

Staying In, Moving Up: Employment Retention and Progression in London

November 2009

Annexes

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ISSUES

Annex A: Employment retention and progression framework

	Indicator	Source	Date	London (%)	UK (exc London) (%)
Employment	E1.1: Overall employment rate	Labour Force Survey, ONS	Jun-09	68.9	72.7*
	E1.2: Proportion of people in temporary employment	Annual Population Survey, ONS	Sep-08	6.0	5.2
	E1.3 Labour market flows: Proportion of people in employment in 1st quarter and unemployed in final quarter	Longitudinal Two Quarter Labour Force Survey, ONS	Oct 08 - Mar 09	1.2	1.6
Retention	ER2.1 Proportion of people in any form of continued employment for 12 months or more	Annual Population Survey, ONS	Sep-08	82.2	84.2
	ER2.2: Proportion of people involuntarily leaving their last job	Annual Population Survey, ONS	Sep-08	21.9	22.2
	ER2.3: Proportion of people making a repeat out of work benefit claim within six months of their previous claim	DWP administrative data	May-08	49.7	49.0*
	ER2.4: Proportion of unsustained job opportunities through the New Deal for Young People, 25 Plus and Lone Parents programme	DWP administrative data	Feb-09	23.9	24.8*

	Indicator	Source	Date	London (%)	Uk (exc London) (%)
Fiscal Progression	EP 3.1: Proportion of residents classed as low paid (earning less than £7.50 gross hourly pay)	Annual Survey of Hours and Earnings, ONS	2008	15.2	15.3*
	EP3.2: Proportion of people who have been employed by the same employer for 10+ years and are low paid	Annual Population Survey, ONS	2008	9.8	9.9**
	EP3.3: Three year average annual percentage change in gross hourly pay for the bottom 10% of earners	Annual Survey of Hours and Earnings, ONS	2008	2.5	3.8*
	EP3.4: Proportion of low paid workers remaining in low pay over a two year period (2006-2008)	ASHE Panel dataset, ONS	2008	53.0	#
Occupational Progression	EP3.5: Percentage of people who have increased their managerial responsibility	Annual Population Survey, ONS	Oct 08 - Mar 09	5.9	5.4
	EP3.6: Percentage of people who have increased their NS SEC Class	Longitudinal Two Quarter Labour Force Survey, ONS	Oct 08 - Mar 09	6.1	5.4
	EP3.7: Proportion of people undertaking work based training in previous four weeks	Annual Population Survey	Sep-08	13.4	13.0

* UK figure includes London data

** UK low pay threshold is £6.50 per hour

Data unavailable

Annex B: Index of employment retention and progression

Full index of employment retention and progression for all 32 London Boroughs:

Borough	Employment		Employment retention		Employment progression		
	1	2	3	4	5	6	7
Barking and Dagenham	66.1	5.5	79.4	53.8	1.6	20.2	8.9
Barnet	69.3	5.6	85.6	48.1	3.5	15.2	15.0
Bexley	74.4	6.4	86.4	38.8	1.1	16.2	13.4
Brent	71.3	6.3	77.7	47.5	3.7	22.6	13.3
Bromley	79.3	4.9	86.9	44.2	5.0	11.9	13.9
Camden	68.6	7.6	80.3	51.2	2.3	11.8	19.9
Croydon	76.0	4.0	84.2	50.2	1.5	17.8	13.6
Ealing	70.3	6.1	80.9	50.0	2.1	16.6	10.3
Enfield	67.7	5.3	85.9	52.1	-0.1	19.1	12.6
Greenwich	67.6	6.2	82.5	45.2	4.1	15.7	13.3
Hackney	67.0	9.0	82.3	56.3	1.2	19.6	14.5
Hammersmith and Fulham	70.1	7.3	78.7	54.4	5.2	10.1	16.1
Haringey	63.7	8.1	78.9	50.3	1.3	16.3	12.2
Harrow	69.8	7.1	85.7	43.1	1.1	19.4	14.4
Havering	78.7	2.4	87.8	42.6	2.4	14.1	13.1
Hillingdon	73.0	2.0	83.0	44.5	1.3	16.4	15.7
Hounslow	71.8	4.5	82.9	52.1	2.9	18.3	8.7
Islington	69.6	6.8	79.2	48.9	5.2	7.4	16.6
Kensington and Chelsea	66.4	5.6	83.7	52.8	6.5	6.0	11.4
Kingston upon Thames	73.1	6.6	82.4	45.2	5.6	12.3	13.4
Lambeth	68.9	6.3	77.9	54.1	1.2	17.8	12.0
Lewisham	72.1	8.2	81.1	54.0	2.4	18.9	15.9
Merton	78.3	6.3	84.1	49.8	4.1	12.9	15.5
Newham	60.0	8.6	79.9	48.6	1.6	25.1	10.0
Redbridge	67.4	8.2	85.8	49.4	5.7	11.1	11.6
Richmond upon Thames	77.6	2.3	83.9	43.5	3.1	6.0	10.5
Southwark	67.4	5.4	80.5	51.6	4.2	16.7	12.0
Sutton	77.8	5.8	82.8	44.1	4.5	11.6	11.0
Tower Hamlets	61.7	7.0	78.1	50.8	1.8	14.4	9.5
Waltham Forest	65.4	4.8	78.2	50.5	3.9	18.5	11.1
Wandsworth	78.1	4.7	87.5	46.5	4.3	10.0	17.4
Westminster	62.9	6.8	78.5	54.3	3.4	10.2	19.7

Key

Worst 25%	
25-50%	
50-75%	
Top 25%	

Indicators

1. Overall employment rate*
2. Proportion of people in temporary employment
3. Proportion of people in any form of continued employment for 12 months or more
4. Proportion of people returning to out of work benefits within 6 months of leaving
5. 3 year average annual percentage change in gross hourly pay for the bottom 10% of earners
6. Proportion of residents classed as low paid
7. Proportion of people undertaking work based training in previous 4 weeks

* Source Annual Population Survey (2008)

Annex C: Best practice policy case studies

- Employment Retention and Advancement (ERA) Scheme
- Extended Care Career Ladder Initiative (ECCLI) Round 2
- Jobs-Plus Community Revitalization Initiative for Public Housing Families (Jobs-Plus)
- Post-Assistance Self-Sufficiency (PASS) Programme
- Self-Sufficiency Project (SSP)

Employment Retention and Advancement (ERA) Scheme

Rationale

ERA has been chosen as a case study as it is an example of a holistic programme which has had some positive effects on employment and financial progression. The evaluations which have been carried out on ERA are robust and control groups have been used to ensure the impacts of the programme can be measured. The ERA project demonstrates learning around staff training and the delivery of in-work services, in a Jobcentre setting, alongside the use of discretionary funds.

Date	2003-2007/8.
Location	6 pilot areas across the UK ⁶⁹ (including London).
Lead organisation	Designed by: The Cabinet Office. Managed by: The Department for Work and Pensions (DWP) primarily with Jobcentre Plus (JCP).
Cost	Net costs have been estimated per client as: <ul style="list-style-type: none">• £1076 for New Deal Lone Parents participants.• £1204 for New Deal 25+ participants.• £2160 for Working Tax Credits participants.
Aim	'...to test a new policy to help those on the margins of the labour market retain work and advance.'
Mechanism	Case management with financial incentives for retention and training and emergency discretion fund also available. ⁷⁰
Target Audience	Unemployed and part-time employed lone parents and the long-term unemployed on New Deal 25+ (8,208 ERA participants and 8,719 control group members).

⁶⁹ Wales, North West England, the East Midlands, North East England, Scotland and London.

⁷⁰ Stephen Morris, David Greenberg, James Riccio, Bikash Mittra, Hazel Green, Stephen Lissenburgh and Richard Blundell, *Designing a Demonstration Project An Employment Retention and Advancement Demonstration for Great Britain* (London, 2004), P. 6.

Implementation

Design and set-up

The ERA scheme was a demonstration project that was set up to pilot a set of in-work services to those on New Deal 25+ (ND25+), New Deal Lone Parents (NDLP) and those lone parents claiming Working Tax Credits (WTC).

It was designed in 2002 by a Cabinet Office team. Following on from this, DWP was given responsibility to implement the project with Jobcentre Plus (JCP) in 2003. After the six pilot sites were chosen, Technical Advisors (TAs) were allocated to each district to ensure random assignment and consistency in programme delivery within JCP offices. They were also responsible for ensuring their staff were fully trained to deliver the full ERA services.

Staffing and training

ERA programme staff were seconded from Jobcentres to work as Advancement Support Advisers (ASAs). Therefore, staff did not necessarily have previous experience of delivering advancement services.

TAs were responsible for providing training to staff. However, although ASAs had experience of delivering the mainstream reactive services, they did not feel confident delivering the new, proactive ERA service. Evaluations found that staff often felt they had not received adequate training (especially in advancement services) early enough in the process. Over time, this improved as training was provided in the form of a Continuous Improvement Workshop - where advancement was explored - and further training was provided the following year (although this was deemed too late by some advisors). Alongside this, local training was provided to staff from local organisations arranged by the TA.

Initial programme performance was hindered because Jobcentres underestimated the number of advisers needed to recruit individuals for ERA services. As a result, other JCP staff from New Deal programmes were asked to recruit ERA participants as part of their existing workload, leaving some advisers unable to focus on either client group.

Similarly, ERA performance targets were not initially integrated into existing statutory JCP performance indicators. Therefore it took time for targets to be aligned to allow advisers to achieve both existing and new ERA performance targets.

Recruitment and random assignment

ERA was available for three distinct clients groups:

- Long-term unemployed entering ND25+
- Lone parents entering NDLP
- Lone parents claiming WTC working between 16 and 29 hours a week

Each client group was recruited to the programme in a different way. Eligible long-term unemployed people were required to join ND25+ and therefore were simply given the option to join either ERA or ND25+ on a mandatory basis. Those who chose to join NDLP did so voluntarily and were also given the option of being involved in the ERA scheme. Those on WTC, who had no existing contact with the Jobcentre, were relatively harder to recruit to ERA. Contact was initially made via post or telephone, the scheme was explained and individuals decided whether to join ERA. Once participants had decided to join the programme, they were allocated to either the control group or the ERA programme group.

How it worked

ERA services complemented existing New Deal services by offering in-work support to New Deal and Working Tax Credit clients who were already or had become employed.

Once individuals moved into employment they were allocated an Advancement Support Advisor who would assist them for up to two years on a case basis. The advisor offered a range of holistic support including assisting individuals to create an Advancement Action Plan to set out their career goals and aims.

ERA offered financial incentives to individuals to a) remain in employment and b) train. The Retention and Advancement Bonus (£400) was available to clients who worked for at least 13 weeks out of 17 over a two year period. Training bonuses (in the shape of £1000 towards tuition fees and up to a further £1000 incentive payment on completion of the course) were offered to encourage individuals to train.

Extra financial support was also available in the form of the Emergency Discretion Fund. This was designed to assist individuals with payments for short-term financial emergencies that could prevent them from retaining employment. These payments were often used for transport problems (such as repairs), childcare or rent and were seen as an important to ensure that individuals retained employment.

Characteristics of participants who received SSP payments

- ND25+ participants were predominantly older men with few qualifications
- NDLP participants were predominantly women who were young to middle aged
- WTC participants were predominantly women in employment

Impact

To ensure the impacts of the research project could be fully explored, a control group was set up alongside the ERA programme group. The full impacts of the programme cannot yet be fully measured as the final evaluation has not yet been completed. In addition, the longitudinal effects the programme had on individual's advancement may not yet have materialised. However, the interim results below give an indication as to how successful the programme will be.

Employment retention

When compared to the control group, ERA NDLP participants were more likely to work for four consecutive months (34%) than the control group (25%). The majority of NDLP participants would have entered sustainable work without ERA support (at least in the short term) but ERA accelerated their entry into employment rather than increase their job retention. This pattern is also seen amongst WTC claimants.

However, ERA had no impact on employment retention for ND25+. More than half of the ND25+ group did not work during the two year period, or did not start work until the second year, and therefore did not receive the full two years of service.

Financial progression

After the first two years of the ERA programme, there were positive impacts on participant's financial progression. The NDLP group earned on average £1,550 more than the control group over the two year period (excluding ERA bonus payments). For those on WTC, individuals earned £874 more than the control group over the period. There was however no significant impact on ND25+ clients. The increases in earnings for lone parents were mostly due to them working full-time and not because they received higher hourly pay.

Cost

The cost of the programme differed for each client group. Net costs have been estimated per client as:

- £1076 for NDLP participants
- £1204 for ND25+ participants
- £2160 for WTC participants

These costs do not include programme setup, but do include periods of the programme when services were slow, such as during the recruitment stage and whilst services were being wound down. Therefore these costs are only estimates and may be less if the programme was fully implemented.

Key learning

- Appropriately trained staff are vital to ensure that services are delivered effectively to participants
- Jobcentre Plus may not be the most appropriate organisation to provide individuals with in-work support due to their targets actually being primarily focused on getting people into work and not retention of employment.
- The use of an Emergency Discretion Fund is a useful mechanism to help remove temporary barriers to work

Extended Care Career Ladder Initiative (ECCLI) Round 2

Rationale

The ECCLI was a career ladder strategy which was set up in the health care sector which showed positive impacts on employment retention and fiscal progression. It is a good example of how organisations can work in partnership to develop career ladder strategies to progress an employee in work, through training and financial progression.

Summary

Date	2001-2002.
Location	Massachusetts (US).
Lead organisations	Funded by: Initiated by the Commonwealth of Massachusetts. Managed by: Commonwealth Corporation (CommCorp).
Cost	\$2.4 million for Round 2.
Aim	'[To]...improve quality of care, promote skill development, institute career ladders and other workplace practices that support and develop workers, and improve retention of Certified Nursing Assistants (CNAs).' ⁷¹
Mechanism	Career ladder.
Target Audience	Low-skilled workers already working in the health care sector.

⁷¹ Randall Wilson, Susan C. Eaton, and Amara Kamanu, Extended Care Career Ladder Initiative (ECCLI) Round 2: Evaluation Report, John F. Kennedy School of Government Harvard University (2002) p.5

Implementation

Design and set-up

The Extended Care Career Ladder Initiative started in 2001 in Massachusetts. It was part of two acts developed in 2000 to address the high turnover of paraprofessional staff working in 'long-term care' because there were concerns that this was affecting the quality of health care. Round 2 ran from July 2001 to August 2002, and tasked long-term care providers to work with training providers and other organisations to develop models to give opportunities to front line workers to progress in employment.

The project allocated funds to seven groups of consortia who developed varied career ladder strategies to 'increase workers' skills and career mobility'.

Consortia

Each consortium involved a small number of employers and had an allocated lead facility who took responsibility for contract management and administration. Each consortia developed their own partnership arrangements and career ladders which were suitable to the partners involved. To ensure a range of services were available to participants, a number of other partners were also involved in developing career ladders including training providers, trade unions and workforce development agencies. They also provided the consortia with expert knowledge and tailored training programmes.

This partnership work allowed employers to share costs, expertise and capacity. However, difficulties between employers included coordinating training opportunities between workers at different sites, establishing trust between employers and ensuring all employers put in the time and effort needed to make ECCLI Round Two successful.

How it worked

The programme differed depending on the consortia, although some common features can be outlined:

Career ladder

A number of consortia attempted to increase the wages of those on the programme (some consortia provided bonuses for staff), by use of career ladders. Career ladders included formal job titles and definitions, rules around promotion, wage increments and other ways of moving up the 'ladder' at work. This programme offered wage increments based on educational achievement leading to different titles for the type and level of Certified Nursing Assistants (CNA). Promotions were not always formal and work did not often change (although some were given extra tasks associated with the training and skills they had been given) but new job descriptions outlined the individual's new responsibilities and competencies. Wages were also boosted when individuals moved between occupations in the organisation.

Training

Training was one of the aspects that a number of the consortia implemented for their CNAs to enable them to progress up the CNA ladder. This training included ESOL, clinical knowledge, Teamwork and Spanish for Health Care Employees. This was provided to ensure workers had the specific clinical knowledge to progress in their CNA role and also to provide them with general skills to ensure they could better perform in their role.

There were some problems associated with training. Workers were required to attend training during working hours which meant it was difficult to balance training with work tasks. Also, there were concerns training content was not always relevant for some workers:

“It was not helpful. The times they allotted for the classes could have been more convenient. I went to 4 or 5 of them. I didn’t know the point of them. They started at 2 and ended at 4, made me late for my shift. It was inconvenient.”

Other services

Some consortia used multi-agency working to ensure extra services were available to workers such as counselling, referrals to organisations who could help with childcare or transportation and other supportive services.

Impact

Findings from Wilson, Eaton and Kamanu⁷² are based primarily on qualitative evidence and some survey responses. No control group was set up, therefore cause and affect cannot be established. However, the financial progression of individuals was intrinsically linked to the career ladder therefore this impact can be fully measured.

Employment retention

Overall the programme was deemed to be a success. Individual consortia reported a decline in the turnover of staff which reduced their recruitment costs. Twenty one out of 28 career ladder organisations had fewer vacancies over the first six months of the programme although the evaluation acknowledges that the programme took place during a period of economic recession when individuals would have been less likely to leave their jobs.

Sector stakeholders reported that the ECCLI had improved recruitment practices as there was an increase in the number of people interested in the positions. The programme also highlighted those staff members who were not committed to the organisation, many of whom subsequently left:

“I think we have some turnover, but it was people that needed to leave the organizations – people who weren’t committed to it. Those were the people that were the ‘warm bodies’ that were hired a year and a half, two years ago when the big crunch was on and we’d literally take anybody who walks in the door. So I think there’s been a “correction in the market,” so to speak.”⁷³

⁷² Wilson, Eaton and Kamanu, Extended Care Career Ladder Initiative (ECCLI) Round 2

⁷³ Wilson, Eaton and Kamanu, Extended Care Career Ladder Initiative (ECCLI) Round 2 p.68.

Financial progression

Around seventy per cent of staff interviewed stated they had received a pay increase as a result of attending training associated with the career ladder. However, a number of individuals felt that pay increases were too small to make a difference to their standard of living.

Key learning

- Employers were responsible for allocating wage increases to individuals and the costs involved were often offset by reductions in recruitment costs
- Partnership working required more ‘investments of time, energy and effort than was perhaps anticipated’⁷⁴
- An initial skills assessment needs to be completed when designing training for workers, as some individuals needed extra tuition to be suitably qualified to take part in the training
- Costs associated with developing career ladder approaches can be reduced through partnership working
- Partnership working can increase the number and quality of services available to participants
- Wage increases need to be sufficiently high to have a positive impact on the standard of living of worker
- Trainees need to see the individual benefits of the training they undertake
- Access to training must be straightforward for workers
- Partnership working can increase the number and quality of services available to participants
- Wage increases need to be sufficiently high to have a positive impact on the standard of living of worker
- Trainees need to see the individual benefits of the training they undertake
- Access to training must be straightforward for workers

⁷⁴ Wilson, Eaton and Kamanu, Extended Care Career Ladder Initiative (ECCLI) Round 2 p.91.

Jobs-Plus Community Revitalization Initiative for Public Housing Families

Rationale

Jobs-Plus has been chosen as a case study because it is a positive example of a community-based, holistic support programme for employment retention and progression. It had success in all sites that fully implemented the project including an increase in participant's earnings. The demonstration project had a comparison group so any impacts could be attributed to the programme. It was implemented in an innovative setting which shows how the programme can successfully target a local audience.

Summary

Date	1998-2003
Location	California, US.
Lead organisation	Funded by: A Consortium. ⁷⁵ Managed by: US Department of Housing and Urban Development and the Rockefeller Foundation
Cost	\$150 per targeted resident per month/ \$450,000 per year, per community.
Aim	'...to achieve improvements in residents' quality of life as a result of the gains in employment and earnings'
Mechanism	Employment-related services, financial incentives and Community-based support. ⁷⁶
Target Audience	Working age individuals who lived in public housing and were not disabled.

⁷⁵ U.S. Department of Housing and Urban Development, U.S. Department of Health and Human Services, U.S. Department of Labor, The Rockefeller Foundation, The Joyce Foundation, The Annie E. Casey Foundation, The James Irvine Foundation, Surdna Foundation, Inc., Northwest Area Foundation, The Stuart Foundation, BP and Washington Mutual Foundation.

⁷⁶ H.S. Bloom, J.A. Riccio and N.Verma (2005) 'Promoting Work in Public Housing – The effectiveness of Jobs-Plus', p1

Implementation

Design and set-up

The Jobs-Plus Community Revitalization Initiative for Public Housing Families (Jobs-Plus, for short) was 'a multi-component employment initiative...located in public housing developments [and was designed to]...help residents work, earn more money, and improve their quality of life'⁷⁷.

Jobs-Plus was a research demonstration project conducted between 1998 and 2003. It was sponsored by a consortium, led by the US Department of Housing and Urban Development (HUD) and the Rockefeller Foundation. The programme was targeted at all working-age, non-disabled residents in public housing developments (so-called 'demonstration sites') in six areas of the US: Baltimore, Chattanooga, Dayton, Los Angeles, St. Paul and Seattle.

The chosen sites were selected through a national competition; the priority was to recruit '...a diverse set of sites where joblessness in public housing was a serious problem and where there appeared to be a good opportunity to build and test a large-scale, well-managed employment initiative.'⁷⁸

Between April 1997 and April 1998, the chosen sites underwent an intense planning process (with technical support from the lead research organisation (MDRC)) to develop the plans for the site. The six city sites were partnered with non-Jobs-Plus sites in order that the impact of the programme could be measured.

Joined up services/partnership working

A key feature of the programme was its collaborative nature. It was hoped that the programme would enable effective partnership working to draw on local expertise and knowledge and create a local solution from the national blueprint. Each site was run by a partnership of a minimum of: the public housing authority, resident representatives, the welfare department and representatives from the workforce development system.

The aim was to create a seamless customer journey for deprived communities. Implementing this type of support was new to housing authorities at the time, yet it proved to be highly successful. Jobs-Plus linked local services with housing authorities and local residents, providing a joined up service. The programme resulted in less evictions and a better general quality of life for communities that were involved.

⁷⁷ Ibid. p iii

⁷⁸ H.S. Bloom, J.A. Riccio and N.Verma (2005) 'Promoting Work in Public Housing – The effectiveness of Jobs-Plus', p9.

Community-based location

Programme offices were based in community buildings (e.g. converted houses and community centres). This ensured that services were accessible to residents (in terms of travel) and also ensured that residents saw the services as community-specific. The offices were designed, in effect, to be community-based Jobcentres.

Having bases in the heart of communities did help with recruitment and retention of clients. Many clients had received similar support in the past and were sceptical of the Jobs-Plus programme and therefore using existing community-based centres or renovating old ones was an element of good practice during the programme, and could be easily replicated at relatively low cost by other employment programmes.

Operation

The first two years of the programme (1998-2000) were dedicated to setting up the site. During this time, residents continued to access mainstream employment support e.g. job searches, support on to training programmes and support services such as child care and transportation). This ensured that the right infrastructure was in place before delivery of services began. It should be noted that only four of the six sites provided the full Jobs-Plus service in their area.

In the final three years of the programme (2000-2003), the community site became operational for local residents and offered both mainstream and project-specific support.

Staff

The majority of delivery staff were recruited from existing government departments and their respective recruitment channels. This limited the cost of additional recruitment and reduced the risk of delays in setting up the centres. The programme was most successful when staff were competent and had previous experience of delivering employment support.

Some sites recruited local residents to work on the project. Residents were most effectively engaged as local advocates or community representatives as they were able to represent the community interest and stimulate local support. Where residents were recruited as delivery staff, they often struggled as they did not have the relevant skills or training to deal with the complexities that many clients had.

How it worked

The programme aimed to build the employment capacity of existing residents. Programme clients were public housing residents who were amongst the hardest to employ. Barriers to employment were: 'poor preparation for work; inadequate knowledge about seeking work; personal, family, or situational problems (such as lack of child care or transportation) that can impede work; absence of a strong financial incentive to take a low wage job; and living in a social environment that does not encourage or facilitate work.'⁷⁹ However, in addition, public housing rent rules stipulated that, as wages rose, so too did housing rent. This acted as a disincentive for individuals to gain and retain employment and this was a barrier the programme aimed to address.

The Jobs-Plus model was designed to provide a multi-channel support structure to enhance every aspect of residents' lives. It is worth noting that when Jobs-Plus was in place, clients did not receive any other form of employment support from government. The programme provided a network of key services to participants.

Employment-related services and activities

The programme offered a wide range of employment support services. The main aim was to find work for residents whether they were long-term unemployed, short-term unemployed or simply looking for a better job.

Job search was a key part of the programme. It was usually provided on an individual basis by employment counsellors who helped prepare residents for job interviews, referred individuals to job clubs and also developed work-specific knowledge such as understanding employer's expectations of employees. Job developers worked to develop links with employers, to identify opportunities and arrange interviews for clients.

Jobs-Plus did offer short-term, on-site training opportunities - such as certified nurse assistant training – however, this element of the programme was less popular than employment support.

⁷⁹ H.S. Bloom, J.A. Riccio and N.Verma (2005) 'Promoting Work in Public Housing – The effectiveness of Jobs-Plus', p6.

Financial incentives to work

In publicly funded housing, individuals paid 30 per cent of their income in rent⁸⁰. Therefore, as their earnings increased, so did their rent. This was a powerful disincentive to work. As part of the programme, Jobs-Plus programme residents paid less of their income in rent, delivering significant savings and ‘making work pay’.

Financial incentives came in two forms:

- Flat rates - which specified a fixed rental payment regardless of earnings but with staged increases over time
- Reductions in the percentage of income paid in rent, to a rate that was lower than the traditional 30 percent

In some sites, retention in employment for a period of time was rewarded with a) credits towards a free months’ rent or b) the diversion of rental payments to a savings account.

In addition, sites offered financial advice about the other financial work supports that were more generally available to low-income working families and individuals through a variety of government-funded programs (such as earnings disregards available under Temporary Assistance for Needy Families [TANF], child care subsidies, the EITC, and the Child Tax Credit).

Community support for work

Community support for work was a service offer that was less prevalent than employment and financial support. The service aimed to use existing social networks to disseminate information, advice and mutual support that would promote and facilitate employment. The concept was interpreted in a number of ways by different sites including cooperative care arrangements, building relationships between residents and non-public housing individuals to provide mentoring opportunities, building ties with community groups (including churches) and changing institutional practices (for example, extending opening hours of Jobs-Plus offices to support those in work to access services).

However, the most successful type of community support came in the form of developing local residents as ambassadors for the programme. These individuals became a network of ‘community coaches’ who worked in partnership with Jobs-Plus staff to disseminate information about the services on offer. Coaches were encouraged to have monthly campaigns targeted at specific groups or parts of the service. For example, promoting rent incentives. Activity included door-to-door canvassing and talking with social groups. Coaches were also able to relay concerns/issues back to Jobs-Plus staff during the programme’s lifetime. Coaches were paid a small amount of money for their time and activity was overseen by Jobs-Plus staff.

In addition, informal, on-site assistance was an integral part of the service. Being onsite in community locations offered Jobs-Plus staff informal opportunities to get to know residents and the area better. This informal contact broke down traditional barriers between the disadvantaged groups and mainstream support services. For instance, home visits out of hours allowed staff to know their residents better and support them in a more holistic way. Staff emphasised the necessity of being ‘opportunistic’ and exploiting informal contact opportunities.

⁸⁰ This was capped at a maximum amount tied to the costs of operating a public housing unit.

As one staff member said:

“We can’t get from here to there without someone [approaching us], and you have to deal. You have to satisfy that person’s needs right where they are, or you say, ‘Come on and walk me down to the office’ or ‘Walk me to my car.’ And they will do that. We have some clients that will not come into the office.”⁸¹

Holistic support

The programme also provided a range of other holistic support services. One such service was for individuals to receive financial support for childcare or transport when attending job interviews or once in employment. It also signposted residents to relevant health services (including family counsellors and drug therapy support). In addition the programme provided life-skills classes such as financial management workshops or help with immigration related problems.

Characteristics of participants who received Jobs-Plus support

- Communities were ethnically diverse
- In five of the six sites, the poverty rate was at least 41 per cent
- The average unemployment rate for Jobs-Plus participants was 16 per cent in 2000.
- On average 77 per cent of clients were female

Impact

As mentioned above, the project areas were chosen based on national deprivation levels. Each of the six areas had a sister control group in order that the impacts of the programme could be attributed to the project. The project was evaluated using administrative data and findings from the MDRC evaluation.⁸²

Employment retention

Employment rates were increased for those who were on the Jobs-Plus programme by 6.2 percentage points beyond what they would have been without the programme. Where the project was implemented successfully (3 of the 6 sites), it improved average employment rates per quarter by 9 per cent relative to what it would have been without the programme.

Financial progression

The evaluation data suggests that overall the programme produced large earning gains for residents. It suggests that, in the stronger implementation sites, it increased this subgroup’s earnings during the four years after the rollout of Jobs-Plus by \$761 per year — an 11 percent gain.

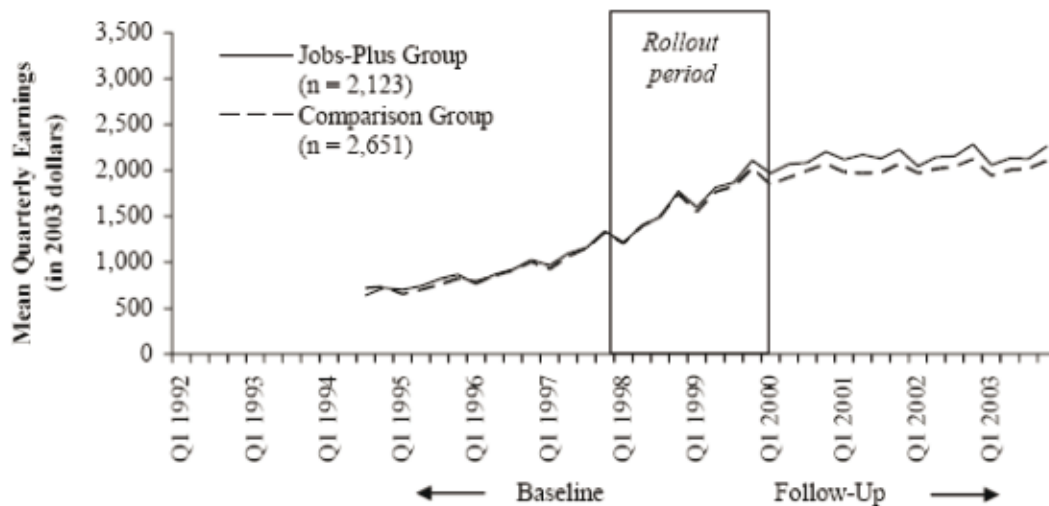
The Jobs-Plus programme focused primarily on increasing the fiscal progression of its clients, following a belief that once in employment, increasing the earnings of those who are low paid incentives them to retain their job. Average quarterly earnings for those on the Jobs-Plus programme increased significantly between 1998 and 2003. The Jobs-Plus cohort saw a rise from just under \$1,500 per quarter in 1998 to over \$2,000 by 2003. Given that the years 1998 to 2000 were the period of implementation, the Jobs-Plus group saw a long-term impact on the rise in their earnings from 2000 to 2003 as seen in Figure 19.

⁸¹ H.S. Bloom, J.A. Riccio and N.Verma (2005) ‘Promoting Work in Public Housing – The effectiveness of Jobs-Plus’, p 49

⁸² Ibid

The Jobs-Plus cohort saw average annual earnings increase by 6.2 percentage points, or by \$498, compared to those who received no support. Of the three sites that had implemented the programme reasonably well, they saw a 20 per cent earnings effect in the final year of the project (2003).

Figure 19: average quarterly earnings for the Jobs-Plus group and a comparison group⁸³



⁸³ H.S. Bloom, J.A. Riccio and N.Verma (2005) 'Promoting Work in Public Housing – The effectiveness of Jobs-Plus'

Jobs-Plus rent incentives

Although the rent reform element of the programme was innovative, evidence of its success is largely circumstantial. As the evaluation says ‘patterns in the data suggest that the Jobs-Plus rent incentives were a crucial ingredient in the program’s effects on earnings’. The two sites that used rent incentives the least (Baltimore and Chattanooga) produced no impact on earnings. Conversely, the first two sites to introduce incentives (St Paul and Seattle) showed the earliest evidence of earning impacts. Longitudinally, the 2000 cohort in Dayton accessed double the rate of rent incentives than their 1998 counterparts and annual earning impacts were \$1,189 and \$895 respectively.

Qualitative data suggests that rent incentives were not able to convince long-term unemployed people to start working. However, they were an incentive for employed people to remain in employment or to find a new job if they were made redundant.

The evaluation suggests that marketing rent incentives to residents required a great deal of effort and a contribution from all partners (e.g. Jobs-Plus staff, resident outreach workers, community coaches, and housing authority property managers). However, rent incentives were attractive to many residents who were drawn into the programme’s other services through this mechanism.

The evaluation concludes that rent incentives are only successful if they are one of a number of support mechanisms in a programme.

Cost

The cost to support each individual through the Jobs-Plus programme was c. \$150 per person per month. Based on 250 eligible clients, the annual budget was c.\$450,000 (35 per cent of this was for rent incentives, with the other 65 per cent allocated to all other costs including infrastructure and staffing costs). As the programme replaced existing support, the cost to government was significantly lower and the evaluation suggests that, if replicated, the learning from the programme could also reduce start-up costs.

Key learning

- Providing support in a community setting provides easy access for individuals who might not otherwise engage with employment support. This is particularly effective when a project lasts beyond one or two years. It is also cost efficient and provides the opportunity to regenerate run down areas.
- Recruiting local residents is effective when they become community representatives, however they should only be brought on board as delivery staff if they receive adequate training.
- Ensuring that clients living expenses do not rise as a result of getting a job is a massive incentive for unemployed people.
- Financial incentives only work if they are linked to a network of other services
- Linking up services and providing a seamless journey keeps clients engaged.
- Community-based programmes have a ripple effect – individuals will motivate neighbours and others in their local area to seek similar support if they have a good experience.
- As the project was run by the U.S Government departments, they were able to join up services to provide a smooth transition from unemployment to successful jobs.
- Programmes require suitably qualified staff and relevant additional training to ensure they can run effectively.

Post-Assistance Self-Sufficiency (PASS) programme

Rationale

PASS has been chosen as a case study as it had a positive impact on the employment retention and financial progression of individuals. It is primarily a case management approach although does have other features (such as group workshops and finance). It is a good example of how combining case management with other services can increase the retention and progression of individuals. The evaluation which has been carried out is robust and control groups have been used to ensure the impacts of the programme can be measured. Although this policy focuses on lone parents there are a number of key learning points for all client groups.

Summary

Date	2000-2003.
Location	Riverside County, California (USA).
Lead organisation	Funded by: Administration for Children and Families (ACF) and Department of Health and Human Services (HSS). Managed by: The Riverside County Department of Public Social Services (DPSS).
Aim	'To help clients keep their jobs, stay off TANF, and find 'better' jobs'. ⁸⁴
Mechanism	Case Management and other holistic support (such as finance and referrals) for 12 months.
Target audience	Individuals who had left TANF and were in employment (majority were female lone parents).

⁸⁴ David Navarro, Mark van Dok and Richard Hendra, Results from the Post-Assistance Self-Sufficiency (PASS) Program in Riverside, California, mdrc (US, 2007), p. ES-2.

Implementation

Design and set-up

PASS was set up as one of fifteen programmes in the ERA project which ran from 2000-2003 in eight US states. It was funded by the ACF and HHS and supported by the Department of Labour. DPSS designed and managed the programme which was a follow on programme from 'Phase 1' which aimed to get people into work. PASS was implemented to support individuals (who had previously claimed TANF) in employment after they had secured jobs as part of the Phase 1 programme for 12 months. TANF recipients are primarily female lone parents. The PASS project had two aims: to help individuals stay off TANF; and to advance individuals earning potential.

PASS primarily utilised a case management approach to supporting people to progress in employment, although a number of other support mechanisms were available to individuals such as: financial support, workshops and job search assistance.

A number of key features of the project design offer valuable learning. These are as follows:

Sub-contracting the programme

The Los Angeles DPSS⁸⁵ decided to sub-contract out the majority of the programme delivery to local community-based organisations, as it was felt they could increase the impacts for participants due to their understanding of the local situation and employment market. This was also done to aid recruitment, as individuals were judged to be generally more trusting of local organisations than they were of public bodies such as the DPSS. Three community-based providers, one college and one DPSS office were involved in programme delivery; partly to test which delivery agent would be most effective. Each delivery agent was allowed to be flexible in what they offered clients as services. All delivery agents provided: case management; job preparation and placement services; supportive service assistance (such as food care vouchers, childcare); and referrals to training and social services. Other services included: money management workshops and career development activities.

Recruiting PASS clients

Once individuals were randomly selected from the GAIN Employment and Activity Reporting System⁸⁶ they were referred to the DPSS programme providers who then invited individuals to join the programme. Recruitment methods were varied with PASS providers using a combination of methods including: letters, posters, brochures and phone calls. If these initial methods were unsuccessful some providers made home visits to contact and recruit members. These home visits worked particularly well, as it allowed clients to begin to trust staff that they would work with on the programme. Emphasising the ability to stay in employment was cited as one of the most effective methods of recruitment, by advertising and promoting the safety net that PASS provided. From a client's perspective, a blend of immediate, tangible support such as transportation costs; and long-term services such as training were enticing.

⁸⁵ The equivalent in the UK is the Department for Work and Pensions

⁸⁶ GEARS the GAIN (Greater Avenues for Independence) Employment and Activity Reporting System identifies individuals who leave TANF to move into employment.

How it worked

Initial assessment

Individuals received an initial assessment of their needs once recruited to the PASS project. There was no prescriptive method for the assessment, with each provider doing this as they saw fit. The point of the initial assessment was to encourage clients to think about a career development plan that would last beyond the PASS project and to ensure that the client could be referred to any outside agencies (such as social services) as needed.

Targeting support

Once a client's needs had been established by the provider, they could target support as appropriate. As the PASS programme used a holistic approach, any one of several mechanisms would be provided. All agencies provided case management as well as counselling and careers advice. These were in effect the core services on offer, allowing on-hand expertise and general support throughout the programme.

Job search

PASS also offered job search services to clients who, although in employment when they enrolled, became unemployed. A job preparation and placement service was set up to get them back into employment as fast as possible. Methods varied and ranged from one-on-one job search support to updating their CV and even providing job leads. In one instance a provider of the PASS programme worked with an into work specialist service provider who they regularly worked with to increase the opportunities available to the participant. This joining-up of services complimented the holistic approach that PASS sought to provide for its clients.

“The most effective components of PASS dealt with supervised job search and career exploration, as offered by the Career Institute, one of its service provider partners...[services on offer included] a full-time job search specialist, résumé assistance, and online job listings.”⁸⁷

Extra support

Financial support was also available for all clients on the programme that needed it. The programme was careful not to stipulate to clients in advance what financial support could be provided or who it could be provided to (in line with its holistic approach) and so services such as support with rent and bills, as well as transportation costs could be provided. Delivery staff were able to use their discretion to provide financial support on a case-by-case basis. Where possible, the programme provided food care vouchers or bus passes instead of giving clients money.

Clients were also able to access education and training programmes to increase their employability prospects, and were encouraged to do this at the initial assessment stage and was built into their career development plans.

⁸⁷ Navarro, Dok and Hendra, Results from the Post-Assistance Self-Sufficiency (PASS) Program in Riverside, California, p. 21.

Characteristics of participants who received PASS support

- Ninety per cent of clients were female
- Ninety seven per cent were single parents
- The majority of clients were aged 21-40 (75%)
- Only 1 per cent had no children in their household; 30 per cent had three or more children
- Forty one per cent had a high school diploma, 43 per cent had no qualifications
- Just under a quarter of clients had been employed for less than six months

Impact

In order to measure the impact of the PASS programme, a control group was set up alongside those that received in-work support. The control group had also been through the TANF programme, however were not eligible for additional support. The control group could only access services outside of PASS but were not encouraged or given support to do so.

Employment retention

PASS did increase the percentage of programme group members who had been employed over the two year follow up period, with 86 per cent of PASS group members being employed⁸⁸ compared to 82 per cent (See Table 1). Although not statistically significant PASS also increased the percentage of individuals who were employed for at least 4 consecutive quarters with nearly 60 per cent of the PASS group meeting this criteria compared to almost 57 per cent of the control group.

One reason that PASS was successful was because if clients lost their jobs at any point, they were able to access personalised one-to-one support to help them get back into employment as fast as possible. PASS did not increase employment in the participants initial jobs (less than 30 per cent retained employment in the job they gained through Phase 1 after one year), however PASS clients were more likely to find a subsequent UI covered job (66% compared to 62% of the control group).

Retention and progression impacts for Years 1 and 2 after random assignment			
	PASS Group	Control Group	Impact (difference)
Percentage ever employed ⁸⁹	86.0%	82.1%	3.9%
Average quarterly employment	62.1%	58.1%	4%
Average employed for 4 consecutive quarters	59.6%	56.9%	2.7%
Average number of quarters employed for	5.0	4.6	0.4
Average total earnings	\$18,368	\$16,578	\$1,790
Percentage earning over \$20,000	39.9%	35.1%	4.8%

⁸⁸ This Covers jobs only under the California unemployment insurance (UI) programme, so will not include jobs which are 'off-the-job' such as babysitting, some agricultural and federal government jobs).

⁸⁹ UI employed

Financial progression

PASS was also seen to have a positive impact on individual's earnings. Over Years 1-2, PASS participants earned an average of \$1,790 more than those who received no support (See Table 1). Considering that the project used a primarily case management approach and did not offer an earnings supplement this difference in earnings is substantial. This increase in earnings is however an average and this increase was partly due to increased numbers being in UI (unemployment insurance) covered employment. However, almost 40 per cent of PASS group members earned \$20,000 or more during Years 1 and 2, five percentage points higher than those that received no support (35%).

Community-based organisations

Programme impacts were higher amongst those providers who were community-based compared to those housed by DPSS or the college. The percentage of individuals who were employed at one quarter was four percentage points higher for PASS than the control group (see Table 1). However for two community based organisations; differences were eight and almost five percentage points higher than the control group.

Impacts on earnings were also highest where PASS providers were community based. PASS programme members on average earned \$18,368 over the two year period with a difference of \$1,790 when compared to the control group. The three community-based organisations achieved higher differences when compared to their control groups of: \$3,000, \$3,063 and \$1,925.

Key learning

- Community based providers are highly effective at gaining clients trust and providing value for money. When clients received support from community-based organisations, there was a bigger impacts on the individuals employment retention and progression
- This project had a significant impact on fiscal progression for clients, even though there were no supplements to wages paid. A case management approach combined with financial and other support can have a considerable impact on progression in earnings for clients
- An important feature of the PASS programme was the re-employment aspect, PASS aimed to move individuals back into employment if they did not retain their initial job
- Undertaking an initial assessment of skills and future ambitions of the client is important to ensure the advisor completely understands the individual's needs and aims. This is also useful for the client to start them to think about their long-term goals through developing a career development plan

Self-Sufficiency Project (SSP)

Rationale

The SSP has been chosen as a case study as it is a positive example of where a financial supplement has made an impact on an individual's employment retention and earnings. The evaluations which have been carried out on the SSP are robust and control groups have been used to ensure the impacts of the programme can be measured. The SSP offers the LDA learning in terms of: the mechanisms used to increase retention and progression; and lessons for practical delivery and set up. Although the SSP was aimed at lone parents who were long-term unemployed, there are a number of transferable learning points that are applicable to any policy aiming to offer financial incentives.

Summary

Date	1992-1995.
Location	British Columbia and New Brunswick (Canada).
Lead organisation	Funded by: Human Resources Development Canada (HRDC). ⁹⁰ Managed by: Social Research and Demonstration Corporation (SRDC).
Cost	The estimated net cost per programme group member was \$4,818.
Aim	'A research and demonstration project to test a policy intervention that makes work pay better than welfare'. ⁹¹
Mechanism	Financial supplement.
Target audience	Lone parents who had been unemployed for at least a year. 2,880 in the programme group, 2,849 in the control group, and 293 into SSP Plus

⁹⁰ This was a government department in Canada

⁹¹ Charles Michalopoulos, Doug Tattrie, Cynthia Miller, Phillip K. Robins, Pamela Morris, David Gyarmati, Cindy Redcross, Kelly Foley and Reuben Ford. Making Work Pay: Final Report on the Self-Sufficiency Project for Long-Term Welfare Recipients (SRDC, 2002), p. 1.

Implementation

Design and set-up

SSP was a demonstration project to test how effective an earnings supplement could be for those people who were long-term unemployed. The SSP was funded by Human Resources Development Canada (HRDC)⁹² and managed by the Social Research and Demonstration Corporation (SRDC).

The programme was designed in late 1991 with Canadian and US experts. A number of decisions were made on aspects of the project such as: project design, how much the supplement should be and how it should be operated. Recommendations were presented to HRDC in early 1992 which were accepted and programme implementation began.

In April 1992 SRDC began the process of appointing contractors to operate the SSP offices and to design and manage the new computer systems needed to ensure the project could run effectively and individuals could receive their supplement payments. Contractors were assessed against a number of criteria including: past experience (of either working with disadvantaged groups and providing similar services or having experience of designing the computer systems), organisation's stability, an understanding of the model, capacity and commitment to the research. Three contractors were chosen in August 1992 – two to run the four SSP offices and one to design and maintain the computer systems.

A number of key features of the project design offer valuable learning. These are as follows:

Project manuals

To ensure the project was completely understood by all, manuals were developed for the project which not only outlined the project and how it would work, but were detailed in that they provided scripts and letters for explaining the project to SSP participants and covered many other issues such as 'confidentiality and external relations'.⁹³ Manuals also explained the importance of keeping services consistent with other SSP offices to ensure the project could be evaluated effectively.

92 This was a government department in Canada

93 Tod Mijanovich and David Long, *Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project* (SRDC, 1995), p. 65.

Staff recruitment

The next stage was to recruit staff to the four SSP sites; this stage was seen as crucial as it was these individuals who would engage with programme members. To run the project each contractor needed to recruit: a provincial coordinator (who was also an office manager), an office manager (for the remaining two sites), one to three professional staff per office and one/two support staff. The majority of staff had university degrees, had experience of working with disadvantaged individuals and were comfortable with how the SSP model would operate. New staff were trained in the key elements of the project to reinforce and explain how the project would work, and to ensure consistency across project sites; technical assistance was provided afterwards by SRDC as staff needed it.

Management information systems

A Program Management Information System (PMIS) was created to monitor performance and track clients; and to track all communications between staff and their clients. A Supplement Payment System (SPS) was also created to calculate payments based on varied information. The random assignment of individuals began in November 1992.

Project initiation and selection of clients

Lone parents who had been on Income Assistance for one year or more were randomly selected. Statistics Canada then interviewed these people and conducted a baseline survey of those who were willing to take part in the project – the majority of individuals agreed to take part. From these individuals random assignment took place to programme and control groups. The final numbers in each group were: 2,880 in the programme group, 2,849 in the control group, and 293 into SSP Plus. In both the programme group and the control group the majority of individuals were women due to the nature of the study being focused on lone parents.

Those in the programme group were initially contacted via post with an invitation to attend an SSP orientation session at the SSP offices; it is from this date that their one year deadline started to find employment. After the letter was sent out SSP staff contacted these individuals to confirm their attendance. Some individuals were visited at home for their orientation to boost the numbers who knew about the project. The contracted staff at the SSP offices were responsible for ensuring project participants understood the financial incentive. They needed to understand the eligibility criteria and how they would be financially better off if they chose to take up the supplement offer.

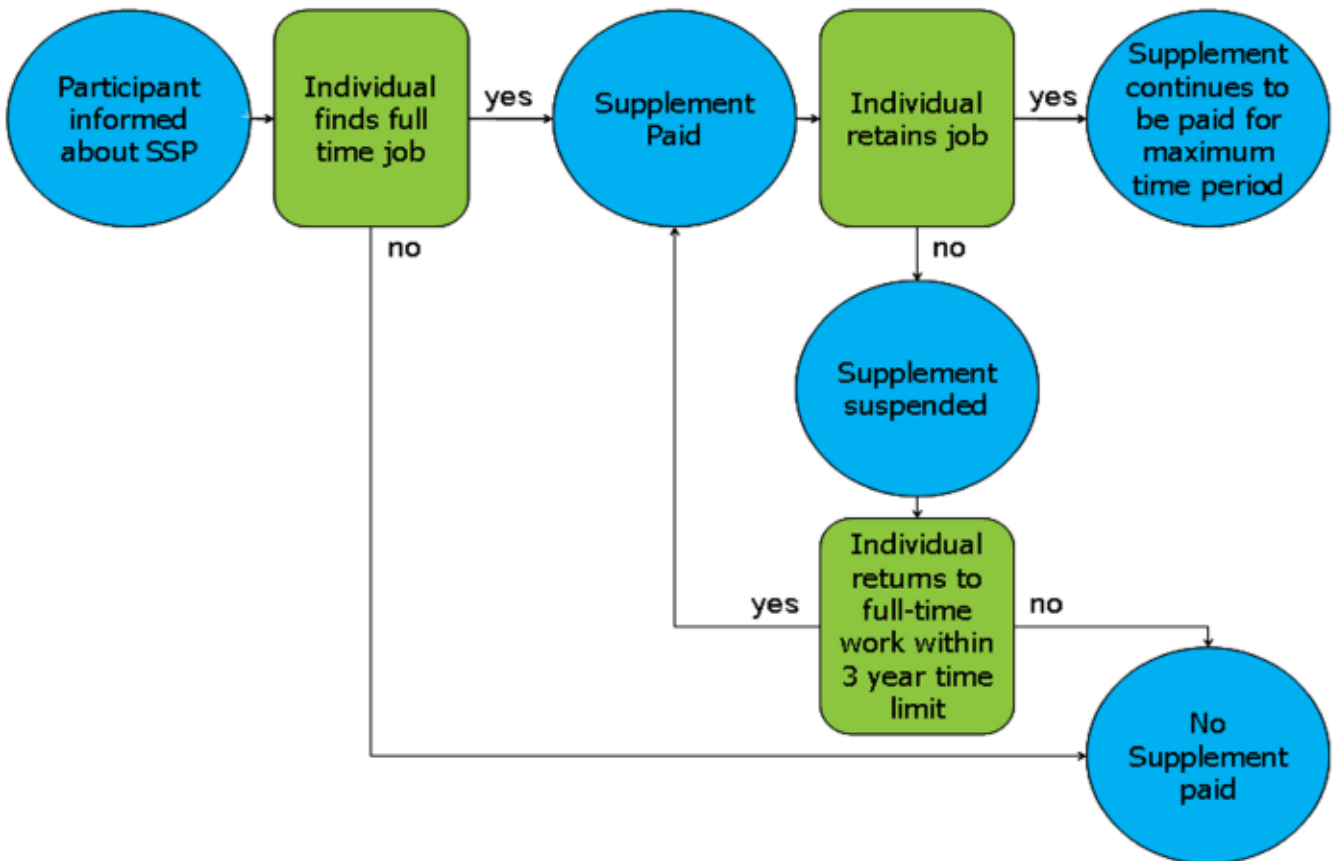
How it worked

The only mechanism in this project was an earnings supplement that was available to lone parents who had moved into full-time employment (at least 30 hours per week) after being unemployed for over one year (12 months out of the previous 13) and were not on Income Assistance.

Only information about the supplement was given to individuals and no extra services were offered within the project (SSP Plus participants did receive additional service as outlined later in the case study), however, individuals were free to access any support outside of the project they wanted (as were control group members).

The earnings supplement lasted for three years whilst the individual was still working full-time. Figure 20 outlines the customer journey on SSP. If someone moved out of full-time employment they would not receive the supplement but would be eligible to claim again within the three years once working full-time).

Figure 20: Customer journey on SSP



Individual retains job Individual finds full time job Supplement continues to be paid for maximum time period Supplement Paid Participant informed about SSP Supplement suspended Individual returns to full-time work within 3 year time limit.

An individual could sign up for the supplement up to a year after they had been invited to join the project. From the moment an individual found full-time employment their three year payment period began. This deadline was implemented to encourage individuals to find employment as soon as possible; however, this may have prevented those who had significant barriers to work from finding employment quick enough for them to receive the supplement once in full-time employment. Before expenses and tax the individual's wages were approximately doubled.

To prevent participants having to return to Income Assistance if they were temporarily working less than 30 hours per week (such as to look after a sick child) their hours worked were averaged over a four week period. If this averaged less than 30 hours they were paid their supplement pro-rata. In a year period participants could receive two pro-rata payments per year, after this their payment was suspended unless full-time work was carried out.

Supplement payment

To receive the supplement payments individuals had to fill in a 'voucher' outlining specific details and post this to the SSP office along with a copy of their wage slip. The individual would receive their supplement payment based on their pay periods. Therefore if individuals received their wages based on weeks (i.e. weekly or bi-weekly) – they would receive their supplement every four weeks (13 payments over the year), whereas if they received them monthly they would receive their supplement this way (12 payments over the year). Individuals supplements were calculated based on the following formula: supplement payment = (earnings benchmark⁹⁴ – participant's earnings) ÷ 2. The supplement would be reduced if the individual had not worked their expected number of hours (for a maximum of two payments per year). Once this payment was calculated, information was sent to the Royal Bank who withheld tax and paid the individuals the correct amount either by cheque or direct debit. This information was sent back to the relevant SSP office whose staff would produce a statement for the participants detailing their: pay, tax and any reasons for reduced payments.

Characteristics of participants who received SSP payments

- Fifty eight per cent of supplement takers had a high school diploma or equivalent, compared to 42 per cent of non-takers
- 13.6 per cent of supplement takers were already working full-time and a further 17.4 per cent were working part-time (compared to 2.5% and 8.7% of non supplement takers respectively).
- Those who had barriers to employment were less likely to take up the supplement, such as family responsibilities and illness/disability

⁹⁴ The earnings benchmark differed for each province – They started as: New Brunswick – \$30,000 and British Columbia – \$37,000 – however they were adjusted with inflation

Impact

To ensure the impacts of the research project could be fully explored, and to examine whether or not the SSP earnings supplement did make ‘work pay better than welfare’, random assignment was used to allocate individuals to a programme group or a control group who were not supported in any way.⁹⁵

Employment retention

The SSP was successful at increasing the employment rates of some individuals and once the programme had ended a high proportion of those in full-time employment were still employed eight months later. This highlights however that this type of support did not increase retention for a large majority of the project sample and that different support may be needed for this group of people.

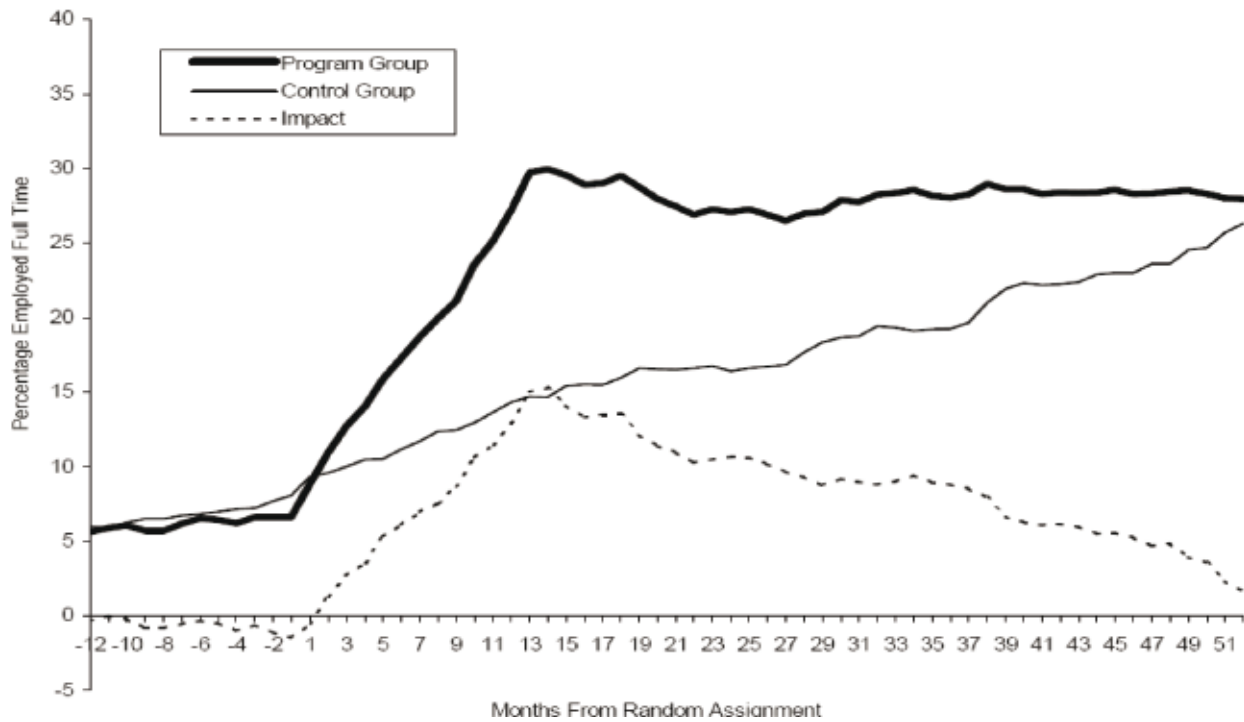
13 months after random assignment began, twice as many (30%) SSP participants were in full-time employment compared the control group (15%). However, as the project continued the difference between the programme group and the control group decreased. By month 30 the SSP group’s full-time employment rates were only 3.6 percentage points higher than the control group (as shown in Figure 21 on the following page). The average number of months, over the lifetime of the project, the SSP group were employed full-time for was 13.4 compared to 9.2 for the control group. Although there was a lower difference in impact as the number of years increased, it can be argued that it ‘accelerated by up to three years their transition into employment’⁹⁶ as shown in Figure 2 overleaf. Therefore although at the end of the review period there was a smaller difference between those in SSP compared to those in the control group, they had been employed for a longer period of time.

There was also seen to be an impact on employment after the supplement ended for some participants; 70 per cent of those who were employed when their supplement ended were still in full-time employment eight months on.

⁹⁵ For a detailed explanation of this please see Michalopoulos et al. Making Work Pay, p. 2.

⁹⁶ Michalopoulos et al. Making Work Pay, p. 172.

Figure 21: Full-time employment rates, by month from random assignment



Source: Calculations from baseline survey data and 18 month, 36 month, and 54 month follow up survey data.
 Note: “Employed full time” is defined as working 30 hours or more in at least one week during the month.

Financial progression

Overall SSP did have a positive impact on the income of those receiving SSP payments, with some having increases of more than 10 per cent in their wages over a three year period.

As with employment the biggest impacts were seen in the first one to two years of the project. In Year 2 of the project there was SSP participants were earning on average \$1,218 per person (over a year) more than control group members compared to \$620 in Year 4. However concern needs to be taken with these findings as they include all of the sample; when examining these findings by just those who were in employment the difference is much lower, for example at Year 2 the difference between the two groups was only \$232.

Of those who were employed in Year 1 and Year 4, 15.1 per cent of the SSP groups saw their wages increase by more than 10 per cent, compared to 9.7 per cent of those in the control group. After the supplement had ended only 20 per cent of those who were receiving the supplement had a decrease in wages, the other supplement takers received increased income from other sources such as earnings and ‘other’ income.

Cost

It was stated that 'Over the five year period, the estimated net cost per program group member was \$4,818.'⁹⁷ However, the government were able to recoup some of this budget through the increased taxes paid by the individuals who were in full-time employment. Overall for every \$1 an individual gained by being on the programme this cost the government 51 cents. Also if this project was implemented part of the costs such as set-up or administration costs would be absorbed by the specific agency implementing the project.

SSP Plus

Due to the anticipation that a final incentive alone may not overcome all the barriers individuals faced, SSP Plus was administered to a small cohort of individuals in New Brunswick. These individuals were not only eligible for the financial incentive but were also offered pre- and post-employment services such as: an employment plan, job clubs, workshops, one-to-one job coaching and a resume service.

There was substantial take-up of these services throughout the programme with the majority completing the employment plan and over half of the individuals using the resume service, job leads or job coaching.

There appears to be a positive impact of these added services with over half of SSP Plus members receiving at least one supplement payment whilst they were eligible compared to 37 per cent of regular SSP participants.

In Year 4 there was the highest difference between those in SSP and SSP Plus, with the average employment rate for those in SSP at 32.8 per cent compared to 40.1 per cent of those in SSP Plus. By Year 4 also the average earnings for those in SSP Plus were higher than those in the regular SSP by \$1,334. It can be seen from these findings that SSP Plus did increase employment and income for these individuals (especially after Year 4) and that this employment was more sustainable than SSP alone.

⁹⁷ Michalopoulos et al. Making Work Pay, p. 134

Key learning

- To improve employment retention and progression, financial incentives should be combined with other support such as case management. Further to this many participants are likely to need different types of support with various mechanisms being used
- Ensure all staff have the necessary experience for the role and are provided with specific training and support throughout the programme
- It is essential that the target audience understand the project which is being offered to them to ensure maximum take-up and impact
- This project not only incentivised individual's to retain work but also encouraged individuals to move into work so this project met two aims
- When programmes are delivered using government funding, the total cost of the programme will not be the total cost to government (or society). Money will be recovered (if the programme is successful) due to a reduction in unemployment benefits and other benefits that would usually have been paid to programme participants
- Although SSP was seen to be successful the financial model was deemed to not be financially viable to roll out nationally.

Notes

Notes

Notes

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