

FIRSTWORK

TRANSFORMING ONTARIO'S WORKFORCE

WHAT'S WORKING, WHAT'S NOT

Safeguarding
Ontario's Future
through IES Reform





Land Acknowledgement

First Work would like to acknowledge that the land we operate on is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples.

We also acknowledge that these are covered by Treaty 13 signed with the Mississaugas of the Credit, and the Williams Treaties, signed with multiple Mississaugas and Chippewa bands.

This sacred land is part of an agreement between Indigenous peoples and then extended to allied nations to care for it peacefully and respectfully.

By acknowledging land, we are taking part in an act of reconciliation, honouring the land and Indigenous heritage, which dates back over 10,000 years.

ABOUT FIRST WORK

First Work is Ontario's employment and workforce development network, representing more than 110 community-based employment service providers across the province. As the leading membership organization in this space, First Work connects employment service providers, business leaders, academia, and government to develop and advance evidence-led solutions for employment. Our members deliver frontline career and employment services that strengthen local labour markets and help Ontarians prepare for meaningful work.

Through ongoing research, youth engagement, and partnerships with industry, First Work provides unique insight from the bridge between job seekers and employers—advancing best practices in employability and workforce development planning across Ontario and supports progressive policy development for the benefit of all job seekers.

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First Work acknowledges the role of all individuals and organizations, who supported the preparation of 2025 Employment Services Transformation Report, the fourth annual in this series.

As with previous reports, its development was made possible through the vital contributions of First Work's robust network of 110+ membership of Employment Service Providers (ESPs) and those supporting workforce development. This report would have not been possible without the participation of contributors, who generously shared their experiences, reviews, and insights how Integrated Employment Services (IES) model is taking roots across Ontario. These service providers are the backbone of social assistance in Ontario, who offer supports to those who need it most. First Work is proud to represent them, advocating for their needs in addition to the needs of the job seekers they serve.

At the same time, First Work would also like to appreciate the participation of Service System Managers (SSMs) overseeing the delivery of IES model across 15 catchments in Ontario, who offered earnest and candid responses to issues covered in this report.

This report was made possible through access to datasets provided by Maytree, sourced from Ontario's [Ministry of Labour, Immigration, Training and Skill Development \(MLITSD\)](#) which included information from both the pre-IES and post-IES periods.

We are grateful to [Public Good Initiative](#) and [Springboard Inc.](#) for their valuable contributions in the preparation of this report. Springboard contributed to data analysis with a summary report on the findings of this project that was ed by First Work, and supported by LEADS Employment Services.

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FIRST WORK Team

Ontario Association of Youth Employment Centres

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Foreword From the *Executive Director*

Integrated Employment Services is now implemented across all 15 catchment areas of Ontario with Toronto and the North being the last to enter this model. Six years since the launch of the initial prototype regions, the system has matured significantly, bring with it a wealth of insights and lessons that continue to shape its evolution.

To truly comprehend the system challenges and opportunities that exist, we must acknowledge the climate human services continue to grapple with. The political climate, tariffs and looming job loss are a few of the external factors that affect a system that's built on Canadian values. In March of this year, the Ontario Financial Accountability Office projected impacts to industries in areas like manufacturing, the automotive sector, aviation, agriculture, construction and hospitality. These sectors have further regional impacts, and the hardest hit are those first points of entry for the job seekers our service providers work with the most.

Our goal with this report is to highlight the effect employment services sector has on those communities most vulnerable. This report reviews the impact of our services under the conditions of our current economic climate on the following clients groups that the system is focused on supporting youth, Indigenous, newcomers, women, clients with disabilities, social assistance clients and highly barriered clients.

As this report documents the opportunities and challenges in the system, we continue to advocate for stronger collaboration between Government and Community partners. Ensuring Ontarians have access to the supports they need not just to secure their first jobs but to build sustainable career pathways, requires a shared commitment. Flexibility with the employment service system is essential to navigating this economic uncertainty ahead. The labour markets trends underscore the need for demand drive responsiveness as we adapt to evolving needs. Service providers, many of whom operate as charity and non-profits are calling for funding models that embrace experimentation and innovation, alongside policy frameworks that value community-based, locally informed solutions that support our most vulnerable Ontarians.

Executive Summary

This report building on First Work's previous reports serves as a state of the sector, comprehensive report on Ontario's Integrated Employment Services (IES) Transformation. Well into the final year of integration of services, this report looks at the impact of this transformation on the clients it serves. As highlighted by Government, this model seeks to provide efficiency, localized services, and better retention outcomes for those under this service.

This year, First Work drew upon both quantitative and qualitative research from First Work's network of Employment Service Providers and Service System Managers. In addition, First Work built upon data analytics provided by the province of gathered from 2020 to 2025, providing critical data on clients served. Data provided a comparative with pre- and post-IES on clients, especially clients on social assistance and the Ontario Disability Support Program (ODSP). First Work gathered data through primary interviews of Employment Service Providers and Service System Managers, along with survey data based on outcomes they have captured as organizations. In addition to this, data was sourced from Ministry metrics released to Maytree through a Freedom of Information request as well as data shared with training boards.

This report identifies the impacts this sector has on the clients it serves and compares the current IES model with the pre-IES system to assess improvements and identify opportunities to strengthen Ontario's employment services. First Work welcomes the Government's announcement to address policy issues that have long overshadowed effective delivery, including the 20-Hour Rule, more inclusive support for ODSP clients, addressing mis-streaming in the Common Assessment Tool, and alleviating the administrative burden of community service organizations. First Work will continue to push review of the funding model as well as building a clearer framework of the role of Service System Managers as both monitor and delivery agent of employment services.

First Work is in its fifth year of publishing this state of the sector report. The report continues to provide analysis which reflects both the voices from frontline providers and the impact of this system on those who it purports to be supporting. First Work's mandate is not to save a dying system; rather, Ontario deserves services that justly serve Ontarians, especially those most vulnerable, to get back on their feet in a way that allows them to thrive. As always, we aim to inform future policy and implementation decisions for a more effective and responsive employment services system.

At the heart of our endeavour is the unwavering commitment to ensure that our social services system is not only responsive but also empathetic to the needs of our most vulnerable. Recognizing that meaningful employment is a cornerstone of stability and dignity, we must approach our work holistically, acknowledging the multifaceted challenges faced by job seekers. It is incumbent on every stakeholder to provide comprehensive support to clients, addressing not only their immediate employment needs but also empowering them to navigate life's complexities with resilience and confidence.

As we continue to navigate this transformative period, First Work remains steadfast in its commitment to monitor the implementation of these policies and programs.

In an initial data review, there were some key insights highlighted:

1. As a result of the shift to Integrated Employment Services, a higher share of clients served by Employment Service Providers are further from the labour market.
2. Finding good employment is a challenging and lengthy process for social assistance clients, whether before or after IES.
3. Securing 20 or more hours per week of employment is an unrealistic metric for performance-based funding given the evidence of client experiences, especially for clients on social assistance.
4. Early signals about employment outcomes for social assistance clients under the IES are mixed: some job metrics show slight improvements, while others remain stagnant or worsen.
5. Client experiences and outcomes saw sharp changes in the year following transformation, reflecting a challenging time for both clients and ESPs.



As part of the work First Work does to inform the sector, First Work has been working diligently with the Ministry to highlight some of the key challenges service providers are facing on the frontline, whether through conversations with the Ministry or through the study of this report. As such we have proposed the following key recommendations of which there is insight through the following report.

Current Developments

Employment Service Transformation across Ontario

This comprehensive report serves as a sequent to the earlier reports by First Work. It highlights key developments, strategic updates, evaluation studies, and recording and analysis of Service System Managers' and Employment Services Providers' experiences in the catchment areas that have completed transformation, and those entering system revision. Through a series of roundtable meetings and interviews with representatives from ESPs and SSMs across Prototype, Phase 1, 2, and 3 catchments, it presents how transformation is reshaping Ontario's employment and social services delivery ecosystem.

As of April 2025, Ontario has completed its Integration of Employment Services with Toronto, Northeast and Northwest now fully immersed into the new model. The province now operates under a decentralized model, with nine Service System Managers (SSMs) responsible for overseeing service delivery within their designated catchment areas. With the implementation phase concluded, the Ministry has signalled a shift from implementation to system stewardship.

Since 2019, the Ontario Ministry of Labour, Immigration, Training and Skills Development (MLITSD) has provided regular updates and insights into the ongoing state of transformation processes, employment services, and training programs across the province via memos distributed to the Employment Ontario Partners' Gateway (EOPG). The EOPG serves as a comprehensive resource, providing essential information to support current Employment Ontario partner organizations that deliver Employment Ontario programs and services.

In addition to update memos from the Ministry of Labour, Immigration, Training and Skills Development (MLITSD), the Ministry – in its evolving stewardship role, has started identifying and making iteration to the current model inclusive of ensuring that those from SA and ODSP are adequately serviced.

Current Status of Integrated Employment Services across Ontario

No	Phase	Catchment Area	Service System Manager	IES Model Start
1	Prototype	Peel	WCG Services	1 Jan 2022
2		Hamilton-Niagara	Fedcap Canada	
3		Muskoka-Kawarthas	Fleming College (Muskoka Kawarthas Employment Services)	
4	Phase 1	York	WCG Services	1 Apr 2023
5		Halton	Fedcap Canada	
6		Stratford-Bruce Peninsula	Employment Services Bruce-Grey-Huron-Perth	
7		Kingston-Pembroke	EmployNext, powered by Serco	1 Oct 2023
8	Phase 2	Durham	Regional Municipality of Durham	1 Feb 2024
9		London	London Regional Employment Services	
10		Ottawa	WCG Services	
11		Windsor-Sarnia	Windsor Regional Employment Network	
12		Kitchner-Waterloo-Barrie	EmployNext, powered by Serco	
13	Phase 3	Toronto	WCG Services	1 Apr 2025
14		Northeast	Collège Boréal	
15		Northwest	EmployNext, powered by Serco	

At First Work's most recent conference in 2025, the Ministry confirmed to stakeholders that the provincial rollout of Integrated Employment Services has reached its intended completion, marking a major milestone since the Prototype phase began in 2020. Ongoing system stewardship is guided by four primary objectives:

- Improved employment outcomes: Supporting individuals in securing and maintaining meaningful employment.
- Employer engagement: Ensuring that employers' workforce needs are met through responsive and tailored services.
- User satisfaction: Enhancing the overall quality of the EO user experience.
- Timely access: Guaranteeing prompt and equitable access to services across all regions.

Informed by a Ministry-facilitated sessions at prior conferences including First Work's Futures Workforce Development Conference, stakeholder feedback highlighted ongoing concerns related to the Common Assessment Tool (CAAt), Proof of Employment (POE) documentation, and retention checkpoints.

The Ministry reported that sector feedback gathered during the Futures 2024 conference included persistent challenges around administrative complexities, limited flexibility of the Common Assessment Tool, and inflexible monitoring of employment-related

financial supports (ERFS) accountability practices.

The Ministry has shared their strategic vision for ongoing improvement, with a 2025-26 focus on simplifying administrative procedures and increasing the adaptability and responsiveness of assessment processes, including around employment verification checkpoints.

While MLITSD reported that the 2024-25 focus was on CAAt revision, reducing the Employment-related financial supports (ERFS) receipt requirements, and piloting the use of ERFS for interpreters, efforts toward improvement were directed to the end-user experience of employment services.

It was identified that system-level changes in 2025-26 will involve ongoing work to streamline Better Jobs Ontario (BJO) follow-ups, CAAt and CaMS system-integration challenges, simplifying how funding is managed, and providing extra help for workers who lose their jobs because of tariffs.

The Ministry is also currently in the process of working with Employment Service Providers to make improvements to the way job seekers utilize Employment Ontario, especially those with disabilities and has executed sessions to garner feedback on the utility of the current model in early summer.

Ontarians with disabilities have been invited to share their experiences accessing government-funded employment services, including Integrated Employment Services (IES). This research is intended to help improve programs across the province.

The ministry reports over 700 locations are able to deliver Employment Ontario services at this point in time. (<https://www.ontario.ca/page/employment-ontario>)

Methodological Approach

This report draws a mixed-methods design, which employs primary qualitative data, with quantitative data sources that includes a case study based on the primary sources. The rationale to employ these various sources was to comprehensively assess the implementation of IES model across Ontario, and particularly its impacts on several client groups across Ontario. The combination of primary data, survey research, provincial datasets and secondary literature review provides a multi-layered understanding of how the transformation is impacting service delivery, client experiences, and IES outcomes.



Semi-Structured Interviews

Primary qualitative data was collected between December 2024 and January 2025 through semi-structured interviews with thirty Employment Service Providers (ESPs) and eight Service System Managers (SSMs) by First Work. These interviews included participants from prototype, Phase 1, 2 and 3 catchment areas, who shared firsthand insights into how the transformation is affecting their clients, from a frontline staff's lens. The semi-structured questionnaire strategy offered balanced consistency with flexibility. This, in return, provided interviewees safe and secure spaces to highlight the challenges, opportunities, and local adaptations of the IES model. Through this, we were able to capture nuanced perspectives on system design, policy changes, and the impact of service delivery on clients.

Quantitative Survey Research

To complement the narrative findings in the interviews, First Work also implemented two different surveys: one targeting impacts of IES on clients, and the second one targeting clients on social assistance including those with disabilities.

- Survey 1: Impact of the IES model on Clients:** This survey captured 43 responses out of 108 service providers between December 2024 and January 2025. 25 respondents were the ones who had earlier participated in our semi-structured interviews, and other 18 from new participants. Majority of our respondent ESPs serve priority populations such as youth, women, newcomers, Indigenous clients, persons with disabilities, and individuals experiencing long-term unemployment. The survey had 7 closed ended questions and 5 open ended questions focusing on the impacts of IES model, which expanded the breadth of perspectives, validating the key themes that had come up during qualitative interviews.
- Survey 2: Data Collection on Social Assistance Clients: (April–June 2025).** The focus of this survey was to collect data-driven insights on Social Assistance clients, particularly ODSP. Collecting this specific data faced major hurdles, due to the unavailability of the data in their case-management systems, or for many ESPs, to share the required data needed manual

work. First Work conducted a persuasive outreach campaign to get the participants involved. We were able to get 13 responses, 11 from ESPs, one from an SSM, and one from an ESP serving multiple catchments. Responses covered nine of the province's fifteen catchment areas and included organizations from all four phases of the IES rollout. Participants represented diverse program streams (Ontario Works, Employment Ontario, MLITSD-funded programs). First Work's project partners in this focused study were Leads Employment Services, who supported in the development of questionnaire with their professional acumen, and the second partner was Springboard, who performed data organization and analysis with a comprehensive report on five key insights.

While these surveys provided valuable insights into IES model, particularly for vulnerable populations, the smaller sample size limits generalizability. Findings should therefore be interpreted as preliminary and considered alongside administrative data for a comprehensive picture.

Secondary Research

Alongside with First Work's primary data, we also used secondary data from the provincial and administrative data sets to supplement and validate our primary research and survey findings. The datasheets used for this were the following:

- **Local Board Data (MLITSD):** This dataset provided demographic profiles of clients served by provincial employment programs during the years 2021–22 and 2024–25. This data is collected and shared by local boards, Municipal Service Managers, and finally the census divisions. The data sheets cover various employment service programs, such as Employment Services (ES), Literacy and Basic Skills (LBS), Ontario Employment Assistance Service (OEAS), and Youth Job Connection (YJC). A part of the data also covered Integrated Employment Services in 2024–25. To align analysis with IES populations, COJG and Better Jobs

Ontario (BJO) were excluded from the 2021–22 dataset.

- **Integrated Employment Services Outcomes (MLITSD, via FOI):** This data was obtained by Maytree through a Freedom of Information request. It includes case counts, client demographics, and outcomes at 3- and 12-month checkpoints for IES participants from 2020–21 to 2024–25. This specific dataset is disaggregated by catchment areas and referral source (Ontario Works (OW) and Ontario Disability Support Program (ODSP)). It allowed for detailed tracking of client pathways and outcomes.

Research Limitations

The survey findings represent a snapshot in time and space, reflecting experiences of a limited set of partner organizations within the IES system. As such, they should be interpreted as comparative and exploratory, rather than definitive. When considered in combination with provincial datasets, however, they provide a stronger foundation for assessing system transformation. Continued data collection and analysis over time will be essential to validate these preliminary findings, monitor trends, and guide evidence-informed insights for making reforms to the IES model to offer adequate services to the specific clients.

Next three sections offer insights into the IES model's effectiveness and the challenges from key stakeholders' perspectives. Employment service providers and service system managers shared experiences, insights, suggestions as well as identified issues and gaps in services for clients. These are presented in the next two sections. The third section is based on primary data collection from service providers' case-management systems (CAMs) and secondary data collected by the government sources. Findings consist of the following three sections:

- a. Feedback Loop 1: Survey Findings: Overall Impacts of the IES model
- b. Feedback Loop 2: Interview Insights: Impacts of the IES model on Clients
- c. Feedback Loop 3: A Data-driven Case Study: Pre- & Post-Transformation Client Experiences on Social Assistance

Feedback Loop 1: Survey Findings

Overall Impacts of the IES

The following section presents the findings from First Work's survey, conducted among a network of employment service providers. It captured responses from 43 respondents, out of the total 110 invited participants, yielding a 39% response rate. The survey included 14 closed-ended and 6 open-ended questions. Participants were sent a SurveyMonkey link through email from December 2025 to February 2026. The aim was to assess the impact of the Integrated Employment Services (IES) on employment service sector across Ontario.

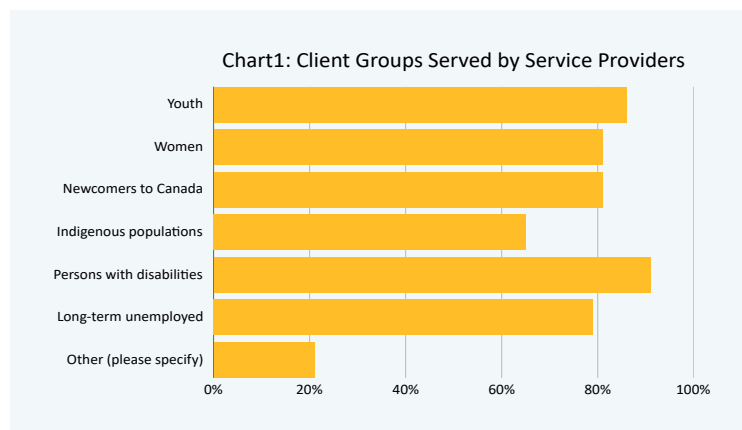


Along with this survey, semi-structured interviews were conducted concurrently with ESPs and SSMS. This approach enables us a more in-depth examination of themes emerging from the qualitative data (semi-structured interviews), providing us a valuable opportunity to triangulate and validate survey findings through direct service providers' perspective. It is pertinent to highlight that the respondents in this survey were the staff who shared their insights, based on their lived experiences and personal perceptions. This shows how they experience and interpret the impacts of IES on their service delivery, client issues and supports they offer to their clients.

a. Respondents' Client Profile

The vast majority of respondents (95%) were from ESPs, while only 5% represented SSMS. These responses are centered on everyday service delivery challenges, client needs, and operations. Most organizations (72%) have provided services for 26–49 years, while 12% have been in operation for less than 25 years.

Moreover, they represented a mix of urban (35%), rural (16%), and hybrid urban-rural (47%) service providers. These organizations support a wide range of clients, including marginalized groups, Indigenous populations, LGBTQ+ individuals and mature/senior workers. The representation across the sample reinforces the relevance of

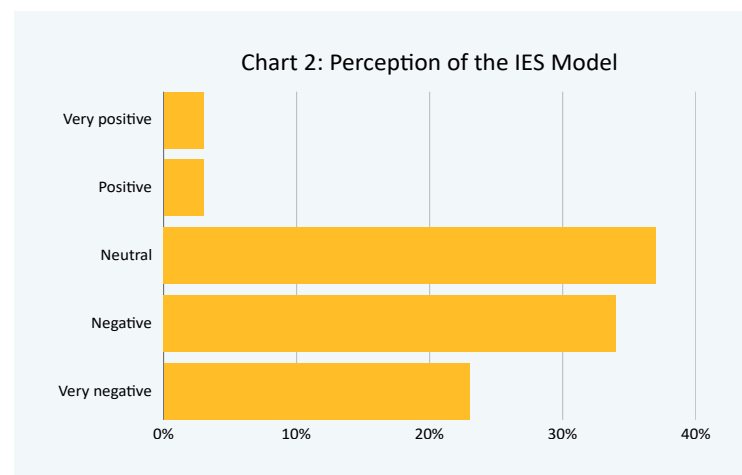


Source: First Work Data

employment services across diverse job seeker populations. Following sections detail key themes, issues and concerns, based on direct feedback from service providers.

b. Perceptions Of Service Providers

Service providers' overall perception and rating of IES Impact was measured along a 5-point scale, ranging from very positive to very negative. Many of the respondents rated the IES model unfavourably, with 57% viewing transformation negatively and only 6% expressing a positive opinion and



Source: First Work Data

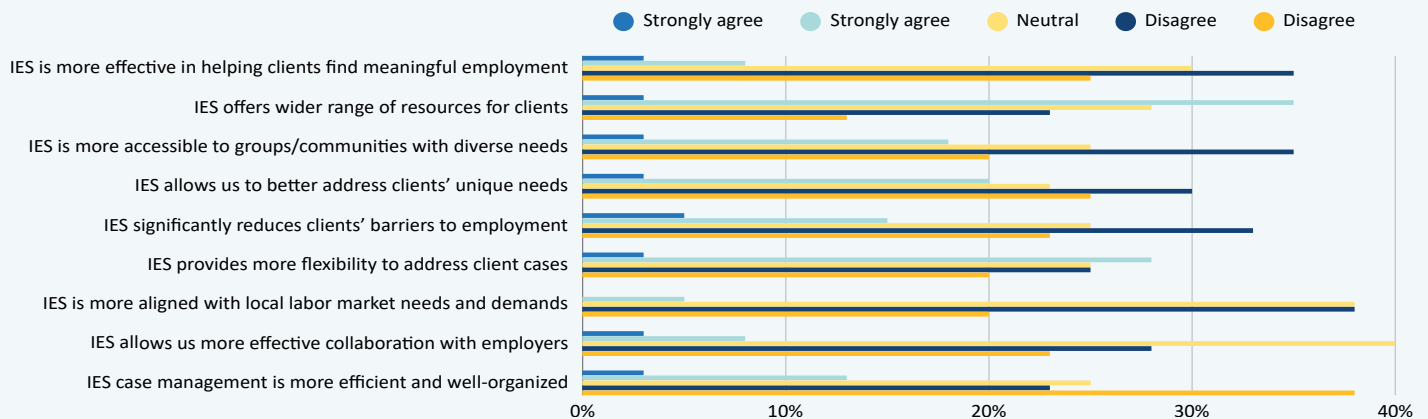
37% with neutrality. This suggests that most providers deem IES model ineffective. To improve service providers' perceptions and outcomes for clients, the need is to make targeted changes, co-designing solutions for improvement and strengthened collaboration with system partners are essential to improve the IES model's positive impact on clients.

c. IES Model Efficiency

In response to this question, majority of respondents expressed a cautious to skeptical view of the new IES model. Respondents were asked to respond to nine statements on a 5-point scale, from strongly agree to strongly disagree. While 38% agreed the new model offers more resources, only

5% felt it aligned with local labour market needs, and 10% saw it as more effective in helping clients find meaningful employment. 20% of respondents consider that the new model 'significantly reduces barriers', while 55% disagreed. Regarding new model's process efficiency, only 15% notice case management is 'more efficient', while 60% disagree. These results highlight the key concerns of service providers about IES's relevance, effectiveness and administrative changes.

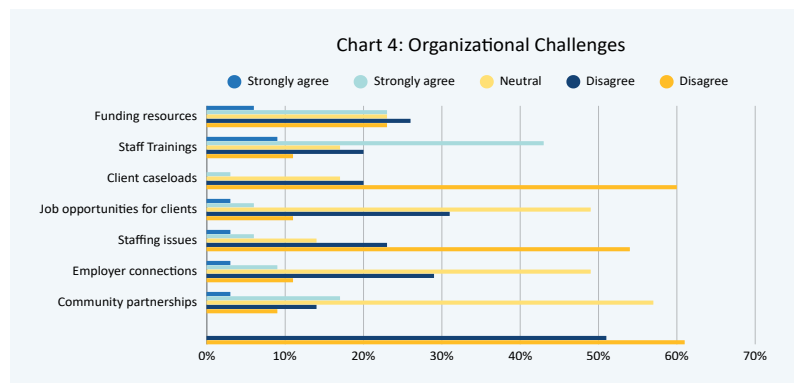
Chart 3: Efficiency of the IES Model



Source: First Work Data

d. Improvements in Organizational Issues

Next section focuses on long-standing organizational challenges which have been articulated by service providers at different levels. Overall, over half (51%) of respondents indicate improvement in staff training, suggesting impactful professional development in the new system.



Source: First Work Data

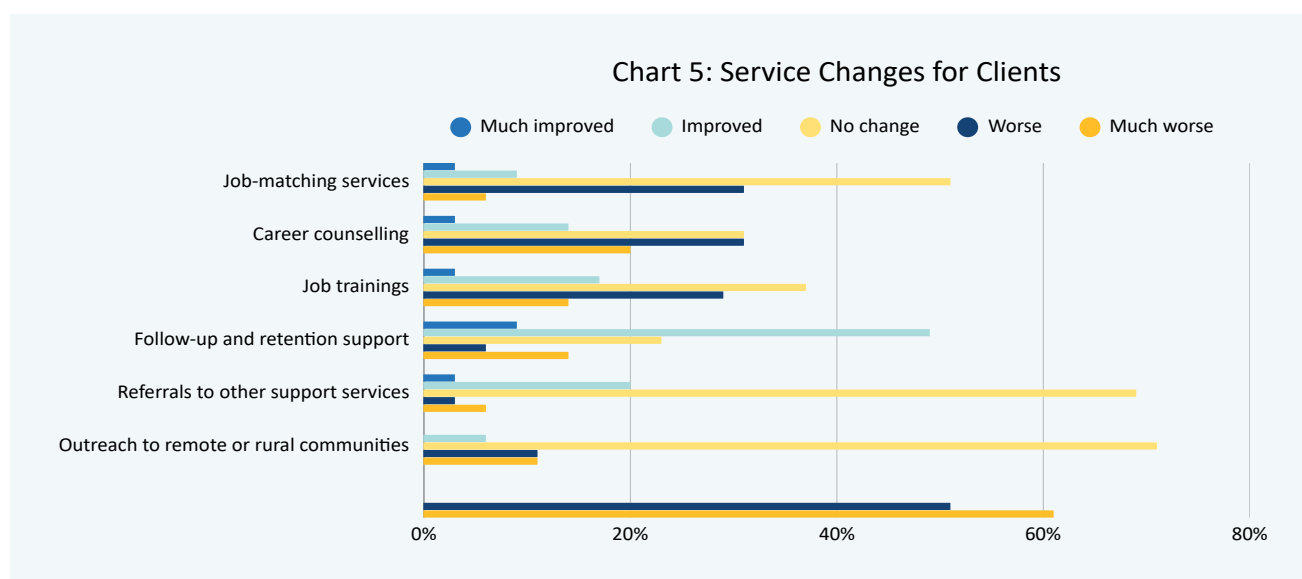
However, key areas like staffing (77% reported decline), caseloads (80% worsened), and employer connections (only 11% shared improvement) have either deteriorated or stagnated. Funding remains a key pain point, where nearly half (49%) respondents see funding has dropped, though 29% note improvement. Most respondents saw no change in community engagement (57%) and job opportunities for clients (49%). Prioritizing workforce capacity, funding stability, and external partnerships, the IES model can mitigate challenges, delivering better outcomes for clients and service providers.

e. Impacts of the IES Model on Clients Since Transformation

In this section, the key focus was on impact of the transformation on various support services that ESPs provide to clients.

i. Changes in Services for Job Seekers

Respondents were asked to rate six key service areas on a scale of 1 to 5. Overall, respondents identified that post-placement retention supports have improved, which stands out in the new model. However, most service providers did not notice any significant shift in connecting clients with support services, like job counselling, housing, and/or childcare.

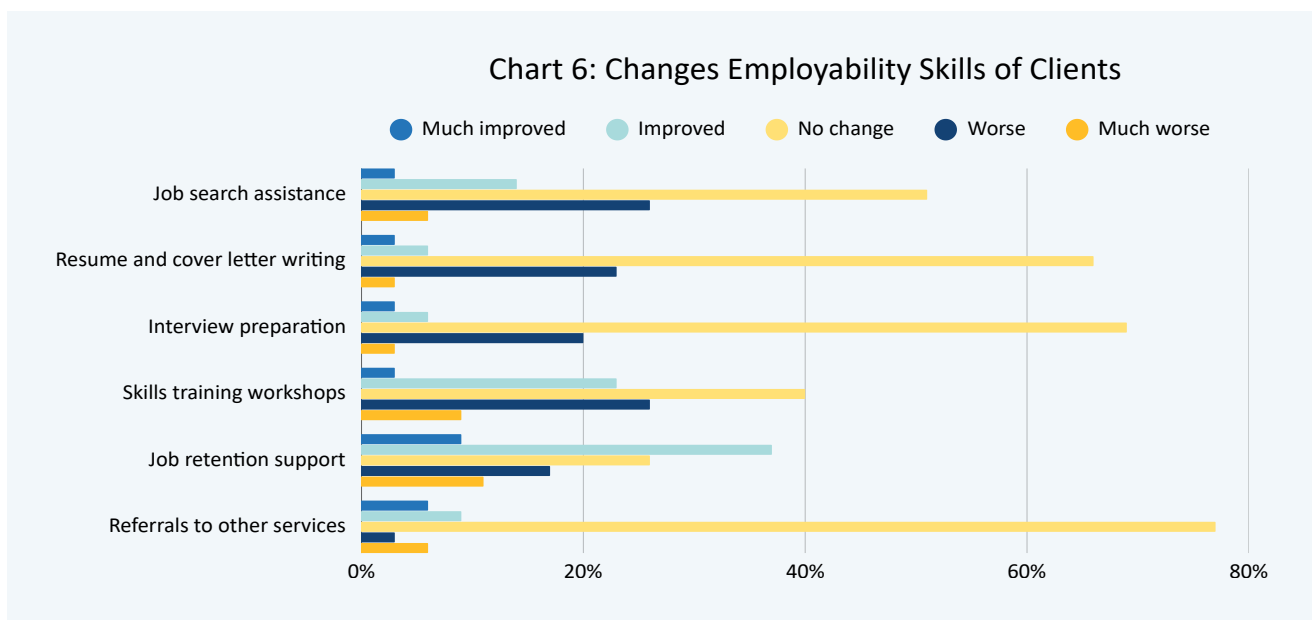


Source: First Work Data

Sixty-nine percent (69%) of respondents indicated that there was no change in referrals from OW and ODSP. Likewise, only a small fraction saw improved outreach to remote/rural areas, whereas 71% indicated that they did not experience improvement for clients in remote or rural areas. Moreover, mixed responses are noticed on key employment services areas. In job matching support, only 11% were positive, while 37% were negative; in career counselling, 17% showed positivity whereas 51% had a negative opinion; and lastly, for job readiness, 20% considered that IES rollout as positive and 43% responded negative. These results suggest that IES has not delivered consistent benefits in directly placing and preparing clients for employment. In some cases, respondents pointed out that the transformation has disrupted established processes. There is a crucial need to revamp core service areas, where service providers can develop client focused services. Moreover, there is a need to provide targeted support to clients where the change impact is less, working for uniform improvements in service quality to support clients.

ii. Changes in Employability Skills of Clients

Respondents were asked to indicate to how clients' employability skills have improved across six areas. Majority of respondents indicated no noticeable change, with positive progress most notable in job retention support, where 46% of respondents highlighted that clients are better served to remain employed. This verifies with the data analysis section's findings on improved employment retention services. However, progress in other areas was limited. Only 17% reported improvement in job search assistance while 31% saw it getting worse. Resume & cover letter writing and interview preparation showed minimal gains where merely 9% showed being positive, whereas over 20% noted declines.

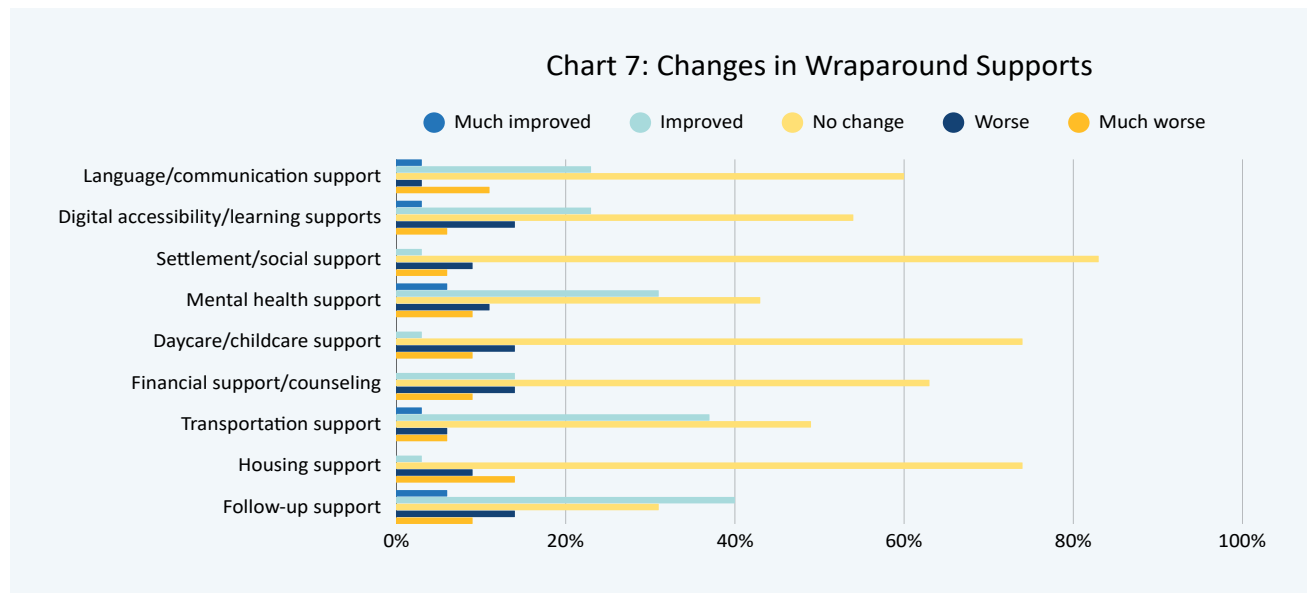


Source: First Work Data

Skills training workshops fared slightly better with 26% reporting gains, while 34% note regression. 77% of respondents notice there was minimal impact on connecting clients to complementary supports for enhancing their readiness for employability. This suggests that there is room for strengthening employment collaboratively and systematically, without which the employability outcomes cannot improve comprehensively.

iii. Changes in Wraparound Supports

Respondents provided insights on changes in seven core areas of wraparound supports for clients. Most showed little to no change, though some mentioned modest improvements in transportation and mental health services. Forty percent (40%) of respondents indicated strong gains in transportation and 46% in follow-up supports.

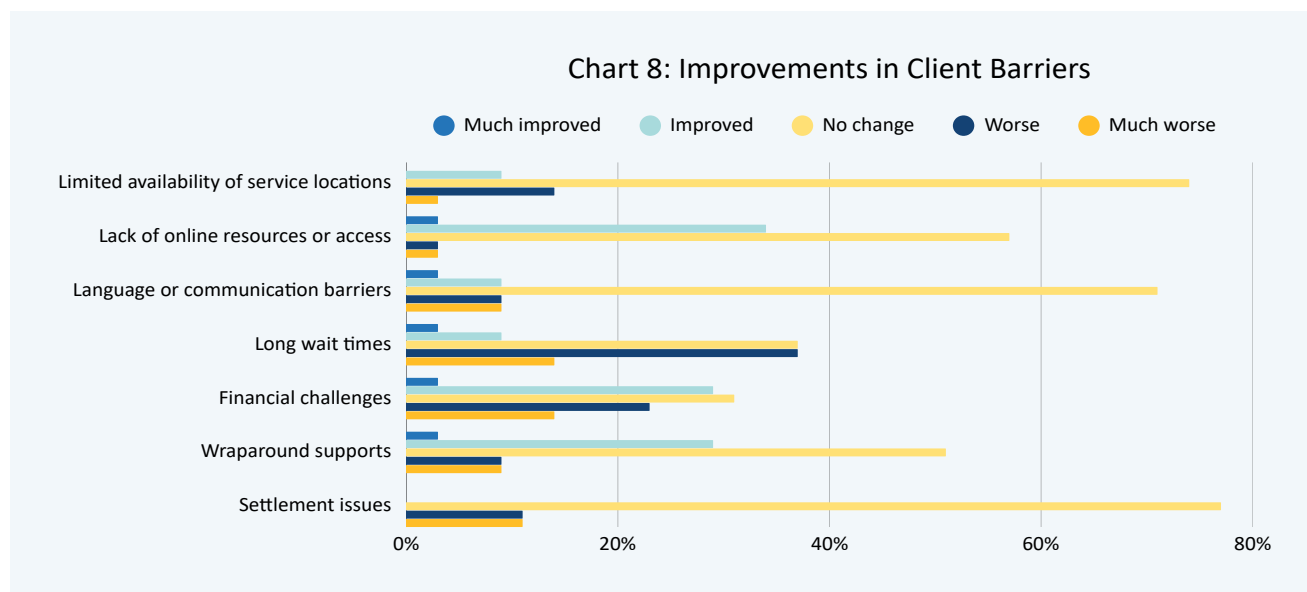


Source: First Work Data

These are consistent with earlier findings on retention supports and suggest better systems for clients to get to services. Thirty-seven percent (37%) note moderate improvement in access to mental health services. On the other hand, 83% see no change in core settlement issues. Only 3% see improvement, with 14% noting considerable declines. This indicates very little improvements for newcomers. Daycare and housing support both show 74% no change and roughly 23% note a negative impact. Similarly, around 25% articulate improvements in language, communication and digital supports, but over half see no change. Financial counseling support improved for just 14%. The data points out that success areas like transportation, mental health need further strengthening, and reforming under-served areas need reform in consultation with service providers. This way, the IES model will address clients' holistic needs.

iv. Improvements in Client Barriers

In this section, respondents were asked to provide feedback on barriers that clients face in accessing services. Most barriers remain unchanged post-transformation, with moderate improvements in online access and financial challenges. However, issues around service locations, wait times, and settlement presently remain a persistent challenge across the sector for clients. Online availability of resources and access saw the greatest improvement.

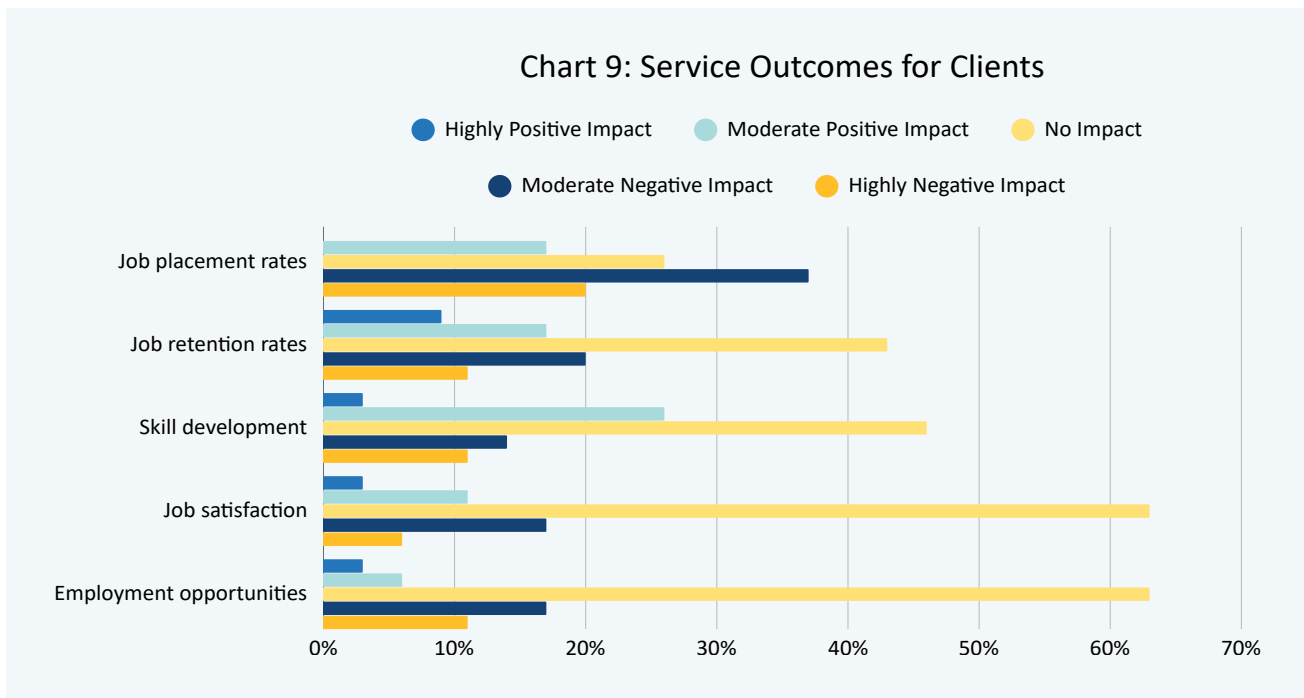


Source: First Work Data

Here over one-third (37%) highlighted better availability of digital resources and connectivity. Financial and wraparound supports show moderate gains, where nearly a third (31%) of service providers see reduced financial barriers and stronger support services. However, wait times have got worse as over half (51%) respondents face longer delays before receiving services. Issues related to limited-service locations and settlement barriers also remain largely unchanged with 74% and 77% respectively notice no change. All stakeholders, particularly ESPs and SSMs need to address wait times and settlement related services to overcome these barriers.

v. Service Outcomes for Clients

Service providers' feedback indicates that the system is not very supportive in KPIs, particularly in job placement category, where 57% of respondents report a negative impact, 26% see no impact, and only 17% note positive impact since IES rollout. Although job retention rates are largely mixed response, they are toward the negative.

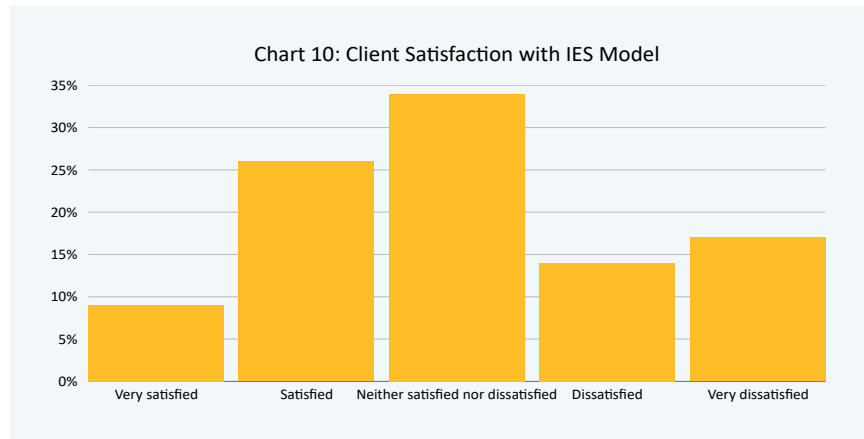


Source: First Work Data

While a plurality (43%) sees no change, the negative impact (31%) still outweighs the positive (26%). This suggests that for a significant minority, the system may be creating hurdles that affect a client's ability to stay in a job once they get one. On skill development, the data reveals a more positive perception of the new system, with 29% of respondents reporting positive impacts compared to 25% who noted negative effects. However, the fact that nearly half (46%) of respondents indicated that the system had 'no impact' suggests that it is not perceived as a significant variable of transformation. This can be interpreted as that, while the system appears to benefit a portion of users, its overall impact remains limited, helping roughly one-third more than it hinders. On the other hand, clients' job satisfaction from ESPs' perspective, the results are more telling. A substantial majority (63%) of respondents see no noticeable effect, indicating that the system has minimal influence in this area. Moreover, negative responses were twice as frequent as positive ones, reinforcing the perception that the system may be falling short in enhancing client outcomes related to job satisfaction. Likewise, in response to 'access to employment opportunities', no impact remains the same 63%. However, the negative responses are three times larger than the positive impact. This, combined with job placement rates, points to systemic inefficiencies in supporting clients to find employment.

vi. Client Satisfaction with IES

In response to this question, service providers showed general ambivalence among clients regarding employment services post-transformation. While 35% express satisfaction, 31% dissatisfaction.

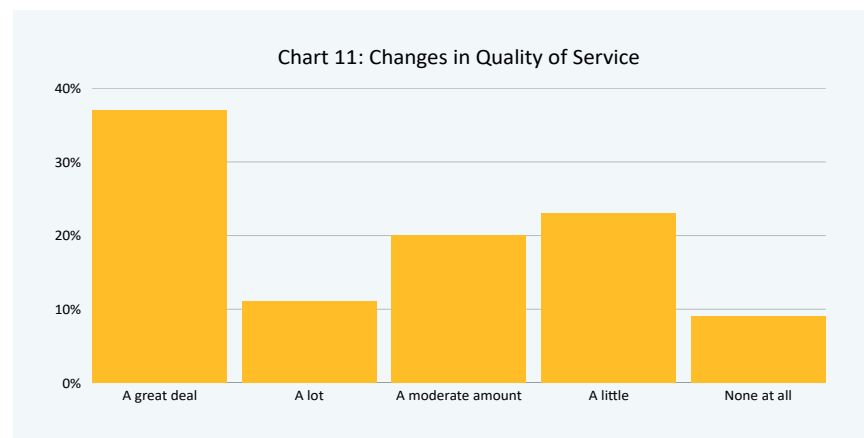


Source: First Work Data

However, the largest response (34%) is neutral, 'Neither satisfied nor dissatisfied'. This split suggests the IES model has yet to achieve broad client approval, which currently appear polarizing. The data highlights a need for targeted improvements to boost client confidence and address areas of concern.

vii. Quality of Services

Nearly half of the respondents (49%) see that the IES model has significantly improved service quality, reporting benefits 'a great deal' or 'a lot'.



Source: First Work Data

However, experiences remain mixed where 20% noted moderate improvement, 23% saw only slight gains and 9% reported no change. The data suggests that service quality outcomes vary across regions and depend on how individual service system managers (SSMs) implement the model.

Key Observations

Given the frontline-heavy respondent base, this data offers insights on practical service delivery challenges, client barriers, and operational issues. These findings aim to inform policy adjustments, funding reforms, and system improvements to better support both the job seekers and service providers. The following section presents key observations and findings based on the data presented in the previous sections:

1. Across all sections, agreement levels remain low (5-37.5%), with 40–60% disagreement, indicating uncertainty toward the new model. Notable neutral responses (23–40%) suggest that ESPs are still undergoing the transformation to suggest their responses or forming any judgment.
2. Respondents expressed low confidence in core service outcomes as just 10% believe *IES is more effective in helping clients find meaningful employment*, and 20% believe *it significantly reduces barriers*, while 60% and 55% respectively disagree. Likewise, alignment with local labour markets is the weakest as only 5% agreed that the new model aligns with local labour market needs and 58% in disagreement.
3. Post employment follow-up and retention supports stands out improved as 57% of respondents reported enhanced ability of ESPs to maintain client engagement and support post-placement. Another strongest positive perception (38%) relates to resource utilization and expansion, suggesting improvements in availability of supports under the new model.
4. Similarly, wraparound supports for transportation and mental health show progress, as over one-third report better access to or quality of these supports, but most respondents see no major shift in providing or connecting clients with wraparound support services e.g., counselling, housing, childcare.
5. The key client-support services show mixed trends in job matching, career counselling, and training see negative shifts, but gains in employability skill supports such as resume writing and interview preparation.
6. A large majority of respondents indicated that there has been no change in services like settlement and financial counseling for newcomers' integration, Similarly, language and digital trainings are largely unchanged as around 25% improvements, but over half see no change. This indicates that this category received little benefit from transformation.
7. Limited gains are reported in core skill areas such as job search assistance and skills training workshops receive slightly higher gains. However, job trainings are 43% negative, which suggest that transformation has not delivered consistent benefits in directly placing or preparing clients for work, and in some cases may have disrupted established processes.
8. A small fraction of respondents reported improved outreach to remote/rural areas, while 71% experience no change. This indicates potential gaps in serving geographically dispersed populations. Likewise, mixed responses on accessibility of services to diverse groups show around 20–30% agreement, but 55% and 45% disagreement, suggesting uneven experiences.

9. While majority see no change (57%) in community partnerships, with some gains but still a fifth reporting declines, but employer engagement and connections have got worse for a majority of respondents. Referrals from OW and ODSP also remained static with 77% noticing no change. These responses raise concerns about job seeker placements and partnerships.
10. While a significant number of respondents acknowledged that staff trainings have improved under the new model, but most respondents pointed out that ESPs are still facing transformation challenges like funding uncertainty, staffing shortages, heavier caseloads, and weak employer engagement. Process efficiency also showed low recognition as 15% opted that case management is *more efficient*, while 60% disagreed, indicating major organizational pain points in the new model.

From the feedback provided by service providers and insights drawn from the data, it can be safely suggested that by focusing on service alignment, efficiency, and leveraging proven strengths, the IES model can shift from a state of ambivalence to one of credibility and high performance across the employment services ecosystem in Ontario.

Feedback Loop 2: Insights from the Interviews

Impact of IES on Clients

First Work's earlier reports provided insights on the rollout of Integrated Employment Services (IES), but this report focuses on client impacts as reflected in ESP and SSM staff descriptions of service delivery, to provide clarity on whether the new model is improving outcomes for end-users. Semi-structured interviews were conducted with 30 ESP and 8 SSM participants from November 2024 to January 2025 across organizational levels, including leadership, middle-management and frontline staff.



Respondents spanned all implementation phases, and the semi-structured questionnaire guiding the interview included 15 questions: 3 on general impacts of IES, 9 on client groups (e.g., youth, newcomers, women, clients with disabilities, social assistance recipients), and 3 on strengths, challenges, and recommendations.

Content analysis of these interviews provided valuable insights on these client groups since the roll out of IES model in different regions. With exception of phase 3, the IES model has started delivering services and phase 3 would have undergone major transformational change at publishing time of this report. As such, content analysis suggested valuable insights across different maturities of implementation. Overall, there are mixed responses about strengths and weaknesses of the system.

First Work's earlier reports provided insights on the roll out of the new system, but this report focuses on the impacts of model on clients. It is important to mention that these impacts are described by the ESP and SSM staff that face during their service delivery. The rationale for this study is to provide clarity on whether the new model is serving the end-users, or there are hurdles in new service delivery system. Overall, there are mixed responses about strengths and weaknesses of the system.

1. Transitioning Legacy Clients



Transition of legacy clients in the employment services system was a difficult process for service providers initially, who struggled to maintain parallel systems for both legacy clients and new IES clients.

Reducing the number of legacy clients was achieved by closing legacy client caseloads to streamline operations. Caseload reduction has been particularly emphasized in one of three most recent catchments transitioning to the IES model, Toronto. A similarly structured closure strategy in Halton [required?] that most legacy clients were closed unless they were actively seeking services, leaving a small fraction to move to the new model. Iterative learning in prototype regions Peel and York helped inform transitions of legacy clients in later phases.

Transition Strategies

Service providers employed various strategies to support legacy clients during the transition period:

- Many service providers streamlined caseloads by closing inactive clients before the IES rollout, prioritizing clients who were actively seeking service. Other service providers took an alternative approach to deal with legacy clients. Rather than managing disengaged clients in the old system, clients could re-register once they were ready for services.
- Some ESPs created follow-up roles with an assigned staff member to manage and regulate legacy clients' caseloads. This capacitated other staff for preparation, training and implementation.
- Despite this ambiguity in response and for some, this discriminatory policy towards legacy clients, ESPs continued balancing closures with required support for their clients. Almost all respondents articulated some kind of strategic approach in dealing with legacy clients. Before closing their files, they ensured that no client who sought support was left without assistance.
- Many respondents also indicated that while some clients had positive past experiences with the previous model, many praised the new model's effectiveness and increased financial supports during early implementation.

Nevertheless, the transition presented several challenges, with three key issues identified by respondents in the following catchment areas:

- Administrative issues (*Prototype*)
- Funding gaps (*Phase 2*)
- Client expectations (Phase 1 & 3)

“For many legacy clients, it was a disadvantage entering the new system compared to those starting at the right time. They were disadvantaged because they didn't have access to the supports available to IESD clients. The way parallel systems operated affected service quality based on when a client entered the system.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Administrative issues

Many ESPs had to continue serving legacy clients under the old system without transitioning them into the new Integrated Employment Services (IES). Respondents expressed that poor policy to manage legacy clients worsened the quality of their service delivery. Administrative processes that hindered their management of legacy clients were:

- Under the new system, job developers and employment coaches had to juggle disengaged legacy clients alongside new clients. These operational obstacles reduced their service efficiency.
- The overlap between closing client files and receiving new referrals increased their workload enormously.
- The transition in the prototype phase coincided with the pandemic, accelerating timelines and adding complexity in implementing the new system.
- Those legacy clients who were transferred to the IES system found it complex, with increased questioning and ambiguous service delivery possibilities compared to the old model.

“The legacy clients were lost in translation. It was challenging to provide them with the level of service they needed while managing intakes under the IES model.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

“We did have one ODSP legacy client who managed to access some funding under the IES model. However, many legacy clients should have been closed and reopened under IES to access the appropriate level of support they required.” - Phase 1 ESP Interviewee
(Dec 2024-Jan 2025)

Funding Gaps

- Financial constraints also played a critical role in dealing with legacy clients. Many respondents highlighted that funding decline and increasing service costs made it an uncalled challenge to sustain their service support operations and, in some cases, respondents described that they were set up for failure, as the funding structure and transition model disadvantaged service providers from the start.
- Moreover, no systemic measures were introduced by the system regulators to address funding issues, which left them to absorb costs on their own. The key obstacles under this category were:
- Respondents highlighted glaring funding disparities as legacy clients received as little as \$300, while the new clients received \$3,000 under the new support system clients.
- Some service providers pointed out unfunded service delivery situation where they continued serving legacy clients without adequate compensation. This deficit left negative impact on their already straining budget.
- Several ESPs specified that their operational costs per client have increased, but since 2015, funding per client gradually dropped despite rising service delivery expenses such as staff wages, rent, benefits etc.

“The deficit comes at the cost of the organization, not the client. We don't stop serving people just because they want employment for less than 20 hours.” - Phase 2 ESP Interviewee
(Dec 2024-Jan 2025)

“There's no cost to the client; it's a cost to the agency. It impacts the agency's ability to get funding if they don't get everyone through at 20 hours or more, but it doesn't affect the client.” - Prototype Phase ESP Interviewee (Dec 2024-Jan 2025)

Clients' Expectations

- Respondents pointed out their concerns whether future feedback would reflect similar success stories, as clients' expectations were higher due to the comprehensiveness of past services.
- Despite service gaps in the previous system, legacy clients who returned to get supports again, found that new system was overly intrusive as extensive personal data required. Despite these challenges, ESPs continued delivering supports and job placements for legacy clients but were not recognized for the associated outcomes or costs.
- Uneven client impact was also noted where some providers ensured legacy clients continued receiving supports, many saw service limitations due to funding shortages and ambiguous policy directions.
- Legacy client success stories and positive past experiences, including career advancements, job placements, upskilling, and trainings raised concerns for service quality in the new model.

"In the past, we looked for different ways to support clients, whether it be in resource centers through a lot of value-added activities that we didn't necessarily get recognized for. We did a lot more work with clients in the resource center than we do now." - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Phased Out

- While it remains uncertain whether the IES model will achieve the commensurate client success reported by providers of the previous model, the issue of legacy clients has been resolved through implementation maturity.
- Despite initial confusion, legacy clients have been successfully phased out from prototype, Phase 1 and Phase 2 regions – Phase 3 is still undergoing this process.
- While additional financial and logistical challenges slowed the work of service providers, additional funding for the closure of legacy clients ensured necessary placements and training for active clients during IES implementation.
- Though the model lacked recognition for service outcomes, most clients remained unaffected by funding gaps, and the employment support system successfully evolved despite early difficulties. However, it remains to be seen, whether the new model will generate the same level of client success stories as the previous system.

“[In the previous system], we did a lot more work with our employer clients, trying to be proactive in providing information on hiring new clients, interview questions to ask, and making the workplace more conducive to a long-term employment relationship. Whereas now, the client outcomes are narrowly defined to just employment, not all the other things that are important to maintain a person in long-term, quality employment.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)



SSMs' Response on Legacy Clients

The SSM participants emphasized the evolving landscape of employment service system across Ontario, mentioning that they are actively adapting strategies in response to challenges that ESPs face. The key theme in their response was the critical shift in moving from the legacy system. Most respondents highlighted that their outreach and networking efforts with their ESPs have been effective and represents a positive achievement in strengthening and consolidating their partnership. They recognized that the transformation has created several challenges that frontline staff have pointed out. Since these issues are resource-intensive, the issue has been left to concerned ESPs to develop their own strategies to manage the existing caseloads of legacy clients.

Moreover, SSMs highlighted that they do not yet have sufficient data on legacy caseloads and programming to draw meaningful conclusions about the impact of IES on such clients within their catchments. This data limitation makes it difficult to evaluate successes and gaps. Comprehensive reporting of such caseloads, their outcomes and challenges will require more time and data to develop a policy decision. Therefore, at this stage, conducting comparisons or historical trend analysis between two systems is difficult. They also stressed that the new system structure is fundamentally different from the legacy system and making comparisons with past client outcomes is difficult.

SSM representatives acknowledged the operational challenges, particularly around Common Assessment Tool (CA_t) that streams clients to different service levels. Few agreed that some clients are being streamed inaccurately in Stream A or B, but they should have been in Stream C. This misalignment in the assessment process will be corrected, as they are working closely with their ESPs to report inaccuracies and misalignments that will help them improve CA_t to ensure that client needs are more accurately reflected and caseloads are distributed more appropriately. New metrics are also being developed. If issues are reported, efforts will be made to accurately assess clients moving forward. According to them, initially this systemic shift will reduce the frequency of success outcomes.

SSMs described the IES model as having mixed impacts, which was expected during this period. Some SSMs are gathering data needed to fully evaluate the impacts of IES on clients and outcomes. However, they are mainly engaging with their service providers on structural challenges such as streaming accuracy and frontline staff caseloads. Some stated that they are still resolving implementation issues, strengthening data systems, and making targeted investments to support both clients and service providers.

2. Gaps in Youth Service Delivery



Youth unemployment remains a significant concern across Ontario. Youth face significant challenges entering and thriving in the fast-changing job market in Canada. Several barriers such as lack of experience, mismatched skills, job readiness, career guidance, mental health struggles, and systemic inequities impact their employment prospects. These challenges are further exacerbated by current economic shifts, technological advancements, and notably, the absence of youth-specific programs.

Almost all respondents, Employment Service providers (ESPs) and Service System Managers (SSMs) alike, stressed the need for targeted and incentive-based programs for youth (16-29). SSMs reported that the relative flexibility of IES has not fully compensated for the absence of formal youth programming streams. Some providers have leveraged their specialization in youth services to continue delivering targeted supports despite these structural limitations.

Although youth are eligible to receive employment support in the IES system, the new model does not fully meet their needs. Respondents highlighted that youth seeking career guidance or employment face unique obstacles:

Issues in Youth Employment Services

“Youth are underserved as youth-specific programming is not part of the model. Each service provider develops and delivers their own programs.” - Prototype Phase ESP Interviewee (Dec 2024-Jan 2025)

- Most respondents pointed out that current IES model does not adequately support youth-specific programming, resulting in reduced pre-employment services, even fewer one-on-one supports, and the removal of placement requirements. In the legacy system, youth-specific programs such as Youth Job Connection (YJC) and YJC-Summer, facilitated youth focusing on job readiness, skills development, industry mentorship, entrepreneurship support, and connections with employers.

- Moreover, the current model focuses on system targets rather than individual needs. The funding incentives prioritize long-term job seekers over summer students or part-time workers. Therefore, critical pre-employment readiness and career exploration services for youth are no longer systematically available.
- Without structured or engaging services, youth often fail to connect with unassisted or online offerings, leading to poor workforce preparedness and undermining long-term employment outcomes. Additionally, SSMS reported that grouping youth with mature adults in employment workshops is often ineffective and inappropriate, as their life stages, experiences, and support needs differ substantially, undermining learning outcomes and engagement for both groups.

“Youth usually look for very specific programs, like the previous Youth Job Connection and Summer programs. These were tailored for youth, and they saw the benefit. However, this new program is designed for everyone, which is good, but youth are looking for something specific to them.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

“Youth numbers have dramatically reduced, and youth unemployment is high, almost double the national average.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Incentives in the New System

- Respondents offered that the present KPIs and the Common Assessment Tool used for streaming clients are designed for funding purposes rather than client outcomes, which discourage investment in youth services.
- The lack of effective youth programming has resulted in negative experiences among young clients, and the early career experience of no callbacks or job opportunities are shared widely within youth networks, damaging the credibility and reputation of employment services in the community.
- Current success metrics, such as the 20-hour work requirement and job-stacking restrictions, disadvantage youth who typically work part-time or multiple casual jobs. These rigid definitions fail to reflect labour market realities for youth, limiting recognition of partial successes and valuable employment experiences that build confidence and skills.

- As a result, youth unemployment remains high (more than double to those of adults in Canada), but youth employment targets are harder to meet, especially after pandemic-related disengagement from school.

“Without a focus on a delivery model for youth, there's inconsistency in service specific to their needs, resulting in a province-wide gap for young people.” -

Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

“Youth numbers have dramatically reduced, and youth unemployment is high, almost double the national average.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Mis-streaming Issues

- Performance-based funding (PBF) does offer flexibility, with some agencies investing in youth support; however, streaming errors led to under-identification of highly-barriered youth needs, further limiting opportunities for success. Assessment tools designed for employment fail to identify whether employment is the right intervention for a young person at the start of their career, requiring informal evaluations to supplement formal processes. In some cases, providers filled service gaps without dedicated funding.
- ESP staff pointed out that the Common Assessment Tool (CAAt)'s algorithm accounts for limited youth work history, but usually misclassification occurs in comparison to staff manual assessment. This typically happens with high-needs male youth who underreport mental health issues.
- This mis-streaming also results in placing youth in inaccurate service streams, where targeted supports are not provided. This is because the IES model does not differentiate high-needs youth from other unemployed individuals, limiting opportunities for tailored interventions. Assessment tools fail to identify whether employment is the right intervention, requiring informal evaluations to supplement formal processes. In some cases, service providers compensated for these mis-streaming gaps without funding.

“This is a major shift that most of these service providers, who are non-profit, are now competing for dollars as if they are for profit.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

[P]eople with lived experiences should be part of [streaming design] so they can highlight the issues. It's a big mistake to have not-for-profit organizations try to run like for-profits by earning performance-based funding. I think that's a mistake and takes away from our operational capacity to have the right number of staff to deliver to the right number of clients.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Program Eligibility Rules

- Under the IES model, the distinct focus on youth has been diluted. SSM staff reported that the program no longer carries a youth-specific designation, creating significant programming gaps.
- Respondents also expressed their concerns about age restrictions under the new system which exclude youth under 18, affecting those previously served from ages 13–18.
- Approval processes for 16–18 year-olds require proof that they are not currently registered in school, such as an SAL letter, after which they are removed from accessing employment services for in-school youth. Some also referred to the gaps in assessment criteria, pointing out that affected population may appear small (fewer than 100 clients per year), but individual cases are rising.
- Service providers reported that new service delivery processes mean youth are tasked with satisfying the compliance needs of service providers. Combined with the funding gap for part-time workers, this makes ESPs ineligible for funding if youth work fewer than 20 hours per week. These regulations lead to delays in targeted service delivery and more barriers for already barriered groups.
- ESPs also indicated that 20+ hour work requirements block youth programming, which does not include high school students who are unable to work full-time or 20+ hours/week. Those fail to attend or leave school require supervised alternative plans, which are difficult to obtain. This also restricts employment access for youth. Although, the students get assistance from ESPs, but their (ESPs) support services are not recognized under this

“Supporting people means recognizing their individual stories and providing tailored assistance.” - Phase 3 ESP Interviewee (Dec 2024-Jan 2025)

“Young people, especially those furthest from the labor market, require substantial support initially and ongoing.” - Phase 3 ESP Interviewee (Dec 2024-Jan 2025)

Specialized Staff Challenges

- ESPs also reported that the current service model is also failing youth due to unavailability of tailored support. Specialized staff expertise is lacking, as most service providers are trained as generalists rather than specialists in youth-focused employment. This limits their ability to address the diverse needs of youth, particularly newcomers and indigenous youth, who face further complicated challenges.
- While the service delivery is improved, but in some ESPs specialized staff often carry disproportionate caseloads which leads to burnout and service delivery inefficiencies. Pulling staff from case management to cohort-based programming creates operational strain and remains ineffective for focused groups.

“The administrative burden has increased, and the time that we're able to spend one-on-one with individuals has decreased, unfortunately.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

“Caseloads are 200+, so managing that as well as trying to provide quality service is very challenging. Case managers are struggling and it's causing turnover as well, which also impacts the quality of our service.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Funding Model Limitations

- Another significant limitation is of funding since 2010 that all of the service providers highlighted. This prevents ESPs from deploying staff exclusively to youth. According to them, youth needs differ even between their subgroups like barriered youth, post-secondary graduates, newcomer youth, and indigenous youth etc. If funding is not reserved for specialized youth streams, the resultant supports does not suffice to their needs.

- Performance-based funding and lack of new operating dollars since 2010 have further restricted ESPs to invest in dedicated youth programs. In absence of such targeted funding, youth do not get appropriate supports which leads to higher youth unemployment.
- Francophone and indigenous youth service providers operate differently, focusing exclusively on French-speaking or indigenous clients with smaller youth populations, making specialized services further complicated.
- Additionally, respondents articulated that branding efforts for youth engagement remain unsuccessful, as young clients do not recognize available programs without strong marketing. While some SSMs have allowed local youth programming, funding is limited only to program-specific needs, rather than operational costs that would sustain long-term youth initiatives.

Young people require more support, especially those furthest from the labor market. They need substantial support initially to connect to employment and require ongoing support, which this program does not adequately provide.” - Phase 3 ESP Interviewee (Dec 2024-Jan 2025)

“From my perspective, the focus is on quickly connecting someone to employment, even if it's not the right job for them, to meet performance goals. It's very short-sighted. I always said we need to operate more like a business.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Decline in Youth Programming

- The elimination of youth-specific programs has forced youth to rely on Service Canada programs. Some providers have to prioritize direct service delivery over outreach, limiting school-based engagement and external youth recruitment.
- Federal YESS programs and local initiatives like First Work's [Aspire Youth Summit](#) event and Youth Council provide some youth supports, but funding is limited to program-specific solutions rather than building youth supports into operating costs.
- Service providers indicated that the removal of youth-focussed services in the IES model has left many young job seekers lost in the system. Some offices prioritize direct service delivery over outreach, limiting school-based engagement and external youth recruitment.



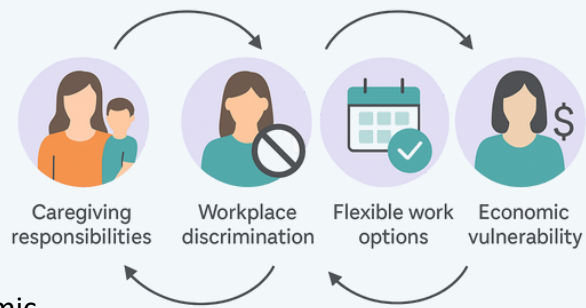
SSMs' Response on Youth

SSM respondents agree that youth service delivery face critical challenges, which they are actively working to address as youth remain a critical priority for the success of the system. The key issue that was identified, was the perceived loss of a dedicated youth programming. While the IES model allows service providers enough flexibility to tailor services to local demographics and some of them have successfully developed specialized youth support services. However, they recognized that the absence of formally designated youth streams and funding has created significant gaps to address their unique needs and challenges. Moreover, the loss of youth-specific support staff as well as the disappearance of pre-employment and career exploration services is impacting this vulnerable population. Youth focused programming helped young people build confidence and foundational skills for entering and surviving in the workforce. In some ways, the current IES model somewhat excludes youth who are still in school. The system requires precise documentation for entry and barring participation in youth job support programs that are vital for their career readiness. Even for those who do gain access, grouping youth alongside much older adults in workshops are creating complexities, given the differences in their life stages, needs, and learning contexts.

SSMs also acknowledged that systemic barriers exist that prevent equitable access for youth and, in some ways, structural flaws in the IES model's funding and outcome measures are further compounding these challenges. It has been identified that performance-based funding (PBF) rules discourage service providers from serving under-18 clients, as their participation will hardly and rarely contribute to funding eligibility metrics. Additionally, success parameters, such as the 20-hour/week work rule or restrictions on job stacking, are poorly aligned with youth and labour market realities. These rigid standards fail to recognize their early career needs and achievements. This impacts negatively service delivery partners to support youth or other vulnerable groups and also restricts flexible and creative solutions that could support their gradual transitions to employment.

Moving ahead, several SSMs shared their commitment to advocate for necessary regulatory changes with the Ministry to ease restrictive eligibility requirements for students and to reform KPIs that can better reflect their needs. At this stage, many ESPs and SSMs are collaborating to share best practices in youth engagement, including exploring dedicated service times and spaces. Finally, they emphasized the importance of rebuilding partnerships with school boards and community organizations to rebuild a healthy ecosystem of support, where youth and other vulnerable individuals or groups are left behind.

3. The Needs of Women in the Workforce



Women are another equity-deserving group that continues to encounter unique obstacles and systemic barriers in accessing to and advancing in the labour market, particularly those from marginalized and underserved communities such as recent immigrants, Indigenous populations, and racialized minorities. Key factors such as caregiving responsibilities, workplace discrimination, and lack of flexible work options contribute to their lower labour force participation rate and consequently their economic vulnerability. The following issues were identified by respondents:

Limited Employment Supports

- As articulated by service providers, the IES model provides limited supports for women. Once again, the generalist approach to employment support programs lacks tailored services for women group to meet their distinct needs. Such services are not sufficient for equity-deserving groups, including women. Only targeted and specialized programs can improve outcomes.
- Some ESPs indicated that client gender distribution remains close to 50/50, but few specialized services exist for women, with none specifically for women from marginalized communities or survivors of domestic violence. Overall, this stable gender split has not shown any significant shifts in women's participation rates in workforce as those of men.
- Additionally, since the model does not offer specialized employment services for racialized women or survivors of domestic violence, their unique challenges limit their options in the labour market. Service providers can refer them to seek external support services, but the success depends largely on local service availability.

Childcare Access as the Core Barrier

- Respondents identified that childcare access remains a central barrier for single mothers to maintain work-life balance. Although childcare support can be accessed through Employment Related Financial Supports (ERFSs), yet slight improvements in daycare accessibility came up against long daycare waitlists, which are extended to years.

- Currently, temporary daycare assistance can be requested with approval from SSMs, but its availability is quite limited. Service providers explained that this challenge is not caused by the IES model itself but emerge from larger systemic childcare shortages that affect single parents and mothers in workforce participation.
- ESPs also indicated that childcare industry also faces systemic challenges, such as staffing shortages, low wages, and insufficient system supports. This deters social workers from entering the field and exacerbate accessibility issues. The introduction of \$10 a day childcare programs was meant to increase affordability, but at present demand has risen, without adequate structural improvements, making childcare even harder to secure.
- Likewise, subsidized childcare exists for clients on social assistance, but then access is constrained by availability, not due to costs. Some clients struggle receiving subsidized childcare, if they are working under 20+ hours/week. Thus, persistent shortages of affordability and accessibility remain larger concerns.

“In the last two years, we’ve run a little program with our local school board. It’s an introduction to early childhood education. From those groups, we’ve had 64 women hired in childcare settings. That has created a great ripple effect because it has opened up about an additional 180 spaces in those centers that can support young families and single moms in accessing those supports when they’re employed.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Rigidity in Service Models

- As part-time work under 20 hours is not counted toward service providers’ performance metrics, therefore they do not receive any funding in supporting such clients, and even if it meets client needs. Success is counted for supports where clients work more than 20+ hours/week. This issue is repeatedly highlighted by almost all respondents that for underserved groups and marginalized communities, including women, mothers, single parents, people with disabilities, and students etc., the rigid 20-hour rule has remained as key barriers. Job developers and career counselors lack structured resources to collaborate with employers in creating customized opportunities for women.

- Additionally, the system does not formally recognize job stacking (an increasingly common labour market trend), where individuals piece together multiple part-time roles to reach full-time hours. This creates barriers for single parents, who manage limited hours with Ontario Works (OW) top-ups but struggle to meet employment criteria for success metrics. Though OW aims to transition recipients off assistance, this is not always feasible for single mothers, who face restricted childcare options and limited work schedules. This systemic rigidity for women is a major disincentive for ESPs and reduces their chances and motivation to support such cases.

Service Delivery Constraints

- Another obstacle that was stressed for women (but can be extended to other marginalized populations) by some service providers was the mismatch between service hours and client needs. This has limited accessibility of supports for clients, as most employment organizations operate during standard business hours, while many women, single parents, and newcomers require evening or weekend availability.
- High caseloads (one service-provider indicated as up to 400 clients per staff) are another issue that limit flexibility in service delivery, particularly for working mothers. It is expected that ESP staff must prioritize performance-based targets, leaving limited room for individualized support. Previously, staff could assist without formal cases, but now this shift to outcome-driven support where every interaction is tied to measurable outcomes, has shifted the social support system from meeting clients' complex needs and unique situations toward a more transactional system, with reduced flexibility, rigid targets, and limited creativity.
- Despite these systemic and structural issues, individualized support still remains a priority, as service providers continue to serve clients based on their unique employment needs. However, the IES model has not introduced any new components to explicitly address gender-related workforce concerns. While social support services have historically sought to improve workforce flexibility, but the lack of targeted enhancements prevents meaningful progress in addressing workforce accessibility issues for women.



SSMs' Perspective on Women Clients

SSM participants acknowledged that while the Integrated Employment Services (IES) model provides financial flexibility, it does not have the built-in mechanism to address the unique barriers that women have to face, particularly those where they can maintain work-life balance. They pointed out that among others, affordable and reliable childcare remains the single greatest obstacle to sustainable employment, which they regarded as a key failure that system must address. Some participants brought another related concern that without inclusive workplaces and support services, some women choose not to engage with employment services.

Concerns are also raised about the quality of outcomes, and not just access. This is because the current performance-based funding (PBF) model only prioritizes employment placements, but it does not incentivize the quality of jobs. As a result, there is little systemic focus on helping women secure living-wage, career-oriented, or family-supportive roles over minimum-wage positions. This issue is further amplified by a significant data gap, which is that women are not tracked as a distinct category. This limits the options to conduct gender-based or intersectional analysis of outcomes across various vulnerable populations.

SSMs also acknowledged limitations in specialized training within employment service provider network. Some frontline staff have the training and expertise, but generally the overall ability to identify and respond to gender-based issues remains inconsistent. They suggested that targeted trauma-informed training will empower system's ability to deliver appropriate services and address gender related problems. 20 hour/week work rule also impacts the women who are looking for flexible part time work, particularly single mothers.

Despite these challenges, several SSM interviewees highlighted that fresh evidence-informed best practices are emerging within the employment support sector. They specifically named some ESPs who are taking the leading role by specializing in women's services or creating individualized pathways that address this vulnerable group goals. Some are utilizing digital tools which also help women map their day-to-day logistics issues, such as transit and childcare locations.

SSMs representatives committed that they would help develop a formal women's strategy, that includes advocating for systemic solutions such as childcare, expanding flexible training options, and improving data collection to conduct gender-based analysis. Most SSMs respondents mentioned that system is still in its evolutionary stages, but over the course of the time, they also plan to strengthen targeted trainings and share best practices across the network. They expressed their commitment to ensure that every individual whether a woman, a youth, a newcomer or any other member of vulnerable and receives dignified, effective, and empowering support to strengthen and build the sector, leading to economic stability and workforce development sector.

4. Newcomer Access to Support Services



Newcomers bring diverse perspectives, experiences, and cultural competencies to the labour market, contributing to economic growth and job creations. At the same time, they encounter employment barrier like language proficiency, credential recognition, and local work experience. ESPs reported that newcomers often benefit from comprehensive supports and better service coverage than some other inclusion groups.

“Entering as stream A when they might actually be a stream C, due to their unrecognized education and qualifications in the Canadian job market...doesn't always recognize their unique needs.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Increased Collaboration post-IES

- The transformation has led to greater collaboration among providers, with each organization holding newcomer service targets and actively sharing best practices. The Ministry's pilot initiative to provide interpretation supports has enabled effective intake and service delivery in multiple languages, addressing longstanding language barriers that previously hindered access and engagement.
- Newcomers receive more wraparound supports from organizations that provide bridging programs and settlement services. However, language training remains a persistent gap that cannot be addressed alone. A broader system integration with language and literacy supports will support newcomers better.
- There is significant variability across catchments in newcomer service delivery. Regions like Windsor-Essex exceed newcomer targets with strong specialized providers, while Chatham-Kent and Sarnia-Lambton see fewer newcomers, and Northeast Ontario has a very small newcomer population. In the Northeast, settlement providers are integrated into employment service networks, with subregional service planning aligning well with delivery targets.

“Newcomers often face language barriers, credential recognition issues, and the challenge of gaining Canadian experience to secure jobs.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Service Delivery Challenges

- Many ESPs articulated their concerns about effective service delivery for newcomers, with limited language training or no English at all, especially among a growing segment of newcomers, makes job placement difficult for job developers and career guidance councillors unless employers accommodate.
- Likewise, limited interpreter availability and high costs make it harder to provide equitable access to employment and settlement services.
- Several service providers indicated the mismatch between streaming and service needs in CAI, which leads to misclassification of immigrants. A specific example about Ukrainian refugees was given, who were placed in stream A despite requiring stream C interventions. This misclassification in CAI streaming is based upon the assumption that they face fewer barriers than they actually have, resulting in inadequate support.
- Service providers indicated that newcomers' challenges are multifaceted that require solutions beyond simple job placement, including Canadian work experience gaps, unfamiliarity with workplace norms, licensing requirements etc. Moreover, housing, childcare, trauma recovery, cultural adaptation, and settlement, need more than employment-focused supports. If these supports are not available to newcomers, their integration will remain a challenge.
- Some respondents indicated that shifting service models where ESPs' reliance on digital tools and virtual employment platforms have reduce personalized and one-on-one support. This trend among service providers leaves clients with their unmet needs due to their unique circumstances and personal challenges in new settings.

“We've had to be really creative with providing services to newcomers and create specific services for them. There are a number of issues. The first one is interpretation when administering the common assessment. Depending on someone's original language, not everything can be immediately interpretable from other languages. This can be really challenging. It's also difficult to get certified interpreters these days. There's an extreme shortage and they are expensive.”

- Prototype Phase ESP Interviewee
(Dec 2024-Jan 2025)

Operational Hurdles

- Many ESP staff pointed out that new administrative requirements in the IES model surrounding personal information, Social Insurance Numbers (SINs), and pay stubs. Many clients hesitate to share their personal documents required to engage with ESPs. It is due to the potential distrust in government from their past experiences of corruption in home countries. The proof of employment (POE) requirement in IES has multiplied provider administrative burden, adding pressure to already limited support services. Currently, implementation of IES policies appear to prioritize accountability over client needs, focusing on compliance rather than meaningful support. This makes service delivery a challenge.
- Another issue that was highlighted by service providers was of inconsistent regional processes. Many newcomers relocate after job placement, which distorts service statistics and makes employment success difficult to measure. Service providers have to struggle client cases transfers, as different SSMs operate under inconsistent processes and varied procedures, making client transfers difficult and often leading to case closures instead of coordinated follow-ups. These inconsistent policy issues complicate service providers' existing challenges, impacting their performance.
- Service providers also reported that extended support for newcomer clients often requires significant time and resources. When this level of engagement is not matched by adequate funding, it places pressure on operational capacity and limits the ability to maintain consistent service quality. Moreover, extending follow-up periods for up to 12 months, adds staff burn outs, caseloads and service efficiency.

"[The system] relies on a prescriptive tool for streaming people, which doesn't account for individual circumstances. The system should trust organizations to use their supports or budget to allocate resources to those needing more or fewer supports, rather than relying on a tool to filter them into the right stream." - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Systemic Pressures

- Several funding models, including IES, favour quick job placement over career alignment. ESPs receive the same compensation regardless of placement type, reducing the ability to support long-term and meaningful career pathways. A systemic incentive toward quick-fix employment solutions within the previous and existing IES model have resulted in a bias toward faster, lower-quality job matches, which requires revision.

- Majority of respondents drew attention to credential recognition challenge that remains an ongoing issue, forcing highly skilled newcomers into survival jobs. While partnerships with organizations like World Education Services (WES) help offset costs, systemic barriers persist among many professional and licencing professions in the absence of any clear and across the board policy on this issue by federal or provincial governments.

“Aside from other newcomers, we have a large Mexican Mennonite population that might come as newcomers or have been here for a long time. They might not read and write well but have great education. They don't stream a C either, possibly because they've worked on their neighbor's farm or other reasons we don't know. They don't seem to be counted in the system.”

- Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

- Many respondents spotlighted that Ontario's employment service transformation has widened service gaps, shifting priorities away from personalized assistance to meeting system-driven metrics. Streaming into category A does not properly account for barriers such as credential recognition, cultural acclimation, and employment policies. Compounding this issue is the negative climate toward newcomers, particularly as resentment grew over international student enrollments and massive immigration.
- Another limitation in IES system is the restriction on funding for international students, who are expected to receive assistance solely from their educational institutions. Yet, the mismatch between policy and reality means students often seek help from community providers, who lack the funding necessary to support them. Without direct operational and financial capacity, many ESPs struggle to offer services to them.
- Additionally, service providers flagged the mismatch between skills and jobs, which is fairly common. As a result, newcomers are often placed in entry-level roles rather than positions aligned with their expertise, leading to wasted talent and underemployment. A newcomer will secure survival jobs and then struggle to retain employment. However, such jobs do not align with their career if those do not correspond to their academic credentials, professional experience and skillsets. Service providers then have to balance the need to stabilize the newcomer's journey with immediate work while also supporting long-term professional growth or career mobility. Few respondents pointed out that many such jobs fail to provide a living wage, which makes their initial life stabilization difficult.

“One example of newcomers we've dealt with is the Ukrainian population. If we went strictly on streaming, they often have education or held a job there, so they only stream A or B. But it doesn't take into account that they've uprooted their whole life to come to a country and culture they're not familiar with, from a war zone.”

- Prototype Phase ESP Interviewee (Dec 2024-Jan 2025)



SSMs' Response on Newcomers

On the issue of newcomers, almost all respondents highlighted that ESPs with long-established settlement and bridging programs have always played instrumental role in dealing with immigrants' needs and meeting province's immigration demand for settlement and job readiness. The community-based mobilization for support of newcomers has largely been successful, maintaining high service levels and, in many cases, exceeded availability to other groups.

Some respondents noted that a key strength of the current IES model lies in its strategic expansion of entry points and collaborative approaches. By integrating newcomer-specific organizations into the network, IES created accessible, non-linear pathways to localized services, including, among other service, placing much-needed supports directly in hotels for housing asylum claimants. Settlement, childcare, English as a Second Language (ESL), and employment services are also available to newly arrived immigrants to help them start their initial integration into Canada. Other initiatives such as the Ministry's interpretation pilot program and the Regional Retention & Expansion Network's translation of key documents into multiple languages is helping to overcome language barriers to services upon arrival.

Despite these achievements, SSM participants candidly acknowledged persistent challenges in the IES model. A significant issue that they noted was the misalignment of CAI and the complex needs of newcomers, particularly asylum claimants. Many newcomers have sufficient educational qualifications and employment histories, and so they are streamed into Service Stream A, not taking into consideration their trauma, language barriers and various licensing requirements. These clients can only be better served under more intensive stream B or C supports. SSMs mentioned that they are actively reviewing assessment criteria and coordinating with the Ministry to manage this systemic glitch. Likewise, restrictive definitions for success were noted as limiting access to some of the most effective upskilling opportunities.

They also pointed to regional variations in service delivery. For example, in Windsor-Essex, where newcomer influx and presence are high, targeted crisis-response strategies were developed, while Northeast Ontario integrated smaller newcomer flows into their service delivery planning. To address these differences, the respective SSMs are working to develop broader collaboration with partner agencies for sharing best practices across all catchments to promote consistent, high-quality support.

SSMs' interviewees also mentioned that they are also shifting their focus on reforming and updating their internal service delivery and communication systems. Many SSMs articulated that they have shown their presence and willingness to further participate in sectoral collaboration activities and events to support network's pain points. Some agreed that they would also advocate for flexible funding to fill critical service gaps, particularly in language training for immigrants. Finally, most of the respondents expressed their commitment in ensuring that every newcomer would get targeted, dignified, and effective support to thrive in their new communities and contribute to the economy.

5. Indigenous Clients



ESPs reported that both the legacy and IES model do not adequately engage Indigenous communities and job seekers. Service providers encounter a range of systemic, cultural, and logistical challenges to inviting readiness for support from Indigenous job seekers. Compounding long-term and ongoing effects of colonization, intergenerational trauma from residential schools and systemic exclusion and violence can serve to make even registration difficult. It was indicated that the core issue is that Indigenous individuals often remain hesitant to engage with government-funded employment services, because of historical distrust of provincial and federal programming. This is the underlying challenge that obstructs their readiness for employment support services. Core challenges include the following:

Lack of Dedicated Indigenous Services

- According to respondents, many Indigenous clients do not feel safe and secure to disclose their identity, complicating formal engagement and service tracking. They can feel more comfortable speaking with counselors from their own cultural background, as seen in successful outreach efforts with those employment counselors, who demonstrate the importance of culturally relevant services.
- Secondly, many Indigenous clients prefer services within their own communities, as historical distrust of non-Indigenous providers remains a major engagement barrier. While there are some Indigenous-focused supports available, particularly near Hamilton, service quality and engagement efforts could be bolstered significantly.
- Unlike Hamilton, which offers French-language employment services, no equivalent Indigenous-focused employment program exists, leaving a gap in culturally relevant workforce initiatives. Additionally, Indigenous employment services remain nonexistent in Halton, despite multiple specialized workforce programs being available in Hamilton.
- Many ESP respondents pointed out that existing Indigenous training programs are insufficient, as generalized sessions, including a 10-hour mandatory training is insufficient and inadequate for properly addressing complex cultural-historical barriers and needs.

- Providers called attention to the fact that in many regions, particularly in urban centers, no formal Indigenous support service organizations operate beyond employment-related support, and in regions such as Kawartha Lakes no formal Indigenous community exists, though Indigenous clients are present.
- A respondent noted that Indigenous job seekers often encounter workplaces that lack understanding of Indigenous traditions, values, and communication styles, which is a key disconnect that leads to feelings of exclusion, discrimination, and ultimately, job loss. One participant specially mentioned Fleming College (SSM) that has prioritized culturally sensitive service delivery in their catchment, employing Indigenous Employment Consultants as part of their outreach and engagement strategy.

“Indigenous clients make up 3% to 4% of our clients, and there's nothing in the new model that particularly helps them compared to the previous ES model.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Limitations on Available Supports

- Respondents across regions highlighted that Indigenous employment support services either often overlook the need or do not have adequate resources for integrated mental health and social services. Without addressing trauma, housing insecurity, and family responsibilities, for these clients, employment and career development interventions will fall short of producing any significant outcome.
- Service providers maintain existing service efforts in areas like childcare and job flexibility, but systemic employment barriers persist for Indigenous individuals. Without dedicated Indigenous workforce programs, cultural trainings and streams, Indigenous job seekers will remain underrepresented in employment success metrics.
- Likewise, many service providers lack cultural competency and knowledge needed to effectively support Indigenous clients. In some cases, cultural sensitivity training is provided but more is needed to improve engagement and service quality.
- Moreover, Indigenous clients' complex needs do not fit neatly into standard support service categories, affecting organizational outcomes and KPI metrics, emerging as a major disincentive to them. More importantly, the IES model has not introduced new outreach or engagement supports, leaving Indigenous clients without proactive service improvements.

- Additionally, IES system's narrow definitions of employment fail to recognize traditional, artisanal, or craft-based work that holds cultural and economic value in Indigenous communities. This misalignment forces SSMs to take financial risks to support Indigenous providers, who may not meet standardized performance targets but are delivering meaningful community impact.
- Finally, the rigid 20-hour employment rule continues to disadvantage service providers for serving Indigenous clients who need part-time or flexible work arrangements for their unique situations. Overall, the respondents suggested the need for targeted engagement strategies that prioritize community-driven employment solutions.

Streaming Issues

- The participants of this study emphasized that the Common Assessment Tool (CAT) streaming process can be a barrier to engagement with Indigenous clients. The intrusive nature of employment assessments discourages Indigenous participation, as many clients feel uncomfortable answering formal evaluation questions. Providers cautioned that its categorization model is disrespectful to Indigenous clients, particularly those with sensitivities around mental health classification. Justice-involved Indigenous clients face additional challenges, which corresponds to further gaps in classification, requiring dedicated and tailored supports.
- The streaming classification system does not account for those previously employed before incarceration, creating misalignment in eligibility and service accessibility. Furthermore, the term 'streaming' resembles profiling, potentially carrying negative connotations and is a major discouraging factor of Indigenous participation. If this is widely known, public backlash could emerge, given the system's insensitivity and exclusionary framework, as respondents reported.

Outreach Challenges

- Despite some improvement, no new system-wide initiatives have been introduced specifically to enhance Indigenous outreach or engagement. Outreach attempts frequently go unanswered, and there is limited formal guidance from the Ministry. This has led to inconsistent engagement across regions. While some areas, like Georgina Island, have built strong relationships, others like Toronto, maintain separate Indigenous Employment Ontario (EO) providers, resulting in fragmented service delivery.

- Effective outreach is crucial in bridging engagement gaps, yet service providers often lack the time and resources to proactively connect with Indigenous communities. Some ESPs conducted outreach outside EO contracts. On one hand, it ensured access despite systemic gaps, but these efforts remain limited, inconsistent, and constrained by lack of operational and financial capacity.
- Respondents also indicated that some partner agencies support Indigenous outreach efforts informally, outside official contracts, to bridge service gaps, but such practices are not widespread.
- The current funding model further complicates engagement. For example, one Indigenous provider was funded at \$200,000 to meet 200 targets but only achieved four. This alludes to the disconnect between Ministry expectations and community realities. For-profit SSMs are less likely to take such risks, creating inequities in who can afford to engage meaningfully.
- Engagement varies widely by region. Northern Ontario SSMs often benefit from in-house Indigenous supports, such as elders and cultural centers, but still struggle to reach new or disengaged clients. In some areas, Indigenous providers have opted out of the employment system altogether due to past disappointments.
- Some SSMs are adopting promising practices, such as contracting Indigenous firms for relationship-building, integrating cultural sensitivity training, and observing National Truth and Reconciliation Day. Employing elders and maintaining Indigenous spaces within organizations also supports both clients and staff. However, meaningful engagement requires time, patience, and a willingness to follow the guidance of Indigenous communities, elders, and leaders.

System-level Issues

- The Ministry's decision to shift responsibility for Indigenous engagement to SSMs without transferring existing relationships, tools, or institutional knowledge has left many SSMs to navigate this work without adequate support. There is a clear opportunity for the Ministry to re-engage, share prior work, and provide stronger leadership and continuity.
- The IES model does not include a specialized designation for Indigenous services, meaning that while Indigenous clients are served, service providers lack adequate cultural knowledge and frameworks to offer tailored employment supports. They would benefit from a dedicated service provider rather than having responsibility diffused among generalist service providers.

- The IES model has been described as inherently colonial, prioritizing speed, metrics, and efficiency over trust-building and cultural appropriateness. Annual performance targets and rigid timelines are incompatible with the slow, relationship-based work required for genuine Indigenous engagement.

Some other indigenous client-specific challenges also need attention, which were slightly touched upon by service providers:

- Infrastructure challenges for remote and rural Indigenous communities
- Underfunded and inaccessible education systems
- Inadequate mental health and social supports
- Indigenous youths' barriers, including limited mentorship, skills gaps, lack of role models in leadership positions, and fewer opportunities for career development



SSMs' Response on Indigenous Clients

SSM representatives recognized that the current IES model prioritizes speed and performance-based targets, which, at times, is misaligned with Indigenous realities and needs. Some respondents reported challenges such as unreturned outreach and a lack of Ministry guidance on Indigenous populations, yielding unexpected results. This is because this transition of responsibility occurred without transfer of established relationships or tools despite early expectations of separate consultation. This created perceptions of tokenism and left the system managers struggling to build trust across their catchments or working partners. Without consolidating relationship-building with service-providers, it has created multiple challenges and risks like misalignment of priorities, lack of shared understanding, fragmented service delivery, and finally poor outcomes for service users. The entire system faces these challenges at different levels, and in the absence of a foundational alignment of priorities, interpretation of service delivery mechanisms varies. Systemic requirements, such as mandatory common assessments, is cited as undermining culturally appropriate service delivery models, particularly for indigenous and newcomers' clients. This is because of the systemic misalignments that fail to reflect Indigenous economic realities.

In terms of performance assessment requirements, traditional, craft, and artisanal work is excluded from being counted as valid employment. They mentioned that while rigid performance-based targets disregard the community-based, trust-building work, only indigenous service providers specialize in. In some cases, few service providers have delivered culturally relevant services, but achieved lower performance metrics, resulting in less fundings. In some cases, they provided financial support to reduce service provider risks, but rules continue to create hurdles.

Despite these structural barriers, SSMs shared examples of success, where they supported service providers. They mentioned that outcome improve significantly, when Indigenous partners participate as co-designers and duly compensated for their expertise, such as in the development of pre-employment training. Other promising practices include contracting Indigenous firms for relationship-building, integrating cultural sensitivity training, employing elders, and observing Truth and Reconciliation Day across networks. They also stressed that leadership must be ceded to Indigenous communities, elders, and partners, allowing them to guide the design and delivery of services. They also expressed their commitment to advocate for systemic changes at the regulatory levels, that recognize Indigenous-defined measures of success and remove structural barriers. Their priority is to focus on trust-based partnerships for developing inclusive practices, which are shaped by and for Indigenous communities.

6. Life Stabilization Supports for Barrier Clients



Current IES model offers multiple supports to clients facing barriers, but it relies on referrals rather than direct service provision. Employment services primarily connect clients facing multiple barriers to community partners for specialized support through referrals, such as approval processes for financial assistance. Below are the key positive impacts of the IES model that many Respondents admitted and acknowledged, along with challenges that exist in the system:

“Communities with additional barriers, such as clients facing homelessness or mental health issues, struggle under the new model as well.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Financial Supports

- According to ESP staff, current IES model offers much greater financial flexibility with removal of previous financial caps. However, the IES system allows service providers for more creative solutions. For clients experiencing homelessness, employment support is largely ineffective, as securing a job requires basic stability factors like a bank account and SIN number, which unhoused individuals often lack. While previous funding caps, i.e. \$500 limits, have been removed, unclear approval criteria lead to inconsistent decisions in support availability.
- Due to integration of social services, expanded aid and funding are available for employment needs and training, such as financial supports for certifications, licenses, work clothing, transportation, and other employment essentials. Even when formal approvals are restrictive, service providers can rely on external sources or supplementary community funding to meet client needs. They collaborate across agencies to deliver wraparound support, particularly for justice-involved individuals and clients with life stabilization needs.

- While some staff strategically use financial incentives to maintain client engagement, this transactional approach raises concerns about service effectiveness. With focus on KPIs, outcomes, approvals, and risk management the social service system operates on a Business Model.
- Overall, the support system under the IES system is flexible but administratively complex. It requires providers to justify every funding approval, increasing bureaucratic burdens. In some catchments under different SSMs, such requests require multiple reviews and detailed justifications that has led to increased administrative burden.

“The model does have flexibility within it to provide job seekers with whatever they need – as long as it has a plan item through CaMS and a very good rationale as to why they need a certain support” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Operational Challenges

- While clients report high satisfaction with services, employment providers struggle to meet operational targets, creating tensions with SSM requirements. Particularly, limited time available to service providers restricts their ability to thoroughly address underlying causes, such as addiction and mental health challenges. Providers are expected to serve more clients holistically, with a broader range of issues like homelessness, mental health concerns and financial instability. This increases caseloads of frontline staff require, or staff shortages limit response capacity.
- Many responded drew attention to extended service obligations where staff must support clients for 12 months post-employment and keep addressing challenges that persist beyond job placement. At times, higher caseloads render it difficult for career guidance counselors to engage with every client, leaving clients underserved or receiving minimal assistance. Few respondents stated that legacy model allowed more intensive intervention, but in the current system time pressures reduce depth.
- A key issue is ministry pushback, as claims are often denied post-facto, making assistance riskier for service providers. The extensive approval process further slows access, with multiple reviews and excessive monitoring delaying aid distribution. Despite these challenges, providers maintain financial autonomy in allocating resources creatively, covering costs such as training, clothing, and transportation for eligible clients.

- Employment outcomes are complicated by underlying challenges, as securing a job is difficult when basic needs remain unmet. Ontario Works (OW) is expected to handle life stabilization, but employment services still play a role in assisting clients with mental health and financial insecurity. While community awareness of these barriers has improved, practical solutions remain limited, and demand for services continues to rise. Although, some SSMS' have expanded mental health training for employment counselors, they are not social work professionals, requiring referrals to specialized agencies.

“Shifting life stabilization supports and splitting them into employment-related and life stabilization supports has been challenging. For example, for the first six or seven months, the only way people could get a cell phone paid for was if they needed it for job searching. But in reality, they need it for safety and everyday life, not just for job searching.”

- Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Post-Employment Supports

- Many respondents admitted multiple benefits of the current model, including extended case management, where client files are kept open post-employment. This offers additional stability and long-term success opportunities. Despite challenges in service execution, these efforts help clients facing multiple barriers stay connected to employment resources. However, system-wide improvements are needed, particularly in reducing bureaucratic obstacles and ensuring more reliable access to essential supports.
- The IES model prioritizes marginalized clients through integrating employment services with life stabilization supports, which previously were managed by social assistance workers. As staff is required to continue supporting clients for up to a year post-employment. This looks good from client's perspective, but for the staff it has brought new layers of responsibility, increasing staff workloads and limiting individualized support capacity.
- Continued assistance on job coaching, workplace adaptation, and ongoing work stability has helped clients adapt to workplace demands, manage housing or mental health challenges, and avoid job loss. Regular interventions include help clients adjust to changes and maintain employment. Likewise, keeping cases open after employment strengthens stability and reduces risk of re-entering the system brings positive and long-term outcomes for clients facing multiple barriers.

“I would say the impact is not as client-centric as previous models. It feels more about moving people quickly to employment, which is not necessarily bad because we are employment services. However, when faced with clients who have barriers to getting employment, there still needs to be a social service aspect.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Current Trends in the System

- Respondents articulated that employment services now play a key role in assisting clients with mental health and financial insecurity, although Ontario Works (OW) is expected to handle these life stabilization supports.
- Some respondents noted that community awareness of complex barriers has improved. However, to them, practical solutions remain limited and the demand for services continues to rise. SSMS in few catchments have expanded mental health training for employment counselors.
- Another change that is identified by many respondents is enhanced staff capacity with available trainings. These have improved their ability to understand and navigate client challenges. Now service providers feel endowed with more tools, resources, and funding, compared to a decade ago, yet systemic and structural issues like homelessness and mental health continue to complicate service delivery. Likewise, local service expansion including employment-related mental health supports have grown in many catchments and improved accessibility in regions like Lindsay and Kawartha Lakes.

“While referrals to other programs and services are allowed, there is limited support for flexible scheduling, which is crucial for people with childcare issues or similar needs.”
- Phase 2 ESP Interviewee (Dec 2024-Jan 2025)



SSMs' Response on High Barrier Clients

At the outset, participants acknowledged that serving clients with complex, multi-layered barriers remain a major challenge across the employment support services sector. They articulated that no single entity could address these issues alone. They sought for underscoring the need for systemic collaboration and at the same time, recognition of the limits of their mandate. Currently, the whole sector is working on building and strengthening partnerships with Ontario Works' (OW) social assistance program. In this regard, many participants reported piloting a Referral Readiness Matrix with OW caseworkers. This tool will clarify roles by assigning OW the responsibility for life stabilization supports, such as homelessness, addiction, domestic violence, and mental health cases. ESPs will provide supports on pre-employment training and job readiness. The program key benefits will be, sharing secure information, building trust between employment services and OW, and finally ensuring client referrals. They expressed that automating and mandating this tool regionally is a key priority after implementing a successful pilot program.

However, they were also candid about the exiting gaps in providing adequate services for highly-barriered clients. Few mentioned that employment counsellors and job developers are not clinically trained to handle issues such as trauma, severe anxiety, addiction, and domestic violence. In many ways, expecting them to manage these challenges without dedicated professional support is unrealistic and unfair. In addition, the current funding model is focused on employment supports where only short-term trainings are supported. On the system level, it creates significant gaps for clients who require longer and more intensive interventions, before they are job-ready. This will only work, when ESPs collaborate as a key partner of the broader ecosystem of supports. They also highlighted the Ministry's mental health support pilot is a positive step, which allows funding for professional counselling.

Currently, those ESPs, who have pre-existing ties to system support partner organizations like the Canadian Mental Health Association (CMHA), were reported achieving greater success with clients by using those life stabilization supports. Some are planning to expand local partnerships to coordinate wraparound supports for non-OW clients. They will also work for broader systemic solutions to issues such as homelessness and access to affordable mental health care. They will also focus on building frontline staff's capacity, so that they have adequate tools and partnerships that are required to support client facing complex barriers to employment.

7. Accessibility for Clients on Social Assistance



Employment support services for clients on Social Assistance (including clients with disabilities) are currently dealing with several changes in their service delivery with IES roll out. The shift to the performance-based funding (PBF) model that prioritizes quick job placements, minimum workhour, and multiple KPIs comes at the expense of those with complex needs. Many service providers reported that the requirement for clients to work at least 20+ hours/week to qualify for funding has excluded individuals who could manage only part-time work. Additionally, it incentivizes service providers to enroll more clients rather than provide long-term, individualized service support, which is crucial for those furthest from employment. Many clients on disabilities cannot succeed in the workforce with KPIs in PBF model, and as a result, are left behind and face barriers to financial independence and social inclusion. ESP interviewee staff have articulated following issues for clients on Social Assistance:

“The new system does not really support people with disabilities because of the 20 hours requirement and all the administrative hurdles.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Systemic Challenges

- ESPs consider that the IES model has created major barriers for clients on social assistance, particularly due to referral mismatches and unrealistic expectations. Many referrals come with inaccurate client information, with little or no information on client needs or readiness for work.
- Likewise, Individuals facing long-term unemployment or intergenerational poverty, false expectation of full-time employment leaves little room for gradual workforce integration. This has made transition particularly difficult.

- Service providers reported that increase in caseloads came without additional funding. This resource limitation reduces capacity for career planning, job development, retention support, and individualized assistance. This has forced some institutions such as Mohawk College and Sheridan College, to withdrawn from the system altogether.

“Work also has social aspects, becoming part of a team or an organization. This program's focus on just finding people employment above a certain number of hours removes those social factors.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Rigid Success Metrics

- Service providers highlighted that with IES, a fundamental shift has occurred in how outcomes are defined. Now education and training no longer qualify as successful case closures, but only employment or job placement as success metrics and the only qualifier for funding. Respondents argued that this narrow focus forces them to prioritize employment over tailored supports.
- Moreover, this employment-tied funding is difficult to access, because it requires extensive administrative justification to client's job pathways. For service providers, this creates further delays in providing timely assistance. The model also restricts financial assistance to work-related expenses like transportation, which means that job-related supports are prioritized over basic needs.
- For clients with long histories of social assistance (spanning 4–20 years), a direct transition into employment is unrealistic without significant preparation. Some individuals are referred to employment services despite being more appropriately served under ODSP, further complicating their pathway. Providers previously had discretion to close cases when clients were not ready, but under the new system, extended retention requirements restrict flexibility.
- Finally, these rigid success metrics undervalue small, but significant client achievements. Even working one hour/week can provide therapeutic benefits, progressing toward greater participation. In current IES model, these performance measures go unrecognized in outcome reporting. However, many participants mentioned that in spite of non-acknowledgement and without receiving funding for these clients, they continue providing needed services. Some create partnerships to deliver job coaching or specialized assistance, but no performance-based funding exists for part-time employment. While some SSMs collect data on under-20-hour outcomes, it does not alter systemic funding rules, leaving service providers undercompensated.

“When a client needs something like a cell phone, it becomes a negotiation between organizations. The integration of employment and life skill supports could be better coordinated.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Gaps in Service Integration

- The system expects closer collaboration between Ontario Works (OW) and employment service agencies, but uneven implementation has led to regional inconsistencies. Integration between Ontario Works (OW) and employment services (ES) remains conspicuously limited. Providers report extended delays in connecting with OW caseworkers, who themselves carry higher caseloads.
- Although referral strategy has improved engagement, poor coordination undermines case management processes and client stabilization efforts. The main reason is that OW disengages itself from cases after referrals, leaving ESPs to manage these on their own. While some collaborative practices still exist on individual levels, but this inconsistent follow-through across different catchments means that ESPs take bulk of responsibility without any adequate coordination.

“Unless somebody is attached to Ontario Works, there is no life stabilization support. Food insecurity and homelessness are closely linked, but we don't have the resources or the ability to provide wraparound services for these issues; we can only make referrals.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

Disability-Specific Barriers

- Among Clients on Social Assistance, clients with disabilities face particularly severe challenges under the new model. Smaller ODSP providers operate with limited resources, adding case management complexity that require lower staff-to-client ratios. This is not supported by IES funding streams. Service providers have to conduct frequent assessments while lacking resources for long-term employment timelines, employer engagement, or specialized supports.

- Like other client streams, the single most damaging structural barrier is the 20-hour rule for individuals with disabilities. Employment outcomes only count when clients work 20+ hours/week, excluding those who can only manage part-time employment due to disability or health-related limitations. As a result, providers receive no funding for supporting clients who can work fewer hours, even when these job placements represent meaningful success metric. The rule also negatively affects youth, women, and newcomers who need part-time work.
- Moreover, inadequate Employment Resource (ER) funds limit service effectiveness, as they fail to cover disability-related needs such as specialized equipment, clothing, or transportation. Service providers have to sometimes cherry-pick the clients to meet performance metrics, leaving marginalized individuals, particularly those with visible or complex disabilities, underserved. Some organizations adopt inclusive approaches, who take clients rejected elsewhere. However, they face mounting financial strains and higher caseloads.
- Furthermore, the creaming effect is compounded by generalized training for job developers, which leaves them ill-prepared to address disability-specific employment needs. Without specialized job coaching or mentorship opportunities, services remain generic and inadequate, leaving clients on disabilities without the specialized support required for meaningful progress.

“If someone is linked to Ontario Works, they get life stabilization support from Ontario Works, but this leaves out many clients who now don't have access to these supports through employment services anymore.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

“In our opinion, ODSP clients are disadvantaged in the new model. The value of work isn't just measured in hours but in connecting to meaningful labor opportunities that match a person's goals and aspirations.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

Overall, the new employment services model has introduced some improvements in formal coordination, but it still suffers from systemic and policy issues on outcome measures, funding gaps, and limited flexibility in case management. Clients on social assistance, especially those with disabilities, youth, women, newcomers and other marginalized individuals and communities are disproportionately disadvantaged by systemic rules and policy directions. Without stronger integration between OW and employment services, flexibility in performance metrics, and adequate funding to support individualized case management, the IES model risks excluding the very individuals and groups, it aims to serve.

“People with disabilities, especially those with no connectivity or transportation in rural areas, and those with mental health issues or other disabilities, cannot work more than five or ten hours a week. This system does not support them...I'm going to use this word: discriminatory.” - Phase 2 ESP Interviewee (Dec 2024-Jan 2025)

“There are changes in client streaming, operational funding, employment-related forms, and loss of experience, all of which have impacted the quality. When I think about employment-related supports, I think they [are] better than the old model. However, the streaming is not helpful because the assessment itself is deficit-based and not anchored in identifying an individual's assets. These assessments are long and intrusive, making some clients feel worse off than when they walked in the door.” - Phase 2 ESP Interviewee (Dec 2024 – Jan 2025)



SSMs' Response on Social Assistance Clients

On the question of clients on social assistance (including those with disabilities), most SSM participants recognized that gaps remain between the vision of the IES model and the reality experienced by some clients. However, they also highlighted several strengths of the new model. The first one is the mandatory referral process for Ontario Works (OW), which has extended access to employment, financial, and language services for individuals etc., who otherwise may remain isolated. As the system moves towards maturity, further decisive actions will be taken to manage funding inequities across the ESPs. Currently, the work on standardizing the funding model, about \$30 million of a \$35 million budget allocation has been reinvested into the network. This is creating greater consistency, stability, creativity, and opportunities for collaboration throughout the sector. At the same time, they acknowledged the structural and systemic misalignments in the IES model. The model's key performance-based funding system, which measures 20+ hours/week work as sustainable employment, is ill-suited to clients with severe cognitive or physical disabilities. The IES 'one-size fits all' rationale does not work but creates exclusionary effects for clients facing severe barriers to employment, clients with disabilities and all those who are on social assistance. There is need for alternatives, such as a proposed 'Stream D, which could focus on community integration, minimal work, and volunteer participation.

Key barriers that they have identified for vulnerable groups and marginalized communities were the rules that deal with funding allocations, including outcome funding, and Employment-Related Financial Supports (ERFS) by income source rather than client needs. Moreover, integration with the Ontario Disability Support Program (ODSP) was also identified as a persistent challenge. Unlike OW, ODSP referrals remain largely voluntary, with low participation. The underlying causes of this challenge were attributed to limited public awareness, weak policy alignment, and inconsistent accountability among caseworkers. Few participants mentioned that such challenges are particularly acute in rural and northern regions, where access to physicians for eligibility confirmation is limited, which creates further hurdles for clients.

Additionally, it was also stipulated that other broader issues are also undermining the model's effectiveness, whereby the KPIs are not met. They stressed that while integration offers clear benefits, but inconsistencies in assigning roles, misalignment of referral pathways, and restrictive funding guidelines have impacted system's productivity. This has also reduced performance capacity at different levels and jurisdictions. Due to these structural issues and systemic gaps, the new model is failing to address the unemployment and poverty faced by clients.

“From an administrative aspect, the systems approach is very onerous for service providers, which means less time face-to-face with the client. Despite KPIs indicating how often we should see clients, admin work leads to longer delays once someone is referred. On the upside, because KPIs hold implement coaches and job developers accountable, we can see exactly where every client is at every point through reports. This doesn't necessarily mean clients get where they need to go as fast as they need to, though.” - Phase 1 ESP Interviewee (Dec 2024-Jan 2025)

They recognized the critical importance of effectively serving all clients, particularly those who are on social assistance, highly barriered clients, long term unemployed and those from vulnerable populations and marginalized and underserved communities. As sectoral partners, they are committed to strengthening collaboration with all stakeholders to improve processes and accountability, while advocating for more flexible outcome measures and funding guidelines that better reflect the diverse needs of their clients. Most of them mentioned that they are listening to grievances of frontline staff and clients, for refining the system and moving toward a model that upholds dignity, provides appropriate supports, and offers meaningful pathways to all clients.

8. Employer Engagement in IES



The Integrated Employment Services (IES) model has aimed to streamline employer engagement by offering a single point of contact through Service System Managers (SSMs), offering particular benefit to larger employers. This centralized approach allows Employment Ontario to be represented collectively across a region, reducing redundancy and improving system efficiency. The new system has added strategic value by coordinating large-scale hiring efforts and aligning training with employer needs. The following section offers respondents' perspectives on Employer-Provider-SSM relationship in the IES system.

Fewer Short-Term Placements, More Employer Disconnect

- According to respondents, the new system discourages short-term, revolving-door placements that were previously used to access funding, promoting more sustainable employment outcomes. However, the shift in how employers access candidates—now through system referrals rather than direct requests—has altered credibility dynamics. This change has created a need for renewed innovation in employer outreach and relationship-building.
- Wage subsidies continue to play a critical role in de-risking hires, especially for clients facing barriers such as justice involvement. While some argue that qualified candidates (e.g., asylum seekers) shouldn't require subsidies, these supports remain essential for encouraging inclusive hiring practices. Their strategic use is key to balancing equity and labour market needs.
- Although the system is designed to promote long-term, quality placements, current incentives for sustained employer relationships are limited. The retention-based funding stream holds promise but has yet to fully materialize as a driver of deeper employer engagement. Building non-transactional, trust-based relationships over time remains a goal rather than a widespread reality.
- Some providers lament the loss of creative job development models—such as directly employing clients for job trials—which, while ethically complex, offered flexibility. The system's current structure lacks innovation in employer engagement and imposes uniform protocols that may not suit all client needs, particularly for low-barrier individuals who could benefit from lighter-touch support.

Emerging Solutions for Employers

- Regionally, ESPs in partnership with SSMs are beginning to roll out employer-focused initiatives, including events on accommodations and inclusive hiring, particularly targeting SMEs. These efforts aim to build employer capacity and foster more equitable workplace practices. Promising practices include coordinated hiring events and centralized relationship management to avoid overwhelming employers with multiple provider contacts.
- Recognizing the impact of external factors like tariffs and geopolitical volatility, SSMs are exploring ways to support both employers and workers through targeted interventions. This includes planning for action centers and responsive strategies to address supply chain disruptions and labour market instability.

New Model Undermines Employer Involvement

- Additionally, employers are facing struggles with resource access, requiring job developers to identify external supports to help clients despite administrative inefficiencies.
- The COVID-era hiring landscape shifted dramatically, with employers once urgently seeking workers but now burdened by excessive paperwork, outweighing the benefits of participation. This has contributed to the drastic decline in funding usage, with service providers once spending nearly all allocated funding but now using only about 1%, making employment programs far less effective. Additionally, administrative burdens continue to hinder service delivery, with slow systems, inefficient databases, and excessive paperwork interfering with job developers' ability to build meaningful employer relationships.
- A significant change is the elimination of summer student employment programs, such as Summer Job Service and YJCC Summer, removing wage subsidies for seasonal placements. However, job coaching remains a priority, providing structured support for both job-seeking clients and employers. For Stream A placements, stronger justification for placement funding is now required, shifting employer support toward stricter evaluations.
- The model has had mixed effects on employer participation—eliminating unreliable employers while failing to adequately support high-quality ones. Employer education initiatives continue, where providers teach businesses about inclusive hiring practices.
- Overall, while the model has maintained core employer support mechanisms, administrative burdens, engagement obstacles, and reduced funding incentives have led to increased employer disengagement. Employer participation varies by region, with some SSMs imposing different expectations, but the general challenges remain consistent across industries. Unless paperwork barriers and misclassification issues are addressed, employer involvement may continue to decline, making job placements harder for marginalized clients.



SSMs' Response on Employer Engagement

"We have fantastic providers in our system. The work they do is incredible. They're also trying to do it in a very restrictive model" - SSM Representative (Jan- Feb 2025)

"Having a more collaborative network that falls under the umbrella of SSMs is actually helpful, because you can coordinate services between service providers." - SSM Representative (Jan- Feb 2025)

"There's some work to be done in terms of really focusing on an outcome-based business model where the focus is on actually getting people into jobs." - SSM Representative (Jan- Feb 2025)

"[T]he sector has never had to deliver a tool like the common assessment tool...so we've been really working to build the skills of our network to deliver that in a way that creates therapeutic alliance rather than as a battering ram of questions that re-traumatizes the client." - SSM Representative (Jan- Feb 2025)

"IES itself is not built with enough flexibility to respond to the fluctuating needs of clients. But does it have an impact on clients? I would say yes." - SSM Representative (Jan- Feb 2025)

"To build capacity, you have to alleviate some of the pressure. And that's tricky right now. So we're trying to bring in more say AI solutions to help out on stream a clients and build capacity to add more focused efforts to working with Stream C clients." - SSM Representative (Jan- Feb 2025)

"[I]f you place a client too early that's not ready, then you're not going to be able to achieve retention. So, if we have providers within the system that are pushing employment before a client is ready for employment, it's not going to help them achieve or achieve PBF levels that they are anticipating. This is just going to over-inflate their caseloads." - SSM Representative (Jan- Feb 2025)

"We know for sure that we've seen an increase in social assistance clients engaging in the program. And I don't see any major systemic issues with the guidelines on how to deliver services." - SSM Representative (Jan- Feb 2025)

"I would really like more collaboration and with the Ontario Disability Offices, I do think that that's an opportunity for us to better understand [...] service needs, working with an ODSP caseworker and trying to better understand how we can connect that client" - SSM Representative (Jan - Feb 2025)

“Providers are doing really well with small and medium sized employers. But not necessarily being able to access from a corporate standpoint, those big employers that could provide entry-level jobs to clients.” - SSM Representative (Jan- Feb 2025)

“We, as SSMS fall in the same cycle as the other SSMS, where you are penalizing service providers and putting them on performance management with funding cuts, attached to that. Providers are dropping out of the ecosystem in fear. Where providers are naturally going to start looking at what practices and interventions actually work to ensure retention. We are part of the problem. Because we're just measured on the metrics. When we report to the ministry, we report on the actual practices we're putting into place.” - SSM Representative (Jan- Feb 2025)

“There's some data that suggests that stream A clients are needing to utilize things like supports or incentives for employers...and to me, once you're requiring that level of intervention, you're not necessarily what we see Stream A, as being very close to the labor or low risk of long term unemployment.” - SSM Representative (Jan- Feb 2025)

“Understanding that service providers are having to retrain staff and keep their knowledge fresh, we're trying to look at ways that we can help with those things. We may not be able to impact the turnover directly, but if we can help with getting more training and supporting the service providers and getting their staff up to speed, I think that will help. And obviously that has an impact on clients.”- SSM Representative (Jan- Feb 2025)

The case study that First Work conducted to collect data on social assistance and Ontario's disability support program (ODSP) have also offered five key insights on the impact of IES model on service delivery to these clients. Next section provides an elaborate data-driven review of the case study that First Work conducted in partnership with Metcalf, Leads Employment Services and Springboard.

Feedback Loop 3: A Data-Driven Case Study

Pre- & Post Transformation Client Experiences on Social Assistance

Since the Integrated Employment Service (IES) model was implemented across Ontario, no comprehensive review has been conducted to examine client experiences and the impacts of service delivery changes within the Ontario Disability Support Program (ODSP). This section presents key insights from an intensive data-driven review by First Work for an upcoming policy brief (published separately). The key objectives were to understand client pathways as how they are navigating the new IES system and also to provide a data-informed understanding of the impacts to improve service delivery and to seek required supports for clients on social assistance.



For this case-study, First Work conducted a detailed program evaluation, using four years of data. It included two years prior and two years following IES implementation from service providers' Case Management Systems (CaMs) and Provincial Disability Data. Although the data is not comprehensive enough to paint a clear picture, it is helpful in identifying key trends and insights for policy review. The key reasons are due to the utilization of different systems within CaMs and the variations in the data categories are not consistent across the sector. To help overcome this gap, First Work drew on the findings from complementary provincial datasets to understand the broader landscape of Ontario's employment services clients and outcomes. This specific data was accessed through MLITSD, including data that is generated for training boards. In addition to this, data was sourced from the Ministry metrics released to Maytree through a Freedom of Information request. This provides critical Local Boards' data on clients served and IES outcomes from 2020 to 2025.

Overall, the data provided a comparative study of pre- and post-IES impacts on clients, especially those on social assistance and the Ontario Disability Support Program (ODSP). It demonstrates the impacts this sector has on the clients they serve and compares the model pre-IES to identify the level to which this system has improved and the opportunities that exist on further improving Ontario's Employment System.

Key Insights

The survey and provincial datasets produced five key insights about employment services outcomes and the transition to Integrated Employment Services:



As a result of the shift to Integrated Employment Services, a higher share of clients served by Employment Service Providers are further from the labour market.



Finding good employment is a challenging and lengthy process for social assistance clients, whether before or after IES.



Securing 20 or more hours per week of employment is an unrealistic metric for performance-based funding given the evidence of client experiences, especially for clients on social assistance.



Early signals about employment outcomes for social assistance clients referred to IES are mixed: some job metrics show slight improvements, while others remain stagnant or worsen.



Client experiences and outcomes saw sharp changes in the year following transformation, reflecting a challenging time for both clients and ESPs.

The following section provides an explanation of these key insights with our survey data.

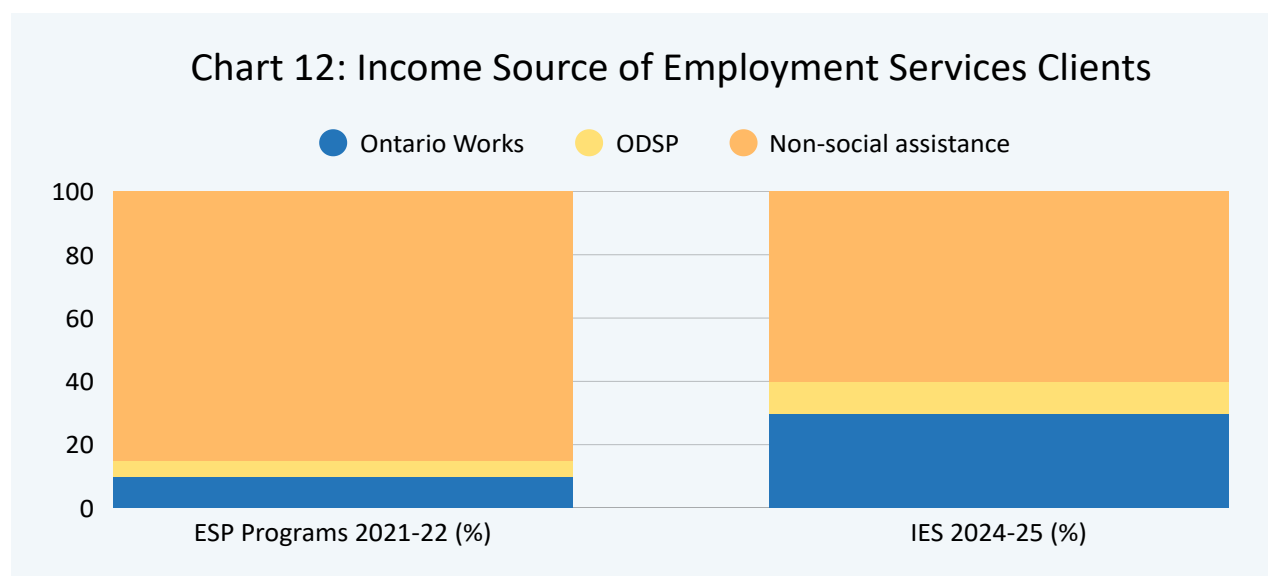
KEY INSIGHT #1: As a result of the shift to Integrated Employment Services, a higher share of clients served by Employment Service Providers are further from the labour market.

Employment Service Providers (ESPs) are serving almost 2.5 times as many clients on social assistance than before employment service integration. In 2021-22, 18% of clients in non-Integrated Employment Services (IES) programs were social assistance recipients, while in 2024-25, 43% of IES clients were social assistance recipients. This change was driven by a large increase in the number of clients on Ontario Works, which rose from 12% among non-IES employment services programs to 37% in IES. However, it should be noted that people on ODSP that we supported remain the same.

	2021-22 ESP Programs*		2024-25 IES	
Ontario Works	19,179	12%	58,387	37%
Ontario Disability Support Program	9,410	6%	9,926	6%
TOTAL	28,589	18%	68,313	43%

Source: Provincial data

*ESP Programs include Employment Service, Literacy and Basic Skills, Ontario Employment Assistance Service, and Youth Job Connection



Source: Provincial data

ESPs are serving twice as many newcomers and those identifying as people with disabilities, and 3.5 times as many racialized clients. Newcomers made up 15% of non-IES employment service program clients in 2021-22, but 30% of IES clients in 2024-25, while people with disabilities (PWD) made up 18% of non-IES employment service program clients, but 37% of IES clients. The share of racialized clients increased from 15% of non-IES employment service program clients in 2021-22 to 52% of IES clients in 2024-25.

In contrast, ESPs are serving fewer youth in IES than they were in non-IES employment service programs, with the share of youth clients dropping from 27% to 19% between 2021-22 and 2024-25.

	2021-22 ESP Programs*		2024-25 IES	
Newcomer	24,079	15%	47,961	30%
Person with a disability	28,550	18%	59,121	37%
Racialized	23,726	15%	83,212	52%
Youth	41,582	26%	31,094	19%

Source: Provincial data

*ESP Programs include Employment Service, Literacy and Basic Skills, Ontario Employment Assistance Service, and Youth Job Connection

KEY INSIGHT #2: Finding sustainable and meaningful employment is a challenging and lengthy process for social assistance clients, whether before or after IES.

Both before and after transformation, only a small proportion of IES clients on social assistance are securing jobs. In the two years leading up to IES, 16% of social assistance clients secured at least one job, representing less than 1-in-6 clients finding work. This rate stays similarly low after transformation, where in the first two years following IES implementation, 14% of social assistance clients secured at least one job, representing less than 1-in-7 clients finding work.

Both before and after transformation, only a small proportion of IES clients on social assistance are securing jobs. In the two years leading up to IES, 16% of social assistance clients secured at least one job, representing less than 1-in-6 clients finding work. This rate stays similarly low after transformation,

where in the first two years following IES implementation, 14% of social assistance clients secured at least one job, representing less than 1-in-7 clients finding work.

	Pre-IES	Post-IES
Total social assistance clients	8,132	5,870
Clients who secured a job	1,323	813
Percentage %	16%	14%

Source: Survey data

For clients who do secure jobs, this process takes a long time. In all years, at least 18% of social assistance clients—or about 1-in-5 clients—took at least six months of service to secure their first job. Even as clients secure jobs, case length for social assistance clients remains long because finding good employment takes time. In all years, at least one-third of cases (ranging from 35% to 46%) were at least six months in length, including between 19% and 37% of cases that were more than 12 months in length. In a given year, anywhere from 1 in 5 to 1 in 3 social assistance clients receive employment services for more than a year.

	% of social assistance clients			
Service length	2Y Pre-IES	1Y Pre-IES	1Y Post-IES	2Y Post-IES
Less than 4 weeks	19%	16%	18%	19%
4 to 12 weeks	22%	16%	16%	21%
12 weeks to 6 months	24%	25%	20%	23%
6 months to 12 months	17%	18%	8%	11%
More than 12 months	19%	25%	37%	26%

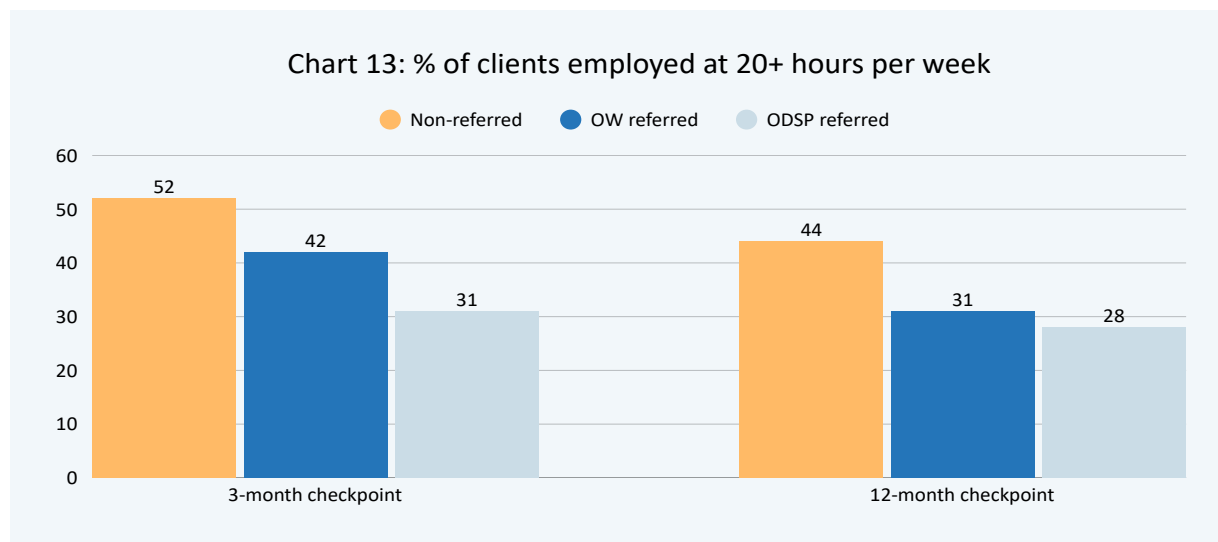
Source: Survey data

KEY INSIGHT #3: Securing 20 or more hours per week of employment is an unrealistic metric for performance-based funding given the evidence of client experiences, especially for clients on social assistance.

Less than half of OW clients and less than a third of ODSP clients are employed 20 or more hours per week at three months into service. Three months into IES, 52% of non-social assistance clients were employed at 20 or more hours per week, while 31% of ODSP clients and 42% of Ontario Works clients were employed at the same level. While employment rates drop over time for everyone, the social assistance gap persists at a year into service. At 12-months into IES, 44% of non-social assistance clients were employed at 20 or more hours per week, while 28% of ODSP clients and 31% of Ontario Works clients were employed at the same level.

	3-months			12-months		
	Checkpoints scheduled	Employed 20+ hrs/wk	%	Checkpoints scheduled	Employed 20+ hrs/wk	%
Non-referred	80,211	41,984	52%	44,156	19,236	44%
ODSP referred	940	288	31%	634	176	28%
OW referred	28,364	12,024	42%	16,021	5,015	31%

Source: Provincial data

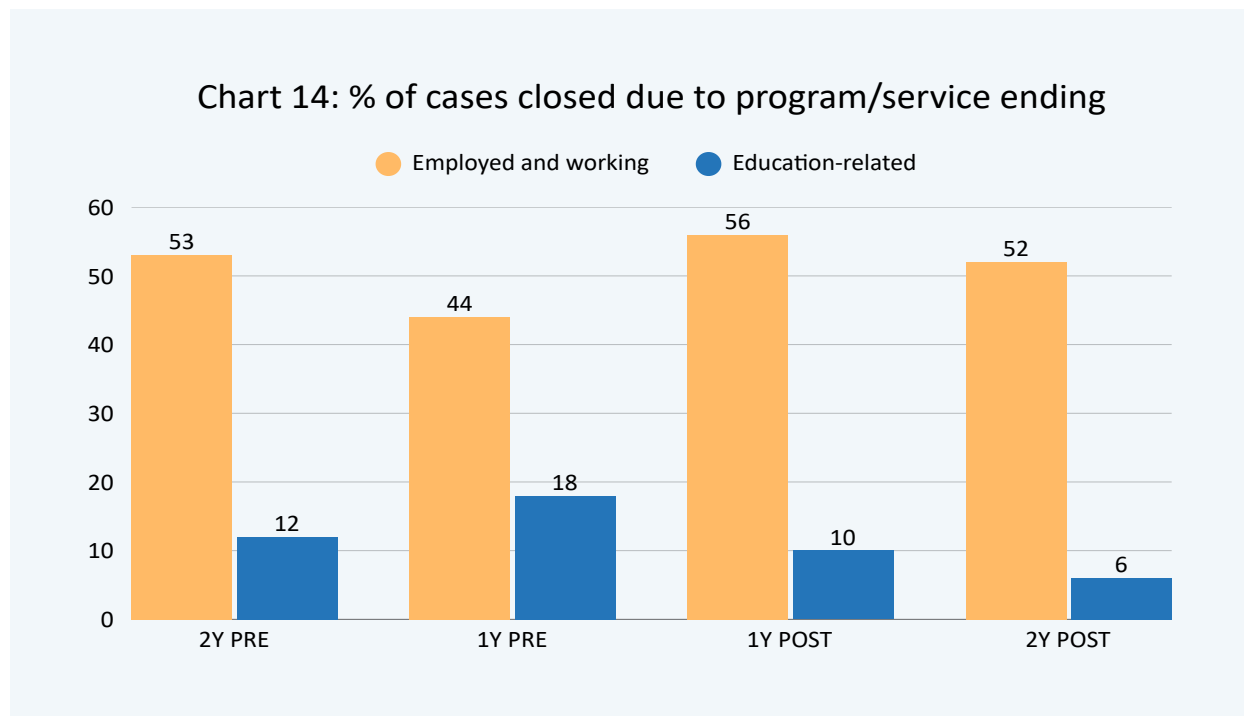


Source: Provincial data

With ESPs serving more clients on social assistance, and only about one-quarter to one-third of these clients having employment of at least 20 hours per week at 12 months into service, employment rates are a mismatched metric for funding ESPs. This mismatch is only anticipated to grow over time; for many ESPs, the two years post-IES were some of Ontario's strongest labour market conditions, and we can expect these conditions to decline in the coming years as Ontario faces a tighter labour market. These 3- and 12- month metrics show a decline in employment over time, which contradicts the rationale for performance-based funding.

KEY INSIGHT #4: Early signals about employment outcomes for social assistance clients under the IES are mixed: some job metrics show slight improvements, while others remain stagnant or worsen.

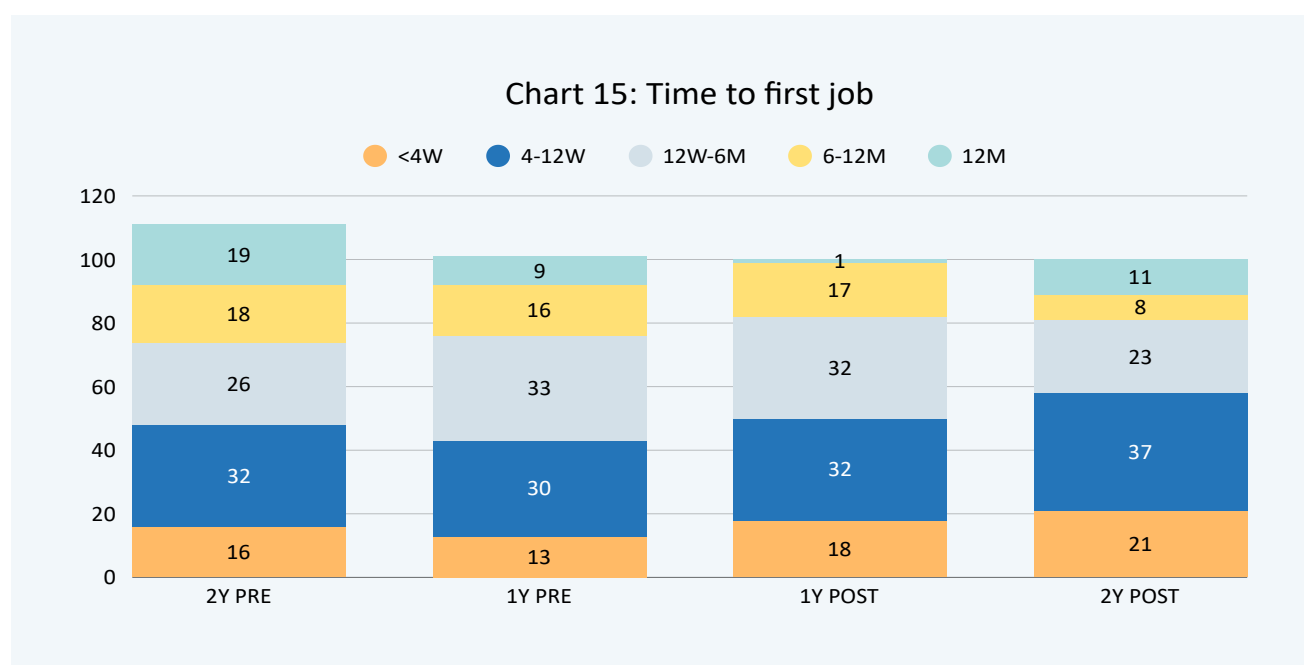
Following IES transformation, a similar number of cases are closed due to finding employment. In the two years prior to transformation, 53% and 44% of closed cases, respectively, were closed due to clients finding employment. In the two years after transformation, 56% and 53% of closed cases, respectively, were closed for employment. However, fewer cases are closing for education-related reasons post-IES, with the proportion of closures dropping from 17% two years before IES to 6% two years after IES.



Source: Survey data

An initial gain following IES implementation is that some social assistance clients are finding jobs slightly faster. Among clients who secured jobs, more clients found these jobs in 12 weeks or less after transformation, rising from 48% of clients finding jobs in this timeframe two years before IES to 58% two years after IES. Yet at two years post-IES, there is still a substantial group who take longer to find employment, with 19% taking at least six months to secure their first job. These results should be interpreted with caution given small sample sizes, potential changes in clients before and after IES, and the influence of economic conditions on employment outcomes.

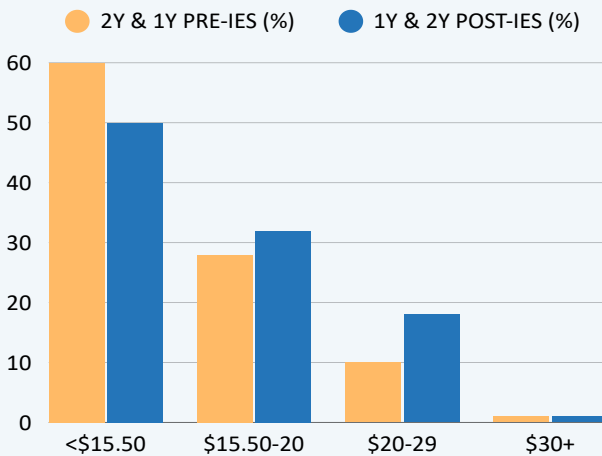
However, faster and more frequent employment starts do not necessarily translate into better employment outcomes when it comes to income and stability. Social assistance clients largely obtained minimum-wage jobs in both pre- and post-IES periods. Changes in the minimum wage across the study period make it difficult to ‘remove’ the impact of the policy environment on wages: the minimum wage in Ontario has risen from \$14.00 in 2018 to \$17.20 in 2024, driving up wages overall.



Source: Survey data

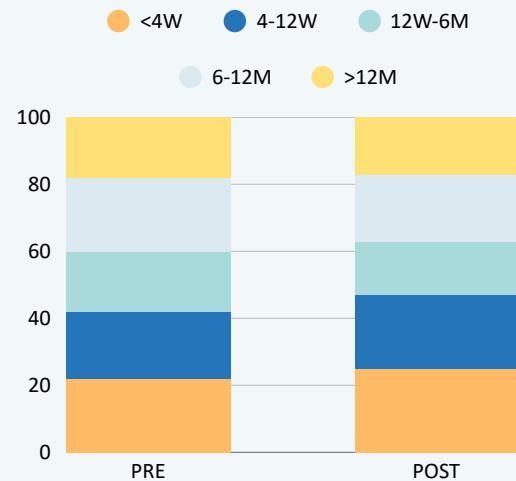
At the same time, employment opportunities secured following transformation appear to be shorter duration roles, with a majority of post-IES jobs lasting for 12 weeks or less (55%), a modest increase from pre-IES jobs (45%) of the same length.

Chart 16: Hourly wages of employed clients



Source: Survey data

Chart 17: Duration of jobs secured

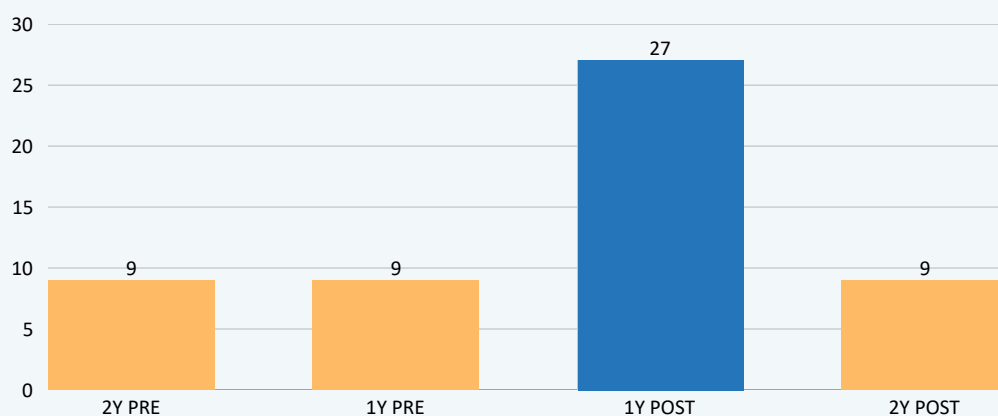


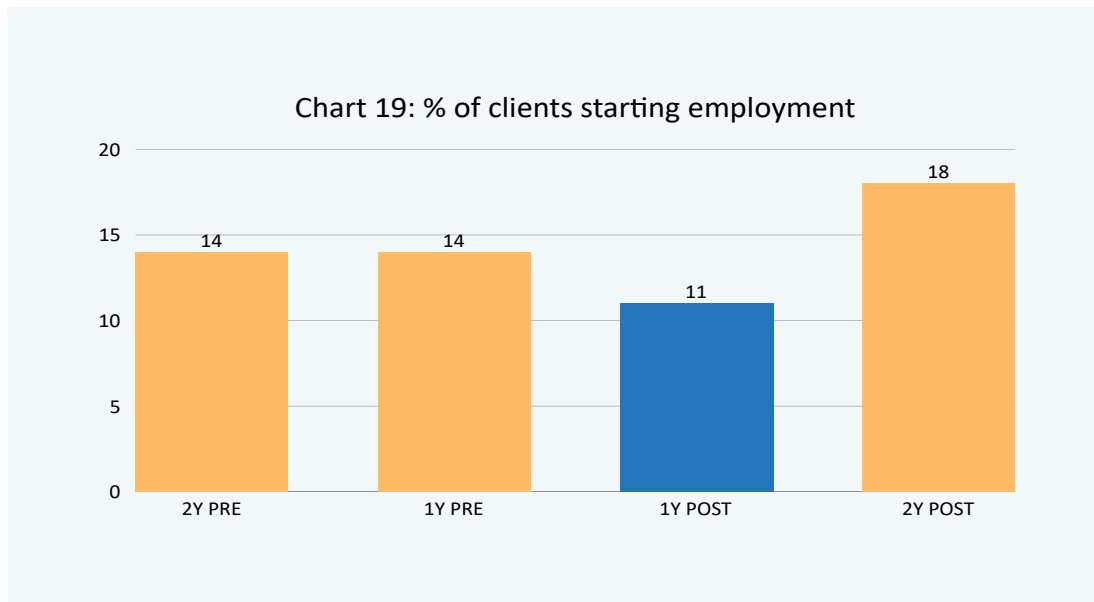
KEY INSIGHT #5: Client experiences and outcomes saw sharp changes in the year following transformation, reflecting a challenging time for both clients and ESPs.

Some service and outcome metrics were notably different in the first year of IES, compared to the two years before IES, or the second year after IES, which largely returned to pre-IES metrics. This suggests that it can take a full year of program implementation to see service return to 'business-as-usual'. Among organizations that collected data for all four years (two years pre-IES and two years post-IES) key trends that differed in year 1 of IES included:

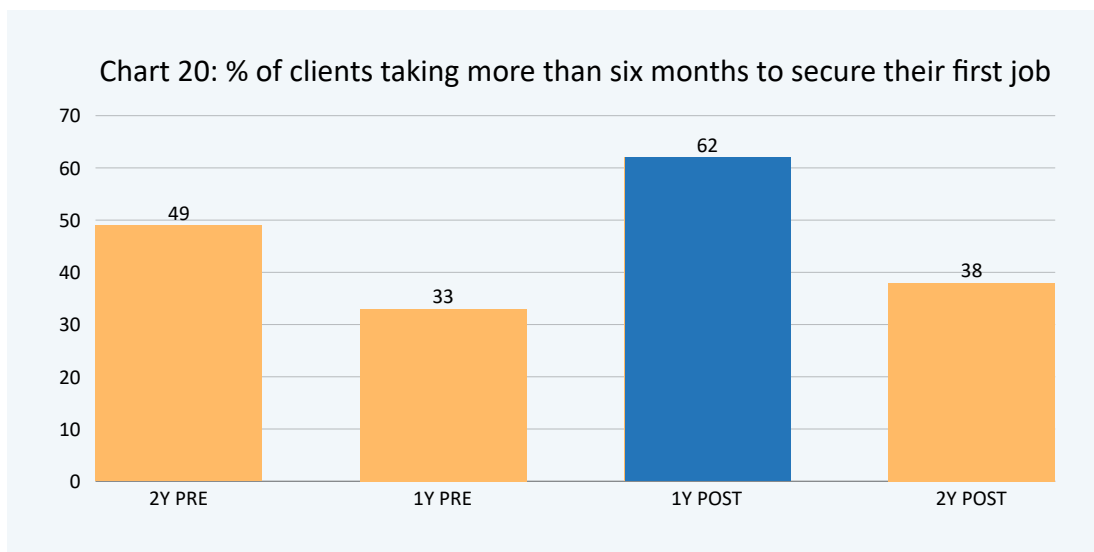
More clients had their case closed because their program/service ended

Chart 18: % of cases closed due to program/service ending



Fewer clients started employment

Source: Survey data

Clients took longer to secure their first job

Source: Survey data

These findings align with ESP perspectives on the difficulties of transitioning to IES and underscore that data needs to be collected for several years post-transformation to understand if and how changes in outcomes persist or return to baseline.

Targets and Outcomes

Out of these 13 clients' data sets, 10 organizations served ODSP clients, while all 13 provided services to all clients on social assistance (see chart 1 and 2) below.

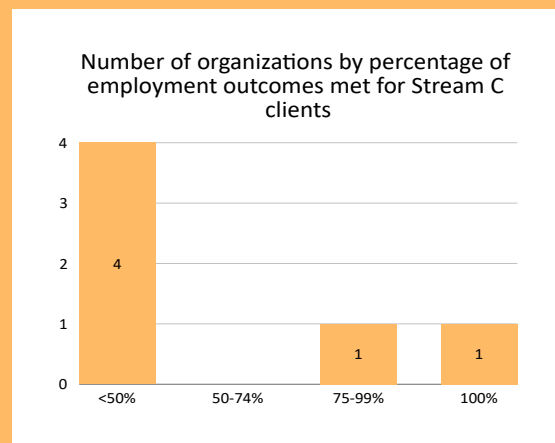
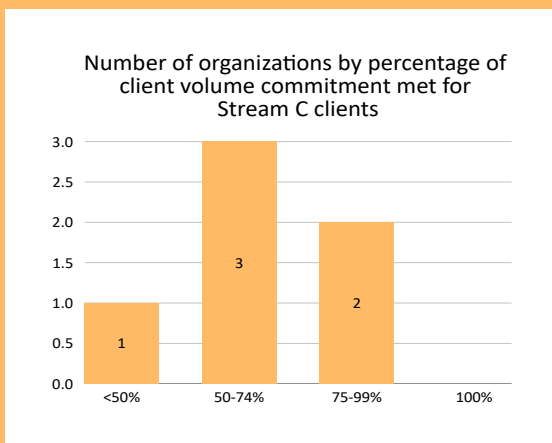
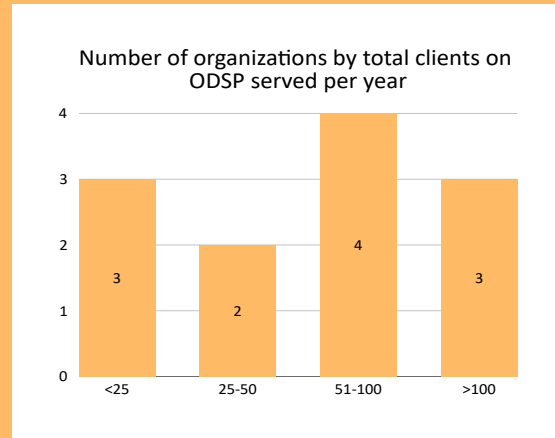
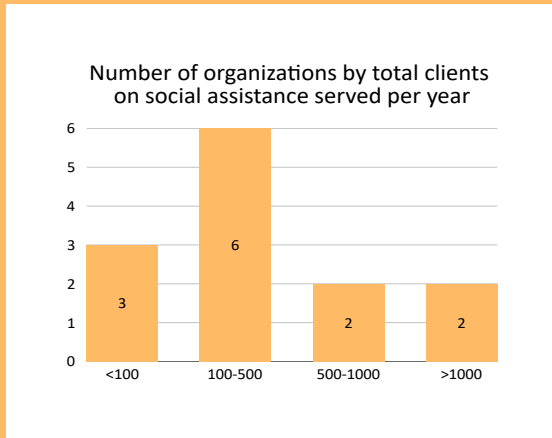


Chart 3 shows that three service providers fell in the 50–74% range, meeting just over half of their Stream C client volume commitments, and 2 ESPs fulfilled 75–99%, while 1 performed poorly, meeting less than 50% of its commitment. This distribution of performance outcomes for Stream C client volume commitments suggests that most service providers are struggling to fully meet their targets. Overall, this pattern highlights systemic challenges in achieving Stream C client targets. In chart 4, the distribution of Stream C clients' employment outcomes shows that most organizations once again fell short of their given KPIs. Four service providers achieved less than 50% of outcomes, one fulfilled 75–99%, and only one exceeded 100% of its target. This suggests again that the majority of ESPs did not meet half of their expected outcomes. This inability of service providers to meet their commitments suggests that given KPIs are unrealistic and barriers specific to Stream C clients limit their successful outcomes. This points to the need for closer examination of both the design of client volume commitments and employment outcomes for stream C clients.



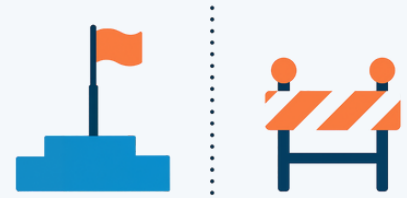
Key Takeaways

The key takeaways from these data insights highlight that the shift to Integrated Employment Services has resulted in serving a

larger proportion of clients who are further from the labour market. This has resulted in seeking employment more complex for jobseekers seeking employment, particularly those on social assistance. The data in this case-study also validates the findings of previous two sections that while some employment outcomes have modestly improved, but a large number of client-facing outcomes remain either stagnant or have declined. This finding underscores the need for reviewing KPIs and stronger support mechanisms. The key glitch that defines the success outcome, requiring clients to work 20+ hours per week as a funding benchmark is misaligned with on-the-ground realities. This inadvertently penalizes service providers as well as the most vulnerable populations and under-served groups. The need is to recalibrate performance metrics to reflect client readiness levels, investing in life-stabilization and barrier-reduction supports. Finally, adopting a longer-term and progress-based approach to success that values client-focused engagement and outcome-focused service delivery.

Key Milestones and Roadblocks

Stakeholders have identified the key milestones achieved during the roll out of the IES across Ontario and pointed out the pending roadblocks. Most of these themes came up during our primary data collection activity through semi-structured interviews, and others were identified in our survey and communities of practice events.



Milestones Achieved

Overview of the strengths and opportunities of the IES requires increased service efficiency, improved coordination, and stronger employer engagement. The key milestones achieved navigating through this model are:

Post-employment Client Engagement

Firstly, the key significant strength of the current employment services model is its built-in provision for up to 12 months of post-employment follow-up support. This extended period helps clients to stabilize in their new roles, access career guidance support during transition, and address challenges that commonly arise on the job. This is done without formally reopening a case. This particular systemic openness to maintain a consistent support relationship post-placement plays a critical role in job retention and allows for smoother

re-engagement, if and when additional employment services are required. This in-built strength of the IES model leads to career advancement and encourages job developers and clients to progress within the labour market rather than cycle through short-term placements. Moreover, hiring incentives and employer agreements also encourage businesses to invest in employee retention and progression. Such strategic tools foster stronger collaborative relationships between service providers and employers, which aims at supporting not just hiring but a longer-term and inclusive workforce development.

“[O]ne positive of this new model is that we now have more money available for client supports and placements. More clients have benefited from short-term training opportunities to help them with their careers than we were able to offer under the old ES program.”

- Phase 1 ESP Interviewee (Dec 2024 – Jan 2025)

Funding Flexibility

Many respondents stressed that the introduction of increased funding flexibility under the IES model signals a transformative shift in how ESPs can support their clients. Currently, employment-related financial supports (ERFS) and performance-based funding (PBF) are no longer rigid in financial allocations. Now the funds can be accessed across a range of operational and client-centered activities, such as covering transportation costs, work gear, childcare, and certifications. Often these are the critical factors that determine whether a jobseeker can take up or sustain employment. Furthermore, the ability to access PBF into staff training and service enhancements has empowered service providers to strengthen their internal capacity and enables immediate responses to client needs. In practice, many service providers have utilized these funds to pilot new service models with specialized staff roles and localized solutions which are more responsive to the unique challenges of their clients.

Positive Outcomes for Some Client Groups

Across various regions, the transformation has brought improvements in how clients access streamlined onboarding and referral services. Many participants pointed out that in some cases, the IES model has shown promising results, especially for clients requiring more tailored and intensive support. They mentioned that around 70% of such clients have experienced improved outcomes which include better employment matches, placements, and satisfaction with services.

These changes have particularly been beneficial for the system for the first time, such as Ontario Works (OW) clients who were unfamiliar with employment service models. These improvements indicate a more client-friendly system, which reduces administrative hurdles and provides timely support in client's employment journey. While this success is not uniform across all client groups or regions, it underscores the efficiency of the system. When funding resources, staff expertise, and client engagement align, the IES model is capable of delivering measurable improvements for populations traditionally underserved by legacy employment programs.

Systemic Flexibility and Autonomy

A defining feature of the current model is its capacity for flexibility and autonomy to strengthen local businesses and connecting job seekers with employers within their communities. Service providers have resources to address clients and employers' needs more efficiently according to local labour market demands. For this, they are employing retention specialists, adaptive services, and community-specific interventions that find solutions for local labour market realities and economic challenges. These locally driven adaptations have particularly been effective for those clients who face multiple barriers, which include long-term unemployment, language barriers, or mental health challenges. This shows the systemic flexibility and autonomy for service providers, who employ person-centered and community-based services that go beyond one-size-fits-all solutions.

Incentive to Support High-Barrier Clients

The model offers financial funding incentives through its stream-based system for service providers to engage and support individuals who are furthest from the labour market (as stream C clients). These clients often require more intensive, long-term, and personalized interventions. By rewarding service providers for successful outcomes with high-barrier populations, the IES model connects performance metrics with equity-deserving support objectives, where those with complex needs are not left behind. As this system helps maintain its focus on inclusive service delivery and supports efforts to fill gaps in labour market access for marginalized groups, it provides ESPs to build capacity in trauma-informed care, mental health support, and further wraparound services.

Technology Integration for Operational Efficiency

Currently, digital technologies are a vital tool of operational efficiency. Digital platforms streamline administrative processes, reduce duplications in data entry, and enhance coordination in service delivery. The new model allows users to reach clients without assigning their staff more responsibilities. This gives staff more time for providing personalized supports, assisting each client to overcome their unique barriers, while reducing frontline staff's operational burden. Moreover, it allows frontline staff such as job developers and career guidance counsellors to dedicate more time to direct client engagement and services. Simultaneously, this shift toward technology-enhanced service delivery can open further possibilities for sharing best

practices resources, remote case management, and tailored digital learning opportunities. However, this implementation is not yet uniform across all 15 catchments across the province, but this move towards more technologically efficient system is clearly in place.

Service System Managers' Exceptional Support

Many ESP respondents reported the extraordinary support that their SSMs are providing, with significantly more positive experiences. They highlighted clear communication, timely guidance, and proactive resource sharing, which has led to reduced uncertainty, improved implementation of service changes, and enhanced coordination. Moreover, they have also helped maintain the morale and operational consistency during transition to the IES system. These practices are also crucial to supporting this transformation that is still evolving and adapting. Many SSMs have allowed their service providers to focus on service delivery rather than navigating bureaucratic ambiguity. In some cases, SSMs have absorbed unfunded costs, developed informal workarounds, and maintained service continuity despite limited resources. Their efforts highlight the new system's potential, if adequately managed will deliver meaningful support on a broad scale. Taken together, the strengths and opportunities of the current employment services model hold potential for innovation, equity, and effectiveness. With enhanced funding flexibility, strategic use of technology, and a dedicated provider network, the model can be more responsive and impactful.

Pending Roadblocks

Apart from the milestones that the IES system has achieved so far, there are accompanying challenges that collectively undermine its effectiveness. From funding and operational pressures to CAat rigidity, equity gaps and exclusionary practices, the system disadvantages those whom it claims to support. While there are many positive outcomes in the system, the broader structure does not result in equitable and sustainable employment supports. The pending challenges around the IES model are:

Misalignment in CAat

Although some participants highlighted the autonomy and flexibility of the system, many respondents also expressed dissatisfaction over the rigidity of the common assessment tool. It lacks the flexibility which is necessary for client-centred support. Its automated client streaming algorithms are widely experienced as deficit-based that frequently misclassifies clients, placing those with Stream C clients into Stream A. This skews performance data and prevents clients from accessing the required supports they need. Moreover, its mandated client contact frequencies turn service delivery into a compliance-driven model that prioritizes system rules over individual client realities and the workload. Moreover, the scripted service criteria compound this rigidity, making it difficult to offer personalized care.

Administrative Burden

In this year, many ESPs referred to high administrative workload that has increased since transformation took place, back in 2029. Frontline staff feel inundated with paperwork, data entry, proof-of-employment checks, and other forms of documentation.

For many of them, it does not allow enough time for actual service delivery and relationship-building with clients. The most challenging area is employment verification processes, such as repeated demands for pay stubs. These are seen as intrusive, time-consuming, and problematic for both clients and service providers. In most cases, it leads to delays in caseloads transfers and clients' funding approvals. Moreover, it also hinders timely support, overwhelm staff, and impacts service delivery. Finally, reporting KPIs focus narrowly on these attestations for employment, and fails to recognize alternative metrics for job readiness.

Fragmented Support

Another pain point is the pervasive lack of coordination between Employment Service Providers (ESPs), Ontario Works (OW), and the Ontario Disability Support Program (ODSP). This has led to client's confusion as they navigate inconsistent eligibility criteria, overlapping program rules, and repetitive intake processes. On the top of it, this fragmentation creates delays, duplication of efforts, and disjointed service delivery experiences.

Particularly, referral pathways are still unclear across the systems, and data-sharing among these agencies is not sufficient. This also leads to clients having to repeat their stories and resubmit documentation multiple times. As long as the coordination does not take place, this weak connection across systems will create service gaps.

Staff Burnout

Operational capacity among the frontline staff is creating high burnouts. One of the respondents reported that currently, at their agency, staff manage caseloads of 200–450 clients, making it virtually impossible to offer personalized client support. These high caseloads result in brief and rushed interactions that erodes client trust and prevent meaningful engagement. Moreover, it is also reported that administrative requirements consume an estimated 60% of their time. Tasks include elaborate documentation, employment verification, duplicative reporting, and frequent troubleshooting of digital systems, including CAMs and CAat. These tasks divert staff attention away from direct client support and contribute to high turnover of staff. Finally, some also face training gaps and poor communication, reducing overall service quality.

Gaps in Programming

The elimination or reduction of targeted programming for specific populations has left many clients without supports tailored to their demographic realities.

Although, many respondents highlighted improved service quality, some also mentioned that certain equity-deserving groups are inadequately served in the new model. For example, newcomers face long waitlists for language training and Indigenous clients lack access to culturally appropriate programming. Likewise, Francophones, youth, older workers, persons with disabilities, and the LGBTQ2S+ communities also encounter barriers due to rigid eligibility criteria, insufficient supports, and service models that fail to recognize their unique lived experiences. Specific programs designed to support some of these vulnerable populations in the legacy system, such as Youth Job Connection (YJC), or initiatives for older workers have stopped, leaving significant gaps in service. Clients with complex barriers, such as disabilities, low literacy, or mental health challenges are often placed in one-size-fits-all programs. International students, who have taken part in the labour market, are excluded. Waitlists, lack of cultural competence, and minimal flexibility in program delivery further hinder client engagement. All these exclusions have furthered systemic inequities and damage the model's core objective of being inclusive and client centered.

Narrow Definition of Success

Success under the current model is defined almost exclusively as sustained full-time employment, which is 20+ hours/ week of employment.

This performance metric does not fully capture the broader spectrum of meaningful client supports, including barrier removal, part-time work, transitional employment, completion of skills training, educational advancement or gradual progress toward employment. The narrow definition of success places intense pressure on ESPs and frontline staff to prioritize clients who are easiest to place quickly, often into low wage survival jobs, rather than investing in clients' long-term career goals and skill development. In doing so, the system exchanges quality for speed, undermining sustainable career outcomes and contributing either to unemployment or cycles of employment instability for clients with complex barriers.

Technology Gaps

Few respondents also mentioned that system's reliance on digital tools has created new barriers for some clients with limited internet access, and low digital literacy, particularly clients in Northern Ontario. Likewise older adults, rural residents, and clients facing poverty are disadvantaged by this digital divide. These technology gaps limit access to both job opportunities and support services, that marginalizes already vulnerable groups. SSMs and ESPs should have access to alternative tools to cater the needs of these vulnerable groups.

Inadequate Life-stabilization Supports

Many clients struggle with life-stabilization needs or basic needs, such as housing instability, food insecurity, mental health

challenges, lack of childcare, and limited access to documentation. Interviewees stated that some of these remain largely unaddressed or fall outside the current service model. These life-stabilization needs are critical to employment readiness, career development or even job retention. However, these determinants are taken as external concerns, leaving clients to navigate them without holistic and coordinated support. If the decision-makers will not address these root causes, the effectiveness of employment services will limit the ability of job seekers to achieve meaningful, sustainable, and long-term outcomes.

Structural Contradictions

Some participants articulated that the current employment services model has structural contradictions with misaligned goals. On one hand, the IES model claims to be client-centred and equity-focused, yet its structure incentivizes speed over substance and outputs over outcomes. Performance-based funding requires service providers to meet performance metrics that are incompatible with the time, care, and flexibility required to support a wide variety of clients, including those individuals facing multiple barriers. These misaligned incentives undermine the very goal of social service delivery, particularly employment services that seeks to empower people into meaningful, sustainable, and long-term work. Without systemic reforms, which can/will start with funding streams, program design, and accountability structures, the model risks perpetuating cycles of precarious employment and deepening social inequities.

This 20+ hours/week has been described as one of the major flaws that majority of the respondents identified which renders system dysfunctional and a flawed funding model. Many service providers are absorbing the costs of unfunded work, especially when serving clients with complex needs. The current performance-based funding (PBF) structure rewards only rapid, full-time job placements (20+ hours per week). As such, this funding requirement in the IES creates a structural gap and systemic disincentive to serve high-barrier clients. Many providers are penalized for supporting those who require more time and resources, effectively encouraging 'creaming' practices. Job-ready clients are prioritized while those with complex or high barriers, who require time and resources are sidelined. The clients with complex barriers, such as those with disabilities, mental health challenges, older workers, students, newcomers, single parents or women seeking work-life balance need or can work only part-time are disadvantaged and are left without adequate and accessible supports by the system.

Inflation & Funding Freeze

There is an acute correlation between the funding freeze and rising inflation. According to Statistics Canada's Consumer Price Index data, a basket of goods and services that cost \$100 in 2010 would cost approximately \$142 in 2025, demonstrating a 41% cumulative inflation rate over that period (see table below). This means the real value of funding has substantially dropped and the employment services sector across Ontario is experiencing funding freeze since 2010. This points to the fact that while costs of operations, such as rent, utilities, staff wages, and program delivery have increased by over 40%, funding levels have remained static for the last 15 years. Since transformation, most service providers have reported that they are doing significantly more with far fewer real resources. This has resulted in increased administrative burden, burnt-out staff, declining service quality, and systemic strain across the employment service sector. The failure to adjust funding in line with inflation undermines organizational sustainability and the ability to deliver effective employment outcomes, ultimately impacting both clients and the service sector. There is an urgent need to match the funding increase with inflation.

	In the Year	Cost in 2025 (approx.)	Percentage of change (approx.)	Avg. annual inflation (%) & decline in value of money
A 'basket' of goods and services that cost \$100	2010	\$142.00	41%	2.33%
	2015	\$130.00	30%	2.62%
	2020	\$120.00	20%	3.76%

Data source: **Statistics Canada**, Consumer Price Indexes for Canada, Monthly (V41690973 series)

Addressing these critical issues require system level adjustments, like reviewing how success is defined, services are funded, clients are served and staff feel empowered. In the next section we offer systemic considerations for the government, SSMs and ESPs to review their priorities and action-items for creating a healthy employment service eco-system across Ontario.

Systemic Considerations

From Feedback to Action

This section translates stakeholders' feedback into actionable recommendations which are deemed critical to final phase of IES implementation. By aligning these insights with the underlying goals and operational realities of our employment services sector, First Work envisions a healthy workforce development sector across Ontario, which is expected to be not only functional, but also embraced by its users. What follows in the following three sections (Government, SSMs & ESPs) is a roadmap shaped by our collective input, strategic analysis, and a commitment for meaningful change.



Key Challenges & Gaps	Opportunities & Consideration
Mixed and uneven client outcomes	Leverage localized success models
Frozen funding & rising inflation	Match funding with inflation
CAt intrusiveness & mistrust	Build client rapport & trust
Equity gaps & underserved groups	Create inclusive targeted supports
Transactional vs. holistic supports	Broaden service supports
Program reductions for the vulnerable	Resume targeted programming
High caseloads and staff burnout	Lower administrative burden
Performance-based funding pressures	Flexible & balanced funding supports
CAt streaming and misclassification	Refine CAt in consultation with ESPs
Coordination gaps across systems	Promote integrated service pathways
Narrow performance metrics	Develop client support focused metrics

Recommendations for the Government



As a result of the shift to Integrated Employment Services, a higher share of clients served by Employment Service Providers are further from the labour market. Finding good employment is a challenging and lengthy process for social assistance clients, whether before or after IES.

Securing 20 or more hours per week of employment is an unrealistic metric for performance-based funding given the evidence of client experiences, especially for clients on social assistance and Ontario Disability Support. Early signals about employment outcomes for social assistance clients under the IES are mixed, some job metrics show slight improvements, while others remain stagnant or worsen. Client experiences and outcomes also saw sharp changes in the year following transformation, reflecting a challenging time for both clients and ESPs.

The Ministry has articulated that in the coming weeks and months, they will work to make amendments toward a more functional service delivery. While First Work welcomes these upcoming changes from the Government, we remain circumspect unless system level change and adequate response frameworks remain top of mind. As system stewards, the Government plays a vital role in shaping the outcome of this system for better delivery across the province. Prioritizing localized services has left vast interpretive space undefined, and the policies interpreted and actioned through Service System Managers are not uniform in their commitments or results. Ensuring an equitable lens through which services are delivered precipitates delivery of robust supports in a healthy social services ecosystem, without it being overly restrictive. Key policies must be addressed are as follow:

Clarity of Service System Manager role

Furthering the development of a standardized and equitable framework that governs the role of the SSM can mitigate the challenging duality of oversight and service delivery functions that this new model allows. Hindering innovation cannot coexist in a healthy ecosystem where best practices and service delivery insights are gatekept by SSMs from service providers.

The Performance-Based Funding (PBF) model, is linked to outcomes, incentivizes doubt –SSMs can have a vested interest in achieving the highest results to retain PBFs, making them not just monitoring bodies but direct competitors to other agencies. Thus, establishing mechanisms to address these conflicts of interest and promote transparency is essential to ensure fairness and effectiveness within the Employment Ontario system. As the funding authority in their catchment, SSMs determine what a provider has capacity to accomplish. The centralized control disadvantages competitive models and stifles innovation amongst Employment Service Providers.

Investing in the Training infrastructure of Employment Services

The Auditor General's 2016 and 2018 reports articulated the non-standardization of capacity, and services delivered to clients. With this there is a responsibility and onus to ensure capacity is built in the sector. However, the standard to which SSM's provide training, the type of training and the effectiveness of the training is yet to be evaluated. Some SSM's have articulated that organizations don't need to internally plan for training because the SSM managers will provide the training however organizations to varying levels have articulated that the type of capacity building training they are receiving is underwhelming in knowledge, overwhelming in volume and mostly directed to frontline. The issue with this is unless it is implemented throughout the organization, the sustainability of learned practices fades in the long term.

Re-assessing the streaming of clients

The Common Assessment Tool (CAI) was introduced by the Ministry to ensure this IES model priorities those furthest away from employment who are often overlooked. The model attempts to ensure that the right supports are given to those that need it the most. Built, informed and supported by AI, this lengthy questionnaire is weighted algorithmically to stream clients into the right support. However, the issue with the reliance on AI is regarded as an issue of bias or mis-streaming. This limits the funding supports for clients and service providers in the IES model by with fewer incentives from their PBF metrics. To be more inclusive, there is an urgent need to promote flexibility in streaming, with an assessment that broadens streams to better address issues in client-focused service delivery.

Addressing funding streams and operational budgets

The Government has invested further funding into the Integrated Employment System as is evident through public accounts, however that money does not trickles down to frontline service providers. Many do not see any significant increase to their operational budgets since 2010. As a result, most balance operational needs by compromising capacity. Either the funding model requires them to serve double or triple the number of clients for the same funding received in 2010 or they aim to serve the same amount at less capacity which affects the quality of services provided.

ESPs that received operational increases have also seen a huge increase in the clients they serve and have often done so due to the ending of contracts of other providers in the new system. Likewise, performance-based funding is welcomed, but there is a need to catch up with capacity to address the volume of client intake, coupled with quality delivery of service. It appears that this issue will continue to work within a fragmented system, regardless of the policy change. The request from the sector is 5% operational budget increase, which is geared funding flow to the frontline of service delivery and not get stagnated at monitoring bodies.

Youth-specific programming is a necessity

Through the data analysed, youth services seem to have diminished. Overall, there is at least 10% decrease in youth being served under this model. Youth unemployment has hit an all-time high, especially those youth furthest away are being the most affected. With programs like Youth Job Connection no longer in existence, Ontario is seeing more youth being left behind and Service Providers lack funding resources necessary to provide youth specific programming within EO. Government trade programs narrow youth participation in other sectors and the transition for youth from school to work is thereby more siloed. Youth that do participate in services are provided the general services that are allocated for every client which diverts from the training and career exploration needed for them to thrive. Five years in, we are seeing the effect of a generation being left behind.

Recommendations for Service System Managers



Service System Managers (SSMs) are uniquely positioned to implement government's employment services policy as the operational leads of the transformed IES model. Their role directly impacts ESPs' frontline service delivery and client success.

From the data that First Work collected through different feedback loops, we have developed following recommendations to enhance operational efficiency of service providers and client outcomes. Many of these were identified by participants of this extensive study for building a more effective, sustainable, and client-centered sector.

Streamline Operations and Reduce Administrative Burden

Several participants from ESPs described that currently their frontline staff are spending more time on administrative tasks, while drastically reducing their capacity for direct client service. Some of these administrative requirements are required by the government and others are implemented by respective SSMs in their catchments in varying degrees. However, these bureaucratic requirements have impacted the time required for clients' one-on-one services. SSMs can take a lead to simplify such processes, leaving enough time for direct client engagement. What they can do is:

- Advocate process simplification with the Ministry for reporting requirements, the data entry in CAT, and proof-of-employment requirements (e.g., pay stubs) that are identified as intrusive.
- Invest in Technology by dedicating operational resources to improve system usability and technical support to service providers. In this case, they should act as the primary liaison with software platforms to reduce administrative work.
- Moreover, SSMs should implement system-wide consistency to ESPs on streamlining administrative documentation to minimize the time and effort of frontline staff. For this, they can conduct consultations with service providers to pilot alternative methods and strategies to develop a less burdensome model without damaging client relationships.

Refine Client Streaming in CA_t

Another unanimous concern was the current application of the CA_t and streaming algorithm. More often than not, this leads to client mis-streaming. Many participants expressed frustration over this, which, to them, results in wrong service delivery stream, where clients cannot be given adequate system supports. To overcome this issue SSMs should:

- Advocate for instituting a flexible review mechanism by career coaches, job developers or case managers. Few respondents mentioned that SSMs should create a simple process to appeal or review a client's stream classification when they find it clearly is misaligned with their client's needs. This should be done either at ESP level or with frontline staff. It will empower frontline staff to leverage their professional acumen and experienced judgment.
- Facilitate a collaborative review of CA_t with frontline staff from diverse ESPs to provide evidence-informed feedback. They can share CA_t's deficit algorithm or the rigid structure with the Ministry, recommending tool refinement, replacement, or creating further review mechanism.
- Provide nuanced training on CA_t streaming protocols to service providers on its rationale and application with targeted focus on reducing inadequate streaming. Moreover, clarifying grey areas in client assessment due to tools' misinterpretation may minimize this miss-streaming, especially for clients with complex or non-linear barriers, such as Ukrainian newcomers with high education but suffering from war-trauma, immigration complexities or Canadian cultural and language barriers.

Service Integration and Coordination

Another core destabilizing issue pointed out by interviewees is of weak coordination between employment services, Ontario Works (OW), and the Ontario Disability Support Program (ODSP). In many ways, this has created navigation challenges and leading to service delays for clients. It is recommended that SSMs should:

- Formalize local integration protocols proactively and implement data-sharing for referrals between ESPs and local OW/ODSP offices, which in some isolated cases service providers have already done. This can be done by facilitating regular cross-system meetings to address coordination gaps, streamline client transitions, and resolve individual case issues.
- Mapping local service pathways for available life stabilization supports, including housing, mental health, childcare waitlists in their catchments. Moreover, by communicating clear support pathways, service providers will be able to enhance their ability to navigate clients to essential prerequisites for employment.

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- Mapping local service pathways for available life stabilization supports, including housing, mental health, childcare waitlists in their catchments. Moreover, by communicating clear support pathways, service providers will be able to enhance their ability to navigate clients to essential prerequisites for employment.

- By centralizing intake processes, such as a central call center, they can monitor and address delays between initial client contact and referral to a service provider. They can also implement service standards for efficient referral timetables to overcome delays in service delivery.

Support Staff Well-being

Service provider staff across Ontario faced first pandemic and then transformation, both of which caused high staff turnover and limited ESPs' capacity for service delivery. On top of it, already-resilient staff are encountering unsustainable caseloads and administrative pressures, which have caused widespread service discontinuity and impacted service quality. In lieu of this, SSMs can support the wellbeing of their service provider networks by:

- Facilitating regular communities of practice forums to share best practices, common challenges, and professional capacity. These discussions, interactions, and particularly prioritize well-being trainings, such as trauma-informed service delivery, cultural competency, and managing complex client barriers will enhance their capacity in service delivery.
- Investing in staffing, especially in administrative and data entry roles, SSMs would enable skilled employment counselors to do more direct client and employer work, for which they are trained. Overall, this strategic investment will improve performance metrics, service outcomes and reduce staff burnout. Encourage and approve funding for agencies to hire dedicated administrative or data entry staff.

Targeted Service Delivery for Underserved Populations

Finally, as many participants indicated that the shift to a generalist model has created service gaps for populations with unique needs, including youth, newcomers, women, indigenous populations, racialized communities, and high barrier clients. SSMs can leverage their position to ensure these groups are not left underserved. For this, SSM should:

- Incentivize specialization by using their discretionary authority to fund specialized service streams, focused on underserved populations. They can promote specialized staff and capacity-building training to support service providers for focused and culturally appropriate services.
- Bridge service gaps by identifying key demographic gaps in their catchments, like older workers (55+), out-of-school youth, LGBTQ2S+ clients and women seeking work-life balance. This could involve funding specific pilot projects based on legacy model's programs, like the former Youth Job Connection (YJC) or Initiative for Older Workers.
- Develop localized labour market strategies, moving beyond the existing metrics. These should reflect local employer needs and labour market realities. Another way could be engaging local employers and businesses to create opportunities that are sustainable and career-oriented, moving clients beyond the easy way survival jobs.

Recommendations for Employment Service Providers



Service providers have been playing a pivotal role during this transformation by integrating their operations and services with their respective SSMs in the IES model. Many of them have made substantial changes to align their organizational structures and working practices in the IES system.

At the outset, this transformation of Ontario's employment services was to streamline the service delivery, improve outcomes, and create supports according to labor market demands. However, for many service providers, transformation has resulted in increasing their administrative work and a decline in resources. Moreover, their challenges vary depending on their Service System Managers and their unique local contexts. Based on consistent feedback from ESP staff, following are the key recommendations that will enhance frontline service delivery, optimize limited resources, and build client trust to offer targeted supports:

Frontline Staff Capacity Building

The most important issue for ESPs was to re-build their staff capacity according to new IES model and in line with their respective SSM. They can do the following:

- First key point is ESPs leadership should invest in professional capacity-building programs, such as trauma-informed care, digital literacy (particularly in CAT), motivational interviewing, and equity-focused training.
- Moreover, ESPs need to further establish and strengthen peer support networks across the network to share best practices, breaking silos, and standardize service quality.
- ESPs can also engage their SSM to establish catchment-wise network to empower staff to tackle local issues. To achieve this goal, ESPs can arrange standardized training for staff on system changes, and new requirements

Strengthen Client-Centered Practices

Secondly, ESPs should prioritize frontline staff time towards direct client engagement and services.

- They can achieve this goal by streamlining their internal administrative processes to decrease their workload.
- To provide targeted support to their clients, ESPs should focus on developing personalized action plans that reflect client's part-time, transitional, or incremental progress for skill-building, upskilling, certifications, and volunteer experience.
- To build initial rapport, they can also implement strengths-based intake methods, using CAT for onboarding clients with trust and confidence.
- For high-barrier and/or Stream C clients, they could use locally developed tools with escalation protocols with their respective SSMs.

Employer Engagement Initiatives

Another core task of ESPs is to engage employers and build partnerships with them.

- ESPs' focus should be on employer partnership-building, and not just on placements, particularly because the IES model tracks post-employment client support for at least one year.
- To strengthen this, ESPs should facilitate employer engagement and education sessions, such as inclusive hiring practices for clients with disabilities, justice-involved, newcomer integration, women seeking work-life balance and indigenous people.

Service Innovation

Service innovation is an impactful tool to enhance organizational capacity and outcomes, particularly for their staff and clients.

- ESPs can work on innovative practices and solutions in consultation with their SSMs to deliver greater value of their services by improving service delivery methods, leveraging technology, and/or redesigning service experiences to meet evolving needs of workforce development sector.
- To achieve this ESPs leadership and management can work on group-based coaching and retention programs to maximize reach with limited staffing.
- They can offer low-tech alternatives for digitally excluded clients, e.g., paper job search logs, phone coaching, and in-person workshops in remote areas and with indigenous communities, living on reserves. They can also track and report success stories to highlight true client progress.



Looking Ahead

Global trade tensions, labour market shifts and the economic conflicts are converging to create an opportunity for intentional, bold policymaking.

With America accounting for more than 77 percent of Ontario's total good exports and 60 per cent of our Provinces total service exports, our stability highly connects to our cross-border relations. In April, the Financial Accountability Office projected that the introduction of US tariffs will see 68,100 fewer jobs in Ontario in 2025 and 119,200 fewer jobs in 2026 compared to a no tariff scenerio. Regions acutely impacted due to these factors are areas like Windsor, Guelph, Brantford, Kitchener–Cambridge–Waterloo, and London.

Impacts will be regionally and sector-diverse, leaving the manufacturing, automotive, aviation, agriculture and construction sectors vulnerable. Entry-level sectors of the labour market such as hospitality, tourism, retail, and entertainment are contracting, and the consequences will reverberate across the entire workforce development system, from training programs to long-term employment strategies. Preparation and investment in employability and skills is critical. Key transitional competencies, like soft skills, are essential for navigating a labour market shift, allowing job seekers to adequately move between industries and roles, mitigating the risks posed by sector-specific downturns.

This past summer has compounded our concerns for young Ontarians. Youth unemployment is the elephant in the room. Without sustained, demographic-specific programming, young people – especially our most barriered – are at risk of being left behind. One-off initiatives or trade-specific programming will not be enough to address the scale and urgency of this issue. A more concerted, coordinated effort is required from all levels of Government to ensure youth have access to the supports they need to connect to their first jobs with pathways to sustainable careers.

Flexibility within the employment service system is the key to weathering this economic uncertainty. Demand-driven responsiveness is needed as we pivot, leaning into funding models that allow for experimentation and innovation, and policy frameworks that recognize the value of community-based, locally informed solutions. Underscoring these challenges lies the imperative for Employment Service Providers to have the capacity to consistently deliver high-quality, outcome-driven services that are responsive to the evolving economic landscape.

Ontario's employment services landscape has the foundation to support our provincial workforce – but as economic pressures increase, stakeholders must be equipped adequately with the tools, training and resources to meet the evolving demands. This means investing in professionalizing our sector, fostering collaborative networks and leveraging technology as a tool to create efficiency in administration to allow for deeper human connection and delivery.

Ontario's ability to navigate the uncertainty in broader economic shifts will depend on the resiliency of its workforce and the strength of our employment services ecosystem. By prioritizing skills development, targeted youth support, flexibility and sector capacity, Ontario will remain better positioned for withstanding challenges and building for inclusive prosperity that transcends industries.

Acronyms

BJO	Better Jobs Ontario
CaMS	Case Management System
CAt	Common Assessment Tool
COJG	Canada Ontario Job Grant
EAP	Employment Action Plan
ERFSs	Employment Related Financial Supports
EO	Employment Ontario
EOPG	Employment Ontario Partners' Gateway
ESP	Employment Service Provider
EST	Employment Service Transformation
IES	Integrated Employment Services
GTA	Greater Toronto Area
KPI	Key Performance Indicator
LBS	Literacy and Basic Skills
LMPB	Labour Market Planning Board
MCCSS	Ministry of Children, Community and Social Services
MLITSD	Ministry of Labour, Immigration, Training and Skill Development
NEET	Not in Education, Employment and Training
ODSP	Ontario Disability Support Program
OEAS	Ontario Employment Assistance Service
OW	Ontario Works
PBF	Performance Based Funding
PMF	Performance Management Framework
SA	Social Assistance
SSM	Service System Managers
YJC	Youth Job Connection
YJCS	Youth Job Connection Summer

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