \$404 million assistance expenditure savings into employment and training programs.<sup>15</sup> Expenditures on training and employment programs tripled—however, only because they were so low initially. Before the “change” from a passive to an active program, the Alberta government spent \$10 million on active programs or the equivalent of 1.1% of the budget for grants to

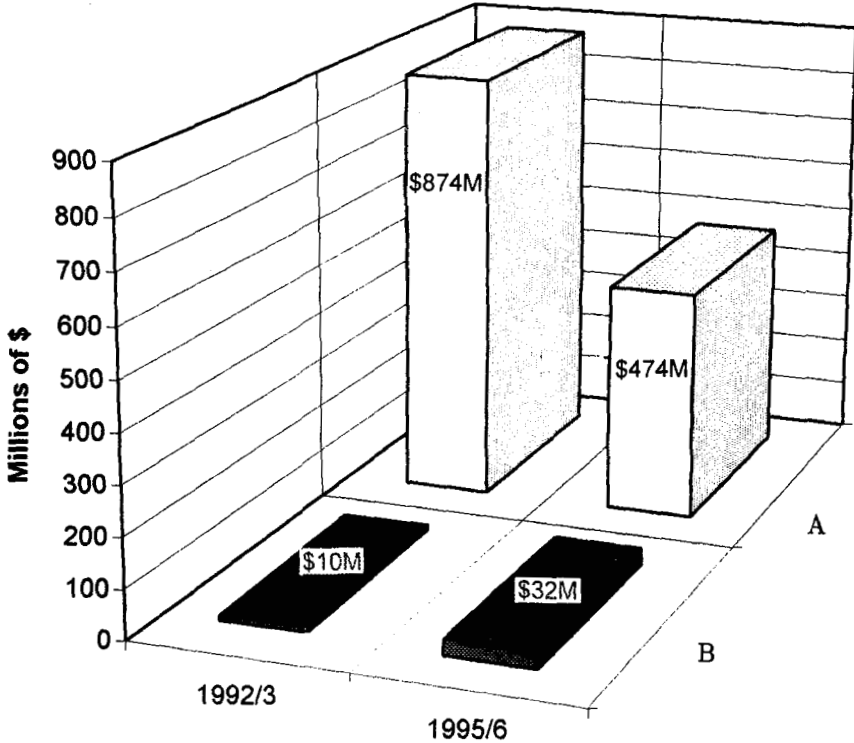
**Figure 3**  
 Alberta Welfare Caseloads, 1992-1996  
 by status of case



Source: K. Boessenkool, *Back to Work: Learning from the Alberta Welfare Experience* (Toronto: C.D. Howe Institute, 1997).

individuals.<sup>16</sup> This figure increased to 6.8% by 1995/96 in part due to the fact that the employment and training budget rose to \$32 million but also significantly due to the fact that the budget for grants to individuals and delivery costs dropped by 46%. Active program spending which represents

**Figure 4**  
 Passive vs. Active Program Expenditures  
 1992/3-1995/6



A = Grants to Individuals/Delivery Costs  
 B = Employment and Training

Source: Boessenkool, 1997: 16. Total grants to individuals/delivery costs calculated by author.

6.8% of passive income support spending hardly qualifies the Alberta social assistance system as an active rather than passive program. What “active programming” appears to really mean in the Alberta context is the denial of benefits *in the hopes that applicants get a job or active programming somewhere else*. By this logic, the most active social assistance program is one that provides no social assistance benefits at all.

To the extent they actually took place, were the moves towards active programming successful? The appropriate methodology to examine this question would be to examine two cohorts—a sample of the population leaving social assistance *before* the changes to active programming and a sample of



the population leaving social assistance *after* such changes. The employment outcomes for the two groups would then be compared and conclusions drawn. However, the CWF survey did not take such an approach—severely restricting the conclusions that can be drawn from the data. Despite this, even the data that the CWF survey did gather—noting its significant limitations—suggests that active programs have not been successful.

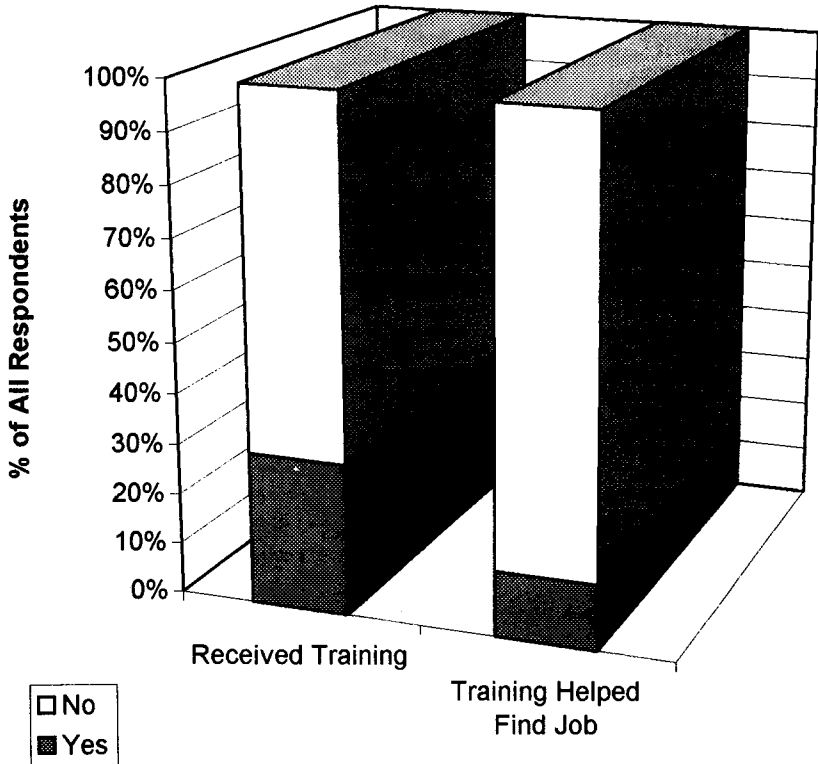
The CWF report argues that “[i]ncreased emphasis on job training is one of the main ways that SFI was transformed from a “passive” program into an “active” one” (44). After controlling for sampling distortions, the CWF survey reports that 30% of respondents reported “having participated in a job training program in Alberta since January 1993” (44). In turn, 43% of these respondents “said the training they received helped them get a job” (45). Thus, 13% of all respondents received training that helped them get a job. There is no indication as to whether this figure is higher than it would have been before the shift to active programming. However, it is still worthwhile to note the absolute figures: 87% of all recipients who left social assistance in this period either did not receive job training (70%) or did not receive job training that helped them find a job (17%).

Thus, it is not surprising that these programs had, at best, a muted effect in reducing caseloads.<sup>17</sup> While the number of recipients receiving training has roughly doubled from 1993 to 1996, this has not appeared to have a significant impact in decreasing dependency and “only a small portion of the decrease in the Alberta welfare caseload can be credited to moving existing cases off the rolls.”<sup>18</sup>

A similar picture emerges from an examination of job creation programs. A C.D. Howe Institute study notes that the “number of individuals taking part [in job creation programs] was quite modest during 1993 and 1994, the period of largest decline in welfare recipients.”<sup>19</sup> The Alberta social assistance system appears to have been most successful in terms of reducing the caseload prior to the enhancement of active programs.

Thus, it is not particularly surprising that the CWF survey found that “a large number of respondents leave welfare for reasons unrelated to the program and its active measures” (7). The survey also found that “[r]espondents were less positive about the role played by the welfare program in helping them achieve independence” (7). Roughly two-thirds of respondents rated the degree to which the welfare program helped them to become independent a five or less on a scale of ten (47). *Fully one-third of respondents gave the program the lowest possible rating in terms of helping them achieve independence* (48). Half of all recipients who were employed at the time of the survey responded that the social assistance program did not help them at all in establishing independence.<sup>20</sup> Only 13% of all respondents were working at the

**Figure 5**  
Alberta Social Assistance Training Programs

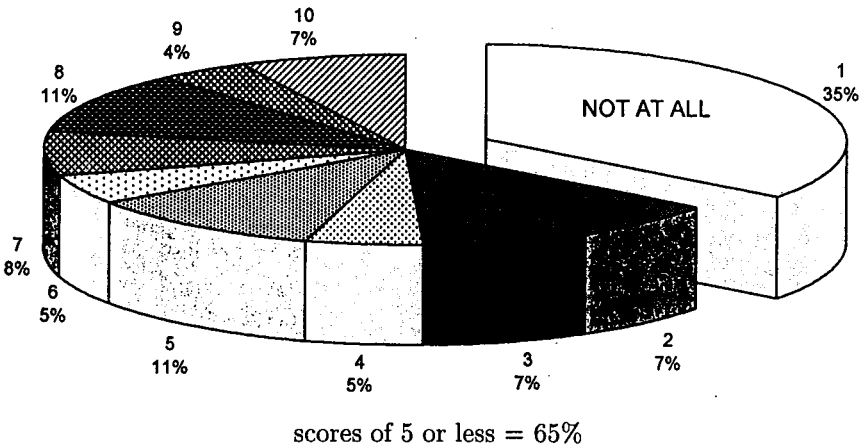


Source: Canada West Foundation, *Where are They Now?*

time of the survey *and* felt that social assistance had contributed a great deal to helping them achieve independence.

It might be argued that “[t]he primary success of the Alberta experiment came . . . from diverting potential clients away from welfare. Many of them were directed to alternative programs.”<sup>21</sup> Indeed, information on whether or not this actually in fact took place would be extremely valuable. However, the CWF study ignores this group. The CWF claims that Alberta has shifted to active programming clearly refers to programs provided to those persons receiving social assistance — not those diverted from social assistance. Information on this latter — critical — group does not appear to exist. However, in the absence of reliable data in this regard, *claims that Alberta has shifted to an active program cannot be based on assertions that potential recipients*

**Figure 6**  
 Welfare to Independence, CWF Survey:  
 "To what degree did Alberta's welfare program  
 help you to become independent?"  
 (scale of 1 to 10: 1 = not at all, 10 = a great deal)



Source: Canada West Foundation, *Where are They Now?*

*diverted away from social assistance might have received active programming elsewhere.*<sup>22</sup>

The amounts of money devoted to expanding training and employment programs in comparison to overall reductions in social assistance expenditures, the fact that the lion's share of caseload reductions have been from eligibility restrictions, and the low levels of respondents who feel that training helped them get a job all clearly point to the fact that the most significant changes in social assistance provision in Alberta have not been from passive to active programming. Rather, the most important changes have been simply the restriction of eligibility and reduction of benefits.

### How Are They Doing? Probably Not That Good . . .

Even given that the CWF survey employs a methodology that is likely to significantly overstate the number of persons leaving social assistance for employment, only half of the respondents stated that they left social assistance because they found a job. Of respondents cut off social assistance, two-thirds remained either unemployed or out of the labour market (74). This dispels the notion that recipients cut off social assistance are able-bodied employables who would work if they only were refused the option of accepting assistance.

As noted earlier, the methodology of the survey makes it very likely that those who were actually contacted for the survey enjoy considerably more favorable post-welfare conditions than those that were not successfully contacted. Despite this, most respondents stated that they remained in serious financial need: "Over two-thirds (68.2%) of respondents off SFI reported not having enough money to meet their food and shelter needs at least once since leaving the program" (7). This was the case despite the fact that "Just under 6 in 10 respondents (58%) said they received help from relatives, family, religious groups, temporary shelters, or community groups to meet their basic needs since leaving the program" (7).

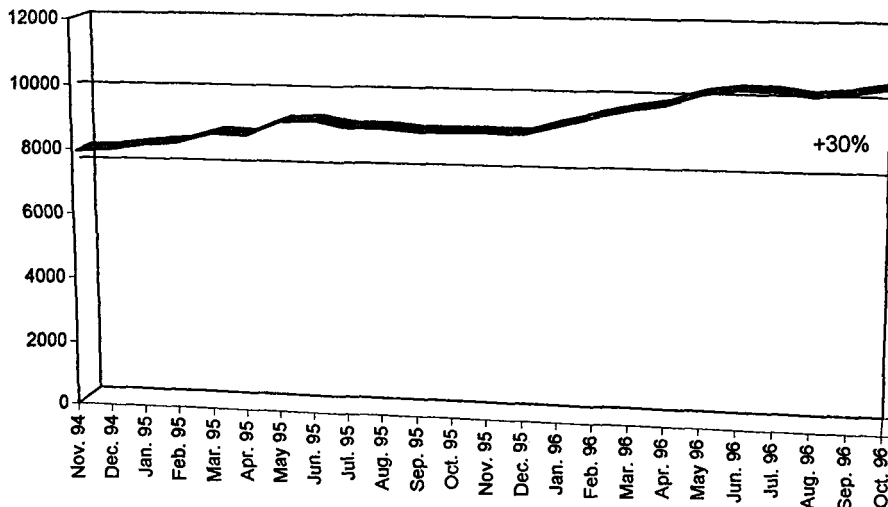
The CWF comes to the conclusion that "[a]s a group, respondents not on SFI feel their lives are better since leaving welfare" (50). Not surprisingly, as peoples' situation worsens they are more likely to go on social assistance and leave social assistance when their situation improves. It is important not to falsely assume a causal relationship between leaving welfare and improved conditions. It is just as likely that people experienced improved conditions which allowed them to leave social assistance as it is that people enjoyed improved conditions *because* they left social assistance. Regarding the latter, it is not surprising that people feel their lives are better after leaving the social assistance program considering that the study reports "*typical comments*" of recipients such as the following: "*It's really degrading*"; "*they aren't there to help . . . they are just there to put you through red tape*"; "*I was treated like hell*"; "*Honest people get treated like garbage*"; "*It's a humiliating process*" (81). Certainly, if the social assistance system is highly stigmatizing, it is not surprising that people feel their lives are improved when they no longer have to rely on it. However, it is far less clear that high levels of deliberate stigmatization are part of an effective strategy in helping recipients avoid long-term social exclusion and achieve independence.

The study ignores important facts that carry strong suggestions about the fate of former or would-be social assistance recipients.<sup>23</sup> One telling indicator in this regards is average monthly child welfare caseloads (children who become wards of the government) which were 35% higher in 1996-97 than in 1993-94.<sup>24</sup> The child welfare caseload has continued to increase since and, for example, rose again by 10% from last year.<sup>25</sup>

Similar caseload increases have not been taking place elsewhere in the country: three provinces reported significant decreases in their child welfare caseload, the caseload remained basically unchanged in four other provinces, and only Alberta and British Columbia reported increases.<sup>26</sup> Moreover, the beginning of the trend towards increasing child welfare caseloads coincided with the introduction of changes to the Alberta social assistance system.<sup>27</sup>

Another indicator of how low-income people are doing is food bank usage. The Edmonton Social Planning Council found that, as of 1996, food

**Figure 7**  
 Child Protection Caseload  
 Alberta, Nov. 94–Oct. 96



Source: Government of Alberta, caseload data. Note: A new Child Welfare Information System was incorporated in November 1994 and thus data presented here are not directly comparable with data provided before 1994.

bank usage in Edmonton had increased by a staggering 122% since 1993 and estimated that 40% of food bank users were children.<sup>28</sup> It is difficult to imagine that this increase is not directly related to changes in social assistance provision in Alberta.

Any *serious* examination of the impact of social assistance reforms in Alberta would *at least* consider and investigate the possible relationship between reform of the social assistance system in Alberta and trends in both child welfare caseloads and food bank usage. The significant increases in child welfare caseloads and food bank usage appear to be suggestive regarding the “success” of Alberta’s new active program focus.

### Conclusion

The combined result of the deeply flawed methodology of the CWF survey and the erroneous conclusions drawn from the data that was collected is a highly misleading picture of the impact of social assistance reforms in Alberta. It would be difficult to imagine a survey methodology more certain to exaggerate the positive post-welfare experience of those leaving social assistance as well

as the number of respondents leaving social assistance for employment. These problems should have been obvious at the research design stage.

Where are they now? We don't really know. How are they doing? We don't know but there is little evidence to generate expectations that they are doing well and significant evidence (which clearly warrants further investigation) to suggest that they are not. Has there been a fundamental transformation from a "passive" to an "active" social assistance system in Alberta? No. Does the CWF survey provide justification for the conclusion that the incremental steps that have been taken in this direction have been successful? No.

## NOTES

1. This is one of the primary conclusions of a C.D. Howe Institute study of social assistance reform in Alberta. See Kenneth J. Boessenkool, *Back to Work: Learning from the Alberta Welfare Experiment* (Toronto: C.D. Howe Institute, 1997.)
2. Boessenkool, p. 14.
3. Government of Alberta News Release, "Welfare Caseload Falls Below 35,000 — Hits 15-Year Low," 2 October 1997.
4. The reasons provided by the Canada West Foundation as to why this period was excluded are extremely vague and simply make reference to the fact that Alberta Family and Social Services "changed its data collection methods in September of 1993" (31).
5. Despite this, CFW characterizes the procedures used to track down this 3.5% of its survey sample as "highly successful" (32).
- 6.. The report notes that 21.6% of the survey population did not have a telephone number in the AFSS database and that only 10% of the completed interviews came from this group.
7. To be fair, the extent of this problem would have been hard to judge in advance of undertaking the survey. However, all the other major problems with the methodology should have been obvious at the research design stage.
8. Boessenkool, p. 18.
9. For an overview of these changes, see Boessenkool, esp. pp. 5-11; *Canadian Social Work Review* 37, 1996: 100; National Council of Welfare, 1997.
10. Boessenkool, pp. 5, 11-12.
11. Canada West Foundation, 21; italics mine.
12. Boessenkool, p. 22.
13. While there was significant variation over time in the repeat caseload, it was never lower in the period to early 1997 than it was in mid-1993. Boessenkool, p. 11.
14. The following paragraph draws on Boessenkool, p. 16.
15. These figures are for the period from FY 1992/93 to FY 1995/96. Boessenkool, p. 16.

16. This figure includes the costs of delivering these benefits.
17. Boessenkool, p. 17.
18. Boessenkool, p. 11.
19. Boessenkool, p. 17.
20. This figure is calculated from Figure H-8 and Figure E-5 in *Where are They Now?*.
21. Boessenkool, p. 17.
22. That "diversion" equals active programming is a central tenet of Boessenkool's argument.
23. The following three paragraphs draw primarily upon arguments made by Brian Bechtel, Director of the Edmonton Social Planning Council.
24. Alberta, Official Opposition, *To Fend for Themselves: Alberta's Approach to Reforming Child Welfare* (Edmonton, 1997), p. 84.
25. "Child Welfare Cases Up 10% From Last Year," *Edmonton Journal*, 3 Sept. 1998.
26. "What Role Does Poverty Play in Rising Child Welfare Caseloads?" *Albertafacts*, 21 (March 1998). The caseload data provided for the provinces does not include Quebec.
27. The Government of Alberta has, to date, denied any correlation between income security program cuts and the rising child welfare caseload, although the government's own Office of the Children's Advocate very clearly made the connection. . . . "Children are handed over to Child Welfare workers because their parents are unable to provide them with the essential needs of food, clothing, and shelter (Government of Alberta, Children's Advocate, Annual Report, 1996-97).

An examination of increases in the caseload (categorized by reason for the need for child protection) reveals that "[t]he number of cases classified by assessment under the *failure to provide 'necessities of life' category increased . . .* suggesting that most, if not all, of the increase in caseloads could potentially be attributed to intensifying poverty. ("What Role Does Poverty Play in Rising Child Welfare Caseloads?" *Albertafacts*, 21 (March 1998), p. 2). The Alberta government claims that these increases have been the result of improved public awareness of the need to report neglect and abuse. However, Bechtel notes that the child welfare caseload has been increasing despite the fact that the number of reports of allegations of abuse or neglect declined by 17% from 1994/95 to 1996/97. In the more recent period from March 1995 to March 1998, reports of abuse and neglect fell by a further 10%: "Child Welfare, Poverty Linked, Bechtel Says: Government Insists Rising Numbers Simply Reflect Greater Awareness of Need to Report Abuse," *Edmonton Journal*, 18 Sept. 1998.

28. Alberta, Official Opposition, *To Fend for Themselves: Alberta's Approach to Reforming Child Welfare* (Edmonton, 1997), p. 6.

