

New Deal 50 plus Quantitative Analysis of Job Retention.

Summary.

The aim of this analysis was to investigate the job retention rates of New Deal 50 plus customers who claim the full 12 month entitlement of the Employment Credit, after their entitlement runs out. Job retention after the Employment Credit expires is seen as an important measure of the success of the programme.

The New Deal 50 plus evaluation database was used to investigate the various aspects of this issue.

In addition to providing some summary statistics on Employment Credit claimants, the key questions this research tried to answer were:

- How many Employment Credit claimants return to benefits after the expiry of their entitlement?
- Are there any differences in customer characteristics between those who stay off benefits, and those who return?
- Does the Employment Credit make a difference to job retention for New Deal 50 plus customers, in comparison to Jobcentre Plus customers over 50 in general?

In summary, the findings of the research were:

- Job retention for New Deal 50 plus customers, after the expiry of the Employment Credit, is high –
 - 84 per cent were off benefits at the 52 week stage,
 - 77 per cent of customers staying off benefits for the entirety of the 52 weeks.
- There were statistically significant differences between those who retained their jobs after Employment Credit expiry (i.e. they did not return to benefits) and those that didn't, based on the following customer characteristics - employment type (full/part time), self employed / employed, marital status, gender, disability status, age group, previous benefit, days claiming prior to Employment Credit start, and benefit claims prior to Employment Credit start.
- Based on a very basic comparison, there is some evidence to suggest that the job retention rate is substantially higher at the six month stage for customers claiming the Employment Credit, compared to Jobcentre Plus customers in general.

EXECUTIVE SUMMARY

Introduction

The aim of this analysis was to investigate job retention for New Deal 50 plus Employment Credit claimants, in the year following the end of their entitlement. Job retention is seen as an important measure of the success of the programme. The methodology involved analysing the New Deal 50 plus evaluation database to profile Employment Credit claimants' characteristics, and the nature of job retention after the Credit ends. Job retention was measured on the basis that recipients did not return to benefit.

Profile of Employment Credit Claimants

Of the 75,000 customers who had started claiming the Employment Credit, up to June 2002;

- 69 per cent are male,
- 32 per cent disabled,
- 96 per cent white,
- 42 per cent married,
- 12 per cent self employed.

The majority of Employment Credit claimants fall into the 50-54 age group (59 per cent), and were previously claiming JSA (72 per cent). There are concentrations of Employment Credit claimants in northern Jobcentre Plus regions.

Retention of Employment Credit completers

For the customer group for whom there is 12 full months of benefits data after their Employment Credit expiry:

- 84 per cent were not claiming benefits at the 52 week stage and
- 77 per cent had not returned to claim benefits at any stage during the 12 months following the end of their entitlement.

Of those that had returned to claim any benefit at the 52 week stage, following the Employment Credit expiry, (16 per cent), half of them returned to claim JSA.

A third of all those Employment Credit claimants who do return to benefits in the 52 weeks following their claim end, do so within 90 days.

Analysis of factors influencing job retention

Various customer characteristics were analysed on the New Deal 50 plus evaluation database, to see if there was any statistically significant relationships influencing job retention after Employment Credit expiry.

In summary, a customer is more likely to have returned to benefit after 6 months if they have any one of the following characteristics;

Male;

Disabled;

In the 65-69 age band;

Single (or divorced or cohabiting);

Self-employed;

In a full-time job;

Having previously claimed SDA (or IS);

Having previously claimed for under 100 days in total;

and previously had several claims to benefits.

Comparison to 50+ Jobcentre Plus customers job retention

A comparison was undertaken, to try and identify an impact of introducing the Employment Credit on job retention, over job retention of Jobcentre Plus 50+ customers classed as unemployed, claiming JSA for 6 months and over.

Based on a rough comparison there is some evidence to suggest there is a positive impact on job retention by claiming the Employment Credit. However, further analysis would be recommended to produce a more robust comparison.