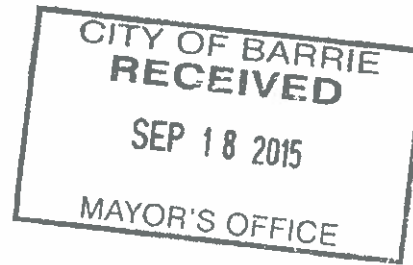




September 8, 2015

City of Barrie
70 Collier St., Box 400
Barrie, ON L4M 4T5



To the Attention of: His Worship Mayor Jeff Lehman

Dear Mayor Lehman:

Thank you so much for being such a great supporter of small business and the Business Enterprise Resource Network. Our clients from the Ontario Self Employment Benefit program have always appreciated your attendance at our various trade shows and business launches.

This letter is a request to you to support a resolution of your council, asking the province to reconsider its planned cancelation of the Ontario Self Employment Benefit program next March. It has been a significant source of employment and new business in Barrie and area.

As a quick reminder we were incorporated as a not for profit organization in 1999 to help develop and support small business and new entrepreneurs. For the past 13 years we have been the delivery agent for the Self Employment Benefit program. 7 years ago the program was moved from the Federal government to the Ontario Provincial government. It is a 42 week program that helps those individuals who meet various EI eligibility requirements to make a job for themselves through self-employment.

It was with great disappointment for us and our potential clients that the Ontario government announced the Ontario Self Employment Benefit program (OSEB) will cease as of March 31, 2016. This affects all 61 OSEB service providers throughout Ontario. It is a great blow to all of us. The program has been running with an extremely high rate of success for over 25 years and has helped thousands of people and the economy.

We have collected solid statistics that can prove that the reasons given by the ministry used to make the decision to end the program are incorrect. I am submitting to you our local statistics that show that we have over an 80% completion rate. Many of the OSEB service providers in Ontario have also stated the same or higher statistic.

Any clients that have left the program leave for an excellent reason, they have accepted full time employment and that we believe is the intent of Employment Ontario. We took a snap shot of the economic benefit generated by BERN/OSEB clients over a 12 month period and found they had gross sales of \$1,871,565 in addition to hiring 84 additional employees.

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Many of our clients are not natural entrepreneurs and are in the situation of starting their own business due to lack of employment for a number of reasons; older workers that have been downsized, seasonal workers, limited transportation, lack of quality jobs etc.

Learning in a supportive group environment with a specialized business program like ours has been the most effective model for making the change from being an employee to self-employed for these marginalized people. We have had many notes and emails from our past clients offering their testimony on how the Self Employment Benefit has helped them.

The current Ontario government is directing some funds towards the Ministry of Economic Development, Employment and Infrastructure but that is to support the Provincial Enterprise Centres to hold business seminars and workshops.

This, however, does not address the unemployed person that finds it extremely hard to self-direct and make the move to self-employment further more most do not have the funds to live and start a business on their own. Along with a tailored business program OSEB gave them a small living allowance (some through EI) while starting their business so that the money made can be directed back into the business. It is a well known fact that for a business to be fully successful the income made from the business should be invested back into the company in the first few years.

I am hoping that you will understand the situation of the people that cannot find employment and that would have a difficult time starting a business on their own without the support of a program like a self-employment benefit. It is interesting to note that in the Canada Employment Insurance Act states:

59. The Commission may establish employment benefits to enable insured participants to obtain employment, including benefits to

- (a) encourage employers to hire them;
- (b) encourage them to accept employment by offering incentives such as temporary earnings supplements;
- (c) help them start businesses or become self-employed;
- (d) provide them with employment opportunities through which they can gain work experience to improve their long-term employment prospects; and
- (e) help them obtain skills for employment, ranging from basic to advanced skills.

This program provides a solution for the difficulties faced by marginalized unemployed people especially in rural areas: self-employment for older workers, areas with limited or no public transportation, seasonal worker, and areas with low level incomes.

Participants make jobs for themselves and others as they contribute to the economy at all levels and relieve financial dependency and burden on social supports like mental and physical health organizations. We have included with this letter some very specific data that can be verified that proves that the Self Employment Benefit works.

The cancellation of this very successful program leaves a huge gap and we would like to ask for your support and assistance through a City of Barrie Council Resolution to request MTCU (Ontario Ministry of Training Colleges & Universities) to reinstate the program. Please see attached resolution. I have also attached the resolution that the North Grenville Council had passed July 27, 2015. Other municipalities are also following their lead.

Please let me know if you require further information or if you would like us to appear before council to provide more information.

Thank you so much.

Sincerely,



Cathy Greer
Executive Director

cc: City of Barrie Council

B. Ainsworth, R. Romita, D. Shipley, B. Ward, P. Silveira, M. Prowse, J. Brassard, A. Kahn,
S. Morales, M. McCann

Enc.

Self-Employment Benefit Program in a Nutshell (BERN Barrie/sSimcoe Cty)

- Deals with people who are difficult to employ
- Pays for itself in 18 months, and keeps on paying. Without it, public spending will rise.

Measurement	BERN Barrie startups	Compare to
Survival Rate of startup, after 1 year	93%	74% of all Canada startups, 0-1 employee ⁱⁱ
Survival Rate, after 2 years	75%	57% of all Canada startups, 0-1 employee ⁱⁱⁱ
Survival Rate, after 5 years	67%	35% of all Canada startups, 0-1 employee ^{iv,v}
clients per year (avg. 2010-14)	42	Roughly 12,000 Canada wide
Known BERN Barrie businesses still open from this period	207	
Approx. current population of BERN Barrie/south Simcoe County	213,000	
% of clients who complete Program (5 yr avg)	91%	
Payback, in terms of EI dollars saved <i>alone</i>		3.9 years ^{vi} (Canada SEB programs)
"complete social rate of return" including tax revenue, local spinoffs, employment, reduced use of assistance		Payback 18 months after program ends ^{vii} (Canada, SEB programs)

- Participants are less likely to use EI or social assistance^{viii,ix}.
- Programs exist in most OECD countries.
- SEB programs help economies adjust to shifting industrial structure. People are absorbed from dying industries and SEB helps new industries start.
- This work is of value to the region, province and country, and saves taxpayers money.
- Success metric used by Ontario MTCU: # of participants working full-time on their business with business being primary source of income 3 months after exit from 10-month program.
- Reality: a great many are still working part time for cash during their second year. Fast-growing businesses rarely generate cash^x.
- Our recommended success metric: For the cohort served, Payback under 3 years in terms of reduced average social assistance and tax revenue generated.

ARGUMENTS AGAINST SELF EMPLOYMENT PROGRAMS

- Ontario says "Only half of clients complete the program"^{xi}. This is false by a huge margin. Rates reported by service providers are all over 90% completion.
- "Deadweight"... supporting businesses that would have started anyway, may reduce UI payback to over 6 years, according to one study. BUT, you can see from table above that survival probability of participant businesses is more than double that for the average Canadian startup.
- In other words, it would likely pay to give the Self Employment Program to ALL startups.

REFERENCES

- ⁱ Graves, F. and B. Gauthier. 1996. *Evaluation of the Self-Employment Assistance Program - January 1995*, HRSDC , <http://www.hrsdc.gc.ca/eng/cs/sp/hrsdcedd/reports/1995-000396/page04.shtml> (viewed Oct 28, 2010), p. 77.
- ⁱⁱ Macdonald, R. 2012. *Firm Dynamics: The Death of New Canadian Firms: A Survival Analysis of the 2002 Cohort of Entrants to the Business Sector*, Minister of Industry, p. 20.
- ⁱⁱⁱ Macdonald, p. 20.
- ^{iv} Guillemette, D. 2004. *Small and Medium-sized Enterprise Outlook, August 2004*, prepared by NRC-IRAP SPTT Group, , http://www.fptt-pftt.gc.ca/pdf/irap_sme_outlook.pdf (accessed 20 May 2015), p. 3.
- ^v Macdonald, p. 20.
- ^{vi} Graves and Benoit, p. 77.
- ^{vii} Graves and Benoit, p. 77.
- ^{viii} Graves and Benoit, p. 5.
- ^{ix} *Employment Insurance Monitoring and Assessment Report, 2013/14*, <http://www.esdc.gc.ca/en/reports/ei/monitoring2014/chapter3.page#h2.3>
- ^x Henderson, Bruce D. "The Product Portfolio", https://www.bcgperspectives.com/content/classics/strategy_the_product_portfolio/, accessed 10 June 2015.
- ^{xi} Nazar, M. May 2015. *Why did you decide to end the program? Will there be a new program replacing it?* (Press release), Ministry of Training Colleges and Universities.

Key OSEB statistics, Ontario from OSEB Providers

	Population	5 year survival	Clients	Completion rate	businesses
22 of 23 CFDCs	1,400,000	NA	2056	87%	1777
Durham	608,124	58%	462	91%	350
Niagara Region Southern Tier	192,000	73%	255	84%	NA
National Capital Region Y	983,000	50%	605	89%	391
BERN Muskoka	58,047	76%	145	94%	139
BERN Orillia	73,186	84%	110	91%	92
BERN Collingwood	66,321	74%	153	83%	136
BERN Barrie	137,493	67%	234	91%	191
TOTAL/weighted average	3,518,171	63%	4020	88%	3076

Council passes resolution requesting OSEB program reinstatement

Jennifer Westendorp

Kemptville Advance | Aug 05, 2015

The Municipality of North Grenville wants the Ontario Self-Employment Benefit (OSEB) program reinstated immediately.

"The MTCU (Ministry of Training, Colleges and Universities) is ending the Ontario Self-Employment Benefit Program," said Mayor David Gordon.

The municipality received correspondence from Leeds Grenville MPP Steve Clark, stating: "I've been contacted by many of you asking for an action plan regarding the reinstatement of the Ontario Self-Employment Benefit program. During the summer, I would appreciate your support in having all councils in Leeds Grenville pass the motion that's attached and copied below. I am also going to be asking the Eastern Ontario Mayors' Committee and Eastern Ontario Wardens' Caucus to support this request."

The OSEB program was designed to provide unemployed individuals who are or recently have been eligible for Employment Insurance with income and entrepreneurial support while learning to operate a small business.

Gordon explained in Leeds Grenville there is 83 per cent completion rate of the program over the past five years, resulting in 197 new businesses and 204 new jobs.

"About 63 per cent of those businesses remain open today," said Gordon. "This proves the program has been successful in Leeds Grenville."

The resolution explained the MTCU's position that entrepreneurial support is available from other service providers overlooks the fact it has not replaced the essential income support component.

He said North Grenville wants to see the OSEB program reinstated immediately.

"This program has been successful in creating employment for people in Leeds Grenville," said Gordon.

"I know of several people who have gone through the OSEB program successfully," said Coun. Tim Sutton. "It's an important program for the community and it's been very successful here. It was administered through the Grenville Community Futures Development Corporation."

A resolution was put before council to recognize the value of the OSEB program to rural communities by requesting the MTCU to immediately reinstate the program until a formal evaluation – which must include input from delivery agencies and participants – is completed. The resolution also stated: "the Ministry ensure any changes to the OSEB program retain both the entrepreneurial and income-support components that have made it successful."

It was carried unanimously by council.

Resolution No. _____

Moved by _____ and seconded by _____ that

WHEREAS the Ministry of Training, Colleges and Universities (MTCU) announced in May that it is ending the Ontario Self-Employment Benefit (OSEB) program;

AND WHEREAS the OSEB program was designed to provide unemployed individuals who are or recently have been eligible for Employment Insurance with income and entrepreneurial support while learning to operate a small business;

AND WHEREAS the program has an 91% completion rate in Barrie – south Simcoe over the past 5 years and 67% of the businesses launched remain open, well above Industry Canada's reported 5-year survival rate for small businesses;

AND WHEREAS the 210 new businesses launched by OSEB graduates in Barrie – south Simcoe in the past 5 years sustain 207 jobs, demonstrating it is successful in giving participants a pathway to self-employment and is also an important rural economic development tool;

AND WHEREAS OSEB programs from regions across Ontario have reported similar statistics;

AND WHEREAS MTCU's position that entrepreneurial support is available from other service providers overlooks the fact it has not replaced the essential income support component;

NOW THEREFORE BE IT RESOLVED THAT the City of Barrie recognizes the value of the Ontario Self-Employment Benefit program to Ontario communities and requests the Ministry of Training, colleges and Universities immediately reinstate the program until a formal evaluation — which must include input from delivery agencies and participants — is completed; and further that the Ministry ensure any changes to the OSEB program retain both the entrepreneurial and income-support components that have made it successful.

Carried _____ by City of Barrie Council