

**VOLUME 1
"HIGHLIGHTS"**

THE LOCAL INITIATIVES PROGRAM
(LIP)

IMPACT
on
COMMUNITIES
and
EMPLOYEES

hawkes, gabbert, bryant

CONFIDENTIAL

THE LOCAL INITIATIVES PROGRAM
EVALUATION 1972-73

IMPACT ON COMMUNITIES & EMPLOYEES

by

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Published

by the

School of Social Welfare

The University of Calgary

July 15, 1973

VOLUME I OF A SERIES OF FOUR VOLUMES

PREFACE

This University of Calgary study was commissioned by the Department of Manpower and Immigration in late February, 1973, and was completed by mid-July, 1973. The Terms of Reference for the study were established by the Department. The responsibility for selection of the sample projects, and approval of the methodology, was assumed by the Department after consultation with the authors. The responsibility for development of the methodology, data collection, analysis and interpretation was that of the authors after consultation with the Department.

The data was collected in April, 1973. Each project was studied in a structured manner that examined LIP impact from the perspective of the employees, users of LIP products/services, and community leaders.

The impact on employees has been determined by a self-completion questionnaire which was completed by 1431 employees. The areas of primary concern were the impact on future employability, skills, job satisfaction, and quality of life.

The data on LIP impact on communities is based primarily on aggregated interviewer judgements of project impact. Trained interviewers spent an average of three days intensively exploring each project by conducting semi-structured interviews with employees, managers, sponsors, users of project products/services, and community leaders. These interviewers completed a questionnaire which explored their perception of the community and the place of the project within the community. The interviewers were generally social science college graduates with extensive community experience and local knowledge. They were screened, trained, and supervised to create a sense of responsibility for searching out both positive and negative information before making their judgements.

A more complete explanation of the research methodology and its limitations is contained in Volume II.

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I

THE BACKGROUND FOR THIS STUDY

a) Introduction

The purpose of this report is to highlight the results of an in-depth investigation of 145 LIP projects across Canada. The more complete treatment of this study is filed with the Department in a series of three additional volumes that address themselves to: Methodology, Primary Results and Additional Data. This volume of the final report contains a selective summary of the results. The results reported here are consistent with the balance of the data.

The Department was interested in seeking external consultation that would provide quantitative information on how projects were affecting employees and communities. Jobs were created by LIP, but how were LIP jobs affecting the employees? Did communities need and want the products or services produced with LIP funds? How could LIP be improved? The answers to these and other similar questions were sought for the purpose of providing a richer data base for policy decision-making.

This report highlights the overall impact of the programme. Sections II, III, and IV, provide the primary information on how LIP has affected communities and employees. The impact was primarily beneficial and indicates that there are reasons to give serious consideration to making LIP a more permanent government programme.

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b) Necessary Definitions

Throughout this report certain terms will appear with some frequency. The reader may wish to periodically return to these definitions to be reminded of the number of projects in each classification.

Community Size - refers to the population size of the community in which the LIP projects were located:

Large - cities with a population larger than 50,000 (45 projects),

Medium - cities or towns with populations between 3,000 and 50,000 (50 projects),

Small - towns, villages, etc. with populations less than 3,000 (50 projects).

Activity - refers to the type of primary work activity engaged in by the majority of project employees:

Construction - projects that would use skilled or unskilled labour to build, repair, or renovate buildings, trails, sewers, sidewalks, parks, etc. (70 projects),

Non-Construction - all projects not classifiable as construction, including social service, educational, cultural, recreational, research, etc. (75 projects).

Sponsorship - refers to the organization, group, or individual who applied for, and received, a LIP grant:

Government - sponsored by local government bodies, elected or appointed, such as municipal councils, public school boards, hospital boards, etc. (42 projects),

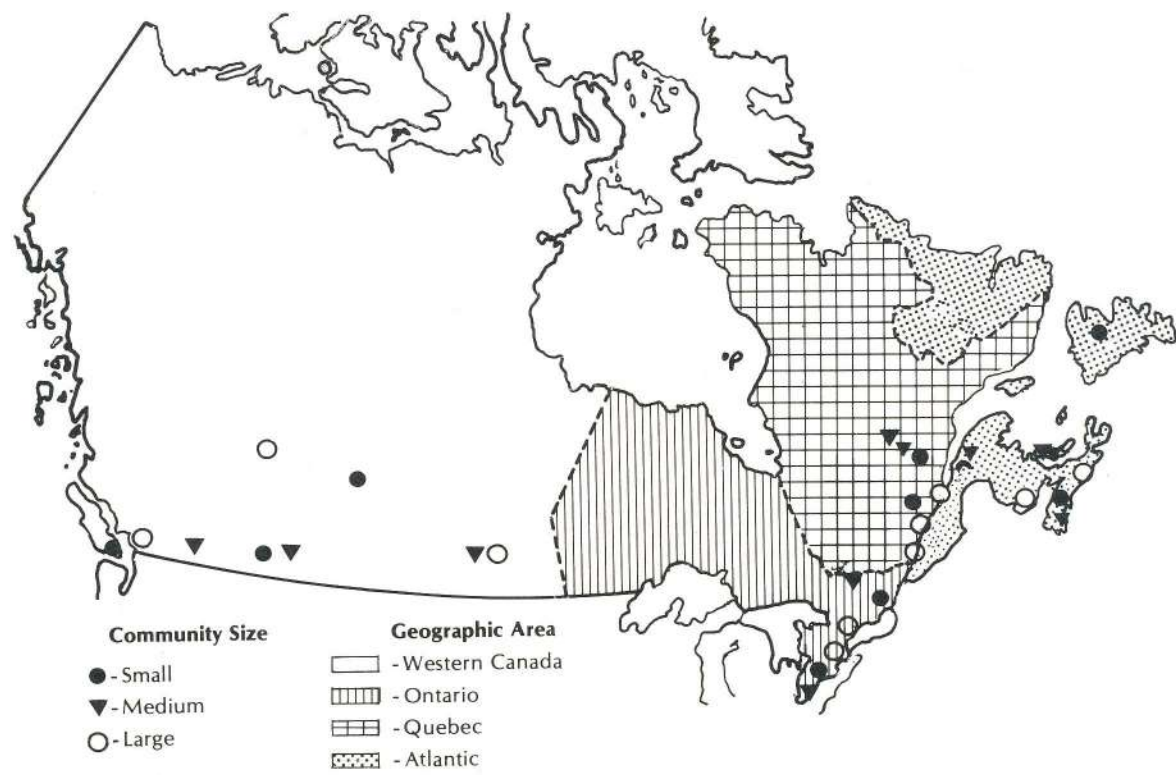
Private - sponsored by non-government bodies such as churches, museums, service clubs, private schools, business and labour organizations, theatre groups, citizen groups, entrepreneurial groups, etc. (103 projects).

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c) Geographic Distribution of the Sample

The sample was a stratified random sample which ensured representation that approximated the proportion of projects allocated to different regions of the country. It was further stratified to ensure sufficient numbers of projects from the three community sizes of interest. Comparison of the sample with the known characteristics of LIP as a whole indicated that the sample was representative. Twenty-nine Canada Manpower Centre areas were involved in this study with five projects selected from each area. The locations of the CMC areas are depicted below. The locations are coded to reflect community size.



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d) Relationship Between Community Size, Activity, and Sponsorship

The difference between rural Canada and urban Canada was reflected in the type of project activity and sponsorship associated with the three different community sizes which were under study.

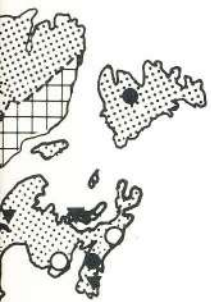
	Small Communities	Medium Communities	Large Communities
Construction Activity	84%	44%	13%
Non-Construction Activity	16%	56%	87%

	Small Communities	Medium Communities	Large Communities
Government Sponsor	52%	24%	9%
Private Sponsor	48%	76%	91%

Projects in small communities were more often sponsored by local government and they were most often engaged in construction activities. However, in large communities the private sector sponsored nearly all of the projects and these projects were seldom construction-oriented.

Local government groups sponsored a total of 29% of the LIP projects, but they sponsored 47% of the total of construction projects and only 12% of the total of non-construction projects.

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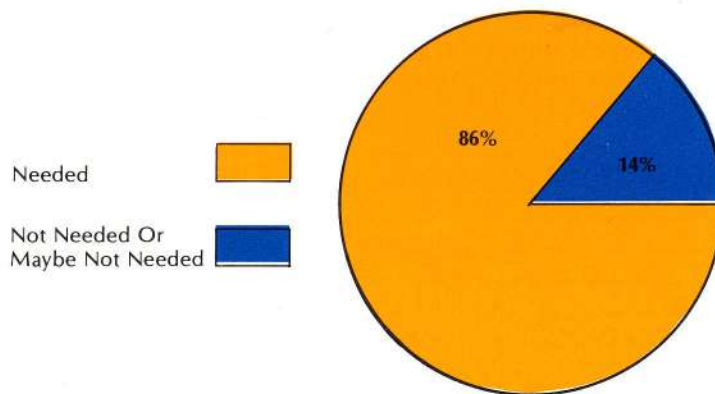
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II

THE ACCEPTABILITY OF PROJECTS TO COMMUNITIES

a) Meeting Community Needs

If LIP projects are to meet the goal of "Community Betterment", then the products/services should be needed by communities. This study found that the products/services were needed a high proportion of the time.



Further analysis of the data indicated that projects sponsored by local government were the ones most frequently viewed as not needed. About one-quarter of the government sponsored projects were seen in this light. A higher proportion of the privately sponsored projects (91%) were needed by communities.

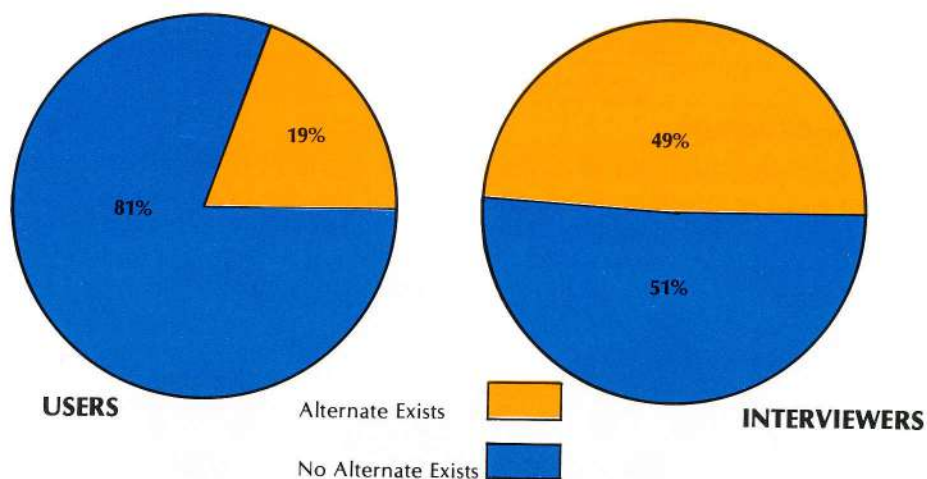
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b) Alternate Products/Services

LIP projects are funded to produce a product or a service in a community. If that product or service is already available, then it can be argued that LIP is a needless duplication or even that it may be a source of unfair competition. The users of LIP products/services and the interviewers indicated their awareness of the existence of alternatives as follows:



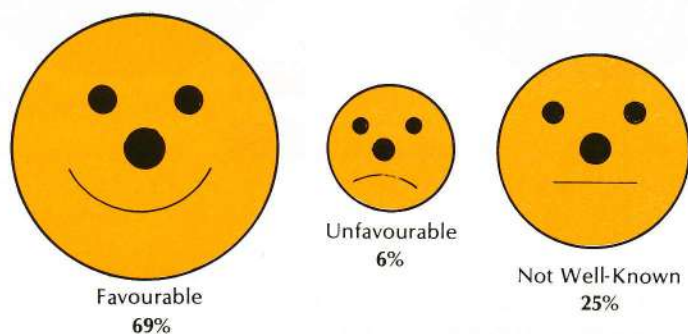
It is clear that users were frequently not aware of the existence of alternate sources of the products/services supplied by LIP. Interviewers were made aware of the existence of alternates because they were required to search for alternates. They were able to find at least one alternate for almost half of the projects. As might be expected, it was the large communities that most frequently had alternate sources.

Where alternates existed, the managers of such alternates were interviewed. About 53% had positive, 26% had neutral, and 21% had negative attitudes towards the LIP project. Those who were critical of the LIP project were usually concerned about its aims, or employee competence, or they considered the competition undesirable. Positive comments often reflected a feeling that the alternate was not able to provide for the total community demand and they welcomed the assistance offered by the LIP project. The frequency of negative feeling on behalf of this group of people was lower than anticipated. There was a strong indication that the communities' needs were often greater than the existing network of services could meet, and LIP was a welcome addition.

Perhaps the strongest indications of community support for LIP were the findings that 62% of the projects were part of the activities of a larger organization, and that 38% were receiving additional funds from other sources. Such support was a tangible expression of the willingness of communities to become involved in LIP programmes.

c) Community Attitudes

The scientific measurement of community attitudes is a complex and expensive undertaking that was not possible within the scope of this study. However, the interviewers talked to a cross-section of people in every community and then judged the general community attitudes towards each specific project. The percentage of projects that they indicated were viewed favourably or unfavourably or as not known is indicated below.



It is obvious that the proportion of projects that generated unfavourable community reaction was very small when compared with the proportion that generated favourable reactions.

One-quarter of the projects created little reaction because their existence was not well-known. As one would suspect, this was more frequently true of projects operating in large, rather than in medium or small communities.

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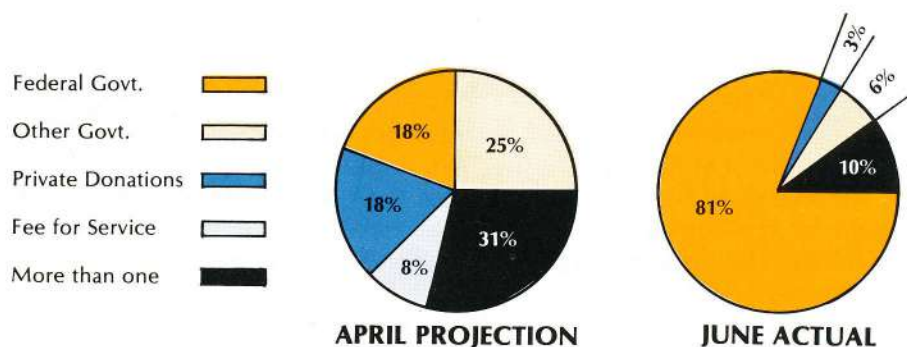
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d) Continuation Beyond May 31st

This study was conducted in April, 1973, and at that time there had been no announcements of possible LIP extensions. In April, estimates were made of possible continuation beyond May 31st. In June, a follow-up enquiry revealed the extent of actual continuation.

APRIL PROJECTION (%)		JUNE ACTUAL (%)	
Will continue or possibly will continue	58	Did continue	53
Will not continue	42	Did not continue	39
		Did not respond	8

The anticipated and actual primary sources of funding for continuation were:



When projects anticipated continuing, 43% expected primary funding from government and 26% expected it from the private sector, with the remainder usually anticipating help from more than one quarter. In actuality, the month after LIP was over 87% of those that did continue were getting primary support from government at some level, usually in the form of LIP extensions. Of the 53% of the projects that were continuing, 14% said they would terminate by the end of June and 10% more said they would be finished by the end of September. The remaining 29% were planning to continue beyond September.

There was a noticeable tendency for projects sponsored by local governments to anticipate continuation with their own funds or provincial help. The private sector generally anticipated private or federal support rather than provincial or municipal.

Over half of the projects were planning to possibly continue and eight percent of these felt their primary source of income would be "fee for service". This means that about four percent of the total sampled projects anticipated continuation on a self-sustaining basis by charging a fee for their product/service. These projects were characterized by private sponsorship and they generally provided employment for a well-defined disadvantaged group such as ex-convicts or the blind. None of the projects which responded to our June enquiry indicated that they were continuing with a "fee for service" as their primary income source.

III

THE BENEFITS TO EMPLOYEES

a) Employee Work History and Future Work Plans

The employees were asked to pick a phrase that best described their job history:

36% responded - "I almost always have a job and I usually keep the same job for a year or more."

34% responded - "I am a fairly new worker with little job history (student, young, newly widowed, etc.)."




15% responded - "I almost always have a job but I seldom stay with the same job very long."

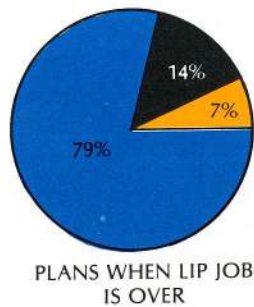
12% responded - "I frequently do not have a job (unemployed)."

(3% checked two or more of these categories)

In general terms more than one-third of the employees were perhaps the clear victims of high unemployment as they apparently were used to working at long-term stable employment. Another third had sufficiently limited their labour force experience that they were likely to be at a competitive disadvantage when compared to the group that had stable experience. The remaining third appeared to be seasonal workers or those with chronic employment difficulties.






When asked about future work plans and sources of anticipated income they responded as follows:

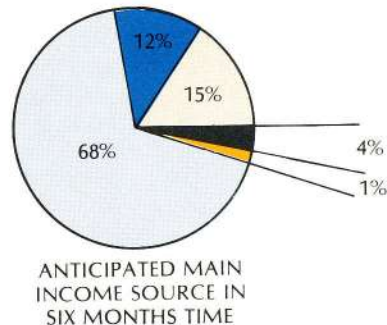
"Do not plan to look for a job" 
 "Plan to look for job" 
 "Haven't Decided" 



The overwhelming majority (79%) of the employees planned to look for work when the LIP job was finished.

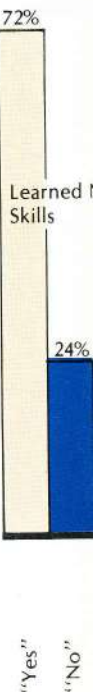
A substantial number (68%) anticipated work to be their main source of income in six months time. However, 79% indicated they would look for a job and this perhaps indicated that at least 11% anticipated failing in their search for a job.

Welfare 
 UIC 
 Other 
 Job 
 More than one 



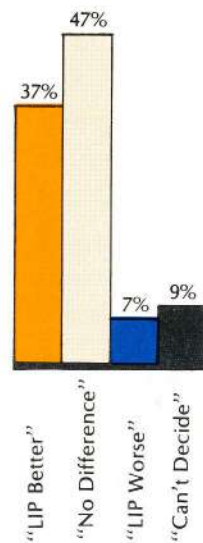
b) Influence

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b) Influence of LIP on Future Employability

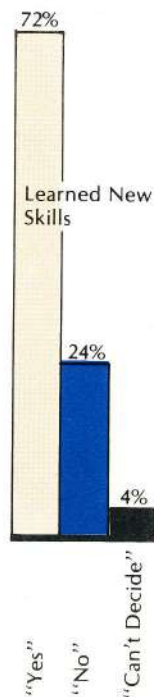
The ability to compete successfully in the employment market place is largely a function of the skills and attitudes of the future employee. The experience of working on LIP appeared to affect both skills and attitudes as the following data indicates:



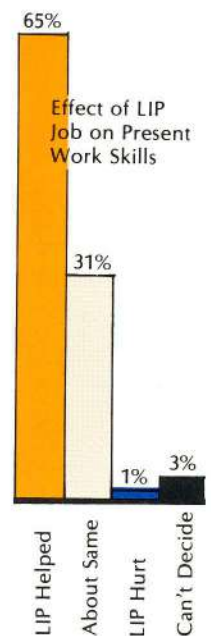
LIP ON-THE-JOB TRAINING COMPARED WITH PREVIOUS ON-THE-JOB TRAINING

The employees' perception of the training value of the programme indicated that it was at least as good as other on-the-job training programmes and frequently better. There was little indication that it was any worse. The 14% who reported having had previous Canada Manpower Training responded to the on-the-job training questions in a manner similar to the rest of the sample.

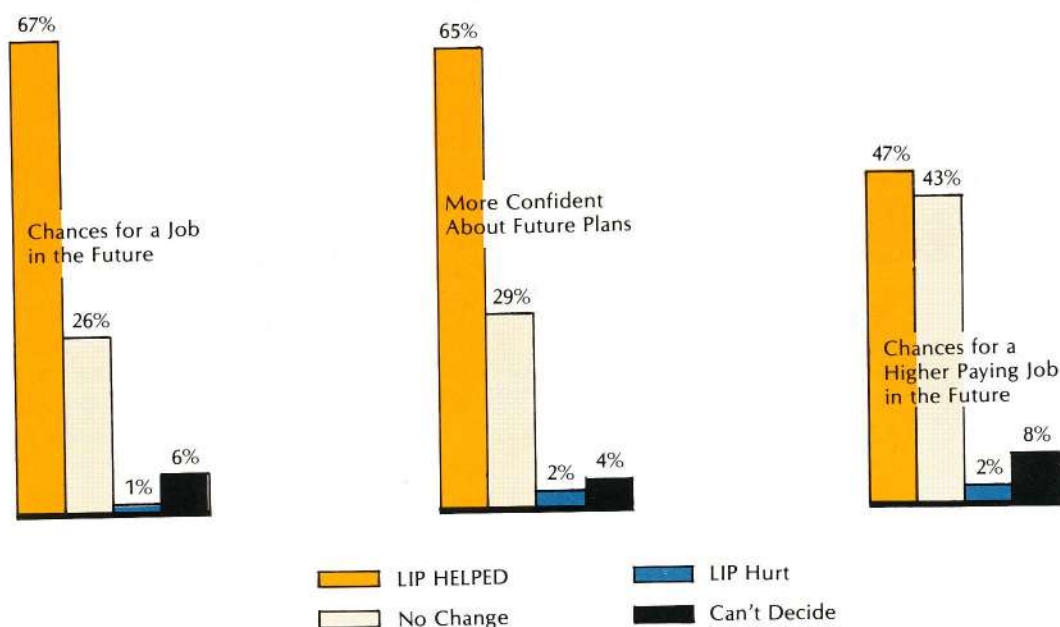
LIP EFFECT ON SKILL LEARNING



The employees indicated that they learned new skills on their LIP job, and that the skills they already had were improved by working on LIP. The 13% of the sample who reported an employment barrier due to lack of experience/skills responded about the same as the rest of the sample.

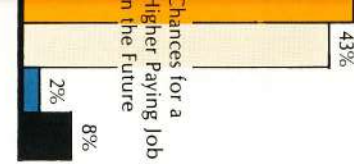


LIP EFFECT ON ATTITUDES TOWARD FUTURE EMPLOYABILITY



Clearly, a majority of employees felt their chances for future employment had improved because of the LIP job. They were more confident about future plans. Many said they had a better chance for a higher paying job. There was little indication of adverse effect due to their LIP job experience.

In summary, the LIP work experience was perceived by the majority of employees as the kind of experience that would enable them to compete more successfully on the labour market. Their skill levels and their attitudes were affected in a positive way by the LIP experience. LIP has considerable potential as a vehicle for training. The training potential was most often apparent in the non-construction projects sponsored by the private sector.

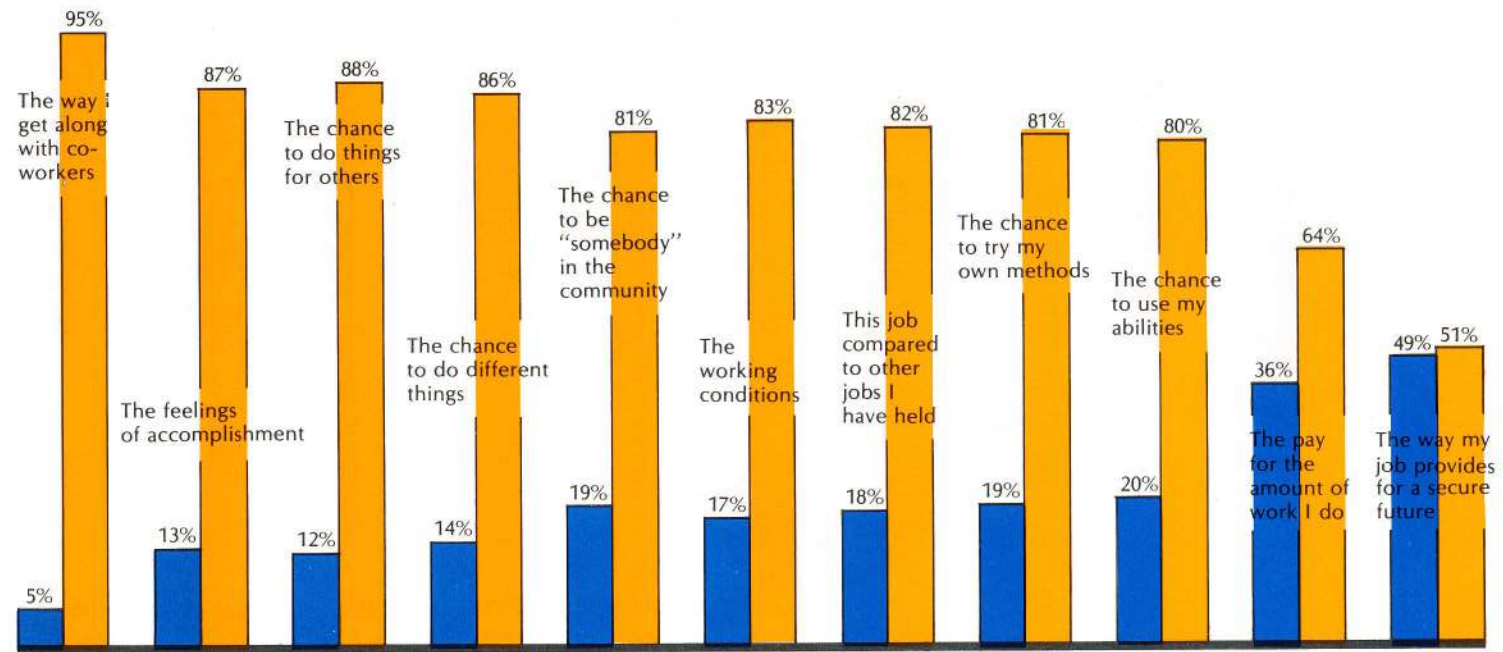


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c) Job Satisfaction

The bar graph depicts the percentage of LIP employees who were satisfied with eleven aspects of their job. The items were chosen as representative of factors previously shown to be important in North American work situations. It was clear that LIP jobs were satisfying to most people in most categories.* However, as might be expected, there was considerable concern about "job security" and "pay".

12



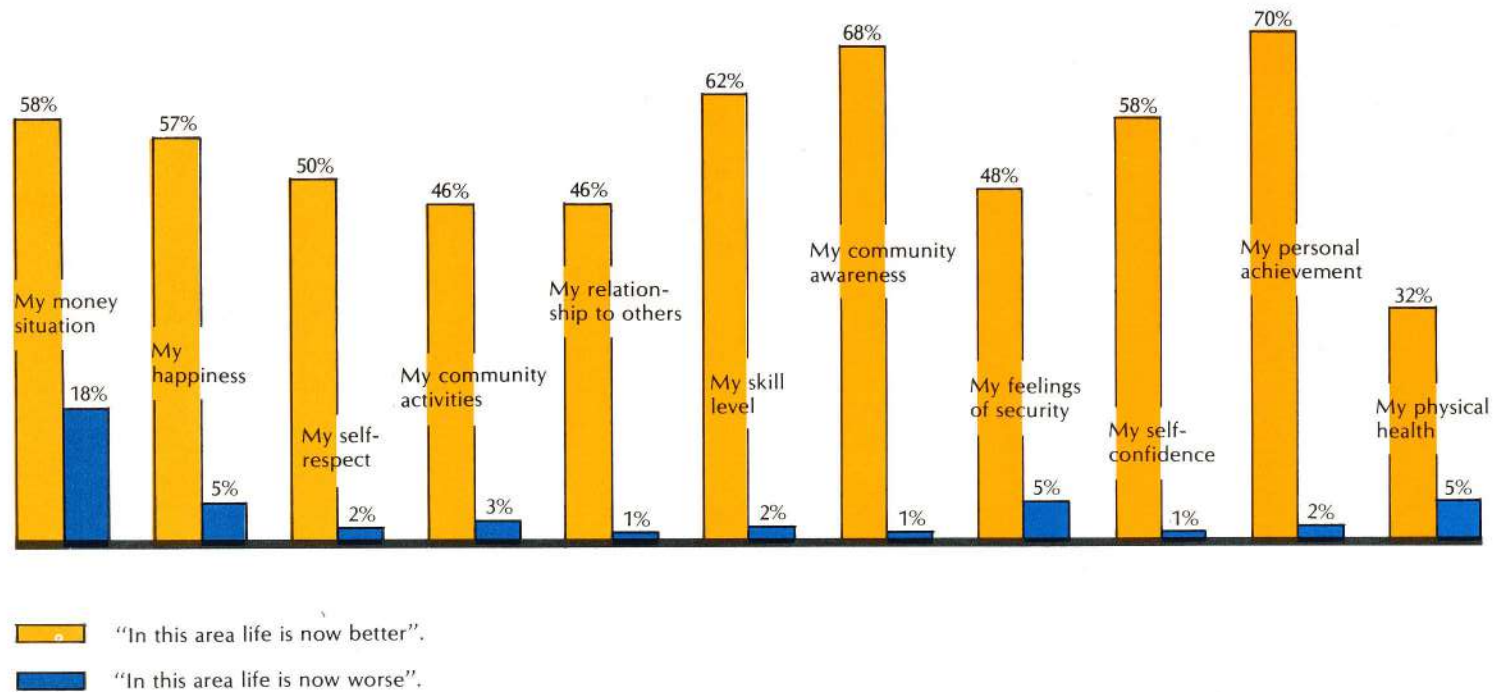
■ "Not" or "slightly" satisfied with this aspect of the LIP job.

■ "Extremely," "very," or "satisfied" with this aspect of the LIP job.

*The most satisfied employees were those who had worked on privately sponsored non-construction projects.

13

a) **Meeting** The project proposals submitted by the individual members of the 31st are discussed.



***NOTE:** THE NEUTRAL RESPONSES (NO CHANGE) ARE NOT REPORTED IN THIS GRAPH.

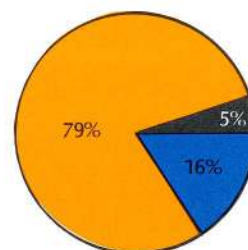
IV

THE PROJECT OUTPUTS

a) Meeting Project Objectives

Projects were chosen for funding because they created employment and because they proposed work objectives that were seen as beneficial to communities. The project proposals specified the objectives for each project and these were usually expressed in terms of the work the project intended to accomplish. In the 145 projects in the sample, 540 individual objectives of this kind were identified by the interviewers. The interviewer judgments of the degree to which these 540 objectives would likely be accomplished by May 31st is depicted below:

Legend:
Orange: Completely or Mostly
Blue: Partly or Somewhat
Black: Not at all



The majority of the objectives were seen as likely to be accomplished within the LIP funding period. It can be assumed that the benefits they were funded to provide were, in fact, provided. However, about 21% of the objectives were not likely to be met by the end of the funding period. The reported difficulties in meeting objectives were usually related to one or more of the following reasons:

The original lack of clarity in the stated objectives. This was particularly true of non-construction projects.

The existence of "continuing" rather than "terminal" objectives. In other words, these were objectives that could not be accomplished within the time limits of LIP funding.

The lack of skills or competence on the part of managers or employees.

The difficulties posed by outdoor work in Canadian winters.

The delays in notification of the approval of funding.

Given the complexity of the programme and its short-term nature, it was surprising to find such a high degree of success in meeting objectives. With increased experience with programmes of this kind, it seems likely that most of the reasons for failure could be eliminated, and an even higher proportion of success would result.

"In this area life is now better".
"In this area life is now worse".

*NOTE: THE NEUTRAL RESPONSES (NO CHANGE) ARE NOT REPORTED IN THIS GRAPH.

b) Users of LIP Products/Services

Of the 925 users of LIP products/services who were interviewed and responded to a series of "Yes" - "No" questions:

- 92% said the product/service was "important" to them;
- 92% said the "quality of the product/service was good or very good";
- 97% said the product/service "should be continued"; and
- 6% said they "would no longer have a need" if the product/service was discontinued.

The subjective impression of our field staff supported this data. Generally, people who voluntarily use products/services do so because they value them.

When these same people were asked to indicate other ways in which they felt the project had benefitted them:

- 74% said it had "not cost them anything";
- 66% said what they received would "help them in the future";
- 53% said it had "saved them money";
- 53% said they had "made new friends"; and
- 46% said they had "become more involved in their community".

The benefits would seem to have been needed, to have been both personal and financial, and to have been both short-term and long-term.

The number of people benefitting was difficult to estimate. Much of the work that was accomplished will endure for many years and be used by thousands of people. More than one-fifth of the projects were estimated to have produced products/services that would each provide some benefit to 2,500 people or more in the coming year. As might have been expected, the projects which appeared to benefit so many people were usually construction projects such as those that built community halls or tourist facilities. Non-construction projects appeared to have their maximum impact during the currency of the LIP programme. Many of these produced benefits for smaller numbers of people, but frequently the benefits were very intense and personal, such as providing counselling or legal assistance to people who were in trouble.

c) Efficiency

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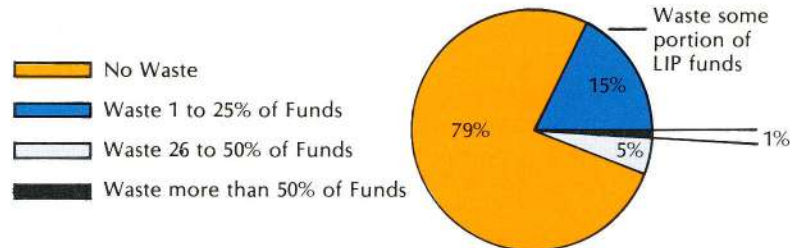
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c) Efficiency of LIP Projects

The available data on project efficiency resulted from interviewer judgements after in-depth examination of each project.

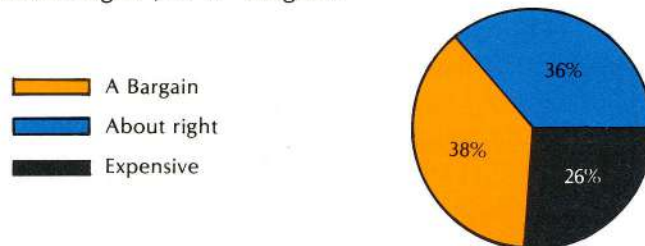
Interviewers indicated that the percentage of projects in which funds were wasted was as follows:



A total of 21% of the projects were seen by our interviewers as wasting at least some money.

In a separate question we asked interviewers to estimate the percentage of dollars wasted. We computed a rough average from these figures which indicated that 94% of the LIP dollars were spent usefully and 6% were wasted. (A LIP project is much like a small business, and one wonders what the percentage of waste would be in 145 new business ventures.)

Cost benefit is a relative determination which indicates the ratio between the costs of a project and the value of its production. We asked interviewers to "Keep in mind what the project costs and what the community gets" and then to indicate whether the project was "expensive", "about right", or a "bargain."



The majority (74%) of the LIP projects' costs were considered to be about right or a bargain. Most projects produced as much or more than they cost. Many employees became highly involved and they were willing to work long hours to ensure the success of their project.

d) Need for LIP Funds

Data has been previously presented indicating that project outputs were generally needed and valued by communities. The question not dealt with at this point is whether or not the sponsoring organizations would have produced the same products/services without LIP dollars. Project managers were the primary source of data on this issue. The project manager was usually a person who was familiar with the sponsor as well as with the work being done in the project.

Project managers indicated that the work done by 28% of the projects would have been done whether or not LIP funding was available. This is a substantial percentage. Further inquiries revealed the following additional information.

- 17% would have carried on but with a reduced level of activity. In other words, LIP enabled them to do more than they would have done without LIP.
- 11% would have done what they did anyway. In other words, the sponsoring organization would have done the work and financed it out of their existing treasury or by floating loans.

Further examination of this 11% indicated that:

- 8% were construction projects and 3% non-construction;
- 6% were sponsored by local government and 5% by private groups.

There was a saving realized by 11% of the sponsors. Unfortunately, no data is available on whether or not the sponsors used this saving to do more work and employ more people in other activities.

We have concluded that it seems likely that 89% of the projects were doing work that would not have been done without LIP dollars. The remaining 11% would have to be examined more closely before it would be possible to indicate whether or not the LIP dollars generated additional activity.

SUMMARY AND CONCLUSIONS

The data provides a clear picture. LIP has had positive impact on employees and communities.

The extent of positive impact is so clear that there is a tendency to ignore the indications of room for improvement.

In reviewing the preceding pages one can see that some of the projects were not really needed; a few were unnecessarily duplicative or competitive; about one-quarter were not well-known; a small percentage had negative reputations in their communities; almost one-quarter expected to continue with government help; the jobs affected the future employability of a few employees in negative ways and not all employees were satisfied or had improved lives; not all projects met their objectives or spent the money in efficient ways.

In a planning sense the challenge will be to continue and expand the positive benefits while reducing the negatives. The task should be approached with caution. Radical departures from the present allocation and monitoring systems will have unknown effects. Continuation of the programme in its present form may also result in change as the programme becomes more "institutionalized."

We have concluded, on the basis of the totality of this experience, that the primary reason for LIP success is related to the concept of "Initiative." LIP challenges a cross-section of Canadians to use their initiative to create useful employment. Canadians have responded to this challenge and they have succeeded. This is perhaps the most basic feature of the programme and it should be given considerable weight in future planning.

LIP has also highlighted the capacity of the non-government, non-business, sector to assume a role in the training or retraining of human resources. Even during times of high employment there will be a need to retrain, to provide work for the "hard to employ," to meet community needs. The private sector can and will respond to working with government to meet these challenges.

Our data indicates that programmes like LIP deserve a continuing place in government policy.