

# Early Analysis of Future Jobs Fund participant outcomes

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## Background

The Future Jobs Fund is a fund to support the creation of jobs 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>

## Methodology

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

- We have identified the cohort of 18 to 24 year old FJF participants who started FJF in October and November 2009.
- The cohort of young FJF participants has been merged with the National Benefits Database to identify how many FJF participants were claiming benefits at intervals following starting FJF. Please note this requires merging data between multiple administrative systems which may not match perfectly.
- FJF starts have only been included in this analysis where we can find matching JSA benefit records of six months plus prior to starting on FJF. This selection criteria was not used for the official statistics publication which reported on the total number of FJF starts. Consequently the number of FJF starts included in this analysis is less than the number recorded in the Young Person's Guarantee official statistics figures.
- The outcomes for FJF participants have been tracked for seven months because the current release of the National Benefits Database is available up to the end of June 2010.
- There are challenges in finding a suitable comparison group for this sub-group of FJF starters. In this instance we have tracked 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. This group has been chosen because the bulk of the FJF group had a previous JSA claim of 9-12 month duration when they started FJF. 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 and comparison group is that the policy intent of FJF was to target those disadvantaged young people who

would not have found employment without the policy, whereas the comparison group had obtained employment in the open labour market.

- 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. It should be noted that this is early analysis based on the first two months of FJF and may not be representative of the long-term performance of FJF.

## Results

The 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. Half of FJF participants are claiming benefit seven months after they started FJF, which may also reflect that FJF jobs last for up to six months. It should be noted that FJF participants may claim JSA for a short period after FJF before securing an unsubsidised work. Further tracking of benefit records eight, nine and ten months after starting FJF will provide a longer term picture of FJF outcomes.

**Table 1: Proportion claiming working age benefits following starting FJF**

	<b>FJF participants</b>
On benefits 1 month after start	2%
On benefits 2 months after start	3%
On benefits 3 months after start	4%
On benefits 4 months after start	7%
On benefits 5 months after start	9%
On benefits 6 months after start	10%
On benefits 7 months after start	50%
Base	1,270

Source: FJF Payments Data and National Benefits Database

Thirty-five per cent of young JSA claimants leaving for non-FJF employment are on benefits seven months after they started employment.

**Table 2: Proportion claiming working age benefits following leave to employment**

	Young JSA leavers to employment
On benefits 1 month after start	9%
On benefits 2 months after start	21%
On benefits 3 months after start	30%
On benefits 4 months after start	33%
On benefits 5 months after start	32%
On benefits 6 months after start	33%
On benefits 7 months after start	35%
Base	3,940

Source: National Benefits Database

The tables above show there is a difference in tracked benefit rates between these two groups. However this variation could be the result of differences in customer and job characteristics of the two groups as outlined in the methodology section.

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