

# Six Month Offer evaluation: Findings from the longitudinal claimant survey

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This report presents summary findings from one part of the evaluation of the Six Month Offer (6MO). As part of a package of measures implemented in 2009 in response to the economic recession, the 6MO gave all claimants reaching six months unemployment extra advisory help from Jobcentre Plus advisers. In addition, claimants were given the opportunity to participate in four voluntary strands of activity:

1. volunteering opportunities to improve employability;
2. access to work-focused training;
3. a recruitment subsidy for employers; and
4. help to become self-employed.

A survey of a random sample of Jobseeker's Allowance (JSA) claimants conducted in February 2010<sup>1</sup> found that at a point one year after the start of their claim, five per cent had taken up the Volunteering Strand, 11 per cent had taken up the Training Strand, six per cent had used the self marketing voucher that attracted the recruitment subsidy and had entered paid work<sup>2</sup> and five per cent had taken up support to become self employed.

<sup>1</sup> This was the Stage 3/comparison survey conducted as part of the Jobseekers Regime and Flexible New Deal (JRFND) Evaluation. Findings relating to awareness and take-up of the 6MO strands drawn from this survey data are detailed in Adams *et al.*, *Evaluation of the Six Month Offer: A report on quantitative research findings* (DWP Research Report No. 699, 2010).

<sup>2</sup> Over a third (34 per cent) had used the self marketing voucher in interviews or job applications. It was not possible to determine the proportion of claimants that entered a job attracting the recruitment subsidy from the survey data. The six per cent quoted above is a proxy (and is based on those that made use of the voucher and entered paid work). Note that participation in the recruitment subsidy bulk billing route was not assessed in this survey.

As part of the process evaluation of the 6MO, all claimants who took part in the voluntary strands were interviewed at a point soon after they entered Strand activity (between three and 12 months later). For recruitment subsidy claimants this represented the point at which they entered the job role that attracted the subsidy. They were then followed up a year after this initial interview (between 15 and 24 months after entering the Strand) to provide preliminary information on the longer-term outcomes secured. This report details summary findings on these longer-term outcomes taken from the follow-up survey. This analysis will be supplemented with statistical impact analyses that will be reported on in 2012<sup>3</sup>.

## Volunteering Strand

At the time of the follow-up interview, just over a third of all participants (34 per cent) were in paid work. This is just over double the proportion in paid work a year previously. Just over half of all participants were claiming JSA and 12 per cent were neither in paid work nor claiming JSA.

Over two-fifths of those who had entered work since the initial interview (43 per cent) believed their volunteering placement helped them get the role. Hence, there is a suggestion that participation has led to positive outcomes for some. Eleven per cent of all participants had entered paid work since the initial interview and believed the support helped them get there.

<sup>3</sup> The differences in outcomes of strand participants described here do not represent estimates of net impact. The impact study will obtain the net impacts on outcomes for strand participants by using propensity score matching methods.

Where claimants had been successful in finding work, jobs were typically quite low paid (29 per cent said they were no better off than they had been on JSA). That said, participants tended to be employed on a permanent basis (59 per cent) and three-quarters (73 per cent) believed the job was a good match for their skills, experience and interests.

A minority (13 per cent) had remained in the same unpaid role. Just over a third of these participants reported progression of some sort in the role over the course of a year (either in terms of hours or responsibilities) indicating that these claimants may have seen a positive development in terms of skills gained but these claimants represented a small proportion of participants at an overall level.

Instances of participants moving into a paid role with their volunteering placement provider were rare (three per cent of all strand participants had done so). It would seem that volunteering placements did not themselves lead to paid work within the same organisation and that in the majority of cases participants did not take on more responsibilities over the course of long term placements.

The proportion of claimants in paid work at the follow-up stage is slightly lower than previous survey evidence has found to be the case for a cross-section of claimants reaching six continuous months of unemployment<sup>4</sup>. However, there was evidence to suggest that those participating in the Volunteering Strand were more likely to face greater barriers to work than participants of some of the other 6MO Month Offer strands or claimants at this stage in

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<sup>4</sup> The evaluation of JRFND involved a survey of claimants who reached the six month point of their claim. They were interviewed initially at a point around 12 months after their claim start date and then again a further 12 months later. This group are an imperfect comparison both because only flow claimants were included in the JRFND survey and because the 'sampling window' was much shorter than for the 6MO survey cohort. However, as an indication, the survey of claimants who reached the six month points of their claim conducted as part of the JRFND evaluation found that 43 per cent of claimants were in paid work at the follow-up interview stage.

their claim more generally. They were more likely to be older, repeat claimants and to be longer term claimants (over a quarter had claimed continuously for more than a year before being referred to the Volunteering Strand).

## Work-focused Training Strand

Thirty-eight per cent of Training Strand participants were in paid work when surveyed 15 to 21 months after starting the 6MO training. Just under half of participants (48 per cent) were claiming JSA at the time of the follow up interview and 14 per cent were neither in paid work nor claiming.

When those who had left any paid employment by the time of the follow-up interview were factored in, just over half reported some experience of paid work over the 12 month period between the initial and follow-up interview.

A fifth of those who had entered paid work since the initial interview said that their 6MO training course or related work placement/experience definitely helped them secure the job and around a further fifth said it probably helped. This equates to 11 per cent who had entered paid work since the initial interview and who believed the support received had played a part in getting that role.

Training Strand participants were more likely than those taking part in the Volunteering Strand to say that in work earnings made them no better off financially than they had been claiming JSA. However, reasonably high proportions – and markedly high in the case of younger people – believed that their employer will offer training to help them progress.

As with the Volunteering Strand, those participating in the Training Strand were more likely to face greater barriers to work than participants of some of the other 6MO Strands: they were more likely to be repeat claimants and more likely to have no or low qualifications.

## Recruitment Subsidy Strand

At a point 15-24 months following entry into employment attracting the recruitment subsidy, three-quarters of claimants were still in paid work (75 per cent) and only a relatively small proportion had returned to claiming JSA (16 per cent).

Not all of these were still working for the employer who received the recruitment subsidy although half (47 per cent) continued to be employed in their subsidy roles. On average, recruitment subsidy claimants had spent just over nine of the 12 months between the initial and follow-up interviews in work.

Claimants who had entered roles attracting the recruitment subsidy via the bulk billing route<sup>5</sup> were less likely still to be working for the same subsidy employer but they were no more or less likely to be in paid work. Differences in the likelihood to remain with the subsidy employer were already evident at the time of the initial interview and it is largely these differences reflected at the follow-up stage (bulk billing claimants who were in the role attracting the subsidy at the time of the initial interview were no more or less likely to have remained in this role than claimants who had used the self-marketing voucher).

High proportions of claimants remaining within the same role have seen positive developments in terms of responsibilities, salary, hours or contractual arrangements. Similarly, a high proportion of claimants who have moved from their original subsidy role to another employer have seen positive improvements in salary, hours or contract status.

## Self-Employment Strand

Seventy-six per cent of Self-Employment Strand participants were in paid work at the follow-up interview, a slight increase from the 71 per cent who were already in paid work at the time of the initial interview 12 months previously. Seventeen per cent were claiming JSA and seven per cent were neither working nor claiming.

Nearly three-fifths (56 per cent) reported self employment as their main activity at the time of the follow-up interview, and around half of all Self-Employment Strand participants had remained in self-employment throughout the 12 month period between the two interviews.

Prior experience of self-employment appears to have had an influence on achieving self-employment as an outcome. Sixty-five per cent of those with prior experience reported self-employment as their main activity at the follow up interview, compared with 52 per cent of those with no prior experience.

Those who had received Self Employment Credit (SEC) as part of the Self-Employment Strand were more likely to have experienced paid work at some point in the 12 months. They also tended to have established themselves in self-employment more quickly than those receiving support only.

Eighty-nine per cent of those in self-employment, and 86 per cent of those in paid work with an employer reported that their current role was a good match for their skills, experience and interests. Self-employed participants were more likely to strongly agree that this was the case.

However, those with an employer were more likely than those in self-employment to report being better off than when claiming JSA.

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<sup>5</sup> Subsidies to employers with whom Jobcentre Plus had a formal relationship were made via the bulk-billing route. In these cases a single lump sum payment was made for each individual taken on. For other employers, payment was made via the 'voucher route' whereby payment was divided into two parts with the second payment made if the individual had not returned to JSA within 26 weeks.

## Conclusions

The key conclusions that can be drawn from the follow-up interviews are that:

1. Looking across findings from all four strands, the work outcomes that were achieved at the initial interview have proved sustainable to the medium-term. Within the Self-Employment and Recruitment Subsidy Strands the relatively high proportions of participants already in paid work by the initial interview were sustained by the follow-up interview; whilst, within the Volunteering and Training Strands, the proportions in paid work more than doubled. Majorities of individuals within each strand progressed with their employer in terms of hours, responsibilities, pay and/or contract status over the 12 months between their initial and follow-up interviews.
2. Similarly, the indications for ongoing sustainability of work outcomes were broadly positive. Across all four strands a majority of those working for an employer were on a permanent contract, the majority considered their current job to be a good match for their skills, experience and interests and most felt that they were better off financially than they had been while claiming JSA.
3. However, within each Strand there was a significant minority who said they were no better off financially and whose employment outcomes might therefore be considered vulnerable. This was particularly likely to be the case for those who participated in the Self-Employment Strand and had entered self-employment.
4. Receipt of SEC as part of the Self-Employment Strand appeared to be associated with getting up and running in self-employment more quickly (although longer term employment outcomes were similar irrespective of whether or not SEC had been part of the initial support or not).
5. Where employers received a one-off payment (under the bulk-billing route) individuals were less likely to remain in employment than those working for employers who received the recruitment subsidy payments in two parts. Where payments were made in two parts, it might be expected that that following the second payment there would be an increase in returns to JSA but there is no evidence from this survey to suggest this happened. This indicates that the staged payment approach was associated with sustained employment.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 908523 15 0. Research Report 769. August 2011).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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