

Early Analysis of Future Jobs Fund participant outcomes – Update

March 2011

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Background

The Future Jobs Fund (FJF) is a fund to support the creation of jobs, lasting for up to six months, for young jobseekers and disadvantaged older jobseekers between October 2009 and March 2011. The Future Jobs Fund is a key element of the Young Persons Guarantee (YPG). The main aim of the FJF is to build skills and work experience for disadvantaged young jobseekers to assist them in securing long-term unsubsidised employment. Further information is available from:

<http://campaigns.dwp.gov.uk/campaigns/futurejobsfund>

This publication is an update to a piece of ad-hoc analysis previously published on DWP's Ad-hoc Analysis site on 9th November 2010. From April 2011 this analysis will be updated and published on a quarterly basis in line with the code of practice for official statistics. The content of this publication will be reviewed ahead of the April 2011 release.

This update expands the analysis undertaken in the November publication to:

1. Track the outcomes from the original November publication cohort of FJF participants for a longer time period; and
2. Track a larger cohort of FJF participants for the same length of time as the November 2010 publication. The purpose of this is to test if the outcomes identified for the original cohort are consistent across a larger cohort of FJF participants.

Methodology

To identify the outcomes of young FJF participants we have undertaken the following activity:

- Identified two cohorts of 18 to 24 year old FJF participants who started FJF between:
 1. October and November 2009, in line with the November publication, and
 2. October 2009 and March 2010.
- The cohorts of young FJF participants have been merged with the National Benefits Database to identify how many FJF participants were claiming benefits (Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) / incapacity benefits (IB), and Income Support (IS)) at various intervals following starting FJF. Please note this requires merging data between multiple administrative systems which may not match perfectly.
- Previously, FJF starts were only included in this analysis where a valid benefit record existed immediately before the start and where this spell on benefits lasted six months or longer. These selection criteria have been removed to ensure that we include as many FJF starts as possible in our cohorts.

- The outcomes for FJF participants have been tracked for eleven months for the first cohort of participants and seven months for the second.
- There are challenges in finding a suitable comparison group for this sub-group of FJF starters. In this instance we have tracked two comparison groups:
 1. For the first cohort we have identified 18 to 24 year olds who reached nine to twelve months unemployment and left to employment (excluding FJF) between 1st October 2009 and 30th November 2009.
 2. For the second cohort we have identified 18 to 24 year olds who reached nine to twelve months unemployment and left to employment (excluding FJF) between 1st October 2009 and 31st March 2010.
- The original comparison group was chosen for the November 2010 publication because the bulk of FJF participants had been claiming JSA for between nine and 12 months when they started FJF. For this publication we have used the same comparison group. To identify leavers to employment we have used the recorded benefit destination from Jobcentre Plus administrative systems, however this includes a large number of unknown destinations.
- The main difference between the FJF cohort and comparison group is that the policy intent of FJF was to target disadvantaged young people who would not have found employment without the policy, whereas the comparison group have obtained employment in the open labour market.
- Comparison group sizes may have been affected by the existence of other available work programmes, such as New Deal for Young People and additional Young Person's Guarantee strands.
- For those individuals with multiple FJF starts we have only included their first FJF start during the cohort period.
- Months are defined as 28 days for the purpose of this analysis.

Results

1. Original November publication cohort tracked over a longer period

The table below tracks the benefit outcomes of the original November publication cohort of FJF participants for 11 months following their FJF start.

Table 1: Proportion of FJF participants claiming working age benefits post FJF

| October 2009 - November 2009 Cohort | JSA | ESA/IB | IS | Total |
|-------------------------------------|-------|--------|------|--------------|
| On benefits 1 month after start | 2.1% | 0.3% | 0.2% | 2.6% |
| On benefits 2 months after start | 2.5% | 0.3% | 0.3% | 3.0% |
| On benefits 3 months after start | 3.6% | 0.5% | 0.5% | 4.5% |
| On benefits 4 months after start | 5.8% | 0.8% | 0.4% | 7.0% |
| On benefits 5 months after start | 7.3% | 1.1% | 0.5% | 8.8% |
| On benefits 6 months after start | 9.1% | 1.4% | 0.7% | 11.0% |
| On benefits 7 months after start | 46.6% | 3.2% | 1.0% | 50.4% |
| On benefits 8 months after start | 51.9% | 3.3% | 1.2% | 56.0% |
| On benefits 9 months after start | 52.6% | 3.5% | 1.3% | 56.9% |
| On benefits 10 months after start | 52.3% | 3.5% | 1.4% | 56.8% |
| On benefits 11 months after start | 48.6% | 3.7% | 1.3% | 53.2% |
| Cohort Size | | | | 2,000 |

Source: FJF Evaluation Database (Jan 2011) and National Benefits Database (Oct 2010)

Note: Due to small numbers of unknown benefit records and rounding the sums of individual cells may not add up to totals.

Our analysis shows that small numbers of FJF participants claim benefits during the six months following their FJF start, which we would expect because FJF jobs last for six months.

It should be noted that FJF participants may claim JSA for a short period following completion of their FJF placement, which last six months, before they make the transition into unsubsidised work.

Around half of FJF participants were claiming benefit seven months after starting FJF, a rate that continues to increase after eight, peaks at nine and then decreases in more recent months.

The table below tracks the benefit outcomes of the first comparison group.

Table 2: Proportion of young JSA leavers claiming working age benefits following leave to non FJF employment

| October 2009 - November 2009 Cohort | JSA | ESA/IB | IS | Total |
|--|------------|---------------|-----------|--------------|
| On benefits 1 month after start | 8.5% | 0.6% | 0.1% | 9.2% |
| On benefits 2 months after start | 19.1% | 1.3% | 0.4% | 20.9% |
| On benefits 3 months after start | 27.0% | 1.8% | 0.6% | 29.5% |
| On benefits 4 months after start | 29.6% | 2.4% | 0.8% | 32.7% |
| On benefits 5 months after start | 29.1% | 2.4% | 0.7% | 32.2% |
| On benefits 6 months after start | 29.8% | 2.5% | 1.0% | 33.3% |
| On benefits 7 months after start | 31.4% | 2.7% | 1.1% | 35.2% |
| On benefits 8 months after start | 30.9% | 2.8% | 1.1% | 34.8% |
| On benefits 9 months after start | 30.2% | 2.7% | 1.3% | 34.2% |
| On benefits 10 months after start | 29.6% | 3.0% | 1.3% | 33.8% |
| On benefits 11 months after start | 28.5% | 2.8% | 1.3% | 32.6% |
| Cohort Size | | | | 3,940 |

Source: National Benefits Database (Oct 2010)

Note: Due to small numbers of unknown benefit records and rounding the sums of individual cells may not add up to totals.

Results for the comparison group show that around a third of young JSA claimants leaving for non-FJF employment were claiming benefits eleven months after they started employment.

The tables above show there is a difference in tracked benefit outcomes of FJF participants and the comparison group. However this variation could be the result of differences in customer and job characteristics of the two groups as outlined in the methodology section.

2. Larger cohort of FJF participants tracked for seven months

The table below tracks the benefit outcomes of a larger cohort of FJF participants for seven months.

Table 3: Proportion of FJF participants claiming working age benefits post FJF

| October 2009 - March 2010 Cohort | JSA | ESA/IB | IS | Total |
|---|------------|---------------|-----------|---------------|
| On benefits 1 month after start | 2.2% | 0.4% | 0.2% | 2.8% |
| On benefits 2 months after start | 2.9% | 0.6% | 0.2% | 3.7% |
| On benefits 3 months after start | 3.9% | 0.8% | 0.3% | 4.9% |
| On benefits 4 months after start | 5.3% | 1.0% | 0.3% | 6.6% |
| On benefits 5 months after start | 7.0% | 1.2% | 0.4% | 8.5% |
| On benefits 6 months after start | 9.2% | 1.4% | 0.5% | 11.1% |
| On benefits 7 months after start | 40.6% | 2.9% | 1.2% | 44.7% |
| Cohort Size | | | | 22,820 |

Source: FJF Evaluation Database (Jan 2011) and National Benefits Database (Oct 2010)

Note: Due to small numbers of unknown benefit records and rounding the sums of individual cells may not add up to totals.

This analysis produces a very similar pattern to the original early starter cohort i.e. the number of individuals on benefit remains relatively low up until seven months following their FJF start date. However, the larger cohort shows slightly fewer (44.7%) of participants are claiming benefit at this stage.

The table below tracks the benefit outcomes of the second comparison group.

Table 4: Proportion of young JSA leavers claiming working age benefits following leave to non-FJF employment

| October 2009 – March 2010 Cohort | JSA | ESA/IB | IS | Total |
|---|------------|---------------|-----------|----------------------------|
| On benefits 1 month after start | 9.7% | 0.8% | 0.3% | 10.7% |
| On benefits 2 months after start | 18.9% | 1.3% | 0.5% | 20.6% |
| On benefits 3 months after start | 24.2% | 1.7% | 0.7% | 26.6% |
| On benefits 4 months after start | 26.5% | 2.1% | 0.8% | 29.4% |
| On benefits 5 months after start | 27.4% | 2.2% | 0.8% | 30.5% |
| On benefits 6 months after start | 28.3% | 2.3% | 1.0% | 31.6% |
| On benefits 7 months after start | 29.2% | 2.5% | 1.1% | 32.7% |
| Cohort Size | | | | 7,890⁽¹⁾ |

Source: National Benefits Database (Oct 2010)

Note: Due to small numbers of unknown benefit records and rounding the sums of individual cells may not add up to totals.

⁽¹⁾ Cohort size is lower than expected as FJF jobs made up almost 40% of the available jobs within our second comparison group and were not included. The equivalent proportion for the original comparison group was around 20% which would be expected as FJF had just been introduced.

Results for the second comparison group show that around a third of young JSA claimants leaving for non-FJF employment were claiming benefits seven months after they started employment. This is in line with the results included in the November 2010 publication.

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