



# Underserved: Ontario's Integrated Employment Services system is failing those in greatest need

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### **About the authors**

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### **About Maytree**

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

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# Summary

Little information is publicly available about the impact of Ontario's Integrated Employment Services (IES) system, despite evidence that its design may be leaving social assistance recipients behind.

This policy brief and accompanying data are intended to help address this knowledge gap. Our analysis finds evidence that the IES system is considerably less successful in assisting social assistance clients and other equity-deserving groups. We also draw a connection to Ontario's failing poverty reduction efforts, which centre employment as the universal solution to poverty.

Until the provincial government begins regularly publishing IES data on its own, Maytree will continue to request and publish this data. We hope to spark informed discussion on the future of the IES system, ultimately leading to better employment services in Ontario – especially for social assistance recipients.

If you have suggestions to improve Maytree's future data requests, please email us at [policy@maytree.com](mailto:policy@maytree.com).

## Concerns about IES are not new

Government programs and systems have long failed to fulfill the social and economic rights of social assistance recipients, especially the right to an adequate standard of living.<sup>1</sup> In recent years, the provincial government has erred by insisting that employment can and should be the only solution to poverty, rather than investing in a comprehensive, evidence-based approach centred on stronger income supports.<sup>2</sup>

Nevertheless, for many social assistance clients, employment is a realistic and effective path to realizing their human rights, and a strong system of employment services is a critical ingredient. That is why Maytree has closely followed the Ontario government's Employment Services Transformation project, which aims to integrate social assistance employment services with other employment services offered through Employment Ontario to create a new Integrated Employment Services (IES) system.

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1 Laidley, J & Oliveira, T. (2025). *Welfare in Canada, 2024*. Maytree. <https://maytree.com/changing-systems/data-measuring/welfare-in-canada/>

2 White, A. (2025). *Poverty rising: How Ontario's strategy failed and what must come next*. Maytree. <https://maytree.com/publications/poverty-rising-how-ontarios-strategy-failed-and-what-must-come-next/>

The government's rationale for integrating these services is that it will lead to a more efficient and locally responsive system, though it has yet to release evidence indicating whether or not these benefits have materialized. There is, however, evidence that jobseekers with unique or complex needs are experiencing reduced access to tailored supports.<sup>3</sup>

For example, the evidence to date suggests that the design of the new IES system leaves too many social assistance recipients behind. In June 2024, Maytree obtained and published a copy of a third-party evaluation of the early days of IES implementation. The evaluation raised fundamental concerns about the design of the new system – concerns that were not reflected in the government's framing of the report's findings.<sup>4</sup> To build public trust in the IES system, Maytree called on the provincial government to implement a robust transparency framework, including the proactive release of data.

In late 2024, after observing no movement toward proactive transparency, Maytree made a Freedom of Information Request for specific IES data. This brief summarizes our analysis of the data made available to Maytree. Note that we have selected only a sample of the data for this analysis, though all the data we obtained is available for download from the Maytree website.

Maytree's analysis of government data provides only one perspective on a complex system. Others in the sector are collecting information directly from providers, and it too points to fundamental weaknesses. For example, First Work has conducted focus groups and interviews with key actors in the system that reveal significant financial and operational challenges, which are having an outsized negative effect on clients with higher needs.<sup>5</sup> First Work's findings suggest that the use of a single success metric oversimplifies the challenge of workforce development and disincentivizes providers from offering comprehensive supports. They find the new system also brings a higher administrative burden that reduces the time frontline staff can spend with jobseekers. Community Living Ontario and the Ontario Disability Employment Network have documented similar challenges.<sup>6</sup>

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3 White, A. & DiBellonia, S. (2024). *Early signs of trouble: Findings from the third-party evaluation of Ontario's Employment Services Transformation*. Maytree. <https://maytree.com/publications/early-signs-of-trouble-findings-from-the-third-party-evaluation-of-ontarios-employment-services-transformation/>

4 Ibid.

5 See <https://firstwork.org/ontarios-employment-services-transformation/> for the full set of First Work's publications on the IES.

6 *Still Tangled in Red Tape*. (2025). Community Living Ontario and the Ontario Disability Employment Network. [https://communitylivingontario.ca/wp-content/uploads/2025/07/FINAL\\_Still-Tangled-in-Red-Tape.pdf](https://communitylivingontario.ca/wp-content/uploads/2025/07/FINAL_Still-Tangled-in-Red-Tape.pdf)

Municipalities are also raising the alarm. A 2023 City of Toronto staff report noted that the new system is creating “a gap in appropriately focused programming to address the needs of residents experiencing multiple barriers to employment and furthest from the labour market.” It warned of “a high risk that clients will not receive services matched to their needs and that the system will not be able to achieve the intended improved outcomes for Ontario Works clients and may instead contribute to poorer outcomes.”<sup>7</sup> This context is critical to a robust reading of the data in this brief.

## Method

Maytree received time series data covering fiscal years 2020-21 through 2024-2025 and organized by catchment area in Ontario. The data, which can be disaggregated by several demographic characteristics, include:

- Number of referrals of social assistance clients to IES;
- Number of intakes of social assistance and non-social assistance clients into IES; and
- Employment status of social assistance and non-social assistance clients at specific intervals.

The data is provided as a snapshot of each fiscal year. A client’s journey often spans multiple years; however, the data does not allow for the tracking of one or more individual clients as they move through the system.

Over the five-year period, 12 catchment areas were brought into the IES system in phases. Our analysis is centered on the three catchment areas introduced in the first prototype phase because they offer the most longitudinal data. These catchment areas are Muskoka-Kawarthas, Hamilton-Niagara, and Peel. We recommend that readers be extra cautious in interpreting the data for other catchment areas introduced during phases 1 to 3 due to a comparatively smaller sample size.

Maytree requested data that separates social assistance recipients from non-recipients. The latter group is labeled “non-referred” IES clients in the data. We include them in our analysis as a comparator to observe possible discrepancies, as these may suggest an inequitable distribution of resources to those who are considered to have lower employability.

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7 “Employment Services Transformation: Recommendations on the City’s Role.” City of Toronto. April 13, 2023. <https://www.toronto.ca/legdocs/mmis/2023/ec/bgrd/backgroundfile-235760.pdf>

Additional data limitations are described where relevant in the analysis below. These considerations were informed by observation of the data and conversations with our partners in the sector.

While the data available is limited, our analysis points to general trends that are consistent with prior reviews of the system and the anecdotal accounts of service providers. Access to more data would certainly strengthen our analysis. For now, our findings reveal areas of concern that deserve further investigation, and these will help to refine Maytree's future data requests.

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### **Data from Ontario's Common Assessment Tool (CAT)**

Data received through Maytree's request also included aggregate responses to the Common Assessment Tool, which is used to stream IES clients at intake. This data is also available for download from the Maytree website.

Due to delays in receiving this data, it is not considered in this brief. However, it will inform Maytree's future publications on Integrated Employment Services and Ontario's Poverty Reduction Strategy

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## **Referrals and intake: A growing gap**

All clients entering the IES system complete a Common Assessment intended to create a standardized measurement of capacity for employment and to assign each individual to one of three streams:

- Stream A: Low risk of long-term unemployment
- Stream B: Medium risk of long-term unemployment
- Stream C: High risk of long-term unemployment

In the case of social assistance recipients, their caseworkers refer them to IES through the Common Assessment Tool.

The IES funding model includes a performance-based payment that is scaled based on the client's stream, with the most funding provided for successfully supporting a Stream C client in finding lasting employment.

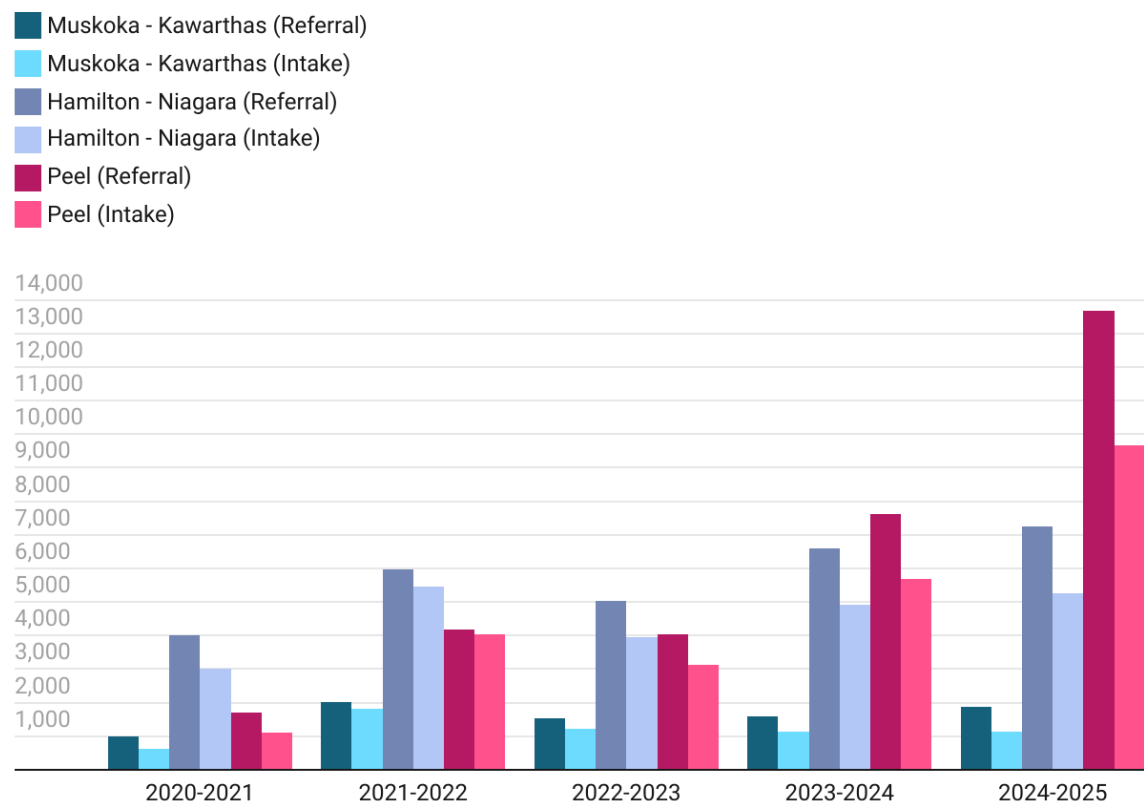
The data made available to Maytree includes total referrals and intake by social assistance program. We assume the vast majority of social assistance recipients are assigned to Stream C, but the data available does not allow us to isolate the experience of Stream C clients as a whole.

As shown in Figures 1 and 2, there is a considerable discrepancy in every fiscal year and in every region between the number of social assistance clients referred to IES and the number who complete intake into IES. The reasons for this gap are unknown. Perhaps the IES system is unable to contact some referred clients, or perhaps it is determined that the client does not, in fact, have the capacity for employment despite the referral. Until it is explained, the fact that so many referred clients are not continuing through intake is a troubling finding.

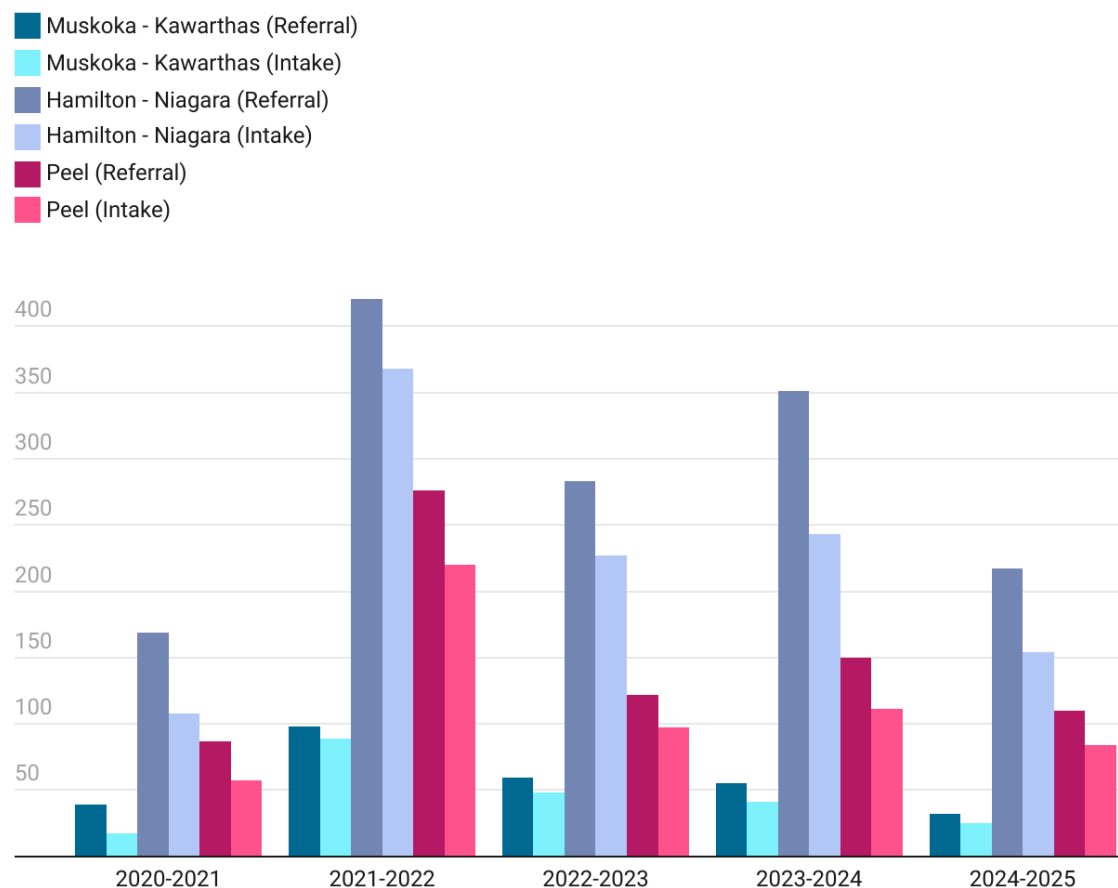
Figure 3 shows the number of “non-referred” clients entering IES intake. These clients were not referred to the IES system by way of social assistance. Taken in combination with the other intake data, it reveals that OW recipients make up a much larger proportion of all intakes in some catchment areas. OW clients in Peel represented nearly half of all intakes in 2024-25, while in Hamilton-Niagara it was less than a quarter. The reasons for this are unclear and could suggest region-specific challenges preventing social assistance clients from accessing IES.

Note that Figures 1, 2 and 3 are intended to show the year-over-year change within each catchment area. Comparisons between catchment areas are not advised without adjusting for factors like population size.

**Figure 1: IES referrals and intake for Ontario Works recipients each year in the prototype regions**

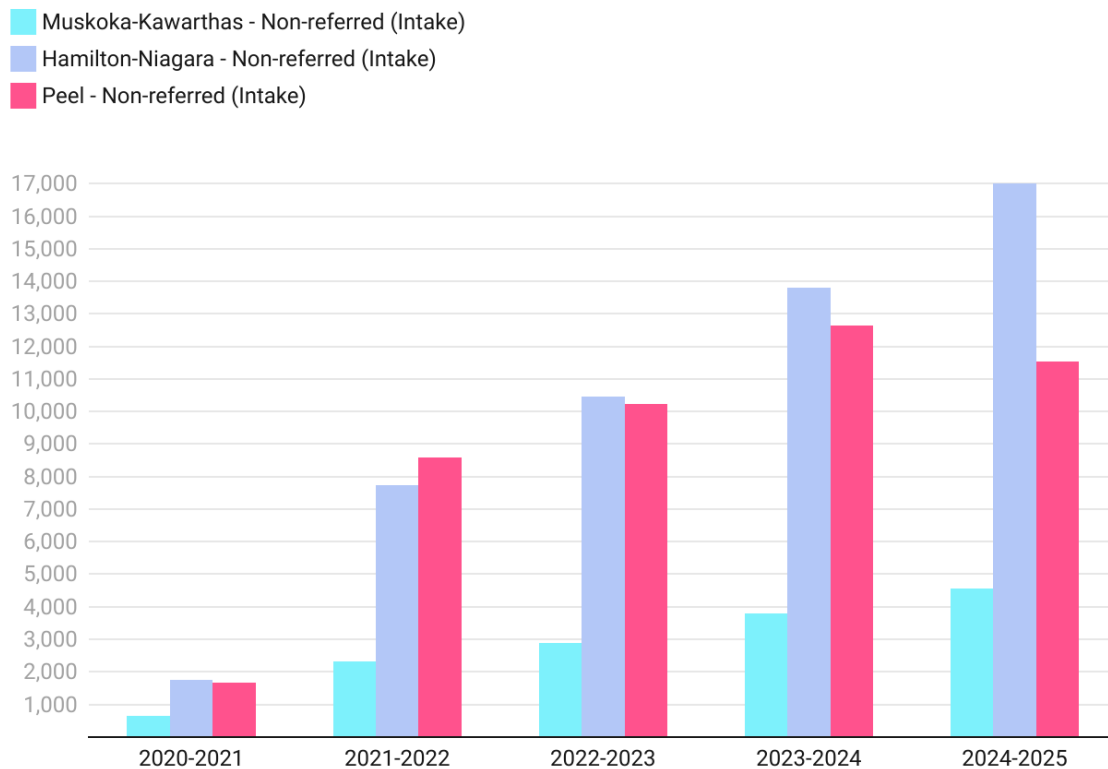


**Figure 2: IES referrals and intake for ODSP recipients each year in the prototype regions**



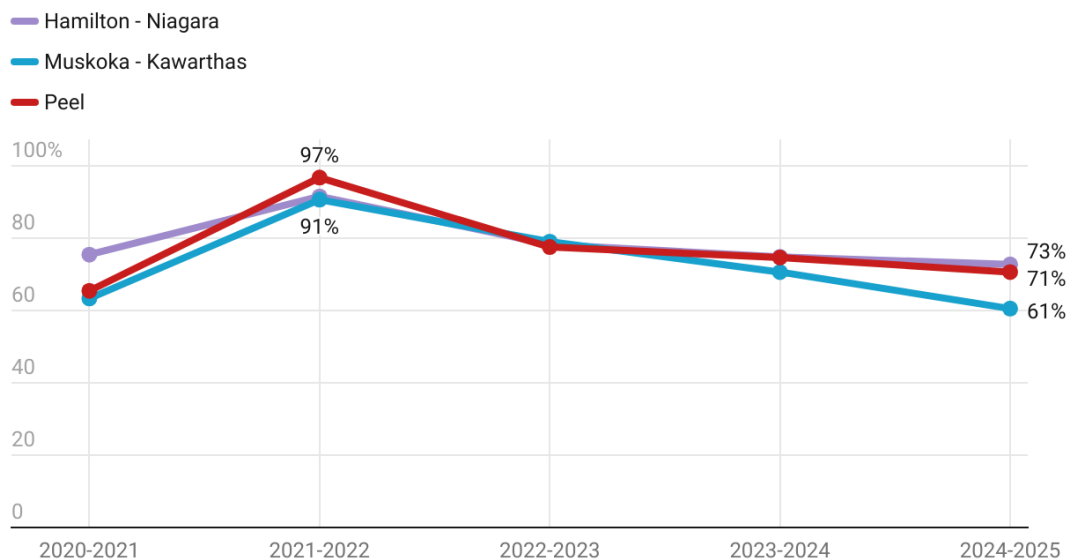


**Figure 3: IES intake for non-referred clients each year in the prototype regions**

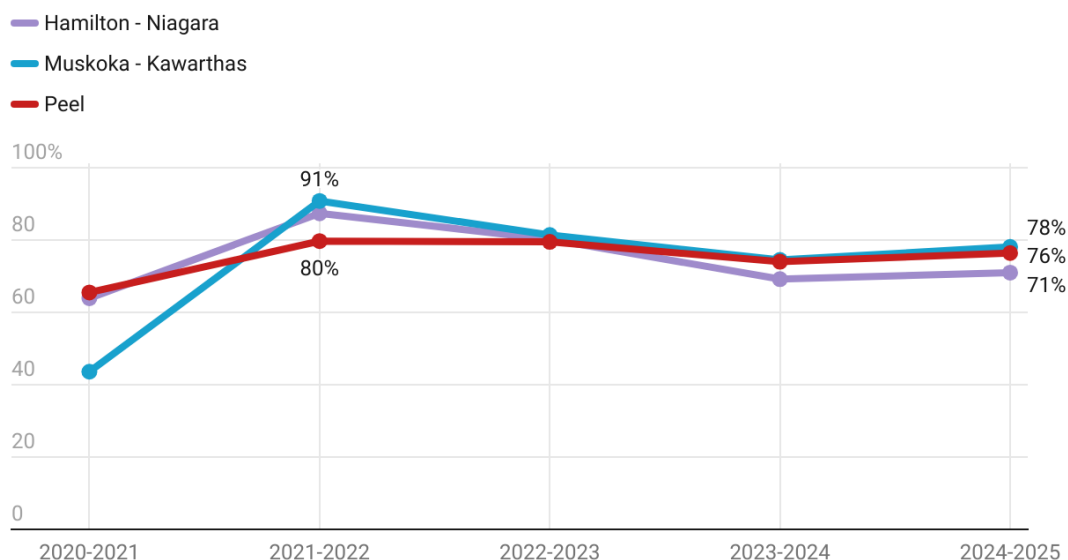


It is worth highlighting that the gap between referrals and intake has grown over time, as shown in Figures 4 and 5. As the program matures, it is increasingly difficult to understand these dynamics when the available data does not distinguish between new and returning clients.

**Figure 4: Ontario Works intakes as a percentage of Ontario Works referrals each year in the prototype regions**



**Figure 5: ODSP intakes as a percentage of ODSP referrals each year in the prototype regions**



The dynamics of ODSP referrals and intake differ from those of OW recipients. Generally, ODSP recipients are considered to be further from the labour market, so the number of ODSP recipients participating in IES is much lower. The relatively fixed make-up of the ODSP caseload also means there is not a large influx of new ODSP clients to refer each year. By contrast, a portion of the OW caseload turns over more regularly.

In future data requests, Maytree will aim to better understand the referral and intake dynamics of social assistance recipients.

## Checkpoints: More details required

Employment status in IES is measured through client checkpoints, which are scheduled once the client completes all activities in their Employment Action Plan or secures employment for at least 20 hours a week. The data Maytree obtained tracks the number of “checkpoints scheduled,” representing a basic IES output metric.

A typical checkpoint consists of a phone call with the client. A standard Employment Status Questionnaire is used to understand the client’s employment status, a description of their current employment, their wages, hours worked per week, and other indicators related to their current employment. (Evidence of employment, such a pay stub, is required to trigger performance-based funding.)

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## Parking and creaming

A deeper look at IES intake dynamics is critical to understanding the prevalence of the “parking” and “creaming” phenomena that are common within performance-based models of employment services.<sup>8</sup>

“Creaming” refers to providing more supports to individuals who are likely to reach the performance-based benchmark, while “parking” refers to re-cycling low-employability clients to meet intake targets while choosing not to invest in the long-term employment of these clients.

Service System Managers (SSMs) receive a portion of their funding based on how many of their clients are successfully employed at least 20 hours a week, with the amount of funding dependent on each client’s assigned stream. Under this model, and particularly for the SSMs who operate for profit, it makes financial sense to ask whether the higher costs of helping a client who is further from the labour market is worth the potential benefits in the form of greater performance-based funding. This may motivate providers to focus their efforts on clients with high-employability over clients with low-employability, resulting in clients receiving inequitable levels of service.

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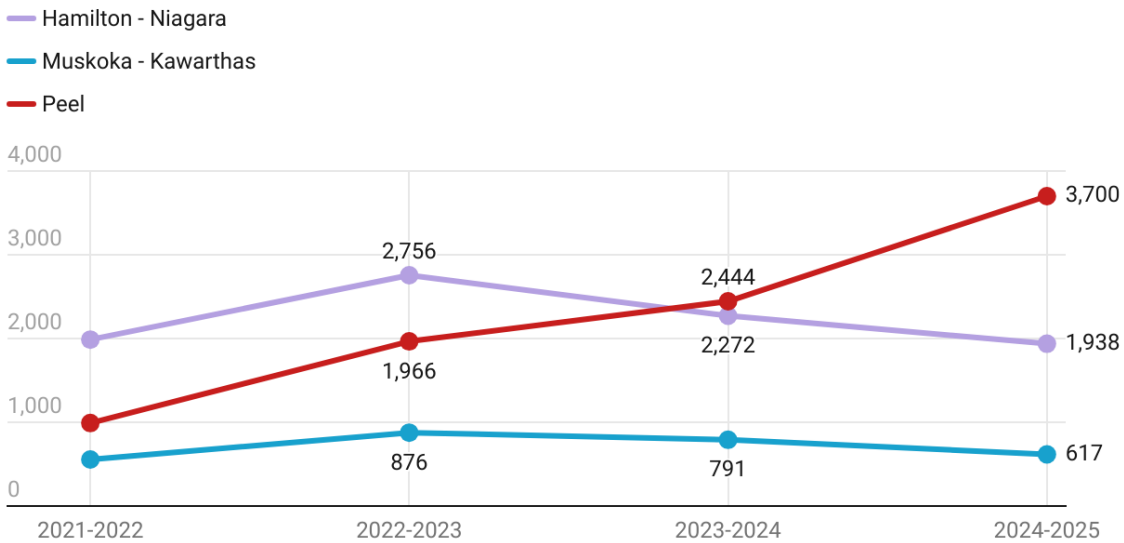
The data we obtained tracks checkpoints scheduled at both the 3- and 12-month intervals in each fiscal year, but it is important to clarify that these are not necessarily the same clients in the same year. Scheduled checkpoints may span across two different fiscal years.

Figures 6, 7, and 8 track the number of checkpoints scheduled at 3 months, isolating social assistance recipients from other IES clients. As would be expected, trends in the total number of checkpoints roughly follow the pattern of intakes seen in Figures 1 and 2, but with some time lag. For example, Figure 7 shows a decrease in the rate of checkpoints scheduled per fiscal year for clients referred by ODSP, and this trend aligns with the decrease in the number of intakes for ODSP clients seen in Figure 2.

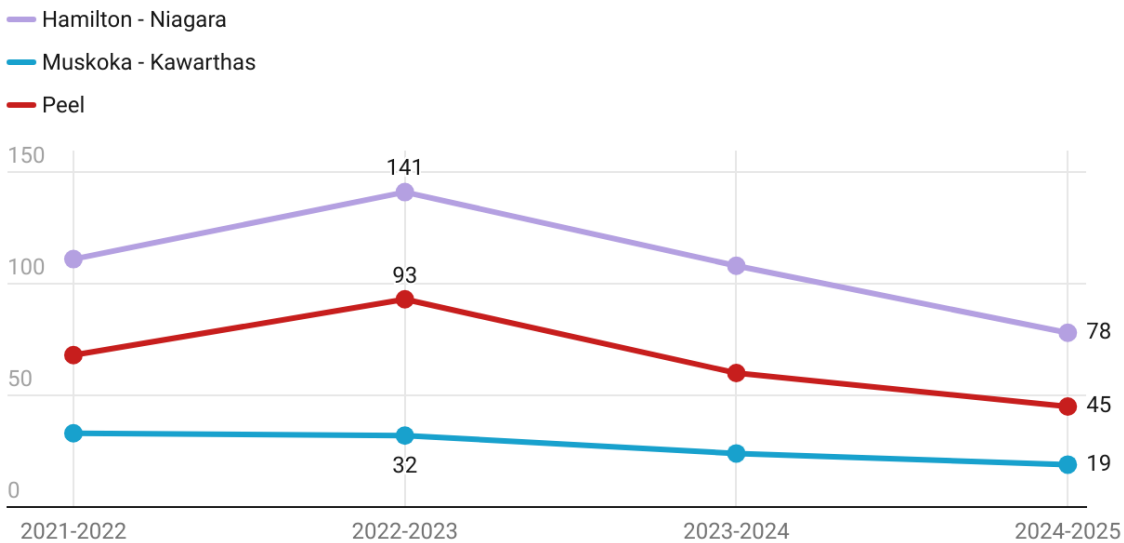
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8 Carter, E & Whitworth, A. (2015). Creaming and Parking in Quasi-Marketized Welfare-to-Work Schemes: Designed Out Of or Designed In to the UK Work Programme? *Journal of Social Policy*, 44(2), 277–296. <https://doi.org/10.1017/S0047279414000841>

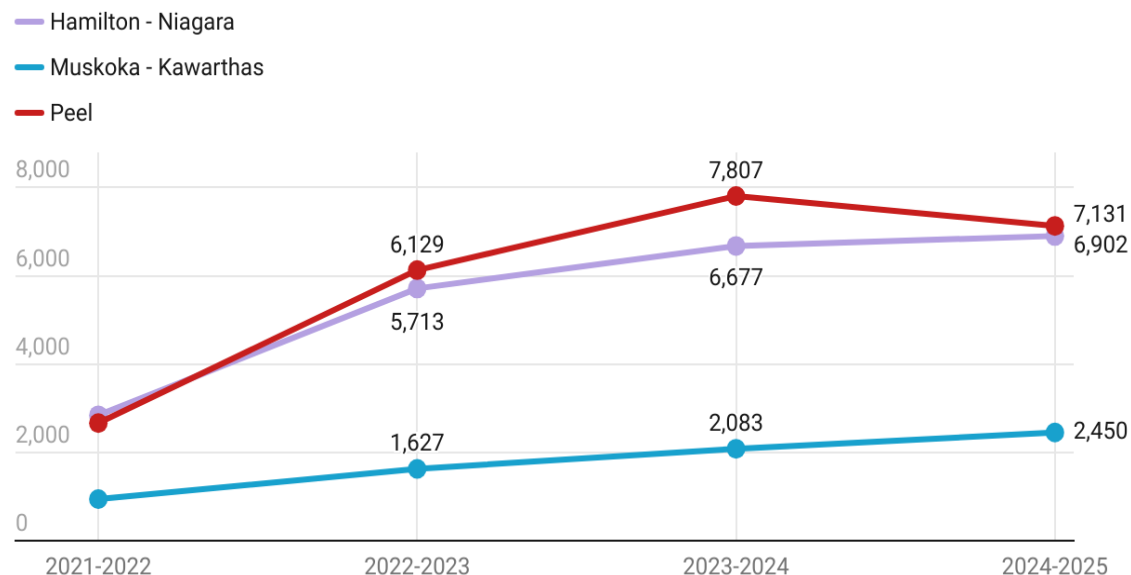
**Figure 6: Number of checkpoints scheduled at three months for Ontario Works clients**



**Figure 7: Number of checkpoints scheduled at three months for ODSP clients**



**Figure 8: Number of checkpoints scheduled at three months for non-referred clients**



Without additional context, such as granular data indicating the reasons why a checkpoint was scheduled, the number of checkpoints scheduled reveals little about the performance of the IES system.

## Employment outcomes: Worse for social assistance recipients

Although the government expects that all IES clients will be served, performance-based funding is only triggered when a client reaches at least an average of 20 hours of work per week. The provincial government provides increasing amounts of performance-based funding as a client is verified to have reached this outcome at the 1-, 3-, 6-, and 12-month checkpoints. This is the only outcome metric available, and it is insufficient to understand whether every client is, in fact, appropriately served.

The data Maytree obtained includes the percentage of clients who were employed at least 20 hours per week at their 3-month and 12-month checkpoints. Note that when calculating this percentage, the denominator is the number of checkpoints scheduled, not the number of checkpoints where a client is successfully contacted. As a result, the outcome metric may be distorted by the unknown number of non-responses at a given checkpoint. This makes it difficult to compare outcomes at the 3- and 12-month marks, as our conversations with the sector indicate anecdotally that the number of non-responses increases the longer the client is disengaged from their experience with the IES system.

Figures 9, 10, and 11 show the proportion of individuals who were employed at least 20 hours per week at the 12-month checkpoints falling in each fiscal year. We have also included a provincial average, which is an aggregate of all the catchments active each year, including those introduced during the Prototype Phase, Phase One, and Phase Two.

**Figure 9: Proportion of Ontario Works clients employed at least 20 hours per week at the 12-month checkpoint**

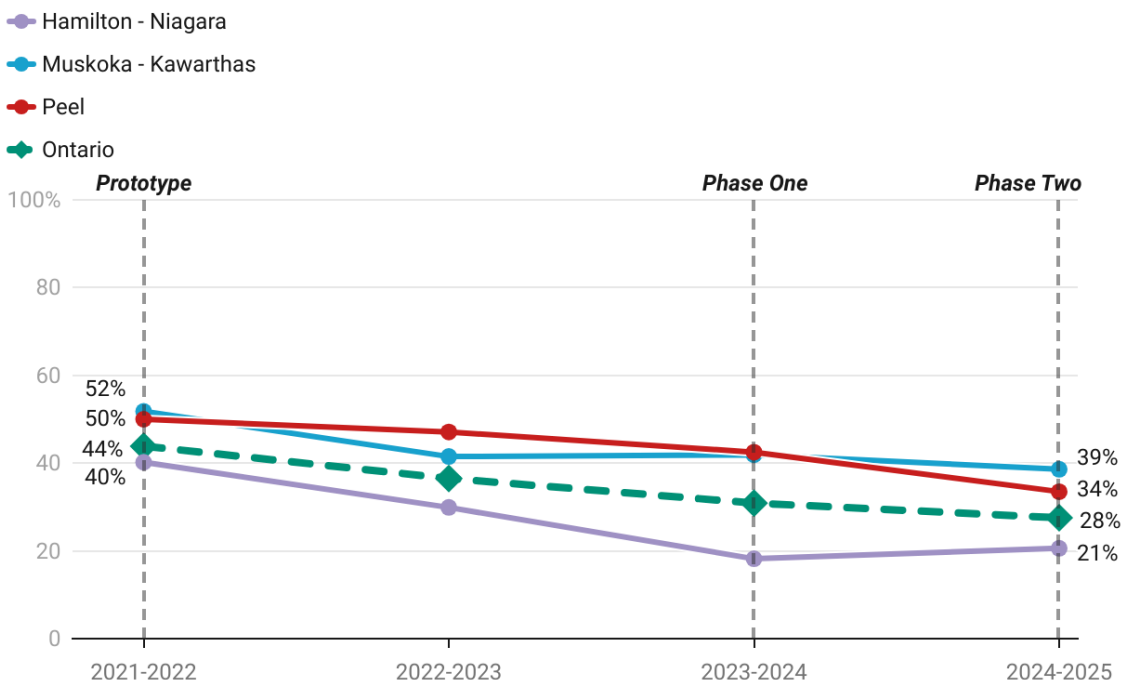


Figure 10: Proportion of ODSP clients employed at least 20 hours per week at the 12-month checkpoint

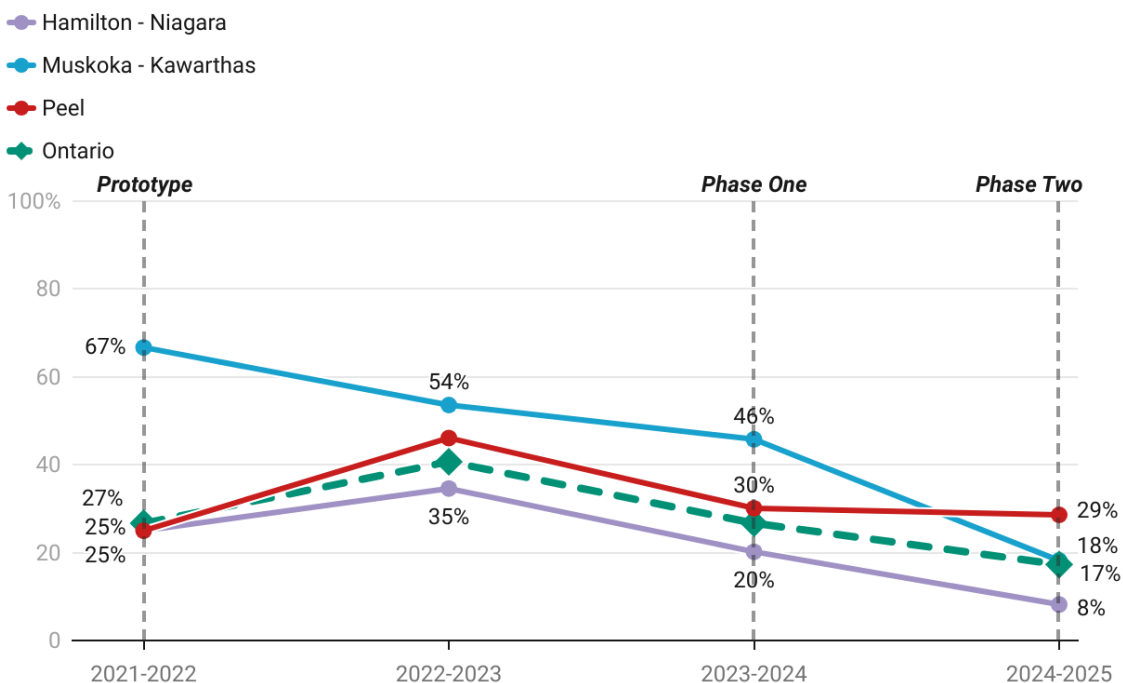
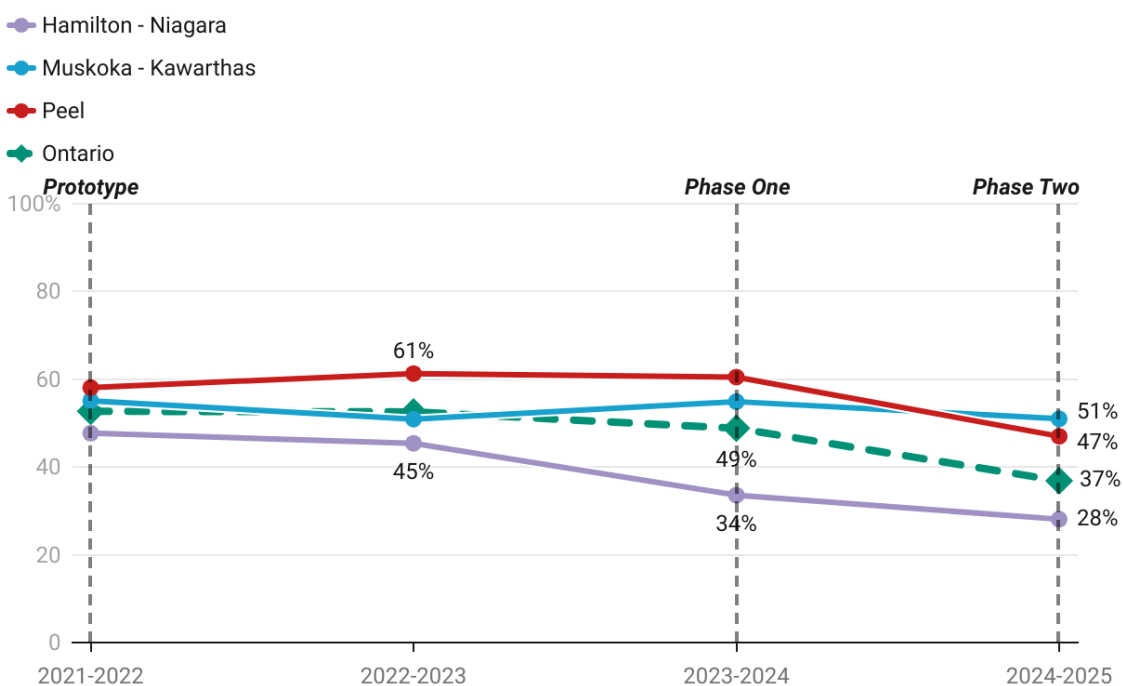


Figure 11: Proportion of non-referred clients employed at least 20 hours per week at the 12-month checkpoint



Across all three prototype catchment areas, and in our composite indicator for all of Ontario, we find that clients on social assistance experience significantly worse outcomes on average at the 12-month mark. The success rate for OW recipients each year is often lower than that of non-referred clients by 10 percentage points or more.

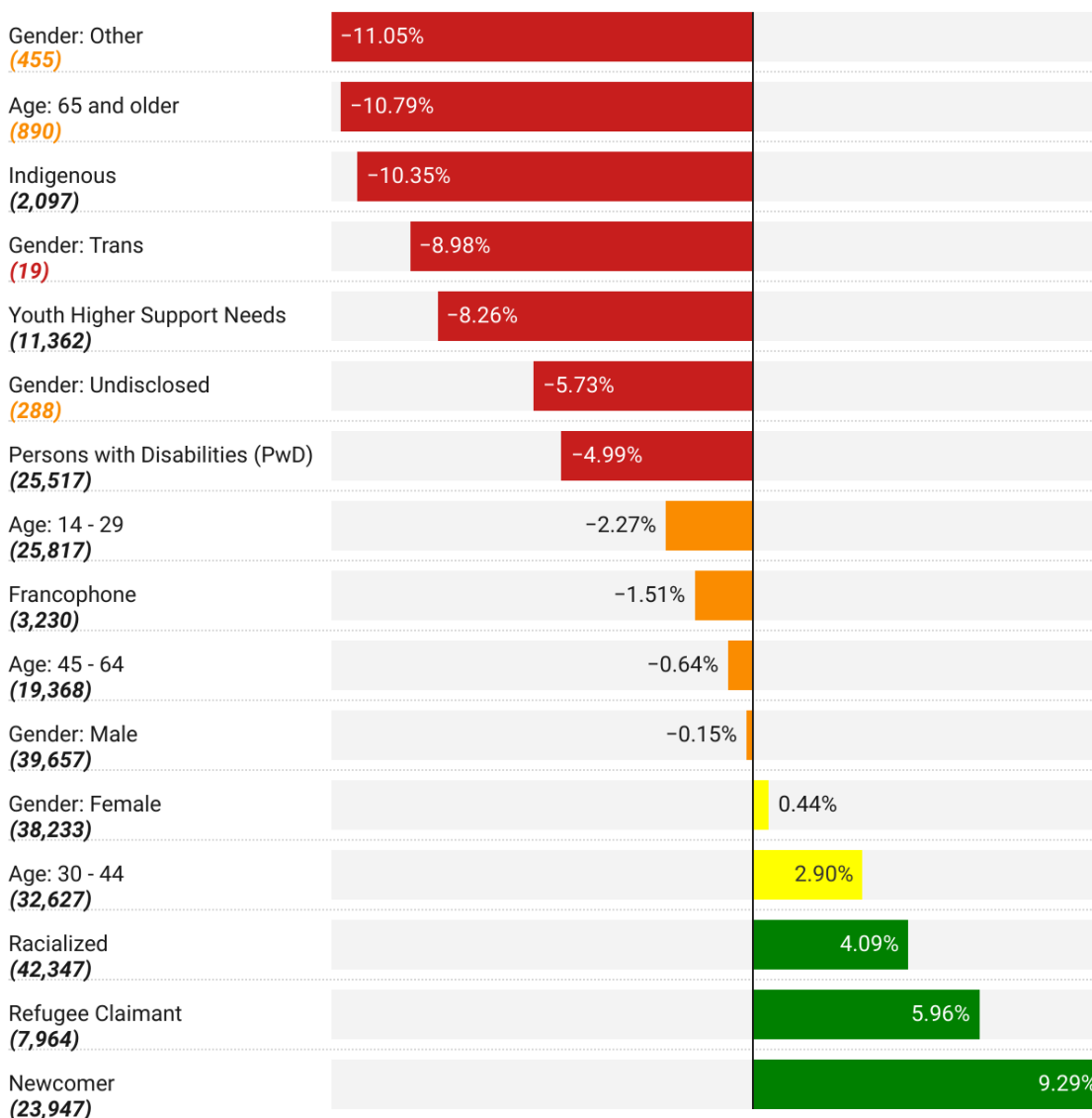
Overall, the proportion of clients reaching at least 20 hours of work per week is decreasing for all groups – OW clients, ODSP clients, and non-referred clients – though it is difficult to isolate what role the IES system plays in these trends compared to the effects of broader labour market dynamics. The provincial average may also be affected by the phasing in of new catchment areas over time.

Comparing the prototype catchment areas, we find that Muskoka-Kawartha appears to have some of the best outcomes. Whether this has anything to do with the approach or quality of employment services in that catchment area cannot be determined without first correcting for differences in demographics and labour market conditions across the three catchment areas.

The outcome data obtained by Maytree can also be disaggregated by demographic factors, as shown in Figure 12. As with OW and ODSP, here again we see several equity-deserving groups have worse outcomes on average. For example, “Persons with Disabilities (PwD)” and “Youth Higher Support Needs” were 5 percentage points and 8 percentage points less likely to work at least 20 hours per week at the 12-month mark, respectively.



**Figure 12: Percentage point difference in employment status after 12 months for select demographic groups compared to the Ontario average of 46 per cent (2021-2025).**



Note: The numbers in the left-hand column show the size of the group that was employed at least 20 hours per week on average. Where these numbers are orange and red, this refers to lower confidence in the statistic due to low sample size.

The available data does not allow us to analyze disaggregated outcomes within and across the three client streams. Such an analysis could provide insight into the effectiveness of the Common Assessment Tool and performance-based funding structure.

It is worth considering the poorer outcomes for social assistance recipients and other equity-deserving groups through the lens of “parking” and “creaming.”

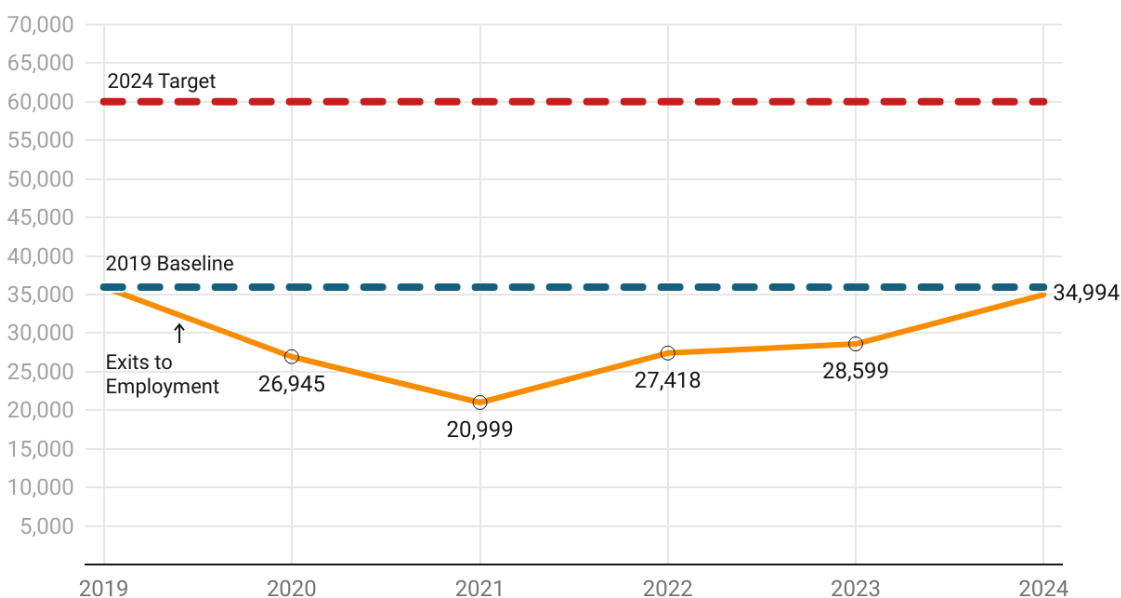
These effects have been shown to occur in other employment service systems comparable to Ontario's IES, and research suggests they need not result from deliberate choices on the part of service providers. Instead, they could emerge as a systemic reaction to the pressures of competing for resources within an environment of amalgamated services, coupled with the need to adhere to the one-size-fits-all objectives and timeframes of Ontario's performance-based funding framework. Data limitations make it difficult to determine if parking and creaming are issues of concern in Ontario, but given evidence from other comparable systems, this question deserves further investigation.

As more data becomes available, Maytree will continue to monitor IES outcomes with an emphasis on the outcome gaps for social assistance recipients and other demographic groups.

# The failures of IES are symptoms of a larger problem

In its Poverty Reduction Strategy 2020-2025 (PRS), the Ontario government set a primary target to increase the number of social assistance recipients moving to employment each year to 60,000, up from 35,000. A large part of the responsibility for achieving this goal falls to the IES system. However, as Figure 13 shows, Ontario has made no progress since the current PRS was tabled.

**Figure 13: Annual exits from social assistance to employment compared to the Poverty Reduction Strategy baseline and target**

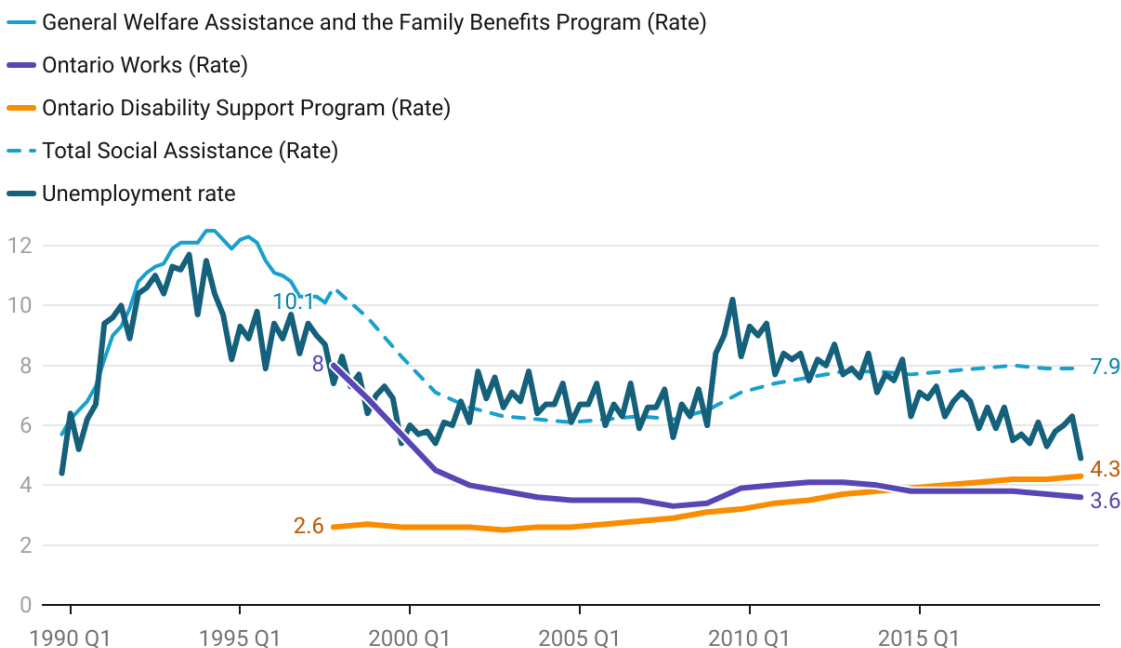


Source: Compiled from the public Poverty Reduction Strategy Annual Reports<sup>9</sup>

While Maytree is concerned that the IES system is not effectively serving social assistance recipients, Ontario's poor performance on its PRS target points more to a fundamental misunderstanding of poverty. As shown in Figure 14, the social assistance caseload today is much less responsive to changes in the unemployment rate than it was in previous decades, suggesting that a greater proportion of social assistance recipients are further from the labour market. Unless the government does more to provide life stabilization in the form of income assistance, housing, and other supports, too few recipients will be deemed job ready, and even the best employment service system will not meet targets.

<sup>9</sup> Annual reports are available here: <https://www.ontario.ca/page/poverty-reduction-in-ontario#section-3>

**Figure 14: Longitudinal comparison of the percentage of Ontarians receiving social assistance and the unemployment rate, 1989-2019**



\*Social Assistance rates determined as a proportion of population under the age of 65

Source: Statistics Canada; *Trends in social assistance*<sup>10</sup>

## A call for transparency and reform

Based on the government's own performance-based outcome metric, our analysis shows that the IES system is not working for social assistance clients and other equity-deserving groups. In all three prototype catchment areas, poorer outcomes are persistent over time and come despite the presence of a performance-based funding scheme intended to promote more equitable outcomes between client streams.

The seeming failure of the IES system mirrors what we see in many of our social protection systems – such as education, health, housing, and social assistance – that are designed in ways that we know will leave many people behind.

Given mounting evidence that social assistance recipients are not receiving adequate support from either social assistance or IES, we call on the provincial government to act. It should explain the structural and funding reforms it will make to improve employment outcomes for those who are ready to work while progressively realizing everyone's right to an adequate standard of living.

10 Xhang, Z. (2025). Recent trends in social assistance. *Income Research Series – Statistics Canada*, 2025002. ISSN: 2819-232X. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2025002-eng.htm>

The total lack of transparency around the ongoing transformation of employment services also remains of fundamental concern for Maytree, and our conversations with the sector suggest it is seriously undermining trust in the new system.

We reiterate our call for the provincial government to implement a robust transparency framework, including the proactive and timely release of data.

Until the provincial government begins regularly publishing IES data on its own, Maytree will continue to request and publish this data. We invite others in the sector to engage with this data and to reach out to us at [policy@maytree.com](mailto:policy@maytree.com) with ideas for additional avenues of investigation.



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