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Understanding the impact of jobseeker's allowance

Report

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Department of Social Security

Research Report No 111

Understanding the Impact of Jobseeker's Allowance

Alison Smith, Rachel Youngs, Karl Ashworth, Stephen McKay and Robert Walker
with Peter Elias and Abigail McKnight

A report of research carried out by the Social Security Unit at the Centre for
Research in Social Policy, Loughborough University on behalf of the Department of
Social Security, Department for Education and Employment, Benefits Agency and
Employment Service

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SUMMARY

Introduction Jobseeker's Allowance was introduced in October 1996, increasing the emphasis of provision away from social security as a passive response to unemployment towards a more active focus on finding work. This report brings together findings from quantitative research that was designed to evaluate many aspects of the effectiveness of Jobseeker's Allowance.

The research, begun in 1995 before the introduction of the new benefit regime, was based on a 'before and after' design which involved conducting survey interviews with two nationally representative samples of 5000 unemployed people (Section 1.1). One sample was drawn before the implementation of Jobseeker's Allowance, the other afterwards. Each sample was divided into two parts, a sample of people who had been unemployed for less than two weeks and a second comprised of people who had been unemployed for longer. In each case two waves of interviews were conducted separated by an interval of six months.

There were many other policy developments during the course of the research including the election of the new Labour Government and the introduction of New Deal for Young People. An unprecedented fall in the level of unemployment also occurred with improved labour market conditions being recorded in all of the Employment Service offices in the sample. Unless stated otherwise, the research findings presented in the report control for the effects of the improved economy in order to isolate the consequences of introducing Jobseeker's Allowance.

Changes in jobseekers' characteristics The proportion of respondents in the post-JSA sample in full-time work almost doubled from 14 per cent to 26 per cent over the six months between interviews, while the number unemployed fell by 16 percentage points to 49 per cent (Section 2.1). The fall in unemployment was even greater for respondents who were newly unemployed at the time of the first interview: dropping by 27 percentage points to 32 per cent.

More respondents were in paid work at the time of the second interview in the post-JSA sample than was the case before the introduction of Jobseeker's Allowance: 37 per cent compared with 31 per cent (Section 2.1.1). The introduction of Jobseeker's Allowance appeared to make little difference to the destinations of those leaving unemployment.

Sixty-three per cent of respondents who were unemployed at the time of the first interview were unemployed six months later. The commonest 'destination' for the others was full-time paid work (18 per cent). Newly unemployed people fared better: 47 per cent were unemployed at the second interview and 31 per cent were in full-time work (Section 2.1.2).

Full-time work taken up by respondents after the introduction of Jobseeker's Allowance proved to be just as stable as under the old benefits system. In each case, around three-quarters of respondents, who were working for more than 29 hours per week at the time of the first interview, were in full-time work six months later (73 per cent of the pre-JSA cohort and 76 per cent of the post-JSA cohort). A third fewer people returned to Jobseeker's Allowance following a spell of full-time work than reclaimed Income Support/Unemployment Benefit (14 per cent compared with 21 per cent) which may suggest that Jobseeker's Allowance acts as a deterrent to re-claiming (Section 2.1.3).

Claiming benefit Jobseekers' perceptions of their own understanding of the benefit rules improved after the introduction of Jobseeker's Allowance: 46 per cent felt they had a 'good understanding' of the rules compared to 37 per cent beforehand. Only four per cent of the pre-JSA cohort and five per cent of the post-JSA cohort felt they had no understanding of the rules (Section 3.1.1).

Jobseekers following the introduction of Jobseeker's Allowance were most likely to recall the rule that they should be actively seeking work (noted by 51 per cent of respondents at the second interview). Levels of awareness regarding the need to actively seek work also increased between interviews: from 39 per cent of respondents at the first wave interview to 51 per cent at the second for the post-JSA cohort.

Levels of awareness surrounding the consequences of not actively seeking work increased significantly following the introduction of Jobseeker's Allowance. After the introduction of Jobseeker's Allowance, half of respondents believed that their benefit would be stopped if they did not look for work compared with two-fifths beforehand (Section 3.2.1).

Reports of Jobcentres monitoring of jobsearch increased following the introduction of Jobseeker's Allowance. Thirty-five per cent said that they were questioned about this each fortnight compared with 19 per cent under the previous benefit regime (Section 3.2.2). Jobseekers were also more likely to be told about job vacancies when they signed on, an increase from eight to 21 per cent.

Over one-half (53 per cent) of people receiving Jobseeker's Allowance recalled attending a Client Adviser Interview (Section 3.3.2). Fifty-one per cent found it 'helpful' and 20 per cent 'very helpful'. More respondents applied for jobs as a direct result of their Client Adviser Interview than before the introduction of Jobseeker's Allowance (16 per cent compared with nine per cent). But the proportion of respondents who said that they took no specific action after their last interview increased by nine percentage points to 50 per cent between cohorts.

Finding work Less than five per cent of respondents were not looking for work and did not want a job for reasons that included long-term health problems, further study and caring responsibilities (Section 4.1). Moreover, only eight per cent of these were claiming unemployment-related benefit (compared with 15 per cent before the introduction of Jobseeker's Allowance). Another four per cent of respondents were not currently looking for work but said they would like a job; 23 per cent of these were still claiming Jobseeker's Allowance.

The introduction of Jobseeker's Allowance made little difference to the type of work that jobseekers wanted (Section 4.2) and, by the time of the second wave interview, the average time spent per week looking for work had fallen back to pre-Jobseeker's Allowance levels (Section 4.3). The number of job applications was also unchanged.

There were small changes in the methods used to look for work following the introduction of Jobseeker's Allowance, with the post-JSA cohort tending to use more active jobsearch methods (Section 4.4). The number of people using specialist journals fell by five percentage points and those looking in national newspapers by eight percentage points while more jobseekers contacted employers directly (a seven percentage point increase). The number who kept records of job applications rose by nine percentage points.

The number of respondents who said they were told of vacancies by Jobcentre staff increased from 24 per cent to 47 per cent after the introduction of Jobseeker's Allowance (Section 4.7). Further, the number reporting Jobcentre staff directly contacting employers on their behalf rose by 10 percentage points and more respondents received advice about the kind of jobs to apply for (a nine percentage point increase).

Reservation wages quoted by respondents in the post-Jobseeker's Allowance survey - that is the lowest wage for which they are prepared to work - were slightly higher at the second interview than at the first. At both interviews, return to work wages exceeded reservation wages for Jobseeker's Allowance recipients, though the difference was greater for those who returned to work before the first interview. This contrasts with pre-Jobseeker's Allowance respondents, who at the time of the first interview achieved return to work wages greater than reservation wages, but by the time of the second interview, despite reservation wages holding constant, received lower return to work wages (Section 4.2).

There was some evidence, as in earlier reports, that certain methods of jobsearch were more effective than were others (Section 4.5). Use of private recruitment agencies and learning about vacancies from Jobcentre staff were associated with a higher than average chance of being employed at the second wave interview in the post-JSA survey although these methods were not necessarily the ones used to find the job the respondents

were in. There was no clear indication that being flexible about the type of job that people were prepared to accept assisted them to rapidly return to work.

Statistical modelling revealed that in areas of high employment the probability of a respondent who was recently unemployed at the time of sampling being in paid work at the second interview was higher after Jobseeker's Allowance was introduced than beforehand (Section 4.6). However, personal, socio-demographic characteristics – age, gender, education and work-experience – often had a greater impact than employment levels on the chances of being in paid work. Making use of a private recruitment agency, being prepared to accept weekend work, and looking for full-time work but being prepared to accept part-time work also appeared to have a positive effect.

The quality of return to work jobs

Jobseekers typically found work that did not fully exploit their skills and qualifications but this did not worsen with the introduction of Jobseeker's Allowance (Section 5.3). Around half of jobseekers both before and after Jobseeker's Allowance took jobs in occupations that typically employed staff with lower qualifications than they possessed (Section 5.2). Further, around a third of respondents felt their return to work job made no or 'not much' use of their skills and experience (Section 5.3).

Approximately half of the people leaving benefit after the introduction of Jobseeker's Allowance took temporary jobs at a time when only eight per cent in the working population were in temporary employment (Section 5.4).

The average wages received on return to work did not decline in real terms after the introduction of Jobseeker's Allowance although these did not keep up with the growth in average wages (falling behind by about 4.5 per cent (Sections 5.7 and 4.2). However, this relative decline in earning power seems to reflect a fall in the wages commanded by respondents before they became unemployed. There was no evidence that the wage rates received by respondents after leaving benefit were any lower than those they had received immediately before becoming unemployed.

The economic activity of partners of unemployed people

Thirty three per cent of partners in the post-Jobseeker's Allowance cohort were in paid work at the second interview and another 11 per cent were looking for work (Section 6.2). While these figures did not change significantly after the introduction of Jobseeker's Allowance, the proportion of partners not wanting to work fell from 28 per cent to 23 per cent. Also, the number of Jobseeker's Allowance recipients who said that they would like a job even though they were not currently looking rose from 21 per cent to 29 per cent.

Respondents' partners who were employed at the time of the second interview had particular characteristics (Section 6.1). They were more likely than other partners who were not employed at the second interview to have academic qualifications, less likely to have a child aged under five, more likely to be an owner occupier and more likely themselves to have a partner who had returned to work. Fifty two per cent of respondents who were back in work had a partner who was employed compared with 16 per cent of respondents who were still claiming benefit (Section 6.2).

The probability of the partners of respondents being in paid employment at the time of the second interview was associated with a number of factors (Section 6.3). These included the local employment rate and such personal characteristics as gender, age of youngest child, qualifications and the employment status of their own partner (i.e. the respondent). The probability of a partner working was not affected by the introduction of Jobseeker's Allowance.

Likewise, detailed time-series analysis found no overall change in the relationship between a male respondent's unemployment and a female partner's employment related to the introduction of Jobseeker's Allowance (Section 6.4). However, whereas before Jobseeker's Allowance the most significant fall in the probability that a partner would be employed occurred after the respondent had been unemployed for 12 months, this now happened earlier - after six months' unemployment. This change may be partly a result of the reduction from 12 to six months in the duration of contribution-based benefit.

Leaving unemployment

More people took up some form of employment directly on leaving benefit after the introduction of Jobseeker's Allowance than before it (68 per cent compared with 62 per cent) (Section 7.1). Fifty-three per cent moved into full-time work, 15 per cent took a part-time job.

The average duration of unemployment fell in the period after JSA was introduced (Section 7.2). The median length of unemployment experienced by respondents who were newly unemployed when sampled declined from 14 to 12.4 weeks. People who had already been unemployed for at least two weeks when the sample was drawn spent, on average, a further 25 weeks on Jobseeker's Allowance, significantly less than the 32 additional weeks spent on benefit had they been receiving Unemployment Benefit or Income Support.

The above figures do not isolate a 'Jobseeker's Allowance effect' from the overall decline in unemployment that occurred between 1995 and 1997. When this was done it was apparent that after the introduction of Jobseeker's Allowance unemployed respondents were likely to leave benefit at a weekly rate of 11 per cent greater than that of people under the pre-Jobseeker's Allowance benefit regime. However, this effect was

mediated by the prevailing state of the local economy. In areas of high employment Jobseeker's Allowance recipients left benefit more quickly than their counterparts under the previous regime; however, this was not true in areas of low employment. However, irrespective of the state of the local economy, Jobseeker's Allowance recipients, who were unemployed for six months or more, left benefit at a more rapid rate than did pre-Jobseeker's Allowance recipients. This effect mitigated any tendency for longer-term recipients to accumulate in areas of low employment after the introduction of Jobseeker's Allowance. In addition, the rise in people leaving benefit after six months further increased the rate at which recipients of Jobseeker's Allowance left benefit in areas of high employment, relative to their counterparts on Unemployment Benefit/Income Support (Section 8.2).

The time people spent unemployed was influenced by many other factors besides Jobseeker's Allowance and the prevailing rate of employment (Section 7.3). Those associated with comparatively long spells of unemployment included being male, limited educational qualifications, ill health, limited recent work experience, and lack of a driving licence or access to personal transport. There was no evidence that Jobseeker's Allowance materially affected this pattern of relationships (Section 7.3 and 8.2).

Staying off benefit Respondents who had left Jobseeker's Allowance were less likely to return for a further spell than were pre-Jobseeker's Allowance recipients; the likelihood of the latter group returning to benefit in any week was 26 per cent higher than for the former group (Section 8.3). However, it is not known whether this reflected labour market developments that improved job retention or because former jobseekers were deterred from making a further claim. The longer a person stayed off benefit, the less likely they were to return. This was true under both benefit regimes. A number of personal and demographic factors combined to influence the chances of returning to benefit, and these did not change.

Conclusion The evidence is that Jobseeker's Allowance has enhanced the proactive delivery of labour market services and reduced administrative difficulties faced by benefit recipients (Section 9.2). Belief that benefit would be lost or reduced if a jobseeker did not comply with the rules increased following the introduction of Jobseeker's Allowance as did acceptance of the principle of conditionality which was already high before Jobseeker's Allowance was introduced. There was no evidence that detailed knowledge of the benefit system has increased since the introduction of Jobseeker's Allowance and there is considerable scope to ensure that service delivery is universally high.

It seems that Jobseeker's Allowance has fostered a fall in the duration of unemployment without a direct corresponding deterioration in the security and quality of return to work jobs. However, these improvements

have been secured at a time of already falling unemployment and the impact of Jobseeker's Allowance was least evident in areas where unemployment is highest. There was also no strong evidence that the Back to Work Bonus served to counteract the tendency for partners of unemployed respondents to leave employment earlier than in the past.

1 INTRODUCTION

Jobseeker's Allowance (JSA) was introduced on 7th October 1996, replacing Unemployment Benefit and Income Support for unemployed people. The policy change sought to increase the emphasis of provision away from social security as a passive response to unemployment towards a more active focus on finding work. More specifically the objectives of the policy are to:

- improve the operation of the labour market by helping people in their search for work, while ensuring that they understand and fulfil the conditions for receipt of benefit.
- secure better value for money for the taxpayer by means of a streamlined administration, closer targeting on those in need of financial support and a regime which more closely helps people back into work, and
- improve the service to unemployed people by providing a clearer benefit structure and better service delivery.

The implementation of Jobseeker's Allowance involved merging contributory Unemployment Benefit and income-tested payments of Income Support to people of working age receiving benefit on grounds of unemployment. Contribution-based and income-related components were retained under the new system but benefits paid on the basis of contributions were limited to a maximum of six months (as opposed to 12 months under the old regime). Many of the rules which differed between Income Support and Unemployment Benefit were unified under Jobseeker's Allowance and some Benefits Agency staff were co-located alongside Employment Service staff in Jobcentres in order to reduce the need for jobseekers to visit or contact two offices. Under the new system all jobseekers are obliged to sign a Jobseeker's Agreement which lists the activities that jobseekers intend to take to find work. The procedures by which jobseekers can be sanctioned were also revised with the introduction of Jobseeker's Allowance.

The Back to Work Bonus was an incentive measure that was introduced at the same time as Jobseeker's Allowance. Customers who work part-time whilst claiming Jobseeker's Allowance or Income Support are eligible to join the Back to Work Bonus scheme. This allows jobseekers that have been claiming Jobseeker's Allowance for three or more months to accumulate 50 per cent of their (or their partner's) part time earnings in excess of the earnings disregard, up to a total limit of £1000, and to receive it as a lump sum on leaving Jobseeker's Allowance and returning to work.

1.1 Research design

This report brings together findings from a series of face to face interview surveys that began in 1995 before the introduction of Jobseeker's Allowance. The research design involved drawing a nationally representative sample of people who were unemployed and claiming benefits (or receiving National Insurance Credits) in July/August 1995. The sample was structured so that half the respondents made a new claim for benefit within the last two weeks which enabled the experience and behaviour of the newly unemployed to be compared and contrasted with that of people who had been out of work for longer. Respondents were interviewed twice, once in September or October 1995 and then again in March or April 1996. This meant that it was possible to establish the economic status of respondents approximately six months after they were first interviewed and to assess any changes in their attitudes and behaviour.

A similar sample was drawn in August 1997, about 10 months after the introduction of Jobseeker's Allowance, and interviews were conducted in September or October 1997 and again in March or April 1998. Drawing the post-Jobseeker's Allowance sample at the same time of year as that for the pre-Jobseeker's Allowance survey meant that seasonal influences on labour market demand and unemployment were likely to be similar. By August the new system had some 10 months in which to bed-down. The presumption is that differences observed in the behaviour and attitudes of jobseekers between the two samples (or 'cohorts') and in their rate of movement off benefit and into work may be largely attributable to the effect of introducing Jobseeker's Allowance (but, see Section 1.3 below).

Approximately 5,000 jobseekers were interviewed in each of the first waves of interviewing and over 3,000 in the second (Table 1.1). As stated above each cohort was composed of two separate sub-samples: the recently unemployed (the flow) and the representative sample of all claimants. Within each cohort, these two elements of the sample can be combined such that, with appropriate weighting, they are representative of the stock of all claimants receiving benefit at the time of sampling. Results are given throughout the report for both the stock and the sample of recently unemployed (the flow) as appropriate. Whenever jobseekers had partners, they were also interviewed. Response rates were high and although some respondents were unavailable for interview at the second wave this was kept to a minimum. Furthermore, the characteristics of those who were not re-interviewed did not vary from those who did participate in the second wave of interviews (Appendix C). All samples were weighted to take account of known bias introduced by differential response and non-response.¹

¹ The samples were also weighted to adjust for differential sampling fractions used to ensure an appropriate representation of jobseekers receiving contribution and income-tested benefits or National Insurance Credits.

Table 1.1 Sample sizes and response rates

	Pre-JSA		Post-JSA	
	Wave 1	Wave 2	Wave 1	Wave 2
	(September 1995)	(March 1996)	(September 1997)	(March 1998)
New claims	2387	1512	2384	1605
Existing claims	2440	1958	2391	1660
Response rate %	75	72	73	68
Cumulative response rate %	75	53	73	50

1.2 Developments since the introduction of Jobseeker's Allowance

It is important to recall the many policy and other changes that have occurred since the introduction of Jobseeker's Allowance and during the three years of the research. Most significant in policy terms, of course, was the election of a Labour Government on 1st May 1997 with a strong mandate to reform welfare.

1.2.1 Policy changes

Paid work occupies a central role in the Labour government's project to reform welfare. The first of the eight principles set out in the 1998 Social Security Green Paper, *'New ambitions for our country: A new contract for welfare'* is that the new welfare state should help and encourage people of working age to work where they are capable of doing so.

Welfare to work policies are a key part of the Government's strategy to prevent poverty. The Green Paper argues that 'for those able to undertake it, paid work is the surest way out of poverty' and, moreover, provides people with 'independence and status in the community'. Consequently, since coming to power the Government has been engaged on the design and implementation of policies that are 'an attack on worklessness' and are 'proactive'; that is they are designed to 'prevent poverty by ensuring that people have the right education, training and support' and by widening 'the exits from welfare dependency by offering tailor-made help for individuals'. New Deal for 18-24 year olds was implemented nationally in April 1998 after being introduced in 12 'pathfinder' areas in January 1998. After an initial 'Gateway' involving advice and intensive jobsearch lasting for up to four months, New Deal provides young people with full-time education, or work experience and accredited training in subsidised private sector jobs, voluntary organisations or with the new Environment Taskforce. New Deal for people aged 25 or over which offers the possibility of subsidised employment to jobseekers after two years of unemployment was introduced nationally in June 1998.

In addition to the New Deal policies which provide enhanced advice and assistance with jobsearch and seek to overcome the lack of skills, training and qualifications that act as barriers to jobseekers rapidly returning to work, a national minimum wage has been introduced and a Working Families' Tax Credit has been announced which will serve to increase the incomes of people returning to work.

Despite these major developments, Jobseeker's Allowance remains the major source of financial protection in the event of unemployment and, through the Fortnightly Jobsearch Review and Client Advice Interviews the major form of advice, support and assistance in seeking paid employment. Moreover, the Jobseeker's Agreement, which makes explicit the conditionality inherent in the receipt of benefit, is consistent with the importance that the Government attaches to personal responsibility.

Since most of the policy developments described above were implemented after the research fieldwork was completed, any changes in the attitudes and behaviour of jobseekers observed in the research are most unlikely to be due to newly introduced policies rather than to Jobseeker's Allowance. However, two caveats are in order. First, the introduction of New Deal for Young People for the 12 pathfinder areas took place ahead of the second wave of interviews in the Post-JSA survey. Sixteen per cent of the whole sample lived in Pathfinder areas and 27 per cent of these were aged 18-24 and who would thus have been eligible for New Deal once they had been unemployed for more than six months. (Four per cent of the whole sample were aged 18 to 24 and lived in New Deal Pathfinder areas).

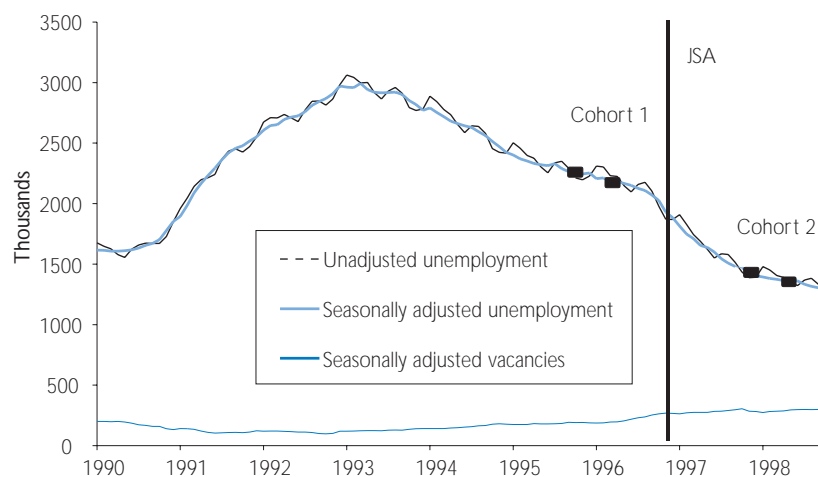
Secondly, although New Deal for 18-24 year olds was not implemented nationally until April 1998, some training of Employment Service staff was already being undertaken towards the end of the second wave fieldwork which may have affected the priority given to the energetic implementation of Jobseeker's Allowance.

1.2.2 Labour market developments

Labour market conditions rarely remain constant for long and the period Autumn 1995 to Spring 1998 was no exception. Indeed it witnessed an unprecedented fall in the level of unemployment (Figure 1.1). From a peak of 2,503,000 in January 1995 unemployment fell from 2,254, 000 in July 1995 to 1,585, 000 in July 1997 to 1,406,000 in March 1998. Over the same period the vacancy rate rose from 181,000 (July 1995) to 284,000 (March 1998).

Improved labour market conditions were recorded in every one of the Employment Service offices in the sample at Travel to Work Area level. The decline in the unemployment rate ranged from 5.9 to 0.8 per cent, with the largest percentage falls typically being recorded in areas with the highest level of unemployment. Figure 1.2 shows the pattern of unemployment rates at the time when each sample was drawn: the unemployment rate in the median office was 8.2 per cent in 1995/6 and 5.6 per cent in 1997/8.

Figure 1.1 UK claimant unemployment



As Figure 1.1 shows the fall in claimant unemployment began well before the introduction of Jobseeker's Allowance and reflected a combination of favourable macro-economic factors. The average monthly fall in seasonally adjusted claimant unemployment in the six months to September 1996 was 19,000 (Sweeney and McMahon, 1998). However, the downward trend subsequently intensified after the introduction of Jobseeker's Allowance and averaged 62,000 in the half-year to April 1997. Macro-economic analysis has indicated that the introduction may have been responsible for reducing unemployment by between 100,000 and 200,000. (The introduction of the Restart programme in 1986 was credited with a reduction of 200-300,000 using similar criteria.) Therefore, some 23-46 per cent of the reduction recorded after the introduction of Jobseeker's Allowance may be a consequence of the policy change itself.

A reduction of some 15-20,000 in the claimant count is thought to be due to changes in the benefit rules that accompanied the introduction of Jobseeker's Allowance, most notably the cut in the duration of contributory benefit (Sweeney and McMahon, 1998). The remainder of the fall attributed to Jobseeker's Allowance is considered to reflect the way in which the 'rules were applied with the consequent removal of significant numbers of employed and inactive claimants from the claimant count' (Sweeney and McMahon, 1998, p. 201).

1.3 Isolating the Jobseeker's Allowance effect

As noted above, the principal aim of research reported in this and earlier volumes is to help establish the extent to which Jobseeker's Allowance is achieving the objectives set for it. In particular, it is important to ascertain whether jobseekers' knowledge of benefit rules and obligations has improved since the introduction of Jobseeker's Allowance, to determine how procedures adopted by Jobcentres have changed and to ascertain whether the intensity of jobsearch has increased and the methods used to find work have changed. In addition, it is essential to establish whether the rate at which people find work and move off benefit and into employment has risen or not.

Throughout the report, therefore, comparisons are made between the attitudes, behaviour and experiences of jobseekers before and after the introduction of Jobseeker's Allowance. However, it is important to recognise that all the changes observed are not necessarily a consequence of Jobseeker's Allowance. It is more likely that a combination of factors, including the introduction of Jobseeker's Allowance, are associated with the observed changes. For example, unemployment fell by 30 per cent during the course of the research and the number of jobseekers finding work would be expected to rise for this reason alone. It is therefore necessary to take account of these changes in the labour market when comparing jobseekers' behaviours and experiences before and after the introduction of Jobseeker's Allowance.

The main method used to achieve this is to adjust the pre-JSA sample by a set of numerical weights that makes it resemble the post-JSA sample in terms of the local labour market conditions. This was achieved using estimates of employment using the ratio of people in work over all people of working age in the local authority area.² Data were taken from the relevant Labour Force Surveys. Throughout this report, unless otherwise stated, analysis is based on data where the pre-JSA cohort has been weighted in such a way.

This measure has the advantage that it is consistently defined over time. As with the claimant count, it shows that economic circumstances improved between 1995 and 1997, albeit to a smaller extent than the claimant count suggests: the employment ratio rose from an average of 70 per cent in 1995 to 72 per cent in 1997. However, in 29 per cent of offices, employment had decreased in 1997 compared with 1995.

Using the employment ratio it was possible to construct a weight that adjusted the pre-Jobseeker's Allowance sample so that it resembled the post-Jobseeker's Allowance sample in terms of the pattern of local employment. In effect, a larger than average weight is attached to the experience and behaviour of respondents to the pre-Jobseeker's Allowance surveys who lived in areas of relatively high employment, while a smaller than average weight is given to respondents in low employment areas. This method has the advantage that there is no need to adjust information appertaining to the period after the introduction of Jobseeker's Allowance, which makes it readily understood.

One alternative contender considered was to construct weights based on the claimant count of the unemployed which could then be applied to the pre-Jobseeker's Allowance sample. However, as Jobseeker's Allowance was itself implemented with the intention of reducing claimant count unemployment there is the danger of an inherent tautology in this construction.

² The preferred option would have been to use the employment ratio associated with the local Travel to Work Area (TtWA), however, the local authority was the smallest area for which data were available.

Another contender was the use of the International Labour Organisation (ILO) definition of unemployment based on the Labour Force Survey. However, the sample sizes were too small to enable reliable estimates of local unemployment to be calibrated.

Unfortunately there is no perfect means of controlling for changes in the labour market and the paucity of relevant data means that sensitivity analyses are difficult to undertake.³ In addition, the application of the employment weight is not always appropriate for all the analyses undertaken in the following chapters. For example, in Chapter 7 (Section 7.3), survival analyses are undertaken which model the probability of leaving benefit in each week, conditional upon remaining in receipt until that week. Despite the fact the sample size is large overall, covering exits on a weekly basis over an observation period spanning around 35 weeks means that estimates will be based upon small numbers leaving in some of the weeks, especially towards the end of the observation period. As some of the weights attached to particular individuals will be relatively large (and others quite small)⁴, these can adjust the weekly estimates quite significantly and larger weights will lead to greater errors of estimates.

For this reason it was decided not to weight the analyses in this chapter. It is also unlikely that a weight designed to adjust cross-sectional data is appropriate for temporal analysis. Similarly, therefore, the latter part of Chapter 6 is also unweighted as this is also based upon the modelling of exit rates. Chapter 8 incorporates the employment ratio used as the basis for the weighting, directly into the multivariate modelling of movements off, and returns to, benefit. Therefore use of the weight is unnecessary.

A more detailed version of the weighting procedure is given at Appendix F.

³ A selection of four tables is presented in Appendix G showing differences using weights based upon the employment rate and the claimant count unemployed.

⁴ These will tend to cancel each other in larger samples, and therefore be less likely to incorporate bias into the results.

2 CHANGES IN JOBSEEKERS' CHARACTERISTICS

In order to place later analysis in context, this chapter describes the social and demographic characteristics of respondents and their economic and benefit status at the second interview and during the period between interviews. In order to highlight any differences, comparisons are made at two levels:

- between the whole sample and respondents who had been unemployed for less than two weeks at the time of sampling; and
- between the pre and post-Jobseeker's Allowance cohorts.

Throughout this chapter unemployment is self-defined by the respondent as 'unemployed and looking for work', it therefore corresponds to the Labour Force Survey definition rather than the claimant count. Unless otherwise indicated, tables relating to the pre-Jobseeker's Allowance survey have been weighted to take account of the changes in employment levels since 1995. Unweighted tables can be found in Appendix A.

The following sections cover:

- the economic status of respondents and changes in status between interviews and cohorts (Section 2.1).
- the unemployment benefits received by respondents (Section 2.2), and
- the social and demographic characteristics of respondents at the second interview and how these differ from the first interview (Section 2.3).

2.1 Economic status This section examines the economic status of respondents at the second interview. Comparisons are made with their economic status six months previously at the first interview. In addition, differences and similarities with the pre-Jobseeker's Allowance cohort are discussed.

2.1.1 Current economic status The proportion of respondents in full-time work increased between interviews in the post-Jobseeker's Allowance survey. By the second interview, over one-quarter (26 per cent) of the whole sample and 43 per cent of people recently unemployed at wave 1 were in full-time work, compared respectively with 14 per cent and 26 per cent when first interviewed. Another six per cent of the whole sample were working part time for between 16 and 29 hours a week, as were eight per cent of people recently unemployed at wave 1. Reflecting these changes, unemployment fell between interviews. Half of the whole sample (49 per cent) and one-third (32 per cent) of people recently unemployed at wave 1 were unemployed at the second interview (Table 2.1).

Table 2.1 Respondents' economic status

Economic status	Whole sample				Recently unemployed at wave 1			
	Wave 1		Wave 2		Wave 1		Wave 2	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Full-time work	440	14	846	26	653	26	1100	43
Part-time work (16-29 hours)	111	3	181	6	132	5	216	8
Part-time work (less than 16 hours)	148	5	159	5	86	3	93	4
Full-time education and part-time work	21	1	11	*	24	1	20	1
Full-time education	38	1	53	2	48	2	61	2
Government/TEC/LEC programme	271	8	126	4	43	2	54	2
Unemployed and looking for work	2115	65	1578	49	1505	59	823	32
Looking after home/children	20	1	77	2	21	1	73	3
Health problems	75	2	177	6	45	2	104	4
Other	10	*	8	*	5	*	10	*
Total	3249	100	3215	100	2562	100	2555	100

* less than 0.5

Base: all respondents with a second interview, post-ISA cohort

Table 2.2 reveals that more respondents from the post-Jobseeker's Allowance sample were in work at the second interview than was the case before its introduction: 37 per cent compared to 30 per cent. Likewise, fewer respondents in the post-Jobseeker's Allowance cohort were unemployed at the time of the second interview than were unemployed under the previous regime (54 per cent and 49 per cent, respectively). Much of the apparent difference in the employment status of the pre and post-Jobseeker's Allowance respondents was already evident at the time of the first interview. For example, for both cohorts, there was a 12 per cent increase in the proportion in full-time work between the first and second interviews. About two per cent of this difference was due to fieldwork for the first stage interview being spread over a longer period of time in the post-Jobseeker's Allowance survey than had been the case with the pre-Jobseeker's Allowance cohort (see McKay et al., 1999).

Table 2.2 Economic status of the whole sample

Economic status	Per cent						
	Pre-JSA			Post-JSA			
	Wave 2	Percentage change Wave 1 to 2	Wave 2 (weighted)+	Percentage change		Wave 2	Percentage change Wave 1 to 2
				Wave 1 to 2	Wave 1 to 2		
Full-time work	22	+12	22	+12	26	+12	
Part-time work (16-29 hours)	4	+1	4	+2	6	+3	
Part-time work (less than 16 hours)	4	+1	5	+2	5	0	
Full-time education and part-time work	1	+1	1	+1	*	-1	
Full-time education	3	+1	2	0	2	+1	
Government/TEC/ LEC programme	4	-1	3	-2	4	-4	
Unemployed and looking for work	56	-18	54	-19	49	-16	
Looking after home/children	2	+1	3	+2	2	+1	
Health problems	5	+3	6	+3	6	+4	
Other	1	0	1	0	*	0	
Base	3299		3318		3215		

* less than 0.5

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

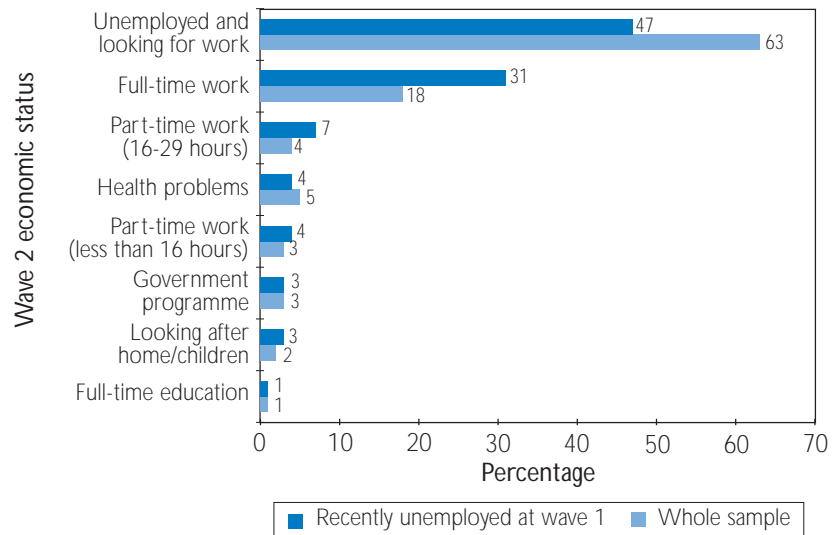
Base: all respondents with a second interview (pre and post-JSA cohorts)

2.1.2 Destinations from unemployment

An important objective of this study was to trace the labour market movements of respondents in the post-Jobseeker's Allowance survey between the two interviews. Therefore, the focus of this section is on respondents who were unemployed at the time of the first interview and their economic status six months later at the second.

About two-thirds of the whole sample who were unemployed at the first interview remained unemployed at the second (63 per cent). People recently unemployed at wave 1, on the other hand, were more likely to have left unemployment: 47 per cent remained unemployed (Figure 2.1).

Figure 2.1 Destinations of those unemployed at the first interview

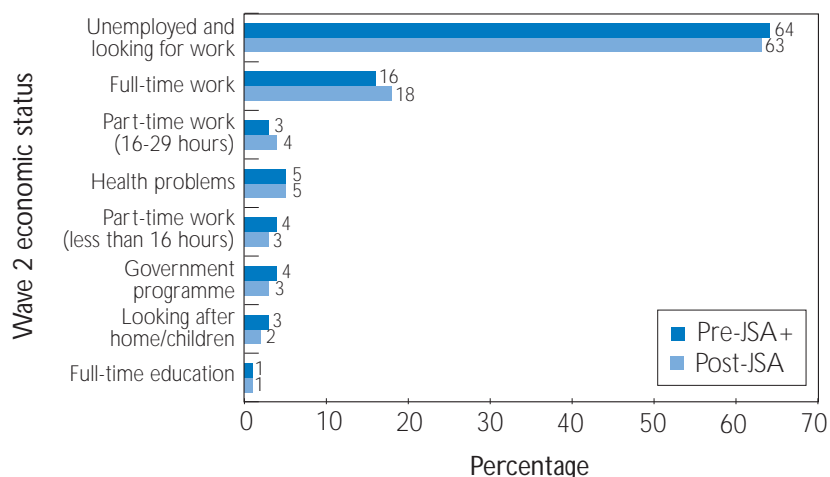


Base: wave 2 respondents unemployed at first interview (post-JSA cohort)

The commonest destination for those who moved from unemployment was full-time work (18 per cent of the whole sample and 31 per cent of people recently unemployed at wave 1 were in full-time work by the second interview). Eleven per cent of people recently unemployed at wave 1 moved into part-time work (seven per cent of between 16 and 29 hours a week) as did seven per cent of the whole sample. Four per cent of the sample as a whole were on a Government programme or engaged in full-time education at the second interview, leaving seven per cent of the whole sample who had left the labour force. Five per cent of respondents no longer considered themselves to be unemployed and looking for work due to health problems. In general, those who left unemployment following the first interview were not claiming any other benefits. However, seven per cent were claiming Family Credit, three per cent Sickness Benefit and five per cent were claiming Incapacity Benefit.

Destinations from unemployment at the second interview were almost identical for the pre and post-Jobseeker's Allowance cohorts. In each case, just under one-fifth (16 per cent of the pre-Jobseeker's Allowance cohort and 18 per cent of the post-Jobseeker's Allowance cohort) moved from unemployment to full-time work between interviews (Figure 2.2). The introduction of Jobseeker's Allowance does not appear to have made a difference to the destinations of those leaving unemployment.

Figure 2.2 Wave 2 economic circumstances of the whole sample unemployed at the first wave



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

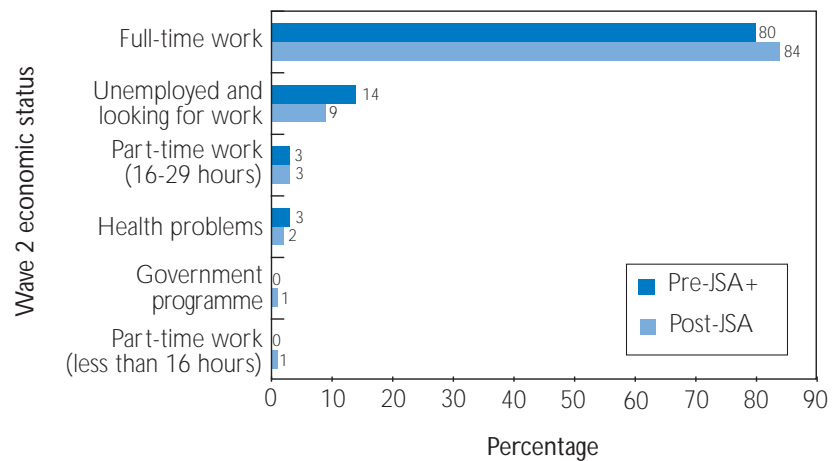
Base: wave 2 respondents unemployed at first interview (pre and post-JSA cohorts)

2.1.3 Stability of employment

This section traces the movements of respondents who were already in full-time employment at the first interview, whether they remained in employment, returned to unemployment or moved to another economic status.

In fact, the majority of those who were in full-time work at the first interview were also employed six months later. Among respondents recently unemployed at wave one, 84 per cent of the post-Jobseeker's Allowance cohort and 80 per cent in the pre-Jobseeker's Allowance survey remained in full-time work at the second interview. Furthermore, four per cent of the post-Jobseeker's Allowance cohort and three per cent of the pre-Jobseeker's Allowance cohort had moved to part-time work. Nine per cent of the post-Jobseeker's Allowance cohort returned to unemployment, a decrease of five percentage points since the introduction of Jobseeker's Allowance (Figure 2.3).

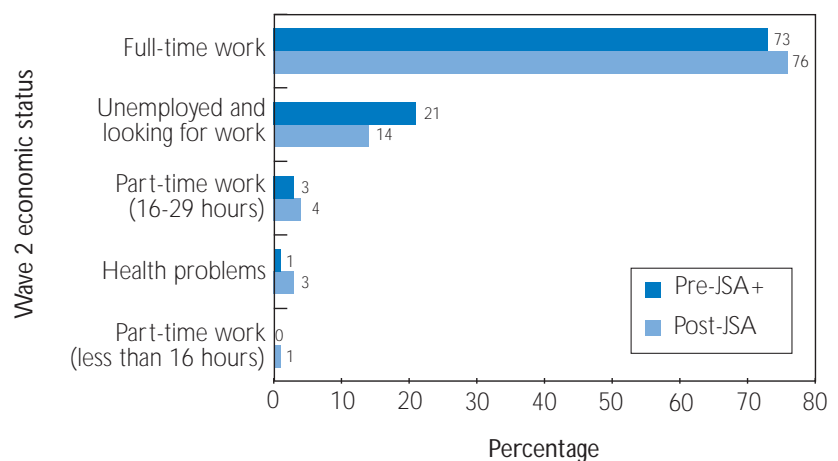
Figure 2.3 Economic status at second interview for those in full-time work at the first interview (respondents recently unemployed at wave 1)



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: wave 2 respondents in full-time work at first interview (pre and post-JSA cohorts)

The full-time work taken up by the whole sample proved to be almost as stable, although a larger proportion of respondents left full-time work by the second interview compared to respondents recently unemployed at wave 1. Furthermore, respondents in the post-Jobseeker's Allowance cohort were less likely to have returned to unemployment than was the case before the introduction of Jobseeker's Allowance. Only 14 per cent of respondent in full-time work at the first interview had returned to unemployment in the post-Jobseeker's Allowance cohort, compared with 21 per cent prior to the introduction of Jobseeker's Allowance (Figure 2.4).

Figure 2.4 Economic status at second interview for those in full-time work at the first interview (whole sample)



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: wave 2 respondents in full-time work at first interview (pre and post-JSA cohorts)

2.2 Benefit status

At the time of the first interview, two-thirds of respondents in the post-Jobseeker's Allowance sample were receiving unemployment-related benefits. Six months later this had fallen to less than half of respondents (49 per cent). This decrease was even greater among people recently unemployed at wave 1 (from 55 per cent to 29 per cent), reflecting the greater fall in unemployment among this group (Table 2.3).

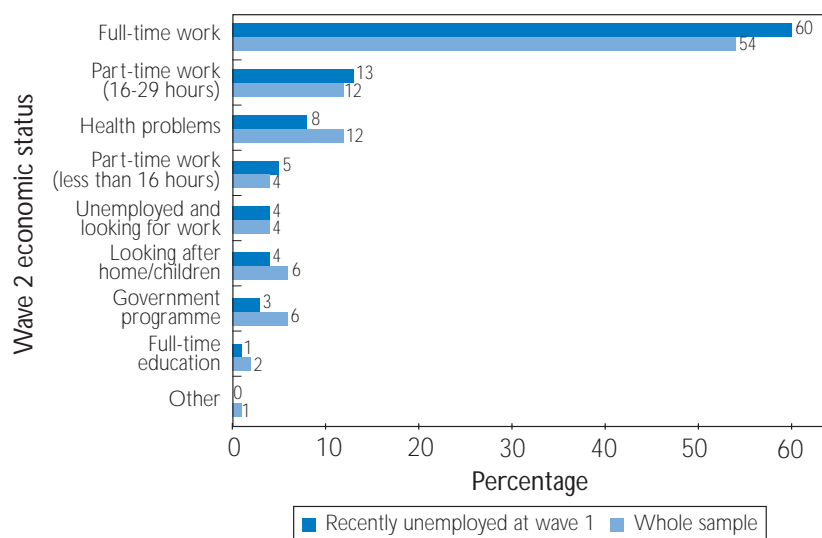
Table 2.3 Benefit status

		Wave 1				Per Cent
		On benefit	NI Credits only	Not on benefit	All	Total
Whole sample	On benefit	64	10	21	49	1609
Wave 2	NI Credits Only	2	44	1	3	112
	Not on benefit	34	46	79	47	1544
	Total	2180	143	942		3265
Recently unemployed at wave 1	On benefit	45	13	10	29	761
Wave 2	NI Credits Only	3	29	1	4	96
	Not on benefit	52	58	89	67	1728
	Total	1409	161	1015		2585

Base: all post-JSA respondents with a second interview

Among those who stopped signing between interviews, the majority were working full-time at the second interview. This was particularly the case among people recently unemployed at wave 1, 60 per cent of whom were in full-time work by the second wave of interviews (Figure 2.5).

Figure 2.5 Wave two economic status of those who ceased to sign between interviews



Base: wave 2 respondents signing at wave 1 but not wave 2 (post-JSA cohort)

2.3 Social and demographic characteristics

This section describes the social and demographic characteristics of respondents participating in the second wave of interviews. Differences between the pre and post-Jobseeker’s Allowance cohort are examined in addition to the economic status of various subgroups.

2.3.1 Gender

Seventy-six per cent of the post-Jobseeker’s Allowance sample were male, a slight increase on the pre-Jobseeker’s Allowance cohort, 73 per cent of whom were male. Furthermore, 72 per cent of respondents recently unemployed at the time of the first wave interview in the post-Jobseeker’s Allowance cohort were male, as were 66 per cent of respondents in the pre-Jobseeker’s Allowance cohort.

Men were more likely than women to be unemployed at the second interview although the relative position of men improved slightly. Fifty-four per cent of men in the post-Jobseeker’s Allowance cohort were unemployed at the time of the second interview as were 34 per cent of women (Table 2.4).

Table 2.4 Unemployment at the second interview

Gender	Whole sample		Per Cent	
	Number	Per cent	Number	Per cent
Male	1317	54	650	37
Female	261	34	173	21
Total	1578	49	823	32

Base: wave 2 respondents unemployed at second interview (post-JSA cohort)

Not only were men more likely to be unemployed at the time of the second interview, they were also more likely to have been continuously unemployed between interviews. Forty-one per cent of men in the whole sample were unemployed throughout the period as were 25 per cent of people recently unemployed at wave 1, the corresponding figures for women were only 24 and 15 per cent.

Women were correspondingly more likely than men to have been in work at the time of the second interview: 49 per cent of women in the whole sample were in work compared with 33 per cent of men. However, the differences were almost entirely due to the greater proportion of women in part-time work: 22 per cent of women were in part-time work compared with seven per cent of men. One-quarter of men and women were working full-time at the second interview (Table 2.5).

Gender differences were equally marked among people recently unemployed at wave 1. Almost two-thirds (63 per cent) of women, compared with half of men (52 per cent), were employed at the time of the second interview. However, slightly more men than women were working full-time (45 per cent and 40 per cent respectively).

Table 2.5 Economic status at second interview

Economic Status	Per Cent			
	Whole sample		Recently unemployed at wave 1	
	Men	Women	Men	Women
Full-time work	26	27	45	40
Part-time work (16-29 hours)	4	12	5	16
Part-time work (less than 16 hours)	3	10	2	7
Full-time education & part-time work	*	*	1	1
Full-time education	1	2	2	3
Government programme	4	3	2	2
Unemployed and looking for work	54	34	37	22
Looking after home/children	1	7	1	7
Health problems	6	5	5	3
Base (=100%)	2450	764	1751	802

* less than 0.5

Base: wave 2 respondents (post-ISA cohort)

2.3.2 Age Reflecting the greater likelihood of unemployment experienced by younger people, the majority of the whole sample (58 per cent) were aged under 35 at the time of the first interview. However, a slightly larger proportion (64 per cent) of people recently unemployed at wave 1 were aged under 35 which suggested that older groups experience greater difficulties in returning to the labour market. This pattern was confirmed by evidence from the second interview which revealed that the proportion of the whole sample who were unemployed increased steadily with age: rising from 45 per cent of respondents aged under 25 to 57 per cent of those aged 55 or over. The proportion who were continuously unemployed between interviews was similarly related to age: 33 per cent of respondents aged under 25 had been continuously unemployed, increasing to 46 per cent of those aged over 55 (Table 2.6).

Table 2.6 Unemployment between interviews by age

Age of Respondent	Unemployed at second interview		Continuously unemployed	
	Whole sample	Recently unemployed at wave 1	Whole sample	Recently unemployed at wave 1
	Under 25	45	31	33
25-34	48	32	35	23
35-44	50	33	38	24
45-54	54	32	43	23
55 and over	57	35	47	20
Base	1578	808	1217	554

Base: wave 2 respondents unemployed at second interview (post-ISA cohort)

The age-related differences in economic status persisted after the introduction of Jobseeker's Allowance despite the larger proportions finding work. However, there were some developments. For example, there was a noticeable fall in the proportion of those aged over 55 who were still unemployed and looking for work at the time of the second interview: 66 per cent in the pre-Jobseeker's Allowance cohort compared with 57 per cent in the post-Jobseeker's Allowance sample. The difference was mainly accounted for by an increase in the proportion working part-time (increased from ten per cent to 16 per cent) (Table 2.7).

Table 2.7 Economic status at second interview by age

Economic Status	Age									
	18-24		25-34		35-44		45-54		55 and over	
	Pre-JSA+	Post-JSA	Pre-JSA+	Post-JSA	Pre-JSA+	Post-JSA	Pre-JSA+	Post-JSA	Pre-JSA+	Post-JSA
Full-time work	28	33	24	30	18	24	17	18	10	10
Part-time work (16-29 hours)	4	6	3	5	4	4	7	8	5	7
Part-time work (less than 16 hours)	4	3	5	4	5	6	5	7	5	9
Full-time education and part-time work	1	1	1	*	0	0	0	0	0	0
Full-time education	5	3	2	2	2	1	*	*	1	0
Government programme	4	3	3	4	3	8	4	2	1	1
Unemployed and looking for work	47	45	53	48	60	49	58	54	66	57
Looking after home/children	2	2	5	4	2	3	1	1	1	2
Health problems	5	5	4	3	4	5	9	10	10	13
Other	1	0	*	*	0	*	1	*	*	1
Base (=100%)	902	938	999	934	624	606	516	507	225	229

* less than 0.5

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: wave two respondents (pre and post-JSA cohorts)

2.3.3 Household composition Over one-third both of the main and recently unemployed samples lived with their parent(s). Of the remaining two-thirds of the whole sample, 23 per cent lived alone, 34 per cent lived with their partner (63 per cent of whom also had dependent children), one per cent were single parents and eight per cent lived with others (Table 2.8).

Table 2.8 Household composition

Household Type	Whole sample		Recently unemployed at wave 1	
	Number	Per cent	Number	Per cent
Lives alone	749	23	401	16
Partner and no children	397	12	442	17
Partner and children under 5	377	12	262	10
Partner and children 5-15	285	9	215	8
Partner and children 16-18	49	2	49	2
Single parent	46	1	45	2
Lives with parent(s)	1105	34	936	36
Lives with other relative	149	5	91	4
Lives with non-relative	107	3	143	6
Total	3265	100	2584	100

Base: wave 2 respondents (post-JSA cohort)

During the period between interviews, 16 per cent of the whole sample experienced a change in their household circumstances (a similar proportion as in the pre-Jobseeker's Allowance cohort). A partner joining or leaving the household accounted for 16 per cent of those who experienced a change in household circumstances.

2.3.4 Qualifications

Almost three-quarters of respondents in the post-Jobseeker's Allowance cohort (71 per cent) held some form of qualification. One-third of respondents had a combination of vocational and academic qualifications, 23 per cent had academic qualifications, 15 per cent had vocational qualifications. Twenty-nine per cent were without qualifications. This was almost identical to the pre-Jobseeker's Allowance cohort.

As with the pre-Jobseeker's Allowance cohort, qualifications held by respondents appeared to affect their chances of having returned to the labour market by the second interview. Those with either academic qualifications or a mixture of academic and vocational qualifications were over twice as likely as those with no qualifications to be in full-time employment (36 per cent compared with 15 per cent) (Table 2.9). A similar pattern was found among the people recently unemployed at wave 1.

Table 2.9 Economic status at second interview by qualifications

	Qualifications				Per Cent
	None	Vocational	Academic	Academic and vocational	All
Full-time work	15	21	36	31	26
Part-time work (16-29 hours)	5	4	5	8	6
Part-time work (less than 16 hours)	6	5	3	5	5
Full-time education and part-time work	0	0	1	1	*
Full-time education	1	2	2	2	2
Government programme	4	4	4	4	4
Unemployed and looking for work	60	53	42	42	49
Looking after home/children	2	2	3	3	2
Health problems	8	11	2	3	5
Other	*	*	*	1	*
Base (=100%)	921	481	735	1079	3216

* less than 0.5

Base: wave 2 respondents (post-Jobseeker's Allowance cohort)

Respondents without qualifications correspondingly had a greater chance of being unemployed at the second interview and were significantly more likely to have remained unemployed throughout the period between interviews (Table 2.10). Eight per cent were not looking for work on health grounds as were 11 per cent of respondents with vocational qualifications. By way of comparison, only between two and three per cent of those with academic or a combination of vocational and academic qualifications had left the labour market on health grounds.

Table 2.10 Unemployment between interviews by qualifications

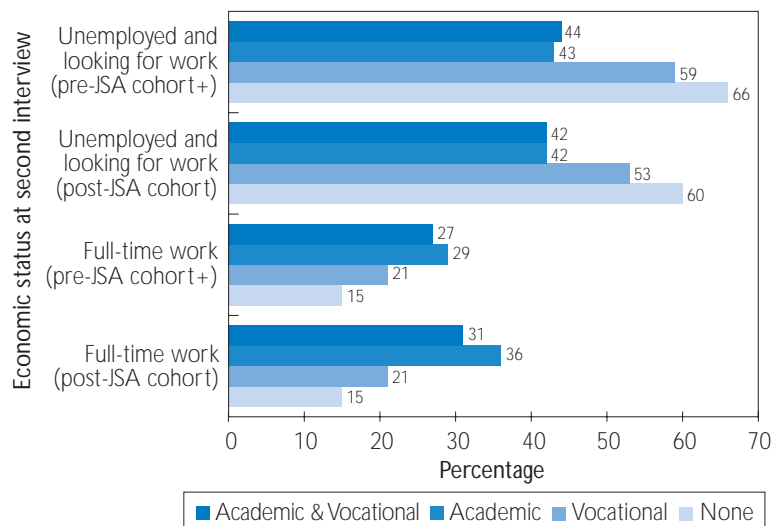
Qualifications	Per Cent			
	Unemployed at second interview		Continuously unemployed	
	Whole sample	Recently unemployed at wave 1	Whole sample	Recently unemployed at wave 1
None	60	47	49	35
Vocational	53	33	38	22
Academic	42	28	32	19
Vocational and academic	42	26	30	16
Base	1578	823	1218	554

Base: wave 2 respondents unemployed at second interview (post-JSA cohort)

When account is taken of improved economic conditions generally prevailing at the time of the second cohort, it appears that jobseekers with academic qualifications were even better placed in the labour market than they had been prior to the introduction of Jobseeker's Allowance. For example, respondents in the post-Jobseeker's Allowance cohort with academic qualifications but not vocational, were seven per cent more

likely to move to full-time work than they had been in the pre-Jobseeker's Allowance survey, whereas there had been no improvement in the job prospects of people without qualifications or with vocational qualifications alone (Figure 2.6).

Figure 2.6 Employment and unemployment at the second interview by qualifications



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts.
 Base: wave 2 respondents unemployed or in full-time work at second interview

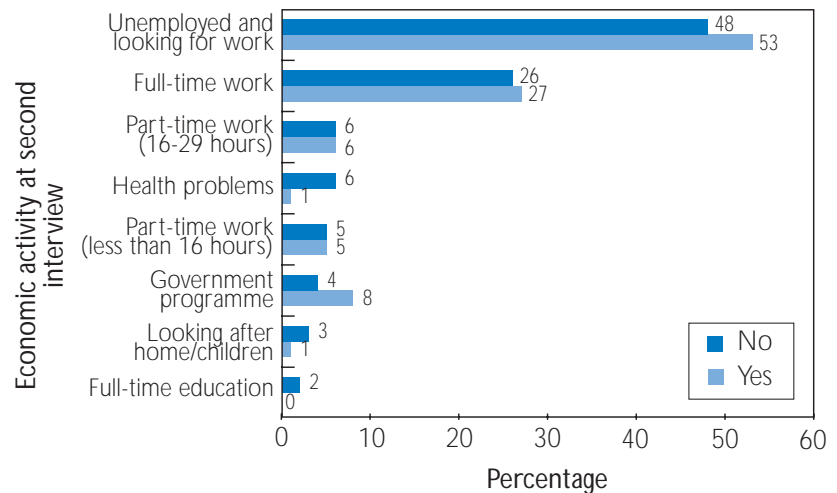
New qualifications

Between the survey interviews, 12 per cent of the whole sample and 10 per cent of people recently unemployed at wave 1 gained qualifications, a similar proportion to that observed before the introduction of Jobseeker's Allowance. The majority of respondents who gained qualifications were on a Government training scheme or unemployed at the first interview (27 and 49 per cent respectively in the whole sample). Somewhat surprisingly, only two per cent had been in full-time education at the first interview. This may, in part, be because full-time education courses generally last longer than the six months which passed between interviews, so that many full-time courses would still have been in progress at the time of the second interview.

In general, having gained a qualification between interviews made little difference to the respondents' economic status at the time of the second interview. However, three noticeable differences are illustrated in Figure 2.7. First, those who gained a qualification were slightly more likely to be unemployed: 53 per cent of those who had done so were unemployed at the time of the second interview compared with 48 per cent of those who had not gained a qualification. Secondly, jobseekers with new qualifications were more likely than other people to be attending a Government training programme (eight per cent and four per cent respectively). Thirdly, those who had gained a qualification were less

likely not to be looking for work because of a health problem (one per cent compared with six per cent of those who had not gained a new qualification between interviews). It may be that the presence of a health problem prevented people studying, or that they saw little prospect of future qualifications enhancing their chances of finding work given they had a health problem.

Figure 2.7 Economic status at second interview by whether gained qualification between interviews



Base: wave 2 respondents (post-JSA cohort)

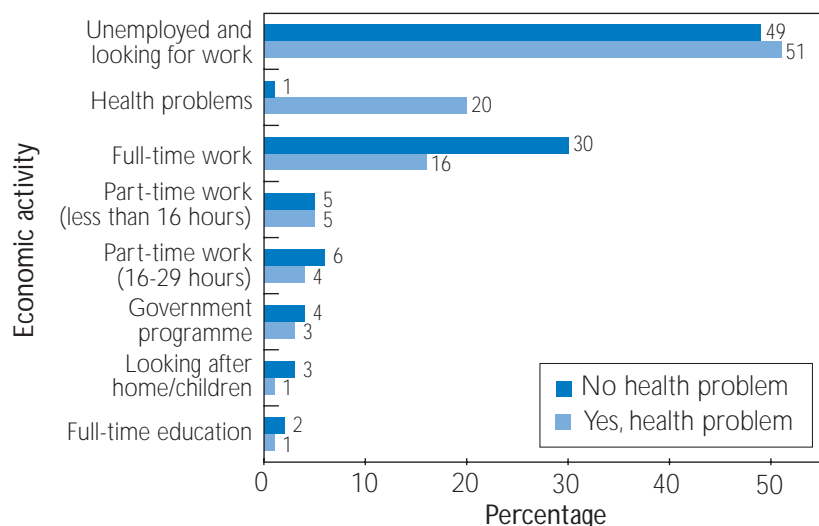
2.3.5 Health problems

Between interviews there was a slight decrease in the proportion reporting health problems.⁵ At the first interview, over one-quarter (29 per cent) of respondents claimed to have a health problem or disability that affected the type of work they were able to undertake. This dropped slightly to 25 per cent at the second interview. By and large, the same respondents reported health problems at both interviews. Over three-quarters (77 per cent) of those who reported health problems at the second interview had also done so at the first.

One-half (51 per cent) of respondents who had a health problem which affected the type of work they felt they could do were unemployed and looking for work at the second interview (compared with 49 per cent of those without health problems). One-fifth were economically inactive due to ill-health. However, the major difference between those who did, and did not, have health problems was the proportion in full-time work. Almost twice as many of those without health problems had a full-time job (Figure 2.8). Only 12 respondents who claimed to be economically inactive due to health problems were claiming Jobseeker's Allowance.

⁵ This question was separate from the respondents' economic status and does not necessarily correspond with their economic status.

Figure 2.8 Economic status at second interview by health problems



Base: wave 2 respondents (post-JSA cohort)

2.4 Conclusions

In the six months between interviews, the proportions in full-time work increased whilst the levels of unemployment fell, this was particularly the case for the post-JSA cohort. Much of the difference between cohorts was already evident at the first interview. Some groups were more likely to have left unemployment by the second interview. This was especially the case for people recently unemployed at wave 1 (27 per cent of whom left unemployment between interviews). Men were more likely to be unemployed at the second interview than women although the relative position of men improved slightly following the introduction of Jobseeker's Allowance. There was also an improvement of the relative position of respondents aged over 55 years old and respondents with academic qualifications.

There was no difference in the proportions leaving unemployment between the pre and post-Jobseeker's Allowance cohort. Thirty-seven per cent left unemployment between interviews in the post-Jobseeker's Allowance cohort (as did 36 per cent in the pre-Jobseeker's Allowance sample).

The destinations of respondents leaving unemployment between interviews were largely the same for both cohorts. Sixteen per cent of the pre-Jobseeker's Allowance cohort moved into full-time work, as did 18 per cent of the post-Jobseeker's Allowance cohort. A further seven per cent in the pre and post-Jobseeker's Allowance cohorts found part-time employment.

Of respondents who were in full-time work at the time of the first interview, three-quarters remained in full-time work at the second interview in each cohort. However, of those who left full-time work

between interviews, respondents in the post-Jobseeker's Allowance cohort were less likely to return to unemployment (seven percentage points fewer respondents returned to unemployment compared with the pre-Jobseeker's Allowance).

3 CLAIMING BENEFIT

This chapter examines two key areas emphasised by Jobseeker's Allowance: understanding rules and obligations and procedures for claiming benefit. Each area is central to the jobseeker, forming part of the eligibility criteria. These conditions have been strengthened by the introduction of Jobseeker's Allowance. This chapter discusses the level of awareness for the rules and obligations both before and after the introduction of Jobseeker's Allowance.

The initial report, following the introduction of Jobseeker's Allowance (McKay et al., 1999), found few differences between the pre and post-Jobseeker's Allowance cohorts in terms of their knowledge about the rules relating to claiming benefit, although most respondents agreed with the conditionality underlying Jobseeker's Allowance. However, Employment Service procedures appeared to be more salient for respondents in the post-Jobseeker's Allowance survey reflecting the strengthening of these procedures. For example, respondents were more likely to remember their New Jobseeker Interview and to have been asked what they were doing for work by Jobcentre staff following the introduction of Jobseeker's Allowance.

The following sections cover:

- Understanding rules and obligations (Section 3.1).
- Jobseekers' knowledge of the main rules (Section 3.1.1).
- Benefit reductions and stoppages (Section 3.2).
- Perceived effects of not actively seeking work (Section 3.2.1).
- Fortnightly Attendance (3.3.1).
- Client Adviser Interviews (3.3.2), and
- Jobseeker's Agreement (3.3.3).

3.1 Understanding rules and obligations

Although receipt of unemployment-related benefits was conditional on the jobseeker being available for and actively seeking work under the old benefit regime, this condition has been strengthened under Jobseeker's Allowance. Jobseeker's Allowance strengthened existing rules and introduced new obligations making, for example, receipt of benefit conditional on signing a Jobseeker's Agreement which specifies the actions that the jobseeker intends to take to find work. Previous research has highlighted that jobseekers have an increased 'sense of conditionality' following the introduction of Jobseeker's Allowance, in the sense that Jobseeker's Allowance has resulted in a clarification of the terms of the 'contract' between the client and Employment Service (Cragg Ross Dawson, 1998).

There are a number of points in the jobseekers' dealings with Jobcentres when rules and obligations are emphasised. These include the New Jobseeker Interview (when jobseekers make their initial claim for benefit and sign the Jobseeker's Agreement), the Fortnightly Jobsearch Review (when jobseekers attend the Jobcentre to sign), the 13 week interview and during Restart Interviews (after six months of claiming).

This section evaluates respondents' perceptions of the rules and obligations inherent in the new benefits system. Comparisons are made with respondents' awareness of the rules at the previous interview and under the old benefit system.

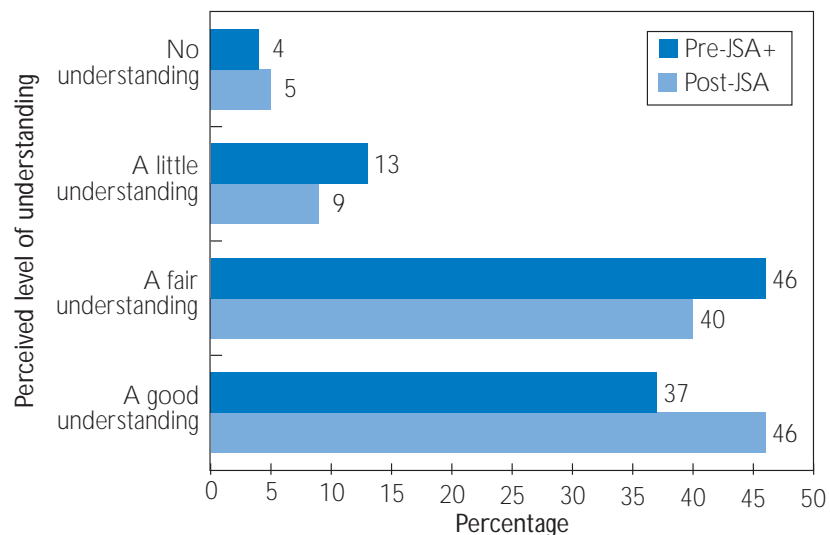
3.1.1 Knowledge of main rules

The majority of unemployed jobseekers in the post-Jobseeker's Allowance survey felt they had some understanding of the rules relating to Jobseeker's Allowance. Almost one-half (46 per cent) believed that they had a 'good understanding' of the rules; two-fifths (40 per cent) claimed a 'fair understanding'. A significant minority (nine per cent) said they had 'a little understanding'; and five per cent claimed to have 'no understanding at all'.

Understanding of the benefit rules was related to jobseekers' qualifications. Jobseekers without academic qualifications admitted to having less understanding of the benefit rules than other jobseekers: eight per cent of those without qualifications said they did not understand the rules, as did six per cent of jobseekers with vocational qualifications and five per cent with academic qualifications. This compares to just three per cent of those with a combination of vocational and academic qualifications.

Jobseekers' perceptions of their understanding of the benefit rules increased after the introduction of Jobseeker's Allowance. Forty-six per cent of jobseekers believed they had a good understanding of the rules after the introduction of Jobseeker's Allowance compared with 37 per cent before.

Figure 3.1 Jobseekers’ perceived understanding of rules



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents with a second interview (pre and post-JSA)

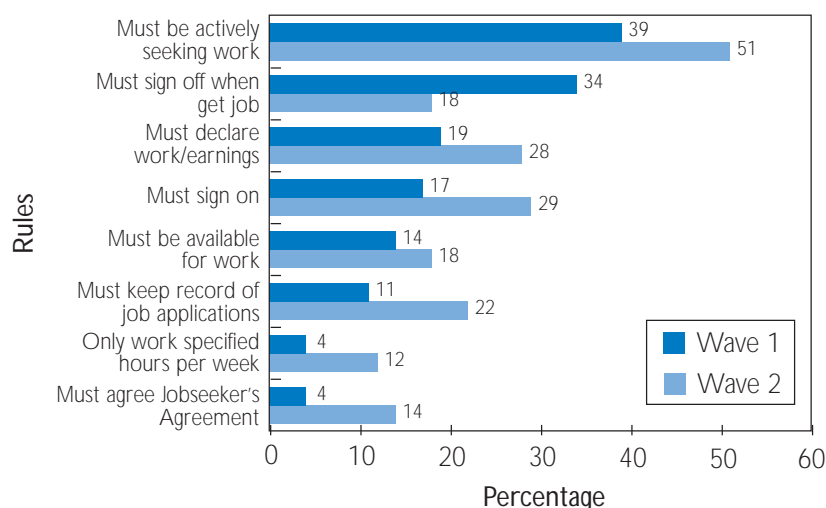
Jobseekers who felt they had at least ‘some understanding’ of the rules were asked the following open ended question about their knowledge⁶:

- *As you may know, there are rules about signing on as an unemployed person. Which rules have you heard about?*

Respondents in the post-Jobseeker’s Allowance cohort had a greater knowledge of the rules at the second interview than at the first. The most commonly cited rule referred to jobseekers ‘actively seeking work’ (mentioned by 51 per cent). Research has shown that jobseekers perceive ‘actively seeking work’ to be the main condition of benefit receipt and have a sound understanding of the concept (see Cragg Ross Dawson, 1998 and Vincent, 1998). Over one-quarter of jobseekers (28 per cent) noted that jobseekers must ‘declare any work or earnings’. A similar proportion (29 per cent) recalled the requirement for most jobseekers to ‘attend the Fortnightly Jobsearch Review’. A fifth (22 per cent) referred to maintaining a ‘record’ of jobsearch activity (although this isn’t an actual condition for receiving Jobseeker’s Allowance) and just under a fifth (18 per cent), the necessity for unemployed people to be ‘available for work’ (Figure 3.2).

⁶ This type of question allowed the respondent to answer in any way they wished. The interviewer recorded the verbatim responses and probed to get as detailed answers as possible. While these questions allowed greater freedom of expression than, for example, choosing from a pre-determined list of answers, they probably captured spontaneous recall rather more than in-depth understanding.

Figure 3.2 Jobseekers' knowledge of rules about signing



Base: all respondents with a second interview who had some understanding of the rules about signing (post-JSA)

Men and women were equally likely to mention each rule. Whilst there were differences between age groups (see Table 3.1) there was no overall pattern to these differences.

Table 3.1 Jobseekers' knowledge of main rules by age

	Per Cent				
	Age				
	18-24	25-34	35-44	45-54	55 and over
Must be available for work	8	20	22	26	20
Must be actively seeking work	46	59	46	54	43
Must be willing to accept jobs offered	3	11	8	10	9
Must keep record of jobsearch	23	20	28	20	11
Have to agree Jobseeker's Agreement	14	16	16	12	4
Must sign on	29	27	30	34	30
Base	378	421	274	251	121

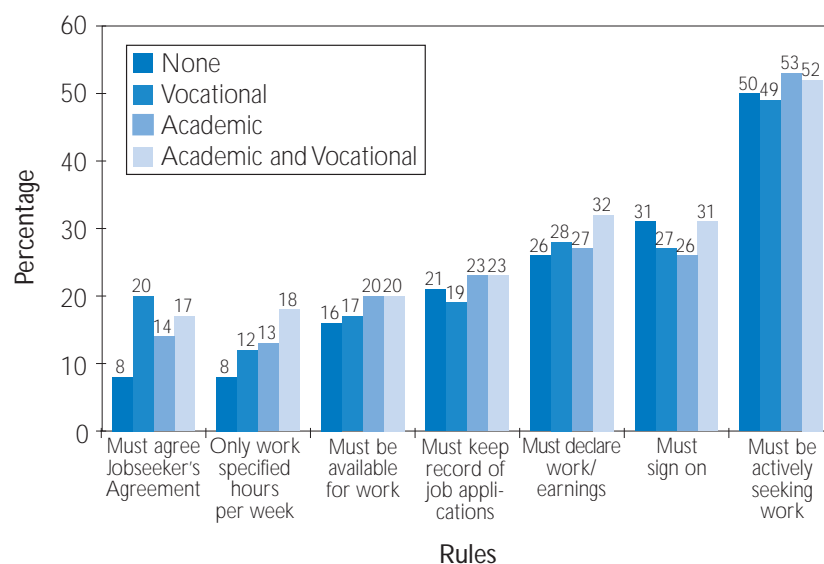
Base: all respondents with a second interview who had some understanding of the rules about signing (post-JSA)

Older respondents, those age 55 and over, were more likely to mention the rules which had existed under both systems, such as the need to be available for work or the need to accept jobs offered. Younger people more often referred to new or strengthened procedures, including the need to maintain a record of jobsearch and to agree a Jobseeker's Agreement. However, it is not possible to conclude that older respondents were totally unaware of these new rules, it may simply be that these rules had less salience to them or that they found it easier to recall the familiar rather than the novel. The proportion admitting to having *no* knowledge of the rules did not vary significantly by age.

Recall of rules varied to some extent by the level and nature of qualifications held by jobseekers. For example, under one in 10 (eight per cent) without qualifications noted the 'Jobseekers Agreement', compared with 20 per cent who had vocational qualifications. Jobseekers without qualification were also less likely to mention that they could only work specified hours whilst signing (Figure 3.3).

Respondents who felt they had a problem with reading or writing were less likely to mention some rules than other respondents. For example, nine per cent of those who felt they had a problem mentioned the requirement to be available for work compared with 18 per cent of those who did not have any difficulties. Similarly, respondents with difficulties reading or writing were less likely to mention the need actively to seek work than other respondents, and to recall their Jobseeker's Agreement.

Figure 3.3 Jobseekers' knowledge of main rules by qualification



Base: all respondents with a second interview who had some understanding of the rules about signing (post-JSA)

3.2 Benefit stoppages and reductions

Jobseekers may have their benefit reduced or stopped for a number of reasons including savings, holiday or Social Fund repayments. Sanctioning generally results from the jobseeker failing to comply with the rules and regulations relating to Jobseeker's Allowance. These include dismissal from employment for misconduct, fraud, non-attendance on a mandatory Employment Service programme and failure to comply with a Jobseeker's Direction. Furthermore, a jobseeker may be sanctioned if they unreasonably cause or perpetuate their unemployment. If a jobseeker is sanctioned their benefit is stopped for between one and 26 weeks. In special circumstances jobseekers may qualify for a hardship payment during their period of sanctioning.

Sanctions fall into two categories. Firstly, a sanction may be a variable length of between one and 26 weeks (decided by the Adjudication Officer) for leaving unemployment voluntarily without just cause, losing employment through misconduct and refusing employment without just cause. Secondly, fixed length sanctions of two weeks (four weeks in the case of a repeat occurrence within 12 months) may result from a failure to carry out a Jobseeker's Direction without just cause, or refusing or failing to attend a prescribed training scheme or employment programmes.

Thirteen per cent of respondents had lost some or all of their benefit in the six months prior to the second interview. When asked, respondents gave various reasons for why their benefit had been reduced. However, as highlighted in the pre-Jobseeker's Allowance reports (Bottomley et al., 1997 and McKay et al., 1997) jobseekers appear confused about the reasons for their benefit reductions. Over one-fifth gave an unspecific answer (21 per cent). Otherwise, the commonest reason cited for benefit reductions was Social Fund loan repayments (Table 3.2).

Table 3.2 Benefit reductions and stoppages

Reason	Number	Per Cent
Left work voluntarily	18	6
Non-attendance on ES course	13	4
Did not do as ordered	17	5
Failed to sign on	41	13
Fraud	3	1
Social Fund loan repayments	51	16
Child maintenance payments	10	3
Council Tax arrears	8	3
Holiday	20	7
Started education course	4	1
Unfit for work	21	7
Live-in partner	6	2
Partner earnings	9	3
Savings	8	3
ES error	13	4
Did not qualify for income-related JSA	24	8
Other	65	21
Base	330	

Total sums to more than 100 per cent because respondents could give more than one reason

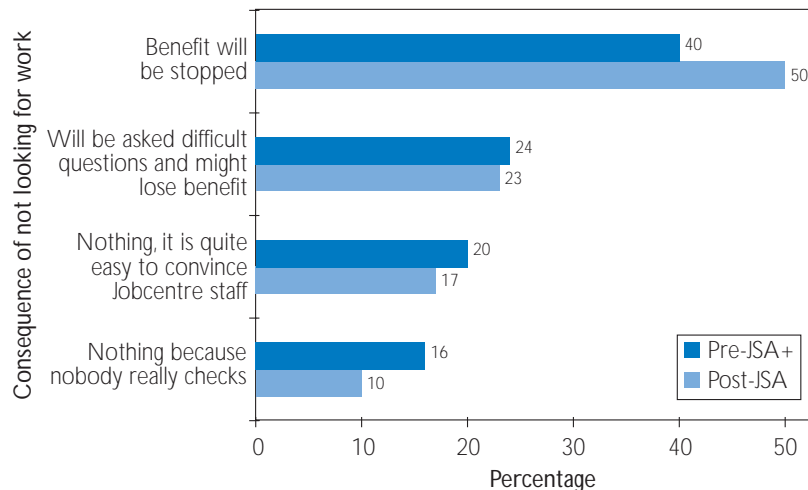
Base: respondents whose benefit had been stopped or reduced in the previous six months for reasons other than earnings from part-time work (post-Jobseeker's Allowance, wave 2 interview)

3.2.1 Looking for work

Respondents were asked what they thought would happen if a jobseeker was 'not really looking for work'. Perceptions of the likelihood of having one's benefit stopped under such circumstances had increased between the two benefit regimes. Half of the post-Jobseeker's Allowance respondents at the second interview believed that the claimant's benefit would be stopped, an increase of 10 per cent on the pre-Jobseeker's Allowance cohort. After the introduction of Jobseeker's Allowance,

respondents were correspondingly less likely to believe that ‘nothing would happen because nobody really checked’ (10 per cent of post-Jobseeker’s Allowance respondents compared to 16 per cent of pre-Jobseeker’s Allowance respondents).

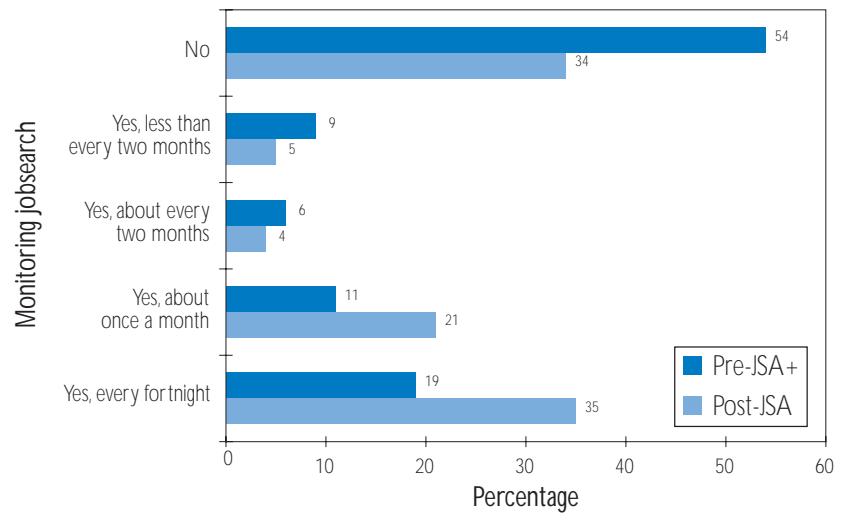
Figure 3.4 Perceived effects of not looking for work



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents with a second interview who had claimed benefit at any time since first interview (pre and post-Jobseeker’s Allowance)

Unemployed respondents were asked if Employment Service staff checked that they were ‘actively looking for work’ when they were attending to sign, a key criterion of eligibility both before and after the introduction of Jobseeker’s Allowance. There was a substantial increase in the proportion who remembered being asked about their jobsearch between cohorts. Two-thirds (66 per cent) of those in the post-Jobseeker’s Allowance cohort said that they had been questioned about looking for work compared with only 46 per cent of those in the pre-Jobseeker’s Allowance cohort. Jobseekers also said that the frequency with which they were asked about their jobsearch had increased.

Figure 3.5 Jobcentre monitoring of jobsearch



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents with a second interview who had claimed benefit at any time since first interview (pre and post-JSA)

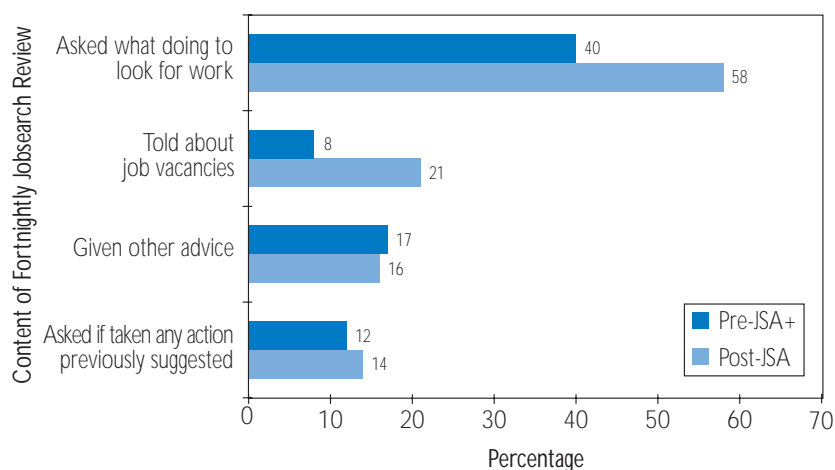
3.3 Claiming benefit
3.3.1 Fortnightly attendance

The Employment Service is able to check that jobseekers are fulfilling the criteria for claiming Jobseeker’s Allowance on a number of occasions, including the Fortnightly Jobsearch Review and Restart interviews. These occasions provide the Employment Service with the opportunity to remind jobseekers of the rules and obligations.

Jobseekers participate in an interview, known as the Fortnightly Jobsearch Review, each time they attend to sign. Jobseekers are asked what they have been doing to look for work, and an attempt is made to identify problems the jobseeker may be experiencing in their jobsearch so that the Employment Service can offer help and advice. In addition, the Fortnightly Jobsearch Review aims to check that the Jobseeker’s Agreement is followed, and to update it where necessary.

In addition to being asked about the monitoring of jobsearch, respondents were asked specifically about the last time they attended to sign. There was a significant increase in the proportion of jobseekers saying that they had been questioned about their jobsearch efforts and offered information on job vacancies between cohorts (Figure 3.6). Well over half the respondents in the post-Jobseeker’s Allowance cohort (58 per cent) were asked what they had been doing to look for work at their last Fortnightly Jobsearch Review, as opposed to 40 per cent of the pre-Jobseeker’s Allowance cohort. Furthermore, the proportion of jobseekers who were informed of job vacancies increased by 13 percentage points between the two benefit regimes.

Figure 3.6 Content of the most recent Fortnightly Jobsearch Review

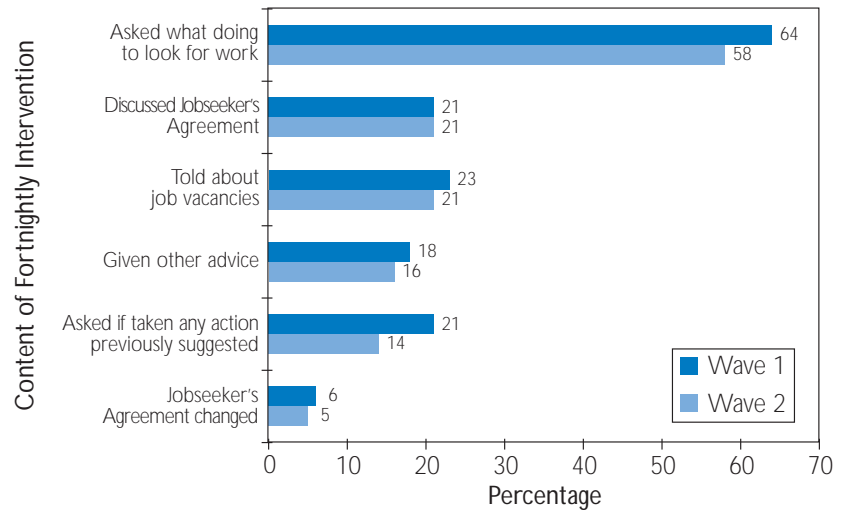


+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
Base: respondents claiming benefit at second interview (pre and post-JSA)

Respondents were asked four questions about the last time they attended to sign: if they had been asked what they had been doing to look for work; whether they were told of job vacancies; given advice or information; or asked if they had taken action previously suggested. A positive response to any of these questions was used as a measure of 'active signing'. On this definition, 64 per cent of respondents in the post-Jobseeker's Allowance cohort experienced 'active signing' the week prior to the second interview compared with 49 per cent of the pre-Jobseeker's Allowance cohort.

Although the proportion who experienced an active style of fortnightly intervention was higher after the introduction of Jobseeker's Allowance than before it, a decline in the incidence of active signing from 72 per cent to 64 per cent was evident between the first and second interview among the post-Jobseeker's Allowance cohort. Six per cent fewer respondents said they were asked about their jobsearch and seven per cent fewer were asked if they had acted on previous advice (Figure 3.7). This was not the case in the pre-Jobseeker's Allowance cohort when the proportion experiencing active signing either increased or remained static between interviews.

Figure 3.7 Content of most recent Fortnightly Jobsearch Review

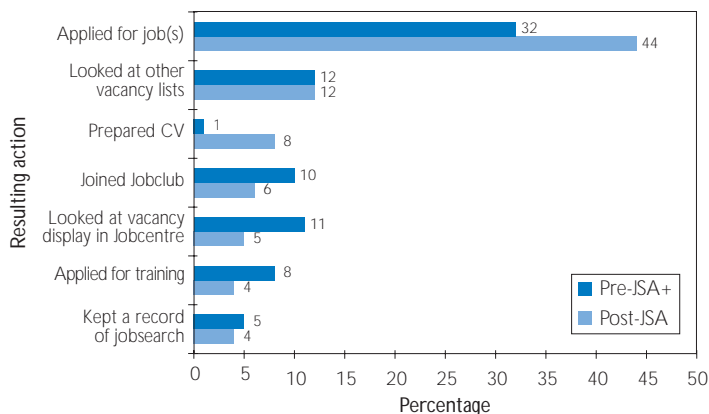


Base: respondents claiming benefit at second interview (post-ISA)

Twenty seven per cent of jobseekers who experienced an active style of Fortnightly Jobsearch Review took some form of action as a direct result, although there were a few changes in the action taken before and after the introduction of Jobseeker's Allowance. Respondents in the post-Jobseeker's Allowance cohort were more likely to apply for jobs and look at other vacancy lists, such as those in newspapers. They were less likely, however, to look at vacancy displays in Jobcentres and apply for training.

Whilst the proportions experiencing an active Fortnightly Jobsearch Review increased between cohorts so too did the proportions claiming to have taken no action as a result of their Review. Sixty per cent of the pre-Jobseeker's Allowance cohort who experienced an active Review claimed to have taken no additional action in response compared with 73 per cent in the post-Jobseeker's Allowance cohort.

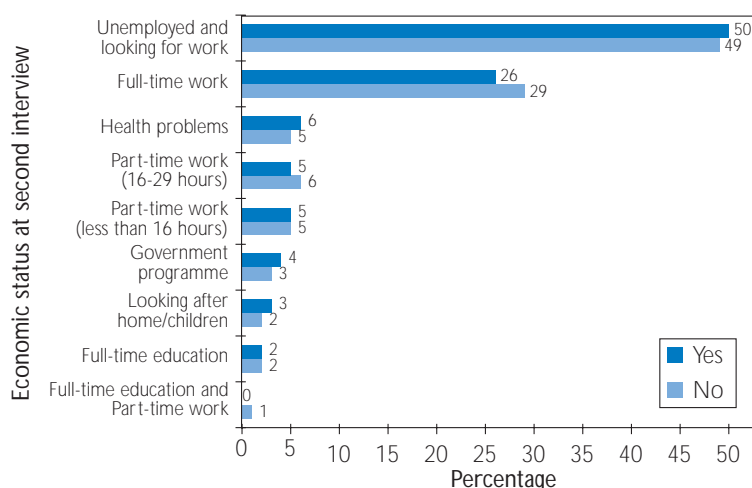
Figure 3.8 Action taken as a result of the Fortnightly Jobsearch Review



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: respondents claiming benefit at second interview (pre and post-JSA)

There was no evidence that active signing increased the chances that respondents would be in employment - full-time or part-time - at the second interview.

Figure 3.9 Wave 2 economic status by whether actively signed at wave 1



Base: all respondents with a second interview (post-Jobseeker's Allowance)

'Active signing'⁷ appears to have been associated with positive outcomes for the subgroup of people who had spent 'more time unemployed than employed' (making up 17 per cent of the whole sample). Taking only persons who were in full-time work at the time of the second interview, of respondents who had spent more time unemployed than employed,

⁷ Respondents were asked four questions about the last time they attended to sign: if they had been asked what they had been doing to look for work; whether they were told of job vacancies; given advice or information; or asked if they had taken action previously suggested. A positive response to any of these questions was used as a measure of 'active signing'.

18 per cent had experienced active signing compared with 12 per cent who claimed not to have been actively signed. For the rest, this association did not exist or was not statistically significant.

However, these findings do not take into account claimants' personal characteristics and other factors, which may also be influencing movements off benefit. Analysis reported in Chapter 8 does take into account personal characteristics and other factors, and shows that jobseekers who had experienced active signing at their last fortnightly review, showed an increased rate of movement off benefit than those who had not been actively signed (Section 8.2).

Table 3.3 Characteristics of those in full-time work at second interview by whether actively signed at first interview

Characteristics	Cell Per Cent	
	Yes	No
Gender		
Male	25	29
Female	27	28
Age group		
18 to 24	30	40
25 to 34	30	28
35 to 44	25	22
45 to 54	18	19
55 and over	9	12
Socio-economic group		
Professional	34	48
Managerial/technical	35	36
Skilled non-manual	29	34
Skilled manual	23	33
Partly-skilled	26	14
Unskilled	18	21
Never worked	17	28
Employment history (respondent assessed)		
Mainly steady work	28	29
Mainly casual work	28	39
Mainly out of work due to sickness	14	43
Mainly self-employed	31	46
Before now, never unemployed	36	61
More time unemployed than employed	18	12
In and out of employment	25	28
Mainly looking after home/children	14	5
Qualifications		
None	15	15
Vocational	23	20
Academic	33	44
Vocational and academic	31	30
All	26	29
Base	580	251

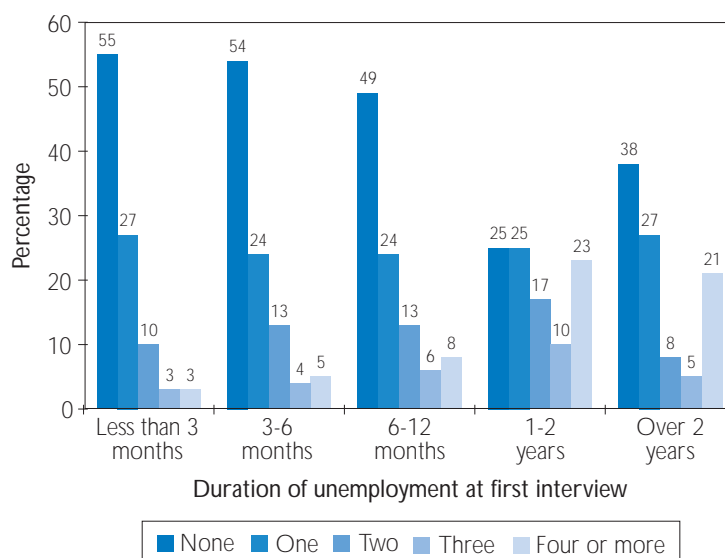
Base: all respondents in full-time work at second interview (post-ISA)

3.3.2 Client Adviser Interviews

In addition to the Fortnightly Jobsearch Review, jobseekers attend interviews with Employment Service Client Advisers at regular periods, starting at the thirteenth week of unemployment. These interviews provide the Employment Service with a further opportunity to ensure jobseekers are maximising their jobsearch efforts and to provide additional advice.

Fifty-three per cent of those who had received Jobseeker’s Allowance at some point between interviews had attended at least one Client Adviser Interview. As would be expected, the number of Client Adviser Interviews attended directly increased with the time respondents had been unemployed. However, as previous reports have shown, substantial proportions said they had not attended a Client Adviser Interview even though the length of time that they had been unemployed suggested they should have attended at least one (Figure 3.10).

Figure 3.10 Number of Client Adviser Interviews attended by duration of unemployment



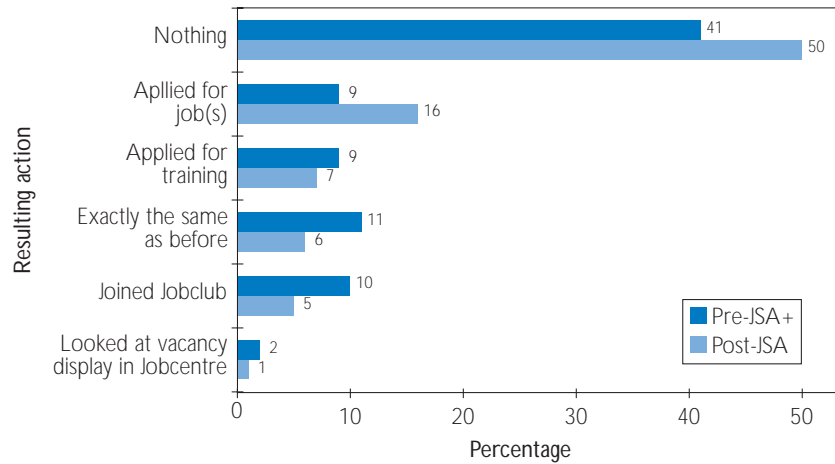
Base: all respondents who had claimed benefit at any time since first interview (post-JSA)

The majority of those who remembered attending Client Adviser Interviews (51 per cent) found them helpful. Indeed, one-fifth described them as ‘very helpful’. The timing of Client Adviser Interviews coincides with the end of the ‘permitted period’ during which time jobseekers may limit their jobsearch to jobs within their previous occupation. This may go some way to explain why 49 per cent of respondents did not consider Client Adviser Interviews to be helpful.

Jobseekers in the post-Jobseeker’s Allowance cohort were more likely to apply for jobs as a direct result of their interview than were respondents interviewed before Jobseeker’s Allowance was introduced: 16 per cent said they had done so, an increase from nine per cent. This may be because Employment Service advisers are bringing job vacancies to the

attention of jobseekers more than was the case prior to the introduction of Jobseeker's Allowance. However, between cohorts there was also a nine percentage point increase to 50 per cent in the proportion who said they did nothing as a direct result of their interview (Figure 3.11).

Figure 3.11 Action taken as a result of Client Adviser Interviews



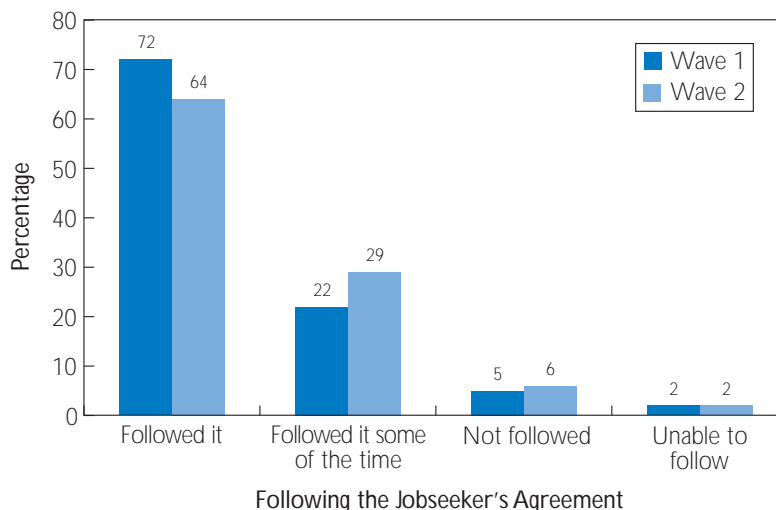
+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents who had claimed benefit at any time since first interview (pre and post-JSA)

3.3.3 Jobseeker's Agreement

As already noted, entitlement to Jobseeker's Allowance is dependent on a jobseeker agreeing a Jobseeker's Agreement with their adviser which details the type of work the jobseeker is looking for and the steps they intend taking to find work.

Ninety-three per cent of unemployed respondents were able to recall their Jobseeker's Agreement and the majority of these people (93 per cent) claimed to have followed their agreement all or some of the time. These proportions are the same as those at the first interview (94 per cent) (Figure 3.12).

Figure 3.12 Whether followed Jobseeker's Agreement



Base: all respondents who had claimed benefit at any time since first interview and could remember their Jobseeker's Agreement (post-JSA)

3.3.4 Employment Service Jobcentres

Employment Service Jobcentres vary significantly in terms of size, the characteristics of their sample and in some of their operational procedures. This section examines whether the extent of active signing varies according to the following Jobcentre characteristics:

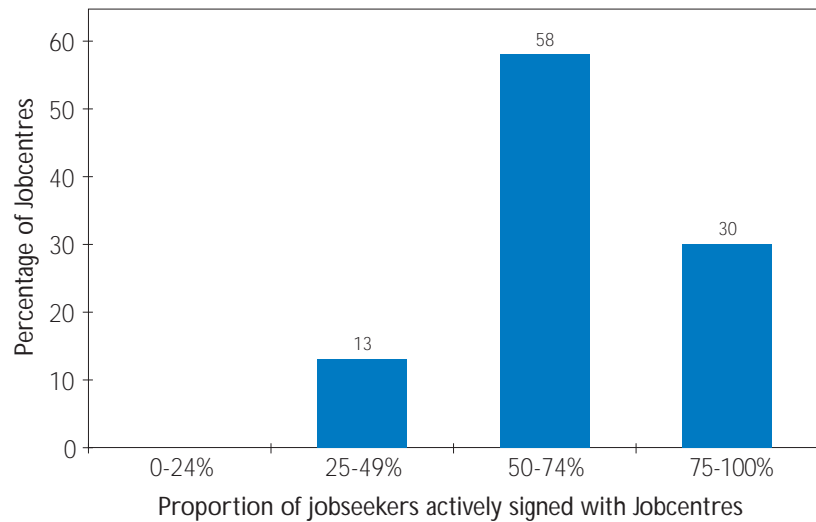
- whether the Jobcentre houses Benefits Agency Staff.
- whether Benefits Agency staff are situated on the 'front-line' at the Jobcentre.
- the proportion of postal signers, and
- staff turnover in the Jobcentre.

This information was collected in a postal questionnaire administered separately to the offices in the Jobseeker's Allowance Survey by the Employment Service in July 1998.

The majority of Employment Service Jobcentres (58 per cent) actively signed⁸ jobseekers in half to three-quarters of cases in the whole sample at the time of the first interview. None of the Jobcentres actively signed in less than one-quarter of cases. Of the remainder, 13 per cent actively signed in 25 to 49 per cent of cases and 30 per cent in more than three-quarters of cases (Figure 3.13).

⁸ Respondents were asked four questions about the last time they attended to sign: if they had been asked what they had been doing to look for work; whether they were told of job vacancies; given advice or information; or asked if they had taken action previously suggested. A positive response to any of these questions was used as a measure of 'active signing'. On this definition 64 per cent of respondents in the post-JSA cohort experienced 'active signing' compared with 49 per cent of the pre-JSA cohort.

Figure 3.13 Active signing at wave 1

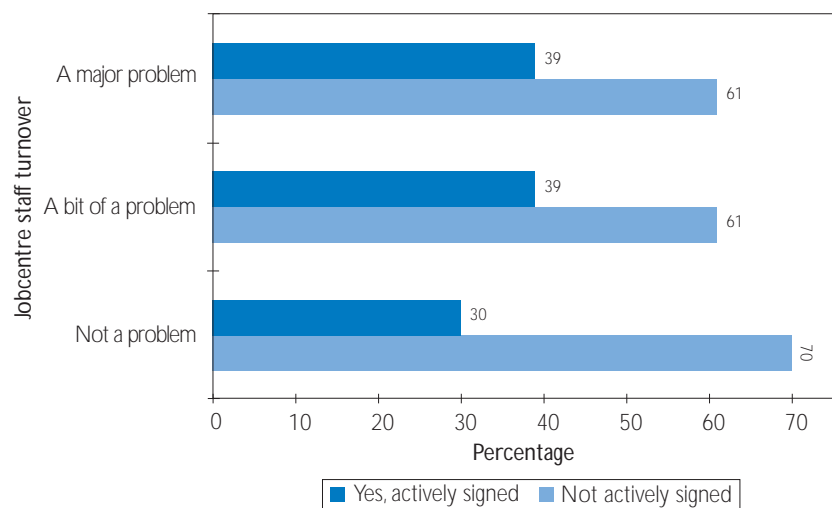


Base: all respondents with a second interview who were 'actively signed' at first interview (post-JSA)

Overall, Jobcentre characteristics did not impact on whether the jobseeker experienced active signing. There are two exceptions to this. First, Jobcentre staff turnover was associated with the extent to which jobseekers were actively signed. Second, the proportion of postal signers was also associated with the level of active signing.

In Jobcentres where managers considered their staff turnover to be a problem, there were lower levels of active signing than in Jobcentres where staff turnover was viewed not to be a problem (Figure 3.14).

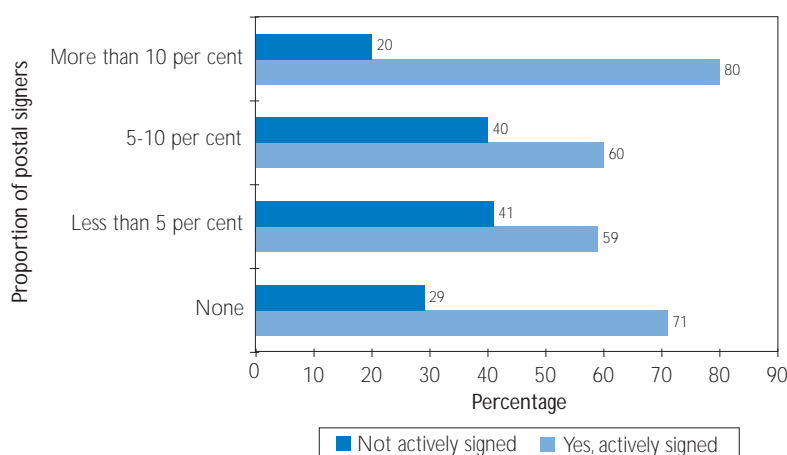
Figure 3.14 Levels of active signing by Jobcentre staff turnover



Base: all respondents who had claimed benefit at any time since first interview (post-JSA)

Postal signers do not attend the Jobcentre to sign. As a result they do not experience active signing. Jobcentres with the highest proportion of postal signers (more than 10 per cent) also have the highest level of active signing. Jobcentres with less than five per cent postal signers have the lowest level (Figure 3.15). It is possible that Jobcentres with a high proportion of postal signers are able to devote more time to actively signing jobseekers that do attend the Jobcentre to sign.

Figure 3.15 Levels of active signing by proportion of postal signers



Base: all respondents who had claimed benefit at any time since first interview (post-ISA)

One of the main components of active signing is Jobcentre staff checking that jobseekers are actively seeking work. Overall, 62 per cent of respondents had been asked about their jobsearch by Jobcentre staff. However, this varied between Jobcentres.

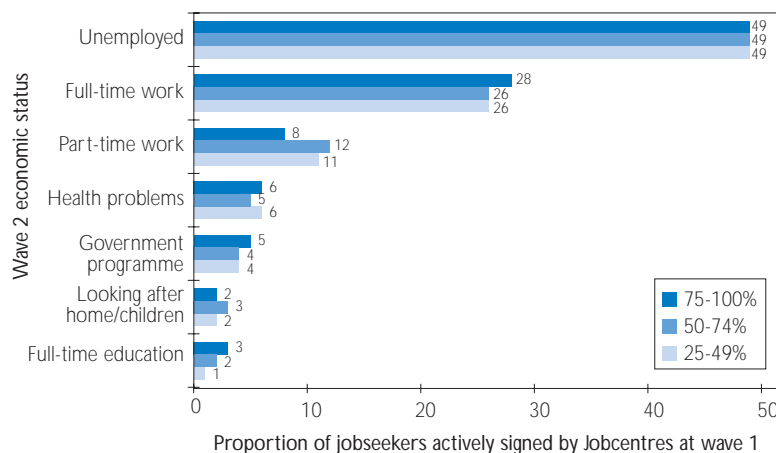
Table 3.4 Jobcentre monitoring of respondent jobsearch

Jobcentre characteristic	Whether Jobcentre staff check jobseeker looking for work						Row Per Cent
	Yes		No		Don't know		Total
	Number	Per cent	Number	Per cent	Number	Per cent	
Benefits Agency Staff							
Benefits Agency Staff full-time in Jobcentre	1427	61	818	35	84	4	2329
Benefits Agency Staff part-time in Jobcentre	83	77	25	23	0	0	108
Jobcentre staff turnover							
Not a problem	581	68	250	29	28	3	859
A bit of a problem	573	56	417	41	28	3	1018
A major problem	357	63	177	31	30	5	564
Postal signing							
None	688	68	281	28	35	4	999
Less than five per cent	739	57	522	40	46	4	1307
5-10 per cent	46	67	20	29	3	4	69
More than 10 per cent	46	67	21	30	2	3	69
Total	1514		844		87		2437

Base: all respondents who had claimed benefit at any time since first interview (post-ISA)

Overall, jobseekers signing in Jobcentres with high levels of active signing were no more likely to have moved to employment by the time of the second interview, nor to have left unemployment (Figure 3.16).

Figure 3.16 Wave 2 economic status by proportion of jobseekers actively signed



Base: all respondents with a second interview (post-JSA)

3.4 Conclusions

This chapter has focused on the process of claiming Jobseeker’s Allowance. In particular respondents’ knowledge of the rules relating to Jobseeker’s Allowance, experience of the procedures for claiming benefit and benefit reductions and stoppages have been discussed.

Overall, knowledge of specific rules relating to Jobseeker’s Allowance, such as actively seeking work, increased among jobseekers following the introduction of the new benefit system. Similarly, awareness of the consequences for jobseekers who failed to comply with the rules increased. The procedures for claiming benefit, such as the Fortnightly Jobsearch Review and Client Adviser Interviews were also strengthened. In particular, respondents were more likely to apply for jobs as a direct result of Employment Service intervention following the introduction of Jobseeker’s Allowance.

Jobseekers’ perceptions of their understanding of the benefit rules increased after the introduction of Jobseeker’s Allowance. Forty-six per cent of jobseekers believed they had a good understanding of the rules after the introduction of Jobseeker’s Allowance compared with 37 per cent before.

There was an increase in the level of knowledge of specific rules between interviews among respondents in the post-Jobseeker’s Allowance cohort. The most commonly cited rule referred to jobseekers ‘actively seeking work’ noted by 51 per cent, an increase of 12 percentage points from the first interview. An additional 11 per cent noted the appropriateness of maintaining a record of jobsearch, 10 per cent the necessity of a Jobseeker’s Agreement and a further four per cent the need to be available for work.

There was also increased awareness of the consequences of failure to comply with the rules relating to Jobseeker's Allowance between the pre and post-Jobseeker's Allowance cohort. An additional 10 per cent of respondents felt that a jobseeker's benefit would be stopped if they were not actively seeking work.

One possible explanation for this is the increase in proportions of jobseekers who were asked if they were actively looking for work during their Fortnightly Jobsearch Review. Over half (58 per cent) of those in the post-Jobseeker's Allowance cohort said that they had been questioned about looking for work at their most recent Fortnightly Jobsearch Review compared with 40 per cent in the pre-Jobseeker's Allowance cohort. Furthermore, there was a 13 percentage point rise in the proportions who were informed of job vacancies by Employment Service advisers.

Between the two benefit regimes there was a similar increase in action taken as a result of Client Adviser Interviews. An additional seven per cent of the post-Jobseeker's Allowance cohort applied for jobs as a result of their interview. However, between cohorts there was also an increase in the proportions claiming not to have taken any action as a result of their interview (from 41 per cent of the pre-Jobseeker's Allowance cohort to 50 per cent of the post-Jobseeker's Allowance respondents).

4 FINDING WORK

By the time of the second interview half of the Jobseeker's Allowance respondents (50 per cent) were unemployed and claiming benefit (Table 4.1), six percentage points less than before the introduction of Jobseeker's Allowance.⁹ Between interviews, 37 per cent of the post-Jobseeker's Allowance cohort were unemployed continuously, as were 41 per cent prior to the introduction of Jobseeker's Allowance.

One-third of respondents were in paid work and not claiming unemployment-related benefit (Table 4.1).¹⁰ Compared with the situation before the introduction of Jobseeker's Allowance, this was an increase of seven percentage points. Another 11 per cent of respondents were neither working nor claiming benefit but over half said they would like to work.

Table 4.1 Looking for work at second interview

Work and benefit status at second interview	Per Cent		
	Pre-JSA	Pre-JSA+	Post-JSA
In paid work and not claiming benefit	27	27	34
Claiming benefit and looking for work	56	54	49
Claiming benefit, not looking but would like to work	1	1	1
Claiming benefit, not looking and does not want to work	1	1	*
Not claiming benefit but looking for work	4	4	4
Not claiming benefit, not looking but would like a job	3	3	3
Not claiming benefit, not looking, does not want to work	4	5	4
Waiting to start job	2	3	2
Unable to work	3	3	2
Total	100	100	100
Base	3337	3307	3231

* less than 0.5 per cent

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all respondents with a second interview (pre and post-JSA)

Chapters 2 and 7 discuss the outcomes for those who had moved into work. This chapter primarily focuses on the aspirations (Section 4.2), changes in jobsearch strategies (Section 4.3), and the activities (Section 4.4) of those looking for work. An attempt is made to evaluate the effectiveness of these by examining whether respondents' jobsearch methods at the time of the first interview seemed to affect the likelihood

⁹ Throughout this chapter, the pre-JSA cohort has been weighted to account for changes in the employment rate between cohorts.

¹⁰ A small proportion of respondents (two per cent) were claiming Jobseeker's Allowance whilst working part-time but described themselves as looking for work.

of them being in work at the time of the second interview (Section 4.5). Section 4.6 goes further and models the probability of a jobseeker being in paid work at the second interview, taking account of their social and demographic characteristics as well as their jobsearch strategies. Lastly, Section 4.7 considers the role of Employment Service interventions that aim to help with jobsearch. First however, Section 4.1 examines the small group of respondents at the second interview who were not working but who said they were not currently looking for a job.

The analysis in this chapter is based on the full weighted samples and so is representative of the claimant unemployed as a whole. The pre-Jobseeker's Allowance data have been weighted to take account of changes in employment rates between 1995 and 1997 (see Appendix F for full details). Tables showing the pre-Jobseeker's Allowance results without this weighting can be found in Appendix A.

4.1 Not looking for work

A small group of people (two per cent) were not looking for work at the time of the interview because they were waiting to take up paid work. Of these 51 people, nine lived in New Deal Pathfinder areas and six of these said they had got jobs through the New Deal for 18 to 24 year olds.

Other respondents who stated they were not looking for work were then asked if they would like to have a regular paid job.

4.1.1 *Not looking for work and does not want a job*

By the second interview, less than five per cent of respondents were not looking for work and did not want a job. Only eight per cent of these were claiming benefit compared with 15 per cent of the corresponding group before Jobseeker's Allowance was introduced. Five out of the 12 people claiming Jobseeker's Allowance explained that they were unable to work because of long-term ill-health.

Overall, only five per cent of those not looking for work said they preferred not to work. One-fifth (21 per cent) who preferred not to work suffered from long-term illness or incapacity with another three per cent temporarily sick. One in ten people said they had retired, seven per cent were attending a training scheme and 25 per cent were undertaking further study. Over one-quarter (26 per cent) of those who preferred not to work had some caring responsibilities (three-quarters of whom were women) while the remaining four per cent gave other reasons. Respondents' answers were similar to those given in the pre-Jobseeker's Allowance survey.

4.1.2 *Not looking for work but would like a job*

Four per cent of respondents said they were not looking for work at the time of the second interview but nevertheless would like a job. Of these, 23 per cent were claiming Jobseeker's Allowance, compared with 33 per cent claiming unemployment-related benefit before Jobseeker's Allowance. Sixteen of the 39 people claiming Jobseeker's Allowance said they were temporarily sick and ten were attending a Government training scheme.

Altogether, 30 per cent of people wanting a job but not currently looking were temporarily sick and 19 per cent suffered from long-term illness or incapacity. Thirteen per cent were attending a training scheme and six per cent were studying. Just under a quarter (22 per cent) mentioned caring responsibilities and of these 33 people, 18 were female. Four per cent were disheartened with jobsearch saying there were no suitable jobs or that they could not afford the expense of looking for work. Again, the pattern of these answers was similar to those given in the pre-Jobseeker's Allowance survey.

4.2 *Jobseeker's aspirations*

This section examines the aspirations of those looking for work at the time of the second interview. Most of these (68 per cent) had been continuously unemployed between interviews. One-quarter of this group said they were more confident of getting a job in the near future than they were six months ago. Almost a third (32 per cent) were less confident and 42 per cent felt about the same. Comparison with the equivalent group in the pre-Jobseeker's Allowance survey showed similar results.

Those aged under 25 tended to be the most optimistic about the future: 38 per cent felt more confident than they had been six months previously compared with just five per cent of those aged 55 or over. Jobseekers without any qualifications felt the least optimistic: only 17 per cent were more confident than six months earlier compared to 29 per cent of those with both academic and vocational qualifications. Thirty-three per cent of single jobseekers said they felt more confident in contrast to 17 per cent of married jobseekers.

4.2.1 *The type of work wanted*

Table 4.2 details the types of work jobseekers were looking for at the time of the second interview. Few differences are apparent when compared with the pre-Jobseeker's Allowance sample. There was, however, an increase, from 22 to 28 per cent, in the proportion of jobseekers saying they were looking for a particular type of work and a decrease from 37 to 27 per cent, in the proportion looking for a range of jobs.

Table 4.2 Job aspirations of people looking for work at second interview

	Pre-JSA+	Post-JSA	Per Cent
Type of work sought			
Particular type of job	22	28	
Range of jobs	37	27	
Accept any job	39	45	
As employee	74	77	
As self-employed	1	3	
Either as employee or self-employed	25	20	
Hours of work sought			
Full-time only	15	18	
Full-time but would consider part-time	50	46	
Part-time only	5	6	
Accept any hours	31	30	
Base	1896	1732	

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all respondents looking for work at the second interview (pre and post-JSA)

Overall, 28 per cent of jobseekers in the post-Jobseeker's Allowance cohort were looking for a particular type of work (Table 4.2). Those with both academic and vocational qualifications tended to be more focused on a particular type of work (36 per cent compared with 21 per cent of those without any qualifications). This may mean that they could afford to be more selective or that their qualifications fitted them for particular kinds of work.

Over three-quarters of jobseekers (77 per cent) were only looking for work as an employee, three per cent specifically wanted self-employment and one-fifth were prepared to consider either form of work (Table 4.2). Twice as many men (25 per cent) as women (12 per cent) were willing to become self-employed. The youngest and oldest age groups (the under 25s and those aged 55 or over) were the least likely to accept self-employment (18 per cent).

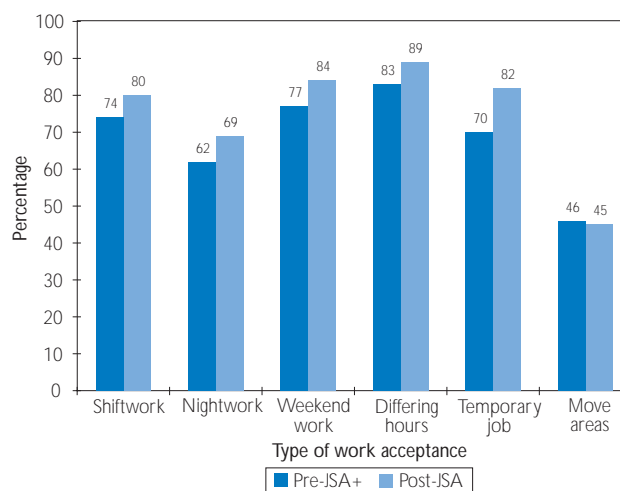
Again, over three-quarters of jobseekers (76 per cent) were prepared to be flexible about the number of hours worked. Eighteen per cent would only take full-time work and six per cent were looking specifically for a part-time job (Table 4.2). One in eight women wanted a part-time job compared with one in 22 men. Those aged 55 or over were also more likely to be seeking part-time work (13 per cent).

4.2.2 Flexibility

Most jobseekers were prepared to consider work that involved anti-social working hours or temporary contracts, significantly changing from the pre-Jobseeker's Allowance cohort (Figure 4.1). Eighty per cent of the post-Jobseeker's Allowance cohort were prepared to take shift work, six

percentage points more than the pre-Jobseeker's Allowance cohort. Likewise, 82 per cent of respondents following the introduction of Jobseeker's Allowance were prepared to accept a temporary job compared with 70 per cent of the pre-Jobseeker's Allowance cohort.

Figure 4.1 Flexibility of jobseekers at second interview



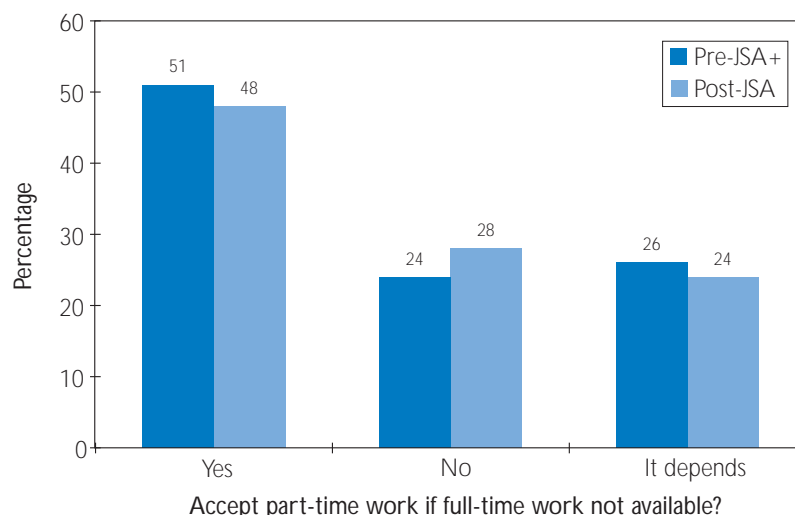
+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents looking for work at second interview (pre and post-JSA)

Women and those aged 55 or over were generally less flexible than others about the type of work they would accept. Women were less likely to consider shift work (71 per cent compared with 82 per cent of men), night work (45 per cent compared with 73 per cent of men), or weekend work (77 per cent compared with 85 per cent of men). They were also less likely to move areas (34 per cent compared with 47 per cent of men). Those aged 55 or over were the age group least likely to say they would accept shift work (57 per cent), night work (48 per cent), weekend work (74 per cent) or a temporary position (74 per cent).

Jobseekers without any qualifications were the most likely to say that they would accept night work (75 per cent). Those who were married were less likely to accept a temporary job (77 per cent compared with 84 per cent of single jobseekers). Groups less willing to move areas were those aged over 45 (30 per cent), those without any qualifications (40 per cent), owner-occupiers (24 per cent) and cohabiting jobseekers (33 per cent).

Although the majority of jobseekers were looking for full-time work (64 per cent), almost one-third (30 per cent) were looking for any job, whether full or part-time. A further six per cent were looking specifically for part-time work. Almost three-quarters (72 per cent) of jobseekers who were looking for full-time work would not rule out accepting a part-time job if no full-time work was available.

Figure 4.2 Willingness to accept part-time work if unable to find full-time employment



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents looking for work at the second interview (pre and post-JSA)

4.2.3 Reservation and return to work wages

Unlike the pre-Jobseeker's Allowance cohort, between interviews, following the introduction of Jobseeker's Allowance, the net reservation wage increased. At the time of the first interview in the post-Jobseeker's Allowance cohort, the median reservation wage was £120.00 per week. This had increased to £134.62 six months later at the second interview. Likewise, the hourly reservation wage increased from £3.15 a hour to £3.42 a hour. This increase was not apparent in the pre-Jobseeker's Allowance cohort (Table 4.3).

Table 4.3 Median reservation wages

Median reservation wage	Pre-JSA+		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.08	3.08	3.15	3.42
Net weekly wage (£)	120.00	120.00	120.00	134.62
Base	3124	1835	3084	1589

Notes: median is used as a few extreme values distort the mean

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all respondents wanting work at the second interview (pre and post-JSA)

The wage differential between men and women found previously in the pre-Jobseeker's Allowance survey were still apparent. At the second interview of the post-Jobseeker's Allowance cohort, median wages for women were £3.15 per hour or £106.40 per week compared with £3.50 per hour or £140.00 per week for men. Average reservation wages were lower for those aged under 25 (£3.00 per hour) and for people who had never worked before or had no regular job (£2.89 per hour). Owner-occupiers with a mortgage had above average reservation wages (£4.01 per hour), as did those from professional occupations (£4.36 per

hour). Respondents with a partner had an average reservation wage of £3.75 per hour, and those with a partner and children had a median wage of £3.78 per hour compared with £3.15 per hour for single adults. The reservation wages at the first interview for those who were in full-time work at the second interview were about eight per cent lower than for people who were unemployed, but this is likely to be because of the different characteristics of the respondents rather than the wage levels themselves (Section 4.6).

In order to compare reservation wages before and after the introduction of Jobseeker's Allowance, it is necessary to take account of changes in average wage levels over the two years between the surveys. In April 1995 the national average gross hourly wage rate for all employees was £8.35 per hour. By April 1997 this had risen by nine per cent to £9.10 per hour (New Earnings Survey, 1998). Inflating the pre-Jobseeker's Allowance wages by nine per cent shows that reservation wages were generally higher at the time of the first interview before the introduction of Jobseeker's Allowance. However, by the second interview, average reservation wages were slightly higher in the post-Jobseeker's Allowance cohort (Table 4.4).

Table 4.4 Median reservation wages at 1997 levels

Median reservation wage	Pre-JSA+		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.36	3.36	3.15	3.42
Net weekly wage (£)	130.80	130.80	120.00	134.62
Base	3124	1835	3084	1589

Notes: median is used as a few extreme values distort the mean

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all respondents wanting work at the second interview (pre and post-JSA)

Clearly, even allowing for some difference between gross and net wages, average reservation wages were considerably below average wages for all employees in 1997. However, comparing reservation wages with the return to work wages of those who had moved from unemployment to work by each interview gives a better indication of whether the reservation wages were realistic aspirations of jobseekers. Comparison of Tables 4.3 and 4.5 suggests that return to work wages were generally higher at the first interview, for both cohorts, than the reservation wages. Conversely, at the time of the second interview, reservation wages were the same in the pre-Jobseeker's Allowance cohort as return to work wages and higher in the post-Jobseeker's Allowance cohort.

Table 4.5 Median return to work wages

Median return to work wage	Pre-JSA+		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.62	3.22	3.60	3.50
Net weekly wage (£)	137.00	120.00	129.98	130.00
Base	295	594	419	661

Notes: median is used as a few extreme values distort the mean

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all employees (pre and post-JSA)

Table 4.6 shows the pre-Jobseeker's Allowance return to work wages inflated by nine per cent. This suggests that the real wages received by people returning to work were lower following the introduction of Jobseeker's Allowance. The difference was particularly noticeable at the first interview where respondents in the pre-Jobseeker's Allowance cohort received on average almost £20 a week more than the post-Jobseeker's Allowance cohort. The difference at the second interview was considerably lower. Respondents in the pre-Jobseeker's Allowance cohort received, on average, eighty pence a week more in their return to work job than respondents in the post-Jobseeker's Allowance survey.

Table 4.6 Median return to work wages at 1997 levels

Median return to work wage	Pre-JSA+		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.95	3.51	3.60	3.50
Net weekly wage (£)	149.33	130.80	129.98	130.00
Base	295	594	419	661

Notes: median is used as a few extreme values distort the mean

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all employees (pre and post-JSA)

4.3 Jobsearch strategies

This section considers the strategies employed by jobseekers looking for work at the second interview.

Table 4.7 illustrates the changes in jobsearch strategy between cohorts adopted by people who had been continuously unemployed since the first interview. Overall, there was little difference between the two cohorts. However, there was an eight percentage point increase, between cohorts, in the proportion of respondents who claimed to be applying for more jobs at the second interview than they had been six months earlier.

Table 4.7 Jobsearch strategy of people continuously unemployed since first interview

Jobsearch Strategy	Per Cent	
	Pre-JSA+	Post-JSA
Range of jobs sought		
Looking for wider range of jobs	26	24
Looking for narrower range of jobs	3	3
Looking for same range of jobs	71	73
Time spent looking for work		
Spending more time looking for work	26	28
Spending less time looking for work	13	13
Spending same amount of time looking for work	61	60
Job applications		
Applying for more jobs than six months ago	21	29
Applying for fewer jobs than six months ago	19	17
Applying for same amount of jobs as six months ago	60	54
Base	1225	1217

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: respondents continuously unemployed between first and second interview (pre and post-JSA)

4.3.1 Widening the range of jobs sought

A quarter (24 per cent) of jobseekers in the post-Jobseeker’s Allowance cohort had increased the range of jobs they were considering in the previous six months while only three per cent had narrowed their focus (Table 4.7). This was a similar pattern to that observed before Jobseeker’s Allowance. Jobseekers aged under 35 were more likely than other age groups to have widened the range of jobs they were considering (30 per cent) as were those with academic and vocational qualifications (32 per cent compared with 14 per cent of those without any qualifications).

4.3.2 Time spent looking for work

More than a quarter of respondents in the post-Jobseeker’s Allowance cohort (28 per cent) said they were spending more time looking for work than when first interviewed (Table 4.7). Thirteen per cent said they were spending less time. Both proportions were not significantly different from that recorded before Jobseeker’s Allowance was introduced. Jobseekers aged under 35 were more likely than older ones to say they were spending more time looking for work (33 per cent). Over one-third (34 per cent) of people with both academic and vocational qualifications said they were spending more time looking for work. The median length of time spent looking for work by all jobseekers at the second interview was four hours per week, unchanged from that in the pre-Jobseeker’s Allowance survey. However, jobseekers differed markedly in the amount of time devoted to jobsearch. Sixty-four per cent of jobseekers in the post-Jobseeker’s Allowance cohort said they devoted up to six hours per week looking for work. One-quarter spent between seven and 12 hours a week and 11 per cent reported more than this.

4.3.3 *Number of job applications made*

Twenty-nine per cent of the people who had been continuously unemployed since the first interview said they had applied for more jobs in the previous six months than when they were first interviewed, eight per cent more than before Jobseeker's Allowance (Table 4.7). Only 17 per cent in the post-Jobseeker's Allowance cohort had applied for fewer jobs. Jobseekers aged under 25 were more likely than older people to report applying for more jobs (31 per cent compared with 10 per cent of those aged 55 or over). Those with higher qualifications had also made more applications (32 per cent of those with both academic and vocational qualifications compared with 22 per cent of those without any qualifications).

Jobseekers had made a median of three job applications in the four weeks before the second interview; unchanged from the pre-Jobseeker's Allowance survey. However, almost a quarter (24 per cent) of interviewees in the post-Jobseeker's Allowance survey reported making no job applications in the previous four weeks, half had made between one and six applications and 17 per cent between seven and 12 applications in this time. Nine per cent of respondents said they were averaging more than 12 applications a week. As in the pre-Jobseeker's Allowance survey, 38 per cent of respondents said that their jobsearch was limited because of the costs involved.

4.3.4 *Interviews and job offers*

Almost three-quarters of all jobseekers in the post-Jobseeker's Allowance cohort (74 per cent) had not had any interviews in the previous four weeks; a similar proportion to the pre-JSA cohort. Fifteen per cent had attended one interview and 11 per cent had attended two or more interviews. Nine per cent of respondents said they had been offered at least one job in the previous four weeks (identical to the pre-Jobseeker's Allowance survey) and three per cent (one-third of those offered) had turned down a job in that time.

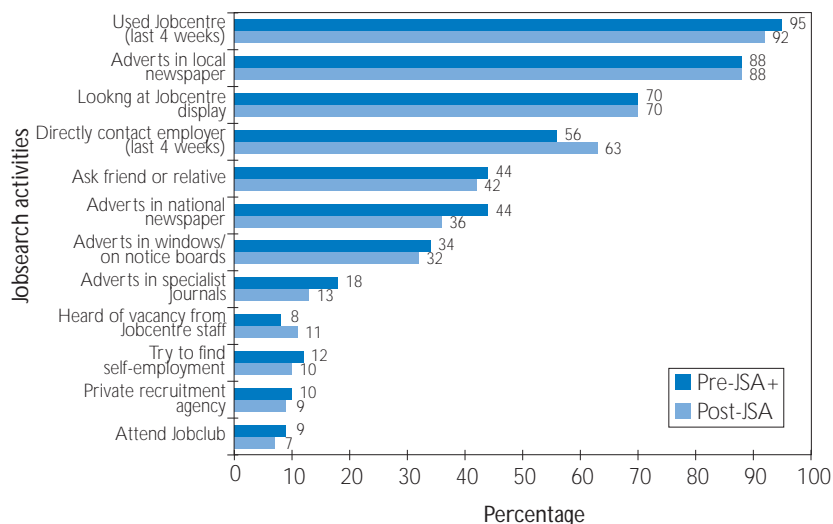
In the post-Jobseeker's Allowance cohort, seven per cent said they had turned down employment in the previous six months. The most common reasons given by all those jobseekers who had turned down job offers were that the wages had not been high enough (28 per cent), or that they did not like the type of job or employer (28 per cent). A fifth complained that the location of the job made it unsuitable and 17 per cent were unhappy with the hours offered. Nine per cent were concerned that the job was only temporary and six per cent were worried about their benefits being affected.

4.4 *Jobsearch activities*

The means used by jobseekers to find work in the week preceding the second interview were little different than before the introduction of Jobseeker's Allowance (Figure 4.3). However, the proportion who mentioned looking at job advertisements in national newspapers did fall by eight percentage points and the number using specialist journals fell

by five percentage points. Moreover, respondents directly contacting employers in the previous four weeks increased by seven percentage points. There was also a rise in the number of respondents who were keeping records of their job-seeking activities (although this is not a condition of Jobseeker's Allowance): two-thirds of jobseekers in the post-Jobseeker's Allowance survey compared with 57 per cent before Jobseeker's Allowance.

Figure 4.3 Jobsearch activity at second interview



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all respondents looking for work at second interview (pre and post-JSA)

4.4.1 Looking at job advertisements

Almost nine out of ten jobseekers said they had looked at job advertisements in their local newspaper in the week before interview (Figure 4.3). Thirty-six per cent had used national newspapers and one in eight respondents searched in professional or trade journals. About a third of jobseekers looked at adverts in shop windows.

Jobseekers with only vocational qualifications most commonly sought work in local newspapers (94 per cent) as did jobseekers with only academic qualifications (85 per cent). Looking at vacancies in national newspapers was more typical for those with both academic and vocational qualifications (43 per cent compared with 31 per cent of those with only vocational or no qualifications and 39 per cent of those with academic qualifications), cohabiting jobseekers (40 per cent compared with 34 per cent of single people) and owner-occupiers (48 per cent compared with 30 per cent of social tenants). Only 28 per cent of jobseekers aged under 25 used a national newspaper to look for work in contrast to 43 per cent of 45 to 54 year olds.

Using advertisements in professional and trade journals was most frequent among people aged 45 to 54 (22 per cent compared with 11 per cent of the under 25s), the most highly qualified (21 per cent of those with both

academic and vocational qualifications compared with six per cent of those without any qualifications), and owner-occupiers (21 per cent).

Women were more likely than men to look at job advertisements in windows or on notice boards (40 per cent compared with 30 per cent of men) and young people more so than older ones (40 per cent of under 25s compared with 26 per cent of those aged over 35).

4.4.2 Using the Jobcentre Seven out of ten respondents had looked at the Jobcentre display boards in the last week. Eleven per cent said they had heard of vacancies from Jobcentre staff and seven per cent had attended Jobclub (Figure 4.2). Almost all jobseekers said they had used the Jobcentre to look for work in the previous four weeks (92 per cent).

Men were more likely to have looked at Jobcentre displays in the last week than were women (72 per cent compared with 61 per cent). People with vocational qualifications were also more likely to use this method (83 per cent) as were those who had been unemployed for more than two years at the first interview (76 per cent). Those aged 55 or over were the least likely age group to use Jobcentre displays (63 per cent compared with 72 per cent of those aged under 35). Almost one-fifth of jobseekers aged under 25 (19 per cent) said they heard about vacancies from Jobcentre staff compared with just five per cent of those aged 35 to 44.

4.4.3 Asking friends and family Overall, 42 per cent of respondents had asked friends or family about employment opportunities in the last week (Figure 4.3). Jobseekers aged under 25 commonly used this strategy (48 per cent compared with 31 per cent of those aged 55 or over) as did those with vocational qualifications only (47 per cent compared with 40 per cent of those with both academic and vocational qualifications). Almost half of cohabiting jobseekers (48 per cent) consulted friends or family compared with 40 per cent of single people. Thus, it appears that friends and family played a significant role in jobsearch for the post-JSA cohort.

4.4.4 Contacting employers directly More than a third of jobseekers (37 per cent) had directly contacted an employer in the week before interview and another quarter had used this method in the previous four weeks. Men were more likely to have made direct contact with an employer in the previous week (40 per cent) than were women (26 per cent). People without any qualifications were less likely to use this method (31 per cent compared with 42 per cent of those with both academic and vocational qualifications). One-third of single jobseekers made a direct approach in the previous week compared with almost half (49 per cent) of cohabiting people.

4.4.5 Other methods

One in ten respondents reported investigating opportunities for self-employment in the week before interview. Men were more likely to explore this strategy (11 per cent) than were women (two per cent), as were the age group 35 to 44 (16 per cent compared with eight per cent of under 35's). Jobseekers without any qualifications were least likely to mention this method (six per cent).

Nine per cent of jobseekers had visited a private recruitment agency in the last week to try to find work. This method was more commonly used by those with both academic and vocational qualifications (14 per cent compared with four per cent of those without any qualifications), and by those who had been unemployed for less than three months at the first interview (16 per cent).

4.5 Effectiveness of jobsearch attitudes and activities

The aim of this section is to explore whether having left benefit and being in work at the time of the second interview was related to the particular jobsearch attitudes (Section 4.5.1) and activities (Section 4.5.2) reported by respondents at the time of their first interview.

4.5.1 Aspirations at first interview

The aspirations towards work held by benefit recipients at the time of the first interview did not seem particularly related to their economic status by the time of the second interview (Table 4.8).

Table 4.8 Job aspirations at first interview by benefit status at second interview (post-JSA)

Job aspirations at first interview	Base (100%)	Economic status at second interview			Row Per Cent
		Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like job	
Type of work sought					
Particular type of job	873	40	51	9	
Range of jobs	953	67	57	6	
Accept any job	963	34	58	8	
As employee	2346	37	55	8	
As self-employed	53	40	55	6	
Employee or self-employed	416	36	57	7	
Hours of work sought					
Full-time only	404	33	61	6	
Full-time but may consider part-time	1525	37	56	8	
Part-time only	127	42	50	9	
Accept any hours	766	38	53	9	
Flexibility					
Would accept shiftwork	1986	37	56	8	
Would accept nightwork	1672	36	56	8	
Would accept weekend work	2076	36	56	8	
Would accept job with differing hours	2244	37	55	8	
Would accept temporary job	1992	38	54	8	
Would move to different area	919	36	58	7	
All	2917	37	55	8	

Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit (post-Jobseeker's Allowance)

Respondents looking for a range of jobs at the first interview were more likely to be in work six months later. Respondents working and no longer claiming benefit at the second interview were more likely to have been looking for a range of jobs rather than limiting their jobsearch to specific types of work or looking for 'any' job. Sixty-seven per cent had been looking for a range of jobs compared with 40 per cent who were looking for a particular type of job. Respondents still claiming benefit were more likely to have limited their jobsearch to full-time work only. Sixty-one per cent were looking for full-time work compared to 53 per cent who were prepared to accept any hours (Table 4.8). This pattern was also observed in the pre-Jobseeker's Allowance cohort (Table 4.9).

Table 4.9 Aspirations at first interview by benefit status at second interview (pre-JSA+)

Job aspirations at first interview	Economic status at second interview				Row Per Cent
	Base (100%)	Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like job	
Type of work sought					
Particular type of job	751	36	55	9	
Range of jobs	932	32	63	5	
Accept any job	1035	24	69	8	
As employee	2147	31	62	7	
As self-employed	56	13	75	13	
Employee or self-employed	537	28	65	7	
Hours of work sought					
Full-time only	417	28	67	5	
Full-time but may consider part-time	1446	31	64	6	
Part-time only	113	42	43	16	
Accept any hours	790	29	62	9	
Flexibility					
Would accept shiftwork	2062	30	63	7	
Would accept nightwork	1704	29	65	7	
Would accept weekend work	2061	31	62	7	
Would accept job with differing hours	2347	30	63	7	
Would accept temporary job	1955	32	60	8	
Would move to different area	981	30	64	6	
All	2888	31	62	7	

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit (pre-JSA)

4.5.2 *Jobsearch activities at first interview*

Certain jobsearch activities at the first interview were associated with the likelihood of being in paid work by the time of the second interview (Table 4.10).

Table 4.10 Jobsearch activity at first interview by benefit status at second interview (post-JSA)

Jobsearch activity at first interview	Economic status at second interview				Row Per Cent
	Base (100%)	Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like a job	
Adverts in local newspaper	2475	36	56	8	
Looking at Jobcentre display	2076	34	58	8	
Adverts in national newspaper	1253	40	53	8	
Directly contact employers	1172	38	55	7	
Ask friend or relative	1131	39	54	7	
Adverts in windows/on notice boards	783	37	55	8	
Adverts in specialist journals	503	42	50	8	
Private recruitment agency	477	56	39	5	
Heard of vacancy from Jobcentre staff	299	44	50	6	
Try to find self-employment	291	43	51	5	
Attend Jobclub	224	33	60	7	
All	2917	37	55	8	

Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit (post-Jobseeker's Allowance)

Respondents from the post-Jobseeker's Allowance cohort who were in work were more likely to have used private recruitment agencies as a jobsearch method compared with other methods (Table 4.10). Over half (56 per cent) of those using private recruitment agencies were in work at the second interview. Other successful methods included directly contacting employers (38 per cent), hearing of vacancies from Jobcentre staff (44 per cent) and looking at vacancy displays in specialist journals (42 per cent). Using friends and families as a source of information on job vacancies became more important once the respondent had been unemployed for more than three months. Respondents claiming benefit at the second interview were less likely to use private recruitment agencies than other jobsearch methods (39 per cent), and look at vacancies in specialist journals (50 per cent). They were more likely to look at Jobcentre vacancy displays (58 per cent) and newspaper vacancy lists. Similar results were found in the pre-Jobseeker's Allowance cohort (Table 4.11). Whilst these jobsearch methods are associated with a greater chance of being in work at the second interview it is not necessarily the method used by the respondent to get their job.

Table 4.11 Jobsearch activity at first interview by benefit status at second interview (pre-JSA+)

Jobsearch activity at first interview	Base (100%)	Benefit status at second interview			Row Per Cent
		Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like a job	
Adverts in local newspaper	2471	30	62	8	
Looking at Jobcentre display	1964	29	64	7	
Adverts in national newspaper	1309	30	63	7	
Directly contact employers	872	35	59	7	
Ask friend or relative	1034	31	62	7	
Adverts in windows/on notice boards	942	29	63	9	
Adverts in specialist journals	310	36	57	7	
Private recruitment agency	357	52	38	10	
Heard of vacancy from Jobcentre staff	251	29	63	8	
Try to find self-employment	381	22	70	8	
Attend Jobclub	257	30	64	6	
All	288	31	62	7	

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit (pre-JSA)

Before the introduction of Jobseeker’s Allowance, jobseekers who had used a private recruitment agency were more likely, on average, to have left benefit to move into paid work (Table 4.11).

4.6 The probability of being in work at second interview

The likelihood of moving from unemployment to paid work is unlikely to be determined by jobsearch activities alone. In order to explore the possible influences further, a logistic regression model was developed (Table B.1 in Appendix B). This takes into account the social and demographic characteristics of respondents and employment rates as well as their jobsearch aspirations and activities. For technical reasons it was decided to use jobseekers who had been unemployed for less than two weeks at the time of sampling (termed “the flow”). These new entrants to unemployment would have been unemployed for about three months at the time of the first interview. Focusing on these people avoids any distortion arising from the accumulation of long-term unemployed people in the whole sample.

The analysis in this section models the probability of a respondent being in paid work and not claiming benefit at the time of the second interview for both the pre and post-Jobseeker’s Allowance surveys. By comparing the two surveys within the same model, it is possible to establish whether

the likelihood of being in paid work at the second interview has changed over the two years between the surveys.

The probability of being in paid work at the second interview differed between those respondents who were interviewed before and after the introduction of Jobseeker's Allowance. The main difference occurred in areas of high employment. In such areas, respondents in the pre-Jobseeker's Allowance survey were only 70 per cent as likely to be in work at the second interview compared with the situation following the introduction of Jobseeker's Allowance.¹¹ There were no significant differences among other areas.

The probability of a jobseeker being in work at the second interview was also influenced by their personal and demographic characteristics, both before and after the introduction of Jobseeker's Allowance. Women were 56 per cent more likely to be working at the second interview than were men. Age was also a factor with younger people being more likely to be in paid work at the second interview than older ones. Respondents aged 55 or over were only 27 per cent as likely to be in work as jobseekers aged under 25.

Respondents with a partner but without children were 75 per cent more likely to be in work at the second interview compared to single respondents. Single parents on the other hand were only 66 per cent as likely to be in work. There was a further difference related to housing tenure. Compared with people living in rented accommodation, jobseekers in owner-occupied housing were 44 per cent more likely to be in paid work at the second interview.

Human capital factors were also important. Respondents without qualifications were the least likely to be in work at the second interview. In comparison, jobseekers with academic and vocational qualifications were 37 per cent more likely to be in work. Correspondingly, jobseekers without previous regular work experience were less likely to be in work at the second interview compared with other respondents. Jobseekers previously from skilled occupations were 31 per cent more likely to be in work.

Certain other characteristics were found to significantly affect the chances of being in work. Jobseekers with access to a car or telephone were considerably more likely to be employed at the second interview. Respondents of non-white ethnic origin were 54 per cent as likely to be working as were white jobseekers once socio-demographic characteristics, such as qualifications, had been accounted for. While this result was

¹¹ To compare the relative odds of category B with category A subtract the coefficient for B from A and take the exponent of the result.

statistically significant, only seven per cent of the whole sample was comprised of people of non-white ethnic origin and so this finding should be treated with caution.

In summary, the chances of being in paid work at the second interview were increased by a respondent:

- being female
- being aged under 35
- having a partner
- living in owner-occupied housing
- having educational qualifications
- having previous work experience
- having access to a car, and
- having access to a telephone

Account was taken of all the jobsearch activities and attitudes discussed in Section 4.5 with the exception of using Jobclub, which would usually not have been available to new entrants to unemployment at the first interview. However, only one of these had a significant impact on the likelihood of being in paid work at the second interview. Respondents who had gone to a private recruitment agency were 88 per cent more likely to be in paid work at the second interview than were those who did not. The reason for this relationship may well be complex. It is not, though, a function of employment levels or any of the socio-demographic and human capital factors that were included in the model. It might be that people who use recruitment agencies are more motivated than other jobseekers in ways not included in the model. Equally, it may be that private recruitment agencies do increase the chances of a person finding work quickly.

Analysis on respondents who had been unemployed for more than two weeks at the time of the first interview (termed “the stock”) found that different jobsearch activities may be significant in helping longer-term unemployed people get work. Analysis reported here, on new entrants to unemployment at the time of sampling (some of whom will become long-term unemployed) suggests that this was due to an accumulation of long-term unemployed people in the stock sample.

The chances of people being in work at the second interview were also related to their aspirations and attitudes towards work recorded at the first interview. Respondents who wanted full-time work but were prepared to consider part-time employment at the first interview were more likely than any other group to be working at the second interview. Being prepared to accept full-time work only lowered the chances of a jobseeker being in work at the second interview. Likewise, respondents only wanting part-time work were 47 per cent less likely to be in

employment at the second interview. Jobseekers who said they would accept any hours were 74 per cent as likely to be in paid work at the second interview as those who said they wanted full-time work but would consider part-time.

Of the flexibility measures, the only one that had a significant impact on the likelihood of being in paid work at the second interview was willingness to accept weekend work. People who would not accept weekend work were only 73 per cent as likely to be working as those who would. Analysis found that associations between jobsearch activities and attitudes and the Jobseeker's Allowance were not statistically significant. This suggests that the effect of these jobsearch strategies has not changed with the introduction of Jobseeker's Allowance.

In summary, in areas of high employment, respondents in the pre-Jobseeker's Allowance survey were only 70 per cent as likely to be in work at the second interview compared with the situation following the introduction of Jobseeker's Allowance. Personal and demographic characteristics appear to have had a greater influence on the likelihood of a person being in paid work at the second interview than did their jobsearch attitudes and activities. However, using private recruitment agencies, seeking full-time work but being prepared to accept part-time work and being prepared to accept weekend work were associated with increased chances of being in paid work at the second interview, even after controlling for socio-demographic characteristics.

4.7 Employment Service interventions

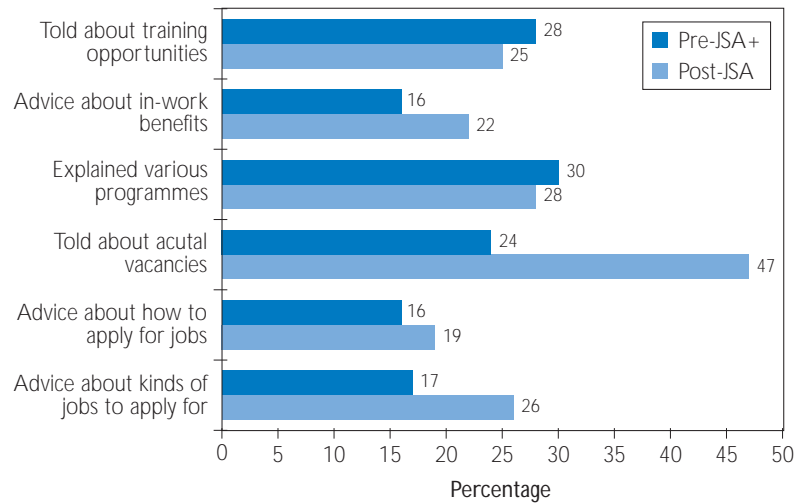
The extent to which respondents received specific Employment Service interventions aimed at helping them find work is discussed in this section. These questions were asked of all people who had been claiming benefit at some stage since the first interview. In the post-Jobseeker's Allowance survey in Spring 1997, 71 people said they had attended a New Deal interview. Due to the potential influence of the New Deal, those respondents who attended a New Deal interview have been removed from the following analysis.

4.7.1 General advice and opportunities

Respondents in the post-Jobseeker's Allowance survey were more likely to report receiving advice about applying for jobs and in-work benefits (Figure 4.4). There was an increase of nine per cent in the number who received advice about what kind of jobs to apply for (26 per cent). There was little change in terms of advice about programmes and training opportunities, possibly because Jobcentre staff were focusing on the New Deal for Young People by the time of the post-Jobseeker's Allowance interviews.

The number reported being told about actual job vacancies had almost doubled from 24 per cent before the introduction of Jobseeker's Allowance to 47 per cent.

Figure 4.4 General advice from Jobcentre staff



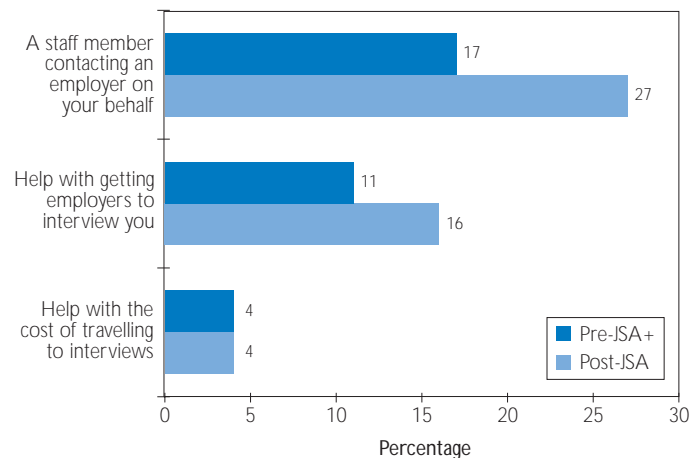
+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents with a second interview who had not attended a New Deal interview and had claimed benefit at some stage since the first interview (pre and post-JSA)

4.7.2 Services to help with jobsearch

Twenty-nine per cent of respondents in the post-Jobseeker’s Allowance cohort had been on a programme or course designed to help with jobsearch in the previous 12 months, compared with 36 per cent before the introduction of Jobseeker’s Allowance. Half of these had attended Jobclub with another quarter going on a Restart course. Fifteen per cent had attended a Jobplan workshop.

Larger proportions in the post-Jobseeker’s Allowance survey reported getting practical help from Employment Service staff in getting job interviews (Figure 4.5). Over a quarter of respondents (27 per cent) said a staff member at the Jobcentre had contacted an employer on their behalf: increased from 17 per cent in the pre-Jobseeker’s Allowance survey. There was also an increase of five per cent in the number of respondents who reported receiving help with getting employers to interview them.

Figure 4.5 Practical help with getting interviews



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all respondents who had not attended a New Deal interview and had claimed benefit at some stage since the first interview (pre and post-JSA)

4.7.3 *Services to help with work experience and provide training*

Six per cent had been on a programme to help with work experience in the last 12 months, compared with three per cent before the introduction of Jobseeker's Allowance. When asked, 36 per cent of people said they had heard of Employment on Trial (compared with 39 per cent in the pre-Jobseeker's Allowance survey). However, only five per cent knew the duration a person had to be out of work before Employment on Trial could apply.

Eighteen per cent of respondents had been on a training scheme in the previous 12 months, compared with 14 per cent before the introduction of Jobseeker's Allowance. Of those who had not, just 30 per cent said they would not accept a place on such a scheme.

4.8 **Conclusions**

By the second interview 50 per cent of respondents in the post-Jobseeker's Allowance cohort were unemployed and claiming Jobseeker's Allowance. A third were in paid work and not claiming unemployment-related benefit (34 per cent), 49 per cent were claiming benefit and looking for work, and 11 per cent were not working or claiming benefit (Table 4.1). Compared with the situation before the introduction of Jobseeker's Allowance there was a six percentage point increase in the proportion in paid work, and a five percentage point decrease in the proportion claiming benefit and looking for work.

Less than five per cent of respondents were not looking for work and said they did not want a job (Section 4.1). Only eight per cent of these were claiming Jobseeker's Allowance (a fall from 15 per cent before the introduction of Jobseeker's Allowance). Common explanations included long-term health problems, further study and caring responsibilities. Another four per cent of respondents were not currently looking for work but said they would like a job and just under a quarter of these (23 per cent) were claiming Jobseeker's Allowance. Overall, the reasons given were similar but a higher proportion were temporarily sick or attending Government training schemes.

There were few changes after the introduction of Jobseeker's Allowance in the type of work wanted by jobseekers at the second interview. There was, however, an increase, from 22 to 28 per cent, in the proportion of jobseekers saying they were looking for a particular type of work and a decrease from 37 to 27 per cent, in the proportion looking for a range of jobs (Section 4.2). Also, the average time spent per week looking for work and the number of job applications made was unchanged (Section 4.3). This is perhaps not surprising: most respondents were already making efforts to find work and were flexible in their approach before the introduction of Jobseeker's Allowance. A higher proportion of respondents continuously unemployed since the first interview said they were currently applying for more jobs than they had six months ago (an increase of eight percentage points).

The methods that jobseekers used to look for work were also similar to those used before Jobseeker's Allowance (Section 4.4). There was a fall in the number of people using specialist journals (down five percentage points) and national newspapers (down eight percentage points) but an increase in the proportion directly contacting employers (up seven percentage points).

Respondents in work at the second interview were more likely to have used private recruitment agencies and directly contacted employers as jobsearch methods. In addition, respondents in work were more likely to have heard of vacancies from Jobcentre staff. Respondents claiming benefit at the second interview were less likely to use private recruitment agencies than other jobsearch methods. Furthermore, respondents looking for a range of jobs were more likely to have found work.

The analysis in Section 4.6 modelled the probability of a jobseeker recently unemployed at the time of the first interview being in paid work at the second interview. This found that respondents in the post-Jobseeker's Allowance survey were more likely to be working at the second interview compared to respondents in the pre-Jobseeker's Allowance cohort, but only in areas of high employment. Socio-demographic characteristics played an important role: age, gender, family type, housing tenure, socio-economic group, educational qualifications, and access to a car and telephone all had a significant effect on the likelihood of being in paid work at the second interview. Controlling for these personal characteristics, only a few jobsearch activities had any significant impact on movements into paid work. These included using a private recruitment agency, being prepared to accept weekend work and looking for full-time work but being prepared to accept part-time work.

Employment Service interventions that aim to help with jobsearch were discussed in Section 4.7. Higher proportions of jobseekers, following the introduction of Jobseeker's Allowance, reported Jobcentre staff contacting employers on their behalf (up 10 percentage points) and offering advice about the kind of jobs to apply for (up nine percentage points). The number who said they were told of vacancies by Jobcentre staff increased from 24 per cent to 47 per cent.

In conclusion, the introduction of Jobseeker's Allowance does seem to have affected the process of finding work, particularly in terms of help and guidance for jobseekers by Employment Service staff. In areas of high employment there has also been an increase in the chances of respondents recently unemployed being in paid work by the time of the second interview. However, specific jobsearch activities were found to be less important than the characteristics of jobseekers themselves.

5 THE QUALITY OF RETURN TO WORK JOBS

The aim in this chapter is to examine the quality of jobs for unemployed people after they leave benefit. The majority of the chapter summarises a special analysis that covers all respondents who returned to work before the second interview, but focuses on the subgroup who left unemployment for work around six months after becoming unemployed. A significant change associated with the replacement of Unemployment Benefit with Jobseeker's Allowance was the reduction of contribution-based benefit entitlement from 12 months to six months. A secondary interest, therefore, is to ascertain whether jobseekers moved into unsuitable or 'mismatch'¹² jobs at the point when their contribution-based benefit entitlement expired. This chapter focuses solely on recipients of contribution-based Jobseeker's Allowance.

5.1 Assessing the quality of jobs

There is clearly no one measure that can capture the quality of a job. A number of alternative measures have been adopted in previous studies that have attempted to rank jobs on some basis of quality. Elias and Blanchflower (1987) rank occupations according to average earnings and use this as a measure of occupational status. Some studies use a measure of social status, such as the Goldthorpe Class schema, Socio-economic group, or Social Class based on occupation. Here a multidimensional approach is adopted in an attempt to assess the different dimensions of a job match, the quality of the job and the associated satisfaction with the job. These assessments are made by drawing on information collected in the Jobseeker's Allowance surveys and by using detailed occupational information available in the Labour Force Survey (LFS). Six measures of labour market outcomes are explored:

- Education mismatch.
- Skill mismatch.
- Job stability.
- Job security.
- Job satisfaction.
- Wages.

For the first five sections, analysis is based on two distinct groups of people. First, all respondents who left unemployment for paid work between the first and second interviews are considered. A smaller group is those who left benefit around six months after becoming unemployed. They were all unemployed and claiming benefit at first interview (about three months after becoming unemployed). These individuals all left

¹² For example, jobs which do not make use of job seekers' skills and experience.

their spell of unemployment one month either side of the six-month threshold. This allows for inaccuracies in the recording of start and end dates of spells of unemployment and because the six-month cut off could encourage jobseekers to accept jobs as they near the threshold or shortly after their benefit expires.

The data on all pre-Jobseeker's Allowance leavers have been weighted to adjust for labour market changes. However, the numbers of people leaving around the six-month period were low, hence subject to large sampling error, and therefore small adjustments lead to relatively large percentage changes. Thus data for these people are presented unweighted in the main text, but the weighted tables can be viewed in Appendix A (p143).

5.2 Education mismatch

To measure the degree of education mismatch between a worker and that required in an occupation, their level of education was compared with the average level of education of employees in the occupation they entered. To obtain robust estimates of average education by detailed occupation groups (371 Unit Groups of the Standard Occupational Classification (SOC)), 12 quarters of the Labour Force Survey (March/May 1995 – December/February 1997/98) were merged, giving a sample of approximately two hundred thousand employees. Each individual was given an education score based on their highest level of qualification. The scores were designed to proxy the additional years of schooling normally required to achieve a particular level of education.

After assigning individuals their education score, the average education score was computed within each of the 371 SOC unit groups. This average education score by occupation provides an estimate of the typical educational requirements in an occupation group. Education scores were then assigned to respondents in the Jobseeker's Allowance surveys, allowing comparisons to be made with the average associated with the occupation they entered following a spell of unemployment.

Around half of all jobseekers entering employment were, on the basis of this measure, over-qualified for their job both before and after the introduction of Jobseeker's Allowance (Table 5.1). However, Jobseeker's Allowance respondents entering employment at around the six month threshold were slightly less likely to have a higher education score than the average in their occupation than those entering employment at around six months before Jobseeker's Allowance (47 per cent compared with 50 per cent before). However, this difference was not statistically significant.

Table 5.1 Education mismatch

	Base	Percentage with higher education score than the average in their occupation
Pre-JSA		
Left at six months	101	50
All leavers	473	51
Post-JSA		
Left at six months	134	47
All leavers	541	51

Base: all contribution-based JSA/Unemployment Benefit recipients who left unemployment for paid work between the first and second interview (pre and post-JSA). Pre-JSA data on all leavers have been weighted to reflect labour market change.

5.3 Skill mismatch

Skill can be acquired through on or off-the-job training and through work experience as well as by means of formal education. Therefore, respondents in the Jobseeker's Allowance surveys who had found a job were asked to make an assessment of the match between their skills and experience and those required by their job. Responses have been grouped into two categories, workers who considered that their job utilised their skills and experience to a great extent or some extent, and workers who considered that their job did not utilise their skills and experience much or at all (Table 5.2).

Table 5.2 Does your job make use of your skills and experience?

	Base	Great/some extent	Not much/not at all
Pre-JSA			
Left at six months	84	75	25
All leavers	398	65	35
Post-JSA			
Left at six months	109	65	34
All leavers	363	63	37

Base: all contribution-based JSA/Unemployment Benefit recipients who left unemployment for paid work between the first and second interview (pre and post-JSA). Pre-JSA data on all leavers have been weighted to reflect labour market change.

The percentage of workers leaving unemployment after 5-7 months, who considered that the job they entered utilised their skills and previous work experience, declined from 75 per cent before Jobseeker's Allowance to 65 per cent after. However, there was no change in this measure for all leavers after Jobseeker's Allowance was introduced. Neither of these changes was statistically significant.

5.4 Job stability

Average job tenure varies with occupation. The composite LFS dataset utilised above reveals that average uncompleted job tenure was seven years and eight months. Occupations with average job tenure less than 75 per cent of the mean, or five years and nine months, were defined as short tenure occupations and 62 out of 371 SOC unit groups met this specification. (The full list of occupations along with, average job tenure and number of employees in the LFS composite data file can be found in Appendix D).

The proportion of jobseekers who entered short-tenure occupations did not change significantly with the introduction of Jobseeker's Allowance (Table 5.3). People who moved into employment after around six months were somewhat less likely than other people to move into occupations characterised by short job tenure: 33 per cent of the post-JSA cohort did so compared with 40 per cent of all leavers.

Table 5.3 Percentage of jobseekers entering short tenure occupations

	Base	Percentage entering short-tenure occupations
Pre-JSA		
Left at six months	101	35
All leavers	468	37
Post-JSA		
Left at six months	134	33
All leavers	494	40

Base: all contribution-based JSA/Unemployment Benefit recipients who left unemployment for paid work between the first and second interview (pre and post-JSA). Pre-JSA data on all leavers have been weighted to reflect labour market change.

5.5 Reported job security

In the Jobseeker's Allowance surveys, respondents who had found employment were asked if their job was permanent, temporary, had a fixed term contract, or was on the basis of some other arrangement.

Table 5.4 Proportion of jobseekers entering temporary work

	Base	Percentage entering temporary work
Pre-JSA		
Left at six months	101	50
All leavers	469	49
Post-JSA		
Left at six months	130	48
All leavers	480	48

Base: all contribution-based JSA/Unemployment Benefit recipients who left unemployment for paid work between the first and second interview (pre and post-JSA). Pre-JSA data on all leavers have been weighted to reflect labour market change.

There was no discernible difference between the proportion of jobseekers entering temporary work after the introduction of Jobseeker's Allowance (Table 5.4). However, it is worth noting that approximately one-half of jobseekers entered temporary work, which is much higher than that found in the working population (7.5 per cent, Review of the Economy and Employment 1997/98).

5.6 Job satisfaction

Respondents to the Jobseeker's Allowance surveys who had found employment were asked to assess how satisfied they were with their job. Although this measure is subjective, it is perhaps the best overall assessment of the quality of a job match. Over three-quarters of respondents were very or fairly satisfied with the job they took after unemployment (Table 5.5).

Table 5.5 Job satisfaction

	Base	Very/fairly satisfied	Neither satisfied or dissatisfied	Per Cent Very/fairly dissatisfied
Pre-JSA				
Left at six months	84	78	11	11
All leavers	365	80	8	11
Post-JSA				
Left at six months	110	76	7	17
All leavers	364	79	9	11

Base: all contribution-based JSA/Unemployment Benefit recipients who left unemployment for paid work between the first and second interview (pre and post-JSA). Pre-JSA data on all leavers have been weighted to reflect labour market change.

However, there was a small albeit statistically non-significant increase in the share of workers who left unemployment around the six month threshold, who were either fairly or very dissatisfied with their job after the introduction of Jobseeker's Allowance (17 per cent compared with 11 per cent before). The proportion of all leavers who expressed dissatisfaction with their new job was unchanged.

5.7 Return to work earnings

There is little reason to suppose that Jobseeker's Allowance brought about a decline in the wages paid to people, after a spell of unemployment, on their return to work. Both before and after the introduction of Jobseeker's Allowance, people received around the same hourly wages in the job they returned to compared to the job they had left. There was though some indication that people experiencing unemployment under Jobseeker's Allowance were from the lower end of the earnings distribution than were their counterparts who were unemployed under the previous regime. Once account is taken of the changes in average wages between 1995 and 1997, real wage rates commanded by jobseekers were four to five per cent lower for the post-JSA cohort both before and after a spell of unemployment.

Table 5.6 Comparing return to work wages with pre-unemployment wages

	Pre-JSA		Post-JSA	
	Pre-unemployment wage	Return to work wage	Pre-unemployment wage	Return to work wage
Net hourly wage	3.43	3.49	3.54	3.67
Net hourly wage at 1997 levels	3.74	3.80	3.54	3.67
Base	601	601	688	688

Notes: median is used as a few extreme values distort the mean

Base: people who were in paid work before becoming unemployed and who left unemployment for paid work by the second interview (pre and post-JSA)

5.8 Conclusions

Although there is a growing body of evidence that workers can become trapped in low paid jobs or cycle between low pay and no pay (Stewart and Swaffield, 1998), there is little evidence that the introduction of Jobseeker's Allowance has substantially decreased the quality of labour market outcomes for those leaving contribution-based unemployment benefits. This lack of change may be the result of different factors acting in opposition. It might be expected that the extra guidance and assistance available under Jobseeker's Allowance would improve the quality of the match between jobseekers and job vacancies. On the other hand, there were expectations that the strict eligibility conditions and the loss of contribution-based benefit at six months could result in jobseekers accepting lower quality, less well paid jobs in order to leave benefit as soon as possible.

6 THE ECONOMIC ACTIVITY OF PARTNERS OF UNEMPLOYED PEOPLE

After the introduction of Jobseeker's Allowance, fewer respondents (34 per cent) lived with a partner compared with the situation before (39 per cent). Male respondents were more likely than females to have a partner (37 per cent compared with 25 per cent), as were those aged 35 or over (49 per cent). The second wave interviews were conducted with 791 partners who had also been interviewed at the first wave, with a response rate of 71 per cent.

The aim of this chapter is to report on the economic activity of partners and to examine how this is related to the work and benefit status of the respondent. By way of an introduction, Section 6.1 explores the personal characteristics of all partners and of those in paid employment. Section 6.2 considers the relationship between the work and benefit status of respondents and the economic status of their partner at the time of the second interview. Section 6.3 takes account of all these factors to model the probability of a partner being in paid work at the second interview. The overall negative relationship between the unemployment of respondents and the employment of partners is discussed in Section 6.4, where a detailed time-series analysis illustrates the changing relationship.

To avoid confusion, all future references to partners in this chapter apply to interviewed partners, while the partner of the interviewed partner is called the respondent. As with previous chapters, the pre-Jobseeker's Allowance data has been weighted to account for changes in local employment rates between 1995 and 1997, except in Section 6.4 which is based on a temporal analysis of movements off benefit, hence such weighting would have been inappropriate.

6.1 Characteristics of partners

The characteristics of all partners are briefly described before focusing on partners in paid employment.

In the post-Jobseeker's Allowance survey, 88 per cent of partners were female compared with 82 per cent before Jobseeker's Allowance (Table 6.1). Just under a third (31 per cent) were partners of respondents aged 25 to 34 years, with only 20 per cent being partnered to respondents aged under 25 or 55 and over. Over a third of partners had children aged under five years (38 per cent) and a third were without dependent children (33 per cent). Another 30 per cent had children aged 5 to 18.

Almost half of partners (48 per cent) lived in local authority or housing authority accommodation while 35 per cent lived in owner-occupied housing (Table 6.1). Around four out of ten partners (39 per cent) had no educational qualifications. Ten per cent had just vocational

qualifications, 27 per cent had only academic qualifications and 24 per cent had both.

There were few substantive differences in the characteristics of partners between the pre and post-Jobseeker's Allowance surveys. However, before Jobseeker's Allowance, rather more partners lived in owner-occupied housing (45 per cent) and less in local authority or housing authority accommodation (43 per cent) (Table 6.1).

Table 6.1 Characteristics of partners at second interview

	Pre-JSA+	Post-JSA	Per Cent
<i>Gender of partner</i>			
Male	18	12	
Female	82	88	
<i>Age of respondent</i>			
18 – 24	10	10	
25 – 34	31	31	
35 – 44	27	27	
45 – 54	20	22	
55+	12	10	
<i>Family type</i>			
No children	34	33	
Children under 5	38	38	
Children aged 5 - 18	28	30	
<i>Qualifications of partner</i>			
None	46	39	
Vocational only	9	10	
Academic only	23	27	
Vocational and academic	22	24	
<i>Housing tenure</i>			
Owner-occupier	45	35	
Rent LA/HA	43	48	
Rent privately	10	13	
Other	2	3	
Base = 100%	995	791	

+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts

Base: all partners interviewed at the second interview (pre and post-JSA)

The economic activity of partners at the time of the second interview was dependent on their personal characteristics. Overall, one-third of partners were working at the second interview. However, male partners were more likely to be working than female partners: 65 per cent were in paid work at the second interview compared to 27 per cent of female partners (Table 6.2). Indeed, men formed one-quarter of working partners and just two per cent of partners who said they did not want a job, even though they accounted for only 12 per cent of all partners.

Age was also an important factor affecting the chances that a partner would be in paid work: 41 per cent of partners of respondents aged 35 to 44 were working; twice as many as partners of respondents aged under 25 (Table 6.2). Sixty-five per cent of partners of respondents aged 55 and over said they did not want regular paid work. In contrast, 35 per cent of partners of respondents aged 34 to 54 did not want paid work.

Less than one-fifth of partners with children under five were working at the second interview, compared to 43 per cent of partners without children and 39 per cent of partners with children aged five or over (Table 6.2). Fifty-six per cent of partners of respondents aged under 25 and 70 per cent of partners of respondents aged 25 to 34 had a pre-school aged child, in contrast to 34 per cent of partners of respondents aged 35 to 44. Partners with pre-school aged children made up over two-fifths (46 per cent) of partners who said they did not want to work.

More than half of partners (58 per cent) living in owner-occupied housing were in paid employment at the second interview compared with around 25 per cent of partners in local authority or housing association housing and 17 per cent in privately rented accommodation (Table 6.2). In fact, partners in owner-occupied housing comprised 64 per cent of all partners in paid work at the second interview.

Partners with academic and vocational qualifications were much more likely to be in paid work at the second interview (52 per cent) than those without qualifications (20 per cent) (Table 6.2). Almost half of partners (49 per cent) who said they did not want a job at the second interview had no educational qualifications.

There were few differences between the pre and post-Jobseeker's Allowance surveys in the characteristics of partners working at the second interview. After Jobseeker's Allowance, slightly more partners aged 35 to 44 were working (41 per cent compared with 37 per cent before). A higher proportion of partners with children aged five to 18 years were in paid work (increasing from 33 to 39 per cent) and more owner-occupiers were employed (58 per cent compared with 53 per cent before).

Table 6.2 Proportion of partners in paid work at second interview by demographic characteristics

	Pre-JSA ⁺		Post-JSA		Row Per Cent
	Number	Per cent	Number	Per cent	
Gender of partner					
Male	178	65	98	65	
Female	816	28	693	27	
Age of respondent					
18 – 24	99	24	81	19	
25 – 34	305	28	247	26	
35 – 44	267	37	213	41	
45 – 54	201	43	170	39	
55+	122	37	80	28	
Family type					
No children	335	45	257	43	
Children under 5	375	25	296	17	
Children aged 5 - 18	274	33	236	39	
Qualifications of partner					
None	402	25	307	20	
Vocational only	84	37	80	36	
Academic only	233	37	215	29	
Vocational and academic	215	49	189	52	
Housing tenure					
Owner-occupier	450	53	280	58	
Rent LA/HA	425	16	381	25	
Rent privately	97	21	104	17	
Base = 100%	994	34	791	32	

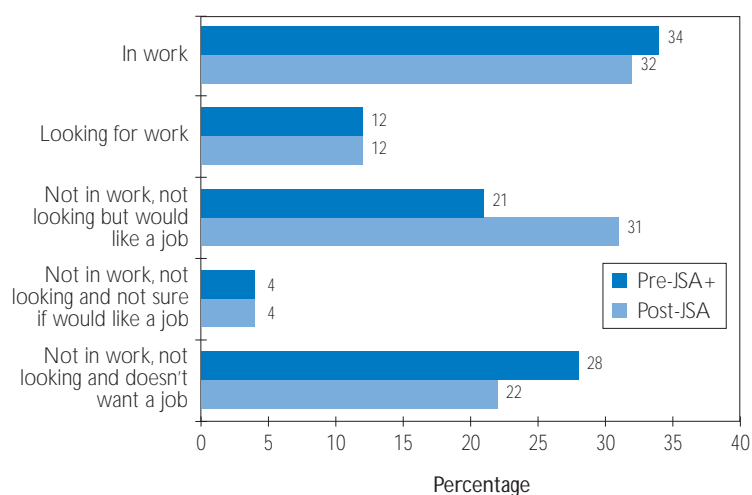
⁺ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
 Base: all partners interviewed at the second interview who were in paid work at second interview (pre and post-JSA)

6.2 The relationship between the economic activity of respondents and partners

This section focuses on the economic activity of partners and considers the attitudes towards work held by non-working partners. The employment status of partners at the second interview was very strongly associated with that of the respondent. When the respondent was in work at the time of the second interview their partner was much more likely also to have a job.

After Jobseeker's Allowance was introduced, 32 per cent of partners were in paid work at the second interview (Figure 6.1). Over half of these partners were in full-time employment (54 per cent). Just under a quarter (24 per cent) worked for between 16 and 29 hours per week and 22 per cent for less than 16 hours per week.

Figure 6.1 Economic activity of partners at second interview



+ the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
Base: all partners interviewed at second interview (pre and post-JSA)

One in eight partners (12 per cent) said they were seeking employment (Figure 6.1) but in a separate question, only 55 per cent of these described their primary activity as unemployed and looking for work. Just five per cent of partners had themselves claimed benefit as unemployed in the six months before the second interview. Another 31 per cent of partners said they would like to work although they were not currently looking for a job. Four per cent were undecided about working and 22 per cent definitely did not want a job.

Caring responsibility was the reason most commonly given for not wanting a job, mentioned by 85 per cent of partners. Thirteen per cent stated that they had health problems and ten per cent said they had retired. Seven per cent were concerned that the respondent's benefit would be reduced if they should work and five per cent felt they would be worse off if they were to take a job.

Of all partners who wanted a job but were not currently looking, 84 per cent said that this was because of caring responsibilities. Seventeen per cent said they had health problems and ten per cent felt that there were no suitable jobs available. Sixteen per cent expressed concerns that the respondent's benefit would be reduced and nine per cent said they would be worse off if they were working.

Although the proportion of partners working at the second interview was the same under the two benefit regimes, under Jobseeker's Allowance, more said they would like a job even though they were not currently looking for work than was the case before its introduction (31 per cent compared with 21 per cent before). There was also a decrease of five percentage points between the new and old regimes in the proportion of partners who said that they did not want to work.

After Jobseeker's Allowance, half of the partners of working respondents at the second interview (49 per cent) were in paid work themselves compared with only 16 per cent of partners of unemployed respondents (Table 6.3). Another seven per cent of partners of working respondents were seeking employment and 24 per cent said they would like a job although they were not currently looking. Just 20 per cent of partners of working respondents said they did not want a job. Of the partners of respondents claiming benefit at the second interview, 16 per cent were seeking employment, 32 per cent did not want to work and 37 per cent said they would like a job but were not currently looking.

For respondents who were neither claiming benefit nor working at the second interview, 44 per cent of their partners were working with another ten per cent looking for a job. Twenty-seven per cent said they would like a job but were not currently seeking work.

Table 6.3 Economic activity of partner by status of main respondent at second interview

Partner's economic status	All	Respondent claiming benefit	Respondent in work	Per Cent
				Respondent not working or claiming benefit
Pre-JSA+				
Partner in work	34	20	60	31
Partner not working but looking	12	15	5	18
Partner not working or looking but would like a job	21	28	11	20
Partner not working or looking and does not want a job	32	38	25	31
Base = 100%	993	529	304	160
Post-JSA				
Partner in work	32	16	49	44
Partner not working but looking	12	16	7	10
Partner not working or looking but would like a job	31	37	24	27
Partner not working or looking and does not want a job	26	32	20	19
Base = 100%	790	386	287	117

*the pre-JSA data has been weighted to account for changes in the employment rate between cohorts
Base: all partners interviewed at second interview (pre and post-JSA)

The distribution of partners' economic status was broadly similar before and after the introduction of Jobseeker's Allowance (Table 6.3). However, fewer partners of respondents working under the new regime were themselves employed (49 per cent) than was the case under the old regime (60 per cent). After the introduction of Jobseeker's Allowance, more partners of working respondents said they would like a job even though they were not looking (an increase of 13 percentage points) and less said they did not want a job (down five percentage points).

There was little change in the proportion of working partners of respondents claiming benefit between the two regimes. Again though, after Jobseeker's Allowance, more partners said they would like a job even though they were not looking (an increase of nine percentage points) with a corresponding drop in the proportion who said they did not want a job.

On the other hand, noticeably, more partners of respondents who were inactive at the second interview were in paid work than was the case beforehand (44 per cent compared with 31 per cent). The proportion who said they did not want a job fell by 12 percentage points (from 31 per cent to 19 per cent).

6.3 The probability of a partner being in work at second interview

The analysis in this section models the probability of a partner being in paid work at the time of the second interview for both the pre and post-Jobseeker's Allowance surveys. By comparing the two surveys within the same model, it is possible to establish whether the likelihood of being in paid work at the second interview has changed over the two years between the surveys. As in Chapter 4, it was decided to use partners of respondents who had been unemployed for less than two weeks at time of sampling (termed "the flow"). Focusing on these people avoids any distortion arising from the accumulation of long-term unemployed people in the sample. The logistic regression model takes into account the social and demographic characteristics of partners, local employment rates and the activity of the respondent and is reported fully in Table B.2 in Appendix B.

The probability of partners being employed at the second interview was associated with a number of factors but did not alter with the introduction of Jobseeker's Allowance. Factors that were important were the employment status of the respondent, local employment, and the gender, age, family type, education and housing tenure of the partner.

Employment was measured in absolute and relative terms. For every one percentage increase in employment rates (the absolute measure), the probability of a partner being in work at the second interview increased by about one per cent. As to the relative measure, areas were categorised according to whether employment was high, medium or low relative to that prevailing in other areas at the time. Partners living in low

employment areas were only about half as likely to be in paid work at the second interview compared with partners living in areas of high employment.

Partners of respondents in paid work at the second interview were 3.5 times more likely to be working themselves than were partners of respondents claiming benefit at the second interview. Partners of respondents who were neither working nor claiming benefit at the second interview were also more likely to be working: they were twice as likely to be in paid work as partners of unemployed respondents.

The socio-demographic characteristics of partners were also found to be important. Female partners were around half as likely to be in work at the second interview compared with male partners. Having a pre-school aged child lowered the probability of a partner working: those with children aged under five were only 32 per cent as likely to be employed at the second interview as were partners without any children. Partners of respondents aged under 25 were the most likely to be working. Once the age of children had been taken into account, partners of respondents aged 25 to 34 were only half as likely to be working.

Having educational qualifications was also associated with increased chances of a partner being in paid work at the second interview. Partners without any qualifications were only 51 per cent as likely to be working as those with both academic and vocational qualifications. Partners living in owner-occupied housing were more likely to be working at the second interview: those living in private rented accommodation were only 32 per cent as likely to be working.

In summary, the personal and household characteristics of partners (particularly the economic activity of the respondent) were found to affect the likelihood of partners working at the second interview. However, there was no significant difference in the probability of working for partners interviewed before or after the introduction of Jobseeker's Allowance.

6.4 The employment of partners of unemployed respondents

This section¹³ examines the relationship between the economic activity of respondents and partners by making use of the work history information collected for around two and a half years before the second interview for each survey. This information enables the focus to shift from a rather arbitrary point-in-time measure (first or second interview) to a dynamic perspective of how the employment of respondents and partners changes over time. Earlier research (Elias, 1997; Davies, Elias and Penn, 1992) has shown that a man's transition into unemployment brings about a

¹³ The analysis was undertaken by Peter Elias.

reduction in participation in paid employment by his female partner.¹⁴ While the scale of this effect has proven to be less strong than was claimed in earlier work (Martin and Roberts, 1994; Kell and Wright, 1990), research (Elias, 1997) indicated that it was significant enough in the period immediately before the introduction of Jobseeker's Allowance to warrant investigation of any change arising since the new benefit regime.

One aspect of Jobseeker's Allowance that has the potential to modify the relationship between the economic status of the unemployed respondent and their partner is that the contribution-based component of Jobseeker's Allowance expires after six months, instead of 12 months for Unemployment Benefit. After this period, the jobseeker may move to income-based Jobseeker's Allowance in which case the partner's earnings from employment could affect the amount of benefit paid. Thus, the significant reduction in employment among female partners of unemployed men that was found to take place after 12 months of unemployment (Davies, Elias and Penn, 1992; Elias, 1997) may now occur earlier in the spell.

The aims of this section, then, are first, to examine whether or not male unemployment brings about a fall in employment among their partners and, if so, whether the scale of the effect differs from that attaining before the introduction of Jobseeker's Allowance. Second, advanced statistical techniques are used to determine if there has been any change in the timing of the effect associated with the introduction of the six month expiry of contribution-based payments.

In the remainder of this section, people who stated that they were in work, excluding those who were in full-time education with a part-time job, were categorised as 'in employment'. The 'unemployed' were defined as those who stated that they were 'unemployed and looking for work' and were in receipt of benefit. The partnerships under investigation consist of all those for whom the following conditions apply:

- the same partnership was in existence for the entirety of the relevant period (October 1993–April 1996 for the pre-Jobseeker's Allowance survey and December 1995–April 1998 for the post-Jobseeker's Allowance survey).
- both the respondent and partner completed a detailed week-by-week work history.
- the respondent is male and the partner is female.¹⁵

¹⁴ Elias (1997) also examined the possibility that a relationship could be found between the unemployment of females and the labour force participation of their male partners. No such relationship was detected.

¹⁵ The latter restriction was applied due to the fact that earlier research (Elias, 1997) had revealed no significant link between the unemployment of women and the labour force participation of their male partners.

6.4.1 *Measuring the employment shortfall*

A useful measure of the extent to which male unemployment is associated with a reduction in employment among their female partners, is termed the 'employment shortfall'. This is simply the difference between the rate of employment among the female partners of employed as opposed to unemployed men. As was shown in Elias (1997), the employment shortfall is quite large. Various studies conducted over the last 18 years estimate this shortfall at approximately 30 per cent. In other words, the rate of employment among the partners of unemployed men is approximately 30 percentage points lower than among the partners of employed men. However, it has been demonstrated that a significant proportion of this shortfall, as much as two-thirds, could be accounted for in terms of the characteristics of the partners of unemployed men and their associated weaker attachment to the labour market.

In this study, it is possible to 'control' for differences in characteristics of the partners of unemployed men, by examining the increasing experience of unemployment in the week-by-week work histories recorded in each survey and the corresponding evolution of the employment rate of their partners. Thus, the focus is not upon the difference between two separate groups of partners, those where the male partner is employed and those where he is unemployed, but upon the *evolution* of unemployment among the selected partnerships and the corresponding change in the employment of partners.

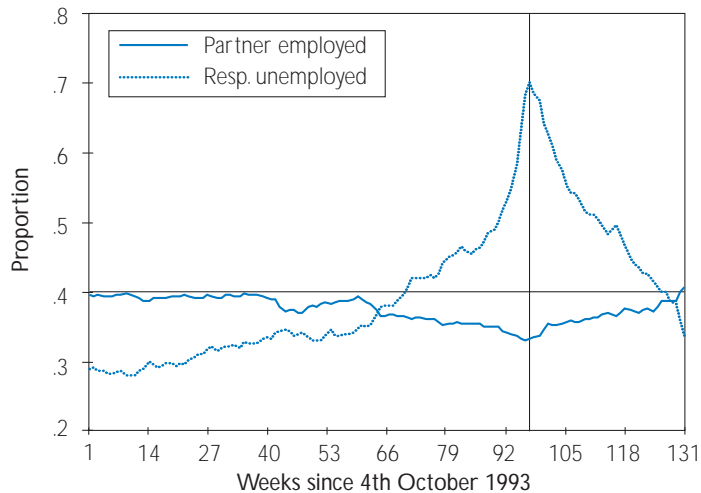
Figure 6.2 demonstrates this feature: for both pre and post-Jobseeker's Allowance surveys the percentage of the male respondents who were unemployed in every week is plotted as a time-series, together with the percentage rate of employment of their female partners. Examining the upper graph, before Jobseeker's Allowance, respondents experience a strong rise in unemployment, from approximately 30 per cent in October 1993 to 70 per cent immediately prior to the first interview¹⁶, then falls back to half that level in the following six months. The employment rate among female partners declines gradually at first, then drops to a level 6.5 percentage points below its October 1993 average before rising again in the period between the first and second interviews.

Examination of the lower graph in Figure 6.2 shows this same information for the post-Jobseeker's Allowance sample. While the experience of unemployment is less severe among the male partners in this cohort, indicated by the fact that unemployment rises from 30 per cent in December 1995 to approximately 60 per cent just before the first interview, a similar decline in the employment rate of their female partners

¹⁶ Given that the sample of individuals was selected from records of those who had experienced a spell of unemployment with benefit, the rise in unemployment reflects the sample selection methodology. The fact that unemployment does not rise to 100 per cent is due to the sample being selected over several weeks and the short duration of many of these spells of unemployment.

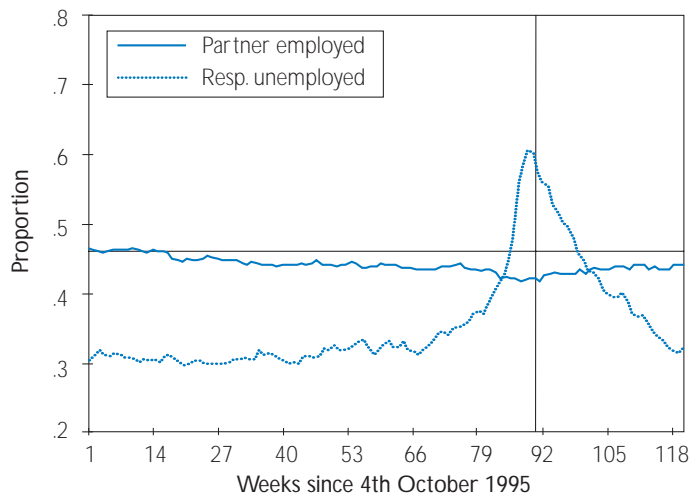
is observed. Table 6.4 gives more precise estimates of the nature of these changes.

Figure 6.2 Male respondents' unemployment and female partners' employment - Pre-Jobseeker's Allowance



Source: ISA Surveys, cohort 1, waves 1

Figure 6.3 Male respondents' unemployment and female partners' employment - Post-Jobseeker's Allowance



Source: ISA Surveys, cohort 2, waves 1

Table 6.4 Changes in unemployment status of men and employment status of their female partners

Pre-JSA	Average during Oct/Nov 1993	Max unemployment/ min employment	Change (2nd column – 1st column)
Respondent is unemployed	28.7	70.3	41.6
Partner is employed	39.6	33.2	-6.4
Post-JSA	Average during Dec/Jan 1995/96	Max unemployment/ min employment	Change (2nd column – 1st column)
Respondent is unemployed	30.7	60.5	29.8
Partner is employed	46.1	41.6	-4.5

Source: Jobseeker's Allowance Surveys, cohorts 1 and 2, waves 1 and 2

In summary, before Jobseeker's Allowance there was a 41.6 percentage point rise in unemployment among respondents which was associated with a 6.4 percentage point fall in the proportion of their partners in employment. After Jobseeker's Allowance there was a 29.8 percentage point rise in unemployment that was associated with a 4.5 percentage point fall in employment. *Pro rata* this is not significantly different from the decline in employment observed before Jobseeker's Allowance. Both effects are consistent with a 15 per cent 'employment shortfall'; itself close to the result obtained from multivariate analysis of the week-by-week transitions undertaken using the pre-Jobseeker's Allowance data.¹⁷ It appears, therefore, that the transition to Jobseeker's Allowance has brought about no significant change, in aggregate, on the effect of a man's unemployment on his female partner's employment.

6.4.2 Contribution-based Jobseeker's Allowance

While little change has been found overall, it may well be the case that the timing of this effect has altered. Using multivariate modelling techniques, it is possible to examine the relationship between a lengthening spell of unemployment and its impact upon the female partner's employment at different durations. Table 6.5 shows the percentage reduction in the probability that the female partner is employed, according to the length of unemployment experienced by the respondent. Before Jobseeker's Allowance, the partner of a man who had just commenced a spell of unemployment was, on average, 47 per cent less likely to be employed than if he had not been unemployed. As the spell lengthened the depressing effect on the female partner's employment initially increased, remained fairly constant from 13 to 51 weeks, only to jump significantly after a year. A similar effect was found after the introduction of Jobseeker's Allowance, but the largest increase occurred at 26 weeks, not 52 weeks, which is consistent with the reduction in the period of contribution-based benefit.

¹⁷ Computed by linear extrapolation of the decline in female employment for a 100 percentage point rise in male unemployment (i.e. from zero to 100%).

Table 6.5 Percentage change in the probability that partner of unemployed respondent is employed by duration of respondent's unemployment

Length of respondent's spell of unemployment	Percentage change in the probability that female partner is employed	
	Pre-JSA	Post JSA
	0 weeks	Reference category
1-3 weeks	-47	-45
4-7 weeks	-53	-47
8-12 weeks	-59	-50
13-25 weeks	-66	-58
26-38 weeks	-67	-74
39-51 weeks	-68	-81
52-103 weeks	-82	-81
104 weeks or more	-88	-81

Source: Jobseeker's Allowance Surveys, cohorts 1 and 2, waves 1 and 2

In summary then, the introduction of Jobseeker's Allowance did not greatly affect the proportion of partners not working as a consequence of the unemployment of respondents. However, it does appear that the timing of this effect had altered in a predictable manner, with the proportion of women working dropping most significantly around six months, when contribution-based Jobseeker's Allowance expires, instead of around 12 months as had been the case before the introduction of Jobseeker's Allowance. One consequence of this may be to reduce the length of time that a partner remains in work when the respondent becomes unemployed, thereby eroding the work experience and contact with the labour market. The Back to Work Bonus, introduced as a work incentive measure at the same time as Jobseeker's Allowance, could act to offset this effect. It aimed to encourage jobseekers and their partners to work part-time¹⁸ whilst claiming benefit, by accruing half of any earned income above the earnings disregard and to receive it as a lump sum payment of up to £1000 when they cease claiming Jobseeker's Allowance. However, 71 per cent of partners in the post-Jobseeker's Allowance survey said they had not heard of the Back to Work Bonus.

6.5 Summary and conclusions

This chapter has summarised the characteristics and economic activity of partners. One-third of partners were in paid work at the second interview - unchanged from before Jobseeker's Allowance - and 12 per cent said they were seeking employment. However, more of those who were not currently looking said they would like a job than was the case before Jobseeker's Allowance (from 21 to 31 per cent). Just under a quarter (22 per cent) said they did not want to work (compared with 28 per cent before Jobseeker's Allowance).

¹⁸ Up to 16 hours per week for jobseekers and 24 hours per week for partners.

After the introduction of Jobseeker's Allowance, there was no significant change in the probability that partners of respondents recently unemployed at time of sampling would be in paid work nine months later at the second interview. However, partners were more likely to work when employment rates were higher. Personal characteristics and the activity of the respondent were also found to affect the likelihood of a partner working.

Time-series analysis in Section 6.4 found that the total decline in partners in employment attributable to the unemployment of the respondent was not altered with the introduction of Jobseeker's Allowance. However, after Jobseeker's Allowance, the most significant fall in the employment of partners occurred at around six months after the respondent became unemployed, compared to around 12 months under the previous regime. These falls in the employment rate of partners are consistent with the length of time contribution-based benefit is available under the two regimes.

In conclusion, the introduction of Jobseeker's Allowance does not seem to have affected the economic activity of partners to any great degree. However, after Jobseeker's Allowance, more partners said they would like to work although they were not currently looking for a job. It is these partners particularly then that may benefit from any proposed help or targeting under New Deal for Unemployed People. Partners' employment remained predictably lower for those with pre-school children, and arguably childcare responsibilities remain the largest obstacle for partners wishing to work.

7 LEAVING UNEMPLOYMENT

The aim in this chapter is to investigate how quickly people are able to leave unemployment and in particular, whether this has altered since the introduction of Jobseeker's Allowance. As noted in Chapter 6, the benefit status and economic activity of respondents was recorded on a week by week basis in both the pre and post-Jobseeker's Allowance cohorts. In each case the data spanned the period from around two years before the first interview and the intervening six to eight month period until the time of the second interview (for those who were interviewed twice). It is known that all respondents were receiving benefit as unemployed when they were selected. The data on time spent on benefit and the economic destinations upon completing a spell are drawn from the work-benefit history section of the questionnaire.

Unemployment is defined as the receipt of unemployment-related benefit or National Insurance credits, rather than being measured either by self-assessment or by the International Labour Organisation definition as in the Labour Force Survey.

The chapter investigates:

- the activities that people did once they had left benefit (Section 7.1).
- time taken to leave benefit (Section 7.2).
- the effects of a range of economic and social characteristics on leaving benefit (Section 7.3).

There is a concluding Section (7.4).

7.1 Destinations after benefit

A number of the analyses reported in earlier chapters (notably in Chapter 4) have compared respondents' circumstances at the time of the first and second interviews. For the most part, this chapter exploits information on respondents' circumstances throughout the period covered by the survey to explore the rate at which people move off benefit.

To provide context, it is first appropriate to consider the economic activity of people immediately after they left benefit. Consideration is given to both components of the sample: the main sample (the 'stock') contains a greater proportion of long-term recipients, than does the cohort sample of those recently unemployed at the first wave (the 'flow'). Not only are their rates of leaving benefit likely to differ (e.g. Ashworth et al., 1997) but so also may their destinations upon leaving benefit.

Slightly over two-thirds (68 per cent) of the main sample who left Jobseeker's Allowance moved into some form of employment, slightly

higher than the 62 per cent of people who stopped claiming Unemployment Benefit or Income Support in the pre-Jobseeker's Allowance survey (Table 7.1). In most cases such people took a full-time job (53 per cent of all those leaving Jobseeker's Allowance), although a total of 15 per cent moved off benefit into part-time employment.

Although the number leaving Jobseeker's Allowance for paid work was six percentage points greater than the corresponding figure for Unemployment Benefit/Income Support recipients, there was no substantive difference in the distribution of non-work activities between the two benefit populations. Nine per cent claimed to have moved from Jobseeker's Allowance to sickness and disability-related benefits, a further nine per cent went onto training schemes, and five per cent ceased claiming benefit although they still considered themselves to be unemployed and looking for work. Three per cent chose to look after their home or care for children rather than to seek paid employment, three per cent went into full-time education and four per cent ceased claiming Jobseeker's Allowance for other reasons.

Table 7.1 Economic activity immediately after leaving benefit (whole sample)

	Per cent					
	Pre-Jobseeker's Allowance			Post-Jobseeker's Allowance		
	Total	Men	Women	Total	Men	Women
Full-time work	49	54	38	53	58	39
Work 16-29 hours	10	7	17	11	8	18
Work <16 hours	2	7	4	3	1	9
Education and part-time work	1	1	1	1	1	2
Subtotal: Paid Work	62	69	60	68	68	68
Full-time education	4	4	4	3	4	3
Training scheme	9	11	6	9	10	5
'Unemployed'	6	6	7	5	5	5
Looking after home or children	4	2	8	3	2	7
Sick	9	9	8	9	9	8
Something else	5	5	5	4	4	4

Base: Those who had left benefit (first spell of unemployment). The pre-Jobseeker's Allowance cohort data have been weighted to adjust for labour market changes.

It is also worth noting that under both benefits, whilst men and women were equally as likely to move into work, men were more likely to move into full-time work, whereas women tended to move into part-time work. In addition, men were more likely than women to leave benefit for a training scheme, and conversely, women were more likely than men to leave benefit and look after the home or children.

Focusing solely on the respondents who had only recently become unemployed when the two cohort samples were drawn (the flow), it is evident that those who left benefit most quickly were much more likely to move directly into work (Table 7.2). Eighty-three per cent of people who left Jobseeker's Allowance within six weeks of becoming unemployed moved into some form of work compared with 72 per cent of those who moved off Jobseeker's Allowance after more than 20 weeks. Moreover, 68 per cent of those who left benefit within six weeks took up a full-time position compared with 53 per cent of those who left benefit after 21 weeks.

Table 7.2 Economic activity immediately after leaving benefit by length of time (weeks) unemployed (flow sample)

	Per cent							
	Pre-Jobseeker's Allowance+				Post-Jobseeker's Allowance			
	<6	6<11	11<21	21+	<6	6<11	11<21	21+
Full-time work	51	44	53	46	68	64	65	53
Work 16-30 hours	12	10	12	6	12	11	13	12
Work <16 hours	4	5	2	4	2	4	1	6
Education and part-time work	0	2	0	0	1	1	1	1
Subtotal: Paid Work	67	61	67	56	83	80	80	72
Full-time education	7	5	1	2	2	6	2	1
Training scheme	6	11	10	13	2	1	1	4
'Unemployed'	10	4	2	6	6	5	5	7
Looking after home or children	2	6	4	5	2	1	3	4
Sick	6	7	13	12	2	5	5	8
Something else	4	6	4	7	2	2	3	5

Base: Those who had left benefit (first spell of unemployment).

+ The pre-Jobseeker's Allowance cohort data have been weighted to adjust for labour market changes.

Jobseeker's Allowance recipients were much more likely than their counterparts under the previous benefit regime to leave for full-time work, though the percentages entering part-time work were similar for the two cohorts. The only exception to this was Unemployment Benefit/Income Support recipients who had been unemployed for over 20 weeks prior to leaving benefit and who were only half as likely as Jobseeker's Allowance recipients to enter part-time work lasting between 16 and 29 hours a week. Under both benefit regimes it was apparent that the longer a person had been unemployed the more likely they were to leave to enter a training scheme or for reasons of sickness or disability.

7.2 Time taken to leave benefit

Prior to examining the rates at which recipients leave benefit under the two benefit regimes it is appropriate to consider the proportions that had left benefit between the time of sampling and the first interview; and the first and second interviews. Figure 7.1 shows that for both the whole sample and those recently unemployed when selected for the sample, Jobseeker's Allowance recipients were more likely to have left benefit than were recipients before the introduction of Jobseeker's Allowance.

Although the gap between the first and second wave interviews was slightly larger in the post-Jobseeker's Allowance study (eight days on average), thus giving these recipients slightly longer to leave, it is unlikely that this is the main cause of the difference. Given that the Unemployment Benefit/Income Support data have been weighted to account for labour market changes, it would appear that Jobseeker's Allowance has moved people off benefit more quickly.

Figure 7.1 Proportion of respondents not claiming benefit at time of interview - Whole sample

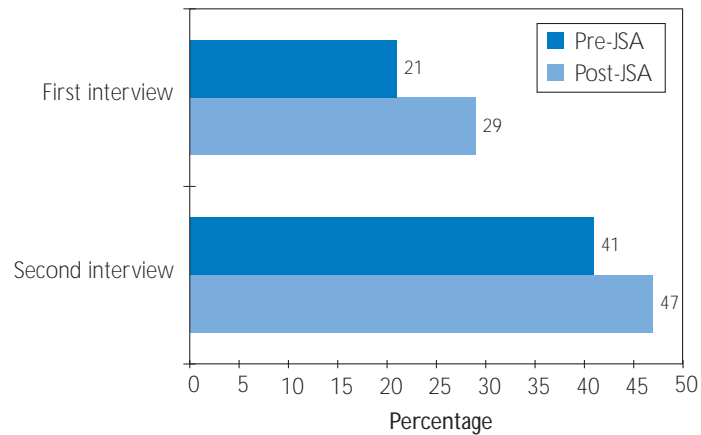
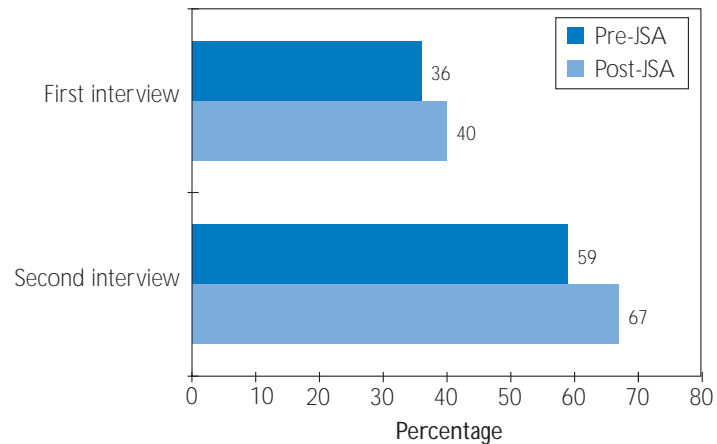


Figure 7.2 Proportion of respondents not claiming benefit at time of interview - Flow sample



Base: all respondents at time of interview. The pre-JSA data are weighted to adjust for labour market change.

Using the weekly benefit histories circumvents any differences introduced by the timing of the interviews. Figure 7.3 shows the weekly benefit status of all pre-Jobseeker's Allowance respondents from the week of sample selection (when, of course, it is known that everyone was either receiving benefit or National Insurance credits on account of

unemployment) to the date of the second interview. (This information is, of course, only available for respondents who were interviewed twice.) Figure 7.4 presents comparable information for the post-Jobseeker's Allowance and confirms that, week by week, fewer respondents were claiming benefit than was the case before Jobseeker's Allowance. Indeed, after 30 weeks just under half (44 per cent) of the post-Jobseeker's Allowance sample remained on benefit compared with 65 per cent of the pre-Jobseeker's Allowance sample.

Figure 7.3 Proportion of each sample claiming benefit - Pre-Jobseeker's Allowance+

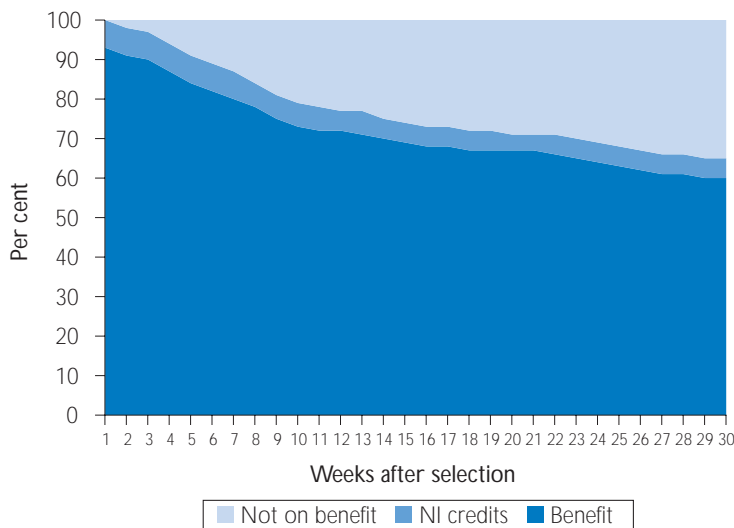
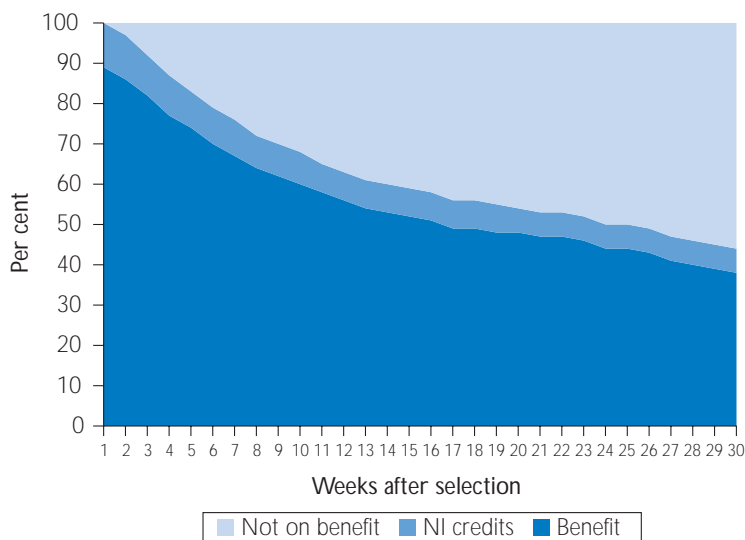


Figure 7.4 Proportion of each sample claiming benefit - Post-Jobseeker's Allowance

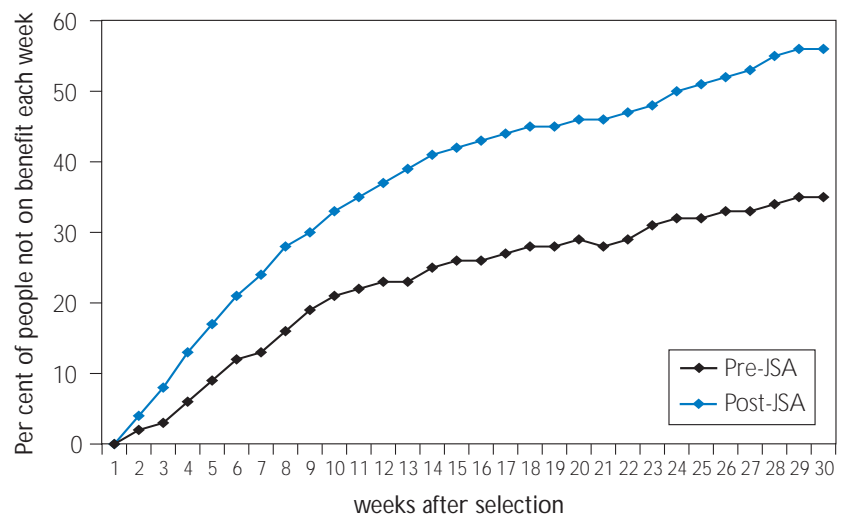


Base: People interviewed in both waves.

+The pre-JSA data have been weighted to adjust for labour market change.

The pre and post-Jobseeker's Allowance comparison is shown directly in Figure 7.5. The curves show the proportion of the respective samples that were unemployed and claiming benefit in each week following sample selection. The curve for the post-Jobseeker's Allowance sample is always above that for the pre-Jobseeker's Allowance sample indicating that, in each and every week, fewer respondents remained on benefit than had been the case before the introduction of Jobseeker's Allowance. It is evident from this that the rate of leaving unemployment-related benefit was higher after the introduction of Jobseeker's Allowance than before it.

Figure 7.5 Proportion of whole sample not on benefit each week



Base: People interviewed in both waves. The pre-JSA data have been weighted to adjust for labour market change.

The above charts necessarily conflate or combine two different types of information, the rate at which people leave benefit, *and* the rate at which they return. Included among those not on benefit in any week, will be some who have been off benefit for several weeks, others will have just left, and some others may have left benefit on more than one occasion. The remainder of this chapter focuses on the rate at which people leave unemployment-related benefits.

The starting point for further analysis is the date that people were selected. People can then be followed until they leave benefit, or until the last time that they were interviewed (whether at the first or second interview), to establish the duration of their unemployment spell. For respondents recently unemployed at the first wave (the flow), this records their actual unemployment spell lengths, whereas for the whole sample (the stock) it provides an estimate of the *extra* time that people spend as unemployed - less than the total spell of unemployment, which may have begun several weeks, months or years earlier. Moreover, whereas the above charts are

restricted to respondents participating in both interviews, the more sophisticated analysis that follows also uses the information on those people who were only interviewed at the first wave.

The following analysis in this chapter utilises survival analysis techniques. These allow the probability (hazard) of leaving benefit in each week to be calculated, conditional upon remaining on benefit until that week; which, in turn, also allows estimates of spell duration. Standard practice is to analyse such time-based data without weighting. The labour market adjustment weight used to adjust the data for the first cohort in the preceding sections of this chapter was not used for the remaining analyses.

Table 7.3 records the length of time that elapsed between drawing the samples and half of the respondents leaving benefit. In the case of respondents who were newly unemployed (the flow sample) this figure equates with the median duration of unemployment. This fell marginally by about two weeks from around 14 weeks down to 12 weeks coincident with the introduction of Jobseeker’s Allowance.

Table 7.3 Median (extra) duration¹⁹ on benefit, in weeks

	Pre-Jobseeker’s Allowance	Post-Jobseeker’s Allowance
Stock (2+ weeks)	32.4	24.7
Flow sample (<2 weeks)	14.0	12.4

Base: all recipients.

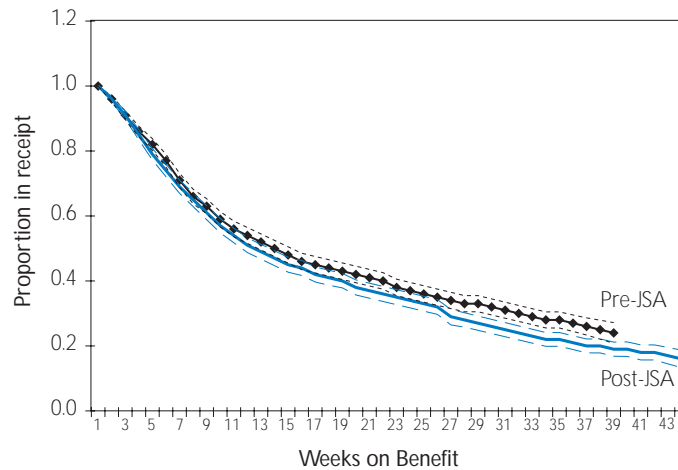
For the stock sample, the figures in Table 7.3 record the median extra-observed duration on benefit after drawing the samples. This was nearly eight weeks less in the post-Jobseeker’s Allowance survey with one-half of all respondents leaving benefit within just under 25 weeks instead of just over 32 weeks before.

7.2.1 Recently unemployed respondents

The median duration provides a useful summary measure but more detail is provided by Figure 7.6 which shows the proportion of the flow remaining on benefit each week after becoming unemployed and claiming benefit or National Insurance credits. The top bold line refers to respondents before the introduction of Jobseeker’s Allowance, the bottom one to those unemployed afterwards. The fainter lines surrounding each of the bolder lines indicate the likely margin of error with which these patterns are associated.

¹⁹ These figures are estimated using a product-limit estimator (‘Kaplan-Meier’).

Figure 7.6 Duration of first spell on benefit (flow sample) with 95 per cent confidence intervals



Base: all recipients in the flow sample.

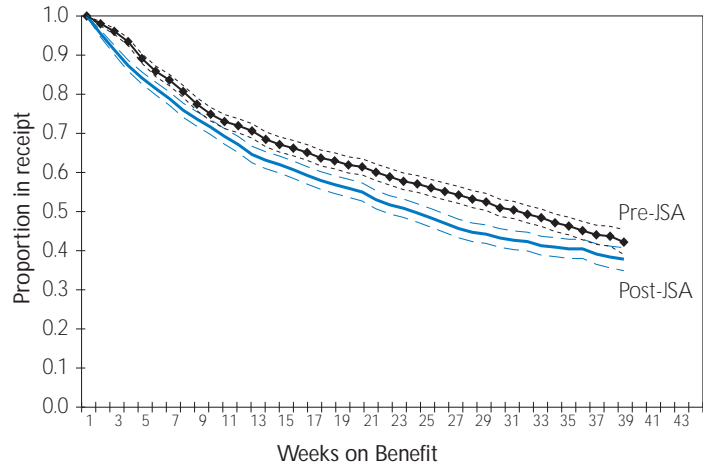
The curve for the post-Jobseeker's Allowance period is continually below that of the previous period, indicating that significantly fewer people remained on benefit each week and more moved off.

It is also evident that the rate of movement off benefit was only substantively higher around the third and perhaps fourth week of unemployment and between weeks 26 and above. The greater movement off benefit during the latter period could conceivably be a consequence of the withdrawal of contribution-based benefit after six months of unemployment that was introduced under Jobseeker's Allowance. Also possible is the fact that after six months of unemployment jobseekers are no longer able to specify desired wage levels they are willing to accept. Furthermore, jobseekers will receive their second Client Adviser interview at around six months of unemployment which may also explain the greater rate of movement off benefit at 26 weeks.

7.2.2 Caseload estimates

A different picture emerges when one focuses on the stock as the rate at which jobseekers leave benefit is markedly higher in the post-Jobseeker's Allowance sample compared to the pre-Jobseeker's Allowance one. There is virtually no overlap between the confidence bands, so there can be confidence that the difference observed is statistically significant.

Figure 7.7 Duration of first spell on benefit (whole sample) with 95 per cent confidence intervals



Base: all recipients in the stock sample.

Figure 7.8 Proportion remaining on benefit in the weeks following sample selection (flow sample) - in areas with employment rate under 63 per cent

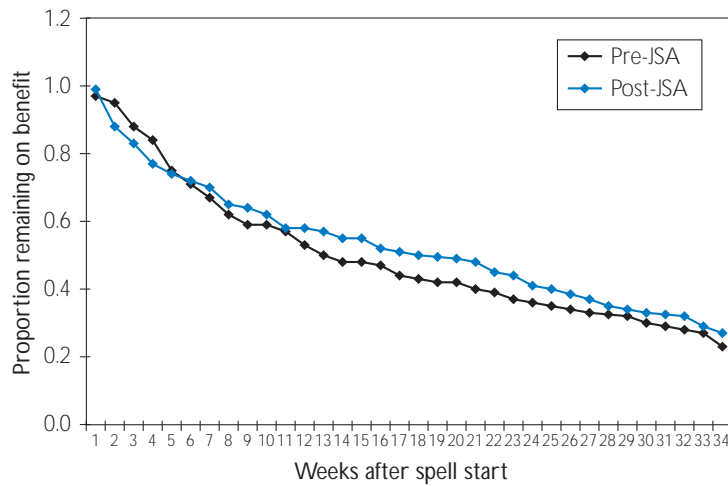


Figure 7.9 Proportion remaining on benefit in the weeks following sample selection (flow sample) - in areas with employment rate between 63 and 77 per cent

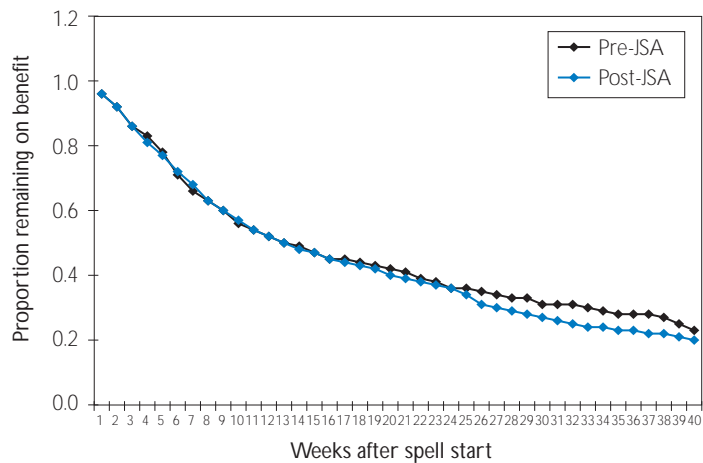
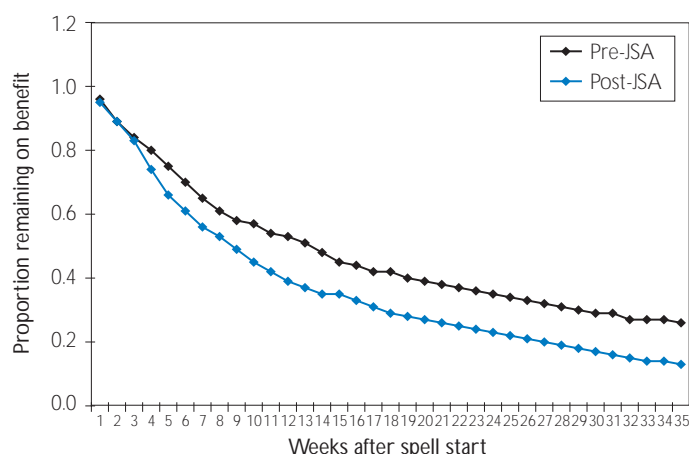


Figure 7.10 Proportion remaining on benefit in the weeks following sample selection (flow sample) - in areas with an employment rate above 77 per cent



Note: employment is measured as the population of working aged people in work in the local authorities.

In areas of medium employment (63 to 77 per cent of the working age population in the local authority) there was no statistically significant difference change in the rate of movement off benefit associated with the introduction of Jobseeker's Allowance (Figure 7.9). Only where employment was comparatively high (above 77 per cent) was the rate of movement off benefit significantly greater²⁰ for post-Jobseeker's Allowance respondents than for pre-Jobseeker's Allowance respondents (Figure 7.8).

To the extent that Jobseeker's Allowance is associated with more rapid flows off benefit, the effect is largely limited to areas of high employment. This limitation is to some extent offset in the post-Jobseeker's Allowance world since high employment areas are somewhat more prevalent than in the past, though some areas fared less well in employment terms in 1997 than in 1995.

Overall, Jobseeker's Allowance appears to have had a significant impact on movements off benefit, which is accounted for by increases in movements off benefit in areas of high employment, and in movements off benefit of longer rather than shorter-term recipients. This is evidenced by the differences observed in the stock sample and the differential impact on the post-Jobseeker's Allowance flow sample only after about 24 weeks. Jobseeker's Allowance appears to have had little effect in areas with low employment.

²⁰ Statistically significant at the five per cent level on the Log-rank test, and at the one per cent level and higher on the Wilcoxon-style tests.

7.3 Personal factors associated with movements off benefit

The time that people remain unemployed has previously been found to be related to a number of personal and other characteristics (McKay et al., 1997) and a number of these are discussed in this section. At this point the primary interest lies in the association between each particular characteristic and the duration of benefit receipt under the two different benefit systems. However, whilst such simple associations are of interest in their own right it is important to bear in mind that the relationship between one set of characteristics and duration may be associated with any number of other characteristics. Establishing those characteristics that have an effect over and above that which is mediated through the effect of other characteristics is investigated using the multivariate event history modelling in Chapter 8.

7.3.1 Personal characteristics **Gender**

Women tend to leave benefit more quickly than do men and this was so both before and after the introduction of Jobseeker's Allowance. However, the relative position of men seemed to improve somewhat after Jobseeker's Allowance was introduced. Half of the female respondents who had been unemployed after the introduction of Jobseeker's Allowance had left benefit within around ten weeks, whereas it was over 14 weeks before a similar proportion of men had ceased to claim. While both these figures are less than for the pre-Jobseeker's Allowance cohort (Table 7.4) the median duration of unemployment for men fell by over two weeks, whereas that for women fell by only a week.

Table 7.4 Unemployment duration by gender (flow sample)

	Per cent			
	Pre-Jobseeker's Allowance		Post-Jobseeker's Allowance	
	Men	Women	Men	Women
Proportion still on benefit after				
10 weeks	57	49	58	46
20 weeks	45	33	41	30
30 weeks	36	22	28	18
Median duration	16.5	10.7	14.3	9.8
N	1120	619	1373	676

Base: all recipients in the flow sample.

Age group

In the pre-Jobseeker's Allowance cohort there was no clear relationship between age and duration on benefit, but durations varied considerably depending on the particular age group. Age related differences were less marked after the introduction of Jobseeker's Allowance though not inconsequential. The median duration of unemployment ranged from just under 12 weeks for respondents aged between 18 and 24 to about 16 weeks for those aged 55 or older (Table 7.5). Recipients aged between 25 and 34 had their average duration significantly reduced under the two benefit systems.

Table 7.5 Median unemployment duration (weeks) by age group (flow sample)

	Weeks	
	Pre-Jobseeker's Allowance	Post-Jobseeker's Allowance
18 – 24	11.9	11.8
N	580	687
25 – 34	16.3	12.5
N	422	524
35 – 44	12.6	12.8
N	294	338
45 – 54	21.3	12.9
N	271	335
55 +	16.3	16.4
N	117	165

Base: all recipients in the flow sample.

Ill health

Respondents reporting a health problem or disability were prone to experience exceptionally long periods of unemployment. Even so, the median duration of unemployment fell from 19.8 weeks before the introduction of Jobseeker's Allowance, to 18.8 weeks afterwards.

Children

There was no simple relationship between the length of unemployment and whether or not respondents had dependent children (Table 7.6). Among the post-Jobseeker's Allowance sample, people with two children left benefit most quickly whereas in the earlier sample, spells of unemployment tended to be shorter for respondents with one child.

Table 7.6 Median unemployment duration (weeks) by presence of children (new claims)

	Weeks	
	Pre-Jobseeker's Allowance	Post-Jobseeker's Allowance
Number of children		
None	14.3	12.5
N	1254	1498
1	11.3	13.0
N	189	233
2	12.2	10.9
N	202	214
3 or more	17.9	16.0
N	94	104

Base: all recipients in the flow sample.

7.3.2 Labour market experience **Qualifications**

It is well established that jobseekers with educational qualifications tend to experience shorter spells of unemployment. The differentials diminished between the pre and post-Jobseeker's Allowance cohorts but remained considerable. Someone with an academic qualification was as likely as not to have left Jobseeker's Allowance within nine weeks whereas somebody with just a vocational qualification might expect to remain unemployed for over 13 weeks and an unqualified person for 22.5 weeks (Table 7.7).

The median duration of unemployment fell by over six weeks between the two cohorts for respondents with vocational qualifications but by only about two weeks for those without any qualifications. A reduction in unemployment of less than one week was apparent for people with academic qualifications, and just over a week if they had both academic and vocational qualifications.

Table 7.7 Unemployment duration by qualifications (flow sample)

	Per cent							
	Pre-Jobseeker's Allowance				Post-Jobseeker's Allowance			
	None	Vocational	Academic	Both	None	Vocational	Academic	Both
Proportion still on benefit after								
10 weeks	65	61	52	52	66	54	50	50
20 weeks	63	48	36	35	52	38	32	32
30 weeks	42	37	26	26	38	27	19	20
Median duration	24.3	19.5	11.7	12.0	22.5	13.4	11.0	10.9
N	379	250	458	652	434	277	535	803

Base: all recipients in the flow sample.

Previous economic activity

Respondents who claimed Jobseeker's Allowance immediately after a spell of employment were likely to leave benefit a little more quickly than people who had moved onto benefit following a period of education. However, there were quite marked but erratic differences between the pre and post-Jobseeker's Allowance cohorts which points to instability in the relationships which may, in turn, reflect the comparatively small number of people who move directly onto benefit after training or education (Table 7.8).

Table 7.8 Unemployment duration by status prior to unemployment (flow sample)

	Per Cent							
	Pre-Jobseeker's Allowance				Post-Jobseeker's Allowance			
	Work	Training	Education	Other	Work	Training	Education	Other
Proportion still on benefit after								
10 weeks	52	68	57	63	50	75	56	61
20 weeks	37	55	34	48	34	54	36	43
30 weeks	28	45	21	36	22	38	24	30
Median duration (weeks)	12.0	25.0	12.9	18.5	10.9	22.7	12.4	15.7
N	1067	85	105	482	1264	26	74	685

Base: all recipients in the flow sample.

Private transport

Respondents with a driving licence and those with access to some means of private transport left benefit more rapidly than those without, both before and after the introduction of Jobseeker's Allowance (Table 7.9). Respondents without access to a car spent the longest time on benefit before Jobseeker's Allowance, but this was reduced by about five weeks under the new system. However, recipients without a licence spent the same time on both benefit systems – just under 18 weeks.

Table 7.9 Median unemployment duration (weeks) by private transport (flow sample)

	Weeks	
	Pre-Jobseeker's Allowance	Post-Jobseeker's Allowance
Has licence	12.3	11.0
N	561	680
No licence	17.7	17.7
N	1174	1359
Access to private car or motorcycle	11.5	10.0
N	959	1086
No access	19.5	14.6
N	211	265

Base: all recipients in the flow sample.

Length of unemployment

Table 7.10, using the stock sample, confirms the well established observation that in general the longer a person has been unemployed already, the longer they are likely to remain unemployed.

Table 7.10 Proportion of respondents remaining on benefit over time, by duration of unemployment when selected

	N	5 weeks later	10 weeks later	20 weeks later	Per cent 30 weeks later
Pre-Jobseeker's Allowance					
Less than two weeks	304	74	56	40	33
2 weeks to 3m	532	77	59	47	34
3<6m	339	86	69	55	41
6<12m	473	88	79	67	52
1<2 years	387	91	80	67	59
2+ years	543	95	88	82	77
Total sample	2578	86	73	61	51
Post-Jobseeker's Allowance					
Less than 2 weeks	167	77	65	50	38
2 weeks to 3m	583	72	56	39	25
3<6m	327	76	61	46	34
6<12m	298	87	76	60	46
1<2 years	227	87	75	58	53
2+ years	595	90	82	71	64
Total sample	2197	81	69	54	43

Base: all recipients in the main sample.

NB: At selection 100 per cent were in receipt of benefit.

7.3.3 Jobsearch flexibility

Respondents were asked a number of questions about their flexibility with respect to the types of jobs that they were looking for. The median duration for each response is given in Table 7.11.

Table 7.11 Median unemployment duration (weeks) by jobsearch flexibility (flow sample)

	Weeks			
	Pre-Jobseeker's Allowance		Post-Jobseeker's Allowance	
	Base	Median duration	Base	Median duration
Whether looking for ..				
Particular type of job	553	14.2	683	11.8
A range of jobs	455	15.4	628	15.4
Any job	557	15.4	609	12.2
Type of employment contract sought				
Employee	1249	14.2	1633	12.5
Self-employed	43	26.5	32	17.8
Pursuing both	291	22.3	275	16.6
Working hours desired				
Full-time	1063	15.1	1352	12.0
Part-time	90	13.2	116	17.3
Either	586	12.2	581	12.6
Maximum hours would accept				
40 or more	1359	15.5	1694	13.3
Less than 40	380	9.0	355	9.7
Would you accept a short-term or temporary job?				
Yes	1257	14.2	1522	12.5
No	210	18.1	236	13.0
It depends	151	25.5	200	22.1
Would you accept a job which meant working shifts?				
Yes	1151	15.3	1388	12.9
No	350	17.2	416	14.3
It depends	115	13.6	153	14.4
Would you accept a job which meant working at night?				
Yes	947	15.4	1136	13.6
No	554	15.1	696	12.3
It depends	115	15.2	125	13.8
Would you accept a job which meant working at weekends?				
Yes	1158	15.5	1405	13.2
No	307	13.1	368	13.2
It depends	153	22.0	184	14.1
Would you accept a job with a different number of hours each week?				
Yes	1338	15.2	1567	13.0
No	154	14.3	235	14.6
It depends	126	18.9	154	14.3

Base: all recipients in the flow sample.

Respondents who said that they were prepared to accept a temporary or short-term job left benefit more quickly than those who did not (and those who qualified their answers with "It depends"). The difference though, was less noticeable in the post-Jobseeker's Allowance sample than it had been earlier, in fact, those saying 'no' spent five weeks less on average on benefit after the introduction of Jobseeker's Allowance. Those prepared to accept shift work also left benefit more quickly than average, and in this case, the difference was more marked in the post-Jobseeker's Allowance sample. Those not prepared to accept shift work saw a greater

decline in their average duration on benefit after the introduction of Jobseeker's Allowance than did those who would accept shift work, and the average duration was higher for those who equivocated. Respondents who were prepared to vary their weekly hours were more likely to leave benefit than those who would not, although the reverse had been true before Jobseeker's Allowance.

On occasions, though, flexibility appeared to act as an impediment to leaving unemployment. Respondents looking for a particular type of job left more quickly than did those who (at the first interview) seemed to have a wider jobsearch strategy. Similarly, people who were seeking employment with no intention of accepting self-employment tended to remain unemployed for shorter periods than did those who were pursuing both employment and self-employment. Both these relationships were evident in the pre and post-Jobseeker's Allowance surveys.

It is important not to read too much into these simple associations. It may be that the responses given to the survey questions tapped other aspects of jobseekers' circumstances as well as their jobsearch strategy. It might be, for example, that apparent inflexibility reflects that a jobseeker has particular skills and experience that are in demand whereas other people may be forced to be flexible because they have limited skills to offer an employer.

Finally, it is worth repeating that the average duration of unemployment fell between the pre- and post-Jobseeker's Allowance surveys, almost irrespective of personal characteristics. The fall appears typically to have been most marked among those respondents who had previously suffered the longest spells of unemployment. As a result, a slight 'levelling-up' occurred which suggests that a fall in the *relative* importance of particular barriers or impediments to finding work may have occurred.

7.4 Conclusions

This chapter confirms the continued importance of a large number of factors that are associated with people remaining unemployed for comparatively long periods, for example: limited educational qualifications, age, ill-health, limited recent work experience, and no driving licence or access to personal transport. While slightly less important when labour demand is high, these factors still serve as important indicators of jobseekers who risk remaining on benefit for disproportionately long periods. There is no *prima facie* evidence that Jobseeker's Allowance has significantly altered this pattern of relative disadvantage.

The fall in unemployment that may be attributable to Jobseeker's Allowance seems the result of increased flows off benefit involving jobseekers who had already been unemployed for some time, and also appears to be most likely to occur when employment is high. Certainly the increase in the rate of movement off benefit was much more evident among the stock sample, than among the sub-sample of people who had

only recently become unemployed (the flow). Among the latter group of recent benefit recipients, the impact of Jobseeker's Allowance seems most marked after some 26 weeks or more of unemployment. Before the introduction of Jobseeker's Allowance the flow of people subsided noticeably over this period but did not seem to do so to the same extent as the post-Jobseeker's Allowance sample. This change may be due to the withdrawal of contribution-based benefit after 26 weeks of unemployment, and the associated loss of income for certain benefit recipients; or it may simply mean that the stricter regime of Jobseeker's Allowance is more effective in assisting longer-term recipients. The expiration of the recipient's entitlement to specify the minimum wage for which they would work is another possible reason for increased movements off benefit after 26 weeks, as is the timing of the second Client Adviser Interview.

8 MODELLING THE TIME TAKEN TO LEAVE, AND RETURN TO, BENEFIT

Chapter 7 described the personal characteristics that were associated with longer or shorter spells of unemployment, and also examined whether these associations were in any way affected by the introduction of Jobseeker's Allowance. This chapter explores the effects of the same variables in combination rather than one at a time. The chapter also considers what happened to respondents after they left benefit and models the chances of them receiving it again.

For technical reasons, the main analysis is based on the first spell²¹ of unemployment²² or time off benefit for the 'flow' samples - respondents who had been unemployed for less than two weeks at the time of sampling - and tracks these people from that time (when they were all unemployed) until they were last interviewed. Although, for most respondents this will be the second interview around nine months later, people who were only interviewed once are included as the statistical techniques ("hazard rate models") were devised to deal with data where respondents are observed for different lengths of time. Data from both the pre and post-Jobseeker's Allowance surveys are included in these models. By comparing the results within the same model it is possible to detect any change arising since the introduction of Jobseeker's Allowance. In addition, incorporating the measure of local employment rates directly into the model obviates the requirement to weight the pre-Jobseeker's Allowance data for labour market changes.

The first section of this chapter (Section 8.1) looks at overall rates of leaving benefit over time and contrasts these rates before and after the introduction of Jobseeker's Allowance. The next section (Section 8.2) aims to explain how social and demographic characteristics of respondents affect the likelihood of leaving unemployment. Then Section 8.3 examines the probability that respondents leaving benefit will return.

8.1 Rates of leaving benefit

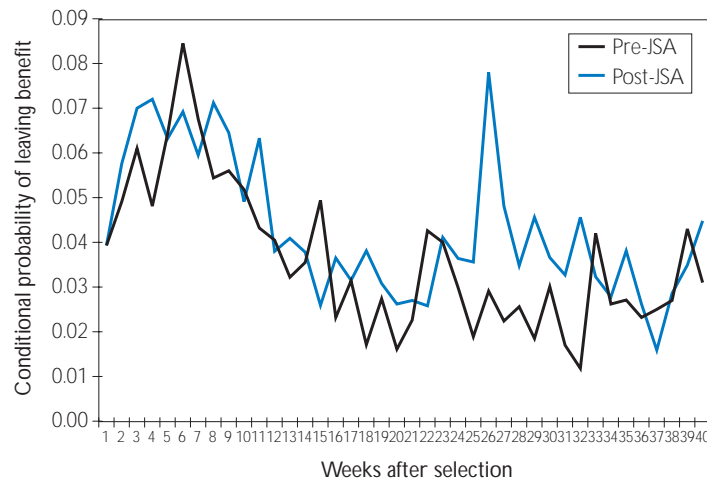
The chances of an unemployed person leaving benefit are not constant over time. The weekly transition rate on the left-hand axis of Figure 8.1 can be interpreted as a (conditional) probability, for example a rate of

²¹ Information regarding many of the variables included in the modelling was available only for the first spell of unemployment. For example, whether or not people studied or worked part-time during that spell and the impact of Employment Service interventions that occurred in the last interview between the Employment Service Adviser and the client.

²² Throughout this chapter unemployment is defined as the receipt of unemployment-related benefit or National Insurance credits, rather than being measured either by self-assessment or by the International Labour Organisation definition as in the Labour Force Survey.

0.04 implies that four per cent of respondents unemployed at the start of that week left benefit in that week. Excepting a peak in the Jobseeker's Allowance recipient cohort at around 25 weeks, the likelihood of leaving benefit was highest during the first eight weeks of unemployment, both before and after the introduction of Jobseeker's Allowance, when between four and nine per cent of respondents left benefit each week. Thereafter, the chances declined quite steeply, excepting the occasional peak, until reaching close to the nadir at around five months. The relatively small numbers of people remaining unemployed after 30 weeks mean that results for this period have a wide margin of error and should be treated with caution.

Figure 8.1 Rates of leaving benefit each week



Base: flow samples.

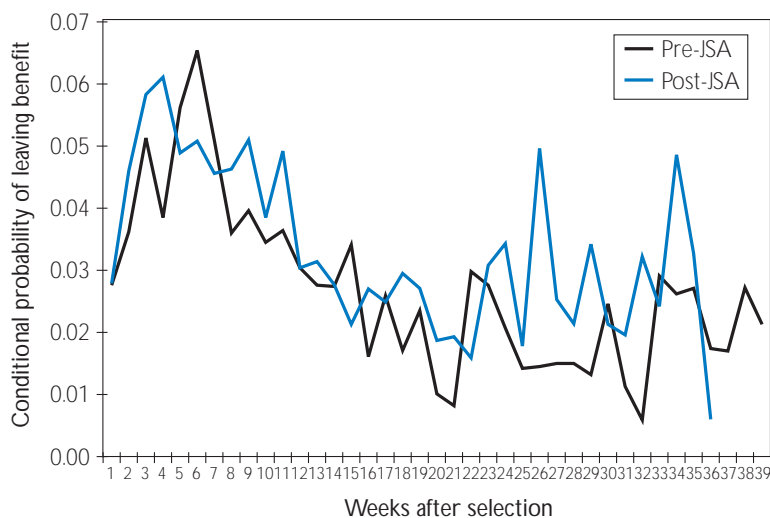
While there are marked similarities in the pattern of transition rates that applied before and after the introduction of Jobseeker's Allowance, there are also notable differences. For example, while both series show an increase in the proportion of recipients leaving benefit after five weeks, the proportion of Jobseeker's Allowance recipients leaving rose to a peak of eight per cent at week 26, and remained relatively high thereafter. In contrast, the propensity of pre-Jobseeker's Allowance recipients to leave benefit increased after 21 weeks, and despite a trough after about 26 weeks continued to increase thereafter. After about 30 weeks on benefit, the numbers leaving are too small to enable reliable conclusions to be drawn.

It is notable that under Jobseeker's Allowance, the maximum length of time recipients can claim contribution-based JSA is six months; in contrast to the 12 months allowed under Unemployment Benefit. It is conceivable that the peak exit rate seen in the Jobseeker's Allowance series, which occurred some 26 weeks into the spell duration, was related to the anticipated or real loss of contribution-based benefit. It may also be due to the fact that, at 26 weeks, jobseekers lose their right to specify the rate of pay that they are willing to accept. Also, after 26 weeks of

unemployment, jobseekers attend a second Client Adviser interview which may help them find work. These factors may help to 'push' some clients back into work at around this time.

While Figure 8.1 shows the probability of leaving benefit for any destination, Figure 8.2 relates only to movements into full-time employment (work of 16 hours or more a week), which accounted for around three-quarters of all movements off benefit. The similarity between Figure 8.1 and Figure 8.2 is quite marked. The peak in the number of people leaving unemployment at around 26 weeks in Figure 8.1 for the post-Jobseeker's Allowance survey is still evident but is reduced in magnitude. This suggests that a substantial proportion of all people leaving Jobseeker's Allowance around this time did not take up full-time employment. To the extent that this phenomenon is related to the loss of contribution-based benefit, the principal effect is to direct people either into economic inactivity or perhaps into training and education.

Figure 8.2 Rates of leaving benefit and moving into full-time work (over 16 hours a week)



Base: all recipients in the flow sample.

8.2 Explaining movements off benefit

The aim next is better to understand the factors associated with the length of time that jobseekers spend unemployed and to ascertain whether the introduction of Jobseeker's Allowance has affected these in any way. This is by no means an easy task and requires the specification of event history models that investigate the extent to which social and demographic characteristics of respondents relate to movements out of unemployment. Full details of the event history analysis models used are contained in Appendix E.

8.2.1 The impact of Jobseeker's Allowance

The modelling suggests that Jobseeker's Allowance has increased the speed at which people who have recently become unemployed leave benefit but has probably not significantly altered the majority of the factors that conspire to trap some people on benefit for long periods.

Previous studies (e.g. Ashworth et al., 1997; McKay et al., 1998) have shown that the longer people claim unemployment benefits, the lower are their chances of leaving benefit. This finding was replicated here: on average, the chances of leaving benefit after a spell of 10 and between 14 weeks of unemployment was 27 per cent lower than when a person had been unemployed for less than 10 weeks' duration. These chances fell to about a half when unemployment had lasted for between 15 and 24 weeks (Table E1). Taking the available observation period of around eight months, unemployed people were on average 11 per cent more likely to leave benefit every week after the introduction of Jobseeker's Allowance than before it (Table E1).

However, the evidence is that Jobseeker's Allowance has virtually no effect during the early weeks of unemployment (Table E2). Instead, there is a more powerful effect towards the latter part of the observation period. This finding is again consistent with the hypothesis that some people are influenced to leave benefit as a result of the loss of contributory Jobseeker's Allowance or that people are influenced by losing their entitlement to restrict the wages they are prepared to accept. Under the Unemployment Benefit/Income Support regime, the chances of a benefit recipient leaving benefit in any week after 25 weeks of unemployment were only 45 per cent those of a person who had been unemployed for less than 10 weeks. Under Jobseeker's Allowance, the chances of leaving benefit after 25 weeks were relatively greater at 69 per cent of those unemployed for 10 weeks or less. In fact, under Jobseeker's Allowance, a recipient with a spell lasting over 24 weeks would have a greater chance of moving off benefit than they would have had earlier on when their spell was between 10 and 24 weeks in duration. However, because the period of follow up is limited, it is impossible to determine whether the impact of Jobseeker's Allowance is sustained beyond six to eight months. If so, it would be expected that the build of long-term recipients would be much less appreciable under Jobseeker's Allowance than was the case under Unemployment Benefit/Income Support.

The models from which these figures are derived take no account of the change in local labour markets that occurred between 1995 and 1997. However, the general pattern of the 'Jobseeker's Allowance duration effect' remains unaltered even when this is done (Table E3).

One effect of controlling for the labour market is that it becomes apparent that Jobseeker's Allowance is more effective in areas with more buoyant local labour market conditions than in those where local economies are not faring so well (Table E3). Using the proportion of working age people in employment²³ as a measure of the local labour market, it is

²³ This measure forms the basis of the employment weight used in the preceding chapters and is explained more fully in Appendix F.

evident that the higher the proportion of people in employment, the greater are the chances of a Jobseeker's Allowance recipient leaving benefit. In contrast, people who were claiming Unemployment Benefit/Income Support, other things being equal, had approximately the same chance of moving off benefit whether they lived in an area with high or low levels of employment.

Summarising, the impact of Jobseeker's Allowance is first to increase the chances of longer term recipients moving off benefit compared to Unemployment Benefit/Income Support recipients. Secondly, it interacts with the local labour market so that people living in areas with more buoyant local economies move off benefit more quickly. This finding is consistent with the interpretation that if jobs are available locally people are more likely to find them under Jobseeker's Allowance than they would have done under the previous benefit system. In contrast, if local jobs are scarce, Jobseeker's Allowance recipients are no more (perhaps even less) likely to sign off than would have been their counterparts on Unemployment Benefit/Income Support in the early weeks of unemployment.

8.2.2 Leaving benefit: the effect of other characteristics

The chances of a respondent leaving benefit were also associated with a sizeable set of personal characteristics the majority of which were the same irrespective of whether the person was sampled before or after the introduction of Jobseeker's Allowance.

Socio-demographic factors

Women, respondents with partners and parents without pre-school aged children were all more likely to leave benefit ahead of other people. Having health problems inhibited movement off Jobseeker's Allowance.

Men were only two-thirds as likely as women to move off Jobseeker's Allowance, while parents with pre-school aged children were 14 per cent less likely to do so than those without. Recipients in couples were 31 per cent more likely to leave Jobseeker's Allowance than were single people. Respondents who reported health problems were 15 per cent less likely than were other people to find a job, or to leave Jobseeker's Allowance for other reasons.

Resources

The chances of leaving benefit seemed to be improved by access to certain resources. In particular, people with a driving licence and access to a car were a third more likely to escape from unemployment than were those who did not have such access. This is an oft-repeated finding but it is unclear whether the reason lies in the enhanced accessibility that a car affords to vacancies and jobs, whether driving is a skill sought by employers, or possession of a licence is used by employers as an indicator of general

competence. It may even be that owning a car simply reflects past attainments or possession of other resources. This last possibility might also help to explain the association between prolonged unemployment and tenure. Social and private tenants were respectively about a third (33 per cent) and a fifth (22 per cent) less likely to have moved off Jobseeker's Allowance during the study period than were owner-occupiers. Owner-occupiers, people living with somebody else (typically lodgers and people living with their parents), and people living in 'other' accommodation types left benefit at an equivalent rate.

Qualifications and experience

Respondents appeared to be assisted in their quest to leave benefit by various forms of work experience. Indicators of a stable career, such as claiming Jobseeker's Allowance directly after a period in work and not having received Jobseeker's Allowance in the previous year, boosted the chances of leaving benefit by 29 per cent and 13 per cent respectively.

Academic and, to a slightly lesser extent, vocational, qualifications were also important, increasing the chances of moving off Jobseeker's Allowance by 49 per cent and 41 per cent compared with someone without formal certification.

Jobseekers were asked whether they had undertaken any studying whilst signing, those who reported that they had done so were only two thirds as likely to leave benefit as were those who said they had not. Other research (Thomas et al, 1998) suggests that the main reason for this is that those studying want to finish their course before looking for work. Whilst other explanations cannot be ruled out, for example the possibility that jobseekers predisposed to long-term spells may be more likely to study than those who are not, the weight of complementary evidence suggests that finishing the course is the main explanation for the lower movement rate off benefit.

Analyses to explore the effects of undertaking part-time and/or voluntary work whilst claiming were inconclusive.

Attitudes and administration

Although the impact of people's attitudes on the likelihood of leaving benefit was investigated, very few associations were uncovered. One that was indicated that people who focused solely on obtaining part-time work had only two-thirds the chances of leaving benefit than were those seeking full-time work or those open to the possibility either of part-time or full-time work.

Peoples' attitudes towards the Jobseeker's Agreement and the Back to Work Plan that preceded it appeared to have no impact upon exit rates from benefit. Thus, neither following the plan, nor thinking that it conferred an advantage, had any actual impact upon the rate at which the person left benefit.

In summary, the following characteristics were associated with increased chances of leaving Jobseeker's Allowance:

- living in an area with high local employment rates (for Jobseeker's Allowance recipients);
- having a partner;
- being in work before becoming unemployed;
- having educational qualifications;
- access to a car;
- experiencing active signing.

On the other hand, the rate of leaving benefit was lower for respondents who:

- were male;
- had pre-school aged children;
- lived in rented accommodation;
- reported health problems;
- had been unemployed in the previous year;
- were studying whilst claiming.

Jobseekers who had experienced active signing at their last Fortnightly Review showed an increased rate of movement off benefit (by a factor of 1.15) to those who had not been actively signed. The prevalence of active signing was substantially greater under Jobseeker's Allowance than under the previous regime (Section 3.1), thus more jobseekers under the new regime would benefit from this association than would jobseekers under the previous regime.

8.3 The probability of returning to benefit

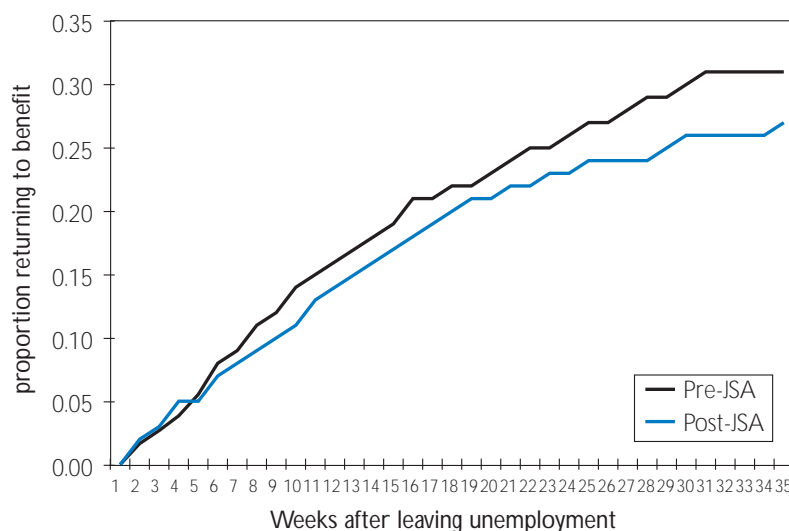
Any reduction in the time that jobseekers spend on benefit achieved by the introduction of Jobseeker's Allowance could have been dissipated had people subsequently returned to benefit more quickly than in the past. For this reason the focus of inquiry now shifts to consider the extent to which people who moved off unemployment-related benefit subsequently returned and whether they did so in greater numbers than before the introduction of Jobseeker's Allowance. Again this analysis is necessarily comparatively complex and so details of the modelling are relegated to Appendix E.

8.3.1 Time taken to return to benefit

Figure 8.3 portrays the accumulation of people returning to benefit both before and after the introduction of Jobseeker’s Allowance. It relates solely to the experience of people who were newly unemployed when the sampling was undertaken. It is apparent that about five per cent of the respondents who left benefit had already returned within about five weeks. Within three months, 15 per cent of Jobseeker’s Allowance recipients had returned to benefit compared to 20 per cent of pre-Jobseeker’s Allowance recipients; and around 30 per cent were once again receiving benefit when the window of observation closed after about 30 weeks. The longer respondents remained off benefit, the less likely they were to return - a flattening out of the curves after about 15 weeks indicates this.

It is also clear that the two curves in Figure 8.3 are very similar, even though the one describing the situation following the introduction of Jobseeker’s Allowance lies below the other for most of the 35 weeks for which there is evidence. In fact, there is no statistical difference between the two curves which indicates that the increased number of people leaving benefit has not been offset by a rise in the number returning.

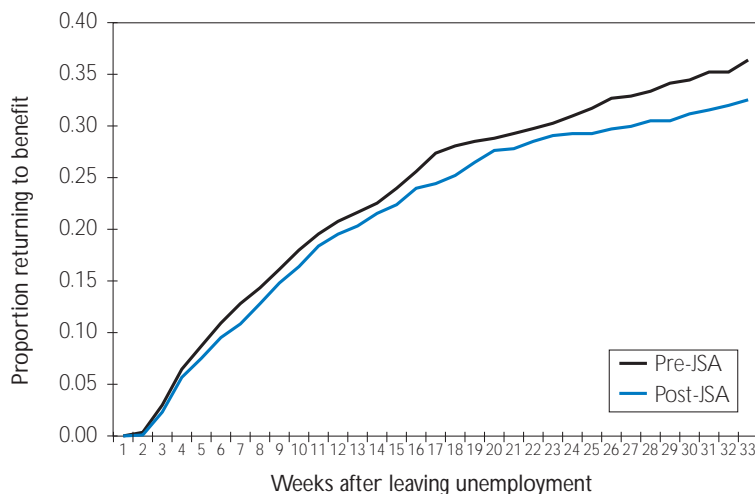
Figure 8.3 Time taken to return to benefit: newly unemployed at time of sampling



Base: all flow respondents who had left benefit between sampling and the end of the observation period.

Analysis based on the whole sample, which is representative of all unemployed people, shows a similar pattern to that for newly unemployed people (Figure 8.4). The chances of returning to benefit again decrease steadily over time until after about 30 weeks around one-third of respondents had returned. The similarity between newly unemployed respondents and the whole sample suggests that while the length of time a person spends unemployed may influence the probability of them moving out of unemployment, once they have left, it does not seem significantly to affect their chances of returning.

Figure 8.4 Time taken to return to benefit: whole sample



Base: all stock respondents who had left benefit between sampling and the end of the observation period.

Leaving benefit for a full-time education course was the surest way of delaying a return to benefit, presumably because such ex-recipients were continuing their studies (Table 8.1). This was true both before and after the introduction of Jobseeker's Allowance, though fewer returned under the latter benefit system. Under Jobseeker's Allowance, part-time work was also a relatively stable destination from benefit, particularly if the hours worked were between 16 and 29 a week. Indeed, this shows a stabilisation in the work circumstances of post-Jobseeker's Allowance recipients relative to their counterparts before the introduction of Jobseeker's Allowance: at that time former jobseekers working part-time were about three times more likely to return to benefit after 10 and 15 weeks. However, the circumstances of recipients who had left benefit for full-time work were comparatively stable before and after the introduction of Jobseeker's Allowance: approximately the same proportions had returned to benefit after 10, 15 and 20 weeks.

Table 8.1 Returns to benefit by route out of unemployment

Route out of unemployment	Base	Percentages returning to benefit after x weeks		
		WEEKS		
		10	15	20
Pre-JSA				
Full-time work	682	14	20	24
Part-time work(16-29h)	145	18	24	25
Part-time work(<16 h)	27	23	-	-
Full-time education and part-time work	8	12	-	-
Full-time education	46	5	7	12
Training	35	24	37	43
Unemployed	53	13	15	18
Care of home and family	14	-	-	-
Health problems	56	16	18	-
Something else	31	31	36	42
Total (includes 'unemployed')	1097	16	21	24
Post-JSA				
Full-time work	879	14	21	24
Part-time work(16-29h)	171	6	8	11
Part-time work(<16 h)	45	6	13	-
Full-time education and part-time work	12	-	-	-
Full-time education	43	0	7	7
Training	28	27	-	-
Unemployed	79	22	25	27
Care of home and family	32	6	-	-
Health problems	62	10	-	-
Something else	42	26	33	35
Total (includes 'unemployed')	1393	13	18	21

Key: - = information not available either as estimate is outside the observation period or the sample size is too small to provide sufficient numbers returning to benefit.

Base: all flow respondents who had left benefit between sampling and the end of the observation period.

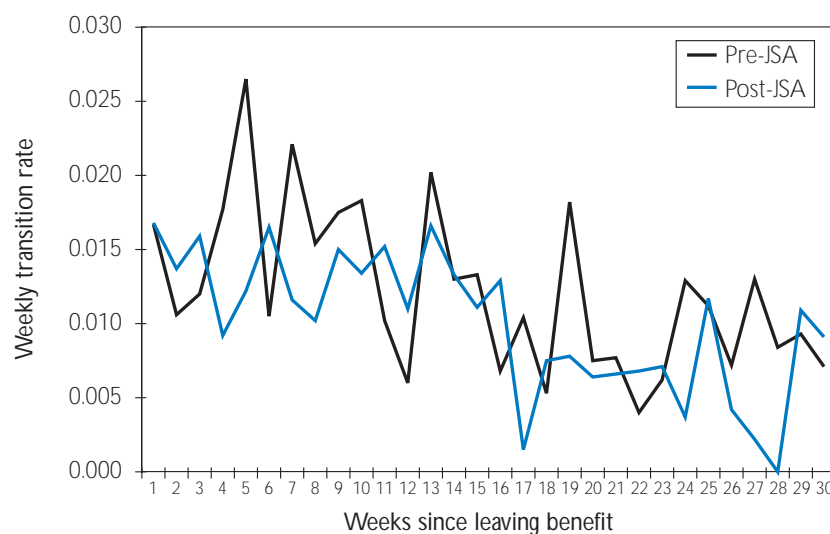
It is also apparent that people who had joined training schemes were likely to return quickly to benefit whichever of the two benefit regimes they experienced, though small numbers mean that caution is required interpreting these results. It is also notable that people remaining 'unemployed' when leaving benefit also returned quite quickly though this was more true for recipients of Jobseeker's Allowance than for those receiving Unemployment Benefit/Income Support.

8.3.2 The probability of returning to benefit

The main aim in this section is to explore factors that seem to discriminate between people who rapidly return to benefit and those who do not. This is achieved by the use of a series of hazard models similar to those used earlier for examining the rates of leaving benefit. As with the modelling concerned with leaving benefit, no labour market weighting adjustment was made because of the direct inclusion of the local employment rates into the modelling process.

By way of a prelude, Figure 8.5 plots the conditional probability of ex-recipients of unemployment-related benefits returning to benefit before and after the introduction of Jobseeker's Allowance. The two curves are similar but the risk of returning to benefit seems to be lower for people who left benefit in 1997/8 than for those who left in 1995/6. This is particularly evident for persons who had remained off benefit for around three or four months. In fact, although the two curves are statistically indistinguishable, special modelling confirmed that the risk of returning to benefit was 26 per cent higher for the respondents in the pre-Jobseeker's Allowance sample (Table E.5). It is though not possible to discern whether this change resulted from developments in the labour market that improved job-retention, or whether some respondents were deterred from making another benefit claim by the new Jobseeker's Allowance regime.

Figure 8.5 Rates of return to benefit



Base: all flow sample members who had left benefit between sampling and the end of the observation period.

It is apparent that the longer recipients had spent off benefit, the less likely they were to return (Table E.5). After 15 weeks off benefit, the chances of returning were reduced to about half those extant in the first 14 weeks; and after 25 weeks the chances were further reduced to only 42 per cent of those of the initial baseline. However, there was no evidence that this 'duration' effect differed before and after the introduction of Jobseeker's Allowance (Table E.6).

A number of factors contributed to keeping people off benefit (Table E.7). The continuing importance of a person's work history in maintaining them off benefit was evident. People who had experienced unemployment in the 12 months preceding the start of the benefit spell increased their chances of a return to benefit by about an extra two thirds. Correspondingly, the chance that a respondent who had been in work prior to the start of the benefit spell would return to benefit was 55 per cent that of other respondents. Somewhat curiously, the economic activity the recipient left benefit for on completion of the spell was not associated with the rate of return to benefit, except that those who went into full-time education were only 28 per cent as likely as others to return. These findings show the cumulative importance of a person's work benefit history in helping to keep people off benefit. In fact, they suggest that earlier labour market history is in some senses more important than current circumstances in maintaining people off benefit.

Men were almost half (1.41) as likely again as women to re-enter benefit, thus creating a form of double jeopardy whereby men stayed on benefit for longer once they start a spell, and returned more quickly when they had left. Younger (aged 18-24) and older (aged 45 and over) recipients returned to benefit more quickly than did other recipients and this was true of respondents who had a health problem: another double jeopardy combination.

Having access to personal transport - along with possession of a driving licence - had a multiplier effect it was not only associated with shorter spells on benefit, it appeared to reduce the rate of returning to benefit by two thirds.

Finally, the local employment rate had no impact upon returns to benefit and sensitivity studies (not reported here) have shown that the level of local unemployment, as measured by the claimant count, is also not implicated in the risk of returning to benefit.

8.4 Conclusions

Overall, Jobseeker's Allowance recipients were likely to leave benefit at a faster rate than were their counterparts in the previous benefit regime. However, this effect varied with local levels of employment. In areas with more buoyant local economies Jobseeker's Allowance recipients moved off benefit more rapidly than did their counterparts who had received Unemployment Benefit/Income Support. In addition, while the likelihood of Jobseeker's Allowance recipients leaving benefit initially declined as the length of unemployment increased, it rose again after six months, although not to levels prevailing during the first 10 weeks of claiming. This experience contrasted to that of unemployed benefit recipients before the introduction of Jobseeker's Allowance whose chances continued to decline the longer they were unemployed.

The peak in movements off benefit after around six months of unemployment witnessed after the introduction of Jobseeker's Allowance occurred irrespective of local labour market conditions. It coincides with the ending of entitlement to contribution-JSA, a change that was introduced as part of the Jobseeker's Allowance reforms, and the second Client Adviser interview and the loss of the clients' right to specify wage levels. Any of these factors, alone or in combination, may act to 'push' jobseekers off benefit at around this time.

It is not possible to determine which of these factors is the more important. The brevity of the observation period makes it impossible to ascertain whether the increased outflow from benefit was sustained after 30 weeks. If it was not sustained, this would add force to the contention that the ending of contributory-based benefit was more important than active intervention.

Despite the fact that Jobseeker's Allowance has led to a fall in the average length of unemployment, there is no prima facie evidence that Jobseeker's Allowance fundamentally changed the factors that determine which jobseekers remain on benefits for long periods. The important influences were much the same as before the introduction of Jobseeker's Allowance.

Jobseeker's Allowance was also shown to be associated with increasing the time taken to return to benefit, reducing the rate of return to 80 per cent that of recipients under the old system. However, under both benefit systems, the longer an ex-recipient remained off benefit, the less likely they were to return. A number of factors that were associated with people rapidly leaving benefit also seemed to help them stay off benefit. A good employment record and access to transport were associated with long spells off benefit, whereas people reporting spells of health problems or previous unemployment were likely to return to benefit more rapidly. Men were also doubly disadvantaged compared to women.

9 THE IMPACT OF JOBSEEKER'S ALLOWANCE

The aim in this chapter is to reflect on the research findings presented in this and earlier volumes to ascertain the extent to which Jobseeker's Allowance is meeting its objectives. It should be remembered that there were a number of aspects to the Jobseeker's Allowance reform and that the objectives were multifarious. Equally it has to be recognised that no evaluation can be definitive and that some of the results are open to interpretation. Moreover, the evaluation was designed principally to provide micro level data to complement macro-economic analyses that were undertaken within government.

It is appropriate briefly to rehearse the nature of the Jobseeker's Allowance reforms before considering the evidence objective by objective.

9.1 The Jobseeker's Allowance reform

Jobseeker's Allowance formed part of a series of measures announced or introduced in Autumn 1996. It unified the very different rules that used to apply to Unemployment Benefit and Income Support for unemployed people, which it replaced. A contributory element, derived from Unemployment Benefit, was retained but the maximum period of entitlement was reduced from 12 to six months.

The conditionality of benefit generally was made more explicit and somewhat stricter under Jobseeker's Allowance. Signing a Jobseeker's Agreement, setting out the steps that a jobseeker is to take in order to find work, was made a condition of benefit receipt; this, and a new computer system, provided Employment Service advisers with improved means of monitoring jobsearch activity. Advisers were also given the power to issue a Jobseeker's Direction, a written requirement that jobseekers adopt specified, reasonable measures to improve their chances of employment.

The rules relating to disallowance and sanctions were clarified and made sharper, although sanctioning remains an option. Under Jobseeker's Allowance unemployed people can be disallowed if they are unavailable for work, fail actively to seek work, refuse to sign a Jobseeker's Agreement or do not attend an Employment Service interview; the disallowance lasts until they fulfil these labour market conditions. Sanctions can be imposed for fixed periods. A person who leaves work voluntarily may be sanctioned for up to six months, others who, for example, do not attend a mandatory course may be sanctioned for two or four weeks. Recipients can also be sanctioned if they lose their job through misconduct or refuse, or neglect, to avail themselves of employment. Moreover, automatic hardship payments to protect co-residing dependants were abolished and replaced by a system under which the recipient has to

demonstrate that a member of the household would suffer hardship as a result of the sanction.

Changes were also made to the administration of unemployment-related benefits. Most notably, the traditional necessity for many unemployed people to have dealings with two offices - the Jobcentre in order to sign on and receive assistance with jobsearch and the Benefits Agency for matters associated with the payment of benefit - was removed. The formality of signing on each fortnight was also changed to allow employment advisers to follow up advice given on previous occasions, to monitor adherence to the Jobseeker's Agreement and to discuss job vacancies and courses.

Finally, the introduction of Jobseeker's Allowance was accompanied by other policy measures. These included:

- the introduction of the Back to Work Bonus, a scheme which enables jobseekers on benefit, and their partners, if they are claiming for one, who work part-time to accumulate half of any earned income above the earnings disregard and to receive it as a lump sum payment when they cease claiming Jobseeker's Allowance.
- Extended Housing Benefit and Council Tax Benefit (introduced in April 1996) which allow former recipients of Jobseeker's Allowance temporarily to continue to receive housing-related benefits, effectively bridging the period until payment of the first wage.
- on a pilot basis in eight areas, Earnings Top-up which extended a Family Credit-like benefit to low waged people without children.

In concert these measures had a number of different objectives which the 1994 White Paper (Cm. 2687) grouped into three:

- 1 To improve the service to unemployed people by providing a clearer, more consistent structure and better service delivery.
- 2 To enhance the operation of the labour market by helping people in their search for work, while ensuring that they understand and fulfil the conditions of benefit receipt.
- 3 To secure better value for money for the taxpayer by means of a streamlined administration, closer targeting on those in need of financial support and a regime which more effectively helps people back into work.

The research reported in this and earlier volumes has not included a cost benefit analysis and so it is impossible to engage with the question of whether Jobseeker's Allowance has secured better value for money compared with the earlier system. The research does, however, provide evidence relating to the other policy objectives.

9.2 Clarity and service delivery

Some of the most evident improvements attributable to the introduction of Jobseeker's Allowance relate to the streamlining of administration and the extension of a more active approach to dealing with jobseekers.

9.2.1 Making a claim

The number of people visiting both a Benefits Agency office and a Jobcentre fell from 13 per cent to five per cent. Moreover, two-fifths of those who visited two offices went first to the Benefits Agency, which suggests that this may have been in error, perhaps due to ignorance of the new procedures. Jobseekers were more likely to remember their first interview than in the past and to have taken specific action as a result. These developments may be responsible for the slight fall (from 19 per cent to 15 per cent) in the proportion of people who cited the hassle of sorting out benefits as one fear that might prevent them from returning to work.

9.2.2 Active signing

As would have been hoped, the number of people who had experienced active signing the last time that they visited the Jobcentre increased markedly from 49 per cent to 72 per cent with the introduction of Jobseeker's Allowance. However, a decline of eight percentage points in active signing was noted between the Autumn 1997 and Spring 1998 interviews (i.e. after the introduction of Jobseeker's Allowance) which did not occur in the earlier cohort. Moreover, between the first and second interview, there was a fall of 13 percentage points in the proportion of jobseekers who said that they had done something directly as a result of their last fortnightly interview.

9.2.3 Knowledge of rules

The changes to improve the clarity of benefit regulations and to make more explicit the conditionality inherent in benefit receipt were not generally reflected in higher levels of recalled knowledge among jobseekers. However, most people claimed to have a good understanding of the rules relating to benefit receipt: 46 per cent of Jobseeker's Allowance recipients did so: an increase of seven percentage points over the pre-Jobseeker's Allowance cohort.

Despite this apparent understanding, only 39 per cent of respondents spontaneously mentioned the requirement actively to be seeking work at the first survey interview and 14 per cent the need to be available for work. There was, though, following the introduction of Jobseeker's Allowance a marked increase in the proportion of respondents who said that their benefit would be stopped if they were not really looking for work (an increase of 11 percentage points to 51 per cent). Moreover, knowledge improved between interviews, suggesting that jobseekers become better informed the longer they are on benefit.

These latter, somewhat negative, findings concerning jobseekers' lack of detailed knowledge of the obligations and conditionality attached to benefit receipt should be considered against a backdrop of widespread support for the self same principles. Ninety-five per cent of jobseekers considered

it their responsibility to look for work and 78 per cent that benefit should be conditional on proof of seeking work. Almost half (48 per cent) of respondents thought that unemployed people should be expected to take any job (not just one in their usual occupation) and 38 per cent that people should be sanctioned for voluntary unemployment. Most jobseekers remain strongly committed to finding work, just as they had been before the introduction of Jobseeker's Allowance.

9.2.4 *Smoothing the transition into work*

There is evidence consistent with the view that the package of administrative and benefit reforms has slightly reduced the problems that people encounter on returning to work: there was a fall from 24 per cent to 19 per cent in the proportion of people leaving benefit who reported problems of any kind.

The most notable fall (from 23 per cent to 18 per cent) was in the number who had difficulty managing financially until the first pay-day. On the other hand, the proportion of people moving off benefit complaining of problems caused by delays in processing Housing Benefit claims quadrupled from two per cent to eight per cent, including 23 per cent of private tenants. This was despite the existence of 'Extended Payment' of Housing Benefit (of which just under half the sample had heard).

More than half of jobseekers knew of the existence of Back to Work Bonus, most notably those who had been on benefit for more than three months and so would probably have attended a Client Adviser Interview. However, typically knowledge of even the basic rules was less than rudimentary.

9.3 *Attitudes and approach to jobsearch*

There was hope that Jobseeker's Allowance, notably the Jobseeker's Agreement and Directions, would increase active jobsearch and encourage unemployed people to take available vacancies even when they did not fully match with their aspirations. It should be noted, though, that since the vast majority of unemployed people claiming benefit were eagerly committed to finding employment even before the introduction of Jobseeker's Allowance, only a marginal change could have been expected.

Marginal change was what occurred. A small increase was evident in the hours devoted to seeking work before and after the introduction of Jobseeker's Allowance. This was the result of a fall from 37 per cent to 24 per cent in the number of respondents admitting to having spent less than two hours looking for work in the week before their first research interview. There was correspondingly a slight increase in the number of people who had submitted at least one application in the four weeks before the first wave interviews. This resulted from increased jobsearch activity among respondents living in areas of low employment, respondents in other areas were no more or less likely to have made job applications than was the case before the introduction of Jobseeker's Allowance.

Unfortunately, the improvement seemed to have been short-lived, for by the time of the second wave interview no difference was apparent in the intensity of jobsearch among respondents still without work.

There is no evidence that jobseekers were more flexible about the kind of jobs that they are prepared to accept than they were before the introduction of Jobseeker's Allowance. Indeed, slightly fewer were willing to take any job, to move away from home or to try self-employment. Reservation wages, the minimum that respondents said they would work for, remained roughly the same in real terms but in the post-Jobseeker's Allowance sample tended to drift upwards between the first and second wave interview.

Jobsearch techniques altered marginally with a fall in the use made of national newspapers and specialist journals and an increase in the number of people directly contacting employers. There was only negligible change in the use made of the most effective strategies: soliciting help from friends and relatives, from Jobcentre staff and recruitment agencies.

The perhaps anticipated failure to achieve substantial change in the attitudes and strategies of jobseekers needs to be considered alongside evidence of considerable additional input from Jobcentre staff. More than twice as many respondents reported being told of vacancies at their fortnightly Jobsearch Review. Moreover, the proportion who were asked about their jobsearch increased by 18 percentage points following the introduction of Jobseeker's Allowance.

9.4 Labour market effectiveness

Jobseeker's Allowance was designed to increase the numbers of people finding work and thereby to reduce the unemployment claimant count and the associated benefit expenditure. However, there was a risk that if jobseekers left benefit earlier because they were less discriminating in their choice of jobs, job retention might decrease and increase the flow of people re-entering unemployment.

It has previously been estimated that the introduction of 'Jobseeker's Allowance removed 100-200,000 claimants from the count compared with what was expected at that point in the labour market cycle' (Sweeney and McMahon, 1998, p.195). A more recent DfEE estimate (1998) is that 240,000 left the count during the first year of JSA who would not have left under the previous regime. The sharpest falls were among claimants who had been unemployed for more than six months. Between 15,000 and 20,000 of this fall was attributed to changes in benefit rules associated with the introduction of Jobseeker's Allowance, the remainder to 'the way in which these rules were applied and the consequent removal of significant numbers of employed and inactive claimants from the claimant count' (ibid., p.201).

The results presented in this and earlier reports in the series are broadly consistent with this analysis. Moreover, they indicate that the impact of Jobseeker's Allowance has been sustained.

9.4.1 Outflows and the length of unemployment

Direct evidence of the impact of Jobseeker's Allowance has been supplied in the form of survival analysis and hazard modelling in Chapters 7 and 8. These techniques suggest that the main impact of Jobseeker's Allowance may occur several months after people become unemployed and that it is more likely to occur in more economically buoyant areas. It should be noted that these two effects are independent and cumulative. However, in these, and all other areas, longer-term recipients appear to leave Jobseeker's Allowance more rapidly than they would have moved off Unemployment Benefit/Income Support. Moreover, once recipients had left Jobseeker's Allowance they were less likely to return to benefit than were their counterparts who had claimed Unemployment Benefit/Income Support.

The precise mechanism by which respondents increased their movements off benefit is not altogether clear and, with only a limited window of observation with which to follow respondents, it is not possible to determine whether or not the 'duration' effect was sustained. One potential mechanism might be that some benefit recipients were responding to the impending loss of contribution-based Jobseeker's Allowance. If so, the effect would be a short-lived reduction in the probability of leaving which would not be replicated during later months of unemployment. Alternatively, it might be that active interventions of Employment Service staff, perhaps linked to Client Adviser Interviews, had a beneficial effect, more jobseekers said that they applied for a job as the direct result of such an interview in 1998 than did so in 1996. There were too few 18-24 year old jobseekers in Pathfinder areas for the study reliably to investigate whether or not New Deal had any impact upon the numbers leaving benefit. The loss of a client's right to specify the wage levels they would accept in a job is another possible explanation for the increased rate of leaving benefit after six months.

Whatever the precise reason for the increased number of people leaving benefit after five or six months of unemployment, it is clear that not all of them moved into full-time employment. Further detailed analysis might be warranted to determine the destinations of people who do leave benefit around this time. However, the influence of people's work history was an important factor in determining not only the length of their current spell of unemployment but also the time taken to return to benefit. Though there was no significant evidence that the economic activity a person entered on leaving benefit reduced the rate of return to benefit, being employed in the week prior to the start of their spell on Jobseeker's Allowance did so. Moreover experience of unemployment in the year preceding the start of the benefit spell increased the chances of a return to benefit.

While it is only possible to surmise that the Jobseeker's Allowance related change in the duration of contribution-based benefit was a factor in sustaining and increasing outflows from benefit, there is much stronger evidence that it influenced the employment decisions of respondents' partners. Whereas before the introduction of Jobseeker's Allowance the main decline in the probability of a partner working occurred after the respondent had been unemployed for a year, afterwards the decline was most marked at six months.

In the long term the cumulative consequences of this change might be considerable, since the effect is for the partners of unemployed people to leave employment earlier than they might otherwise have done. It adds to the pool of workless households and presumably reduces household incomes. As important, it may reduce partners' future work prospects and make it more difficult for respondents to return to work who will now have to secure a wage sufficient to support at least two people. The Back to Work Bonus, was, in part, designed as a response to this eventuality but there was no evidence that it had yet had a strong compensating influence.

9.4.2 Quality of return to work jobs

Concern that the more active labour market components of Jobseeker's Allowance would force people to take less satisfactory jobs paying lower wages than before was unfounded. After controlling for wage inflation, respondents who took jobs after leaving Jobseeker's Allowance received similar wages as those they had worked for before becoming unemployed. Nor, indeed, was there evidence that the sampled spell of unemployment triggered a drop in earning power.

Likewise, according to the accounts of respondents, jobs taken up after the introduction of Jobseeker's Allowance made no less use of respondents' skills, nor provided less security or satisfaction than the return to work jobs of the earlier cohort. Only among those leaving benefit after five to seven months of unemployment, some of whom may have left in response to the end of contribution-based Jobseeker's Allowance, was there any sign that people might be settling for less satisfactory jobs than in the past but, even in this case, the size of the effect was small, and non-significant.

Perhaps, given the buoyancy of the economy in 1997/8 one might have expected people leaving benefit to acquire better jobs than in 1995/6. The fact that this did not happen might give some cause for concern over the deterioration in return to work jobs in any future recession because of increased encouragement to leave benefit early. Equally, though, improved monitoring and advice from Employment Service staff might serve to counteract any such tendency.

Finally, the evidence suggests that job retention was improved, albeit only slightly, as a result of the introduction of Jobseeker's Allowance. There was, though, a hint that the Jobseeker's Allowance regime is acting

as a deterrent to people re-claiming benefit because the number of people who returned to unemployment after a spell of full-time work was down by a third.

9.5 Conclusion To conclude, the package of measures associated with the introduction of Jobseeker's Allowance has reduced the administrative difficulties faced by benefit recipients while enhancing the proactive delivery of labour market services. It seems to have resulted in some changes in jobsearch activity while the commitment of the vast majority of jobseekers to finding work is as great as ever. There has not, however, been any improvement in people's detailed knowledge about the benefit system or about the conditionality inherent in the receipt of unemployment-related benefits, a conditionality that is almost universally accepted by jobseekers at the level of broad principle.

None of the changes has been large and there is undoubtedly the potential to ensure that the best quality services are provided universally. Nevertheless, despite the limited behavioural changes that have been achieved, there is clear evidence that Jobseeker's Allowance has gone some considerable way towards attaining its labour market objectives. The median length of periods of unemployment has fallen as the result of people moving off benefit more quickly and there had been no corresponding deterioration in the quality or duration of the jobs obtained. However, Jobseeker's Allowance has been implemented in a climate of labour market growth and has proved to be most successful in areas of already high employment. It cannot be assumed that Jobseeker's Allowance will continue to be effective in a more recessionary environment.

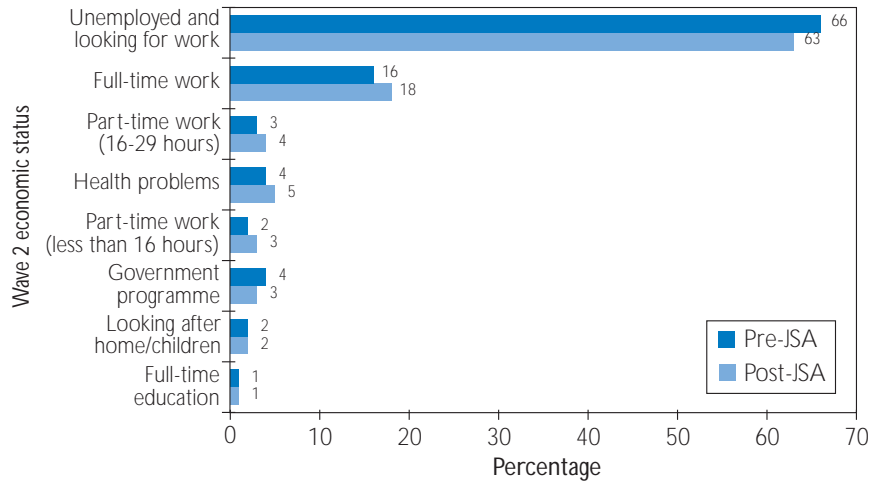
Moreover, it is impossible to determine whether the observed success is due more to the effect of the reduction in the duration of contributory benefit, the impact of pro-active monitoring and advisory services or to the interaction of these and other factors.

APPENDIX A SUPPLEMENTARY TABLES AND FIGURES

A.1 Tables not weighted for changes in the local employment rate

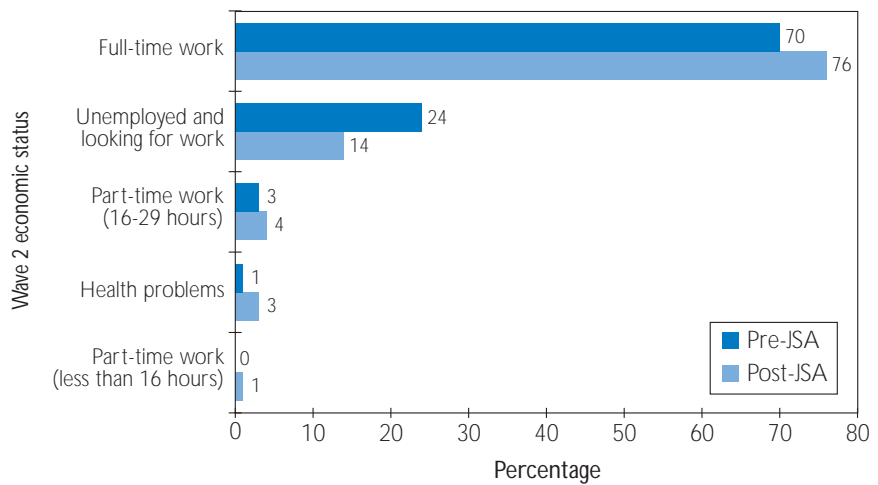
The following tables and figures directly correspond with those in the main text. In this instance, the pre-JSA figures have not been weighted to account for changes in the local employment rates between 1995 and 1997.

Figure A.1 Wave two economic circumstances of the whole sample unemployed at the first wave



Base: respondents unemployed at first interview

Figure A.2 Economic status at second interview for those in full-time work at the first interview (whole sample)



Base: respondents in full-time work at first interview

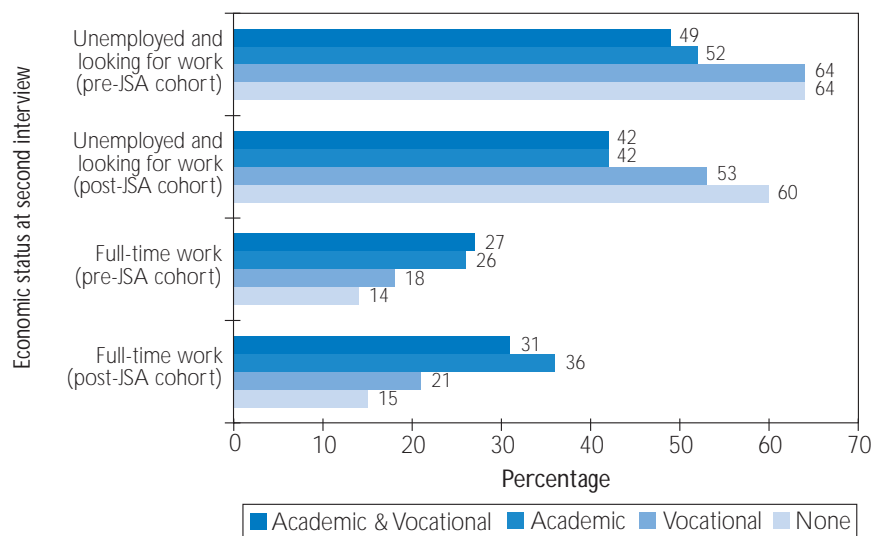
Table A.1 Economic status at second interview by age

Economic Status	Per Cent									
	Age									
	18-24		25-34		35-44		45-54		55 and over	
	Pre-JSA	Post-JSA	Pre-JSA	Post-JSA	Pre-JSA	Post-JSA	Pre-JSA	Post-JSA	Pre-JSA	Post-JSA
Full-time work	27	33	26	30	18	24	16	18	9	10
Part-time work (16-29 hours)	4	6	3	5	4	4	6	8	4	7
Part-time work (less than 16 hours)	3	3	3	4	5	6	5	7	5	9
Full-time education and part-time work	1	1	1	*	0	0	0	0	0	0
Full-time education	5	3	2	2	2	1	*	*	1	0
Government programme	4	3	4	4	3	8	4	2	2	1
Unemployed and looking for work	49	45	56	48	61	49	60	54	66	57
Looking after home/children	2	2	3	4	2	3	1	1	1	2
Health problems	4	5	3	3	5	5	8	10	11	13
Other	1	0	1	*	0	*	*	*	*	1
Base (=100%)	932	938	977	934	636	606	516	507	240	229

* less than 0.5

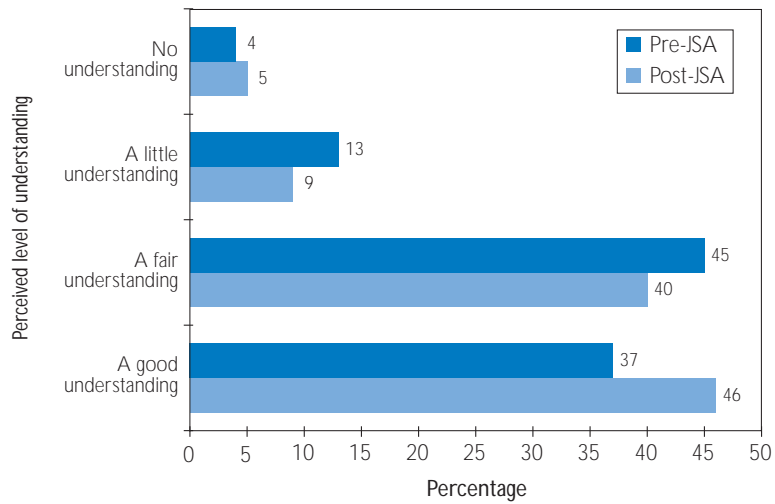
Base: all

Figure A.3 Employment and unemployment at the second interview by qualifications



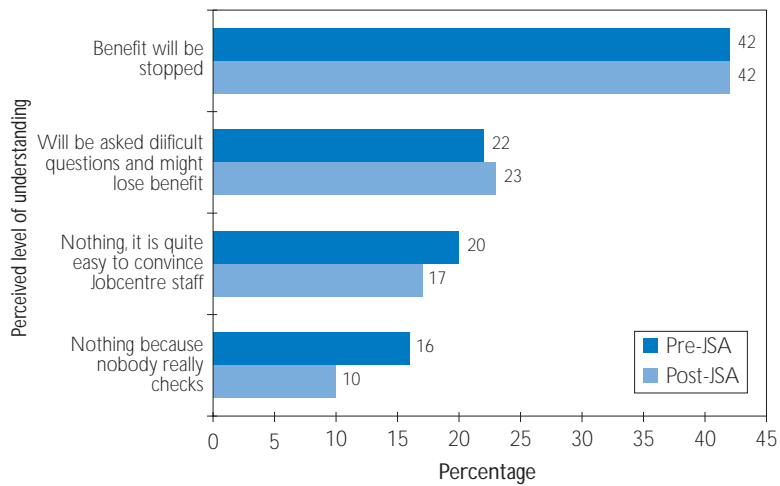
Base: respondents unemployed or in full-time work at second interview

Figure A.4 Jobseekers' perceived understanding of rules



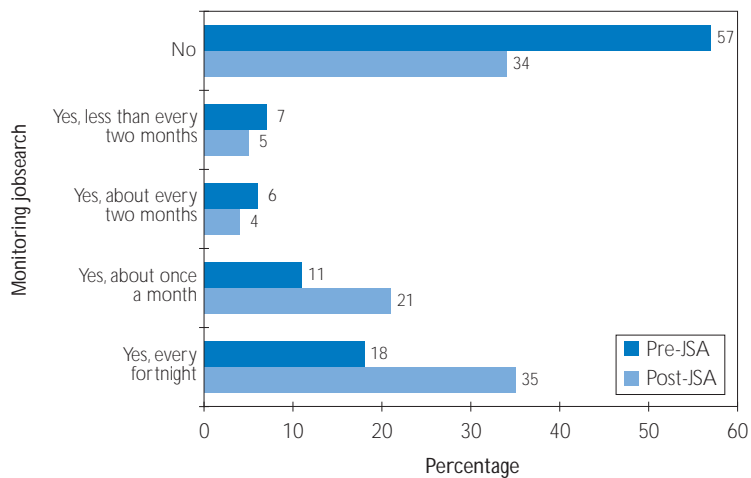
Base: all

Figure A.5 Perceived effects of not looking for work



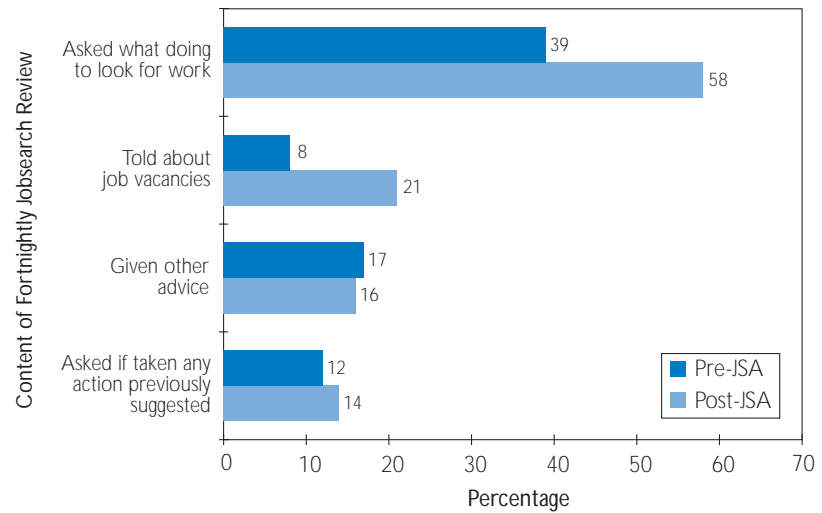
Base: all respondents who had claimed benefit at any time since first interview

Figure A.6 Jobcentre monitoring of jobsearch



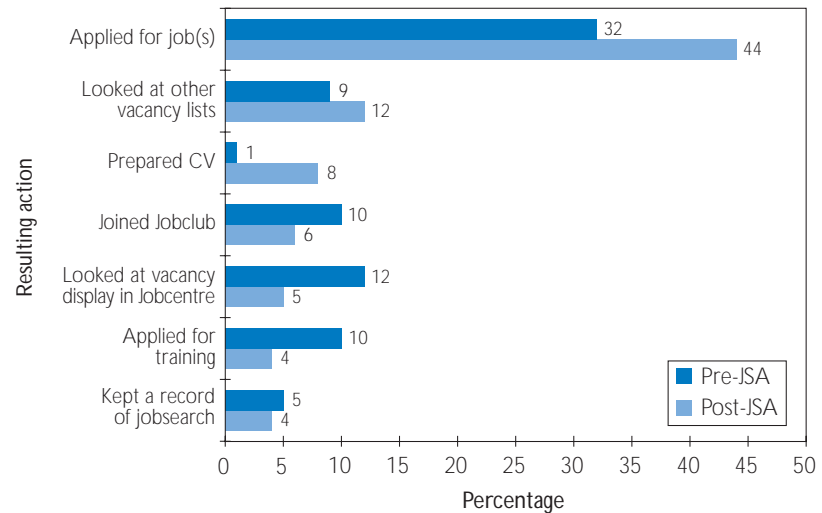
Base: all respondents who had claimed benefit at any time since first interview

Figure A.7 Content of the most recent Fortnightly Jobsearch Review



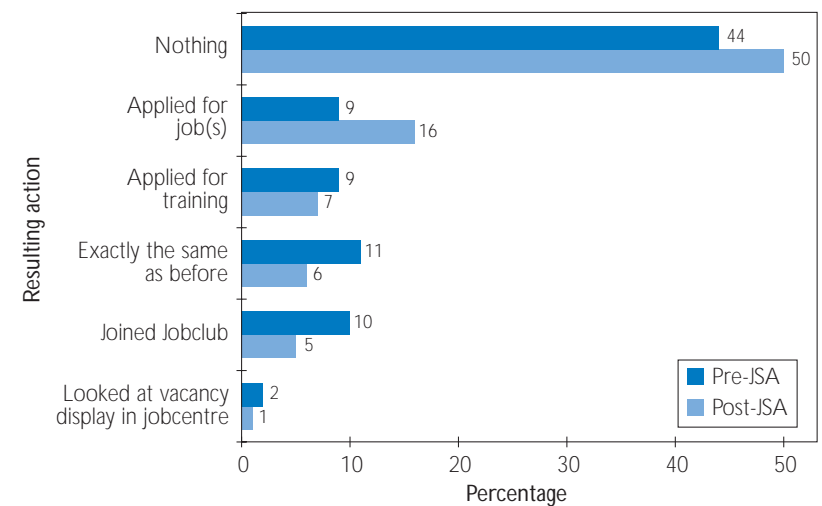
Base: respondents claiming benefit at second interview

Figure A.8 Action taken as a result of the Fortnightly Jobsearch Review



Base: respondents claiming benefit at second interview

Figure A.9 Action taken as a result of Client Adviser Interviews



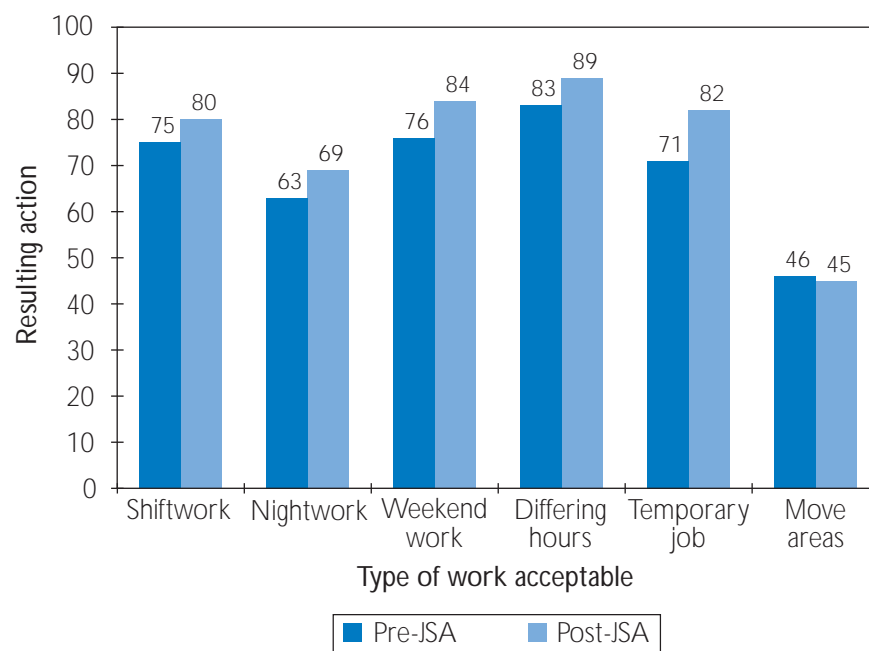
Base: all respondents who had claimed benefit at any time since first interview

Table A.2 Job aspirations of people looking for work at second interview

	Cell Per Cent	
	Pre-JSA	Post-JSA
Type of work sought		
Particular type of job	23	28
Range of jobs	36	27
Accept any job	41	45
As employee	74	77
As self-employed	1	3
Either as employee or self-employed	24	20
Hours of work sought		
Full-time only	15	18
Full-time but would consider part-time	49	46
Part-time only	4	6
Accept any hours	32	30
Base	1982	1732

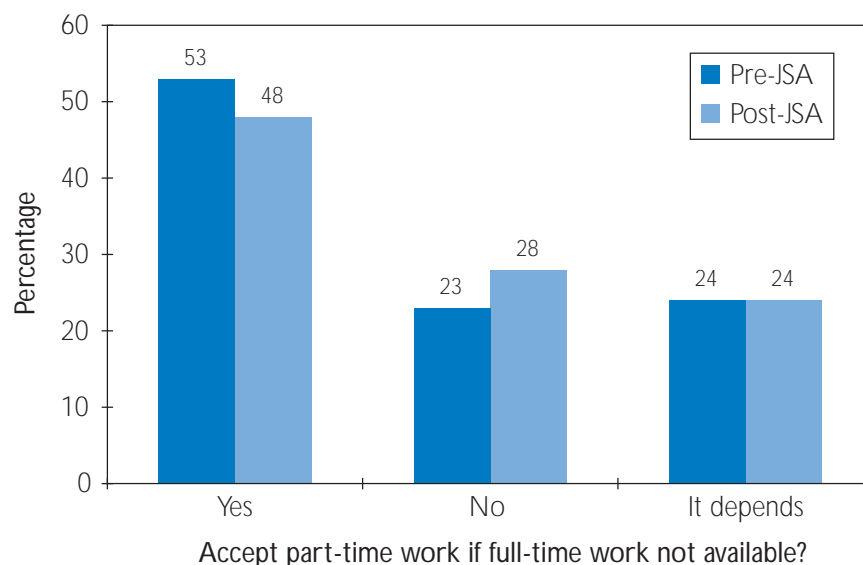
Base: those looking for work at second interview

Figure A.10 Flexibility of jobseekers at second interview



Base: those looking for work at second interview

Figure A.11 Willingness to accept part-time work if unable to find full-time employment



Base: those looking for work at the second interview

Table A.3 Median reservation wages

Median reservation wage	Pre-JSA		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.03	3.00	3.15	3.42
Net weekly wage (£)	120.00	120.00	120.00	134.62
Base	3193	1920	3084	1589

Notes: median is used as a few extreme values distort the mean

Base: those wanting work at the second interview

Table A.4 Median reservation wages at 1997 levels

Median reservation wage	Pre-JSA		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.30	3.27	3.15	3.42
Net weekly wage (£)	130.80	130.80	120.00	134.62
Base	3193	1920	3084	1589

Notes: median is used as a few extreme values distort the mean

Base: those wanting work at the second interview

Table A5 Median return to work wages

Median return to work wage	Pre-JSA		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.52	3.25	3.60	3.50
Net weekly wage (£)	131.47	120.00	129.98	130.00
Base	311	606	419	661

Notes: median is used as a few extreme values distort the mean

Base: all employees

Table A.6 Median return to work wages at 1997 levels

Median return to work wage	Pre-JSA		Post-JSA	
	1 st Interview	2 nd Interview	1 st Interview	2 nd Interview
Net hourly wage (£)	3.84	3.54	3.60	3.50
Net weekly wage (£)	143.30	130.80	129.98	130.00
Base	311	606	419	661

Notes: median is used as a few extreme values distort the mean

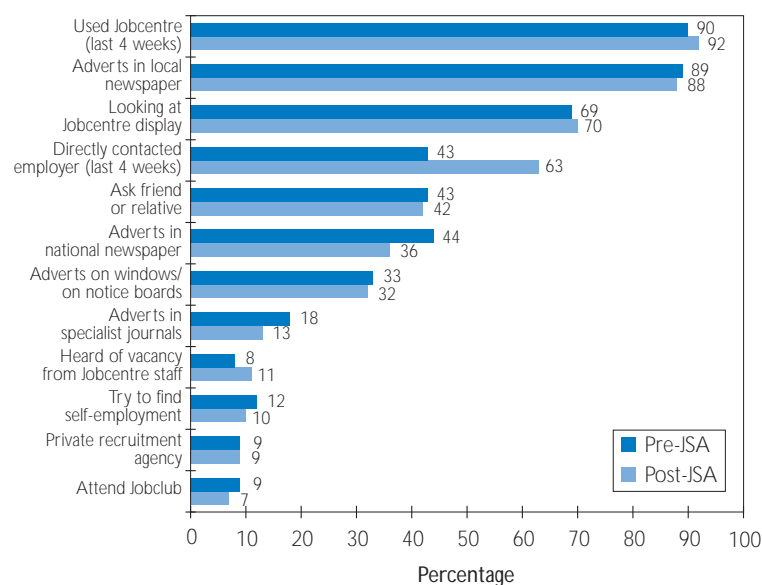
Base: all employees

Table A.7 Jobsearch strategy of people continuously unemployed since first interview

Jobsearch Strategy	Cell Per Cent	
	Pre-JSA	Post-JSA
Range of jobs sought		
Looking for wider range of jobs	25	24
Looking for narrower range of jobs	2	3
Looking for same range of jobs	72	73
Time spent looking for work		
Spending more time looking for work	27	28
Spending less time looking for work	13	13
Spending same amount of time looking for work	60	60
Job applications		
Applying for more jobs than six months ago	22	29
Applying for fewer jobs than six months ago	17	17
Applying for same amount of jobs as six months ago	61	54
Base	1513	1217

Base: respondents continuously unemployed since first interview

Figure A.12 Jobsearch activity at second interview



Base: those looking for work at second interview

Table A.8 Aspirations at first interview by benefit status at second interview (pre-JSA)

Job aspirations at first interview	Base (100%)	Economic status at second interview			Row Per Cent
		Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like job	
Type of work sought					
Particular type of job	800	34	57	9	
Range of jobs	944	32	63	5	
Accept any job	1080	24	67	9	
As employee	2228	30	62	8	
As self-employed	59	14	73	14	
Employee or self-employed	565	29	64	7	
Hours of work sought					
Full-time only	414	27	68	5	
Full-time but may consider part-time	1621	28	60	6	
Part-time only	119	40	41	19	
Accept any hours	825	29	61	10	
Flexibility					
Would accept shiftwork	2154	30	64	7	
Would accept nightwork	1800	28	65	8	
Would accept weekend work	2167	30	62	8	
Would accept job with differing hours	2431	30	63	8	
Would accept temporary job	2042	32	60	8	
Would move to different area	1046	30	63	7	
All	2994	30	62	7	

Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit

Table A.9 Jobsearch activity at first interview by benefit status at second interview: (pre-JSA)

Job search activity at first interview	Benefit status at second interview				Row Per Cent
	Base (100%)	Not claiming benefit, in work	Claiming benefit and looking for work	Not claiming benefit, not in work, would like job	
Adverts in local newspaper	2574	30	62	8	
Adverts in national newspaper	2055	28	64	8	
Adverts in specialist journals	1287	29	63	8	
Adverts in windows/on notice boards	904	34	59	7	
Looking at Jobcentre display	1090	31	62	7	
Hear from Jobcentre staff	973	28	63	9	
Attend Jobclub	604	34	58	8	
Ask friend or relative	368	51	40	10	
Directly contact employers	257	29	63	8	
Private recruitment agency	372	22	69	9	
Try to find self-employment	279	27	66	7	
All	2994	30	62	7	

Base: respondents looking for work at first interview or those who had been looking for work before they stopped claiming benefit

Table A.10 Characteristics of partners at second interview

	Per Cent	
	Pre-JSA	Post-JSA
Gender of partner		
Male	15	12
Female	85	88
Age of respondent		
18 – 24	11	10
25 – 34	30	31
35 – 44	27	27
45 – 54	20	22
55+	12	10
Family type		
No children	33	33
Children under 5	38	38
Children aged 5 - 18	29	30
Qualifications of partner		
None	48	39
Vocational only	8	10
Academic only	23	27
Vocational and academic	22	24
Housing tenure		
Owner-occupier	43	35
Rent LA/HA	45	48
Rent privately	10	13
Other	3	3
Base = 100%	1018	791

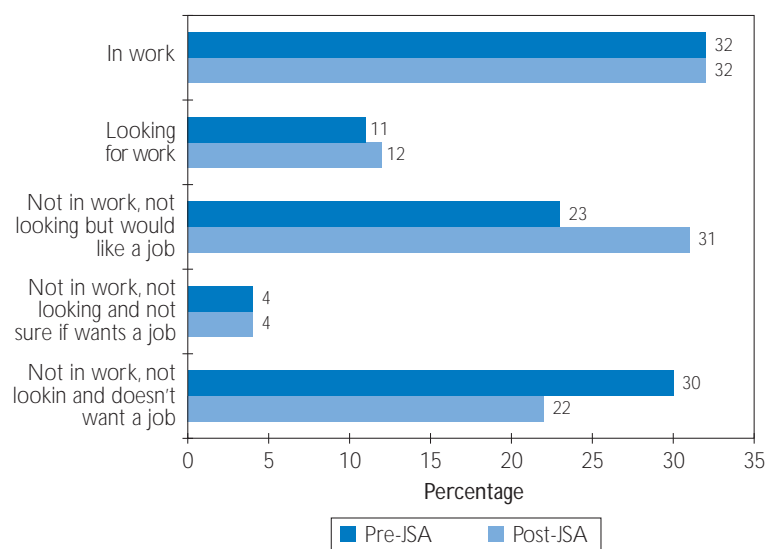
Base: all interviewed partners

Table A.11 Proportion of partners in paid work at the second interview by demographic characteristics

	Pre-JSA		Post-JSA		Row Per Cent
	Number	Per cent	Number	Per cent	
Gender of partner					
Male	156	67	98	65	
Female	862	25	693	27	
Age of respondent					
18 – 24	109	19	81	19	
25 – 34	307	28	247	26	
35 – 44	274	35	213	41	
45 – 54	207	40	170	39	
55+	122	33	80	28	
Family type					
No children	334	42	257	43	
Children under 5	381	24	296	17	
Children aged 5 - 18	293	30	236	39	
Qualifications of partner					
None	490	23	307	20	
Vocational only	79	35	80	36	
Academic only	230	35	215	29	
Vocational and academic	219	48	189	52	
Housing tenure					
Owner-occupier	430	51	280	58	
Rent LA/HA	464	16	381	25	
Rent privately	100	23	104	17	
Base = 100%	1018	32	791	32	

Base: all interviewed partners in paid work at second interview

Figure A.13 Economic activity of partners at second interview



Base: interviewed partners at second interview

Table A.12 Economic activity of partner by status of main respondent at second interview

Partner's economic status	All	Respondent claiming benefit	Respondent in work	Per Cent
				Respondent not working or claiming benefit
Pre-JSA				
Partner in work	32	18	58	29
Partner not working but looking	12	14	5	12
Partner not working or looking but would like a job	24	29	11	24
Partner not working or looking and does not want a job	34	39	26	35
Base = 100%	1018	555	305	156
Post-JSA				
Partner in work	33	16	52	41
Partner not working but looking	11	15	6	11
Partner not working or looking but would like a job	29	37	22	23
Partner not working or looking and does not want a job	29	32	21	25
Base = 100%	886	425	322	141

Base: all interviewed partners

A.2 Adjusted tables for Chapter Five

Table A.13 Education mismatch

	Base	Percentage with higher education score than the average in their occupation
<i>Pre-JSA</i>		
Left at six months	71	53
All leavers	506	48
<i>Post-JSA</i>		
Left at six months	83	45

Base: all respondents who left unemployment for paid work between the first and second interview (pre and post-JSA). Data on six-month leavers have been weighted to reflect labour market change.

Table A.14 Does your job make use of your skills and experience?

	Base	Great/some extent	Not much/not at all
<i>Pre-JSA</i>			
Left at six months	61	69	31
All leavers	391	64	36
<i>Post-JSA</i>			
Left at six months	65	50	50

Base: all respondents who left unemployment for paid work between the first and second interview (pre and post-JSA). Data on six-month leavers have been weighted to reflect labour market change.

Table A.15 Percentage of jobseekers entering short tenure occupations

	Base	Percentage entering short- tenure occupations
<i>Pre-JSA</i>		
Left at six months	68	47
All leavers	500	40
<i>Post-JSA</i>		
Left at six months	83	46

Base: all respondents who left unemployment for paid work between the first and second interview (pre and post-JSA). Data on six month leavers have been weighted to reflect labour market change.

Table A.16 Proportion of jobseekers entering temporary work

	Base	Percentage entering temporary work
<i>Pre-JSA</i>		
Left at six months	68	57
All leavers	501	49
<i>Post-JSA</i>		
All leavers	82	50

Base: all respondents who left unemployment for paid work between the first and second interview (pre and post-JSA). Data on six month leavers have been weighted to reflect labour market change.

Table A.17 Job satisfaction

	Base	Very/fairly satisfied	Neither satisfied or dissatisfied	Per Cent Very/fairly dissatisfied
<i>Pre-JSA</i>				
Left at six months	61	71	14	15
All leavers	388	81	7	12
<i>Post-JSA</i>				
Left at six months	66	75	9	16

Base: all respondents who left unemployment for paid work between the first and second interview (pre and post-JSA). Data on six month leavers have been weighted to reflect labour market change.

Figure A.14 Rates of leaving benefit: pre-Jobseeker's Allowance (with 95 per cent confidence intervals)

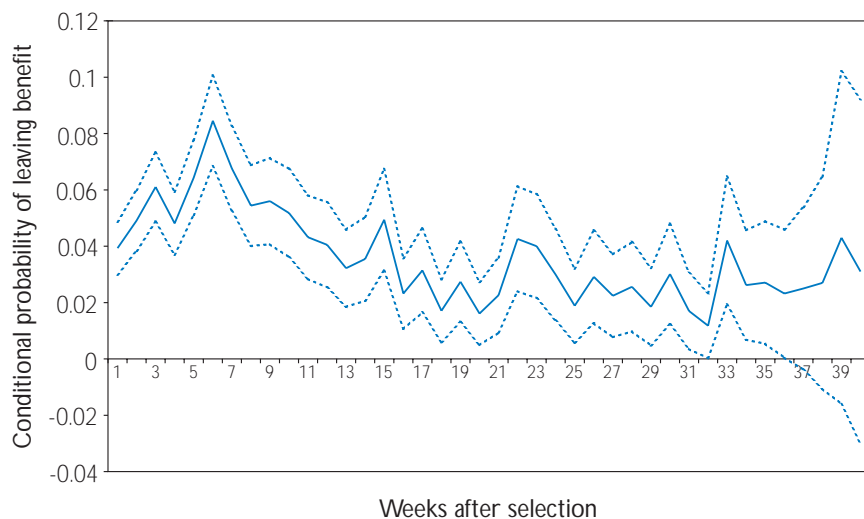
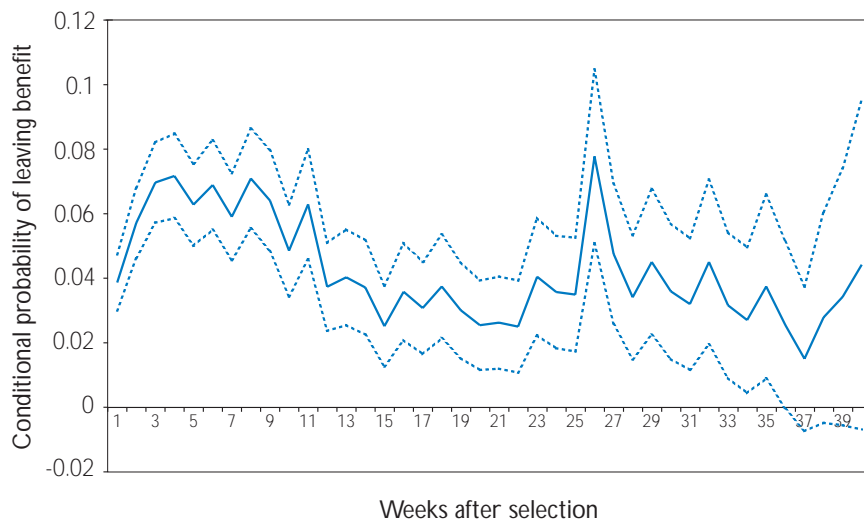


Figure A.15 Rates of leaving benefit: post-Jobseeker's Allowance (with 95 per cent confidence intervals)



APPENDIX B LOGISITIC REGRESSION MODELS

Table B.1 Logistic regression model: probability of new jobseeker at first interview being in work at second interview

Characteristics at First Interview	B	Significance	Exp (B)
Jobseeker's Allowance/employment rate			
Pre-JSA/lowest third of local employment	-0.4312	0.1538	0.6497
Post-JSA/lowest third of local employment	-0.4355	0.1463	0.6470
Pre-JSA/middle third of local employment	-0.5255	0.0028	0.5913
Post-JSA/middle third of local employment	-0.2446	0.1556	0.7830
Pre-JSA/highest third of local employment	-0.3611	0.0641	0.6969
Gender			
Female	0.4454	0.0006	1.5611
Ethnic Group			
Non-white	-0.6175	0.0146	0.5393
Age Group			
25-34	-0.1466	0.3803	0.8637
35-44	-0.5386	0.0059	0.5835
45-54	-0.8622	0.0000	0.4222
55 and over	-1.3071	0.0000	0.2706
Family Type			
Partner, no children	0.5568	0.0010	1.7450
Single with children	-0.4191	0.4459	0.6577
Partner and children	0.1613	0.2895	1.1750
Socio-economic Group			
Professional/managerial/technical (I & II)	0.2552	0.4533	1.2907
Skilled non-manual/skilled manual (III)	0.2703	0.4143	1.3104
Partly skilled/unskilled (IV & V)	0.1991	0.5583	1.2203
Qualifications			
Vocational only	0.1323	0.4724	1.1414
Academic only	0.2769	0.1085	1.3191
Academic and vocational	0.3159	0.0481	1.3715
Housing Tenure			
Owner occupier	0.3661	0.0103	1.4421
Other Characteristics			
Access to car	0.4761	0.0012	1.6097
Access to telephone	1.1791	0.0000	3.2514
Jobsearch Activity			
Used private recruitment agency	0.6364	0.0000	1.8897
Jobsearch Aspirations			
Would not accept weekend work	-0.31213	0.231	0.7252
Would consider weekend work	-0.2655	0.1419	0.7668
Wants full-time work only	-0.1289	0.4375	0.8791
Wants part-time work only	-0.7598	0.0012	0.4678
Would accept any hours	-0.3063	0.0149	0.7362
Constant	-1.2366	0.0070	

Reference group is a single male aged under 25 living in rented accommodation. He is a respondent from the post-JSA survey and lives in an area with the highest third of local employment rates. He has no educational qualifications and no previous regular job. He has no access to private transport or telephone. He is looking for full-time work but is prepared to consider part-time employment. He would accept weekend work but has not used a private recruitment agency.

Table B.2 Logistic regression model: probability of partner being in work at second interview

Characteristics	B	Significance	Exp (B)
Employment rate	0.0416	0.0005	1.0425
Pre-JSA cohort	-0.2524	0.1051	0.7770
Main respondent status			
In work	1.2513	0.0000	3.4950
Not in work or claiming benefit	0.8161	0.0012	2.2616
Gender of partner respondent			
Female	-0.8063	0.0001	0.4465
Children			
Children aged under 5 years	-1.1454	0.0000	0.3181
Children aged 5 to 18 years	-0.1739	0.4118	0.8404
Age Group of main respondent			
25-34	-0.6867	0.0317	0.5032
35-44	-0.5152	0.1218	0.5974
45-54	-0.8132	0.0171	0.4434
55 and over	-1.3197	0.0004	0.2672
Partners' qualifications			
No qualifications	-0.6819	0.0008	0.5057
Vocational only	-0.7401	0.0081	0.4771
Academic only	-0.3787	0.919	0.6848
Housing Tenure			
Renting	-1.1504	0.0000	0.3165
Constant	-0.7499	0.4218	

Reference group is a female partner from the post-JSA cohort. Her partner (the main respondent) is aged under 25 and is claiming benefit. She has no dependent children, is an owner occupier and has a combination of academic and vocational qualifications.

APPENDIX C NON-RESPONSE TO WAVE 2

It is important to determine any discrepancies between the two waves of interview to establish any bias that may result from non-response. Patterns of non-response among specific groups will be highlighted. For the survey to remain representative such patterns must be accounted for.

A high proportion of respondents were re-interviewed for the second survey. Overall, there is minimal variation between different subgroups.

Crucially, there was little difference in the response rates for the stock and new claims. Sixty-nine per cent of the stock and 67 per cent of new claims participated in the second interview. Similarly, only small differences occurred as a result of the type of benefit claimed at the first interview. The respondent's unemployment duration did not significantly affect the response rate.

Table C.1 Wave 2 response by type of benefit claimed at wave 1

Type of benefit	Number	Per cent
Contribution-based JSA	815	68
Training only	11	69
Contribution and income-based JSA	159	64
Training and income-based JSA	156	73
Income-based JSA	1474	67
NI credits only	622	71
Not stated	28	67
Total	3265	68

Response rates varied slightly depending on the economic activity of the respondent at the time of the first interview. Those with health problems were the least likely to be re-interviewed (63 per cent). Sixty-five per cent of those in full-time work responded as did 69 per cent of those who were unemployed and looking for work.

Table C.2 Wave 2 response by wave 1 economic activity

Economic Activity, Wave 1	Number	Per cent
Full-time work	629	65
Part-time work (16-29 hours)	158	71
Part-time work (less than 16 hours)	146	69
Part-time work and full-time education	23	79
Full-time education	48	67
Government programme	147	77
Unemployed and looking for work	1987	69
Looking after home/children	25	83
Health problem	71	63
Other	7	70
Total	3241	68

There was a slightly greater response rate among women than men: 71 and 67 per cent respectively. The age of the respondent also had a minor impact on the response rate.

Table C.3 Response by age

Age	Number	Per cent
18 to 24	896	67
25 to 34	761	62
35 to 44	608	70
45 to 54	660	74
55 and over	340	74
Total	3265	68

As illustrated in table C.3 those aged 45 and over were the most likely to respond (74 per cent) whilst the response rate for those aged 25 to 34 was 62 per cent. A similar pattern occurred among the pre-JSA cohort.

Single respondents were slightly less likely to participate in the second survey. Sixty-six per cent of single respondents were re-interviewed compared to 71 per cent of married or divorced respondents. Reflecting this was the lower level of response among respondents who lived alone. Sixty-four per cent of respondents who lived alone were re-interviewed as were 72 per cent of respondents with a partner but no children, 71 per cent of respondents with a partner and children, 68 per cent of single parents and 71 per cent of respondents who lived with their parent(s).

As with the pre-JSA cohort, response rates varied between different ethnic groups. Table C.4 provides the response rates among ethnic groups by the gender of the respondent.

Table C.4 Response by ethnic group

Ethnic Group	Male		Female	
	Number	Per cent	Number	Per cent
White	2123	69	910	72
Black African	10	46	8	50
Black Caribbean	32	56	17	68
Black, other	9	47	7	64
Indian	25	66	12	57
Pakistani	22	65	13	68
Bangladeshi	14	39	6	67
Chinese	1	50	2	67
Other	24	50	7	35
Prefer not to say	9	69	0	0
Total	2269	68	982	71

Overall, the response rate for the second interview was high. The variations in response referred to are relatively minor and have little effect on the representativeness of the sample. The wave 2 data is weighted to account for non-response.

APPENDIX D SHORT TENURE OCCUPATIONS

Short-term tenures are defined as those falling below 75 per cent of the mean tenure.

Table D.1 Short tenure occupations

SOC	Average tenure (years)	Employees
661 Beauticians and related occupations	2.4	371
621 Waiters, waitresses	2.4	5,425
622 Bar staff	2.8	5,505
954 Shelf fillers	2.8	2,542
792 Telephone salespersons	3.1	1,582
955 Lift and car park attendants	3.6	256
921 Mates to building trades workers	3.6	193
941 Messengers, couriers	3.7	1,864
956 Window cleaners	3.9	80
721 Retail cash desk and check-out operators	3.9	7,008
934 Driver's mates	3.9	100
952 Kitchen porters, hands	4.1	4,461
387 Professional athletes, sports officials	4.1	724
722 Petrol pump forecourt attendants	4.2	328
720 Sales assistants	4.3	38,223
699 Other personal and protective service occupations nec.	4.3	1,983
951 Hotel porters	4.3	363
920 Mates to woodworking trades workers	4.4	151
903 Fishing and related workers	4.4	40
582 Fishmongers, poultry dressers	4.5	312
643 Dental nurse	4.5	978
544 Tyre and exhaust fitters	4.7	280
644 Care assistants and attendants	4.8	14,605
659 Other childcare and related occupations nec.	4.8	5,568
874 Taxi, cab drivers and chauffeurs	4.8	1,245
932 Slingers	4.9	36
844 Shot blasters	4.9	74
349 Other health associate professionals nec.	5.0	535
242 Solicitors	5.0	1,744
959 Other occupations in sales and services nec	5.0	531
862 Packers, bottlers, canners, fillers	5.1	6,036
953 Counterhands, catering assistants	5.1	6,854
651 Playgroup leaders	5.1	790
902 All other occupations in farming and related	5.2	957
615 Security guards and related occupations	5.2	4,293
381 Artists, commercial artists, graphic designers	5.2	1,488
931 Goods porters	5.2	1,971
790 Merchandisers	5.2	436

(Continued)

SOC	Average tenure (years)	Employees
461 Receptionist/telephonists	5.2	1,798
652 Educational assistants	5.3	3,838
557 Clothing cutters, milliners, furriers	5.3	385
571 Cabinet makers	5.4	432
929 Other building and civil engineering labourers nec.	5.4	1,959
719 Other sales representatives nec.	5.4	3,198
650 Nursery nurses	5.4	2,757
619 Other security and protective service occupations nec.	5.5	1,104
460 Receptionists	5.5	5,452
579 Other woodworking trades nec.	5.5	225
345 Dispensing opticians	5.5	173
620 Chefs, cooks	5.5	7,103
702 Importers and exporters	5.5	101
214 Software engineers	5.6	2,220
859 Other assemblers/lineworkers nec.	5.6	1,658
732 Market and street traders and assistants	5.6	190
224 Veterinarians	5.6	157
673 Launderers, dry cleaners, pressers	5.7	1,208
913 Mates to metal/electrical and related fitters	5.7	426
175 Publicans, innkeepers and club stewards	5.7	1,325
291 Other social and behavioural scientists	5.8	81
630 Travel and flight attendants	5.8	1,262
958 Cleaners, domestics	5.8	21,872
241 Barristers and advocates	5.8	91

Note: A number of short tenure occupations appear in this list because of the buoyant labour market for such occupations (e.g. software engineers) or because of the restrictions on age at entry (e.g. solicitors, barristers, advocates). None of these occupations is relevant to the current study.

APPENDIX E MODEL RESULTS: THE TIME TAKEN TO LEAVE, AND RETURN TO, BENEFIT

Table E.1 Comparing the cohorts: first exit from unemployment

Characteristics	Co-efficient	Error	Significance
Length of time unemployed			
Constant	-2.8536	0.0351	.0000
10 – 14 weeks	-0.3099	0.0619	.0000
15 – 24 weeks	-0.6632	0.0614	.0000
25+ weeks	-0.5683	0.0657	.0000
Post-JSA	0.1157	0.0413	.0051

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Constant refers to pre-Jobseeker's Allowance claimants with a spell duration of less than 10 weeks.

Table E.2 Comparing the cohorts: period-specific effects for movements off benefit

Characteristics	Co-efficient	Error	Significance
Length of time unemployed			
Constant	-2.8270	0.0392	.0000
10 – 14 weeks	-0.3316	0.0934	.0004
15 – 24 weeks	-0.6478	0.0905	.0000
25+ weeks	-0.7944	0.1035	.0000
Post-JSA indicator	0.0683	0.0526	.1942
Post-JSA (10 – 14 weeks)	0.0387	0.1247	.7565
Post-JSA (15 – 24 weeks)	-0.0297	0.1232	.8097
Post-JSA (25+ weeks)	0.4020	0.1340	.0027

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Constant refers to pre-Jobseeker's Allowance claimants with a spell duration of less than 10 weeks.

Table E.3 Comparing the cohorts: the effect of characteristics unlikely to be related to Jobseeker's Allowance on movements off benefit

Characteristics	Co-efficient	Error	Significance
Constant	-3.3547	0.2892	.0000
Length of time unemployed			
10 – 14 weeks	-0.3312	0.0934	.0004
15 – 24 weeks	-0.6477	0.0905	.0000
25+ weeks	-0.7921	0.1035	.0000
Post-JSA indicator	-1.5132	0.4212	.0003
Post-JSA (10 – 14 weeks)	0.0599	0.1248	.6315
Post-JSA (15 – 24 weeks)	0.0022	0.1234	.9856
Post-JSA (25+ weeks)	0.4457	0.1342	.0009
Employment rate	0.7468	0.4044	.0648
Employment rate x post-JSA indicator	2.1707	0.5813	.0002

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of <0.05 is statistically significant at the 95 per cent level.

Constant refers to pre-Jobseeker's Allowance claimants, unemployed for less than 10 weeks. The impact of the local employment rate is evaluated as a unit increase in the proportion of people in employment; i.e. $y = x * 0.7468$; where $0 \leq x \leq 1$.

Table E.4 Final model: the probability of leaving benefit

Characteristics	Co-efficient	Error	Significance
Constant	-3.7836	0.5192	.0000
Length of time unemployed			
10 – 14 weeks	0.0193	0.1303	.8820
15 – 24 weeks	-0.3790	0.1323	.0042
25+ weeks	-0.4763	0.1494	.0014
<i>JSA indicator</i>			
Post-JSA	-1.5423	0.5680	.0066
Length of time unemployed (post-JSA)			
10 – 14 weeks	-0.1262	0.1560	.4185
15 – 24 weeks	-0.0632	0.1583	.6896
25+ weeks	0.4064	0.1737	.0193
Local labour market			
Employment rate	0.2538	0.6297	.6869
Employment rate x post-JSA indicator	2.2473	0.7748	.0037
Gender			
Male	-0.3834	0.0558	.0000
Age-group			
18 – 24	0.0739	0.0938	.4305
25 – 34	-0.0398	0.0859	.6431
45 – 54	-0.1455	0.0902	.1066
55+	-0.0562	0.1171	.6315

Characteristics	Co-efficient	Error	Significance
Family type			
Has partner	0.2679	0.0830	.0012
Children aged 0 – 4 years	-0.1498	0.0701	.0326
Children aged 5+	-0.142	0.393	.7189
Housing Tenure			
Rent LA/HA	-0.4040	0.0963	.0000
Rent privately	-0.2370	0.1030	.0215
Lives with other	0.1032	0.0961	.2828
Other	-0.1326	0.1221	.2774
Qualifications			
Vocational only	0.3454	0.0919	.0002
Academic only	0.3995	0.0813	.0000
Academic and vocational	0.3855	0.0774	.0000
Other characteristics			
Driving licence and access to car	0.2919	0.0554	.0000
Has health problems	0.1682	0.0662	.0111
Jobsearch Attitudes/Activities			
Followed Back to Work Plan/ Jobseeker's Agreement	0.1777	0.1729	.3041
Followed Back to Work Plan/ Jobseeker's Agreement some of time	0.2376	0.1827	.1933
Found Back to Work Plan/ Jobseeker's Agreement useful	0.0053	0.0554	.9236
In work before unemployed	0.2525	0.0534	.0000
Unemployed in previous year to start of spell	-0.1349	0.0525	.0102
Looking for full-time work	0.1054	0.0562	.0609
Looking for part-time work	-0.2456	0.1192	0.0394
Region			
Eastern	0.2515	0.1188	.0342
West Midlands	0.3357	0.1105	.0024
East Midlands	0.3190	0.1175	.0066
Yorkshire/Humberside	0.1938	0.0830	.0196
North East	0.2774	0.1106	.0121
Scotland	0.2700	0.0890	.0024
Employment Service interventions			
Actively signed at last for nightly review	0.1544	0.0505	0.0023
Activities whilst claiming			
Studying	-0.4218	0.0852	0.0000

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Reference group comprises single women without children interviewed before Jobseeker's Allowance was introduced, having a spell duration of less than 10 weeks. They were aged between 35 and 44, were not in work before claiming benefit, had no qualifications and had experienced no unemployment in the year prior to the start of their current spell. They lived in owner-occupied housing, did not follow their Back to Work Plan or find it useful, nor had been asked about looking for work or any action taken in their last interview with an Employment Service advisor. They were in good health but had no access to a car. They lived either in London, the South East, the South West, Wales or the North West.

Table E.5 Comparing the cohorts: rates of return to benefit

Characteristics	Co-efficient	Error	Significance
Constant	-4.1022	0.0761	.0000
Length of time since leaving			
10 – 14 weeks	-0.0593	0.1165	.6107
15 – 24 weeks	-0.5812	0.1188	.0000
25+ weeks	-0.8605	0.1628	.0000
Post-JSA	-0.2273	0.0885	.0102

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Table E.6 Comparing the cohorts: period-specific effects for returns to benefit

Characteristics	Co-efficient	Error	Significance
Constant	-4.0935	0.0871	.0000
Length of time since leaving			
10 – 14 weeks	-0.1921	0.1735	.2683
15 – 24 weeks	-0.5552	0.1655	.0008
25+ weeks	-0.7341	0.2276	.0012
Post-JSA indicator	-0.2445	0.1220	.0450
Post-JSA (10 – 14 weeks)	0.2489	0.2343	.2880
Post-JSA (15 – 24 weeks)	-0.0564	0.2378	.8124
Post-JSA (25+ weeks)	-0.2583	0.3264	.4368

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Table E.7 Final model: the probability of returning to benefit

Characteristics	Co-efficient	Error	Significance
Constant	-3.8001	0.4795	.0000
Length of time since leaving			
10 – 14 weeks	-0.0323	0.1172	.7828
15 – 24 weeks	-0.5059	0.1193	.0000
25+ weeks	-0.7485	0.1641	.0000
Post-JSA	-0.2614	0.0904	.0038
Local labour market			
Employment rate	-0.6970	0.6280	.2671
Gender			
Male	0.3412	0.0980	.0005
Age-group			
18 – 24	0.2980	0.1400	.0333
25 – 34	0.0221	0.1539	.8858
45 – 54	0.4022	0.1582	.0110
55+	0.4021	0.1951	.0393
Other characteristics			
Access to transport and a driving licence	-0.4054	0.0948	.0000
No health problem	-0.2994	.1116	.0073
Work-benefit history			
Any unemployment in 12 months prior to start of previous unemployment spell	0.5224	0.0913	.0000
In work before start of previous unemployment spell	-0.5876	0.2852	.0394
Destinations from previous spell of unemployment			
Part-time work (<16 hours)	-0.1107	0.3121	.7229
Full-time education	-1.2827	0.3399	.0002
Government training	0.4216	0.2318	.0690
Unemployed	0.0864	0.1960	.6592
Other	-0.1885	0.1665	.2576

Discrete transition rate model with piecewise constant hazard rate assumed.

Significance of $P < 0.05$ is statistically significant at the 95 per cent level.

Reference group is female respondent, currently off benefit for under 10 weeks, aged 35 – 44 with no qualifications interviewed before the introduction of Jobseeker's Allowance and who left benefit for a destination other than work of over 16 hours. She had no health problems, no access to transport or no driving licence. She was not in work before her spell of unemployment had started and had had no experience of unemployment in the year before the start of her spell of unemployment.

APPENDIX F ATTEMPTING TO CONTROL FOR CHANGES IN LOCAL LABOUR MARKETS

To control for the changes in employment rates between 1995 and 1997 a new weighting variable was developed to be applied to the descriptive analysis using Cohort 1 (pre-Jobseeker's Allowance) data. It was produced using a proportional raking algorithm (or raking ratio estimation) using three separate totals (local employment in Cohort 2 at office level, duration of claim, and type of benefit received) to generate the weights.

Employment data were collected from the Labour Force Survey and the percentage of people employed at the local authority level was calculated as the ratio of people reporting employment relative to the total number of the working age population (excluding members of the Armed Forces). This approach was necessary because insufficient people were available using the ILO definition of unemployment to enable a robust estimate of the to be constructed.

The new weight provides estimates that give a distribution of employment that is the same as in Cohort 2 to one decimal place while keeping the distribution of claim duration the same as the original sample weights, and type of benefit claimed very close to the original. This is not a simple procedure and the disadvantage, as with any additional weighting, is that the distribution of the new weight variable is more widely spread than the original. It must therefore be used with caution on small subgroups of the sample as extreme weights could cause high margins of error. For this reason the new weight has been used sparingly in the chapters on return to work jobs (Chapter 5), on partners of unemployed people (Chapter 6) and on movements off and on to benefits (Chapters 7 and 8). Likewise, it is not possible to control for many other variables, as it would make the procedure more complex and produce weights that are even more widely spread. However, Table F.1 illustrates that, compared to the original sample weights, the new unemployment weight gives similar results for key variables.

Table F.1 Effect of new employment rate weight on key variables

Key variable	Original sample weights	New employment weight
Gender		
Male	74.3	73.4
Female	25.7	26.6
Marital Status		
Married	37.1	37.3
Widowed	0.8	0.7
Divorced	8.6	8.9
Separated	3.9	3.8
Single	49.6	49.3
Employment rate Cohort 2		
74%+	25.3	25.4
67 < 74%	49.0	49.1
61 < 67%	16.2	16.1
55 < 61%	8.0	7.9
<55%	1.5	1.5
Duration of claim		
Up to 2 weeks	5.3	5.3
2 weeks – 6 months	43.8	43.8
6 – 12 months	16.5	16.5
Over a year	34.4	34.4
Benefit type		
Neither UB or IS	16.5	17.1
UB only	13.5	15.3
IS only	64.9	61.6
UB and IS	5.1	6.0

Table F.1 compares the employment rate for Cohort 2 with the employment rate for Cohort 1 after the new weight had been applied and these are identical, to within one decimal place. As a matter of interest, Table F.2 illustrates the degree to which the employment rates originally differed as it compares the distribution of local employment rates between Cohort 1 and Cohort 2.

Table F.2 Changing the distribution of employment for Cohort 1

Key variable	Original Cohort 1	New employment weight (as in Cohort 2)
<i>Employment rate</i>		
74%+	26.4	25.4
67 < 74%	49.0	49.1
61 < 67%	25.7	16.1
55 < 61%	1.3	7.9
<55%	7.5	1.5

APPENDIX G SENSITIVITY TESTS OF THE EMPLOYMENT AND CLAIMANT COUNT WEIGHTS

Table G.1 Wave 2 destinations: All sample members (Pre-Jobseeker's Allowance cohort)

Characteristics	Standard Weight	Claimant Count Weight	Employment Weight
Full-time paid work (30+ hours)	22	24	22
Part-time paid work (16-29 hours)	4	5	4
Part-time paid work (1-15 hours)	4	5	5
Full-time education & part-time paid work	1	1	1
Full-time education only (22+ hours)	3	3	2
Government TEC/LEC Programme	4	3	4
Unemployed, looking for work	56	51	54
Looking after home/children	2	2	3
Health problems/disability/injury	5	5	6
Other	1	0	1

Table G.2 Wave 2 destinations of claimants unemployed at wave 1

Characteristics	Standard Weight	Claimant Count Weight	Employment Weight
Full-time paid work (30+ hours)	16	17	16
Part-time paid work (16-29 hours)	3	5	3
Part-time paid work (1-15 hours)	2	3	4
Full-time education & part-time paid work	0	0	0
Full-time education only (22+ hours)	1	1	1
Government TEC/LEC Programme	4	4	4
Unemployed, looking for work	66	62	64
Looking after home/children	2	2	3
Health problems/disability/injury	4	5	5
Other	1	0	1

Table G.3 Wave 2 destinations of claimants in full-time employment at wave 1

Characteristics	Standard Weight	Claimant Count Weight	Employment Weight
Full-time paid work (30+ hours)	70	75	73
Part-time paid work (16-29 hours)	3	2	3
Part-time paid work (1-15 hours)	0	0	0
Full-time education & part-time paid work	0	0	0
Full-time education only (22+ hours)	1	1	1
Government TEC/LEC Programme	0	0	0
Unemployed, looking for work	24	21	21
Looking after home/children	1	0	0
Health problems/disability/injury	1	1	1
Other	0	0	0

Table G.4 Claimants signed off at wave 2: economic activity

Characteristics	Standard Weight	Claimant Count Weight	Employment Weight
Full-time paid work (30+ hours)	55	54	54
Part-time paid work (16-29 hours)	9	12	9
Part-time paid work (1-15 hours)	3	4	4
Full-time education & part-time paid work	2	2	1
Full-time education only (22+ hours)	6	5	5
Government TEC/LEC Programme	6	4	6
Unemployed, looking for work	4	4	4
Looking after home/children	5	4	6
Health problems/disability/injury	10	11	11
Other	0	0	0

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