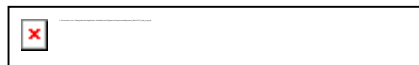
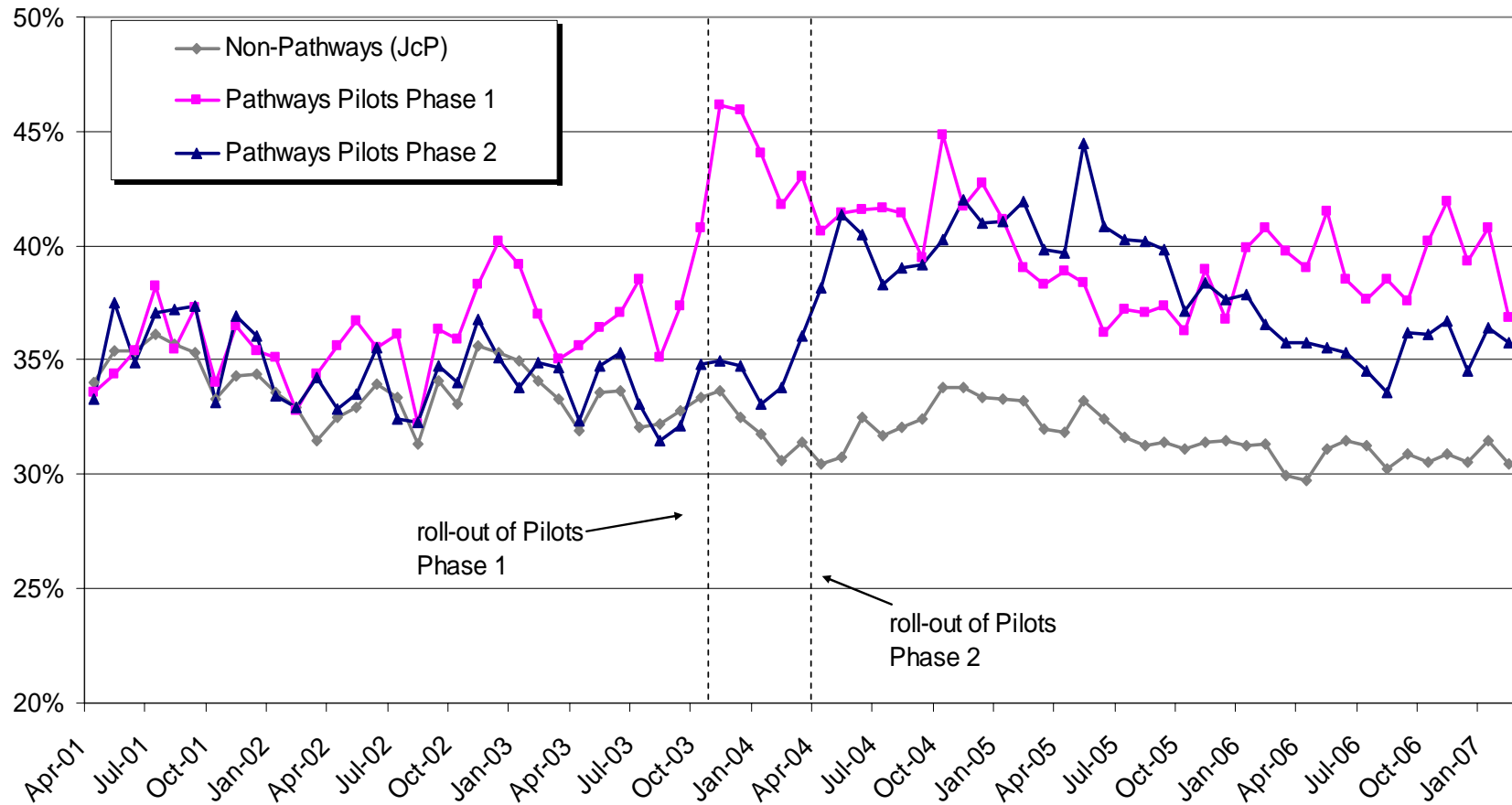


# Employment Retention and Advancement

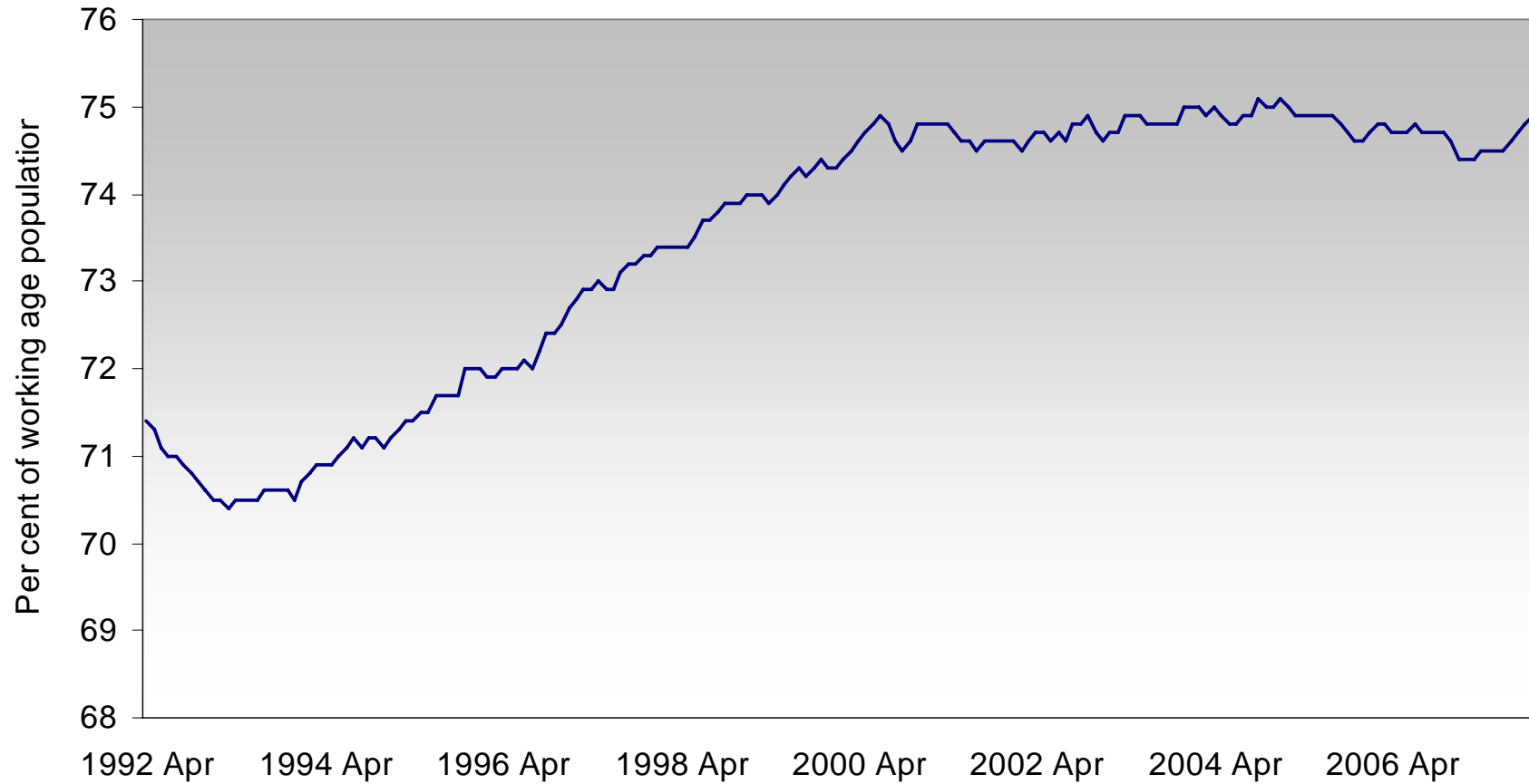
Jonathan Portes

Chief Economist, Department for Work and Pensions

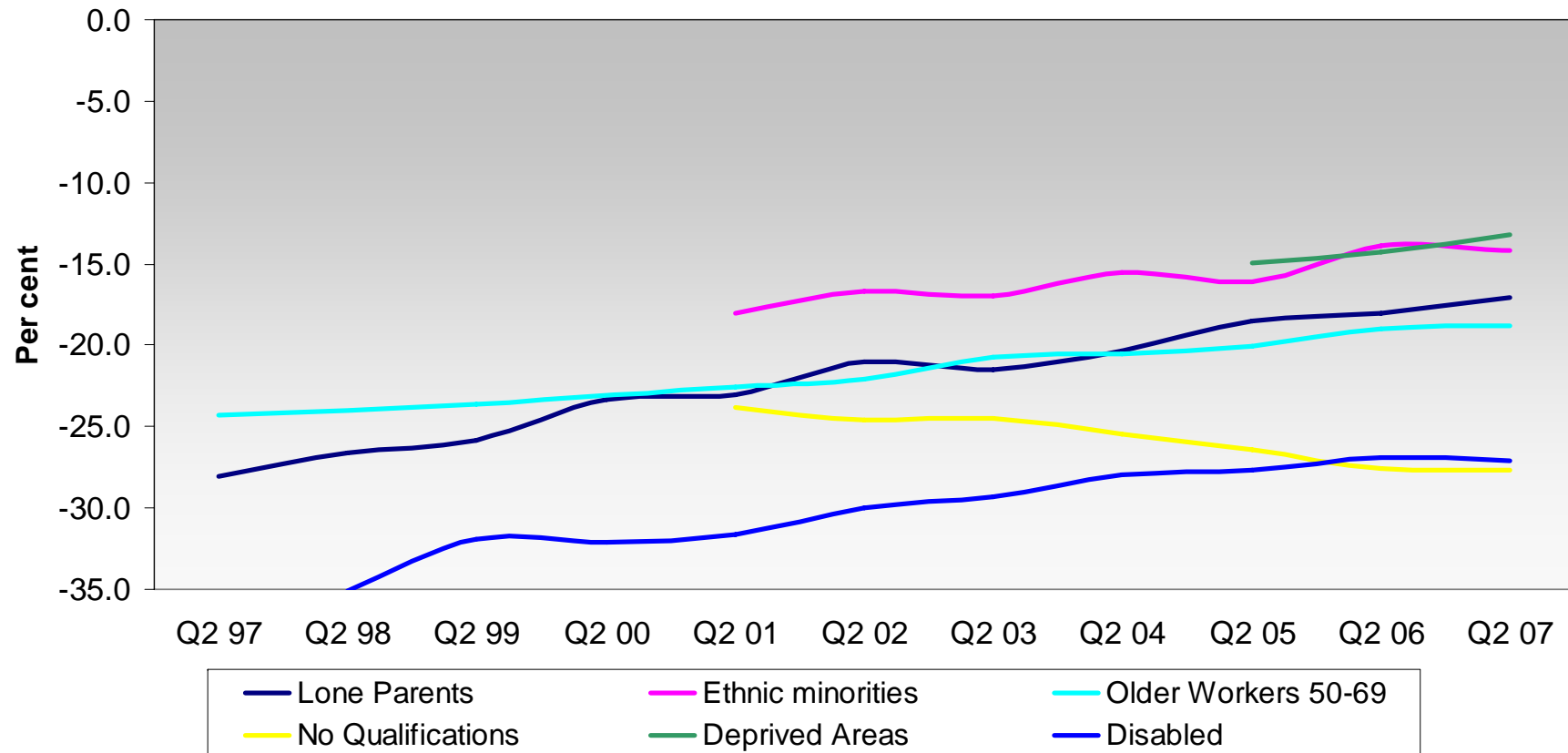




- Background and policy environment
- Random Assignment
- Evaluation
- Service Delivery
- Impacts
- Next Steps



Gap between GB rate and the employment rate of disadvantaged groups



“Individuals can find it as hard to move from a low paying job to a sustainable and better paid job, as to move from welfare into work. And for many, stuck in a job with little prospect of progression, it can be very difficult to find ways to move on and move up.”

Opportunity, Employment and Progression: Making Skills Work, DIUS/DWP, November 2007

- A Post-employment service to target retention and advancement
- ‘Next step’ in welfare to work agenda: built on New Deal service
- High profile policy area

- Designed to trial RCT in UK
- Developed through cross Government collaboration
- Conducted by consortia: MDRC, PSI,ONS,IFS
- Operational phase Oct 03-Nov 07, evaluation until 2011



## **Participants**

- New Deal for Lone Parents (NDLP)
- Lone parents working part time and receiving Working Tax Credit (WTC)
- New Deal 25 Plus (ND25+); 18 month plus unemployed

## **Demonstration sites**

- Six JCP districts (60 offices), about 7-8% of country
- Selected Purposively

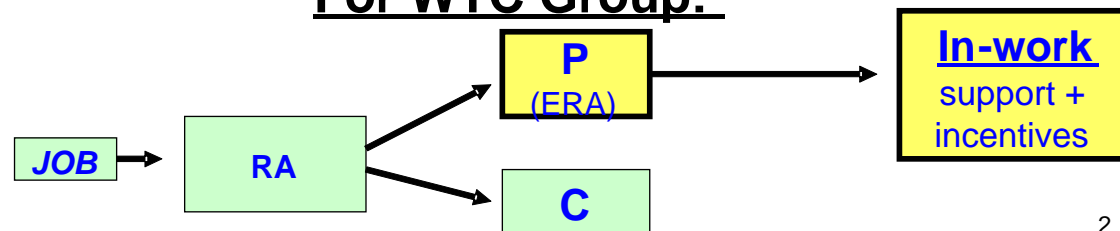
- 33 months
- Pre-employment support (as New Deal)
- In-work support:
  - **Adviser Support**
  - **Emergency Discretion Fund**
  - **Retention bonus:** £400 (up to six times)
  - **Training fees:** Up to £1000
  - **Training bonus:** Up to £1000



For ND25+ and NDLP Groups:



For WTC Group:



2

- Completed successfully
- 16,384 customers randomly assigned
- Participants & staff positive about process-control group viewed process as fair
- Internally valid: no systematic difference between P & C

	<b>Characteristic</b>	<b>P (%)</b>	<b>C (%)</b>
<b>Gender</b>	Male	36	36
	Female	64	64
<b>Ethnicity</b>	White	83	83
	Other	16	16
<b>Age</b>	Under 25	11	12
	25 – 34	36	37
	35 – 44	33	32
	45 and older	20	19
<b>Education</b>	Degree	6	6
	A-levels	5	5
	GNVQ	2	2
	GCSE	27	27
	NVQ	14	13
	Other	19	20
	None	27	27
<i>Base</i>		8,206	8,178

- Process study
- Impact Study
- Cost study / Cost-benefit analysis

- **Customer Surveys** (12/24 months)
- **Administrative Records**
- (Benefits, employment, earnings)
- **ERA bonus receipt data**
- **Base line data**
- **Qualitative interviews/observations**

- Key measure of outcomes
- Large sample
- Subset of all participants – can we generalise to full-sample?
- ND25 Plus: low response, limited use of survey data.



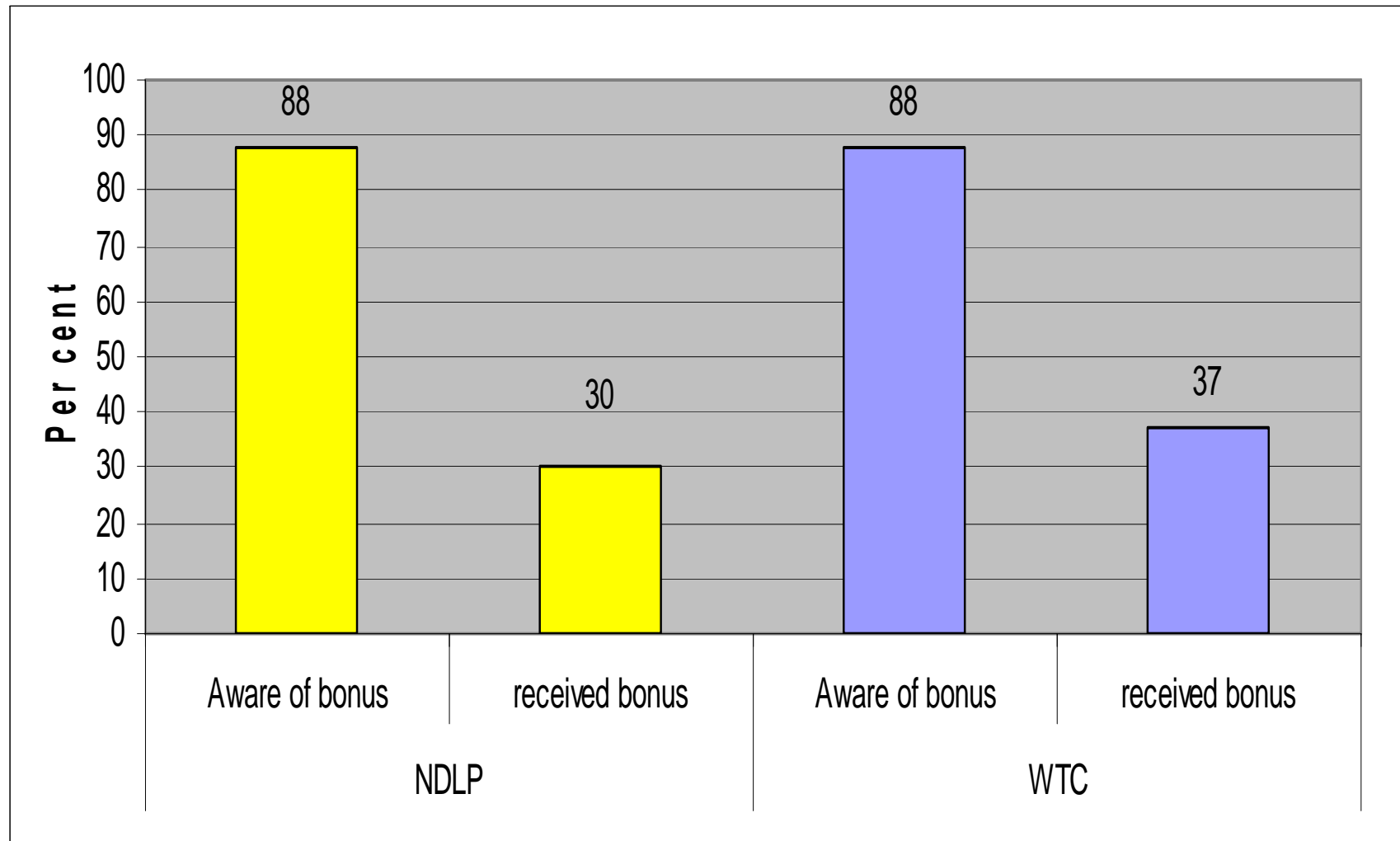
## Employment Retention and Advancement

NDLP: Comparison of impacts of full sample and survey sample, using administrative data

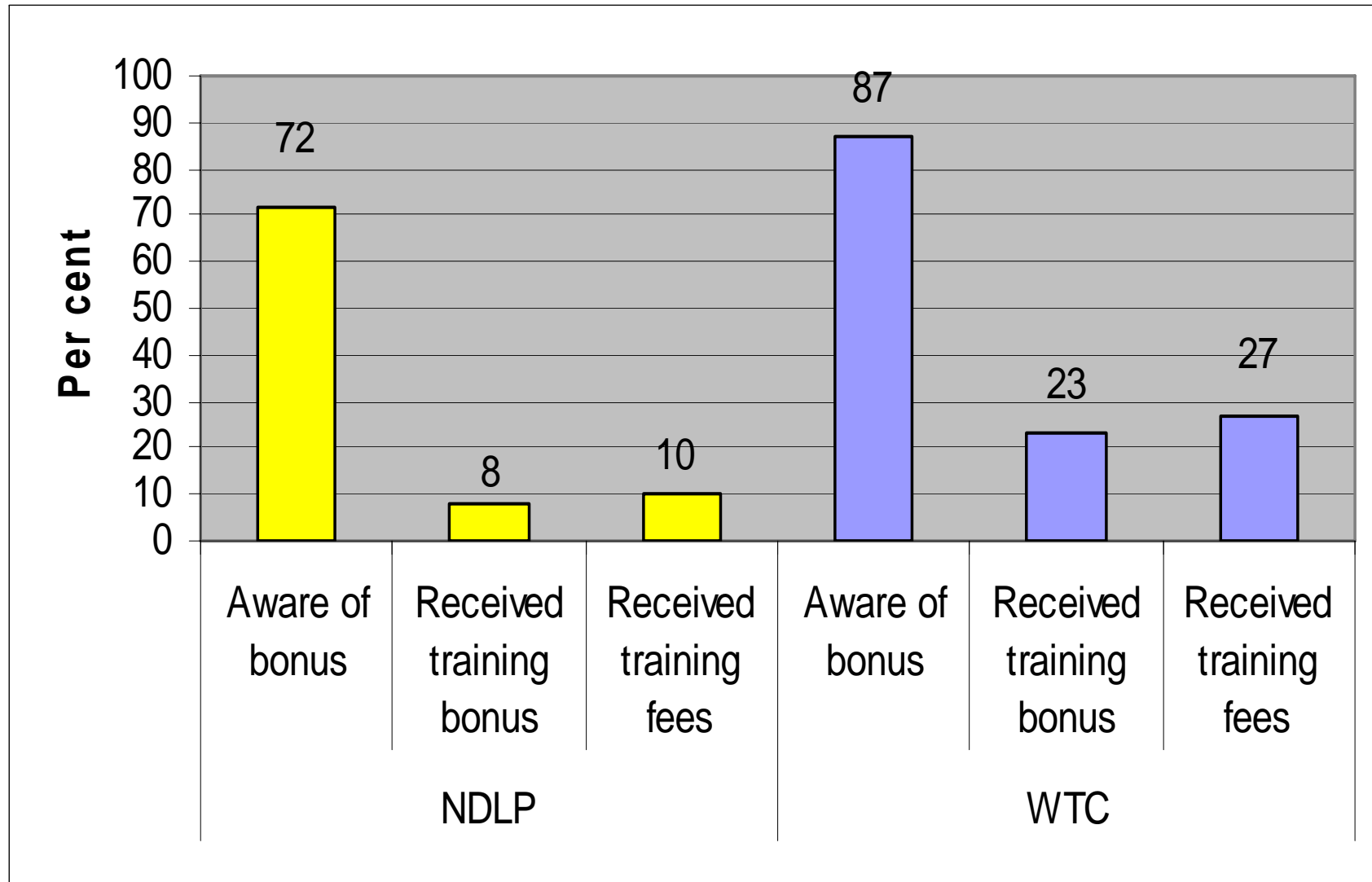
	Full sample			Respondent sample		
	P	C	Impact	P	C	Impact
<b>Months employed</b>						
1-12 months	4.5	4.4	0.1	4.6	4.4	0.2
13-24 months	4.9	4.9	0.0	5.0	5.1	0.0
1-24 months	9.4	9.3	0.1	9.6	9.4	0.2
<b>Months on benefit</b>						
1-12 months	7.4	7.8	-0.4***	7.3	7.8	-0.5***
13-24 months	5.4	5.7	-0.3**	5.4	5.9	-0.5***
1-24 months	12.8	13.5	-0.7***	12.7	13.7	-1.0***
<b>Earnings 05-06</b>	3,676	3,315	361***	3,799	3,185	615***
<i>Sample size</i>	3,365	3,422		1,188	1,109	

	Full sample			Respondent sample		
	P	C	Impact	P	C	Impact
<b>Months on benefit</b>						
<b>1-12 months</b>	0.9	0.9	0.0	0.9	0.9	0.0
<b>13-24 months</b>	1.0	1.0	0.0	0.9	1.0	0.0
<b>1-24 months</b>	1.9	1.9	0.0	1.8	1.9	0.0
<i>Sample size</i>	<i>1,415</i>	<i>1,400</i>		<i>1,082</i>	<i>1,037</i>	

- **Challenging**
  - Unfamiliar terrain (post-employment)
  - JCP target structure
  - Lack of management 'buy in', given other priorities
  - Required senior level intervention from centre to keep on track
- **Delivered largely as designed** (although imperfectly and unevenly)
- **Service improved over time**



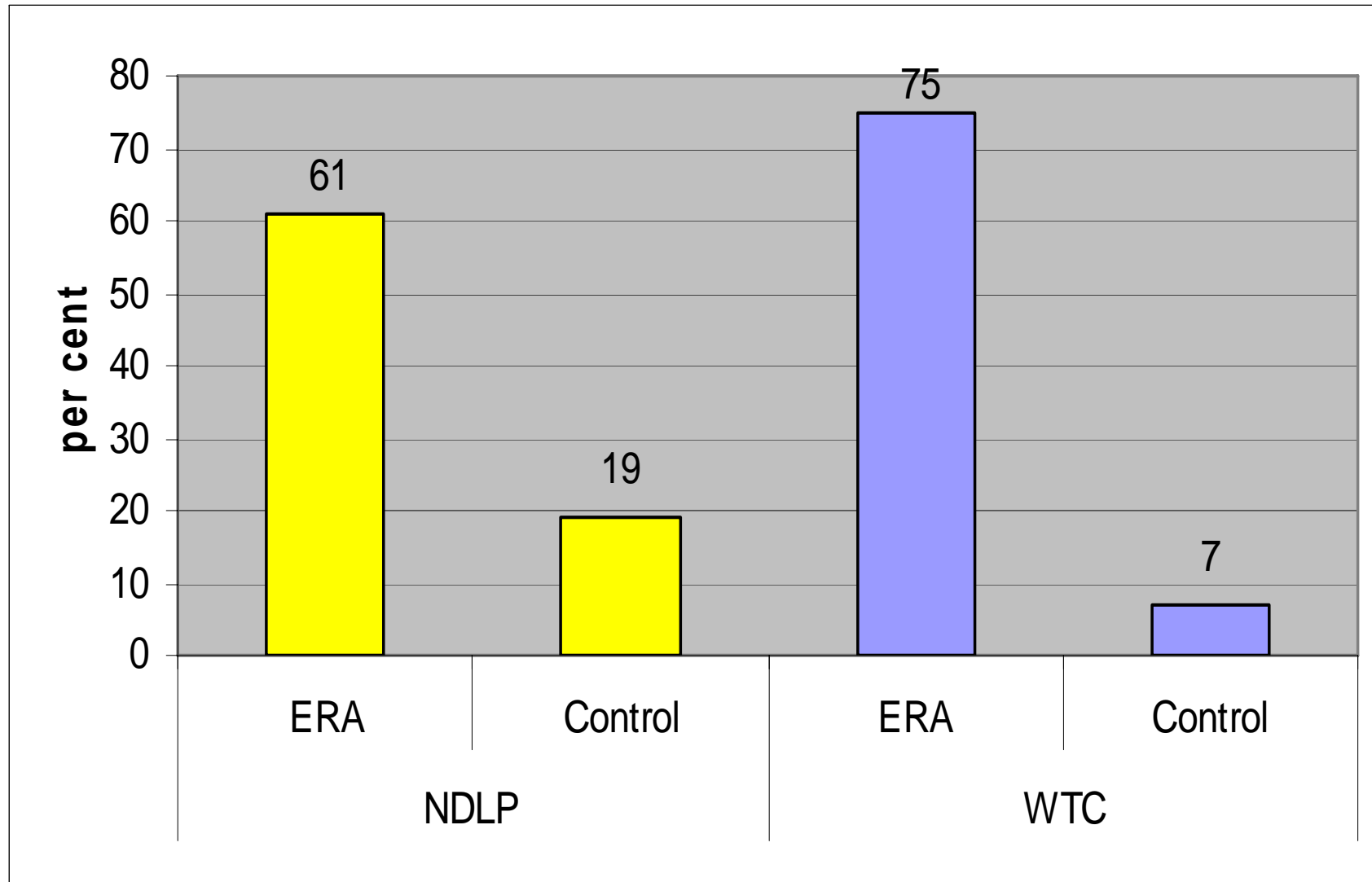
Base: Programme groups only



Base: Programme groups only

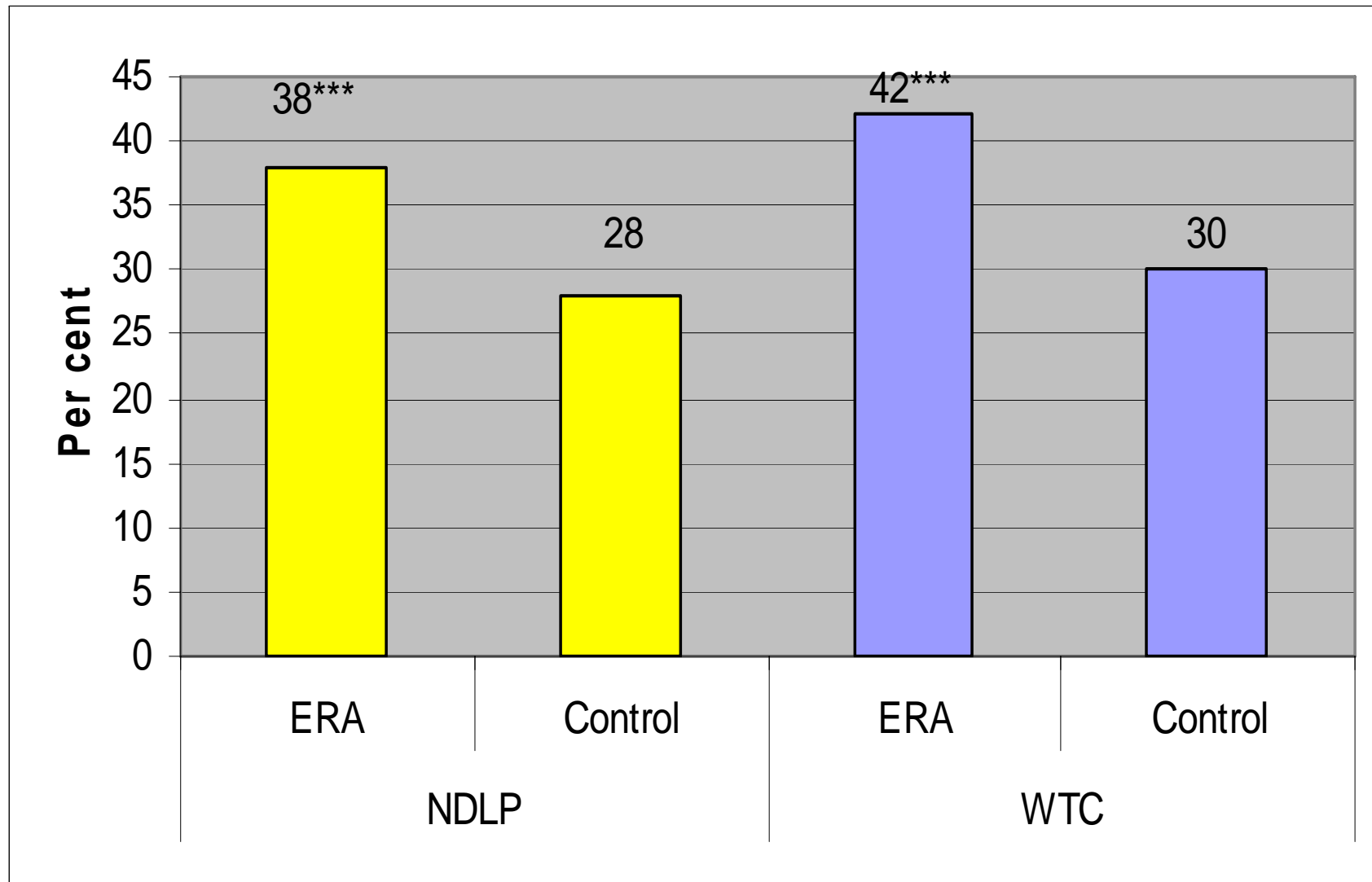
## Employment Retention and Advancement

Received retention or advancement help from JCP whilst in work, 24 months after random assignment



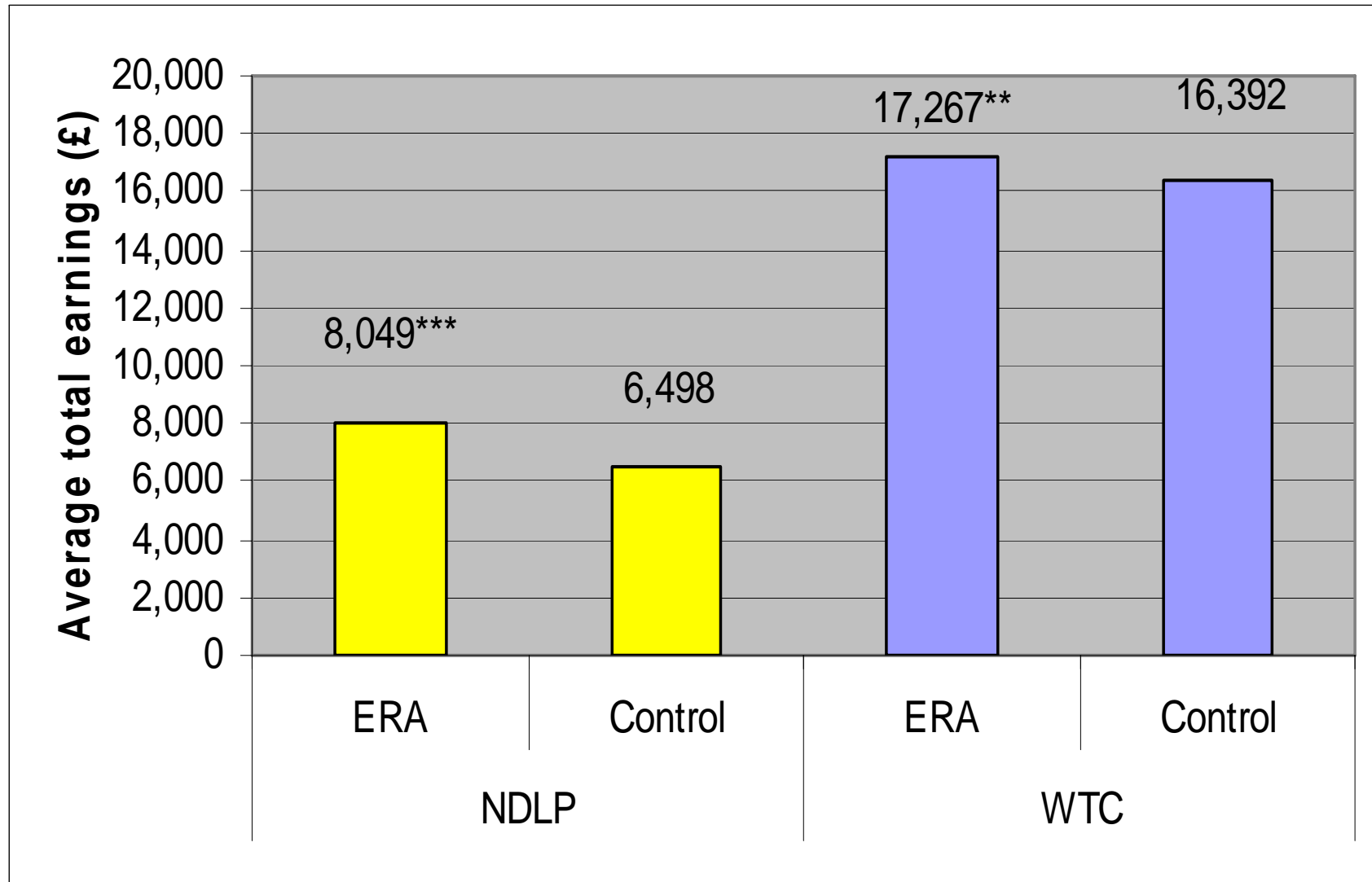
Base: All working ERA participants

- NDLP: Estimates calculated as average of 6 district level results (given equal weight)
- WTC: weighted according to the size of the district (due to low sample in some districts)
- Estimates regression adjusted (OLS), controlling for pre-random assignment characteristics
- Outcomes for **all** programme and control compared (“intention to treat”)

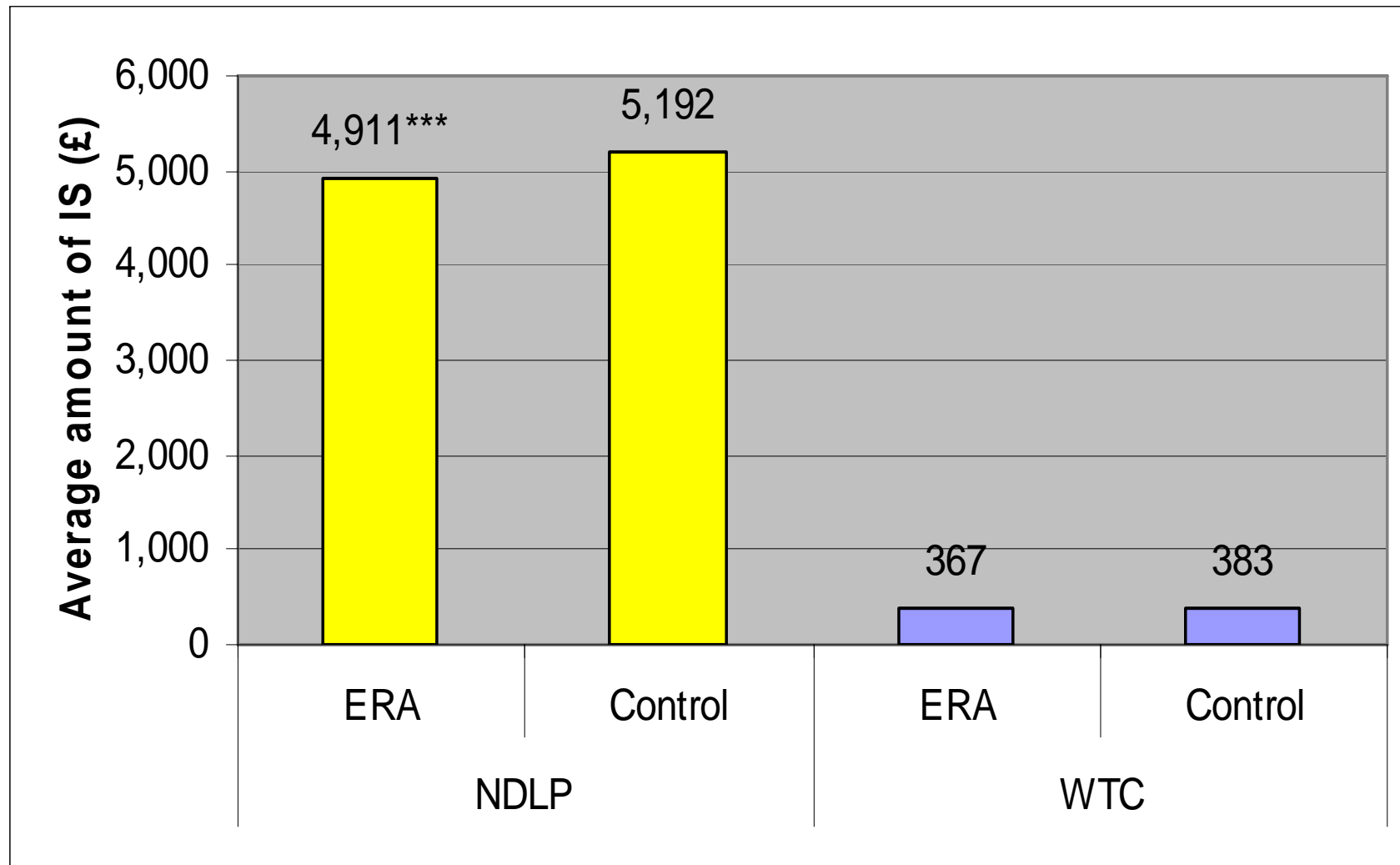


Base: all ERA participants





Base: all ERA participants



Base: all ERA participants

- Random Assignment carried out successfully
- Jobcentre Plus delivered effective in-work support
- Positive impacts for lone parents but less clear for others
- Evaluation should and will continue...

- Analysis of longer term impacts (5 years)
- Cost-benefit analysis
- Non-experimental analysis
  - Relative contribution of components
  - External validity: will impacts translate to different times, populations and places?
  - Accounting for Selection bias

- Random assignment social policy experiments are feasible politically and practically
- And can provide convincing evidence in an area previously thought to be intractable
- However from a policy perspective there are limitations:
  - Timing
  - Generalisability
  - Disaggregation of impact