REMOVING BARRIERS TO WORK

Flexible Employment Options for People With Disabilities in BC

by Marcy Cohen,
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Nick Istvanffy,
Tim Stainton,
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Karen-Marie Woods

FULL RESEARCH REPORT

CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

FEBRUARY 2008

AN ECONOMIC SECURITY PROJECT REPORT

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Copies of the summary are available from the CCPA, and can be downloaded from our website.

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Summary

People with disabilities can gain both socially and economically from increased participation in the labour market. That's true not only because of the obvious link between economic security and employment, but also because of the connection between well-being, self-esteem and meaningful employment.

Claude Richmond, the Minister of Employment and Income Assistance (MEIA) recognized this when he said that active participation in BC's booming economy is "one of the highest priorities for persons with disabilities." His government, he continued, aims "to ensure that our province's full range of supports and services for persons with disabilities are delivered in a highly effective and responsive way."

However, despite BC's good economic fortunes, people with disabilities continue to face significant barriers to employment, with just over half in the workforce compared to more than 80 per cent of people without disabilities. In addition, more than two thirds of working people with disabilities work part-time and/or part-year. And some populations within the disability community – in particular those with developmental and psychiatric disabilities – have trouble accessing any employment at all.

This is because the primary focus of governments has been on policies for those able to participate in the labour market on an equal footing with non-disabled peers when provided with limited accommodation and unbiased opportunities. Less attention is paid to those who may be able to participate only on a part-time basis, episodically, or at a level below the norm of expected productivity. These particularly vulnerable populations are the focus of this study. In order to function to their full capacity, they often require a combination of income assistance *and* employment.

Given this situation, the study includes:

- An examination of disability benefits and employment incentives provided through the Ministry of Employment and Income Assistance since 2000;
- A comparative analysis of employment incentives and policies for persons with disabilities from other Canadian provinces and industrialized countries; and
- A review of eight BC community and college-based supportive employment programs, seven BC social enterprises, and three coordinating groups that have been relatively successful in helping people with disabilities gain paid employment.

Our research revealed that flexible employment supports and creative income assistance policies make a difference. By allowing workers with a disability to cycle into and out of the labour market without risking their access to disability benefits and helping them gain part-time or part-year work, it is possible to maximize labour market participation among people with a significant disability.

But that is not the situation in BC. In fact, current policies often discourage this population from participating in the labour market. Especially troubling, given that people with disabilities can now earn up to $500 per month over and above their disability benefits, is that less than 16 per cent of people receiving PWD benefits reported any earnings at all. In addition, fewer people moved to employment and received medical-only benefits between 2004 and 2006 despite the booming BC economy.

While the ministry boasts that "British Columbia leads the way in building the best system of support for persons with disabilities," there remains ample room for improvement and for learning from other jurisdictions. Our review of legislative and policy regimes in nine jurisdictions identified the following key policies, which if implemented in BC would significantly increase the employment prospects for persons with disabilities:

- Ensure that when people with disabilities are working they will continue to receive medical and dental benefits at the same level as when on income assistance, until such time as they receive an equal or greater level of benefits from their employer;
- Ensure unlimited reinstatement and rapid re-qualification for disability benefits, including earnings exemptions;
- Provide a monthly transportation allowance for people who access *any* employment;
- Increase earnings exemptions by retaining the current flat rate earnings exemption of $500 and adding a 50 per cent graduated reduction in benefits for additional earnings;
- Develop "working credits" to even the flow of earnings exemptions over the year;
- Develop an employment start-up benefit of up to $500 that can be initiated once per year for any new employment-related activity; and
- Raise asset limits to be eligible for benefits to $100,000.

While the above changes would go a long way to help reduce barriers to employment, they don't go far enough. Many people with disabilities also need support to access and retain employment. As one informant expressed, "Retention is the proof in the pudding." That's where supportive employment programs and social enterprises come in.

Our study focused on long-standing, community-based supportive employment and college-based special education programs and not on the relatively new "performance-based programming" contracted through the ministry. It is interesting to compare placement rates from the programs we analyzed with the placement rates from the ministry's Employment Programs for People with Disabilities (EPPD). The community-based programs working with people with psychiatric disabilities achieved placement rates of 36 to 54 per cent, while programs working primarily with people with developmental disabilities had placement rates of 47 to 81 per cent. In contrast, the ministry's EPPD achieved a placement rate of only 12.5 per cent over four years.

While employment outcomes varied among the programs in our study, success depended on several factors, including ongoing supports without time limits, effective coordination between employers and supportive employment staff, and strong relationships between program participants, agencies and supportive employment staff. Participants in these supportive employment initiatives were more then just "clients"; organizations were committed to each individual's ongoing needs, desires and interests. Some agencies offered their participants lifetime membership in conjunction with social and vocational assistance. Others provided housing services. Whatever the specific support, the relationship between the supportive employment worker and his or her client was cited as one of the key criteria for employment success.

Our study found many positive examples of policies and employment supports that could increase opportunities for people with disabilities to participate in paid employment when and if they are able.

Besides supportive employment, an emerging but still small social enterprise sector is also providing employment supports to people with disabilities. Broadly defined, social enterprises are businesses with a social purpose. We conducted in-depth interviews with seven BC social enterprises that employ people with disabilities and, in addition, with three agencies that coordinate social enterprises initiatives.

All seven BC social enterprises reported economic and social benefits for their participant-employees, in particular a higher standard of living and more economic security than their non-employed peers. They also reported that employment has resulted in improved self-esteem, increased independence and broader social networks for their workforce. A few reported a decrease in use of health care and mental health services by their participant-employees, shorter and fewer hospitalizations, the near elimination of criminal activity, and stabilized housing.

This sector has been remarkably successful in employing and retraining people with disabilities who had previously been considered "unemployable." Their success can be attributed to their willingness to support workers in innovative ways, such as workplace accommodations and social supports including job coaching, personal and life skills counselling, and referrals to other services. Yet clearly, there is a cost involved for these ongoing supports. The social enterprises in this study, however, were adamant that their greatest barrier to self-sufficiency and long-term sustainability was not employing people with disabilities but their lack of business expertise and capital.

Only private foundations provide financial and business expertise to social enterprise initiatives in BC. No funding or support is available through the provincial government. This contrasts with Ontario, where the government funds coordinating groups that help with both the business development and social supports required to sustain this sector.

When society offers people with disabilities a variety of options, such as opportunities to work full-time, sporadically, part-time and/or part-year, as well as volunteer placements, the result is the empowerment of those who have traditionally been barred from a chance to function at their individual and societal best.

Our study found many positive examples of policies and employment supports that could increase opportunities for people with disabilities to participate in paid employment when and if they are able, and whether they are able to work full-time, part-time and/or part-year, sporadically or in volunteer placements. These examples were used in developing the 15 recommendations addressed to the provincial government and outlined at the end of this report.

The first seven recommendations focus on the changes needed in government eligibility and income support policies to remove the disincentives to work, without penalizing those who are unable to work. The majority of these policies are already in place in another Canadian province but need to be, in some cases, modified to fit the BC context. For example, in BC once a person earns more than $500 per month all of their additional earnings are clawed back from their benefits. To remove this disincentive to working more hours, we recommend that in addition to the current $500 flat earnings exemption, an individual be entitled to keep half of his or her earnings on the next $1,400. This expands on the earnings exemption policies already in place in Alberta. Other recommendations in this section are based on recent policy changes in Ontario that ensure ongoing provision of medical and dental benefits for an individual who is working until they receive an equal or greater level of extended benefits from their employer, and unlimited reinstatement of disability income support benefits should a person find they are no longer able to work.

The next set of five recommendations aim to increase funding for employment supports – both community and college-based supportive employment programs and social enterprises employing people with disabilities – because these initiatives have a proven track record in helping people with a significant disability find and retain employment. In addition, we recommend that the ministry ensure greater accountability through independent audits of employment programming including reporting of dropout, placement and retention rates, costs and best practices. The findings from these audits should guide future funding decisions.

The final three recommendations aim to improve ministry communications on policies that are already in place but are not widely known. In the course of conducting this research we discovered that none of the seven social enterprises we interviewed were aware of the ministry policy that allows persons with disabilities to be eligible to retain their extended medical and dental benefits when working off of PWD benefits. Front line MEIA staff and agencies working with people with disabilities need to have clear, concise materials on the ministry's employment policies.

In conclusion, if the provincial government truly wants BC to be a leader in "building the best system of support for persons with disabilities," as Minister Claude Richmond recently said, then these recommendations are the way to go.

Introduction

Society widely recognizes that many people with disabilities can gain both socially and economically from participation in the labour market. That's true not only because of the obvious link between economic security and employment, but also because of the understandable connection between well-being, self-esteem and meaningful employment. The invitation by the Minister's Council on Employment for Persons with Disabilities to communities and industry sectors across British Columbia to join the "10 by 10 Challenge" recognizes that the broader economy and society can also benefit through the increased participation of people with disabilities in the labour force.[1]

The 10 by 10 Challenge urges communities and industry sectors to increase employment for persons with disabilities in BC by 10 per cent by the year 2010. Claude Richmond, the Minister of Employment and Income Assistance has said that active participation in BC's booming economy is "one of the highest priorities for persons with disabilities." His government, he says, aims "to ensure that our province's full range of supports and services for persons with disabilities are delivered in a highly effective and responsive way."[2]

Those are admirable words. However, in reality people with disabilities in BC still face significant barriers to employment, with just over 50 per cent of adults over age 25 in the workforce compared to over 80 per cent for people without disabilities.[3] And many people with disabilities who do work, work only part-time and/or part-year. For example, in 2000 close to half of men (48 per cent) and a third of women in BC without a disability worked full-time, full-year, compared to only a third of men and less than a quarter of women in BC with a disability.[4] Furthermore, some populations

within the disability community – in particular people with developmental and psychiatric disabilities – have trouble accessing any employment at all. In 2000 only about 27 per cent of people with developmental disabilities in Canada were employed and 40 per cent have never worked.[5] While there is no statistical information on labour force participation rates for people who are living with a serious mental illness, this problem is well recognized in Michael Kirby's recent report on the health of Canadians.[6]

The disability community is comprised of a diverse group of individuals with a wide range of physical and mental health issues. In fact, some chronic conditions like HIV, lupus, cancer, multiple sclerosis, depression and arthritis are referred to as "episodic disabilities" because for people with these conditions, periods of good health when they can work are often interrupted by periods of illness or disability when they can't work.[7] Yet, the primary focus of governments to date has been on policies for those who are able to participate in the labour market on an equal footing with non-disabled peers when provided with limited accommodation and unbiased opportunities.[8] Considerably less attention is focused on those who, due to the nature of their disabilities, may be able to participate only on a part-time basis, episodically, or at a level that is below the norm of expected productivity. These particularly vulnerable populations are the focus of this study. Because they work part-time or episodically, they are often dependent on both employment income and income assistance. As a result they present unique challenges to both the labour market and the income assistance system.

Especially problematic is the structure of the income assistance system, which often excludes rather than enhances this population's opportunities to participate in the labour market. People with recurring or cyclical conditions are often caught in a classic catch-22: If they become employed, they forfeit the benefit system with its contingent extended health and other benefits, so that if they cannot maintain that employment, it may be very difficult to re-qualify for disability benefits.

Compounding this dilemma is the "poverty trap" where an individual may earn more through employment than on benefits, but still suffer a net decrease in their income because of the loss of extended benefits, subsidies for housing or child care, etc. Thus, workers with recurring or cyclical conditions fear both that their employer may not employ them if they are not willing or able to work more hours, but also that if they work more hours they may lose future access to disability benefits.[9]

However, as bleak as these circumstances appear, there is potential that policy changes can increase the financial independence of workers with significant or cyclical disabilities. Flexible employment and income assistance policies could allow workers with disabilities to cycle into and out of the labour market without risking their access to disability benefits. This enhanced security may in turn encourage these individuals to increase their labour force participation. There is also significant potential in expanding alternatives to traditional working styles, such as more flexible hours of work, additional supports in the workplace, as well as more comprehensive programs like social enterprises.

The goal of this study, then, is to identify the policies and employment supports, already in place in BC and elsewhere, that will, if fully implemented, maximize opportunities for people with disabilities to flexibly participate in the labour market if they are able without fear of losing their entitlement to disability benefits. In other words, the aim of this research and policy analysis is to develop recommendations for the changes required to transform the government's claim – of increasing opportunities for significant numbers of people with disabilities to participate in BC's booming economy – into reality.

In support of this claim there is growing and significant academic literature documenting the benefits of increasing labour market participation among disability populations that have traditionally been excluded, and in particular people with developmental disabilities and those living with a serious mental illness. Several studies focus on the rehabilitation potential of paid employment for people living with mental illness. They point to an escalating feedback loop that occurs when an individual is successfully employed: greater social well-being results in greater self-esteem and self-worth, which in turn reduces the symptoms of illness, leading to even greater social well-being.[10] As one author notes, allowing persons with mental illness to receive income from paid employment in addition to income from disability programs "may not only further reduce the stress associated with financial disadvantage, but … may also lead to an increased sense of esteem and efficacy, which in turn may reduce symptoms."[11] Similarly, increasing opportunities for people with developmental disabilities to participate in paid employment has been shown to increase levels of independence, satisfaction and social integration when compared with the experience of people with development disabilities placed in sheltered workshops.[12]

At the same time, it is essential to acknowledge that employment is not a realistic goal for many people receiving disability assistance. It is an important option, but the primary goal of the disability assistance system should be to ensure that all people with disabilities have access to social support and are able to live with dignity, regardless of their ability to engage with the labour market. This is not currently the reality in BC (see *The Challenges and Realities of BC's PWD Benefits System* below).

The Challenges and Realities of BC's PWD Benefits System

Although PWD benefits are much higher than regular welfare, people receiving PWD benefits still live well below the poverty line. The current benefits in BC of $906.42 a month are $554/month below Statistic Canada's Low Income Cut Off.[13]

Moreover, establishing eligibility for PWD benefits is very difficult. Eligibility for disability assistance is income and asset tested. However, because the income and assets tests are slightly higher than those set for basic welfare, a person may be told they are not eligible for welfare, but they are eligible to apply for PWD; this means that they do not receive benefits until the PWD designation is granted.

Applying for PWD benefits requires completion of a complicated 23-page form. A doctor must confirm the applicant has a severe impairment that is likely to last for at least two years. In addition, an assessment must be performed by a doctor or other health professional to establish whether the person is significantly restricted in performing daily living activities so they need significant help.

Some people with disabling conditions such as chronic depression or chronic pain arising from muscle injuries may have particular problems qualifying for the PWD designation because of difficulties in obtaining objective medical evidence. Some people with mental health conditions or brain injuries, for example, may struggle with the requirements of the application process, while others may not have a doctor who knows them well enough to accurately fill out the application. Because establishing eligibility for PWD benefits is so difficult, people are extremely reluctant to do anything that could jeopardize their PWD status.[14]

Methodology

The research framework for this paper was developed through consultations between the research team and an advisory committee with representation from a broad range of disability organizations (see Appendix A). The research and policy analysis is divided into four sections and is based on four different data sources. There is a more detailed discussion of the methodology at the beginning of each section.

The first two sections focus on the legislation and regulations that govern disability benefits policies and the incentive structures that encourage or discourage people receiving disability benefits from seeking paid work. These sections include:

- A statistical analysis of a Freedom of Information request to the Ministry of Employment and Income Assistance in BC on the changes since 2002 in access to disability benefits, earnings exemptions and paid employment for people on disability benefits.
- A comparative analysis of current income assistance policies, benefits and employment incentives for persons with disabilities in the five westernmost provinces (BC, Alberta, Saskatchewan, Manitoba and Ontario) and in Sweden, the United Kingdom, the United States and Australia.

The last two sections analyze two approaches for supporting people with disabilities to access and retain paid employment based on in-depth interviews with key informants. They include:

- Supportive employment programs that are publicly funded and provided by both public colleges and community agencies. These programs, which have been in place for some time, are designed to support people with disabilities to access and retain part or full-time employment in the mainstream labour market.
- Social enterprise businesses that provide employment directly to people with disabilities or support people with disabilities to transition into mainstream employment. This is a relatively small and newly emerging sector.

The advisory committee reviewed and commented on the findings in each section and worked with the research team in developing the recommendations at the end of the report.

While this research addresses a number of key employment issues for people with disabilities, it does not include an analysis of self-employment programs, employment equity legislation or workplace accommodations.[15]

Current Income Assistance Policies for Persons With Disabilities

In a recent report, Employment and Income Assistance Minister Claude Richmond noted that "British Columbia leads the way in building the best system of support for persons with disabilities." The report further states that "more than half of those persons with disabilities who are not working believe they would be capable of working if barriers and disincentives were removed."[16]

This section focuses on how and to what extent Ministry of Employment and Income Assistance (MEIA) has succeeded in removing barriers and disincentives to employment. It summarizes the major findings from a Freedom of Information (FOI) request to the ministry for data covering the period from September 2000 to July 2006 (24 months prior to and 48 months after the introduction of major welfare reforms in BC in 2002). The information provided includes an analysis of the changes in the number of people in receipt of PWD and PPMB benefits (see Glossary on page 64), and the numbers volunteering, earning income within the earnings exemption limit, or moving into full-time employment.

The first important change to note is the dramatic increase in the average monthly PWD caseload, which grew from 37,902 cases in 2000 to 59,493 in 2006 – an increase of more than 70 per cent in eight years (see Figure 1 on page 14).[17] Total cases in the expected-to-work category fell significantly from an average of 108,855 in 2001 to 37,704 in 2006. As a result, over 60 per cent of the current MEIA caseload is made up by people with disabilities.

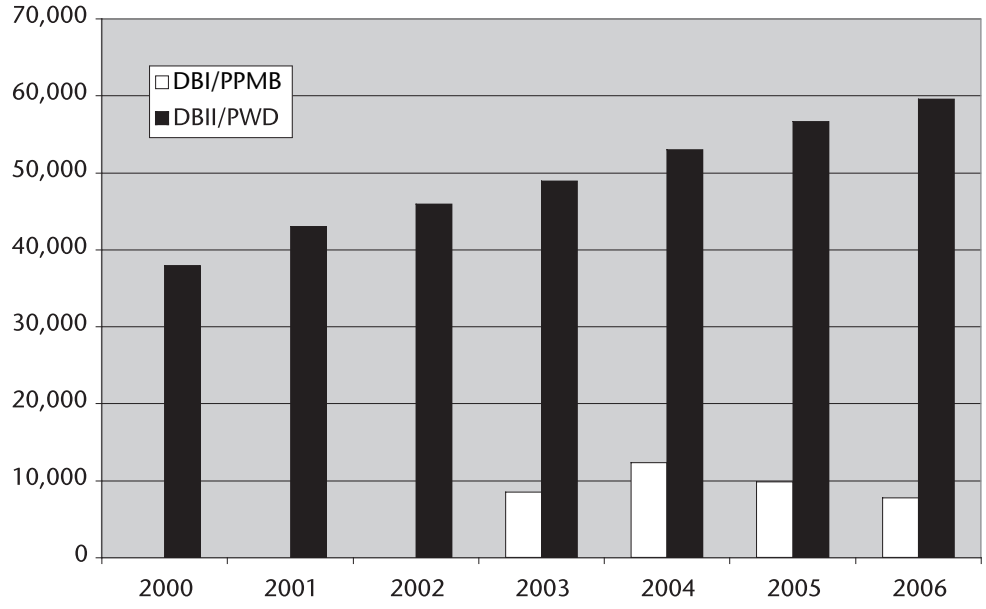
The rapid growth in the PWD caseload both in absolute numbers and as a portion of the income assistance caseload is a result of successive changes in welfare policy that increased the pressure on people receiving regular assistance to find employment and at the same time forced the welfare system to confront the reality that many of those stuck in the expected-to-work category were incorrectly categorized and should be recategorized as PWD, a process that, for many, has taken years.[18]

The rapid growth in the PWD caseload is a result of successive changes in welfare policy that increased the pressure on people receiving regular assistance to find employment and at the same time forced the welfare system to confront the reality that many of those stuck in the expected-to-work category were incorrectly categorized and should be recategorized as PWD.

This is not the case with Persons with Persistent and Multiple Barriers to Employment (PPMB); the annual average caseload grew in 2004, and has been declining since. The decline in the PPMB caseload suggests that the PPMB classification may be being used as a "way station" as longer-term recipients of income assistance make their way onto the PWD classification. In fact, very few people on PPMB return to regular benefits: the peak number of cases returning to regular assistance was in February 2005, which represented about 1 per cent of the PPMB caseload for that month.[19]

In terms of household type, the composition of the PWD caseload has essentially been the same over the past seven years. Approximately 48 per cent are single men, 38 per cent are single women, 7 per cent are single parents, 5 per cent are couples, and 2 per cent are two-parent families.

Figure 1: BC Disability Assistance Average Monthly Caseload – PWD and PPMB



Source: Ministry of Employment and Income Assistance. *BC Employment and Assistance Summary Report*. Accessed at www.eia.gov.bc.ca/research/07/30_july07.pdf.

Transition from Disability Benefits to Employment

One of the positive ministry policies – intended to encourage those receiving PWD benefits to move into the labour market – is the provision that allows those on PWD (but not people on PPMB) to retain their enhanced medical benefits (i.e. basic Medical Services Plan coverage, 100 per cent PharmaCare coverage, basic dental and orthodontics, and coverage for medical equipment and supplies) once employed and off PWD benefits. On average around 2 per cent of the total monthly PWD caseload leave assistance each month. There has, however, been a decline in the number moving to employment and receiving only the enhanced medical benefits, from around 1,000 per month through 2004, to averaging around 900 a month in 2005 and falling to around 800 per month in 2006.[20] This is puzzling given the booming economy and growing shortages in the labour market.

The low numbers moving to "enhanced medical-only benefits" could indicate that some individuals moving directly into employment may not be receiving these benefits and/or that the changes in the programming provided under the Labour Market Agreement for Persons with Disabilities (LMAPWD) may not be improving the employment prospects for people with disabilities. These issues are addressed in the section of this report on employment supports; those findings suggest that both these explanations have some relevance.

Earnings Exemptions

The provision of an earnings exemption (i.e. earnings that are not deducted from benefits) for people on PWD and PPMB benefits is another positive incentive provided by ministry to encourage people with disabilities to seek paid employment. Until March 2002, PWDs could claim a flat rate earnings exemption of $200 per month plus 25 per cent of earnings above $200. In 2002, the government increased the flat rate earnings exemption to $300 per month and deleted exempting any income above that amount. The flat rate earnings exemption for PWDs was increased to $400 per month in July 2003 and to $500 per month for both PWDs and PPMBs in April 2006.

The absolute numbers of persons claiming earnings exemptions has increased significantly among PWD claimants – from 4,248 PWD cases claiming earnings exemptions in September 2000 to 9,102 in August 2006. There was a particularly rapid increase beginning in April 2006, which coincides with the increase of the exemption to $500 per month. Still, the large increase in the number of PWDs claiming earnings exemptions is somewhat deceptive because there has also been a significant increase in the PWD caseload. In fact, less then 16 per cent of the PWD caseload claimed any earnings.[21]

The data on earnings exemptions raise a number of questions. First, while there are indications that those claiming the maximum are able to increase their earnings in line with changes to the maximum, the vast majority of recipients do not claim earnings exemptions. Second, it suggests that those who are able to maintain the maximum exemption may not be working more hours because of the 100 per cent clawback for each additional dollar earned above the maximum. A recent paper suggests that both the key informants and the employee-participants in social enterprises studied felt that the 100 per cent clawback was both a psychological barrier and a disincentive to additional work.[22] This

would imply that combining the flat rate with graduated earnings exemptions may be preferable. Third, the low uptake of the earnings exemption suggests that the majority of people either cannot work or if they can they need additional support to find paid work. This possibility points to the importance of the employment supports discussed in the third and fourth sections of this paper.

Community Volunteer Supplements

In addition to encouraging people on PWD and PPMB benefits to seek paid work, there has for many years been a Community Volunteer Program (CVP) that provides PWDs and PPMBs with an extra $100 per month to cover costs associated with volunteering.

The percentage of PWDs and PPMBs who accessed the CVP fell consistently between April 2001 and April 2006, at which time the government increased access to the CVP for an additional 2,500 PWD and PPMB. This increased number of spaces resulted in a virtual doubling of the numbers of PWDs and PPMBs accessing this program. Such a rapid increase in accessing the CVP is a strong indication of the pent-up demand for this program and the need for the province to consider increasing the support provided to this program.

Summary of Current Income Assistance Policies for People With Disabilities

Despite the booming provincial economy, there has been a decline in the number of people moving into employment and receiving medical-only benefits, and a relatively low uptake of any earnings exemption. This suggests that, while the ministry claims that "British Columbia leads the way in building the best system of support for persons with disabilities" there is plenty of room for improvement and the potential to learn from other jurisdictions.

Jurisdictional Comparisons of Disability Benefits and Employment Policies

A wide range of legislation and policies related to disability benefits and employment are in place in Canada and abroad. Though none of the policies are perfect, there are several promising practices in some jurisdictions which, if combined, could have a significantly positive effect on the employment opportunities and quality of life for persons with disabilities.

This section highlights the legislation and policies in the five westernmost provinces (BC, Alberta, Saskatchewan, Manitoba and Ontario).[23] Innovative or unique approaches to disability benefits and/or supports to employment from the review of the legislation and policies in Sweden, United Kingdom, the United States and Australia are noted where appropriate.

While there are varying approaches and policy mandates, disability programs in every jurisdiction define eligibility for benefits based on the individual's capacity to work.[24] Incapacity to work is measured in different ways: some jurisdictions scale benefits to reflect the degree of incapacity, while others apply an absolute measure. BC is somewhat unique in that the PWD and PPMB categories are measured differently (and some have suggested inconsistently). Similarly, all jurisdictions use a medical model of disability to define eligibility, requiring approval or confirmation by a medical professional of an individual's disability and, in some cases, degree of impairment.

While Alberta has the most stringent eligibility definitions for disability benefits, it also has the most generous benefits, asset limits and earnings exemption policies for those who qualify. For example, the asset limit for an individual in Alberta was $100,000 compared to BC's $3,000. As a result, British Columbians with disabilities are expected to expend virtually all of their assets prior to becoming eligible for benefits. Such low asset levels, it has been argued, make it very difficult for many persons with disabilities to handle emergencies or occasional expenses that may be higher than their monthly stipend.

The persistent levels of unemployment and poverty among persons with disabilities in Canada ensures that a substantial number of people will depend on benefits to survive. At the same time, the structure of disability assistance mediates people's engagement with the paid and unpaid labour force through a range of measures. This section examines the various policies and approaches and how they assist or act as barriers to employment. The theme areas include: reinstatement policies, access to additional benefits, earnings exemptions, and supports to employment.

Reinstatement

All jurisdictions review financial eligibility as well as disability status to determine continued benefits. These reviews range in time from six months in the US, to annual reviews in Alberta and Saskatchewan, to the UK which exempts claimants with severe disabilities while regularly reassessing eligibility for others. While BC claims that PWD status is a "permanent" designation, the legislation allows the minister to rescind that designation. The policy also states that a claimant's disability status may be reviewed within a five-year time frame – it is therefore not, in fact, permanent.[25]

All jurisdictions allow for re-qualification of individuals who leave for employment, albeit within varying time frames. For example, the UK allows re-accessing benefits between eight and 52 weeks, depending on the type of benefits. Alberta allows for rapid re-instatement if an individual reapplies within two years of their most recent eligibility assessment, and the US allows for "expedited reinstatement" within 60 months of leaving for employment. Ontario's new policies eliminate time limits for reinstatement and Saskatchewan allows individuals who are employed full time to apply for additional benefits if they are unable to meet their basic needs.

Sweden is unique as it allows individuals to apply for trial periods of work up to one year while receiving both benefits and employment income. If the trial is successful, individuals can apply to have their benefits made dormant for up to 24 months. For individuals under 30, benefits are immediately re-accessible up to age 30 when they enter a different benefit regime. Disability allowance claimants can also apply for benefits while employed, though they will be means tested.

BC's legislation, regulations and policies do not identify how long a person with a disability can be off benefits and still be eligible for rapid reinstatement. Furthermore, people with a PWD designation who go off assistance may have to go through a lengthy re-application procedure to determine if they are financially eligible for benefits. Based on current legislation and regulations, employment for persons with disabilities comes with risks of being either downgraded or disqualified for assistance on review of their status. Adopting a combination of Ontario's new policies that eliminate time limits for reinstatement, and Alberta's rapid reinstatement for two years could address the uncertainty that currently exists in BC.

Access to Benefits

In addition to concerns about rapid reinstatement, barriers to employment include the risk of losing many other benefits that persons with disabilities access through the welfare or disability benefit system. Basic needs such as health care, prescription drug costs, eye care, dental care and transportation all have significant additional costs for many persons with disabilities. The prospect of losing those benefits can act as a strong disincentive to seeking employment income.

Sweden has universal medical care, drug benefits, and dental care for everyone under the age of 20, so these benefits continue regardless of disability benefits status. Australia provides some additional allowances to help offset drug costs. In the US, most states provide Medicaid and Medicare for people receiving disability benefits (six states do not). In the UK, persons with disabilities are eligible for expanded National Health Service supports only if they are receiving income assistance.

Basic needs such as health care, prescription drug costs, eye care, dental care and transportation all have significant additional costs for many persons with disabilities. The prospect of losing those benefits can act as a strong disincentive to seeking employment income.

Ontario, and to a lesser extent BC, are alone in providing ongoing additional benefits after an individual leaves the income support system.[26] Ontario's new legislation continues benefits without a time limit. Though BC technically allows medical-only benefits for individuals with disabilities who have left income assistance for employment, it is clear that only a limited number of persons with disabilities, as reported in the previous section, actually receive this benefit.

Ontario's new policies reflect a recent policy review that identified significant barriers facing individuals receiving disability benefits who wish to access employment. The policies, which include a $100 monthly transportation benefit, an employment start-up benefit, changes to earnings exemption rules, and an easier re-qualification process, all seem designed to address some of those disincentives to employment. Also, continued eligibility for medical and dental benefits is designed to encourage individuals to access employment without fear of excessive health costs.

Additional Supports for Transitioning to Employment

All jurisdictions studied clearly identify employment as a goal for benefit recipients. All provide some form of training, job readiness, job coaching and employment supports for persons with disabilities and all provide some form of support for employers such as worksite modifications. The focus in this section is on the financial incentives that support people transitioning into employment.

Australia provides an employment entry payment of up to $312 if new employment is expected to last more than four weeks. It also provides some wage subsidy programs to encourage hiring of persons with disabilities. The US is similar, with incentives for individuals and employers.

Manitoba provides employment supports for work clothing, bus passes and child care for the first year of employment. Ontario has made significant efforts to address non-employment related barriers for individuals seeking to access employment. Ontario now provides an employment start-up benefit of up to $500 in any 12-month period to reimburse cost for items such as work ware, tools and equipment, grooming costs, etc. for any employment-related activities. Ontario also provides a $100 per month transportation benefit for individuals who access *any* employment while still receiving benefits.

BC provides little beyond the supports common to all jurisdictions; these are discussed in more detail in the next section.

Earnings Exemptions

All of the jurisdictions studied allowed people with disabilities to earn some form of income without deductions. Internationally, these deductions range from the UK where the first £5 ($10) of income is disregarded each week, though in some circumstances the amount can be up to £78 ($150) per week; to Sweden which allows claimants to work for up to one year without any penalty or loss of benefits. The US allows an exemption for individuals in a trial work period; otherwise, the first $65 per month of earned income is excluded, and then reduced by 50 per cent beyond that amount.

Alberta has a particularly generous earnings exemption for people receiving disability benefits. A single adult can earn a flat rate monthly exemption of $400 and then retain 50 per cent above that amount up to a total exemption of $700.

Ontario recently switched to a system where an additional $100 transportation allowance is provided for individuals who access any employment, but benefits are reduced by 50 per cent for each dollar of earned income. BC has a fixed earnings exemption of $500 per month for people in the PWD and PPMB categories and then reduces benefits dollar-for-dollar beyond that. Manitoba allows for a $100 flat rate earnings exemption for single persons and benefits are reduced by 70 per cent for earnings above that amount.

Alberta has a particularly generous earnings exemption for people receiving disability benefits. A single adult can earn a flat rate monthly exemption of $400 and then retain 50 per cent above that amount up to a total exemption of $700 (total earnings of $1,100 per month).[27]

Australia has a particularly unique option involving the accumulation of "working credits" when earned income is below $48 over two weeks.[28] Up to 1,000 working credits can be accumulated, enabling persons to not be penalized if they are able to earn above the threshold for a short period of time. In effect, the credits even the flow of their earnings. It is, therefore, particularly beneficial for those who are episodically employable and whose income is likely to fluctuate quite dramatically.

Summary of Jurisdictional Comparisons

While all jurisdictions have designed policies to encourage individuals to enter employment, the majority of persons in BC currently receiving disability benefits do not receive additional income from the labour market. Our review of the legislative and policy regimes in nine jurisdictions has identified several policies that might enable more people with disabilities who are receiving benefits to increase their engagement with the labour market. These include:

- Ensuring that individuals have continued medical and dental benefits at the same level as when on assistance (while the medical-only policy is in place in BC, it has not been well communicated to many of those working with target populations);
- Ensuring unlimited reinstatement as in Ontario and rapid re-qualification for income benefits, including earnings exemptions as in Alberta;
- Providing a monthly transportation allowance for people who access *any* employment as in Ontario;
- Increasing earnings exemptions by including the current flat rate earnings exemption of $500 in BC and adding a 50 per cent graduated reduction in benefits for additional earnings as in Alberta (see Appendix B for a fuller discussion on establishing criteria for the earnings exemption);
- Developing "working credits" to even the flow of earnings exemptions as is done in Australia;
- Developing employment start-up benefits of up to $500 for any employment-related activity as in Ontario; and
- Raising asset limits to be eligible for benefits to $100,000 as in Alberta.

While the above changes would significantly reduce barriers to employment, they are not in and of themselves sufficient. Many people with disabilities, and in particular people with developmental and psychiatric disabilities, require additional training and support to successfully transition into paid employment. The next two sections examine the role supportive employment programs and social enterprises play in encouraging more persons with disabilities to participate in paid work.

Supportive Employment Programs

Historically, employment options specifically targeted to people with significant developmental and psychiatric disabilities were limited to sheltered workshops that paid below minimum wage, were segregated from the larger community and provided no opportunities for transitioning into the mainstream workforce. In BC as elsewhere, the growth of the disability rights movement in the 1980s and the application of provincial minimum wage legislation to sheltered workshops has shifted the focus away from sheltered workshops to supportive employment as a preferred strategy for assisting people with significant disabilities to obtain paid work.[29]

Supportive employment initiatives typically offer people with disabilities employment in integrated settings at minimum wage or higher. Emphasis is placed on each participant's individual interests and preferences, relatively rapid placement into paid employment and ongoing employment supports.[30] This programming has proven relatively successful in securing employment in the mainstream workforce for people with significant disabilities.[31] The most extensive review of supportive employment programs in Canada was conducted in 2000, covering programs in four provinces: Nova Scotia, Ontario, Manitoba and Alberta.[32] The review found that although the increase in earnings was quite modest, people with disabilities working in mainstream jobs "expressed a high level of satisfaction with their work, their workplaces and colleagues."[33] Staff working in these supportive employment programs also highlighted the powerful role employment plays in countering feelings of social exclusion and low self-esteem.

Organization and Funding of Supportive Employment Programs in BC

In BC, federal and provincial funding for supportive employment began in earnest in the 1980s. The federal department of human resources developed a community-based funding stream for agencies providing employment programming to a range of people with disabilities, while the provincial government established special education programs through the post-secondary college system – focused primarily, although not exclusively, on people with developmental disabilities.

In 1998 the federal and provincial governments reorganized the funding of employment programming for people with disabilities by establishing a $54 million, 50/50 cost-sharing agreement.[34] This agreement was then renegotiated in 2002, giving the province more control over funding allocations. The current agreement is referred to as the Labour Market Agreement for Persons with Disabilities (LMAPWD), although it is important to note that it includes a number of support and rehabilitation services that are not directly employment related.[35]

Today there are few supportive employment programs funded directly by the federal government. All of the college-based special education programs and most of the community-based supportive employment programs for people with developmental and psychiatric disabilities (funded through Community Living BC and the Ministry of Health) now come under the umbrella of the LMAPWD. In addition to funding these community and college-based supportive employment initiatives under the LMAPWD, the Ministry of Employment and Income Assistance (MEIA) introduced an entirely new, more business-oriented funding model in 2003. Under this model, contracts are awarded through a competitive bidding process and funding is based on a "fee-for-service" or "pay-for-performance" model, i.e. contractors are paid a set fee to provide certain predetermined interventions. By June 2007 contracts totalling $18 million were tendered directly by MEIA's Employment Programs for People with Disabilities (EPPD), primarily to three very large cross-disability and regionally-based service providers: Neil Squire Society, BC Society of Training for Health and Employment Opportunities (THEO BC) and WCG International HR Solutions, based in Victoria BC.[36] On August 3, 2007, WCG International was purchased by Providence Service Corporation, based in Tuscon, Arizona, for $9.8 million with the expectation that this purchase would produce $25 million in revenues for Providence.[37] This represents a very significant shift in resources away from BC-based disability organizations to a large publicly-traded service corporation. This model is clearly moving in a very different direction from the community and college-based programs that are funded globally with services provided by primarily small, not-for-profit, disability-specific organizations.

By June 2007 contracts totalling $18 million were tendered directly by the ministry to three very large cross-disability and regionally-based service providers, including a large publicly-traded service corporation, a very different direction from the community and college-based programs that are funded globally with services provided by primarily small, not-for-profit, disability-specific organizations.

The research interviews in this study focused on the community-based supportive employment and college-based special education programs and not on the relatively new "performance-based programming" contracted through MEIA. However, a number of our interviewees commented on

MEIA programs and these comments are included at the end of this section. The section also includes a comparison of placement and dropout rates between the newer ministry EPPD programs and the relatively long-standing community-based and college programs.

Profile of Eight BC Supportive Employment Programs

Eight programs profiled in this section were selected based on the recommendations of key informants. Informants occupied leadership roles at both the policy and organizational levels and had years of experience working with people with disabilities. All of the programs selected for this study have been in place for many years, are well regarded by the key informants, target populations with developmental and psychiatric disabilities, and represent diverse funding sources and urban and rural locations (see Table 1).

Six are community-based programs operating within larger agencies providing a range of employment, housing and counseling services to people with disabilities. Five of these agencies were non-profit and one was a for-profit business. The two other programs were college-based special education programs.

In terms of the ages of the participants, three of the programs for people with developmental disabilities focus primarily on participants under age 25. These programs emphasize the importance

Table 1: Profile of Supportive Employment Initiatives

Program/service	Primary target population	Organization	Number of participants 2005-2006	Years services in operation
Pact employment services	Psychiatric disabilities	Coast Mental Health Foundation, Vancouver	136	1982 – present
Employment services[a]	Psychiatric disabilities	Canadian Mental Health Association, Vancouver-Burnaby Branch	255	2001 – present
Employment services[b]	Psychiatric disabilities	Stepping Stone Community Service Society, Langley	66	2004 – present
Supportive employment services	Developmental disabilities	Garth Homer Society, Victoria	5	1999 – present (formerly Work Inclusion Program)
Employment services	Developmental disabilities	POLARIS Employment Services Society, Burnaby	146	1977 – present
Private enterprise offering supportive employment services	Developmental disabilities	Provincial Networking Group Inc., Terrace, Kitimat	14	1994 – present
Basic occupational education program	Developmental and learning disabilities	Douglas College, New Westminster Campus	32	1979 – present
Retail food and supermarket careers program	Developmental and learning disabilities	Vancouver Community College, Vancouver	10	1995 – present

[a] April 2006 to March 2007 totals provided for Canadian Mental Health Association.
[b] 2004 to 2005 annual totals provided for Stepping Stone Community Services Society.

of employment experience and employment supports at a young age. Three of the eight programs worked predominantly with populations in their late 20s to late 30s, another with people over 45, and the Coastal Mental Health Foundation (CMHF) includes people of all ages. Jack Beatty, Director of CMHF's Employment Services, emphasized programming tensions in relation to expectations from different age groups: "People in their 40s and 50s and 60s, it's [the institutional models] they are used to, but the younger people want to come in with their skills and get an education and get on with it." Programs supporting people with developmental disabilities repeatedly emphasized the fact that younger participants were entering services more "job ready" than in previous years due to more effective high school programming.

Gender breakdowns for programs varied, with most reporting the participation of more males than females. In terms of eligibility criteria, programs generally prioritized type or level of disability rather than past educational experience. VCC's Retail Food and Supermarket Careers Program was the only exception, with an explicit preference for students with a Grade 5 reading level and basic math skills. Four programs directly facilitated educational goals and four programs provided referrals for participants wishing to pursue education. Indicative of the flexibility inherent in supportive employment models, agencies provided services for participants with a range of educational backgrounds. For example, Bob Logelin, Coordinator of Douglas College's Basic Occupational Education (BOE) program, emphasized the availability of program options for students who could not read or write, while Leigh Thomson, Employment Services Team Leader at the Canadian Mental Health Association, emphasized participant diversity: "We have a social worker with her master's degree, we have people that are working washing dishes or clearing tables and we've got a couple of lawyers."

Table 2: Competitive Employment Placement and Employment Retention[a]

Organization	% Employed full-time	% Employed part-time	% Employed	% Employed after 6 months	% Employed after 12 months
Coast Mental Health Foundation	–	–	40%	–	–
Canadian Mental Health Association[b,c]	–	–	54%	–	–
Stepping Stone Community Service Society[d]	3%	33%	36%[e]	27%	18%
Garth Homer Society	0%	60%	60%	–	–
POLARIS Employment Services Society[b]	10%	36%	47%	27%	20%
Provincial Networking Group Incorporated	15%	56%	72%	72%	67%
Douglas College	59%	22%	81%	66%	66%
Vancouver Community College	0%	80%	80%	70%	70%

Notes

[a] Unless otherwise indicated, program participant totals are based on tracking information provided by the agencies for 2005–2006.

[b] The statistics for POLARIS and CMHA include both new participants in 2005–2006 and participants carried over from the previous year.

[c] April 2006 to March 2007 totals provided for CMHA.

[d] 2004 to 2005 annual totals provided for SSCSS.

[e] SSCSS's competitive employment outcomes may be indicative of the older populations the society works with, i.e. most participants serviced between 2004 and 2005 were over the age of 45.

The vast majority of participants in supportive employment programs worked part-time (see Table 2). The reasons for this ranged from limitations due to disability to the provincial flat rate earnings exemption. As Jack Beatty noted, "They are allowed to make $500 on disability and it becomes a psychological barrier for the mentally ill…they limit themselves because after that there is a dollar for dollar clawback." It is interesting to note that this does not hold true for the graduates of the BOE program at Douglas College, where the majority of placements were full-time.

In a survey of the placement rates of the programs included in the study (Table 2), we found that programs working with people with psychiatric disabilities achieved placement rates of 36 to 54 per cent, while programs working primarily with people with developmental disabilities had placement rates of 47 to 81 per cent. These findings are similar to a recent four-year study of placement and retention rates for 14 community-based agencies from southwestern Ontario in which "people with developmental disabilities were the most successful with 64 per cent obtaining any employment," compared to only 48 per cent of people with psychiatric disabilities.[38]

It is also interesting to compare the placement rates from these eight programs with the placement rates for the ministry's Employment Programs for People with Disabilities (EPPD). According to the ministry, only 1,542 out of the 12,285 people who participated in programs from April 1, 2003 to April 1, 2007 obtained paid employment. This is a placement rate of only 12.5 per cent.[39]

Success Factors and Barriers to Success

While employment outcomes varied among the eight programs in our study, common success factors and barriers to success were identified in supporting people with significant disabilities to find and retain employment. The remainder of this section focuses on what works and what doesn't, drawing on both in-depth interviews with service providers and a review of academic literature on supportive employment.

Close Working Relationships and a Person-Centred Vision of Support

Organizations placed a high value on inclusive, caring and highly individualized working relationships that supported participants having input into each step of the employment process. Participants in supportive employment initiatives were more then just "clients"; organizations demonstrated a strong commitment to each individual's ongoing needs, desires and interests. Some agencies, such as the Garth Homer Society, offer participants lifetime membership in conjunction with social and vocational assistance. Other agencies, such as the Stepping Stone Community Service Society (SSCSS), provide housing services in conjunction with such supports. As the Coast Mental Health Foundation's Jack Beatty put it, a sense of community is essential to success: "Everyone who comes here enjoys being here…the sense of belonging…a community they feel part of."

Other agencies talked about the person-centred values of their organization and the disconnect between these values and government funding criteria under the "pay-for-performance" delivery model. For example, Chris Arnold, Director of the Provincial Networking Group Incorporated (PNGI), talked about rejecting funding opportunities that "conflicted" with the organization's mission statement

of "empowering people towards excellence." And Janet Burden, SSCSS's Program Manager, noted that in an effort to maintain agency independence and to ensure clubhouse members received the supportive employment services they requested, the agency chose to raise nearly 100 per cent of its funding for supportive employment through its own fundraising activities.

Ultimately, the organizations in this study strongly invested in the employment potential of each participant. The relationship between the supportive employment worker and his or her client was repeatedly cited as one of the key criteria for employment success. As the Canadian Mental Health Association's Leigh Thomson put it:

> *If I believe that you can do something and I'm there to help you get it done…we're going to be successful and that's something that I really reinforce and look for when I am hiring, is somebody that believes it can happen. We are talking about people with a serious mental illness, that are the most underemployed group of all and [people with psychiatric disabilities overall are] getting 55 to 68 per cent employment rates and I think it is because of what we believe.*

This coincides with previous research that highlights close working relationships between the client and employment worker as a fundamental feature of effective rehabilitation models. For example, a recent study of rehabilitation outcomes for 305 people with severe mental illness in Tennessee found that "employed clients measured stronger on the working alliance with their counselor than unemployed clients."[40] Similarly, a 1994 study of rehabilitation outcomes for people with schizophrenia concluded that a close working alliance was an important aspect of successful rehabilitation.[41]

The organizations in this study strongly invested in the employment potential of each participant. The relationship between the supportive employment worker and his or her client was repeatedly cited as one of the key criteria for employment success.

Ongoing Employment Supports

The provision of ongoing time-unlimited supports was repeatedly highlighted as a key to program success among our interviewees and in the literature.[42] Examples of essential employment supports offered to clients include assistance with day-to-day communication with employers and coworkers (i.e. how to ask for a day off, appropriate times to phone an employer), the breakdown of task expectations into visual representations for reference, and help with time management skills (i.e. with the assistance of special watch alarms). Ultimately, the kinds of supports offered to clients varied depending on the individual and the workplace environment. Both colleges reported that students with developmental disabilities participating in their employment programs often struggled with skills transfer and information retention. In such instances onsite "hard skills" training was particularly effective in helping students obtain and maintain employment.

The availability of timely supports, one, two or three years after placement was seen as critical to job retention. And yet after the initial adjustment period, they were often needed only occasionally – once every six months or even less. A recent report by CMHA also emphasized that "natural turnover" facilitates ongoing admissions even after allowing for time-unlimited supports.[43] In their evaluation of a two-year supportive employment pilot project, the organization found that 40 per cent of their supportive employment discharges "were clients with jobs who didn't require or request/agree to

ongoing support at the time." This natural turnover allowed for a target caseload of 25 clients, with a 30 per cent turnover each year. In their analysis of employment services for people with disabilities in Ontario, the Community Involvement Council's Employment Outcomes Committee reported that after one year of employment the majority of clients were supported for "less than 10 per cent of their work time."[44]

Employer and Agency Coordination

Successful coordination and communication between employers and agencies is essential to effective supportive employment. PNGI's Chris Arnold emphasized that, "initial training, negotiating of accommodations with the employer, that whole set up is really key." Businesses in this study were open to hiring employees with disabilities for a variety of reasons, from first hand experiences with family members with disabilities to formal business policy and past success employing people with disabilities. Within rural communities strong personal relationships established between agency staff and businesses were particularly important given smaller pools of potential employers. Linda Delparte, Executive Director of POLARIS Employment Services, also emphasized changing public perception: "A lot of young people who are becoming supervisors or managers went to school with people who had disabilities and so it's no big deal to them."

Vancouver Community College benefited from having standardized procedures adopted from larger retail chains. Standardized forms, manuals, instructional videos and work duties provided students who struggled with skills transfer and information retention with unique opportunities for employment.

Natural Supports

Natural supports are "existing supports typically found in the workplace."[45] Coworkers, unions and useful objects (such as clocks or chalkboards) represent just a few examples of natural supports found in the workplace. In this study, agencies equated strong natural supports with positive employment outcomes and greater levels of social integration. For many people employment is "more than just a job," it is a fundamental social experience. And while most agencies did not do formal diversity training with coworkers and managers, most did work closely with particular managers and/or coworkers who served as key "translators" or "buddies" for participants.

However, the disruption of strong natural supports in the workplace was repeatedly cited as a challenge. Programs reported that people with developmental and psychiatric disabilities were often unable to cope with changes in management and staffing. PNGI utilized several strategies to deal with workplace changes, including the targeting of specific senior staff members likely to remain in the workplace as key mentors, and proactive "monthly or quarterly" check-ins with program participants.

The benefits of natural supports are well documented in the academic literature. One large-scale US study found better wages and enhanced social integration associated with the use of natural supports in the workplace.[46] When co-workers received training in how to work with people with disabilities, employees with disabilities were far more likely to participate in non-work related social

activities. Researchers emphasized, however, that while natural supports are appropriate for some populations, they may marginalize those with very severe disabilities who require more significant ongoing support.

Rapid Placement

The majority of agencies also emphasized the need for rapid placement in mainstream employment rather than extensive pre-vocational assessment. Previous studies have identified the effectiveness of services adopting rapid placement in conjunction with ongoing supports.[47] Even when organizations adopted prevocational training components in their service models, rapid placement in mainstream employment remained a fundamental aspect of supportive employment service delivery. Bob Logelin, who coordinates the Douglas College program that includes pre-vocational training, discussed the problem of spending too much time on pre-vocational assessment and not enough time teaching "hard skills" and actual employment placement: "All of the pre-employment stuff going on is essentially a waste of time. [It] is just drawing time from people's lives so they can't get on with other things that will enable them to develop more job-ready skills." These sentiments are echoed by SSCSS's Clubhouse membership, which voted for an alternative employment service model in 2004 following overwhelming resistance to programs adopting extensive pre-vocational assessments.

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Global Funding Allows for Flexibility to Meet Individual Needs

These organizations typically received global funding and several commented that this allowed greater flexibility in their program design, enabling them to tailor services to meet individual needs. Chris Arnold noted:

> *The global funding is something that I think is a huge factor in our success because we have more flexibility, because if we need to spend six months with somebody as opposed to one month we have the ability to do that. If we need to go in on follow-ups every other year for a few weeks we have the ability to do that.*

Bob Logelin also emphasized the benefits of global funding in relation to highly individualized services and the ability "to provide long term support and keep … [program participants'] files open for as long as possible." Funding structures have a direct impact on the nature and duration of program services offered to participants in supportive employment. Global funding allows for flexibility essential to highly individualized employment services.

Barriers to Success: Government Funding Criteria

In addition to identifying key factors to success, participants in this study identified key barriers to effective supportive employment. Agencies reported challenges associated with federal and provincial programming, including ineffective service coordination, a lack of consistency in terms of the services offered, and inadequate funding structures for supportive employment. Limitations in relation to federal funding were repeatedly emphasized by informants, from the federal government's unwillingness to fund critical ongoing supports to concerns around the stability of funding with the impending transfer of employment services from the federal to provincial government. Linda Delparte pointed out that "the federal employment assistance services agreements sets the limit of job coaching to be completed within 12 weeks after the job has started… Some people may need help for a longer time frame, or intermittently in a follow-up situation."

Barriers to Success: Ministry Contracted Services

In 2005-06 participants in this study reported program and service dropout rates of zero to 23 per cent, compared to 59 per cent and 78 per cent[48] for the ministry's Planning and Employment Services and Pre-employment Services programs respectively. Indicative of the high drop-out rates associated with MEIA's Employment Programs for People with Disabilities (EPPD), the agencies interviewed overwhelmingly reported problems with the coordination of MEIA's programs. Complex systems of automated voice messages,[49] long assessment periods and lengthy waitlists detour many people with developmental and psychiatric disabilities from participating in EPPD programs in the first place and contribute to clients dropping out.

In 2005–06 participants in this study reported program and service dropout rates of zero to 23 per cent, compared to 59 per cent and 78 per cent for the ministry's programs respectively.

Chris Arnold emphasizes that "the very first point of contact is often where people with disabilities get lost…it seems like there are multiple hurdles…a lot of expectation is put on the individual without a lot of support." Currently, there is no broadly available brochure or website that communicates to the public or to college employment agencies tenured by EPPD to provide employment services.

The ministry's emphasis on volunteer placement is also troubling. As the LMAPWD annual report notes: "Under EPPD, employment includes voluntary employment."[50] This concerns many organizations because the potential for the exploitation of people with developmental and psychiatric disabilities is high. Participants often end up "volunteering" with for-profit businesses, despite being employment-ready. As Chris Arnold indicates:

> *One of our worries, because we've seen this happen in a number of programs, is that volunteer placements are easier to get and we are worried about people with disabilities coming and getting put into a volunteer placement and sort of just left. We've actually experienced in more than one occasion where we've met somebody that's been volunteering in a for-profit company for five to seven years and not getting paid…most of the cases like that we've heard the individuals volunteering were completely capable of being a paid employee.*

Agencies also reported several challenges associated with the ministry's performance-based, fee-for-service funding models. Linda Delparte emphasized: "The performance-based, fee-for-service approach has reduced the number of employment services in the province. Six to 10 have disappeared in the last six years. As of July 1, 2007 there remain only three organizations as the primary agreement holders with EPPD programs." This is especially disconcerting given the findings from research in southwestern Ontario where a decline in the number of agencies (and increase in the size of those remaining) was strongly associated with a decrease in the number of people with disabilities being successfully placed in employment.[51]

Several agencies also voiced concerns regarding the "cream skimming" of higher functioning participants to boost outcomes. These employment services were driven by statistics, the SSCSS's Janet Burden said, and they needed to meet a certain quota of people who were placed in employment. Her agency, on the other hand, tried to place a range of people, some who had more barriers to employment than others.

The rigidity of fee-for-service, performance-based funding also deters the provision of ongoing supports, in contrast to the flexibility of services available through global funding structures. As Chris Arnold emphasizes:

> *The key barrier to employment retention, I think, is not having the ability to give individuals ongoing support… That's one of the reasons why I think that MEIA programs aren't as successful. It's because the person is sort of dropped once they have met whatever benchmark it is they've met. There isn't that ability to…follow-up.*

While MEIA programs have been modified to offer some ongoing supports, they do not provide the time-unlimited supports that are critical to ensuring that people with disabilities not only obtain employment, but retain employment over the long term.

Summary of Supportive Employment Programs

Clearly, supportive employment services can offer people with significant disabilities opportunities for "real work" at "real pay" in integrated settings. However, success does not come easily. Several key factors were identified as critical to success, including:

- Ongoing, time-unlimited supports;
- Onsite job skills development in conjunction with rapid placement;
- An unrelenting focus on individual participants' preferences, skills and employment goals;
- Strong working relationships established between agencies, supportive employment staff and program participants;
- Effective coordination between employers and supportive employment staff;
- Welcoming employment environments with strong natural supports, including well-developed training tactics and social supports;

- Global funding structures to provide the flexibility to meet individual needs; and
- A connection to a disability-specific agency that provides long-term, non-employment, person-centered social supports.

Supportive employment is not the only option available to people with disabilities. A newly emerging yet still small social enterprise sector is also providing employment supports to people with disabilities.

Social Enterprises

Broadly defined, social enterprises are businesses with a social purpose. This study focuses on social enterprises that have a primary mandate to provide employment for people whose disability poses a significant barrier to mainstream labour market participation.[52]

The research analyzes both the successes and limitations of this new emerging sector. The section begins with a description of the seven BC social enterprises selected for inclusion in the study and outlines the workplace accommodations and supports that make it possible for people, typically defined as unemployable due to their disability, to access both the social and economic benefits of employment. The section then moves to a brief review of their governance structures and to a discussion of the barriers to sustainability they encounter. Drawing on two Ontario case studies and one BC case study, the section closes with a discussion of the relationship of government funding to the social enterprise sector, and the potential role of coordinating bodies to support social enterprise development.

Profile of Seven BC Social Enterprises

A list of 12 BC social enterprises employing people with developmental, psychiatric and other disabilities was compiled in the spring of 2006, and seven of these were chosen for in-depth interviews (see Table 3). Parity in representation from different disability populations, variety of business models, proximity to the Lower Mainland, and relative success of each social enterprise were considered in the final selection. Interviews were conducted with senior management, and in some cases, executive directors. Three additional interviews were conducted with coordinators of social

Table 3: Profile of Social Enterprises (Summer 2006)

Social enterprise	Start date	Type of business	Target population	Affiliation	Number of senior staff[a] (full-time unless noted) and wage source	Number of participant-employees (part-time unless noted)
The Cleaning Solution (Vancouver)	2004	Janitorial; certification required	Mental health consumers[b]	Canadian Mental Health Association	General manager (volunteer); part-time bookkeeper (revenue); team leader/ support person (CMHA in partnership with VCH[c])	14
Landscaping With Heart (Vancouver)	2005	Landscaping; certification required	Mental health consumers	Coast Foundation Society	Business manager (BCTSVP[d]); landscaping manager (revenue); part-time (20%) general manager (Coast)	57
Mobile Work Crew (New Westminster)	1990	Lawn and property maintenance	People with developmental disabilities	Fraserside Community Services Society	On-site supervisor; part-time (30%) coordinator (Fraserside)	7
Potluck (Vancouver)	2001	Café, catering, and contract meals	Mixed; primarily undiagnosed mental illness and FASD; multi-barriered	Unaffiliated; businesses operate as part of a community development project	14 senior staff (i.e. people without disabilities), including kitchen supervisors, social workers, sales and managers (revenue)	11 (6 full-time; 5 part-time; another 5 part-time casual employees per week)
The Right Stuff (Trail)	2002	Flyer collation for local newspaper; drop off to carrier points	Mixed; primarily undiagnosed mental illness	Community Skills Centre	On-site supervisor; part-time (10%) counsellor; part-time (30%) job coach; part-time (10%) project manager (revenue)	33
Starworks (Vancouver)	2001	Light manufacturing, assembly, collation and packaging	People with developmental disabilities	Developmental Disabilities Association	Two on-site supervisors; part-time (50%) manager; summer student (DDA)	36
Yards R Us (Penticton)	2002	Lawn and property maintenance, demolition and snow removal	Mental health consumers	Penticton & Area Cooperative Enterprises	Part-time general manager (revenue); two crew bosses (revenue); part-time (4%) coordinator[e] (Interior Health)	8

Notes

[a] One-time privately funded senior staff positions are not included; these are positions that will cease to exist after the one-time funding lapses, and as such do not count towards core senior staffing.

[b] The affiliate agencies of these social enterprises prefer the term "consumer-run" as opposed to "client-run." "Consumer-run" refers to terminology within the mental health recovery/survivor movement, which describes mental health clients or patients as "mental health consumers." "Consumer-run" therefore means a social enterprise that is run by individuals who consume mental health services.

[c] CMHA has partnered with Vancouver Coastal Health to fund the salary of The Cleaning Solution's team leader. The Cleaning Solution is a mental health consumer-run enterprise, and the team leader's role is to support and mentor the manager in day-to-day operations and business planning. The general manager currently receives disability benefits and volunteers most of his time.

[d] BC Technology Social Venture Partners. BCTSVP funding for Coast ended December, 2006, and as of 2007, all senior staff wages were to be fully funded by revenue.

[e] Yards R Us operates as one of several mental health consumer-run cooperatives within Penticton & Area Cooperative Enterprises (PACE). PACE receives funding from Interior Health for one full-time job developer and one full-time vocational rehabilitation counsellor, which are shared between all PACE member cooperatives. Officially, these two PACE staff represent a shared resource for participant-employees on the part of Yards R Us with its affiliate agency, PACE. However, PACE's vocational rehabilitation counsellor also provides managerial supports and coordinator functions for all its member cooperatives. For this reason, we have included this PACE vocational rehabilitation counsellor, on a very part-time basis, as senior staff in the profile of Yards R Us. PACE's vocational rehabilitation counsellor devotes roughly half of her work day to tasks consistent with that of an executive director because PACE does not have the funds to pay for an executive director position.

enterprises initiatives, two from Ontario, Groupe Convex and the Toronto Enterprise Fund, and one from BC, the Penticton and Area Enterprise Cooperatives (PACE).

Of the seven social enterprises in BC, two employ a mixed-disability population; another two employ people with developmental disabilities, and three employ people with mental illnesses. Five are located in the Lower Mainland and two in the Southern Interior. Six of the seven social enterprises are affiliated with a larger agency or organization. Potluck, a Vancouver-based café and catering business, is the exception, operating on its own within a larger community development project.

Each of these seven enterprises has developed somewhat differently depending on its specific history, funding base, business focus and participant population. Most were founded by small groups of dedicated individuals who had many years' experience working with a particular disability population and who were determined to move beyond service provision to a social enterprise business model in order to provide paid employment to their clients. Six of the seven social enterprises were established since 2001.

Each of these seven enterprises has developed somewhat differently depending on their specific history, funding base, business focus and participant population. Most were founded by small groups of dedicated individuals who had many years experience working with a particular disability population and who were determined to move beyond service provision to a social enterprise business model in order to provide paid employment to their clients.

All social enterprises in this study reported an increase in revenues over time (see Table 1 in Appendix D). All seven are able to fund the wages of their target population employees (hereon referred to as "participant-employees") from their generated revenue. However, at the time of the interviews, only one social enterprise in this study was entirely self-sufficient (The Right Stuff). The other six required some additional external funding (see Tables 1 and 2 in Appendix D). In addition, most of these social enterprises benefit from shared resources with their affiliate agency (e.g. human resources and counselling services for their employees; see Table 2 in Appendix D).

Overall, participant-employees are paid $8 to $10 per hour by their social enterprise employer. Training is provided free in the two social enterprises that require specific certification for their participant-employees. Male participant-employees are overly represented in five of the seven social enterprises.

Potluck is the only social enterprise where staff without a disability work alongside staff with a disability, while The Right Stuff and Yards R Us adopt a transitional as opposed to a permanent employment model. Six of the seven social enterprises employ a middle-aged workforce, ages 35 and up on average, most of whom have no previous employment history. The Right Stuff employs a predominantly younger population, with the majority of its workforce under 25 years of age. Finally, in all but one social enterprise (Potluck), almost all participant-employees work part-time (no more than 30 hours a week) and the vast majority work under 15 hours a week.

Relationship Between Employment Income and Disability/Income Assistance Benefits

Five out of seven social enterprises in this study reported that nearly all of their participant-employees claim monthly BC disability benefits (either PWD or PPMB), and that almost all work up to but do not exceed their earnings exemption threshold of $500. Depending on the hourly wage, participant-employees in these businesses tend to limit their labour market participation to, on average, 10 to 15 hours of paid work per week. This does not apply to The Right Stuff and Potluck because none of their participant-employees receive disability benefits.

None of the social enterprises in this study reported that they could offer full-time hours to all their participant-employees, in large part because of seasonal slow-downs or lay-offs in their business. At the same time, however, several enterprises said they could offer a proportion of their participant-employees sufficient hours of employment to exceed income from disability benefits for most, but not all, months of the year.

Most social enterprise employers reported that some of their participant-employees refrained from testing their capacity to work more hours because of fears of losing their disability benefits and associated extended medical and dental benefits. Loss of disability benefits could mean the partial or total loss of income in the weeks or months where participant-employees may be unable to work due to poor health, seasonal slow-downs, or lay-offs. Similarly, none of the social enterprises in this study provided extended medical and dental benefits to their participant-employees.

Several social enterprises saw their inability to offer extended medical and dental benefits as another barrier deterring their participant-employees from stepping up their part-time hours or attempt full-time employment. These enterprises had explored securing extended medical and dental benefits for their participant-employees, but were denied insurance coverage because the majority had a pre-existing medical condition. Consequently, most social enterprises, or their affiliate agencies, offer employer benefits only to senior management.

However, according to the ministry, PWD, but not PPMB claimants *are* eligible for most of their enhanced medical and dental benefits including: a full waiver of their Medical Services Plan monthly premium; 100 per cent PharmaCare coverage (prescription costs paid); medical equipment and supplies; and, basic dental and orthodontic services.[53] Yet none of the seven social enterprises interviewed were aware of this policy. When our researcher discussed the ministry's policy with them, a few expressed concern that PWD claimants would still be at risk of losing retained benefits if their PWD status was terminated upon a scheduled or unscheduled review. They also expressed concern that retained benefits would be time limited.

Workplace Accommodations

Workplace accommodations involve tailoring both the organization of work and the type of work itself to the capacity, comfort level and interests of participant-employees. In this study, we found that social enterprise employers accommodate participant-employees in several ways: the number of hours each employee wants to work, when they want to work, individual ability, preferences in terms of the intensity and variety of work contracts, and specific tasks. These accommodations may include: shorter work days, more breaks than required by the labour standards act, exclusive part-time scheduling in recognition of participant-employees' earnings exemption thresholds, casual on-call scheduling, a lighter mix of physically demanding jobs, adapting tasks to individual ability (especially in terms of dexterity and memory), choosing specific work contracts to complement employee capacity, and/or facilitating the return of participant-employees after a pause of unemployment due to poor health. Mobile Work Crew, for example, began as a janitorial business and changed to property maintenance when participant-employees preferred not to work evenings and weekends.

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Among participant-employees, workplace accommodations play a significant role in occupational satisfaction and in many cases job retention. From an employer perspective, workplace accommodations are also driven by the need to balance the revenue-generating objectives of social enterprises with their social purpose or mandate to employ a particular population. A Starworks manager put the issue this way:

> *That's the bottom line: revenue. Right now, that is our goal for this year: to break even and become profitable. But some might ask, "Well, you have some workers who are faster than others. Why don't you just hire fewer people with intellectual disabilities?" Well, that's not our mandate. We need to find a balance, bringing in contracts that are suitable for these individuals, because we could bring in all sorts of contracts, but we won't make any money off of it. So we need to find suitable work, find employees that meet our mandate, but that also meet our speed criteria. So there's a real fine balance, but we are working within a mandate.*

Most of the social enterprises in this study reported that their workforce can be counted on to work the same number of part-time hours per week on an ongoing basis although workers on occasion need to take a leave due to poor health. In these cases, employees are not terminated and replaced with new workers; rather, employers do their best to accommodate the return of employees by having other employees temporarily cover their shifts.

Potluck and Landscaping With Heart are two social enterprises that frequently accommodate participant-employees who can only work on an episodic basis (often due to mental illness or addictions relapse). While senior staff in these two enterprises learn about the needs of their employees, they also expect their participant-employees to tell them as soon as they know that they will not be available or able to work. These enterprises do their best to keep a spot open for these employees so

when they are able, they can return to work. Jack Beatty, general manager of Landscaping With Heart, provided the following example:

> *We have some people who come in, who want to get off disability, and want to get a job, and they have the stamina to do it. But then all of a sudden depression might hit them, and they can't make it. So we ask them to let us know, and we schedule someone else… For example, we have one person who only likes to work about three afternoons a week, and that's basically what they feel they can do. So we have this person working three afternoons a week, and we have the schedule set so we can get those jobs done with that person. Every once in a while this person relapses on heroin. The depression sets in and he starts using a little more heroin. And we know this about this person. Sometimes it lasts a month or two. And then we get a call, saying "I've got it under control again. I'm in rehab again. Can I go back to work?" And we'll try to get that person back to work.*

Potluck has developed an honorarium program specifically for individuals who can only work on an unscheduled, episodic basis. In addition to the 11 regularly scheduled participant-employees at Potluck, this social enterprise makes another seven three-hour shifts available to casual workers in the honorarium program. These seven shifts are typically covered by five honorarium program workers each week. Elizabeth Green, Potluck's executive director, described the honorarium program as "an open door policy," and that unless a participant has committed a violent crime, senior staff will do their best to find a way to get them working again. Potluck reported that these accommodations seem to work because there is already considerable flexibility with their workforce.

Landscaping with Heart, Starworks, The Right Stuff and Yards R Us described some difficultly in striking the right balance of workplace accommodations. All four require that their participant-employees meet certain skill or speed requirements, and each have terminated workers due to poor productivity or reliability (i.e. not coming in for scheduled shifts). Starworks, for example, calls in less productive workers less often, and is now requiring two weeks notice for vacation time. The other three enterprises expressed a basic bottom line: given the workplace accommodations in place, participant-employees are expected to work hard when at work.

Social Supports

Unlike mainstream businesses, these social enterprises provide their employees with a range of on-going social supports. These may include on-the-job supports, but are distinct from adapting the structure of participant-employees' work as in the case of workplace accommodations. The social supports most commonly provided by the social enterprises in this study include job coaching, personal and life skills counselling, and referrals to other services (e.g. mental health, legal aid or career counselling).[54]

Job coaching is predominantly provided by on-site supervisors or crew-bosses, and represents the most direct cost for social enterprises even if their affiliate agency currently covers the salaries of these senior staff positions. Personal and life skills counselling, on the other hand, are often provided by the affiliate agency at no cost to the social enterprise. The Right Stuff, as a self-sufficient business, pays for all social supports with its business revenue, including wages of the job coach and the life skills and employment counsellor.

Potluck has the most extensive social supports.[55] In addition to providing all the other common social supports, Potluck provides monthly bus passes, grocery top-ups, and subsidized meals for all regular participant-employees and honorarium program participants. As well, Potluck participant-employees benefit from a roughly one-to-one senior staff (person without a disability) to participant-employee ratio, access to a full-time, on-site social worker, and the option of having their entire skill set reviewed at the start of each shift.

The provision of social supports reflects a conscious remodeling of the employer-employee relationship on the part of these social enterprises. The majority of these employers take responsibility for the social, emotional and personal wellbeing of their employees in ways that are not common in mainstream businesses. According to a staff member at Mobile Work Crew, in practice this means that:

> *If there are personal issues or behaviours that are trickling into the work site, we [senior staff] won't say it's not our problem. We will contact the social worker, set up a meeting, and do the referrals. So we have a really holistic approach. So it's not like we're just an employer and only want to hear about work-related activities.*

The Right Stuff's team leader, Michele Cherot, said the organization's philosophy comes down to the fact that they "provide a more tolerant work environment, [and] have a longer fuse than most employers." While The Right Stuff has limits to its accommodations, it, like the other social enterprises in this study, is willing to provide the necessary workplace accommodations and social supports to help its participant-employees cope with the structure and potential stresses of employment.

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Employment Models

The majority of social enterprises in this study currently represent a permanent employment model. In cases where employers aimed to operate within a short-term training or transitional employment model, they soon found that their participant-employees did not want to leave their business for other work. Moreover, most social enterprise employers felt that their relatively low rate of workplace terminations and resignations indicated that their workplace accommodations and social supports are effective and necessary for the successful employment of their target population. High job retention also makes good financial sense as low job turnover means lower job orientation and training costs. At the same time, all employers viewed moving on to competitive employment as an absolute success for their employees. This tension reflects an even broader tension between the economic goals and social purpose of social enterprises, and the reality that what counts as success for one employee may not for another.

In keeping with their affiliate agency's mandate, both The Right Stuff and Yards R Us have adopted an employment transition model. Roughly 40 per cent of the participant-employees who leave The Right Stuff transition into competitive employment or formal education. The majority of Yards R Us

participant-employees move on to other social enterprises or worker pools within PACE, which in turn has a high rate of community placements.[56]

While by no means conclusive, this research suggests that younger participant-employees may be more likely to transition into competitive employment. Yards R Us, along with the other five social enterprises operating within a permanent employment model, have a predominately middle-aged workforce, on average, between ages 35 and 44. The Right Stuff's workforce, on the other hand, is predominately under age 25. Toronto Enterprise Fund, which oversees 11 social enterprises, also confirms that their younger participant-employees are far more likely to move on to competitive employment, whereas their middle-aged participant-employees tend to remain with their social enterprise for the long-term. These research findings suggest that while employment training models are widely favoured by government funders, social enterprises are meeting a preference for permanent employment among middle-aged workers with developmental and/or psychiatric disabilities.

Social and Public Benefits

Key informants from all seven social enterprises reported both economic and social benefits for their participant-employees. While only Potluck has developed indicators to assess improvements in quality of life, health and wellness, most enterprises in this study conduct quarterly or annual performance reviews with their participant-employees. Participant-employees were said to benefit from a higher standard of living and more economic security compared to their non-employed peers. All of the social enterprises also reported that employment has resulted in improved self-esteem, increased independence and broader social networks for their workforce. A few reported a decrease in use of health care and mental health services by their participant-employees, shorter and fewer hospitalizations, the near elimination of criminal activity, and stabilized housing as well.

Jane O'Conner, team leader at The Cleaning Solution, related a story about a male participant, "John," who had been unemployed for 18 years. While John still claims disability benefits, since starting work he purchased a TV and a phone, opened a savings account and began putting money aside. He also gets out more often and is less isolated, has made more friends, and has recently moved out of a single-room occupancy (SRO) hotel into a one-bedroom apartment with BC Housing. This team leader was unequivocal that social enterprises need to do a better job of documenting just how far an extra $500 a month in employment earnings goes to improve the quality of life, health and wellbeing of people with disabilities. But she also acknowledged just how challenging it is to quantify the many ways the public benefits from individuals like John having a kitchen, a bank account, some savings, and more friends.

A Yards R Us staff member reported that they have an employee who used to be hospitalized four times a year for approximately one month at a time. But after beginning employment with Yards R Us:

> *The only thing he kept saying while in the hospital was that he had to get back to work. As a result, he was only in there for two weeks versus a month. [And now] he hasn't been in for a year. When people start getting a sense of commitment, and that there is really something*

there for them to do, they become less dependent on the health system… By giving people the opportunity to go to work, have structure and earn some extra money, it is huge. There is no medication that can meet that need.

With the cost of psychiatric hospitalization approximately $500 a day, a one-time reduction in this man's hospitalization by even two weeks saves the health care system $7,000 annually. A two-week reduction projected over four hospitalizations annually saves $28,000 a year. And with no psychiatric hospitalizations required by this man in the last year, the savings to the health care system may be as high as $56,000.[57]

Elizabeth Green also talked about how Potluck saves the provincial government money:

Potluck is currently employing 11 people who previously collected income assistance… Partnership to me means, if they [the provincial government] could even make a 30 per cent contribution back, they would have saved [a lot of money], probably created more jobs, and probably created more stability. And there's the reduction in other services that I'm not even figuring in. Take criminal justice for example: once they come to work with us, unless there's an ongoing issue, it virtually disappears, so savings to the system are huge. That's my argument: we save them a fortune. But we've been unsuccessful in getting any sort of support at all.

While Potluck has recently received private funding to evaluate and quantify the benefits of social enterprise employment for its population, most of the other social enterprises in this study reported that they do not have the resources to do this work. In fact, two social enterprise employers said they would feel uncomfortable asking their employees to formally disclose personal information that was unrelated to their work. As a result, there is very limited documentation to date on the positive employment outcomes and societal benefits of social enterprise employment for people with disabilities in BC.

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Governance Structure

The majority of the social enterprises in this study are governed by their affiliate agency's board of directors. Landscaping With Heart and Potluck are two exceptions. Potluck is a registered charitable non-profit organization in its own right. Coast Foundation Society, Landscaping With Heart's affiliate agency, has established a separate board of directors to oversee its social enterprises.

The board of directors for each social enterprise, or its affiliate agency, reflect a mixture of business and community representation. Several social enterprises said they operate at arm's length from their board, with a smaller number seeking approval or advice from their board throughout the year. In general, the boards are not directly involved in business planning and operations, leaving these decisions to senior management of the social enterprise. Starworks and Landscaping With Heart

are the only social enterprises to have participant-employee representation on their boards. Board members at The Cleaning Solution and Yards R Us include persons with disabilities, although they are not participant-employees.

Yards R Us differs from the other social enterprises in this study because it is part of a worker cooperative. For example, participant-employees at Yards R Us collectively determine their own wages on a biweekly basis, and vote annually to determine their manager's salary. The Cleaning Solution is also mental health consumer-run, but is not a worker cooperative.

All the social enterprises in this study are expressly concerned with fostering an empowering (as opposed to merely supportive) work environment for their participant-employees, of which participant-employee participation in decision-making is a central element. However, these enterprises also reported that most of their participant-employees prefer a limited role in running the business. Choosing the type and hours of work represents the most common decision-making practiced by participant-employees, although participant-employees are also encouraged to participate in business planning and development, or annual meetings. The Right Stuff, for example, has quarterly meetings with all of its workers to review business revenues and output, and explore ways to increase efficiencies.

Barriers to Social Enterprise Sustainability

While all social enterprises in this study have increased their revenues over time, only The Right Stuff is entirely self-sufficient, and Mobile Work Crew is the only social enterprise in this study whose business goals do not include greater self-sufficiency.[58] Of the remaining five, Landscaping With Heart and Starworks had plans to fund all of their senior staff salaries and operating costs entirely through business revenues by the end of 2007. Potluck has no affiliate agency and until recently could only afford to pay its core senior staff well below market salaries. Potluck, The Cleaning Solution and Yards R Us all continue to rely on significant volunteer labour by their senior staff.

The Right Stuff currently returns all its surplus revenues to its affiliate agency, and Landscaping With Heart hopes to do the same in the next few years. However, Landscaping With Heart still plans to use the training and counselling its affiliate agency currently provides for its participant-employees. Most of the other enterprises shared a similar perspective. They expressed a desire to retain access to the shared resources such as counselling services and payroll provided through their affiliate agencies while pursuing the goal of greater self-sufficiency.

Clearly, there is a cost involved in employing people with developmental, psychiatric and other disabilities who require ongoing supports and accommodations, and naturally social enterprises must increase their revenues to recover these costs. The social enterprises in this study, however, were adamant that while employing their target population may potentially decrease their profitability, it is a lack of business expertise and capital that presents the greatest barrier to self-sufficiency and long-term sustainability.

Most of these social enterprises were founded and developed by people with no business experience or training, and with little to no capital to invest. Most reported that starting these social enterprises

demanded a whole paradigm shift, not the least of which involved the transition from a programmatic to a business development way of thinking. In many cases, affiliate agencies were able to provide funding for start-up capital, but did not have the expertise or resources to directly assist their social enterprises with capacity building.

The majority of social enterprises said they were most in need of funding for a business or sales manager to help them develop a business plan and increase revenues, but none of these enterprises or their affiliate agencies have the funding for these positions. Many of the enterprises also reported that they were limited in their ability to expand their businesses and become more self-sufficient because of a lack of access to capital. At the time of the interviews, two enterprises had to shelve business plans to expand their operations after failing to secure adequate funding for these new projects.

This research found that access to planning and/or capital funding has come almost entirely from the private sector, and most frequently from a group of socially-minded investors called BC Technology and Social Ventures Partners (BCTSVP) (see Table 1 in Appendix D). This group of investors has not only provided one and two-year funding for business, marketing and sales managers to four of the seven social enterprises in this study, but has also provided ongoing support and expertise in the form of board member representation, networking, business planning and advice. BCTSVP, along with other private foundations and donors such as Vancity credit union, also provided a significant, although not sufficient, source of funding for capital expenditures.

The social enterprises included in this study are caught in a double-bind: they require business expertise and capital investments to increase their revenues, but cannot afford to hire business experts or make such capital investments until their revenues climb to a certain threshold.

Currently in BC, there is no provincial government funding to support social enterprises development.[59] PACE, a social enterprise initiative in Penticton, BC, which coordinates eight social enterprises (including Yards R Us), does receive funding from the Interior Health Authority for the salaries of its two senior staff positions; however, it receives no other government support. Contrast this with the situation in Ontario where two coordinating groups receive government support for both enterprise development and ongoing operational and social support costs. The first group is the Toronto Enterprise Fund, which currently funds 11 social enterprises and receives $1 million a year through a four-way partnership between the United Way of Greater Toronto and all three levels of government. The second is Groupe Convex, which funds nine social enterprises in the Prescott-Russell region of Eastern Ontario. It receives 40 per cent of its funding from various government agencies.

The BC social enterprises in this study were asked to comment on an expanded funding role for government. Most said they needed additional support, but expressed concern that the government would fail to recognize the diversity of models social enterprises have developed, or that the government would impose certain restrictions on their operations or workforce that would curtail their entrepreneurship. As a result, they proposed a limited role for government that focused on ways to stream government funding into discrete projects, such as full funding for business managers in the

first two years of business, or one-time capital grants. Interestingly, both the Toronto Enterprise Fund and Groupe Convex operate at arm's length from government, and as a result have considerable independence in terms of how they allocate their funds.

Many of the social enterprises in this study also want to see all levels of government step up their campaigns to eliminate discrimination against people with disabilities. These enterprises reported that negative societal attitudes toward people with disabilities impacted their business, and changed the way they advertised and competed for contracts. While these businesses reported that they benefit from an increasing interest in consumer and corporate social responsibility, they suffer from public perceptions that people with disabilities produce products and provide services of a lesser quality than people without disabilities. This attitude, they said, is something they encounter frequently. But, they added, government has a role to play in changing these public perceptions and validating the contributions people with developmental and psychiatric disabilities can make in the labour market.

Role for Social Enterprise Coordinating Initiatives

Because many of BC's social enterprises are relatively new and face a number of challenges, interviews were conducted with two social enterprise coordinating groups in Ontario and one in BC to identify some ways in which these coordinating groups could support the development of new enterprises and the expansion of existing enterprises. The three social enterprise coordinating initiatives are described in brief below, with further details provided in Appendix E.

In addition to providing clients recovering from serious and persistent mental illness with access to experiential rehabilitation through paid work, training and educational opportunities, PACE is also an incubation site for its eight social enterprise cooperatives.[60] A few of PACE's social enterprises have since moved off site, but PACE has been able to provide subsidized or free warehouse or office space to its social enterprises until they are able to establish themselves. Lise Ecclestone, PACE's coordinator, spends most of her time on business ventures, mentoring general managers, and tracking revenues and participant-employees. Due to lack of funding for an executive director position, PACE's coordinator splits her time evenly between her duties as coordinator and as a vocational rehabilitation counselor, the job for which she was originally hired.

Groupe Convex has developed a social enterprise model that prioritizes business expertise, and requires senior staff proficiency in four skill areas: finances, marketing, inter-relational skills, and normalization and social role valorization for people with developmental disabilities.[61] Incorporated in 2004, Convex currently has nine social enterprises and is the only social enterprise coordinating initiative of the three in this study to achieve self-sufficiency in one or more of its social enterprises. Convex is also unique in that it has bought out pre-existing businesses rather than having to begin with all new businesses. Convex plans to expand one of its own enterprises and open a new business within the next year. It has also adopted a mixed disability model based on reverse social inclusion: 20 per cent of its workforce is non-disabled for the purposes of inclusion, diversity and productivity.

Groupe Convex's executive director, Caroline Arcand, has a strong business background, with a bachelor of administration and a certificate in human resources and communications. She monitors each business and speaks to each enterprise manager on at least a biweekly basis, as well as overseeing Convex's finances, including budgets and obtaining new contracts or funding. She is also responsible for business development and planning, marketing, and expanding Convex's base of community and regional partners and projects.

The Toronto Enterprise Fund (The Fund) differs from the other two case studies in that it does not administer the 11 social enterprises it funds. Rather, The Fund works with its applicants and enterprise members to help them to develop business plans and business management systems and to set goals. The Fund also assists its enterprise members in increasing their revenues, and provides human resources and operational advice. In some respects, The Fund parallels the work done by BC Technology Social Venture Partners (BCTSVP), but it differs in two significant ways: The Fund provides both short- and long-term funding to its social enterprises (as compared to just short-term funding), and The Fund contracts with consultants to develop programs and tools for its social enterprises.[62]

Although more research is needed, the case studies suggest that social enterprise coordinating initiatives have the potential to benefit social enterprises in key areas.

For example, in 2001, The Fund hired business consultants to develop a business development program for its non-profit funding applicants. All program participants complete a business proposal, and the top six business proposals are provided with seed funding – on average $5,000. More recently, The Fund hired a consulting firm to develop an accounting tool to separate social costs from total business costs for social enterprises. The Fund's program manager, Anne Jamison, said this tool helps The Fund guide each social enterprise in allocating resources, and provides The Fund with a more realistic measure of their enterprise's self-sufficiency.

Although more research is needed, the case studies outlined above suggest that social enterprise coordinating initiatives have the potential to benefit social enterprises in five key areas: consolidation of business expenses and resources, including reducing repetitive activities; development of business expertise, including innovation of new models and tools; enhanced fiscal management and supervision of general managers; centralized access to business expertise and funding, including assistance with contract tenders; and, investment in long-term planning and business development.

Interestingly, while a high degree of board involvement may not always be necessary or positive, we also found that these social enterprise coordinating initiatives have stronger relationships to their boards of directors than was often the case among the BC social enterprises we studied. Groupe Convex stood out in this respect, with its board taking an active role and providing input in all areas, including developing new enterprise ideas, business expansion, major marketing/exposure initiatives, assisting in major HR decisions, revising summary financial reports, and accompanying the executive director on meetings with new funders and partners.

Summary of Social Enterprises

Typically in our society the world of social welfare services (i.e. income support and related social support and counselling) and the world of work are two distinct domains. Within the social enterprises described above, these activities are combined in innovative ways that make it possible for people whose disability has prevented them from participating in mainstream labour market to benefit both financially and socially from paid employment with a social enterprise. In particular we found that:

- This small but emerging sector has been very successful in employing and retraining people with disabilities who had previously been considered "unemployable." Most of the participants in the social enterprises in our study are middle-aged with no previous employment history.

- While most of these social enterprises have increased their revenues through an adoption or expansion of a business-planning model, capacity building remains a slow process for most. Lack of access to business expertise and capital were identified as two of the most common barriers to the profitability and expansion of social enterprises.

- The difficulty faced by many social enterprises in becoming self sufficient is also reflected in the additional business costs entailed in providing the supportive and flexible work environment needed to employ this population. These are expenses that mainstream businesses do not carry.

  At present it is only private foundations that provide financial and business expertise designed to increase the viability of social enterprise initiatives in BC. No funding or support is available through the provincial government. In Ontario, the government funds coordinating groups that assist with both the business development and social supports required to sustain this sector.

Conclusion

This paper includes many positive examples of policies and employment supports that have the potential to increase opportunities for people with disabilities to participate in paid employment when and if they are able.

In the course of researching this paper, it became clear that there is a very diverse population of persons with disabilities who require flexible work opportunities. In some cases people can work full-time or close to full-time with appropriate supports and flexibility. In others, unscheduled or weekly volunteer placement may be more appropriate. And while most people appear to do better in an integrated work setting, others thrive in a more protected and supportive work environment where most workers are persons with disabilities (e.g. the participants in the social enterprises in this study). This diversity reflects differences among persons with disabilities in terms of their personal and social histories, their informal support networks and the impact of the disability on their capacity to function in the labour market as it is currently structured.

The recommendations outlined below take into account the diversity of needs in the disability population and hence the benefits of maximizing the opportunities for people with disabilities to flexibly participate in the labour market when and if they are able.

Recommendations

These recommendations are based on findings from the freedom of information request, our review of legislation from other jurisdictions, and the case study interviews with supportive employment programs and social enterprises. They cover policies in four major categories: *eligibility* for person with a disability (PWD) benefits, the amount and type of *income support*, *employment supports*, and *communication*.

The recommendations were reviewed by the advisory committee to the project (see appendix A) and by the executive directors (or their representatives) from the community members of the Persons with Disabilities Advisory Committee, which consists of the 15 province-wide community organizations involved in the employment of persons with disabilities in BC.

Eligibility

The provincial government should:

- Ensure that individuals receive continued medical and dental benefits at the same level they received while on income assistance until they receive an equal or greater level of extended benefits from their employer, as in Ontario. This would include persons with disabilities (PWDs) who are attending post-secondary education, in training or in employment.
- Ensure unlimited reinstatement, as in Ontario, and rapid reinstatement for two years, as in Alberta. The present BC policy, while allowing for reinstatement, is unclear on time limits and eligibility for rapid reinstatement.
- Increase asset limits to $100,000 for a person with a disability to be eligible for income assistance in BC. The assets should exclude the value of their principal residence and other retirement accounts. This change would make asset limitation in BC closer to that in Alberta.

Income Support

The provincial government should:

- Provide one $500 employment start-up benefit per year for *any* employment-related activity, as in Ontario.
- Maintain the bus pass provision, or provide a $120 per month transportation allowance for people who can't access public transportation, with the possibility of additional transportation support based on individual need. Both the bus pass and transportation allowance should continue until an individual's income rises above Statistics Canada's Low Income Cut Off ($22, 814).[63]

- Increase earnings exemptions by retaining the BC $500 flat rate earnings exemption, plus adding a 50 per cent reduction on the next $1,400 in earnings for a total monthly earnings exemption of $1,200 for a single adult. This expands on the earnings exemption limits in Alberta.
- Develop "working credits" to even the flow of earnings exemptions. Working credits average earnings over time so that a person who works significant hours in a short timeframe is not penalized. The same is the case if a person's condition means they can work more hours for only limited periods of time. A working credits system is in place in Australia.

Employment Supports

The provincial government should:

- Increase the amount of funding for supports to employment and training to PWD and PPMB given that people with disabilities now represent more than 60 per cent of the income assistance caseload.
- Require that all future funding for employment programming is based on a global and not "pay-for-performance" method of payment and includes population-specific employment supports.
- Ensure greater accountability through independent audits of employment programming, including reporting of dropout, placement and retention rates, costs and best practices. The findings from these audits should guide future funding decisions.
- Expand the college-based adult special education programs, given the evidence that these programs have been very successful in supporting younger people with disabilities to transition into mainstream employment.
- Provide stable long term (i.e. four year) provincial government funding for three to five social enterprise coordinating groups around the province to support business development and ongoing social supports for social enterprises employing people with disabilities and/or a combination of people with disabilities and people without disabilities.

Communications

The provincial government should:

- Develop plain-language fact sheets on all benefit provisions, employment supports, and information on how to report income. These fact sheets should be in multiple formats and languages and should be made easily accessible to front line ministry staff, community agencies and persons with disabilities.

- Provide education to front line ministry staff and communication materials for agencies working with people with disabilities on the policies that allow persons with disabilities who are working to retain medical coverage.
- Mandate ministry staff to provide an annual audited report on funding levels and placement and retention rates for all training and employment programming for PWD clients (i.e. college special education programs, community-based programs, pay-for-performance ministry contracts, etc.).

IF THE PROVINCIAL GOVERNMENT TRULY WANTS BC TO BE A LEADER IN "BUILDING THE BEST system of support for persons with disabilities," as Minister Claude Richmond recently said, then these recommendations are the way forward. They have been designed to maximize the opportunities for people with disabilities to participate in the labour market if and when they are able, and whether they are able to work full-time, part-time and/or part-year, sporadically or in volunteer placements.

APPENDIX A

Research Advisory Committee

Robin Loxton	BC Coalition for People with Disabilities
Heather Edgar	Coast Foundation Society
Catherine Hume	Canadian Mental Health Association
Lori Seay	BC Association for Community Living
Tom Patch	UBC Equity Office
Winston Leckie	Opportunities through Rehabilitation and Work Society
Tim Beachy	United Community Services Co-op

APPENDIX B

Earnings Exemptions

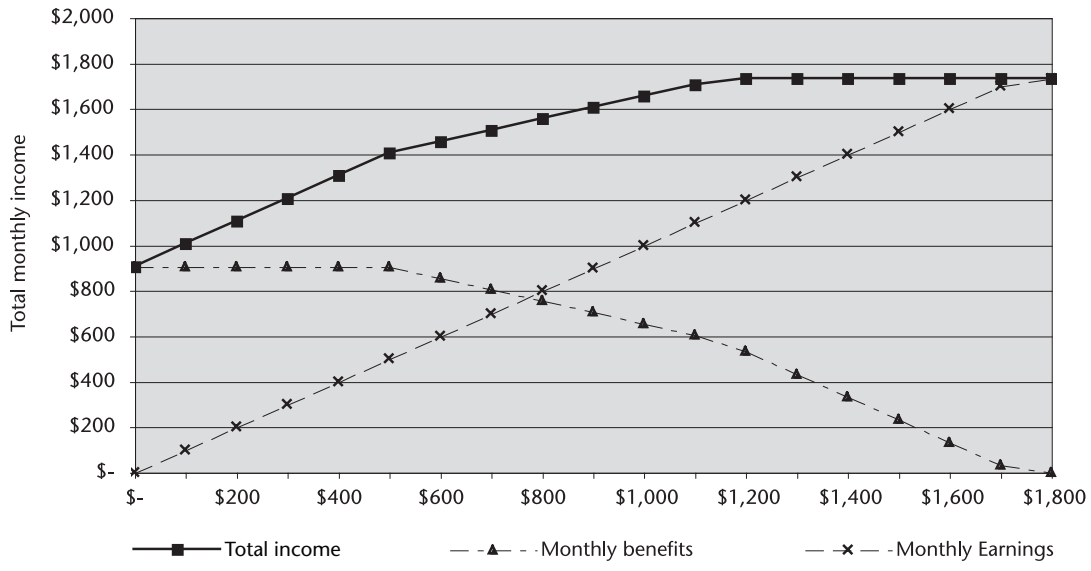
Three decisions should be made in establishing an earnings exemption program:

- Should there be a flat rate earnings exemption, and if so, what should the rate be?
- Should there be a graduated deduction in benefits on earnings above the flat rate exemption, and if so, at what rate should benefits be reduced?
- If there is a graduated benefit reduction, at what amount of earned income should benefits be deducted dollar for dollar (the cut point)?

The following figure provides a scenario whereby there is a flat rate earnings exemption of $500 (as currently in BC); a benefit reduction rate of 50 per cent on additional earnings (as in Alberta); and a cut point of $1,733/month. The cut point is based on a single person earning $10 per hour over a 40 hour paid week.

The figure shows that total monthly income from benefits and earnings increases until there is $1,233 in monthly earnings after which benefits are deducted dollar for dollar for any additional earnings. Benefits would cease once earned income reached $1,733 per month.

$500 Flat Rate Earnings Exemption Plus 50% Reduction



APPENDIX C

EPPD Employment Outcomes

This table represents the total number of Employment Programs for People with Disabilities (EPPD) cases closed due to full-time or part-time employment, self-employment, or volunteer employment for the period April 1, 2003 to March 31, 2007. The 1,684 clients represent approximately 14 per cent of the 12,285 clients who participated in EPPD over the same period. The count does not include the existing 3,800+ open EPPD cases. Due to limitations in the available data, PES clients who achieved an employment outcome before July 2006 are not counted in this table. Only PES clients who continued in EPPD and achieved an employment outcome after July 1, 2006, are counted. Outcomes may be understated due to data limitations in the early months of EPPD.

EPPD (P&E) Contracts 2003 definitions:

- Volunteer work: minimum 5 hours/week
- Part-time work: minimum 5 hours/week and less than 30 hours/week
- Full-time work: more than 30 hours/week

EPPD Employment Outcomes by Disability Code

	Employed F/T	Employed P/T	Self-employed	Employed volunteer	Total
Chronic	191	79	8	29	307
Cognitive	53	42	1	9	105
Hearing	143	23	2	7	175
Learning	138	35	3	5	181
Mobility	155	56	4	14	229
Neurological	95	52	0	19	166
Psychological	270	135	6	54	465
Speech	2	0	0	0	2
Vision	39	9	1	5	54
Total	1,086	431	25	142	1,684

APPENDIX D

Social Enterprise Funding

Revenue and Presence of Private Funders

Social enterprise	Revenue			Presence of private funders: Current (C) and Previous (P)[a]							
	First year of operation	2006	Target for 2007/2008	BCTSVP[b]		Vancity		Vancouver Foundation		Other[c]	
				C	P	C	P	C	P	C	P
The Cleaning Solution	$20,000	$100,000 (approx.)	Under review (widely exceeded 2006 estimate of $35,000)	√		√				√	
Landscaping With Heart	$250,128	$423,000	$541,000	√	√		√		√		
Mobile Work Crew	Unknown; records in storage	$132,074	Unchanged, unless second crew established								
Potluck	$146,525	$672,095	$940,800	√		√		√			
The Right Stuff	$209,000	$215,000	$225,000								
Starworks	No comment	No comment	Goal to increase revenue by $100,000	√			√				
Yards R Us	$12,000	$58,000	$60,000							√	

[a] Current for year 2006.

[b] BCTSVP: BC Technology Social Venture Partners.

[c] These funds, while originating with a private funder, happen to be released through the affiliate agency.

Social Enterprise Funding Contributions by and Shared Resources with Affiliated Agency (Summer 2006)							
	Agency funded				Shared resources		
Social Enterprise[a]	Senior staff wage(s)	Operating costs (e.g. rent)	Capital costs (e.g. equipment)	Training of participant-employees	Human resources (e.g. payroll)	Office space	Counselling services
The Cleaning Solution	√					Subsidized	√
Landscaping With Heart	Minor contribution[b]			√	√	Free	√
Mobile Work Crew	√	√	√		√	Free	√
Starworks	√	√	√		√		√
Yards R Us[c]		Subsidized			Subsidized	Subsidized	√

[a] Potluck and The Right Stuff are excluded from this table. Potluck is not affiliated with any agency, and The Right Stuff, although affiliated with a community skills centre, is entirely self-sufficient and actually returns surplus revenues to the skills centre.

[b] Coast Foundation Society, Landscaping With Heart's affiliate agency, funds one 20 per cent part-time managerial position. Landscaping With Heart's two other full-time senior staff positions were covered by a combination of revenue and private funding in 2006.

[c] Yards R Us returns 5 per cent of its gross revenue to PACE, its affiliate agency, as do all of PACE's other social enterprises, to offset the cost of the administrative and other support services provided by PACE. Participant-employees, both those working for one of PACE's social enterprises or worker pools, also remit 5 per cent of their gross earnings to PACE. These remitted contributions, however, do not cover the full cost of all shared resources between Yards R Us, other social enterprises and worker pools, and PACE.

APPENDIX E

Social Enterprise Coordinating Groups

Groupe Convex — Ontario

Nine social enterprises operate under Groupe Convex: a woodshop (construction of wood furniture for retailers and transforming wood into ornamental pieces); a print shop; a bookstore; two assembly divisions (resembling programs, these previously sheltered workshops, while not in keeping with the vision of Convex, are kept to provide employment participation options for people with very low productivity); an antique refurbishing shop; services for agriculture and farmers (labour pool for farmers and producers); Express-Net (indoor and outdoor maintenance); and, Gold and Spices (buy the coffee green, roast it with a local partner, package it, sell it, along with spices and pancake mix).

Groupe Convex generated approximately $740,000 in 2006/07 and its projected revenue for 2007/08 is $840,000. Groupe Convex employs 119 persons with developmental disabilities, 30 non-disabled persons, nine general managers and one administrative assistant to the executive director.

Toronto Enterprise Fund (The Fund) — Ontario

The Fund is currently funding 11 social enterprises. Two social enterprises – a café that also does catering, and a horticulture and street-scaping business that works with local business improvement associations (growing plants for hanging baskets, window cleaning, maintaining store fronts, etc.) – employ people with mental illnesses. Three other social enterprises employ a significant number of people with mental illness, including a bakery, furniture pick-up, delivery and moving business, and a pottery/arts and crafts business. Another five employ youth, of whom many have an undiagnosed mental illness, and the eleventh enterprise employs newcomer/immigrant/refugee women.

The Fund's program manager did not disclose business revenues for each individual business, or as a group. The Fund's social enterprises do, however, range in business revenue from $10,000 to $200,000, with the majority around the middle mark. Each business employs roughly 40 people.

Penticton and Area Cooperative Enterprises (PACE) — BC

PACE has eight consumer-run social enterprise cooperatives: Yards R Us (landscaping and handyman renovations); Hands In Motion (custodial and respite work); Act 2 Home Furnishing (a used furniture store, the storefront for PACE); E Waste Computer Recycling (started at the PACE site but since moved out on its own, E Waste works under a contract with the regional district to remove, dissemble and redirect electronic waste from the landfill to a recycling depot in Burnaby, and also rebuilds and resells computers); To The Point Promotions (business cards, flyers and promotion work, as well as sandblasting of signs and glass); Rusty Springs (recycles mattress components under a contract with the regional district); Waste Knot (a wood recycling business under a regional contract to remove all wood products from landfill for clean-up and resale); and, Illegal Dump Site Clean-Up (illegal dumping clean-up under a contract with regional district).

PACE employs roughly 130 individuals with mental health disabilities in the summer and approximately 90 in the winter months. With the exception of the coordinator, all senior staff, including general managers and participant-employees, have a psychiatric disability (and in some cases, a cognitive disability from a brain injury). In the first two quarters of 2007, PACE's social enterprise cooperatives had already exceeded last year's combined business revenue of $140,000 (includes sales and contracts), generating $180,000 in six months. PACE also operates seven worker pools – it contracts with community employers for full-time positions, which are filled by PACE participants on the principle of job sharing.

Notes

1 Ministry of Employment and Income Assistance, Province of British Columbia, 2007.

2 Province of British Columbia, 2006, p. 1.

3 The Participation and Activities Limitations Survey (PALS) was completed during the 2001 Census. The comparison here is between prime age working adults from 25 to 54 years of age.

4 Canadian Council on Social Development, 2005.

5 Community Living Research Project, 2006. Statistics are based on the PALS Report 2001 for 16 to 64 year olds.

6 Kirby and LeBreton, 2002.

7 Canadian Working Group on HIV and Rehabilitation, 2007.

8 Crawford, 2004. The Minister's Council on Employment for Persons with Disabilities website (www.workablesolutions.ca) is an example of this type of resource.

9 The issue of flexibility and the problems of linked employment and income assistance systems are discussed in some detail in Crawford, 2004.

10 Markowitz, 2001, pp. 74-76; Muesser et al., 1997, pp. 419-420; Bond et al., 2001 p. 489.

11 Markowitz, 2001, p. 75.

12 Kober and Eggleton, 2005.

13 The latest published Statistics Canada Low Income Cut-Off (LICO) thresholds are for 2006. We have adjusted the 2006 numbers by 2 per cent to estimate the after-tax LICO thresholds for 2007, which is $17,021. The PWD benefits include the base benefit of $10,877 per year ($906.42/month) plus the amount of the Christmas benefit and the GST and PST credits (the GST and PST credits are included in the LICO thresholds).

14 See also BC Coalition of People with Disabilities, 2007.

15 For example, on workplace accommodation see the BC workable solution website, accessed at www.workablesolutionsbc.ca/site/workable_solutions/resources/resources_accommodation.asp. For employment equity see *Employment Equity Policy in Canada: An Interprovincial Comparison* by Abigail B. Bakan and Audrey Kobayashi, accessed at www.swc-cfc.gc.ca/pubs/pubspr/0662281608/200003_0662281608_e.html.

16 Province of British Columbia, 2006, p. 5.

17 The report treats the previous classification of Disability I (DBI) as though it is the same as the current classification of PPMB, and Disability II (DBII) as though it is the same as the current PWD classification. The number of PWD cases continued to grow during 2007. The latest MEIA statistics show that the PWD caseload for October 2007 was 64,608, an increase of 70 per cent since 2000.

18 BC Coalition of People with Disabilities, 2007, pp. 3-4.

19 The Freedom of Information request (06-00394 and 2006-01054) for this study was prepared by Michael Goldberg and Tim Stainton in 2007.

20 Ibid.

21 Ibid. The percentage of PWDs claiming earnings exemptions increased from 10.9 per cent of the caseload in September 2000 to 15.2 per cent in August 2006.

22 Feres, 2006.

23 Tables with details of the legislations and policies of the Canadian jurisdictions are available upon request.

24 Australia provides a small and regular allowance to all people who are "blind."

25 PPMB recipients must re-apply for PPMB status every two years. The remainder of this section provides the highlights for those classified as a person with a disability (PWD). Differences as they apply to those classified as PPMB are available on request.

26 Alberta disability benefits recipients may be eligible for non-continuous personal income support benefits, Manitoba recipients may be eligible for a range of medical benefits for up to one year, and recipients in Saskatchewan may receive discretionary benefits if they are not able to meet their needs through their income from employment.

27 At which point no further benefits remain.

28 Working credits are accumulated in periods when an individual receives employment income below a fixed threshold. A person who is able to access employment would first use up working credits before facing any deductions from income assistance benefits.

29 In 1996 the BC Employment Standards Act was changed to include people with disabilities. The standard became, basically, that if it looks like work, people should be paid. Two exceptions exist: training (work-like activities were allowed, as long as conditions were met, such as limited time, start/end dates, curriculum, etc.); and therapeutic purposes (in a very small number of cases it could be argued that people were doing work-like activities for therapeutic purposes, with similar criteria as for training).

30 Bond et al., 2001.

31 Cook et al., 2005.

32 Neufeldt et al., 2000.

33 Ibid., p. ii.

34 Province of British Columbia, 2006, p. 14. In 2004, funding was increased to $61 million.

35 Ibid., pp. 31, 38-39. Funding for mental health and addiction services focuses on case management and rehabilitation services that are not specifically employment related.

36 Ministry of Employment and Income Assistance Press Release, June 18, 2007.

37 "Tucson-based Providence Service Corporation expands to Canada," *The Arizona Daily Star*, August 3, 2007.

38 Dale, 2003, p. 4.

39 Ministry of Employment and Income Assistance, from a table with placement statistics for MEIA EPPD programs from April 2003 to April 2007 (see Appendix C) provided to the Persons with Disabilities Advisory Committee. The placement rate provided by the ministry was 14 per cent, but that included 142 volunteer placements, which have been omitted in the comparison in the text.

40 Donnell et al., 2004.

41 Gehrs and Goering, 1994.

42 For example, see Brook et al., 1998; Cook et al., 2005; Drake et al., 2006; Drake et al., 1999; McHugo et al., 1998.

43 Canadian Mental Health Association, 2004, p. 17.

44 Dale, 2003, p. 5.

45 Mank et al., 1997.

46 Ibid., pp. 433-447.

47 Bond et al., 2001.

48 Province of British Columbia, 2006, pp. 22-25.

49 For example, the ministry contact phone number listed on the EPPD program website provides an automated voice message that asks individuals to choose from five different options; this system is not appropriate for many people with developmental or psychiatric disabilities.

50 Province of British Columbia, 2006, p. 10.

51 Dale, 2003, p. 4.

52 Not all social enterprises in BC target employment of a particular population as a priority. The stated social purpose of some social enterprises may be the generation of revenue for social programming provided by an affiliated agency or organization. These social enterprises are more likely to employ workers from the mainstream labour market who can work full-time, full-year and who do not require significant accommodations or social supports due to a disability.

53 Based on a chart provided by MEIA. The subsidized bus pass cannot be retained by PWD claimants ineligible for the income assistance portion of their disability benefits.

54 Job coaching includes both personal supports (e.g. support in achieving appropriate behaviours, communication skills and stress management skills for the workplace) and task-oriented supports (e.g. how to get the job done, breaking down tasks and repetition of skill base).

55 Potluck is unique in that over three-quarters of its 11 regularly scheduled participant-employees work over 20 hours per week, and that all of these participant-employees previously received basic income assistance rather than disability benefits. Individuals receiving basic income assistance are not eligible for earnings exemptions, and paid employment of any kind typically results in the termination of provincial benefits. This creates economic hardship for participant-employees who occasionally experience a loss in wages because of poor health or who lose hours during Potluck's low season. It is in part because none of Potluck's regularly scheduled employees have the security of disability benefits that Potluck provides more social supports than other social enterprise employers in this study.

56 PACE's worker pools are structured on the principle of two or more people sharing a job with a mainstream employer. Half of PACE's working participants are employed in one of PACE's social enterprises or worker pools, 41 per cent are employed, either full- or part-time, in competitive employment with job coaching supports, and 9 per cent are self-employed, also with job coaching supports.

57 Gnam et al., 2006, pp. 63-64.

58 Mobile Work Crew operates as an employment program initiative through its affiliate agency, and while it plans on continuing to fund its participant-employees' wages with business revenue, there are no plans to reduce or eliminate long-term funding from its affiliate agency.

59 The federal government does make a financial contribution to Enterprising Non-Profits (ENP), a social enterprise initiative in BC. ENP's funding partners include BCE (Bell Canada), Coast Capital Savings, the United Way of the Lower Mainland, Vancity Community Foundation, and the federal department of Western Economic Diversification Canada. ENP provides matching grants of up to $10,000, to 15 to 20 organizations per year.

60 PACE's experiential mental health rehabilitation model includes, but is not limited to: rapid transition to work opportunities for clients (maximum two week wait); mental health consumer-run worker cooperatives, worker pools and community placements; flexibility for clients to move between jobs; job coaching; pre-employment/employment preparation programming; and, job placement services.

61 Groupe Convex's executive director is trained by Dr. Wolf Wolfensberger from Syracuse University in 'Normalization and Social Role Valorization.' All new managers must participate in a two-day mandatory workshop, instructed by the executive director.

62 The Toronto Enterprise Fund funds its social enterprises on an annual basis, but its program manager says, "There is a strong commitment on the part of the Toronto Enterprise Fund to continue supporting enterprises that are continuing to meet our basic criteria: they're running viable businesses, they're generating revenue that's approaching 100 per cent business cost recovery, and they are having good outcomes with their target population." The Toronto Enterprise Fund has been funding several of its social enterprises since its inception in 2000.

63 This amount is equal to the 2007 pre-tax Low Income Cut Off (LICO) of $21,626, plus the cost of a two-zone bus pass. The pre-tax LICO for 2007 is the 2006 LICO adjusted by 2 per cent for inflation.

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Glossary

LABOUR MARKET AGREEMENT FOR PEOPLE WITH DISABILITIES (LMAPWD) is a 50/50 cost-sharing agreement between the federal and provincial governments designed to provide employment and training services for people with disabilities through a variety of programs and other supports.

THE MINISTRY OF EMPLOYMENT AND INCOME ASSISTANCE (MEIA) is the BC government ministry that administers income assistance and disability benefits and programs under the Employment & Assistance for Persons with Disabilities Act (EAPWDA) and the Employment & Assistance Act (EAA). This ministry also administers employment programming for people with disabilities funded under the Labour Market Development Agreement for People With Disabilities (LMAPWD).

PERSON WITH A DISABILITY (PWD) benefit is defined in the Employment & Assistance for Persons with Disabilities Act (EAPWDA). To qualify for PWD an individual must have a severe mental or physical impairment that is likely to continue for at least two years and majorly restricts the person's ability to perform daily living activities either continuously or periodically so that significant help or supervision is needed. The designation is not "permanent" so although people with PWD designation are not required to seek employment as a condition of receiving benefits, their status may be reviewed every five years.

PERSON WITH PERSISTENT AND MULTIPLE BARRIERS TO EMPLOYMENT (PPMB) benefit is defined in the Employment & Assistance Act (EAA). To qualify for PPMB an individual must have received regular income assistance for 12 of the 15 months before they apply and have a severe barrier or a medical condition that is likely to continue for two years and preclude or impede their ability to search for or accept continuing employment. The PPMB designation is not permanent and is reviewed every two years.

SOCIAL ENTERPRISES are businesses with a social purpose. This study selected social enterprises whose primary mandate was to provide employment for people whose disability poses a barrier to mainstream labour market participation. Other social enterprises are more focused on generating revenue for a social purpose (i.e. to supplement the revenues of a non-profit agency) and are less likely to employ people with disabilities.

SUPPORTIVE EMPLOYMENT is programming that supports people with disabilities to find and retain work in the mainstream labour market. Emphasis is placed on an individual participant's interest and preferences, relatively rapid placement in mainstream employment, and ongoing employment supports.

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About the CCPA

The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social and economic justice. Founded in 1980, it is one of Canada's leading progressive voices in public policy debates.

The CCPA works to enrich democratic dialogue and ensure Canadians know there are workable solutions to the issues we face. The Centre offers analysis and policy ideas to the media, general public, social justice and labour organizations, academia and government. It produces studies, policy briefs, books, editorials and commentary, and other publications, including The Monitor, a monthly magazine. Most of these resources are available free at www.policyalternatives.ca.

Established in 1997, the CCPA's BC Office offers policy research and commentary on a wide range of provincial issues, such as: BC finances, taxation and spending; poverty and welfare policy; BC's resource economy; privatization and P3s; public education financing; health care; and more.

The CCPA is a registered non-profit charity and depends on the support of its more than 10,000 members across Canada.

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About the Economic Security Project

www.policyalternatives.ca/economic_security

The Economic Security Project is a major research initiative of the CCPA's BC Office and Simon Fraser University, in partnership with 24 community organizations and four BC universities.

The project examines how recent provincial policy changes affect the economic well-being of vulnerable people in BC, such as those who rely on social assistance, low-wage earners, recent immigrants, youth and others. It also develops and promotes policy solutions that improve economic security.

The project is funded primarily by a grant from the Social Sciences and Humanities Research Council of Canada (SSHRC) through its Community-University Research Alliance Program.