Easing the transition to work
A qualitative evaluation of transitional support for clients returning to employment
Tim Harries and Kandy Woodfield

A report of research carried out by the National Centre for Social Research on behalf of the Department for Work and Pensions
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Acknowledgements

We would like to thank everyone who participated in the research. In particular, we are grateful for the time given by those who completed diaries, participated in interviews and group discussions. The authors would like to thank members of the Department for Work and Pensions research team for their invaluable assistance, especially our research managers, John Stafford and Emily Cattell.

At NatCen we would like to thank Wendy Duldig and Jill Keegan who assisted the research team with the conduct of interviews, numerous members of our interview force who delivered and explained the diaries to participants across the country, and other members of the Qualitative Research Unit who assisted with analysis and administrative tasks.
The Authors

**Tim Harries** is a Senior Researcher in the Qualitative Research Unit at the National Centre for Social Research. He joined Natcen in 2001 from the RNIB. His current portfolio of research includes a major evaluation of the New Deal for Disabled People and work exploring area focused childcare service provision for the Inland Revenue.

**Kandy Woodfield** is a Deputy Director in the Qualitative Research Unit at the National Centre for Social Research. Since joining Natcen in 1997 much of her research has involved issues relating to employment programmes and back-to-work policies. She was part of the research teams which evaluated the New Deal for Young People and New Deal for Lone Parents. Her current research includes research exploring disability and ethnicity, benefit measures designed to enforce community sentences and work examining user perspectives of the legal process.
Glossary

BA  Benefits Agency
CTB  Council Tax Benefit
CTBRO  Council Tax Benefit Run-on
DPTC  Disabled Person’s Tax Credit
DWP  Department for Work and Pensions
ES  Employment Service
EZ  Employment Zone
HBRO  Housing Benefit Run-on
IB  Incapacity Benefit
IS  Income Support
JSA  Jobseeker’s Allowance
LPRO  Lone Parent Run-on
MIRO  Mortgage Interest Run-on
NatCen  National Centre for Social Research (also referred to as the National Centre)
PA  Personal Adviser
SDA  Severe Disablement Allowance
WFTC  Working Families’ Tax Credit
Summary

Context

As part of its Welfare to Work agenda, the Government sought to develop a package of work incentive measures designed to encourage the take-up of full-time work (meaning paid employment of 16 hours or more per week) and smooth the transition from benefit receipt into employment. The Department for Work and Pensions (DWP) commissioned the National Centre for Social Research (NatCen) to research key elements of this package of measures and specifically to examine the transitional period which occurs when people move into employment from benefit receipt. In this summary, findings are reported from a qualitative study with those who have made the transition from benefits to employment, and with staff who administer and promote various back-to-work measures. It explored the receipt and effectiveness of incentives and measures that seek to ease the transition into employment and away from benefit receipt. A second, quantitative, study exploring the perceptions of the transitional barriers faced by people who are out of work and claiming benefits, and the influence and awareness of the easements, is due to be completed in 2003. The key back-to-work measures explored during the course of this study included: the newly introduced Job Grant; Automated Housing Benefit Run-on (also known as Extended Payment) (HBRO); Council Tax Benefit Run-on (CTBRO); Mortgage Interest Run-on (MIRO) and the Lone Parent Run-on (LPRO).

Background, objectives and study design (Chapter 1)

The objective of the study was to evaluate the new Job Grant initiative within the broader context of the package of back-to-work measures. More specifically, the study sought to examine:

- perceptions of the ease/difficulty of moving into work and of how people anticipated problems associated with the move into work;
- promotion and awareness of the package of transitional easements;
- the impact of the package of easements on thoughts about returning to work;
- changes in costs and income experienced by people returning to work;
- the administration of the package and the effectiveness of delivery mechanisms;
- their effectiveness in easing financial experiences of the transition;
- the suitability of the measures for the clients concerned;
- the appropriateness of the eligibility criteria.
Research was conducted between October 2001 and February 2002. The study used qualitative research involving depth interviews with people who had recently returned to work (or, for some younger clients, entered full-time work for the first time) and focus groups with staff of agencies who deliver the back-to-work measures. Key components of the study were: the completion of four-week diaries of income and outgoings by 73 recent recipients of Job Grant; depth interviews with 46 Job Grant recipients as well as 10 lone parents and 11 under-25s who had recently entered full-time employment; and five focus groups and two depth interviews with staff who administered the easements - from local authorities, the Employment Service (ES) and the Benefits Agency (BA).

Samples were purposively selected to ensure that the widest range of experiences were included. Participants for the study who had recently come off benefits were of three primary types: people who had received the Job Grant, lone parents, and under-25s (neither of the latter groups were entitled to the Job Grant). Job Grant recipients were chosen according to the type of benefit they had been receiving (Income Support, Jobseeker’s Allowance, Incapacity Benefit), the duration of their most recent benefit claim (whether more than one year or more than two), age and gender. Lone parents were selected by the duration of their benefit claim (more than one year or more than two); age and number of children was also taken into account. Under-25s were selected according to the duration of their claim, age and gender. An additional criterion for selection of all groups was geographical location. Six areas were chosen from across Great Britain, these reflected the diversity of employment patterns, unemployment levels, culture & ethnicity and rural/urban environments.

It is important to note that this sample included only those who had made the move into employment. It could be argued that people facing the greatest barriers (whether real or anticipated) to work were not included in this study. The findings presented below should be considered with this in mind.

Issues critical in the transitional period (Chapters 2, 3 and 4)

People’s experiences of the transitional period demonstrated a great deal of variation; this reflects the complex interplay of factors which affect the impact of the transition from benefit receipt into work for individuals and their families. Levels of difficulty with the transition were mediated by a number of factors which differed for different groups in the sample. The study focused on the immediate four-week period following the move into employment with people encouraged to reflect upon how their experiences had compared with their prior concerns or anxieties about the move into employment.

The key issues affecting the transitional period were the changes both anticipated, and experienced, in income and expenditure levels. Each individual household exhibited different financial rhythms relating to income and expenditure which could, potentially, be affected by a range of factors. Critical factors described as affecting the transitional experience included:

- household circumstances, most notably, whether or not the individual had dependent children or relatives willing to provide transitional financial support;
- the timing and delivery of the first wage and how this related to existing benefit payment cycles and the length of the ‘gap’ between the cessation of benefit and first wage;
- the timing and content of transitional support;
- the nature of existing debt and repayment schedules;
- household cycles for bill payments;
- the availability of informal support (both financial, and ‘in kind’ i.e through provision of shopping or clothes, the reduction or temporary cessation of rental payments) from family and friends;
• the ability to access formal sources of financial support such as credit arrangements or loans to bridge the gap;

• existing confidence, or nervousness, around household budgeting;

• the extent to which new, unexpected expenditure related to the move into employment upset household budgets.

The greatest disruption was described where people found their income and expenditure was unbalanced by disruption to household income cycles. This was most notable for those people who had been used to receiving a weekly or bi-monthly receipt of benefit but whose move into work necessitated a change to monthly income receipt; where gaps were created between existing income and wage earnings, or where the anticipated income from work was unpredictable (this refers both to unexpected or unforeseen shortfalls in wages as well as to problems with the receipt of transitional support such as HBRO or LPRO during the transition); and where there were unexpected, or unforeseen, costs associated with the move into work (including for example, the need to make major purchases or greater than expected travelling costs). Those at greatest risk of severe financial hardship were those with: dependent children or other dependent relatives; regular housing costs, specifically mortgages or private landlord costs; accumulated debts or considerable repayment schedules which made long-term budgeting difficult (therefore, reducing reserves of money available to offset unexpected changes in budgets); or those with few, if any, informal networks to provide financial, or other material support during the transition.

Disruption was lessened where people: were able to rely on the stable household income from another source (for example, a partner’s wage, pension or compensation payments); were living rent-free with family or friends; had few accrued debts and limited monthly outgoings as a result; or where they felt confident in their budgeting strategy and able to offset any short-term shortfalls in income through the use of savings or money set aside previously.

The complex interplay of different factors found in individual cases demonstrate the difficulties associated with attempting to predict, with certainty, at which point during the transitional period the greatest financial pressures will be experienced. The interlocking, and unpredictable, cycles of income and expenditure found during the transitional period demonstrate the importance of flexibility in providing the most effective transitional support to individuals moving into work. Similarly, individuals’ own ability to be flexible within their existing budgets (for example, by deferring payments, seeking informal assistance) made considerable difference to their experiences of the transition.

Anticipating the transition to work (Chapter 3)

Fears and perceptions about the transition to work are critical for two reasons. Firstly, because they may act as barriers to entering employment and secondly, because they shape the ways in which people react to new financial and emotional pressures during the move from benefit receipt into employment.

The transition from a predictable receipt of income whilst on benefit to an unpredictable wage in employment was a key concern to people during the run-up to their move into work, and also during their early weeks in new employment. The uncertain and, potentially, turbulent, financial implications of a return to work were consistently expressed as a concern by those who participated in the study.
Concerns relating to housing stability and the ability to pay household bills were key in accounting for anxiety about the transition. These fears were expressed most strongly amongst those with dependent families and those who rented privately, or had outstanding mortgages. In contrast, younger people, living with family or friends and with no dependents, expressed less anxiety about housing stability during the transition. Nevertheless, they frequently expressed concern about other financial commitments such as existing loans, credit bills, and outstanding debts to family and friends.

For those with dependents, accrued debt or mortgages their key concern about the transitional period was ensuring that the household could remain stable financially and, specifically, that dependents would not be ‘forced to go without’ due to unpredictable changes in income. Those with disability or long-term health conditions faced the transition with trepidation for different reasons. Amongst this group there were fears about returning to employment and finding it unsustainable because of existing health problems or disability. In these cases, reassurance about an easy return to benefit receipt (see below) was key in encouraging people to consider the return to work.

It is also though, important to note, that anxiety was not always felt. Although exceptional, some individuals expressed a strong desire to return to work ‘no matter what’ the financial implications (and indeed in rare cases actually ended up ‘worse off’ financially as a result).

Experiences of the transition to work (Chapter 4)

People described high levels of anxiety related to the newly unpredictable state of their household finances during their early weeks in work. This was linked to either, or both, uncertainty about benefit/transitional support and the level/timing of wages. However, it is wrong to assume that this uncertainty always occurs in week one of employment as it is dependent upon existing financial cycles and the timing and delivery of wage payments and transitional or in-work benefit support. Therefore, it is important to note that the factors determining when and how financial pressures appear vary greatly.

Income unpredictability was key for people moving into work and particularly heightened for those with dependants. For example, uncertainty about the delivery and timing of in-work support, such as WFTC was clear in some accounts. Similarly, problems with benefit ‘run-ons’ and continued entitlement to support such as CTB caused problems for others. Ongoing difficulties with income uncertainty were often compounded when wages during initial weeks were suppressed for a number of reasons including the application of emergency tax, clerical errors, and misunderstandings about hours to be worked/pay levels etc.

Moving into employment not only triggered income instability but also new or heightened expenditure. People found themselves spending on items such as clothing, toiletries, childcare or travel expenses which they had not been spending previously. These were the most commonly predicted (and therefore, budgeted for) items of new expenditure associated with the move into employment. However, a whole range of other, more unexpected costs were associated with a move into employment, these included the costs of participating in social events, buying regular meals for lunch, contributing to office collections. All of these contributed to ongoing financial pressure during the first weeks of work.

Self-employed workers tended to experience different pressures. On the whole these related to the greater expenditure costs related to beginning in business (for example, having to make one-off major purchases such as a car or providing safety equipment around the home, in the case of a childminder).
As and when financial pressures appeared people employed different strategies. These included borrowing from friends and family which was a key response to financial difficulties for those with support networks. A second, less popular, though no less used, option was more formal borrowing by increasing existing credit or loan arrangements, defaulting on existing repayment schedules or taking out new arrangements. People also widely discussed the cutting of household costs. Sometimes this was a by-product of returning to work (for example, not having to provide food where the employer did so or perhaps by cutting down on costs associated with heating at home or even smoking less during the day) in other cases it was a deliberate strategy to balance unpredictable budgets by reducing expenditure until household finances stabilised. For those under 25 there was evidence of similar patterns in budgeting, however, there was greater evidence of their reliance on wider family support.

People’s experiences of the transitional period did not necessarily meet with their expectations. Not all participants actively considered the likely financial implications of their move into employment. Whilst the evidence indicates that such planning was common amongst those with dependent children others, including some of the under-25s, also undertook careful planning to prepare themselves for the transitional period. The key reasons for not calculating the potential impact were either fears about the implications of the transition and therefore feeling unwilling to calculate the potential impact, that the individual was not someone who generally made forward financial plans, or finally, that the person was confident that the transition into work would be a positive financial move. Where people had thought through the possible ramifications of moving from benefit into work then their key calculations related to easily identifiable costs of the transition – such as clothing, travel expenses and child care costs. It was less common that people undertook detailed analysis of the implications for their existing benefit relief (for example, calculating the impact on Council Tax or Housing Benefit, or the extent to which the end of passported benefits might affect income and expenditure), or future in-work credit which might be available. When asked why these issues had not been calculated in the same way people broadly argued that it was through a lack of awareness or knowledge of the way in which the transition might affect this income.

Experiences of the easements (Chapter 5)

Recipient awareness of Job Grant prior to moving into employment was low. However, a key finding was that this awareness remained low even after coming off benefits. Often the first that some recipients knew of the Job Grant was when they received the £100 cheque in the post from their local Benefits Agency. This led to some suspicion when people received the cheque, both in relation to their eligibility and the function of the grant.

Views on the purpose of the Job Grant fell into four broad categories; the first three were dominant in the accounts gathered during the research: as practical help – for one-off purposes connected with work, or to help cover living costs until the first wage; as an incentive – to encourage people back into work; as a reward or thank-you (examples of how people described the Grant in these terms included seeing it as a ‘prize’, a ‘congratulations’ or a ‘thank-you’ for finding work); as a bribe – a cynical ploy designed to reduce the unemployment figures. Differing interpretations of the purpose of Job Grant were reflected in participants’ opinions as to how people qualified for it and to a great extent underpinned misinterpretations about eligibility. Similarly, there was a level of confusion amongst staff and recipients about what the grant was intended to be used for.

Delivery of the Job Grant effectively was found to rely upon close working relationships between different agencies (at the time of the research BA and ES staff formed two separate agencies which
have since been amalgamated into a new agency, Jobcentre Plus). In addition, staff and recipients made clear the importance that staff administering the process and promoting the grant had a common understanding around eligibility and administrative processes related to the payment. Particular problems noted in delivery included: the failure of claimants to provide the information about the expected duration of their job; the pressure of other work faced by BA staff in handling claims; coupled with this was the time required to check the continuous length of the claim necessary to enable payment to be released; finally, some BA staff felt uneasy about relying upon evidence given by clients about the potential length of their new job without documentary evidence, as this was outside of their normal working practices which generally required clear documentation. Timing of the delivery of the grant was often problematic, few recipients received the payment in the first two weeks of moving into work which was the period identified as optimal by staff and clients in providing financial assistance with transitional pressures.

Although the grant was designed to both motivate people to return to employment and help to ease some of the associated pressures with that transition, the low levels of awareness of the grant greatly reduced its motivational impact. Nevertheless, recipients described how its (often) unexpected arrival provided both financial and psychological relief. In contrast to the ‘run-ons’ the arrival of the Job Grant often had a profound emotional impact on recipients providing a sense of reward and, in some cases, a strong motivation to sustain a new job. Its financial impact varied depending on the individual circumstances of the household, when it arrived within the financial cycle and the extent of transitional expenditure.

Both HBRO/CTBRO and LPRO differed in awareness levels. Evidence suggests slightly greater levels of awareness of these benefits. In particular recipients were often familiar with HBRO and LPRO. The reasons for this are varied and difficult to distinguish. Firstly, as more established benefits staff described greater awareness of these easements and more confidence in applying them. Secondly, greater awareness might be explained by their central relevance to people with dependants or key concerns about accommodation costs. Finally, lone parents, in particular those in touch with personal advisers, were frequently given information about the ‘run-ons’ during their jobsearch.

As will be seen, a lack of awareness of the ‘run-on’ measures available was described as being a key disincentive for people to consider a return to work. Fears about the loss of key benefits such as IS, HB and CTB were pivotal when people, especially those with dependants, made decisions about returning to work.

Many of the processes for the delivery of HBRO, LPRO and CTBRO were similar to those for Job Grant; as a result, so too were a number of the problems. However the process was made significantly more complex in the case of HBRO and CTBRO by the involvement of local authorities. The involvement of more than a single agency in the delivery of easements was commonly regarded by staff as a hindrance to the effective application of financial supports, particularly where such easements required multiple entries into different computer systems. Recipients who had experienced difficulties described their HBRO/CTBRO being stopped without warning and then a complex process of administration to re-start it and apply for the lost income. For those already in precarious financial circumstances this could be devastating financially. Staff awareness and understanding of the package of measures was seen as critical in ensuring effective promotion and take-up of the different easements.

Although the immediate psychological reaction to receipt of the ‘run-on’ measures was less ‘exuberant’ than that which greeted the Job Grant, the financial impact appeared clearer. The overriding financial impact was to reassure people that the return to work would not threaten their housing or financial security during the early weeks of the transition. It was not uncommon for people in receipt of a ‘run-on’ to describe how it had made their move into work possible.
Easing the transition? (Chapter 6)

There was widespread support for the Job Grant despite a limited awareness amongst recipients. On the whole the Job Grant was seen positively as the least stigmatising method of providing financial support and as a positive way to reward an individual’s move into paid work than other benefits. However, it had a very limited impact on people’s decision to return to employment due to low awareness levels.

Job Grant helped to assist with a range of financial pressures including transport costs, clothing expenditure and childcare. In addition, the Job Grant was described as having a range of psychological, in addition to financial, effects. The Job Grant was described as increasing morale, self-confidence and confidence in financial planning.

Despite these positive evaluations of the Job Grant, problems were reported. These were mainly related to the delivery and timing of the Job Grant. As the grant was generally unexpected it tended to be treated as a financial bonus rather than a key source of income during the transition. Timing was seen as the most critical issue in people’s evaluations of the Job Grant. Almost without exception recipients and staff felt that the effectiveness of the Job Grant could be improved if its delivery was more closely linked to the timing of the transitional period (in particular during the initial two weeks).

Views about the content of the grant varied and reflected individual financial experiences of the transition, whilst some argued £100 was sufficient there were others who felt a larger payment would have been more effective in ‘bridging the gap’ during the transition.

The range of other easements which took the form of ‘run-ons’ (such as LPRO/CTBRO etc) were greatly valued by staff and recipients and had higher recognition levels than the Job Grant. As with the Job Grant, the effectiveness of the ‘run-on’ measures was clearly affected where there was limited prior knowledge financial support available.

Financial security was seen as critical to recipients of the ‘back-to-work’ measures. ‘Run-ons’ were highlighted as key means of providing confidence in financial security during the transition. The idea of a ‘run-on’ was afforded greater credibility across the sample than the ‘promise’ of a grant to be given at some point in the future. Key to this reassurance was the notion that a ‘run-on’ would do exactly as described, providing financial security in the interim or transitional period, whilst grants were viewed more cautiously as a less dependable source of income.

On numerous occasions the ‘run-ons’ were credited with providing people with a ‘safety net’ or ‘financial cushion’ to attempt a return to employment. The evidence from this study demonstrates that, unlike the Job Grant, where people were aware of their eligibility for a ‘run-on’, there was a clear motivational impact. As seen above, most people were unaware of the Job Grant prior to deciding to move into work and, as a result its impact on motivating the move into employment was limited. In contrast, people described knowledge about ‘run-on’ support making them more willing to seek work given that they knew they would be financially secure, and in the case of IB recipients, be able to return to benefit without excessive administrative complexity, if the need arose. Although this research took place too early to provide an evaluation of the new Rapid Reclaim measure, these findings indicate the potential usefulness of such policies, the follow-up survey will include findings relating to Rapid Reclaim.

On the whole people reported few problems with the delivery or content of ‘run-on’ measures. However, participants felt that there should be better co-ordination between agencies. They also argued that ‘run-on’ package should be harmonized, by making all benefits run-on for the same
period of time (and should include an extension to passported benefit support such as free school meals and prescriptions). This was particularly crucial for those with dependants or medical conditions.

Views about the length of time transitional support should be given for varied and reflected different financial experiences during the transition. On the whole though staff and former clients felt a period of transitional support of four weeks would generally be sufficient.

Analysis of people’s accounts of the transition clearly demonstrated that perceptual obstacles to employment were as much of a hurdle to people considering a move as were tangible financial barriers. At the point of considering a move into work people’s perceptions of what ‘might’ occur can be as potent, if not more, than any actual calculation of income and expenditure. This research has demonstrated, therefore, the importance of publicity around easement packages and the critical role of advisers in promoting these measures.

Amongst those under 25 ineligible for measures such as Job Grant there was strong evidence that the lack of transitional support was impacting on the wider household where young people described being forced to rely more heavily on their parents during the transition.

Overall, both positive and negative views were associated with the various forms of transitional support (grant Vs run-on). Yet, despite limited effectiveness in motivating the return to work (because of low awareness) there was clear evidence that the range of measures currently offered were frequently provided much needed financial support during the early weeks after people moved into employment.
1 Introduction

As part of its Welfare to Work agenda, the Government has sought to develop a package of work incentive measures designed to encourage the take-up of full-time work (meaning paid employment of 16 hours or more per week) and smooth the transition from benefit receipt into employment.

The Department for Work and Pensions (DWP) commissioned the National Centre for Social Research (NatCen) to research key elements of this package of measures and specifically to examine the transitional period which occurs when people move into employment from benefit receipt. Two studies were commissioned to explore this issue. This first study presents findings from qualitative research with those who have made the transition from benefits to employment, and with staff who administer and promote various back-to-work measures. It explores the receipt and effectiveness of incentives and measures that seek to ease the transition into employment and away from benefit receipt. The second study, a quantitative survey, exploring the perceptions of the transitional barriers faced by people who are out of work and claiming benefits, and the influence and awareness of the easements, is due to be completed in 2003. As well as being a free-standing piece of research, this first study will provide a context for the findings of the later survey.

The key back-to-work measures explored during the course of this study included:

- Job Grant
- Automated Housing Benefit Run-on (also known as Extended Payment) (HBRO) and Council Tax Benefit Run-on (CTBRO)
- Mortgage Interest Run-on (MIRO)
- Lone Parent Run-on (LPRO)
- Rapid Reclaim

This report explores the role of this package of measures as an incentive to encourage people to work, the way in which financial assistance is used by recipients to overcome the financial barriers associated with entering employment, and the impact of the measures on their financial situation during the transitional phase.
1.1  The policy background

In this section we review why the transition to work is seen as problematic by policy makers and review key issues related to recent changes to transitional support.

1.1.1  Policy motivations to ease the transition

Policies to ease the transition from benefits to work have evolved over a period of some years in response to a growing awareness that some benefit recipients were reluctant to make the move from benefits to work because of fears over how they would cope financially during the transitional period. Broadly, policy has evolved into three interconnected approaches to the transition to work:

- measures to support those in work, typically by supplementing earnings over a relatively long period of time;
- programmes to help benefit recipients to assess their position and the options facing them, in particular to consider work and to think about the benefits of working;
- measures that aim to reduce the problems associated with starting work.

Much policy has been concerned with achieving a balance between supporting the living standards of those out of work and providing incentives to increase the sustainability of employment. The balance has been difficult to achieve. A key concern for policy makers is to avoid adverse effects on the labour market. The discussion of why benefit caseloads were increasing focused at one stage on the hypothesis that benefit recipients had a ‘reservation wage’ and that their difficulty about working was that they could not meet the level of earnings which they felt they needed to justify working. This implied that (out of work) benefit levels needed to be reduced to restore an incentive to work. In-work benefits have been developed as a key mechanism for reconciling these interests. One key to their success is that they are not seen by recipients as a ‘hand-out’ and they avoid some of the stigma that attaches itself, in some degree, to all of the main out-of-work benefits.

Another key element is the growing use of Personal Adviser (PA) services to encourage the transition from benefit to work. The introduction of PAs, either alongside, or as an enhanced form of, mainstream public job brokering services acknowledges that each individual is in a unique situation, and that policies need to be packaged for each person. This approach recognises that some benefit recipients need encouragement to perceive employment as an option open to them and to comprehend the system such as interpreting the, often complex, rules and regulations relating to eligibility for back-to-work benefits. Arguably, PAs can ensure that those eligible for assistance will stand a good chance of receiving it, especially where it depends on their applying, rather than the system recognising for them that they are eligible.

The third policy approach has included measures focused on the specific needs of people who are moving from benefit into employment. The new arrangements put in place between October 1999 and April 2001 were designed to be simpler than their predecessors and to be applied in an automated way where possible. These measures were the focus for this research.

1.1.2  Why the transition to work is problematic

A central principle of government policy is to make ‘work pay’. To ensure this happens in practice, a number of measures have been put in place. Most notable are the National Minimum Wage, Working Families’ Tax Credit (WFTC) and Disabled Person’s Tax Credit (DPTC). This system of tax credits has an impact further up the income scale than preceding policies and is more generous financially. In
addition from April 2003, the Working Tax Credit (which will include a childcare element, to pay for eligible childcare costs) and the Child Tax Credit will replace WFTC and DPTC.

A ‘better-off’ calculation can play a key role in the advice offered to people seeking work. Research has clearly identified the importance of these measures for participants on some of the New Deal programmes, particularly lone parents and disabled people. ‘Better-off’ calculations are designed to reassure those who have relied on benefits for a long time that they will find it financially rewarding to work, taking account of their individual circumstances.

These types of measures relate to the ‘steady state’ when the person has become established in a full-time job. This is crucial, since the evidence available suggests that many of the ‘barriers to work’ faced by benefit claimants will continue to affect them after they start work. For example, they may have long-term health problems or have caring responsibilities for someone else who is sick or disabled. The assurance that earnings and in-work benefits will lead to an improved standard of living may be necessary, but it is not always sufficient to induce benefit recipients to look for and take up a job. The moment of transition from benefit to work is also critical for a number of reasons:

- because earnings are usually paid ‘in arrears’, creating a (one-off) gap in income;
- in-work benefits may need some time to become established;
- benefit recipients may budget to keep within their income, but they often have no savings to ‘cushion’ them, even for a few days;
- some living costs are on-going, such as rent and utility bills;
- work itself involves start-up costs, such as clothing, tools and travel costs;
- initial take-home earnings may be reduced if an emergency tax code has to be applied;
- starting work may reduce entitlement to passported benefits;
- in practice many benefit claimants have some level of debt, and creditors may perceive the change to working as providing the means to start repaying. Or, the effect of debt in the short-term may be to reduce the chance to borrow more to bridge the gap between starting work and receiving the first pay.

In addition, there is much evidence to suggest that the predictability of benefit is one of its main features. In contrast, work involves uncertainty. It may not last, or the earnings may fluctuate. For example, earnings may relate to output (or commission) or go down if the employee is absent due to illness. If a job does not last, it may be time-consuming to re-establish a claim for benefits, and the claimant may not be assessed in the same way as before. At the very least, re-claiming benefits is likely to entail some scrutiny of circumstances. The uncertainty about work may be particularly acute for someone who has been out of the labour market for a prolonged period, which is why some of the New Deal programmes emphasise the offer of ‘in-work support’ for a number of weeks. Evidence from this study provides some support for this view, where these issues arise they are highlighted in following chapters.

This is not to imply that the transition to work is equally problematic for all benefit recipients. Typically, those with recent work experience (or greater amounts of ‘human capital’) are likely to face less

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difficulty than other people who have been dependent on benefit for a long time. For this reason, the Job Grant policy is designed to apply only to those with 12 months or more in one continuous period of claiming. Even so, it may be necessary to introduce a policy that will probably not have a positive impact on some people in order to reach others, and this is known as ‘deadweight’ in the context of impact evaluations. That the policy may be difficult to target is linked to the point that the benefit recipient’s decision to work is not easily predicted from their personal characteristics, such as their age or the number of children dependent on them. The decision is also affected by their attitude to work and their confidence that they can succeed in work, but these are usually unknown and cannot be used for targeting.

This illustrates the significance of how well the measures are known about among those for whom they are intended, whether people believe that the measures will apply in their circumstances and how tangible the incentive will be. As well as documenting the effectiveness of the specific set of measures that were in place by the end of 2001, it was hoped that this research could investigate which aspects of the easement policy would best inform future policy.

1.1.3 How do benefit recipients prepare to move into work?

Although much research among unemployed or disabled people and among lone parents has investigated transitions from benefit to work\(^2\), it is difficult to state that the process of decision-making about work is well understood. There is a clear contrast between claimants of Jobseeker’s Allowance, where the rules require them to be available for work and actively seeking, and claimants of Income Support and Incapacity Benefit, for whom there is no such requirement. Evidence suggests that a large proportion of IS and IB claimants are ‘attached’ to work, but for many of them this is at an unspecified future date. Some have a timetable for starting work, such as when medical treatment is complete or when a child starts school. Others appear to approach work rather more cautiously, treating it as a significant change in their status, rather than something they can stop and start with little preparation. However, this can mean that when they do get a job they have thought carefully about whether it is one they can sustain, and on the whole they remain in work rather than returning to benefit.

Activity related to starting work, notably jobsearch, varies markedly according to the proximity of the intended work start. Evidence from a range of studies, suggests that those further away from work, including lone parents claiming Income Support and disabled people claiming Incapacity Benefit, are settled as claimants for the foreseeable future and do not regard work as an immediate option, this may relate to their caring responsibilities or personal circumstances. When asked about jobsearch, they often mention looking for vacancies in the local paper or discussing jobs with friends and relatives, but these appear to be habitual activities, rather than purposefully aimed at identifying vacancies. In contrast, those who expect to start work within the next six months become highly active, contacting the Jobcentre, inquiring with private agencies, approaching employers and submitting job applications. In this phase, clients also become much more active in other ways: thinking about their situation in work, interested in finding out about in-work benefits, checking implications for their rent, prescription costs, etc. At this stage clients are more likely to come across information about Job Grants and benefit run-ons through informal contacts with friends and relatives.

\(^2\) See, for example: DSS Research Reports, 45, 53, 79, 80, 96 and 99 – full references provided at end of report.
relatives rather than from Jobcentre Plus\(^3\) staff or from advisers they meet at Citizens’ Advice Bureaux.
They are also more likely to make use of this knowledge and want to see what it means for them,
rather than just becoming aware that this might apply to their situation at some time in the future.

Previous research has identified two distinct barriers faced by those returning to employment: the
need for equipment and clothes to make the return to work possible, and the problems caused by the
gap between receipt of the last benefits cheque and receipt of the first income from the job. Evidence
also suggests that, for some people, there was a disincentive to start work that arose from a fear about
the potential complexity of reapplying for benefits in the eventuality of their new employment not
being sustainable\(^4\).

Various measures were introduced between 1996 and 2001 to try to help overcome these barriers.
This study aimed to evaluate one of the most recent, the Job Grant, but also to look at the package as
a whole and to identify any gaps in provision.

1.1.4 The current package of back-to-work measures

The nature and qualification criteria for each element of the package are as follows. All of the
measures listed here are available only to those moving into paid employment (or self-employment)
for at least 16 hours per week. Other qualification criteria are specific to particular measures.

- **Job Grant** - Introduced in April 2001, this is a grant of £100 for clients who have made a continuous
  claim for any one (or any combination of) Income Support (IS), Jobseeker’s Allowance (JSA),
  Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) for 52 weeks or more. They
  must also be moving into work of at least 16 hours per week that they expect to last for at least
  5 weeks. Job Grant is not available to anyone receiving Lone Parent Run-on or to anyone aged
  under 25 at the time of starting work.

- **Lone Parent Run-on (LPRO)** - This two-week extension of IS or income-based JSA payments was
  introduced in October 1999. It is available to lone parents who have claimed Income Support, or
  income based JSA, continuously for at least 26 weeks.

- **Housing Benefit Run-on (HBRO)** - An extended payment of HB was first introduced in April 1996,
  but the need for claimants to make a formal claim for it was abolished in April 2001 when receipt
  of HBRO became more fully automated. Recipients of HBRO receive Housing Benefit for a full
  four weeks after they leave benefits to start work. To qualify for a run-on, a claimant must leave
  Income Support/Jobseeker’s Allowance (income based) to start work, after being on IS or JSA
  (income based or contributory) for at least 26 weeks. The work must be expected to last at least
  5 weeks, and the claimant must notify this to the DWP, ES or LA within 4 weeks of starting work.

- **Council Tax Benefit Run-on (CTBRO)** - The conditions for entitlement are the same as those for
  HBRO. To qualify for a run-on, a claimant must leave Income Support/Jobseeker’s Allowance
  (income based) to start work, after being on IS or JSA (income based or contributory) for at least
  26 weeks. The work must be expected to last at least 5 weeks, and the claimant must notify this
  to the DWP, ES or LA within 4 weeks of starting work. Recipients of CTBRO receive Council Tax

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\(^3\) Due to recent Departmental changes staff from the former Employment Service and working age elements
of the Benefits Agency have amalgamated to form the new Jobcentre Plus agency. However, as this
process was in progress during the study it made sense to select staff from the two previous agencies
for inclusion in the research. Therefore, we have differentiated staff responses from the two former agencies
throughout the report.

\(^4\) See, for example: DSS Research Reports 96, 99 and 126 – full references provided at end of report.
Benefit for a full four weeks after they leave benefits to start work. Many people will receive both CTBRO and HBRO, but some will only receive the former (for example, those who do not rent their home). CTB is available to owner-occupiers in work, dependent upon income levels and therefore, has wider coverage than the CTBRO for those moving from benefit to work.

- Mortgage Interest Run-on (MIRO) - Introduced in April 2001, MIRO extends the payment of Mortgage Interest payments for the first four weeks of a job. To qualify for a run-on, a claimant must leave Income Support/Jobseeker’s Allowance (income based) to start work, after being on IS or JSA (income based or contributory) for at least 26 weeks. The work must be expected to last at least 5 weeks, and the claimant must notify this to the DWP, ES or LA within 4 weeks of starting work.

- Rapid Reclaim - Rapid Reclaim is an attempt to streamline the process of re-claiming for people returning to IS or JSA after full-time work that has lasted for up to 12 weeks. It was introduced part way through the course of this study (in October 2001) and therefore forms only a minor part of this investigation.

1.1.5 Other relevant government policies

A number of other government initiatives, although not a primary focus of the policies being explored, were nonetheless found to play an important role in the attitudes and experiences of participants taking part in the research.

- Working Families’ Tax Credit (WFTC) - Introduced in October 1999 as a replacement for Family Credit, WFTC is an in-work payment made by the Inland Revenue to low-income families with children. The credit is payable to families where one partner is working at least 16 hours per week (either as an employee or self-employed). It includes a core payment and additional amounts which depend on the number of and age of children in the family, and whether the children have any disabilities. The value of the payment is reduced by 55 pence for every Pound that the family earns above the threshold of £92.90 (£94.50 from April 2002) and eventually reduces to zero if total earnings are high enough. The WFTC childcare tax credit also provides help with 70% of eligible childcare costs up to a maximum of £135 per week for one child and £200 per week for two or more children. WFTC is normally paid for periods of six months and is reviewed at the end of each period.

- Disability Tax Credit – This is a payment made by the Inland Revenue to people who are disabled, who are working more than 16 hours per week and are on a low income from employment or self-employment.

- New Deal – New Deal is a scheme providing individually tailored practical help and support to improve people’s job prospects. There are different versions of New Deal, including: one for people aged 18-24 who have been claiming JSA for 6 months or more, one for people aged 25+ who have been claiming for 18 months or more, one for lone parents, one for people aged 50+ who have been claiming JSA/IS/IB or SDA for 6 months or more, one for disabled people and one for partners of those claiming JSA/IS/IB. NDYP and New Deal for 25+ are compulsory for those who qualify but the other schemes are voluntary.

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5 The amount of MIRO paid is equivalent to the rate of mortgage interest plus any other housing costs in payment during the IS benefit week in which the client or their partner starts paid employment.
• Back to Work Bonus – The BTWB scheme is intended to encourage benefit recipients to take up part-time work as a stepping stone to full-time. An amount equal to half of any part-time earnings above the standard disregards can accrue towards a lump sum bonus of up to a maximum of £1,000. It is intended to provide cash help at the point of transition into work.

• Employment Zones - Employment Zones (EZs) are schemes being run in 15 areas of Great Britain that have high concentrations of people who are long-term unemployed. The aim of the schemes is to help people into sustainable jobs by providing job search support and advice. In selecting the people who are to go on the scheme the Employment Service makes mandatory referrals. Clients continue to receive the same amount of benefit while on EZ and remain on it for a maximum of 39 weeks. EZs receive payments for each client who starts a full-time job and also for each client who remains in work for 13 weeks. As a result some EZs provide clients entering employment with financial bonuses. Employment Zones exist in a number of the areas in this study: Haringey, Plymouth, the Heads of the Valleys (South Wales), Glasgow and Middlesbrough. Unemployment for 12 months qualifies someone for entry into the Zone in the first three of these areas; 18 months’ unemployment is required in Glasgow and Middlesbrough. The Zone in Haringey is run by Reed Employment. The remainder of those in areas covered by this study are run by Working Links, a consortium of the Employment Service, Manpower, and Ernst and Young.

Finally, the Job Finders Grant - This was a grant of up to £200 available on a discretionary basis to all JSA and IS claimants who met the eligibility criteria (i.e. those moving into a job of 16 hours a week or more that would last for at least six months and pay £200 per week or less). This grant was replaced in April 2001 by the Job Grant. Despite this clients were familiar with the name as were staff and both groups frequently referred to the Job Grant by this title. Where participants mentioned this grant their experiences of receipt and delivery were probed, commonly investigation revealed that it was a simple confusion between the names of the two different forms of transitional support. Exceptionally, clients and staff had received/been involved in delivering both measures and did not discern between the two titles.

1.2 The objectives of the study

The aim of the research was to investigate the impact of the Job Grant, within the context of associated policies, on the transition to full-time work. The key focus was to assess the overall effectiveness of the package of complementary measures designed to ease the transition from benefit to full-time employment. At a general level, the evaluation aimed to inform policy by looking at the role of state assistance at the moment of transition, in what ways it is used, how effectively it acts as an incentive to work, and/or addresses the barriers faced by benefit claimants. The research sought to compare the comparable value to recipients of a run-on of their existing entitlements or a lump sum payment, such as the Job Grant. The policy area has received a good deal of attention in recent years, and it was a key objective of the evaluation that it should build upon and complement other research already conducted.

The specific objectives of this qualitative study were to understand the financial cycles associated with the return to work (changes in expenditure and income, and their timing in relation to the start of work), to explore the delivery of the package of back-to-work measures and to assess their impact – both as incentives to encourage people to return to work, and as easements during the transition itself. The aim of the study was to evaluate the new Job Grant initiative within the broader context of the package of back-to-work measures. More specifically, the study sought to examine:
• perceptions of the ease/difficulty of moving into work;
• promotion and awareness of the package of transitional easements;
• the impact of the package of easements on thoughts about returning to work;
• changes in costs and income experienced by people returning to work;
• the administration of the package and the effectiveness of delivery mechanisms;
• their effectiveness in easing financial experiences of the transition;
• the suitability of the measures for the clients concerned;
• the appropriateness of the eligibility criteria.

1.3 Design and conduct of the study

In this section we present an overview of the research methods employed during this study. The research was conducted between October 2001 and February 2002. The study used qualitative research, which is particularly suited to exploring the impact of new policies on attitudes and personal experiences. Qualitative approaches are ideal for exploring and untangling complex conceptual and personal issues. Whilst depth interviews allow participants to present their own personal accounts and experiences in great detail, discussion groups are an ideal forum for the sharing of views and comparing of attitudes and experiences. For this reason the research design incorporated both depth interviews with people who had recently returned to work (or, for some younger clients, entered full-time work for the first time) and focus groups with staff of agencies who deliver the back-to-work measures. Some interviews were conducted with staff where it was impractical to run groups.

The work with Job Grant recipients, lone parents and under-25s was conducted in Inverness, Glasgow, Middlesbrough, London, South Wales, Plymouth and Cornwall. Fieldwork with staff was conducted at a later date and in two of the same areas (London and South Wales).

The study involved:

• the completion of four-week diaries of income and outgoings by 73 recent recipients of Job Grant;
• depth interviews with 46 Job Grant recipients as well as 10 lone parents and 11 under-25s who had recently entered full-time employment;
• five focus groups and two depth interviews with staff who administered the easements - from local authorities, the Employment Service and the Benefits Agency.

Stage 1: Diary design

The study included the use of diaries of income and outgoings that covered a four-week period beginning shortly after a return to work. These were to be completed by recent benefit claimants during their transitional period, the intention being that the resulting snapshots of financial flows would complement information gathered in subsequent depth interviews and anchor these interviews (and their subsequent analysis) in a more immediate record of events. In addition, completed diaries would be used to assist in providing further information for the purposive sampling of interview participants (see Section 1.4).

The diaries were developed with great care to ensure that diarists would have the minimum of trouble in completing them. The design was tested through two waves of cognitive interviews with people
who, like the target group, had recently returned to work after long periods on benefits. NatCen has pioneered cognitive interviewing in Britain. It makes use of techniques drawn from cognitive psychology in order to uncover aspects of the response process that are usually hidden. For example, people may misunderstand a certain section in a diary but fill it in without leaving any trace of this confusion. This would be revealed in a cognitive field test, in which a researcher prompts those taking part to explain what they have understood to be required in each section of a diary.

In this study cognitive interviews were conducted with ten participants from various social and employment backgrounds. Individuals were taken through the whole process of diary placement that had been designed for the live stage of the research (see below). However, throughout the process individuals were either asked to ‘think aloud’ in order to reveal how they understood what was required of them, or were specifically prompted by the researcher. This process led to significant refinements in the design of the diary and the way it was placed with participants.

Further details of the cognitive interviews and the diary design can be found in the appendices.

**Stage 2: Diary completion**

Following an opt-out period (see Section 1.4) diaries were placed with 73 recent recipients of the Job Grant. NatCen survey interviewers visited individuals in their homes. Once they had explained the purpose of the study and the diary they helped the person fill in the diary for the previous four to seven days, giving assistance with any difficulties and ensuring that nothing was left out. Diaries were returned to NatCen three weeks later via Freepost, a Freephone helpline having been available in the meantime for those who needed advice. In total, 69 people returned their diaries.

**Stage 3: Depth interviews**

Depth interviews were conducted between October 2001 and January 2002 with 46 Job Grant recipients (most of whom had completed a diary), 10 lone parents and 11 under-25s. Further details of the conduct of the interviews are given in Section 1.5.

**Stage 4: Fieldwork with staff**

In February 2002 focus groups were conducted with staff from the Benefits Agency (BA), Employment Service (ES), local authorities in South Wales and with BA and ES staff in London. Two depth interviews were conducted with local authority staff in London. It is worth noting that at the time of this fieldwork, benefit office and Jobcentre staff in both areas were facing considerable upheaval in advance of the creation of the new Jobcentre Plus agency. Further details of the conduct of the staff fieldwork are given in Section 1.5.

**1.4 Sampling and recruitment**

As qualitative research seeks to provide explanations of attitudes or behaviours rather than quantify their extent in the population, it requires a specific approach to sample design. It is neither necessary nor desirable for qualitative samples to be as large as survey samples or to be statistically representative. Instead, in order to provide robust explanations from which wider inferences can be drawn and to generate conceptual frameworks applicable to the broader population, it is essential that qualitative samples are selected purposively to encompass the range and diversity present in the target population(s). The robustness of qualitative research and the ability to draw wider inference from qualitative studies are dependent on rigorous purposive sampling.
Purposive sampling facilitates the production of a coherent and comprehensive map of circumstances, attitudes, behaviours and experiences which enable the generation of salient explanations to answer research questions. Within this study purposive sampling was used to ensure that the study could explore and explain different experiences and views of people who had recently come off benefits and gone into work.

Participants in the study who had recently come off benefits were of three primary types:

- people who had received the Job Grant;
- lone parents;
- under-25s (neither of the latter groups were entitled to the Job Grant).

Job Grant recipients were purposively selected according to the type of benefit they had been receiving (Income Support, Jobseeker’s Allowance, Incapacity Benefit⁶), the duration of their most recent benefit claim (whether more than one year or more than two), age and gender. Lone parents were selected by the duration of their benefit claim (more than one year or more than two); age and number of children was also taken into account. Under-25s were selected according to the duration of their claim, age and gender.

An additional criterion for the purposive selection of all groups was geographical location. Six areas were chosen from across Great Britain: Plymouth & Cornwall, London, South Wales, Middlesbrough, Glasgow and Inverness. These locations were chosen to reflect the diversity of employment patterns, unemployment levels, culture & ethnicity and rural/urban environments found across the three countries. An additional consideration was the prevalence of Job Grant awards, as numbers had to be large enough to provide a sufficient pool of people from which to sample for the diaries and the interviews.

In reality, the ideal embodied by this strategy was undermined by problems with the initial sample and with recruitment. The numbers of IS, IB and SDA recipients in the sample were so low as to make it impossible to balance their numbers with JSA recipients. Furthermore, the total numbers of under-25s and lone parents in the sample was lower than had been anticipated. This, combined with the elusiveness of some of the potential participants (see 1.5 below) led to fewer being interviewed than had been the intention.

At the outset, the aim of the study was to recruit equal numbers of participants from each of the six areas. However, the size of the available sample (specifically the numbers of those who had received the Job Grant) varied dramatically from area to area, so there was some variation in the numbers taken from each. For example, the sample in Inverness was the smallest, and only five people in total were interviewed there; extra interviews were conducted in Glasgow and South West England to compensate for this shortfall.

The following subsections provide greater detail about each of the samples and the recruitment strategies adopted. A letter allowing anyone in the sample to opt-out of the research was sent in advance by the DWP. When the opt-out period of two weeks was over selected people were approached by a member of Natcen’s nationally distributed survey fieldforce. If successfully contacted, they were then taken through a screening questionnaire and, if suitable for the study, were asked to participate by completing a diary and/or taking part in a depth interview.

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⁶ Severe Disablement Allowance was to have been included, but numbers in the sample were too low
1.4.1 Job Grant recipients

Participants for the main part of the research were recruited from amongst those who had recently received the Job Grant. The number of Job Grants being awarded was low, so it was necessary to draw the sample from five weeks’ of Job Grant recipients in each area - from late September to late October 2001. The names and National Insurance numbers of those receiving Job Grant in selected offices were passed to DWP by local Benefits Agency offices, and DWP then sent out opt-out letters. In each area the sampling was staggered to maximise the chance of diaries being placed within a relatively short time after a person had moved into employment.

Members of the National Centre’s force of survey interviewers explained the diary, helped people fill it in for the week just past and then left it with them to complete for the following three weeks. Diarists were given £5 in cash and a calculator as an advance incentive, were promised a further £10 when they completed the diary and were told that on completion they might be approached for a further interview that would involve a payment of a further £15. They were also encouraged to phone a Freephone Helpline if they needed any advice on how to fill in the diary. A selection of those who completed and returned the diary were then interviewed in depth in November and early December.

1.4.2 Lone parents

The sample of lone parents was created by matching Inland Revenue WFTC records with DWP data to identify leavers who had recently come off Income Support after a continuous claim of at least 12 months and had moved into work. The database contained limited information on individuals’ reasons for leaving IS, so recruiters had to screen the names they were given on the list in order to separate those who had entered into full-time work from those who had come off for other reasons (for example, who might have moved into part-time work). In practice, it transpired that the information provided was quite unreliable. A number of those who had supposedly just come off IS claimed that they had either been working for a number of years or were still on IS and did not expect to get a job in the foreseeable future. So few were recruited from the first sample, that a further sample was required.

Lone parents were recruited during October, November and early December and were interviewed in depth during November, December. A few depth interviews were conducted in early January 2002.

Unlike for the sample of Job Grant recipients, the selection criteria for the samples of lone parents did not include receipt of any back-to-work easement.

1.4.3 Under-25s

The sample of under-25s was taken from the database of Jobseeker’s Allowance claimants held by the Employment Service. All those were selected who had recently gone into full-time work. The only available sample was of people not yet on New Deal, all of whom had therefore been on JSA for less than six months.

Unlike for the sample of Job Grant recipients, the selection criteria for the samples of under-25s did not include receipt of any back-to-work easement.

1.4.4 Staff

Given the primary focus of the research was on the experiences of those moving into work rather than the delivery of measures, staff were chosen from only two geographical areas. Nevertheless, these
were selected to coincide with two of the locations used for fieldwork with Job Grant recipients and others in order to maximise learning around the interaction between delivery and effectiveness of the policies. The areas were also chosen to ensure the best possible diversity in relation to local area characteristics, such as socio-economic factors, rural versus urban considerations and local labour market patterns.

Staff participants were selected after discussion with managers to determine which people were the most involved in, and knowledgeable about, the promotion and delivery of the back-to-work measures. Nominated staff were then sent individual letters which provided further information about the research and details of the discussion they had been invited to. (Further information relating to the staff sample is provided in the appendices).

1.4.5 Contact and response rates

Participants for this study proved particularly difficult to recruit. One reason given by potential participants and their families was the mental and physical strain of being in work after a long period of unemployed - i.e. the stress of the transition itself.

Another causal factor may have been an advertising campaign that warned those committing benefit fraud that extra steps were being taken to identify offenders. For obvious reasons, it is hard to gauge the impact of this campaign, but levels of suspicion did seem to be higher than amongst previous studies with similar target groups. The table below summarises the recruitment success rate for the three different sub-groups in the sample. The possible outcomes for each attempted contact at the recruitment stage were as follows:

- opted out refused by phone or in writing after receiving the opt-out letter
- refused refused when approached by a recruiter
- wrong address not contactable due to incorrect contact details
- all attempts at contact failed calls made to the home address, but no contact made
- not suitable for the study e.g. still on benefits, in work for longer than two months

<table>
<thead>
<tr>
<th></th>
<th>Opted out</th>
<th>Refused</th>
<th>Wrong address</th>
<th>All attempts at contact failed</th>
<th>Not suitable for the study</th>
<th>Successfully recruited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Grant Recipients</td>
<td>7%</td>
<td>18%</td>
<td>4%</td>
<td>24%</td>
<td>9%</td>
<td>38%</td>
</tr>
<tr>
<td>Lone Parents</td>
<td>0%</td>
<td>6%</td>
<td>16%</td>
<td>6%</td>
<td>51%</td>
<td>21%</td>
</tr>
<tr>
<td>Under-25s</td>
<td>4%</td>
<td>10%</td>
<td>18%</td>
<td>11%</td>
<td>21%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Achieved sample with people who had recently moved into work

Below is an outline description of the sample for this project. A more detailed breakdown of the characteristics of the recipient sample is given in Chapter 2.
Table 1.2  Composition of the sample

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Inverness</th>
<th>Glasgow</th>
<th>N. East England</th>
<th>S Wales</th>
<th>London</th>
<th>S. West England</th>
<th>Benefit type</th>
<th>Time on benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Grant recipients who completed diaries</td>
<td>73</td>
<td>11</td>
<td>12</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Job Grant recipients interviewed</td>
<td>46</td>
<td>6</td>
<td>5</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>10</td>
<td>37</td>
<td>0-1yrs (5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>JSA</td>
<td>1-2yrs (20)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 IS</td>
<td>2-5yrs (10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4 IB</td>
<td>5yrs+ (11)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3 IB/IS</td>
<td></td>
</tr>
<tr>
<td>Lone parents interviewed</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>9 IS</td>
<td>0-1yrs (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 IB/IS</td>
<td>1-2yrs (1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IS</td>
<td>2-5yrs (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5yrs+ (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Don’t know (2)</td>
<td></td>
</tr>
<tr>
<td>Under-25s interviewed</td>
<td>11</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>11 IS</td>
<td>0-6 mth (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>JSA</td>
<td>6-12 mth (5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1-2yrs (2)</td>
<td></td>
</tr>
</tbody>
</table>

1  Duration of benefit receipt was self-recorded. After 6 months on JSA, young people move onto the Gateway stage of NDYP which can last up to four months, after which they are paid a ‘benefit equivalent’ or a wage. As a result some young people perceived that they had been in receipt of JSA for longer periods than technically allowed.

1.5  Conduct of interviews and discussions

As the study was exploratory, the research team sought to encourage participants to discuss their views and experiences in an open way without foreclosing issues which might have proved important to the study. Therefore, unlike survey or semi-structured interviewing, questioning was responsive to the interviewees’ own comments and situations. Questions were not pre-set, and the order in which issues were addressed and the amount of time spent on different themes varied between interviews and between focus groups. All interviews and discussions were conducted with topic guides, designed in collaboration with DWP, which were used as signposts, allowing researchers to respond to participants’ own accounts of their experiences and attitudes.

Interviews and group discussions were conducted by members of the research team, all of whom have extensive experience of conducting research with staff and members of the public. Interviews with recent benefit claimants were conducted at an individual’s home or at another location chosen by them (for example, at the home of a friend). Interviews with staff were conducted at their place of work and group discussions with staff were held in a local hotel or conference facility. Recent benefit claimants were given a gift of £15 at the end of the interview as a token of appreciation. As described above, those who were asked to complete diaries were given £5 and a calculator at the start of the exercise and £10 on return of the completed diary. Participants who returned a completed diary and participated in an interview received a total of £20 cash, a £10 cheque (or gift voucher) and a calculator.
All interviews and discussions were tape recorded for subsequent transcription. This is essential for the form of analysis used (see below) and allows the interviewer to give full concentration to exploratory questioning during the interview.

1.6 Analysis

Verbatim transcripts of all the interviews and discussion groups were analysed using ‘Framework’. ‘Framework’ is an analytic technique developed by the Qualitative Research Unit at the National Centre. The method involves ordering and synthesising verbatim data within a series of thematic charts. (The structure of the framework used for this study is shown in the appendices). Further classificatory and interpretative analysis was derived from these analytic charts.

As the study was qualitative in design, it is possible to describe the range and nature of perspectives held by those who participated in the research. It has also been possible to identify the factors that have contributed to differing expectations and experiences of the transition to work and the back-to-work measures. However, this research cannot provide any statistical data relating to prevalence of views or experiences; nor does it seek to infer any general patterns relating to different groups within the wider population who may not share similar characteristics to this sample. Where sub-group differences are suggested by the data, they are presented only as hypotheses to be tested by later research. Where sub-group differences have been found – for example differences relating to the type of benefit received before the return to work – they are identified in individual chapters. The key criteria for analysis were the different experiences of those who had and who had not received differing forms of transitional easements. Alongside this the research team also explored the data for differences which might be accounted for by personal circumstances, such as age or disability, and where found these have been noted.

The report uses verbatim quotations throughout. Where necessary the details of the contributors have been moderately changed to protect anonymity.

1.7 Report outline

This report consists of five further chapters. Chapter 2 examines the profile of the recent benefit claimants who participated in the research. Chapter 3 explores people’s anticipation of the transition to work and the promotion, awareness and impact of the back-to-work measures before the decision to return to work. Chapter 4 looks at individuals’ experiences of the transition to work and Chapter 5 at the delivery of the back-to-work measures and their impact on these experiences. Chapter 6 considers evaluations of the measures and suggestions for improvements to the way in which they are administered and delivered. Chapters 2, 3, 5 and 6 draw on evidence from staff as well as on interviews with recent benefit recipients.
2 Profile of participants

The remainder of this report examines the financial, and other, impacts of returning to employment after a prolonged period of benefit receipt, including people’s perceptions about the transitional period prior to their move into employment.

In order to provide a context for later findings, this chapter describes those who took part in the research, specifically it provides details of those who either participated by completing an expenditure diary and a depth interview or those who participated solely at the interview stage. The following sections highlight the diversity found amongst those returning to work, both in relation to their personal circumstances and the type of employment they were moving to. The level of diversity identified demonstrates the challenges facing policy makers and staff of the various agencies in attempting to meet the needs of those experiencing the transition to work. The range of attitudes found relating to anticipations around the transitional period will be dealt with in Chapter 3.

Evidence presented in the following sections draws upon data collected during the screening exercise and depth interviews with 67 participants, both Job Grant recipients and non-recipients (lone parents and under-25s). Of these 67, 48 completed detailed expenditure and income diaries, which in addition to providing a useful vehicle for the depth interviews, provided supplementary information about expenditure patterns and (where appropriate) the use of Job Grant within the context of other income and expenditure associated with the return to work. The rich detail gathered through depth interviews with Job Grant recipients was intended to be complemented by a separate analysis of the expenditure diaries. These diaries were designed to chronicle the expenses incurred on return to work, for example: the costs of new clothing, travel expenses or childcare.

It was hoped that analysis of the diaries would provide a detailed map of the income and expenditure patterns associated with the return to employment. However, in practice, an unavoidable delay between notification of a return to work and the placement of the diaries meant that the diaries often failed to capture significant elements of the transitional period (most notably weeks one-two of the return to work). Despite this, the diaries have yielded a range of supplementary evidence and information relating to general expenditure cycles that have been included below where appropriate. A fuller discussion of the issues associated with effectively delivering diaries to this population is provided in the appendices.

7 Two participants did not complete a screening questionnaire due to timing difficulties. As a result the base for some tables is 65 rather than 67. Variability in base sample also occurs because some information was gathered at both diary and screening stages whilst other information was only collected during screening interviews.
The sample was purposively selected to represent the fullest diversity amongst the populations of Job Grant recipients, lone parents and under-25s (see also Chapter 1). For this reason the numbers shown in the subsequent sections have limited statistical significance beyond this sample. Nevertheless, it is useful to examine the range of financial and personal circumstances experienced by participants who were making the transition to work.

### 2.1 Socio-demographic profile and dominant personal issues

The sample was selected to reflect diversity within the three populations included in the research (Job Grant recipients, lone parents and under-25s who had been receiving benefit for a continuous period of a number of months). As a result, the achieved sample included a mixture of people both living alone and with families and of varying ages. Table 2.1 shows the gender, age and personal circumstances of the 67 people who participated in the study at depth interview stage.

**Table 2.1 Age, gender and marital status of sample**

<table>
<thead>
<tr>
<th></th>
<th>Base = 67</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>15</td>
</tr>
<tr>
<td>25-35</td>
<td>18</td>
</tr>
<tr>
<td>36-49</td>
<td>23</td>
</tr>
<tr>
<td>50 years and over</td>
<td>11</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>39</td>
</tr>
<tr>
<td>Female</td>
<td>28</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
</tr>
<tr>
<td>Single, never married, living alone</td>
<td>15</td>
</tr>
<tr>
<td>Single, never married, cohabiting</td>
<td>20</td>
</tr>
<tr>
<td>Married and living as a couple</td>
<td>19</td>
</tr>
<tr>
<td>Married but separated, divorced or widowed</td>
<td>13</td>
</tr>
</tbody>
</table>

Household composition varied across the sample. Thirty-nine participants were living with a partner, both married and unmarried. Twelve households had children aged under five years; a further 18 had children under the age of 16 living at home. Seven households also had older children (aged over 16) still residing in the family home. Ten lone parents were interviewed during the study; all but two of these had at least one child aged under five. In addition to their main household responsibilities, two men in the sample were also making maintenance payments to support ex-partners or children.

The sample were living in a variety of accommodation ranging from homes owned outright (in one case) through to social housing and private rented accommodation. People were predominantly renting their properties (either through private, social or local authority means) or owned properties with outstanding mortgages. Twenty people interviewed were living rent-free, that is, being provided accommodation by families or friends with no obligation to pay regular rent. This group included all but one of the under-25s interviewed during the study.
Previous research has shown that benefit receipt and take-up is often affected by ethnicity, as are the barriers to employment experienced by people from minority ethnic groups. Therefore, the study sought to ensure that diversity in ethnicity was reflected in the sample. However, despite measures being taken to ensure that the research was accessible to all (for example, that diaries could be translated where the need arose, or that interviews could be conducted in first languages other than English if required), the overall low take-up of the Job Grant at the time of sampling, in the areas chosen, meant that it was difficult to achieve our intended quota of interviews with Job Grant recipients. A profile of the sample by ethnic group is shown in Table 2.2.

### Table 2.2 Sample profile by ethnicity

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Base = 67</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>58</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>3</td>
</tr>
<tr>
<td>Pakistani</td>
<td>1</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>2</td>
</tr>
<tr>
<td>Other Asian</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
</tr>
</tbody>
</table>

Dominant personal issues such as childcare responsibilities, basic skills needs, disability or long-term health issues, previous offending histories and factors such as alcohol abuse were important issues for some participants. As will be seen in later sections dominant personal issues had clearly formed barriers to employment previously, or, in the case of childcare and disability issues, complicated the financial assessments made when people sought to return to work.

#### 2.1.1 Educational and employment history

Educational backgrounds and previous employment experiences are known to impact upon the decisions made by people when they seek to return to paid work. Although the sample was purposively selected, it was not feasible to control for previous educational and employment experiences alongside other primary sampling criteria (such as length and nature of benefit receipt). Nevertheless, information was gathered about educational and employment histories and the following section describes the sample in relation to these aspects. As would be expected, those interviewed had wide-ranging experiences of both education and employment.

**Educational background**

Data about previous educational achievements was collected through the screening questionnaire conducted with those who took part in interviews. Most people in the sample had left formal education by the age of 18. Educational achievements, in relation to qualifications gained, ranged from those who left compulsory education with no qualifications to those who remained in further and higher education acquiring degree level and above qualifications. Nevertheless, the sample was dominated by those who had achieved qualifications at GCSE level, or equivalent.

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*See, for example, Law, I., Hylton, C., Karmani, A. and Deacon A (1994) Racial Equality and Social Security Delivery, JRF.*
There was also evidence of people returning to education in later life either to acquire new skills or to increase qualifications. Adult learning was also described as being encouraged by people’s participation in employment-related schemes such as New Deal, Employment Zone training and other similar schemes. At the time of interview one person in the sample was in education, alongside their new job, on a part-time Access to Higher Education course.

Table 2.3 provides an overview of the educational background and qualifications of the sample.

**Table 2.3 Educational background**

<table>
<thead>
<tr>
<th>Age at which finished education</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>15 or under</td>
<td>17</td>
</tr>
<tr>
<td>16-17</td>
<td>29</td>
</tr>
<tr>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>19 or over</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest qualification achieved</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No qualifications</td>
<td>9</td>
</tr>
<tr>
<td>GCSE/O’level/CSE and equivalents</td>
<td>35</td>
</tr>
<tr>
<td>A/AS level and equivalent pre HE qualifications</td>
<td>7</td>
</tr>
<tr>
<td>Degree level</td>
<td>2</td>
</tr>
<tr>
<td>Other educational qualification (inc. qualifications gained overseas)</td>
<td>4</td>
</tr>
<tr>
<td>Not recorded</td>
<td>3</td>
</tr>
</tbody>
</table>

**Employment histories**

People had experienced a range of different employment; few had had little or no work since leaving education whilst others had been in relatively stable employment until their most recent spell of unemployment. However, it was common to find that people described interrupted employment histories. Those who had experienced long periods of stable employment tended either to have worked for a single employer or within an industry that had a record of relatively stable prospects. Those whose patterns of employment were more fractured described a range of different experiences. Some had had several stable jobs (of more than six months in duration) with sporadic bouts of unemployment. In contrast, others described much longer spells of unemployment broken only occasionally by spells of casual or temporary employment or by a period of education or training.

The reasons given for becoming unemployed were similarly varied. These are listed below:

- redundancy;
- dismissal;
- end of short-term contracts;
- ill-health or incapacity caused by progressive illness or increasingly severe disability;
- changes to personal circumstances (such as bereavement, divorce or moving home);
- new, or additional, caring responsibilities (for a child or other family member).
In line with what is known already about the range of obstacles to employment, participants described the following as the key barriers they had faced when seeking work previously:

- labour market barriers (relating, for example, to local job markets, distance to travel to work);
- educational barriers (having few or no qualifications, or having inappropriate qualifications for the work sought);
- experiential barriers (having limited, no experience of the type of work sought);
- dominant personal issues (for example: childcare or other caring responsibilities, experiencing disability or ill-health, disrupted personal lives through drug or alcohol addiction, relationship breakdown or conviction for criminal offences).

### 2.1.2 History of unemployment and benefit receipt

The study sought to interview people who had experienced varying lengths of unemployment. As a result people’s most current period of unemployment was diverse, ranging from less than six months to over ten years. Within these time periods people had often claimed a variety of state benefits, both labour market related (i.e. JSA) as well as benefits related to incapacity, ill-health and disability (for example, IS or IB). Table 2.4 shows the length of (continuous) time people had been claiming benefits prior to their most recent return to employment:

<table>
<thead>
<tr>
<th>Duration of time in receipt of benefit</th>
<th>Base =67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than six months</td>
<td>6</td>
</tr>
<tr>
<td>Under two years</td>
<td>33</td>
</tr>
<tr>
<td>Between two to five years</td>
<td>14</td>
</tr>
<tr>
<td>Over five years</td>
<td>4</td>
</tr>
<tr>
<td>Over ten years</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
</tr>
</tbody>
</table>

Immediately prior to returning to employment (i.e. within the three weeks before a new job began), very few people reported being involved in paid employment. Those who had been working had been doing so both within and outside of benefit regulations. In both cases, groups described using limited amounts of work to provide additional finances to supplement their benefit income. Decisions about declaration of earnings were based on individual feelings about claiming benefit and household circumstances (some, for example, argued that the current payments were so low that they were ‘forced’ into undeclared work).

### 2.2 Pre-employment benefits

The research aimed to include people in receipt of a range of different benefits. Of the 67 interviewed, all were claiming one of the following benefits and many were also in receipt of additional, passported benefits and financial relief:
Table 2.5  Primary benefit received

<table>
<thead>
<tr>
<th>Primary benefit received</th>
<th>Base = 67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incapacity Benefit</td>
<td>8</td>
</tr>
<tr>
<td>Income Support</td>
<td>13</td>
</tr>
<tr>
<td>Jobseeker’s Allowance</td>
<td>48</td>
</tr>
</tbody>
</table>

Despite seeking participants who had been claiming disability benefits prior to moving into employment (such as SDA for example) we were unable to reach any people in receipt of these benefits in the returning to work population in the areas targeted. Nevertheless, the 21 people who had been in receipt of Income Support and Incapacity Benefit had experienced a range of different forms of long-term health conditions or disabilities, or had long-term caring responsibilities (for example, this was common for lone parents) which provided an insight into how the move into work might differ for people with additional personal issues.

Participants had also been in receipt of a range of other benefit payments, or payments related to benefits. These included 11 households that had been in receipt of free school meals, 32 households where reduced charge prescriptions had been used in the previous 12 months, and 36 households that had received Council Tax and Housing Benefit in the previous 12 months. Rarer were instances of people having received Mortgage Interest payments, only six households reported receipt of this benefit during the preceding year despite ten households reporting that they held a mortgage on their home. It is important to note though, that not all of these households would necessarily have been eligible for mortgage interest payments as each household needs to meet specific qualifying criteria.

2.3  Pre-employment household finances

Households had a range of different financial commitments prior to the transitional period and managed their household finances in differing ways. Income levels varied between households and overall income was frequently focused on the money secured through primary or associated benefits. Nevertheless, people also described a range of other sources of income which they relied upon whilst unemployed:

- Principal benefit (e.g. JSA/IB/IS).
- Associated financial support (CTB/HB/MIR).
- Child benefit payments/maintenance payments.
- Passported support such as free prescriptions, free school meals.
- Partner’s wages.
- Partner’s benefit/pension or compensation payments.
- Rent from family/friends sharing household.
- Personal pension or compensation payments.
- Earnings from ‘occasional’ or temporary paid work (both declared and undeclared).
- Pocket money, loans, gifts from family and friends.
- Loans from social fund, or charitable organisations (for example, school uniform grant).
Private or commercial loans (through hire purchase, credit cards, bank loans etc.).

(Rarely) through the sale of possessions.

Given that a focus of the study was to explore what impact the transition to work had on household finances it is important to map the nature of outstanding debt which people had prior to returning to work. As seen above, people relied on a complex mixture of different types of income to manage whilst they were not in employment. Accruing debt and taking out loans was described as one way of meeting financial pressures which people otherwise felt they could not have managed. Table 2.6 shows the range of existing debt held when people returned to employment.

**Table 2.6 Debt held before the return to employment**

<table>
<thead>
<tr>
<th>Type of debt</th>
<th>Size of debt (£)</th>
<th>Numbers exceed base of 67 because whilst some had more than one debt others had no debts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storecard</td>
<td>£100 – 300</td>
<td>5</td>
</tr>
<tr>
<td>Credit/chargecard</td>
<td>£150 – 5,000</td>
<td>15</td>
</tr>
<tr>
<td>Hire purchase</td>
<td>£100 – 3,000</td>
<td>2</td>
</tr>
<tr>
<td>Catalogues</td>
<td>£100 – 1,000</td>
<td>16</td>
</tr>
<tr>
<td>Overdrafts with bank</td>
<td>£100 – 1,500</td>
<td>12</td>
</tr>
<tr>
<td>Loans owed to friends and family</td>
<td>Up to £8,000</td>
<td>7</td>
</tr>
<tr>
<td>Loans owed to others</td>
<td>Up to £5,000</td>
<td>19</td>
</tr>
<tr>
<td>Other debts</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

People described a range of strategies for coping on low incomes. The ease or difficulty of financial management rested upon three principal factors:

- whether or not the household had another stable form of income beyond the primary benefit (for example, another wage or regular pension payment);
- the extent of regular debt repayments;
- ability to budget effectively.

It was apparent that those whose partners were in employment, and those living rent-free with parents prior to the transition, faced fewer financial difficulties than others in the sample did. Nevertheless, a persistent theme was that being unemployed increased financial pressures and led to constant stress about ‘making ends meet’.

### 2.4 New employment

Employment destinations varied, as did the number of hours people were expecting to work. People were expecting to return to work of varying types and with differing hours. Only a small proportion of the sample (12) were intending to return to work of less than 21 hours a week, in contrast 49 were intending to work over 21 hours a week and some expected to regularly work for more than 41 hours each week. People’s new employment was diverse, the range of employment spanned key sectors of the labour market. In addition, jobs ranged in longevity, whilst some people had secured permanent employment, others were working on temporary contracts and others still were employed on a casual basis (although in these cases they assumed that the employment would continue for longer than five
weeks). The length of time between when people had moved into work and were subsequently interviewed varied from two to eight weeks.

Eight people were no longer in employment when they were approached to participate in the research. Of these, one had taken maternity leave, two had been made redundant, and a further person had left employment because of illness. The remainder had left their jobs either because of dissatisfaction with the nature of the work or because of dissatisfaction with their wages.

### Table 2.7 Range of employment

<table>
<thead>
<tr>
<th>Nature/sector of employment</th>
<th>Illustrative jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self employment</td>
<td>Taxi driver, child minder</td>
</tr>
<tr>
<td>Hotel and catering</td>
<td>Cleaner, bar attendant, catering assistant, security</td>
</tr>
<tr>
<td>Personal care</td>
<td>Care assistant</td>
</tr>
<tr>
<td>Construction</td>
<td>Building labourer, landscape gardener</td>
</tr>
<tr>
<td>Administrative</td>
<td>Secretary, administrative officer, receptionist, finance officer</td>
</tr>
<tr>
<td>Retail</td>
<td>Shop assistant, security officer</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Machine operative, production worker</td>
</tr>
<tr>
<td>Voluntary sector</td>
<td>Refugee coordinator</td>
</tr>
<tr>
<td>Education</td>
<td>Literacy tester, educational adviser, learning support assistant</td>
</tr>
<tr>
<td>Deliveries/transportation</td>
<td>Driver</td>
</tr>
</tbody>
</table>

Earnings also differed considerably depending upon the nature of the work and variable hours of employment. Table 2.8 displays gross earnings reported and how wages were paid, it is important to note that in some cases, where hours worked were variable, these are averaged figures. One lone parent had yet to receive any payment for her work and therefore was unsure about her weekly income.

### Table 2.8 Earnings and payment cycles

<table>
<thead>
<tr>
<th>Gross weekly pay</th>
<th>Base = 66</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under £200 per week</td>
<td>47</td>
</tr>
<tr>
<td>£200-300 per week</td>
<td>17</td>
</tr>
<tr>
<td>Over £300 per week</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment cycle</th>
<th>Base = 67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly (paid on a daily basis)</td>
<td>1</td>
</tr>
<tr>
<td>Weekly</td>
<td>38</td>
</tr>
<tr>
<td>Fortnightly</td>
<td>4</td>
</tr>
<tr>
<td>Monthly</td>
<td>24</td>
</tr>
</tbody>
</table>
2.5 Income and expenditure cycles – understanding transitional pressures

Finally, the ways in which people organized their personal and household finances during and after the transition to employment varied. This will be the detailed focus of the remaining chapters in this report. However, this section provides a brief glimpse of the transitional pressures and financial cycles experienced by people moving into work.

It is useful at the outset to understand the factors which affected household finances during this period. The research set out to explore the initial four-week period of new employment. Specifically, we sought to map the changes in income and expenditure experienced by people during this period, their strategies for coping with financial changes and the impact of easements on this period. People’s accounts and diary records of their financial circumstances demonstrated the great diversity that exists in household income and expenditure patterns during any four-week period.

These patterns were clearly affected by a number of factors directly related to the transition that could complicate or ease the financial pressures being faced. Chapters 3-5 explore these issues in more detail but key issues are illustrated in the following diagram.

The two outer rings depict the pressures caused by transitional issues that can affect how the measures are received; both reflect the complex pressures operating when households seek to mange the transition. The diagram graphically illustrates the range of coincidental factors that can affect transitional budgeting (for example, any permutation of the inner and outer rings could be experienced during the transition to employment).

**Figure 2.1 Pressure points during the transitional cycle**
Prior to returning to work most people in the sample described a relatively stable four-week cycle of income and expenditure. This cycle was characterized by the regular receipt of a principal benefit (usually on a fortnightly basis, though sometimes received weekly) supplemented by other income (from the range of sources described in Section 2.4). In addition, participants described how their expenditure was equally predictable with bills, loan payments and standard household expenditure remaining stable. Similarly, provision of Housing Benefit and mortgage payments meant that generally people were confident that their housing costs could be met each month. This is not to say that finances were not upset by unexpected expenditure, such as the need to pay for repairs on large household items such as washing machines. Although income and expenditure were described as relatively stable and predictable, unexpected expenditure or drops in income caused severe hardship for some households. In these cases, people reported that even carefully budgeted and managed finances could become precarious very swiftly. It is also important to note that whilst financial circumstances were described as being calm, this should not imply that they were simple to manage. As with other evidence around the financial circumstances of those living in low-income households, financial management was frequently described as a complicated balancing act – with, for example, priority bills paid in one month, whilst less urgent expenditure was postponed.

In contrast, descriptions of the four-week cycle following the transition to employment were characterized by unpredictability and uncertainty. Chapter 4 will return to the four-week cycle and establish the points at which people described experiencing uncertainty or anxiety about their budget whilst also identifying the key factors which accounted for differing experiences of the transition.

A person enters employment in week one. Financial turbulence was often experienced during this week. At this point in the cycle, people may or may not be fully aware of when (or by what means) they will be paid during the cycle, and, as will be seen in Chapter 3, were often even less certain about the precise amount of their first pay. Unpredictability was linked to limited knowledge about the hours to be worked, tax and NI payments to be made.

In addition, during the first week in employment, new expenditure was incurred such as travel costs, clothing costs and subsistence expenses. Forty-two people in the sample recorded at least one extra item of expenditure that had been bought specifically in relation to their new job, further details of this expenditure are dealt with in Chapter 4. People explained that it was often difficult to predict these new costs accurately and reported differing levels of expenditure relating to such items.

Another source of anxiety during this first week was the timing of benefit closure. How and when JSA, IS or IB would stop being paid and whether or not associated financial support such as Housing or Council Tax Benefit would continue were persistent concerns. Chapter 3 looks in more detail at this issue, which is obviously of key importance to the study.

Nevertheless, the extent of unpredictability, and associated anxiety, was lessened for some, specifically those who:

- were aware they would receive a payment at the end of the first week in the job;
- were fully aware of when, and if, their benefit payments would stop;
- were confident that they could draw upon financial support from family and friends;
- had household savings to draw upon.
Despite **week one** being the focus for much of anxiety experienced by people, weeks two, three and four were equally stressful and financially challenging for others. How and when people experienced the greatest financial stress was dependent upon a series of interlocking factors:

- frequency and mode of wage payment;
- when in the cycle JSA/IS and IB were stopped;
- whether or not run-ons worked effectively;
- when additional financial support, such as the Job Grant, was received;
- when regular payments were due within the cycle (especially those that had returned to an unsubsidised level because of the person’s employed status).

The evidence presented in **Chapter 4** will explore these issues in greater detail. This introduction to the transitional cycles though has shown how difficult it is to design policies focused on easing transitional financial worries at specific pressure points in the four-week cycle. Each individual household had its own rhythm of income and expenditure that was affected in different ways by individuals’ return to work. Policies to ease the transition to employment require flexibility in order to respond to this complexity. In subsequent chapters we look in detail at the experiences of people during this period and specifically, examine how and if the easements currently available can help to offset the unavoidable financial turbulence caused by the transition from benefit receipt to employment.

### 2.6 Summary

- Age, gender and household circumstances varied across the sample in line with the purposive sampling strategy. Similarly, those included in the study had wide-ranging experiences of both education and employment. People had experienced a range of different employment and varying lengths of unemployment.

- Participants had been in receipt of one of three main benefits (JSA, IB or IS). In addition, those eligible for these benefits had also received additional, passported benefits and financial relief such as free school meals, or reduced prescription charges for example.

- Income levels and financial commitments varied between households and overall income was frequently focused on the money secured through primary or associated benefits. Nevertheless, people also described a range of other sources of income which they relied upon whilst unemployed including support from families or friends and the use of loans or credit arrangements. Similarly coping strategies for living on low incomes varied.

- The ease or difficulty of financial management rested upon three principal factors: whether or not the household had another stable form of income beyond the primary benefit (for example, another wage or regular pension payment); the extent of regular debt repayments; a history of budgeting successfully on a low income. It was apparent that those whose partners were in employment and those living rent-free with parents prior to the transition faced fewer financial difficulties than others in the sample did. Nevertheless, a persistent theme was that being unemployed increased financial pressures and led to constant stress about ‘making ends meet’.
• The period prior to transition was generally described in terms of a relatively stable four-week cycle of income and expenditure. This cycle was characterized by the regular receipt of a principal benefit and predictable household expenditure. Although the experience of managing a low-income budget was consistently characterized as stressful, the anticipation of a return to employment (and the resulting anticipated unpredictability of income and expenditure) was clearly viewed with trepidation and expected to be financially turbulent.

• The extent of unpredictability of the transitional period, and associated anxiety, was lessened for some, specifically those who were aware when they would receive their first wage payment; those aware of when, and if, their benefit payments would stop; those who were confident that they could draw upon financial support from family and friends or had household savings to draw upon.

• Despite week one of the transition being the focus for much of anxiety expressed by people, weeks two, three and four of the transition could be equally stressful and financially challenging for others depending on the rhythm of household finances.

• How and when people experienced the greatest financial stress during the transition was dependent upon a series of interlocking factors: frequency and mode of wage payment; when in the cycle JSA/IS and IB were stopped; whether or not run-ons worked effectively; when additional financial support, such as the Job Grant, was received; when regular bill or credit payments were due within the cycle (especially those credit arrangements which had returned to an unsubsidised level because of the person’s employed status).

• The evidence shows that policies designed to ease the transition to employment require flexibility in order to respond to the complexity found in individual financial circumstances.
3 Anticipating the transition to work

This chapter explores people’s perceptions of the transition to work when they were still on benefits. It also looks at their awareness of the back-to-work measures and the impact these had on their motivation to go back into work. The evidence presented in this chapter reflects the views of staff and those claimants who had recently moved into employment.

The chapter begins by looking at claimants’ fears and expectations of the transition to work. It then considers approaches and attitudes to personal finances: the extent of engagement in financial planning, views on debt and financial insecurity, anticipation or non-anticipation of the financial implications of the transition and help from others with the decision to return to work. The remaining sections look at the back-to-work easements: staff and claimant awareness of the easements, how they gained that awareness and what impact knowledge of the easements had on claimants’ decisions to go back to work.

It is important to remember that the claimants interviewed in this study were people who had made the decision to go back into work. The sample did not include any claimants who had decided not to go back to work, so clearly it does not include the views and perspectives of people who were actually deterred from returning to work by their perception of the transition. A forthcoming survey by the National Centre for Social Research will explore the views of people still claiming benefits.

3.1 Reasons for the return to work

One of the aims of this study is to examine the impact of the package of transitional financial supports on decisions to start work. This section considers the other factors that emerged from the study as influencing the decision to return to work. The impact of the back-to-work measures themselves is considered in Chapter 3.

In line with previous research, this study identified a range of factors that accounted for people’s decisions to move back into employment. The factors that emerged as influencing the decision to return to work fell into three main groups. These are discussed in the following sections:

- negative features of life on benefits and the desire to escape them;
- perceived rewards of life in work and the desire to attain them;
- other factors, including feelings of moral or social obligation, changes to personal or family circumstances, and a fear of official action resulting from an extended stay on benefit.
3.1.1 Desire to escape from negative features of life on benefits

A number of negative features of life on benefits were mentioned as motivations for returning to work. One of these was the lack of physical and mental activity that unemployment implied:

‘You’ve got to work ... to keep the brain going ain’t you? If you don’t work your brain goes dead... [I was fed-up] with looking at these four walls.’

(Male, 40, rural area, 12 months JSA, Job Grant)

Another reported problem was the effect of claiming benefits on self-image. People said that they felt a failure if they were not in work, that being on benefits was stigmatising and that the actual process of claiming was degrading; they felt that by getting work they would restore their self-pride. Depression was perceived as one possible outcome from the boredom and poor self-image resulting from unemployment. For example, one Job Grant recipient commented that he had known he would not be able to survive financially in work but that he had been so depressed that he felt he had to take a job.

Other negative features of life out of work were overtly financial. People described how they had been threatened with repossession; ‘couldn’t survive with the dole’; did not like having to justify all their spending to careful partners or no longer wanted to be a burden on their parents.

3.1.2 Desire for the perceived rewards of life in work

There were also a number of positive reasons for the move into work. Some positive factors were related to the money likely to be earned through the move into employment; but other factors were also important.

Financial rewards

The financial rewards of employment were critical in the decision to return to work. The potency of financial rewards varied across the sample. Some people described being unable to survive on benefits and how they considered extra money as essential for the maintenance of an acceptable lifestyle; for others it was a spin-off bonus associated with the pursuit of other more important benefits of working, and for some the extra money was the main objective but was considered as pin money. Sub-group analysis showed that those with no dependants, disabilities or long-term health conditions were less common in the latter group.

Having more money was seen variously as a route to greater independence, more security, more enjoyment or improved mental health. Furthermore, money gained from work was described as feeling different from money received through benefits:

‘... it’s great - it’s like I [said] earlier, it’s the satisfaction I’m not taking a handout, is one way of putting it - I’m out there, I’m in the workforce and earning my money...’

(Male, 25, Rural town, 8 years IS and JSA, no easements)

Interestingly, even though expenses with children were mentioned as one of the areas on which new money was actually spent, this was not mentioned as an incentive for the return to work.

Often the expected increase in income from a return to work was already budgeted for specific purposes. Various items or issues were reported as being the initial focus for any additional income into the house, for example: spending on the home; socialising; paying off debts or fines; future purchase of a car or house, or making impending retirement more comfortable.

Being in employment was also assumed to have indirect financial benefits by giving greater access to credit facilities denied to those on benefits. For example, one person was planning to start up his own...
business alongside his job, and explained that credit card facilities were a critical element of his business plan (Male, 54, urban area, 1 year JSA, HBRO/CTBRO/Job Grant).

Social rewards
Going into paid work was also believed to offer social rewards. For instance: greater respect from others; the opportunity to be a better positive role model for children; an escape from the isolation of unemployment by providing more contact with other people; the chance to ‘grow up at last’ for younger adults still dependent on parental support, to make a new start in life or to get out of a rut.

‘It’s sort of a psychological thing, it makes you feel better that you’ve got more money and you actually are looking forward, rather than just going and signing a piece of paper every fortnight to get a little bit of money.’

(Female, 24, urban area, 9 months JSA, no easements)

Improved future work prospects
Although looking for a job was an end in itself for some in the sample, others saw their new job as a stepping stone to better employment in the future. They argued that it would be easier to get the job they really wanted if they were already in some kind of work and if they had a longer record of employment. Another linked factor was the improved access to credit facilities, which made it easier to start up in business – for those who aspired to self-employment. There were no discernible patterns to suggest that either view was associated with specific groups in the sample.

3.1.3 Other reasons for wanting to return to work
The desire to escape the negative experience of being without employment and on benefit and the drive to acquire the perceived improvements that employment might bring were dominant factors in the decision to return to work. Other factors, however, were also important.

Feeling a moral or social obligation to work was reported as a driving force to seek employment:

‘I was brought up to sort of work really, that’s what you do. And the benefits system is there for the accidents or emergencies sort of thing. But I sensed particularly [...] that being on benefits could become part of the full-time career, you know. I don’t know, this is not what I want.’

(Male, 53, urban area, 1 yr JSA, Job Grant/HBRO/CTBRO)

Similarly, people described how they felt that it was necessary to work because it was natural to do so. In the words of one Job Grant recipient:

‘...doesn’t everybody want to work? It’s natural.’

(Male, 34, urban area, 2 years JSA, Job Grant)

Changes to personal circumstances were also a key driver in the desire, or ability, to return to work. In the case of lone parents, their child’s (or children’s) age meant they were less restricted in the work they could consider. Improvements in physical or mental health conditions also triggered a desire to return to employment.

For a final group, there were some fears about the implications of official action if they did not find work in the near future. The source of this fear was mixed and, in a study with this focus, difficult to explore in detail. In some cases these people described being concerned about ‘being forced’ by the Jobcentre into training or jobs that they did not want to do, whilst others were concerned about being prosecuted for benefit fraud if they continued to work ‘cash in hand’ for money to supplement their benefit.
3.2 Fears and expectations surrounding the transition to work

A key research objective was to explore the way in which people receiving benefits perceive the difficulties or barriers involved in the transition between benefits and work. This objective is dealt with below. Actual experiences of the transition are then looked at in Chapter 4.

(It is worth remembering that all of the participants in this study had already made the decision to return to work and had then proceeded to do so. This was a criteria for their inclusion in the research. Consequently, individuals for whom fear of the transition was a determining factor in their decision not to return to work were not included in the sample, as a result the views of this group are not reflected in the findings of this study)

Overall, the people in the sample fell into a number of categories with regard to fears they held about the transitional period:

- Those who, because of their financial circumstances or support networks, had no concerns about finances during the transition.
- Those who expected the transition to be hard, but were willing to exchange short-term hardship for long-term gains (whether financial, social or psychological).
- Those who were more worried about long-term finances than about the transition.
- Those who did not expect to be financially better off either during the transition or after the transition, but who had strong non-financial reasons for returning to work (see Section 3.1.2).
- Those who closed their eyes to the possibilities of transitional difficulties, made a conscious choice not to worry about them or simply did not anticipate them.
- Those who expected to be looked after by the state during the transition.
- Those who were reassured by knowledge of the transitional measures.
- Those whose concerns about the transition affected their choice of job.

Few strong patterns were discernible in the distribution of individuals between these categories, but the following trends were evident:

- Lone parents tended to fall into the second category (citing the need to get out of the house and to mix with adult company as their main reason for wanting work).
- People in the first category tended not to have dependants, whilst those in the second tended to have dependent children.
- People with long-term health issues or disabilities (and who were claiming IB) generally fell into the first grouping.
- Of the under-25s in the study (including those who were also lone parents) only one (female lone parent, 21, urban, 2 years’ IS, LPRO/HBRO/ CTBRO) reported having had any concerns about the financial transition.

The range of issues underpinning the attitudes described above are explored in Section 3.2.1.
3.2.1 Changes to income

A principal cause for concern about the transition into work was the anticipated instability of income. One form that this concern took was a general anxiety about “going short” during the first weeks or months and about how to pay bills or pay for cigarettes, lunches and bus-fares. This anxiety was enhanced by uncertainty about how much tax and National Insurance would have to be paid and about the likely level of net pay.

Other worries included fears about problems with benefit payments. For example, one woman reported how the last time she had come off benefits she had been overpaid her Income Support and had been investigated for benefit fraud even though the overpayment had not been her fault. Her fear about the transition to work had been that this would happen again (female lone parent, 35, rural countryside, 3 years’ IS, LPRO/Job Grant/HBRO/CTBRO). Another example was a woman who was owed back-payments of Housing Benefit by the local authority and who believed that she would no longer be entitled to these back-payments once she was in full-time work (female, 32, urban area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO).

There was also trepidation – right across the sample – around the handling of monthly instead of weekly or fortnightly income. This was for two reasons. Firstly, individuals were aware that they had sometimes run out of money before their next benefit payment had been due and had had to struggle to survive for those few days. Whereas on a weekly (or fortnightly) income cycle this period of struggle only lasted a few days, there was a fear that on a monthly cycle it could be significantly longer. The second reason was the need to change budgeting routines and the associated feeling of disorientation and fear of budgeting errors. For example, one way in which people had organised their finances was by paying for utility bills in weekly or bi-weekly instalments at their post office. Sometimes they did this at the same time as they cashed their Giros, thus ensuring that they could not spend the money on anything else. Such a system would no longer be workable once income was monthly and the idea of finding a new way of coping was disconcerting.

A perceived risk with all of the above was that such strategies might lead to new or greater indebtedness.

Where there was a clear determination to go to work, the potency of fears about potential income changes was lessened. The same was true where there were strong positive associations made with being in work; for example, where people saw real social or psychological advantages to being employed, or where financial benefits were expected to ensue from being in work. Elation at having found a job also reduces worries about transitional income changes.

3.2.2 Changes in expenditure

Evidence from the interviews and diaries showed that claimants experienced increases in expenditure when they started work (see Chapter 4) and that they made one-off purchases of items such as work clothes and travel items. However, when anticipating the return to work, extra expenditure had been less of a concern to participants than fluctuations in income. (Indeed, concerns about the former were mentioned by only one participant10.) The evidence revealed some possible explanations for this apparent lack of concern. With regard to regular spending, there was evidence that participants had not realised that this would change as a result of their being in work. The evidence concerning one-off

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9 In theory, lone parents are entitled to LPRO but not to the Job Grant. However in this case the participant received both - although only after insisting on her right to the latter.

10 A 25-year old male living at home with his parents said he had been anxious about how he would pay for bus fares, canteen lunches and cigarettes. (Inverness, 8 years’ IS and JSA, no easements).
spending needs is less clear. The evidence also showed that participants had received grants to cover one-off expenditure, but it is not known when they became aware of these grants and whether or not they worried about such spending before they became aware of them.

3.2.3 Concerns about the bureaucracy involved in returning to work

One non-financial factor seen as a deterrent to starting work was the amount of paperwork and ‘running around’ that people associated with coming off benefits. For instance, this lone parent describes her previous experience of leaving benefit:

‘... the previous job I had it was up to me to approach the social security. It was down to me to go to the Town Hall... I had to do a lot of running around. Whereas now they communicate. If I went to the social security today it went straight on record on the computer, straight through to the County Council that I was coming off Income Support. So there were a lot of easier aspects which I was dreading at first to be honest with you.’

(Female lone parent, 35, rural countryside, 3 years’ IS, HBRO/CTBRO/LPRO/Job Grant11)

Others, as the following example illustrates, described how their concerns about the likely administrative problems affected the decisions they made about which jobs to apply for and accept. This 43 year old Job Grant recipient said that he would not have accepted a job with monthly pay because he would have then expected to have had to apply for a Crisis Loan to cover a financial gap between his last benefit payment and his first salary. He was not at all keen to endure the paperwork that he felt this would entail:

‘I’d have [had] to go through to Social Security to get [a Crisis Loan], which is – I thought, oh God, that’s another book, you know, of claims, you know, they want to know everything, every detail – and I know that’s off-putting for a lot of people, having to fill out all those claim forms and things, you know.’

(Male, 43, Rural town, 2 years’ JSA, Job Grant and HBRO/CTBRO.)

3.2.4 Mitigating factors

Despite the range of barriers to the return to employment described above, the evidence showed that concerns about the transition were not important to all those in the sample. For some, concerns about the transitional period had never played a significant role in their decision to return to work. Five key factors were associated with lower concerns about the transitional period.

Long-term financial stability perceived as more important

Concern about the long-term financial viability of being in work was a key factor that had overshadowed some people’s concerns about the transition. Staff concurred with this, arguing that those claiming benefits were generally more concerned about long-term in-work finances than they were about the transition to work.

11 See Footnote 9 relating to eligibility for LPRO and Job Grant.
Availability of other sources of support
A key circumstance accounting for reduced concerns about the transition was the availability of alternative sources of financial support, which, the evidence suggests, greatly reduced concern around the financial implications of the transition. This applied both where others were already paying most of the household bills (for example, where spouses or parents carried most of the general household financial burden) and where people were confident that such help was available if they needed it (either from partners, parents or wider family and friendship networks).

Determination to be in work
The determination to get back into work (what one woman called “bull-headedness”) and certainty about the benefits of employment versus unemployment were so great for some in the sample that any transitional difficulties were perceived as worth overcoming.

Faith in the state
For another group, faith in state provision reduced anxieties about the transition. People in this group believed that the state would provide all the support that was needed and would not remove financial support that was required during the transition. For example, one male claimant had been told by friends that he would receive a run-on of his JSA until he received his first salary and a bonus for uniforms and clothes (which he assumed would be between £500 and £1,000, a figure that is in line with what he did spend on clothes during the transition). He added that this was the kind of transitional support that he and his friends thought one should be entitled to; that it was what was needed; and that they had assumed that the state would supply whatever level of financial support was necessary. (Male, 31, urban area, 21 months’ JSA, Job Grant/HBRO/CTBRO).

Limited consideration of the potential transitional difficulties
A range of other reasons were given when people were asked why they were unconcerned about the transitional period.

One group said that they had felt an overwhelming excitement about having (finally) found employment and that this had been a key factor that had obscured or reduced anxieties about the financial transition. Coupled with this was the belief that being in employment would, de facto, make you ‘better off’ financially.

Another group was characterised by their belief that worrying endlessly about ‘what might happen’ was pointless. They argued that it was bad for your health to worry and, indeed, that such worrying might prove to be counter-productive and hinder progress back into work. ‘Going with the flow’ was how one person described his preferred approach to potential future difficulties. Others, less optimistically, described being concerned by the potential difficulties but declined to consider them – either because they felt that the reality of the transition might not be ‘bearable’ if considered too closely, or because they believed it was beyond their ability to calculate what their financial situation would really be, especially in the light of uncertainty about the size of future bills and salary deductions.

As previously noted, individuals falling into either group did not necessarily share similar personal circumstances or characteristics reflecting the highly individual nature of individual responses to the transition to work.
3.3 Client awareness of easements while still on benefits

It is critical to understand claimant awareness of back-to-work measures whilst still on benefit in order to successfully evaluate the impact of the different policies on people’s motivations to return to work.

Evidence from the interviews indicates a low level of awareness of the measures amongst claimants before they returned to work. Typically, the first that people heard about the Job Grant was when they received the £100 cheque; and information about HBRO was only passed on to them after they had found a job. Some of the reasons for this lack of awareness are explored in Section 3.4.

Where claimants did remember hearing about the measures before finding a job they described hearing about them at Employment Zone interviews, from the Jobcentre, from BA staff (when they told them they wanted to find work) or from friends. Leaflets collected from Jobcentres and BA offices were another source of information cited by these claimants.

According to ES, BA and local authority staff there were specific groups of claimants who were least likely to be aware of the back-to-work measures:

- Although surprising, staff felt that the long-term unemployed, including lone parents, who had completed a New Deal programme but not found work, were likely to be unaware of transitional easements. In particular, it was believed that those who moved back onto standard signing (i.e. were not actively participating in a programme such as NDYP) and no longer had a New Deal adviser to inform them about the measures, were likely to miss this information.

- Lone parents who had not voluntarily joined the New Deal for Lone Parents.

- IS, IB and SDA claimants who did not attend the advice groups through which BA offices publicised new benefits and grants.

- Those who had let claims lapse without saying that they had started work - for example, because they were trying to avoid paying child maintenance.

BA staff felt that claimants’ poor understanding of the measures was also a problem. Even where clients were aware of the measures, staff felt that they remained confused about whether they were entitled to all of them, none of them, or only some of the transitional measures. Evidence of confusion amongst individual claimants even after and during the transition tends to confirm this view (see Sections 5.1.1, 5.2.1 and 5.6.1).

3.4 Staff awareness and understanding of the back-to-work measures

Potentially the most important claimant sources of information about the measures were staff. Staff were therefore asked in the focus groups about their own knowledge of the measures and also about whether, and how, they attempted to pass on this knowledge to their clients. Evidence from staff supported that given by claimants in the interviews. They reported that they did not always have a full understanding of the back-to-work measures and, even if they did, that (for reasons expanded on in the rest of this section) they were not always able or willing to pass information on to their clients.

Generally speaking staff were aware of both the incentive and the easement intentions behind the measures. ES staff tended to emphasise the former more than the latter, seeing the measures as a way of helping them reach their targets for getting people back into work.
The following sections explore the awareness and practices of staff from the three key agencies in relation to the package of easements available to those returning to work.

**Employment Service staff**

Most of the ES staff who participated in the research were advisers, rather than front-line staff dealing with reception or claiming enquiries. However, advisers were able to comment on what they considered to be their front-line colleagues’ awareness of the measures. The distinction between the two groups of staff is an important one. Advisers conduct interviews with clients, whereas front-line staff are responsible for meeting clients at the counters, getting them to sign on and passing enquiries to appropriate colleagues.

Ways of disseminating information about measures such as the ones of interest in this research varied from Jobcentre to Jobcentre, and staff said the quality of communication was critical and also variable. Some offices had weekly meetings in which information about new or changed measures was cascaded down to staff; others did not. In addition, staff who were away from work on the day of such meetings might not learn about new measures at all. All the advisers mentioned the availability of information on a computerised system (called ESCOM), but they described this system as slow, difficult to use and hard to print out information from. For those who knew how to use it properly, it was good and could usefully be employed for reinforcing information given in team meetings. However, it was hard to find the time to use it and was ‘a nightmare’ for those less familiar with its vagaries. As a result, they said, it was little used.

The one Lone Parent Adviser in the study reported that all Lone Parent Advisers in her area (which covered several Jobcentres) met together once every month to share information about benefits and related measures and that they also networked on the phone in-between meetings. When LPRO was introduced they were all called in for a special briefing meeting about it.

To improve their awareness of the back-to-work measures, staff suggested a number of things:

- that there should be a promotion drive of all new measures as soon as they’re introduced – so that the information about them and awareness of them sticks in staff minds;

- that there should be more training seminars for staff;

- that newsflashes should be sent out that appear on the screens of the computers staff use for their case-work on a regular basis (at least on a monthly basis) to remind staff about the measures available. More pertinently, staff felt there should be a mechanism which would alert them to client eligibility for measures as and when they were notified of their return to work;

- that weekly update meetings for Jobcentre staff should become more frequent and involve more staff (there was a feeling, for example, that reliance on ‘cascade-sharing’ of information – i.e. through telling one key member of staff, was not always effective).

Advisers saw the easements as ‘tools’ to be used to get people back into work. They described it as being in their interest to know the package of measures and to use them in meeting their targets for getting people back into employment. However, they also felt that the qualification criteria of the measures were difficult to understand and to remember because of their complexity. As a result it took time before staff felt confident about which measures were available under which circumstances and as a result established advisers were more confident in their understanding of the measures than those new to the job. Furthermore, it became apparent during the focus groups that staff did not always have a good knowledge of how the measures applied to homeowners. This was a result, they felt, of their having few clients who were homeowners and therefore not having had to learn about...
this aspect of the easement package. This latter comment was supported by evidence from claimants. For example, one claimant went to his Jobcentre to enquire about transitional support for homeowners:

‘They didnae know too much about the mortgage benefit side of it because it’s not an aspect they really deal with... I had to mention it to them... [and they said,]’oh is that what it says in the leaflet, oh it must be right then’.’

(Male, 48, urban area, 13 months’ JSA, Job Grant/MIRO/CTBRO)

The advisers who took part in the research felt that they were generally better informed than front-line colleagues. There were a number of reasons for this. Firstly, advisers reported that front-line colleagues were under too much time pressure to learn about policies such as back-to-work measures. Secondly, advisers felt that front-line staff were undervalued and the constant fluctuations in the staffing of front-line posts meant that there were always new staff who did not have time to learn about things. This was magnified in offices with a constant through-flow of casual staff.

Furthermore, advisers felt that because front-line staff were not required to meet targets for moving people into employment, they might be less motivated to find out about the measures than the advisers, and therefore not seek a detailed understanding of the qualification criteria.

‘It’s well known that... the interventionists, the people who sign people on every two weeks, really do not know a lot about what us as advisers offer the clients... it’s a very big gap between what they know and what we know.’

(New Deal 50 Plus Adviser, London)

‘I think people assume that - ‘well, they don’t need to know as much, because they’re not going to be doing advisory work, they’re just taking their signature and - ‘, doing their job, so to speak’

(Employment Zone Liaison Officer, London)

**Benefits Agency staff**

BA staff learned about new measures principally by reading about them in printed circulars. The circular introducing the back-to-work measures was described as one of the best written that they had seen, but staff said that in general they were difficult to understand and that they had insufficient time to read them properly:

‘Like you’re expected to read and understand [a new circular], remember it, plus all your other work, plus read, understand and remember everything else that comes through - it’s just physically impossible.’

(Jobcentre based BA staff member, Wales)

Some staff spoke of team sessions in which they discussed the content of new circulars, but this was not the case for all staff and some of those providing training for their colleagues felt that they themselves needed training first. Just reading the circulars, they felt, was not normally sufficient, particularly where there was the information or regulations were complex. As an example, BA staff mentioned that the circular for the back-to-work measures had not explained the reasons behind the qualification criteria. They felt it was essential for the quality of their customer service for them to be able to explain to claimants who were not entitled to a measure why another claimant was, and what
the reasons were for this. However, this was not explained in the circular and there was no-one they
could phone to get an explanation.

‘You just can’t give them an answer, and we are the people who are doing the job, and we are
the ones that are coming so close to the line, but… we’re not providing that final bit of
customer service, where we can say ‘this is the reason why’. All we can say at the moment is,
these are the rules, unfortunately we just enforce the rules’ – and that’s not good, that’s not
a good level of customer – that’s all we can do – .’

(Jobcentre based BA staff member, Wales)

Staff said that they would prefer to be able to learn about new measures in interactive settings rather
than just read about them. They also suggested that something similar to the Employment Service’s
ESCOM (computerised information service) should be made available to benefit office staff (some of
whom did not have their own office computer) and that there should be an information helpline for
new, more complex measures. The Job Grant, however, had been easy to understand, as had the
circular that introduced it and that had explained the other back-to-work measures. Circulars should
all be like this one. They should be written in simple English and should be self-contained – i.e. you
should not need to refer to other circulars in order to understand them.

Staff working in benefit offices did not have many clients going back into work but nevertheless
claimed that it was not difficult to remember the back-to-work measures when they needed to. Not
all staff knew about all benefits though – or even felt that they should do. For example, a member of
a specialist mortgage team felt she probably did not need to know anything about Job Grant.

‘People come on the phone, they talk about it and we just say ‘yeah’, but we don’t know what
they’re talking about so we just carry on.’

(Member of BA mortgage team, London)

Similarly, BA staff working in Jobcentres were uncertain about the Job Grant as a result, they said, of
their having had little, if any, dealings with it. This uncertainty about the Job Grant amongst staff is
underlined by the experience of one lone parent. Not realising that lone parents are not entitled to the
Job Grant, she went to her BA office and asked for it, with the following results:

‘The woman I was dealing with she was quite perturbed about it. She couldn’t give me a quite
yes or no answer. I said, ‘look am I entitled to this or not?’ ‘Oh, we’ll have to assess your
situation… ‘ And lo and behold within three days I had a hundred pound Job Grant giro.’

(Female, 35, rural area, 3 years’ IS, LPRO/HBRO/ CTBRO/Job Grant12)

According to one local authority officer, BA staff also had a problem with HBRO. In his view BA staff
did not properly promote it because they were sufficiently aware neither of how large the amounts
were that were involved nor of the potentially critical role it could play in easing the financial pressures
of the transition period.

Local authority Housing Benefit staff

Local authority Housing Benefit staff said that they got most of their information about benefits from
BA circulars, but that they did not have the time to read them all and that, furthermore, they were too
long-winded and written ‘like a solicitor would write things’ (i.e. in a way that made the meaning hard

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12 See Footnote 9.
to determine for the layman). They spoke of simplified internal training documents that were taken from the BA circulars and tailored to the needs of Housing Benefit staff. These were not always produced, but were thought to be especially useful for the more complex measures that might otherwise be interpreted differently by different staff. In at least one case, front-line counter staff received training about new benefits.

Local authority Housing Benefit staff would not be expected to have the same level of awareness as ES and BA staff, and indeed this proved to be the case. They demonstrated a high level of awareness of HBRO but did not consider that it was important for their work for them to be aware of the other transitional measures. As a result, they described having little time to read and absorb the information they received about these other measures - especially as they were already struggling to keep up with the amount of information they were receiving on policies more directly related to their primary role.

3.5 Promotion of the measures to benefit claimants

As described in Section 3.3, claimants found out about the back-to-work measures in various ways, and some did not learn about them until they received them. This section explores some of the reasons behind this pattern of promotion and awareness from the perspective of staff.

It is important to note that a Department for Work and Pensions promotional campaign originally planned to coincide with the launch of the Job Grant had been delayed and had therefore not begun by the time of the fieldwork for this study. As a result, recognition levels of the new measure were undoubtedly lower than expected both amongst staff and those eligible.

3.5.1 Staff working in benefit offices

At the time of the research, individuals claiming Income Support, Severe Disablement Allowance or Incapacity Benefit fell under the remit of Benefits Agency offices and did not need to register with Jobcentres. This meant that staff at BA offices were one of their main potential sources of information about the back-to-work measures. Since the research has been completed these arrangements have changed. Staff identified two factors as being critical to the level of information that these claimants might receive about the transitional measures: the frequency of client visits to their local office and reluctance amongst staff to volunteer information about the measures.

Frequency of client visits to the office

Staff working in benefit offices reported having a number of reservations about promoting the back-to-work measures to their clients. These included the fact that their clients only needed to visit the office once a year13 (although some came more often out of choice) and that staff did not feel that such an infrequent visit was the appropriate occasion for conversations about getting back into work. They also felt that their clients were not the kind of people who could work; they felt sorry for them and did not want to make them feel that they were being pressured to look for work and come off benefits. As a result of their reservations, they said, those who only came in annually - the majority - would normally only be told about the easements once they had found a job, and would otherwise often be totally unaware of them. These comments concur with evidence given by claimants, who

13 Lone parents in the areas covered by the staff research were obliged to attend compulsory annual job-focused interviews at Jobcentres. Compulsory interviews for IB and other IS claimants had not yet been introduced in the areas from which staff were drawn, as they were not Jobcentre Plus Pathfinders or Work Focused Interview Extension Sites.
said that BA staff had only volunteered information about the measures when they informed them of their intention to return to work or when they rang them for help during the early weeks of their job.

‘I called them because I was totally, totally panicking about this letter I was getting in from the Council, and I called the Benefits Agency up to ask, you know, could they not help do something. And they said to me: ‘Well don’t worry about it because firstly you’re entitled to a run-on for one month after you start work’, and I asked: ‘Could you explain what a run-on is?’”

(Speaking about a time four weeks after coming off benefits)
(Female, 55, Rural area, 5 years’ IS & IB, Job Grant/HBRO/CTBRO)

Some clients, however, did come to the BA office more than once a year - in order to be reassured about the continuation of their benefit or to have someone to talk to for example. Staff reported that this group of claimants were more likely to hear about the back-to-work measures than others were. There was no evidence of this pattern in the interviews with claimants.

Reluctance to volunteer information
The study found that one reason for claimants not being told about back-to-work measures was reluctance amongst BA staff to volunteer information to claimants.

Reluctance was attributed to several factors. Firstly, staff candidly explained that promotion of the easements added to their already heavy workloads. Secondly, they felt that some claimants became suspicious if staff spent time giving them information about something they were not directly asked about. Staff feared that fuelling such suspicions might lead to hostility on the part of claimants, who might believe that staff were only interested in moving them off their benefits into work, rather than trying to help them within the context of the barriers to employment that they faced.

Thirdly, BA staff reported that their enthusiasm for promoting the back-to-work measures was undermined by their perception of the role and status of Benefits Agency:

‘The Benefits Agency don’t really have an awful leaning towards those types of payments. It’s more ES… it’s more in the process of paying people benefit than getting them off of benefit.’

(Jobcentre-based Team Leader, Wales)

Some staff felt that this emphasis on benefit as against employment left them in the position of a ‘Cinderella’ service: i.e. comparing themselves to the Employment Service, they felt neglected and undervalued. For this reason, they felt, ‘the Government’ made far less effort to inform BA staff of the back-to-work measures than they did their ES counterparts.14

The above reasons for reluctance in promoting back-to-work measures applied to all the measures equally, but one further factor applied to Job Grant in particular. This was the unease that staff reported they felt about the reliance on claimants’ honesty with regard to the expectation of being in work for five weeks. Being used to verifying all qualification criteria for benefits, staff reported feeling anxious about a measure that did not have this safeguard. There was a concern that claimants would abuse this trust and some staff felt that ‘the Government’ did not want them to promote Job Grant because it was so open to abuse. It was unclear where this belief stemmed from.

14 It is important to note, again, that this study was conducted during a time when both the BA and ES were undergoing considerable organisational change. Benefit offices and Jobcentres were preparing to be merged, to create the new joint agency, Jobcentre Plus.
3.5.2 Staff working in Jobcentres

Unlike staff in benefit offices, Jobcentre advisers were clear that it was the role of their offices to promote back-to-work measures and they described how they put a great deal of emphasis on their promotion because they were a selling point for getting people back to work.

Staff insistence on the central role of back-to-work measures within their work was borne out by many examples of good practice described by past claimants who had moved into work. Nevertheless, there were exceptions. Some JSA claimants only recalled having heard about the Job Grant when they signed off or when it arrived in the post. Similarly, others were only told about HBRO when they left benefits or after they left benefits, or were not aware of having been told about it at all. Indeed, amongst some claimants, there was a feeling that staff were intentionally keeping information about the measures hidden:

‘Somebody in the Jobcentre told me to ask about [HBRO and Job Grant] which I’d been told they’re not supposed to do... but I can’t say [who it was that told me] ’cause they’re not supposed to...’

(Male, 39, rural town, 1-2 years’ JSA, Job Grant/HBRO/CTBRO)

Some JSA claimants did say that they had been informed of the back-to-work measures before they signed off, although they were sometimes made aware of HBRO and not the Job Grant. New Deal interviews and Employment Zone interviews were cited as the key occasions on which the information was related, although leaflets were also mentioned.

A visit to the Jobcentre to find out about job opportunities was a chance for IB and IS claimants to be told about measures. Again, some were told about HBRO only and some about the Job Grant as well.

The study identified three main barriers to effective promotion of the measures by ES staff. These are each described in turn below:

- A fear of misdirection.
- Time pressures.
- Difficulties arising from the complexities of entitlement to easements.

Fear of misdirection

There was fear amongst staff that giving clients too much information would leave them open to accusations of misdirection. Their experience of the complexity of entitlement requirements led them to be wary about providing advice and information. Some felt that entitlement to back-to-work measures could change from one week to the next (for example, if the client missed a signing-on session and thereby created a break in their claim). They were therefore fearful lest advice they gave to claimants might become out of date by the time they actually found work.

Advisers told how clients had complained when this had happened, and reported how, in exceptional cases, solicitors and MPs had become involved as a result. Therefore, some had become wary of telling clients anything too specific. Unfortunately, staff said, this led clients to think that they were being ‘cagey’ and were ‘holding back info’ – which could lead to a breakdown of trust.

Even if they told claimants that they might be entitled to something, staff felt that claimants would interpret this to mean that they were entitled to it. As a result, advisers did not therefore see blanket promotion of the easements as a solution.
‘And I always tend to say, ‘come and see us before you start work and we can see exactly what
you’re entitled to at that particular time’ - rather than selling everything in advance. ‘Cos things
alter, things change.’

(New Deal Adviser for Lone Parents, Wales)

‘And I think we’ve got caught so many times before in giving them information that would be
correct at the time, and then they came back a couple of weeks later and it was not – that that
would be far worse than – you know, false promises – and they’ve got this on their – in their
mind… ‘Cos they could take us then, as an individual, for misdirection.’

(Employment Service staff member, Wales)

Finding the time to promote the easements

As noted above, staff did not always feel that they had adequate time or opportunity to promote the
back-to-work measures to their clients. They explained that JSA claimants were supposed to be
informed of the back-to-work measures in their re-start interviews (which happen after 3, 6, 12 and
18 months of unemployment) and in their New Deal interviews. Despite these procedures staff
identified a number of factors that limited their ability to promote the easements in practice:

- Interviews had numerous focuses in addition to the discussion of back-to-work measures.
- Interviews were too short (at around 35 to 40 minutes) for advisers to be able to cover everything
  they were supposed to, so back-to-work measures were often ‘squeezed’ into the end of interviews
  or left out.
- Staff not only had targets for getting people into work, but also for getting people into training.
  These targets could conflict, which sometimes led to the promotion of back-to-work measures
  not being given the priority.
- Qualification criteria for the various measures were varied and complicated, and advisers did not
  always have time before an interview to check which measures a client might qualify for. In these
  circumstances they described ‘playing safe’ and making only a vague mention of the package of
  measures.

Difficulties with promoting effectively

The complexity of the measures and unpredictability of their actual delivery was also described as
making promotion more difficult:

- Staff said that a full explanation of the measures could be too complicated for clients to take in
  or that some clients might be “switched off” by the amount of detail. Staff described how in
  these cases they explained to clients that they would discuss the measure with them more fully
  when they had actually got a job.
- ES staff did not always feel that they could rely on their BA counterparts to deliver the measures
  that a person was entitled to. They felt that they had been let down by their BA colleagues in the
  past, and as a result they felt less confident about promoting the measures, because they feared
  that they themselves would get the come-back if claimants did not receive them when they had
  been led to expect that they would.
- Finally, ES staff felt they could never tell claimants with any certainty what help they would
  receive during the transition, because only Benefits Agency staff were allowed to assess the
  length of a person’s continuous claim.
3.5.3 Local authority Housing Benefits staff

Local authority staff who administered the Housing Benefit did not see it as their responsibility to promote back-to-work measures. Even the promotion of HBRO and CTBRO and CTB were described as ‘best left to BA; ‘cos they’re not local authority benefits, they’re Benefits Agency benefits’ (a Senior Counter Clerical Assistant). However, if people phoned or came in to say that they were starting work then some local authority staff did mention HBRO to them. Claimants were also told about HBRO if they asked for a projection of in-work Housing Benefit or phoned to say that they were thinking of starting work. These requests were rarer in some areas but there appeared to be no clear reasons for lower levels of requests.

Staff said that not all claimants looked at posters or picked up leaflets where these were made available. In offices that covered geographically dispersed areas, most clients very rarely came in to the office itself; so making publicity available for people to look at or pick up was perceived as even less effective.

3.5.4 Timing of promotional activity

There was some hesitation amongst staff with regard to the promotion of the back-to-work measures to individual claimants. This, as described above, was for two reasons: firstly because they were reluctant to give information that had not been asked for, and secondly because they were afraid that the information that they had given would be out of date by the time the person actually found a job. This could mean that they did not fully promote the measures until a person had already decided that they wanted to find a job, or until they actually had found one.

3.5.5 Suggestions for improved promotion

Staff made a number of suggestions for improving the promotion of the back-to-work measures:

- Standardise the qualification procedures for the measures so that they are easier for staff to explain and for claimants to understand.

- Provide leaflets that are particular to people’s situations, e.g. different ones for people on benefits for six months and those on benefits for over a year. If information was specific to people’s situations they might be more likely to read them.

- Make the measures available to people from the start of their claim. This would make it easier for staff to promote them, as they would no longer have to think about who was entitled to them and who was not.

- Advertise the measures on the new electronic job points, either by:
  - putting a message on the screen-savers; or
  - adding information about the measures to the information already accessible via the screens.

- Mention the measures on the letters of invitation for the six-month review meeting with PAs. This would prompt claimants to ask about the measures in the interviews and would also remind the PAs to talk about them.

- Programme the computer systems to automatically send out information to claimants about the measures as soon as they have been on benefits long enough to qualify for them. Such information should be on a separate piece of paper and not just tagged onto another letter (where it would not be read).
• When sending out benefit payments, include in the envelope slips of paper advertising the measures – or print information on the benefit cheques themselves.

• Send out with benefit cheques personalised eligibility statements that detail exactly what back-to-work support a person would get (as is currently done for the Back to Work Bonus).

• Stamp signing-on cards with the words, ‘£100 back-to-work grant!’, right next to some important information that they are most likely to look at; for example the day and time on which they are to sign-on.

3.6 Impact of back-to-work measures as incentives

One of the main objectives of this study was to evaluate the impact of the back-to-work measures as incentives to encourage people to return to work. However, given that the evidence has shown that people’s awareness of the measures was very low before they returned to work (see Section 3.3), the scope for a clear motivational impact was limited. The forthcoming survey will be able to provide a clearer assessment of the motivational impact of the measures. Nevertheless, during the qualitative interviews, participants who had not heard of the measures before they made their decision to return to work were asked what difference, if any, they thought an awareness of the measures would have made to their decision making.

Due to the nature of the evidence, we consider the findings about the incentive impact of the package of measures in two separate sub-sections. The first explores the indirect and speculative evidence of staff and people who were not aware of the measures while on benefits; the second considers the evidence of individuals who were actually aware of the measures when they made the decision to return to work.

3.6.1 Indirect and speculative evidence on the incentive impact

This sub-section explores the evidence presented by claimants who were asked to say what the incentive impact of the measures would have been had they known about them when they were on benefits. It also looks at the speculation by staff about the incentive impact of the package of measures

According to the evidence presented by these two groups, the incentive impact of the measures was mediated by three factors: the relative importance to claimants of personal motivations to return to work, perceptions of the long-term consequences of returning to work and perceptions of the financial significance of the back-to-work money.

Psychological/personal motivations

As described in Section 3.1, the study found that there were a number of personal and social reasons for wanting to work (including the desire to escape the boredom, stigma or perceived degradation of unemployment; the need for improved self-esteem, and an association of unemployment with a state of depression). These were identified, in some cases, as equally, or more, important than financial reasons. Where this was the case, people said that they did not think knowing about the easements would have made any difference to their motivation to start work because they had already been sufficiently motivated by other factors. Indeed, one participant was so keen to escape the depressive effect of being on benefits that he took a job in spite of the fact that he expected to ‘fail financially’ (Male, 57, rural town, 21 months’ JSA, Job Grant/MIRO).
Long-term consequences of returning to work

Where long-term considerations were more important than the transitional issues and people just wanted to know that they would be better off eventually, the back-to-work measures were of marginal relevance. This was the case for all types of respondent, and not only for those with resources to fall back on during the transition:

A married man with a non-earning wife and 24-year old unemployed son living at home had used up all of the family savings during his period of unemployment. He and his wife coped with the transition by borrowing from the bank and cutting back on expenditure (for example, by postponing veterinary treatment and the purchase of new prescription glasses). They fell into arrears with their mortgage payments and expected not to be able to pay their next Council Tax bill. However, when he was asked about the incentive value of the back-to-work measures he stated that they were a only a small help and that the more important issues for him were long-term finances and his self-esteem.

(Male, 57, rural town, 21 months’ JSA, Job Grant/MIRO)

One key long-term consideration was found to be finance. Some claimants said that the financial long-term had been a much greater consideration than any thoughts about the transition. For example, a young, single man said that he had been so much in debt that his priority had been to increase his income from what he was getting from JSA, and that ‘wasn’t concerned at all’ about finances during the transition (male, 27, urban area, 1.5 years’ JSA, Job Grant/HBRO/CTBRO).

ES staff too felt that long-term financial considerations were more important to claimants than short-term financial problems during the transition:

‘If their job is one they can survive on comfortably then one month’s help is seen as a godsend, but if not then it doesn’t mean anything to them.’

(Employment Service staff member, London)

Other long-term factors also overshadowed transitional issues. For example, one woman coming off Incapacity Benefit was more concerned about the impact of work on her health and on her ability to maintain her family home than what the likely financial implications would be. An important incentive for people on IB was the guarantee that they could return to the benefit (without cumbersome reapplication procedures) within a certain time if their job did not work out. In several cases, the IB 52-week linking rule was described as a critical incentive, providing people with the confidence to attempt, at least, a return to employment. This points to the relevance of measures such as Rapid Reclaim (not part of this evaluation due to timing) which can provide reassurance about the ease of returning to benefit should new employment prove unsustainable.

Financial significance of transitional supports

The extent of the incentive impact was also dependent on how significant people perceived the size of the transitional measures to be. For example, BA and ES staff felt that the Job Grant was too small to make a difference - especially when compared to a £500 back-to-work grant offered by one Employment Zone. This view was also evident amongst claimants, both with regard to the Job Grant and the measures overall.

15 This measure is part of a separate evaluation and is reported in DSS Research Report 141 – see References.
Some claimants, however, did say that they would have been more motivated about finding work had they known about the measures. A 26 year-old father with an unemployed partner and a lone parent both said that awareness of the measures would have made them look for a job sooner, and some of those under 25 felt that they would have tried harder to find work if they had known about, or been entitled to, the measures.

Others felt unable to comment on the potential impact on their own motivation to find work, but thought that the measures would be a good incentive for others:

‘Knowing there’s help there and knowing there is somebody there with - even if it’s just advice, if there’s money there to help you with things that you need - just knowing that is a boost, it’s more encouraging - it’s not so disheartening.’

(Male, 25, rural town, IS & JSA 8 years, no easements)

‘[Knowing about the Job Grant] would encourage a hell of a lot more people to go back to work... A gentleman would have to pay forty, fifty pound for a pair of boots to have to work and if he’s on the dole he hasn’t got that: ‘I can’t afford it so I can’t go back to work’. So that’s a real Catch 22.’

(Female, 35, rural countryside, 3 years’ IS, lone parent, Job Grant /LPRO)

However, although some thought that the measures could have a potential motivational impact on other people, amongst those interviewed for this study there was little evidence of the measures actually having an incentive impact. Neither, as described above, did many participants think that they would have been more motivated to find work if they had known about them. However it is important to remember that few of the participants knew much about the measures before they made their decision to return to work. By definition, therefore, they had felt able to return to work without any transitional help and were therefore less likely to feel that the measures would have made a material difference to their decision.

Awareness of the measures did sometimes ease people’s worries about the transition, but most of the sample in the study only heard about the measures after their decision to return to work, so the decision itself was not affected. Some younger participants did say that knowledge of the measures would have influenced the timing of their return to work or the intensity of their job search. Others however said other factors had been more important than concerns about the transition or that the incentives were too small to be significant. According to staff, people would not be swayed by the measures to start a job: for people who already wanted to work, the measures would be a bonus; for those who did not want to work, they would not make any difference. At best, they felt, they would be ‘a little extra push’ to those who really wanted to get a job anyway.

3.6.2 Direct evidence on incentive impact

Few participants in the sample remembered having heard of the back-to-work measures before making the decision to start work. The circumstances of those that did are described below, along with their comments on the incentive impact of the measures:

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16 The publicity campaign for the back to work measures had not yet begun at the time of the fieldwork for this study.
A single parent had wanted to start work because she felt that her son was old enough to be less dependent on her and because she wanted to bolster her self-respect and pride. However, she said that the stress of working a week in hand would have deterred her from doing so if it had not been for LPRO.

(Female lone parent, 39, rural town, 10 years’ IS, LPRO/HBRO/CTBRO).

A single male had been living in sheltered accommodation where all his bills were paid and all his food provided. He had decided to find work to allay his boredom, but knew that he would not have to pay any bills during his first weeks in work. He said that the measures had no incentive impact on him whatsoever.

(Male, 52, rural town, 5 years’ JSA, Job Grant/HBRO/CTBRO)

A married male who lived with his adult son and wife (neither of whom had jobs) decided to enter work as a means of countering his depression, even though he expected to be worse off financially. He had no savings to fall back on but said that the problems of transitional finance were as nothing compared to issues of self image and long-term finances.

(Male, 57, rural town, JSD 21 mths, Job Grant/MIRO)

A man who lived with his partner and child said that he had been unable to survive financially on benefits. This and his desire to enter a particular profession had decided him to start work. The easements had not been an incentive because he had been confident that the job would work out for him and had been aware that WFTC would make him better off in work.

(Male, 29, rural town, 5 years’ IB, Job Grant/CTBRO)

3.7 Summary

- Three groups of factors were influential on people’s decisions to move into work: negative features of life on benefits and the desire to escape them; the perceived rewards of life in work and the desire to attain them; and then other factors, notably relating to feelings of moral or social obligation to be employed or changes to personal or family circumstances which either made work possible (i.e. children getting older) or imperative, for example, the loss of other income.

- Fears about the financial impact of the transition were expressed across the sample. Participants did though express differing levels of concern. One group described limited concerns about the transition, this included those who, because of their financial circumstances or support networks, had no concerns about finances during the transition (notably younger people with few expenditure commitments, those with strong family support); those who were more worried about long-term finances than about the transitional period and prepared to experience a period of financial stress in order to achieve this (often those with dependents); and those who did not expect to be financially better off either during the transition or after the transition but who had strong non-financial reasons for returning to work. In contrast, were a group of participants who expressed greater levels of concern (notably those with accrued debts, dependant responsibilities or long-term health issues or disabilities). This group included those who expected the transition to be hard, but were willing to exchange short-term hardship for long-term gains (whether financial,
social or psychological) and those whose concerns about the transition affected their choice of job in relation to which jobs they considered pursuing or accepting. A final group included those who avoided considering the possibilities of transitional difficulties, made a conscious choice not to worry about them or simply did not anticipate them. In some instances, people were reassured about the potential turbulence either because they ‘hoped’ the government would provide them with assistance or because they had been given reassurance by information they had acquired about potential transitional support.

- A range of issues underpinned the different levels of anxiety about the return to work. Principal amongst these was the concern that a transition into work would lead to instability of income. This concern was frequently strengthened by concerns about the resultant impact on benefit payments and credit arrangements. Another factor underpinning anxiety was the concern about adjusting household budgets from a monthly or fortnightly income to a different financial cycle (for example, where people had been used to receiving fortnightly benefit but would now be receiving monthly pay cheques). Being used to juggling a low income, people often felt the new gaps in income might threaten regular payment cycles. In anticipating the return to work people’s concerns about potential changes in expenditure were much less than their concerns about fluctuations in income.

- A major underlying fear causing anxiety about the transition was the perceived risk that the transition might lead to new or greater indebtedness.

- Where there was a clear determination to go to work, the potency of fears about potential income changes was lessened. The same was true where there were strong positive associations made with being in work; for example, where people saw real social or psychological advantages to being employed, or where financial benefits were expected to ensue from being in work.

- A key deterrent to making the move into employment was the bureaucracy associated with the return to work. This was particularly true for people with prior experience of moving between work and benefit receipt and for those with long-term health problems or disabilities where fear about prolonged periods without income or facing detailed administrative procedures for reclaiming benefits were heightened.

- Client awareness of the potential for transitional support could be critical to people’s decision-making and was a key focus for the work with staff and clients. Evidence indicated very low levels of awareness around available transitional measures amongst clients prior to return to work. Typically, the first that people heard about the Job Grant was when they received the payment; and they often reported only receiving information about the ‘run-ons’ such as HBRO after they had found work. Staff described similar issues and also stated that they felt that specific groups of claimants were least likely to be aware of the back-to-work measures. On the whole these were clients who did not frequent local offices on a regular basis and therefore, were thought unlikely to come across information about the measures.
Whilst staff were broadly aware of the range of transitional support measures available, they also described difficulties with implementing them. The promotion of the package of measures was not yet considered to be working as effectively as possible. Key problems with promotion identified included: staff awareness of the detailed eligibility for various different measures, problems involved in implementing measures which (at the time) could involve two or more agencies (i.e. the Employment Service, BA and Local Authorities), staff workloads, and the variable frequency which some clients made contact with the responsible agency (for instance contact is higher for those on programmes such as New Deal and much less frequent for those in receipt of IS or IB).

Given the extremely limited awareness of the transitional package of support prior to making the decision to work in most clients’ cases there was very little direct evidence to support the role of easement measures as incentives to return or move into employment. This is not, though, to argue that transitional measures do not (or could not) have an impact on peoples’ experiences of the transition. Likewise, even where people were unaware of their entitlement to support they welcomed it when it arrived and described how prior knowledge of the package of support may have affected their earlier decision-making (see also later chapters). Staff and former clients were keen to note the importance of clarity around the transitional measures available and to express their views that knowledge and information being available about transitional support could make a very real difference to decision-making around the move into employment.
4 Experiences of the transition to work

This chapter looks at the transition as seen from the perspective of the individual participants who moved off benefits into work. It takes the transition stage by stage, considering first the week before the start of a new job, then the early weeks before the first pay is received and then the first weeks after the first pay - each of these stages revealed its own issues. One group of participants are not included in this staged analysis however - the self-employed. The determining factors of their experiences are too different from those of waged workers to be included with them and they are instead discussed in a separate section of this chapter.

We do not, at this stage, take into account the presence or impact of the back-to-work measures themselves, which are discussed in detail in the next chapter. Instead we present a picture of the world of the transition as it would be if the back-to-work measures did not exist. This is a valuable way of understanding the fundamental mechanisms that are at play during the transitional phase and the problems that the back-to-work measures seek to ameliorate. This is of course an imperfect exercise, as it is not always possible to distinguish responses and experiences of the transition that have been affected by the back-to-work measures from those that have not.

4.1 The week before job start - income and outgoings

During the weeks preceding their new employment, claimants continued to receive their benefits as before. Yet there was evidence that there was already some work-related expenditure (e.g. on travel passes), including one-off purchases such as work clothes, for example, buying a suit. One-off purchases related to travel costs were more apparent in urban areas but this may simply reflect the greater availability of public transport in these areas. Claimants funded these increases in expenditure in various ways - by cutting back on household expenditure, by borrowing from family or other sources, by the use of credit cards, by drawing savings, by accepting gifts from relatives or by buying on credit. Grants from New Deal, Jobcentres, Employment Zones and lone parent advisers also covered some of these early costs.

Clothes and transport were key areas of this early expenditure. People felt the need to be smart for their new jobs and so had to buy suitable clothes or to spend money on haircuts or make-up. For some people this was an important source of confidence at the start of their new employment. Some jobs required specialist clothing or footwear, for example boots for building work. Even where employers provided uniforms, these were not always comfortable or suitable and had to be supplemented.
Similarly, money was spent on transport where this had to be secured before the actual start of the job; i.e. bus passes, cars, bicycles, car insurance and Road Tax.

Some of these costs (such as purchasing travel passes) came immediately before the start of the job, but others were incurred as part of the job-search process. Thus suits and smart clothes were bought for interviews, and driving lessons, car purchases and car tax and insurance were sometimes paid for a long time before the job itself began. This, in effect, took some pressure off the immediate back-to-work period and enabled some one-off expenditure to be provided for through sources of funding related to schemes such as the New Deal and Employment Zones.

Participants often found it difficult to distinguish between expenditure they considered to be transitional (for example, the purchase of a new suit) and that expenditure which would become an ongoing cost associated with being in work (for instance, ongoing transport costs). However, as shown above, expenditure which might become a regular outgoing (such as travel) often required significant pre-employment expenditure (the purchase of a travel pass for example).

4.2 The weeks before the first pay - income and outgoings

The frequency of pay reported by participants was weekly, fortnightly, four-weekly or monthly as previously described in Chapter 2. Hence the length of time people had to wait for their first wage varied dramatically. Those paid cash-in-hand on a weekly basis had their first new income at the end of the first week, but others had to wait for cheques to clear and so did not have access to their wages until between seven and forty days after their first day at work.

On the Tuesday or Wednesday of the first week at work, final JSA, IS or IB payments arrive. These varied in size from a few days’ worth of benefit up to the full two weeks’ payments, depending on where in the benefits cycle the claimant had started working. Some of those who were eligible also received the £100 Job Grant during this week, although cheques did not clear until the following week. The receipt of the Job Grant during the first week of employment was exceptional, given the process involved (which requires people to notify their local office of their change in employment status once starting work). Lone parents, of course, continued to receive Income Support until two weeks into their job.

With the exception of self-employed taxi drivers, none of those in the sample received any new income during this period. However people described having already incurred work-related expenses for canteen lunches, packed lunches and travel to work. Key differences in this form of expenditure related to either people’s new employment, for example the need to buy regular supplies of work clothing such as tights or dermatological gloves, or their personal circumstances which most commonly meant that those with children needed to consider additional childcare costs.

The size of the travel costs incurred varied considerably in each of the areas in the study. In Cornwall for example, they ranged from £2.75 per week bus fares for someone who lived near work through to £20 per week in petrol costs for a man who drove in to his local town to work. And in London they ranged from £7 per week in bus fares through to £30 per week for train fares. The amount spent depended on three factors: the distance between home and job, the availability of public transport and the cost of public transport. In the more rural areas, distances tended to be greater and public transport less widespread and frequent; hence some participants said that they needed a car to get them to work, and on occasion had expressly bought one for this purpose.

For some, these costs varied from day to day, depending for example on the weather (if walking to work was impractical if it was raining), or on whether a lift was available or not. A woman (32, urban
area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO) working in sales had constantly changing work locations and hence had travel costs that varied from £20 per week to £16 per day.

Travel-to-work expenses were sometimes higher in the first few weeks than they were subsequently. This was a result of individuals needing time to work out the cheapest way of getting to work. For example, one person (female, 50, urban area, 5 years’ IB, Job Grant) paid £1.80 per day to park in the car park of her employer (a university) until she discovered that she could buy a parking permit for £10 per month. Similarly, a bar worker (male, 28, urban area, 2 years’ JSA, Job Grant/HBRO/CTBRO) had to pay for his own taxis home in the first week (at a cost of £10 per week) before his employer agreed to cover these costs for him. One lone parent (female, 21, urban area, 2 years’ IS, LPRO/HBRO/CTBRO) paid £15 per week for travel in the first few weeks at work but later managed to get free lifts three times per week.

Some increased spending during the first few weeks was the result of the immediate loss of passported benefits such as baby-milk tokens and free school meals. This had an immediate and critical effect on families with younger children. For example, the loss of the free school meals cost one family of five children £21 per week, one family of two children £13 per week and one lone parent of a 15-year-old son £9 per week. Other parents sent their children to school with packed lunches to save the cost of a school lunch; but this was still an increased expense. In one case, the school had made allowances for the difficulties of the transition to work and had not begun to charge for meals until several weeks after the new job had started. Linkages between passported benefits such as free school meals and prescription charges were frequently cited as important financial considerations during the transitional period for parents with young children.

People also experienced social pressures during the transition to work which led to added expenditure. For example, a 21-year-old male bought a daily paper when he started work because this was part of what he felt it meant to be ‘a working man’. Similarly, a 58-year-old woman working as a print-finisher felt she had to contribute to office collections and to take part in office social events. A married father of four said that his children expected more pocket money and more gifts as soon as they saw him working.

There was also evidence of people needing less or the same amount of money in the early weeks at work compared to when they were on benefits. Participants mentioned a number of factors that could cause this to be the case; for example subsidised or free meals, reduced social activity due to tiredness from being in a new job. Other factors included a decrease in shopping expenditure due to a lessening of boredom, less spending on cigarettes because of the easing of stress about being out of work and lower household bills as a result of the house being empty more often.

On balance, however, the additional demands faced by parents suggested that the early weeks were most problematic for those with dependent children. Nevertheless, accumulated debt or other financial pressures built up during unemployment could have an equally undermining impact on the financial situation of single people moving into work. This was particularly evident where people been unemployed for considerable lengths of time (i.e. over two years) who tended to have greater accumulated debts or long-standing credit arrangements.

4.3 The early weeks in work – income

The pattern of income during the first few weeks in work could be a complicated one. Final benefit cheques were usually received during the first week in work (or during the third week in work in the case of some lone parents), but other forms of income continued without interruption, new sources of income began to come on-stream and in some cases one-off grants and vouchers were received.
With the exceptions of income from self-employment (which is dealt with in a separate section below) and the back-to-work measures (which are dealt with in Chapter 5), all of these sources of income are discussed in this section.

4.3.1 The last benefit cheques

With the exception of lone parents, who were entitled to a run-on, participants received their last JSA, IS or IB payments during the first two weeks of starting work. The size of the last payment depended on the point in the claim cycle at which they had started work. For example:

One JSA claimant who signed-on on a Wednesday and then started work on the following Friday would receive a cheque for a part of a week’s JSA as his final benefit cheque. If the same claimant started work on the Thursday of the week after he had signed on, his last cheque would be for one full week’s JSA; and if this claimant started work on the day after he had signed-on then his last cheque would be for a full two weeks’ JSA:

A builder’s labourer started work on the Monday after the week that he had last signed on. He received a full two weeks’ JSA on the Saturday before he started work, signed off on the Monday afternoon after his day’s work and received a final JSA payment of £23 later that week.

(Male, 27, urban area, 1.5 years’ JSA, Job Grant/HBRO/CTBRO)

There was evidence that the size of this last benefit payment was psychologically important to recipients, for if it was significantly less than the normal bi-weekly payment then they felt that the transition was more likely to be financially difficult. It was hard for them to grasp that the recency of the previous (and full) benefit payment would compensate for the size of the final (partial) one. In fact, one man told the interviewer that he wished he had delayed coming off benefits until the actual day he was due to sign on – so that his last cheque would have been for the full two-week amount. The knowledge of an ongoing receipt of Housing Benefit was similarly important for clients even where the payments were made directly to the owner of their rented property.

4.3.2 Other income during the transition

There were also sources of household income that continued without interruption during the transitional period. Those with children continued to receive fortnightly payments of Child Benefit (ranging from £15pw for those with one child to £60 per week for those with five children). Partners’ incomes also continued (whether these were benefits or wages), as did pensions (e.g. for those who had taken early retirement) and Disability Living Allowance payments. Those who had previously been working part-time (i.e. for less than 16 hours per week) continued to be paid a part-time wage during the transition.

4.3.3 Wages - form and variability

The form and variability of earnings differed considerably between cases and this had a major impact on experiences of the transition. Basic levels of pay varied across the sample. Most participants in this study were on relatively low wages – the lowest paid earned £43 per week after deductions – whereas others earned more than £20,000 per year before tax.

One key variable was the timing of the first pay. Participants’ pay cycles varied, some were paid weekly, others fortnightly, or every four weeks or calendar month. In addition, some had to work a
week or a month in hand. This meant that a person on weekly pay would not receive their first wage until approximately two weeks after their start date, and someone on monthly pay might get paid over a month after their first day at work. One participant who started his job mid-way through the salary month did not get his first wage until six weeks after he had begun work. Sometimes, however, employers gave advances to new employees – either when asked by the participant or on their own initiative.

There was also the question of how soon the pay would become available to spend. For people who were paid in cash this was not an issue, but others had to wait until the money was in their account before they could use it. For those paid by cheque the delay was longer than for those paid by BACS, and people were more likely to be paid by cheque at the start of jobs due to bank details being lost.

Not only did the timing of first wages create difficulties during the transition, but the amount of pay during the early weeks or months (compared to later weeks or months) was also an issue. The study revealed that a number of factors suppress the net level of pay at the start of a job. One factor is administration of tax codes for example. Examples of problems arising from this included: the payment of emergency tax or the application of the wrong level of tax; the use by employers of the old minimum pay rate, or the deduction of pension charges without the employee’s authorisation. One employer was supposed to pay £120 per week, but said that he had not yet received the £60 per week contribution from New Deal for Young People, and so only paid half what he was supposed to. This was still the situation at the time of the interview, after six weeks in the job. Sometimes the employee themselves were accountable, for example when one man had failed to sort out his transport arrangements, did not manage to get to work for three days in the first month and so was docked some pay. At other times lower initial wages had more to do with the employer. For example, a factory worker was initially employed via an agency but expected his pay to increase when he was taken on permanently by the factory itself; a media sales adviser failed to meet her targets in the early months in her job and so missed out on her bonus which had been expected to supplement her standard wage, and a waiter had to work his first day without pay because the restaurant had only just opened and customers were being offered free food as a promotional tactic. Similarly, pay sometimes increased after an initial period of training or experience (of between one month to one year) – a fact that had not always been made clear to the employee by their employer. The factors listed above which suppressed initial income were not generally anticipated, and this led to individuals having less money during the transition than they expected. Lack of understanding of the workings of the tax system also had this effect, with one man thinking that he would not be taxed at all for the first few months in work (male, 38, urban area, 2 years’ JSA, Job Grant/HBRO/CTBRO). Tax problems were more common than issues relating to pension charges but given that the sample was not purposively selected around tax issues it is impossible to generalise about the impact of emergency tax codes on the transitional period.

The study did not set out to look specifically at the differences between people’s expected incomes in work and their actual incomes, however evidence was gathered about the relationship between the expectations people held about their likely income and their experiences once they had started their new employment, these issues are addressed in Section 4.10.

Not all jobs that people entered had a reliable and regular wage. This was for a range of different factors, for example:

- variations of pay according to the stage in a shift cycle;
- loss of work due to poor weather (for example in the case of building workers);
- day-to-day variations in hours;
- payment solely on commission.

Experiences of the transition to work
In some cases pay became more stable after a probationary period had been served, but in others pay instability was a permanent characteristic of the job.

The four-week shift pattern of one machinery operative resulted in his pay changing from £225 per week during the first month of his job to £180 per week in the second month.

(Male, 41, Rural town, 2 years’ JSA, Job Grant/MRO/CTBRO)

A court usher had gross wages of between £77 and £144 per week, depending on the length of court sessions.

(Female lone parent, 42, rural area, 2 years’ IS, LPRO/M RO)

A cook in a roadside restaurant was given no guarantee of hours or of pay until she had worked for a full month. During one of her early weeks she only got £100 pay instead of the usual £150.

(Female, 33, rural town, 7 years’ IB, Job Grant)

A sales-woman on commission earned £450 one week and £120 the next.

(Female, 32, urban area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO)

4.3.4 Perks and work-related benefits

Unlike pay – which could be delayed for days or weeks – the impact of most work-related benefits was felt immediately upon the start of the job. Free or subsidised meals, for example, were described as helping to reduce household food bills from the first day at work. For example, one person who began work as a waiter was working away from home, accommodation and food were provided by the employer cost-free, and household bills for the accommodation were also paid for.

Other work-related bonuses such as tips, however, were pooled by teams of staff and so did not immediately become available to individuals for some weeks or months.

Despite issues associated with the inevitable delay in receipt of some work-related benefits (such as tips), there was clear evidence to suggest their importance in bridging the financial gap caused by the move into employment.

4.3.5 One-off payments related to the return to work

As well as ongoing income, perks and benefits, one-off bonuses and grants too were a source of income during the transitional phase. All of these are discussed here, except the Job Grant, which is treated separately in Chapter 5.

One source of funding was the employer, who would sometimes give new employees small amounts of money to use to purchase work clothes. (A roadside restaurant, for example, gave kitchen staff £20 for the purchase of work clothes.)

Another source of one-off payments were grants from Employment Zones. The various EZs paid grants of between £30 and £50 for starting work and then – for some people at least – offered a reward of more money (around £100 to £150) once the person had stayed in the job for a set period of time (between a month to thirteen weeks). Some people also received free bus passes and clothing.
allowances from their EZ, or had equipment such as boots and hard hats paid for. One person got petrol money from his EZ and another reported that he was hoping his they would help him buy a car that he could use to get to work. The New Deal provided a similar range of payments, including grants of £50/£60 for getting a job, credit notes for work clothes (ranging from £55 to £300) and, in one case, payment for a pair of glasses to enable computer work. People were not always aware that they would be entitled to these and were sometimes deterred from asking for them by the trouble that they assumed it would involve. For example, a general labourer was given a voucher for £55 by his New Deal adviser to buy boots and overall:

‘I just thought I would ask, see if I could get anything. I was’nae really expecting it...’

(Male, 39, urban area, 10 years’ JSA, no easements)

A man working as a cleaner said that he needed hobnail boots for his job, but bought cheaper ones instead because it was all he could afford:

‘I knew you could possibly get [money for boots], but I didnae want to ask and I didnae want to go through all that again. I didnae want to really wait around with them anymore, you know – I mean I’ve lost my – some people in the ‘brew’ (Jobcentre Plus staff) are brilliant, don’t get me wrong, I have lost my confidence in them.’

(Male, 35, urban area, 11 years’ JSA, Job Grant/HBRO/CTBRO)

Finally, people discussed the Back to Work Bonus. This was described as being worth between £104 and £1,000 to those that received it.

The wife of a machinery operator had been working part-time while on benefits and had lost some of her benefit as a result. The man said that they received his wife’s £1,000 Back to Work Bonus payment five weeks after starting work. They used it to pay off debts accumulated while he was unemployed.

(Male, 41, Rural town, 2 years’ JSA, Job Grant/MIRO/CTBRO)

Reliance on, and access to, this form of support varied across the sample. This was partly due to the locations chosen for the study, as some covered Employment Zones whilst others did not. Despite this there was evidence to suggest that those claimants with more extensive knowledge about the potential range of support available made greater use of such grants. For example one woman described how she had been able to access financial support to purchase several suits, some shoes and a haircut because of her knowledge of the financial support available through the New Deal.

### 4.3.6 In-work benefits

In-work benefits constituted a major part of the anticipated income for some. Apart from in-work Housing Benefit (which is dealt with in a later chapter) these benefits were Working Families’ Tax Credit, Children’s Tax Credit, Disabled Person’s Tax Credit and the New Deal 50 Plus (Employment Credit) allowance. It is worth noting that the intent for tax credits (supplementing in-work income) is very different to the focus for the easements under consideration for this report (providing transitional financial support). Nevertheless, clients frequently failed to differentiate the two forms of support and saw both as being measures which might, potentially, offer support to people seeking to make the transition from benefit to employment.
The issues of timing that applied to wages also applied to these in-work benefits. WFTC, for example, took two weeks to arrive for some and up to two months for others.\textsuperscript{17} According to claimants, delays were caused by two factors: the time taken for applications to be processed and delays on the part of employers in getting the payments included in the payroll system. With regard to the latter problem, one man was advised to apply in his wife’s name so that the money would not go via his employer, thus speeding things up. He, indeed, did receive the money after just two weeks; as did a lone parent whose lone parent adviser had ‘fast-tracked’ her application. One man received WFTC on the actual day that he started work, after his wife had applied for it in her name and his New Deal Adviser had fast-tracked it for him. For others the process was slower, and first payments were received a month or two after starting work.\textsuperscript{18}

Evidence relating to the timing of Disabled Person’s Tax Credit and the New Deal 50 Plus allowance was less clear. Some delays were described, but not all of these appeared to result from difficulties with employers or government agencies. For example, a 22-year-old woman who lived with her parents had not yet applied for DPTC seven weeks after starting work. This is despite her not receiving her first pay until six weeks into her job (although she did continue to receive Disability Living Allowance of £70 per week and Disability Access contributions toward her travel). Another disabled participant (a man with three teenage children and a wife working part-time) delayed his application for DPTC until he could supply two pay slips as proof of earnings, which caused a delay of seven weeks. In both cases, the evidence suggested a lack of knowledge about available transitional support was the critical factor.

### 4.3.7 Case studies of income cycles during the transition

The following case studies demonstrate the variability of people’s incomes in terms of amount, timing, receipt, and the extent to which these are offset by other income received into the household. They also provide insight as to how people in different circumstances cope with pressures of the transitional period, issues which are covered in more detail in the following chapter.

A married man increased his hours of work from 15 hours per week to 40 hours per week after two years on JSA. He got his first full-time wage ten days after coming off benefits, having continued to receive his part-time wage of £68 per week. His wife’s £55-per-week pension also continued.

(Male, 50, rural area, 2 years’ JSA, Job Grant/MIRO/CTBRO)

\textsuperscript{17} Respondents in other DWP research cited an average (median) of 14 days between first submitting an application for WFTC and then receiving the first payment of tax credits (McKay, 2000, ‘Low/Moderate-income families in Britain: Work, Working Families’ Tax Credit and Childcare in 2000’, Report 161). Inland Revenue administrative records indicate that 95% of all WFTC applications receive direct payment within 30 working days.

\textsuperscript{18} Whilst there can be a lag between the time of application and the payment of tax credits through the wage packet, once the Inland Revenue has decided that an application is successful, it will pay WFTC and DPTC recipients through their bank account or through Giros. WFTC recipients who are paid weekly, will get up to 2 weeks WFTC paid this way; WFTC recipients who are paid monthly can get up to 6 weeks paid directly. This gives time for employers to adjust their pay system so that they can award WFTC through the pay packet, and but should ensure that the WFTC recipient receives their payments in the meantime.
A married woman with grown-up children got a job after five years on IB. She received her first pay three weeks after starting work, but in the meantime her husband continued to draw his salary of £3,500 per month and her pension (£12 per month) and Industrial Injuries Award (£86 per month) were uninterrupted.

(Female, 50, urban area, 5 years’ IB, Job Grant)

A married man with two school-age children started to work 16 hours per week as a care assistant after two years on JSA. He received a cheque for three days’ JSA the day before starting work and then got his first wage (£460 – for his first two weeks of work) six weeks later. His wife continued to receive child benefit but had no earnings or benefits.

(Male, 39, rural area, 2 years’ JSA, Job Grant/HBRO/CTBRO)

A 57-year-old married man who lived with his unemployed son and wife started working at a supermarket delicatessen after 21 months on JSA. He started work on a Friday having received a full two weeks’ JSA (£166) the day before. The following Friday he was paid for one day’s work (£17) and the Friday after that received a full week’s pay of £120 plus his New Deal 50 Plus bonus of £60. Meanwhile, he had continued to get £10 per week from his son and had got £170 worth of work clothes with money from his New Deal adviser.

(Male, 57, rural area, 21 months’ JSA, Job Grant/MIRO)

4.4 The early weeks in work – expenditure

The changes in expenditure mentioned above all occurred before the arrival of the first salary. Other spending changes were a direct result of entering employment. These are described in this section. Overall, changes to spending patterns did not mirror specific sub-groups in the sample. However, those with dependants (whether young children or other relatives) and those with disabilities described fewer sharp changes in their expenditure patterns. They stated that it was critically important for their family to maintain a stable budget and to avoid any unexpected drops in income, the evidence revealed that these participants often attempted to delay key expenditure changes associated with their return to work until they were satisfied that their new budget had stabilised. This was a task not always met with success, for example the need for smart clothes or a travel pass could not always be delayed. Those who reported greatest success in achieving this stability tended to have additional financial support from friends or relatives.

The key changes to expenditure described by participants during their early weeks in work were of five main types:

- One-off expenditure – this usually related to work clothing, equipment and, exceptionally, major purchases (for example, buying a car).
- Travel to work costs – with little variation across the sample travel-to-work costs were a key change to peoples’ expenditure patterns.
- Childcare expenses – where primary carers moved into employment, costs associated with childcare became a new financial expense (these costs were not limited to children of pre-school age. Parents of older children sometimes also required additional assistance, for example, the use of out-of-school hours childminding).
• Greater expenses caused by changes to benefit entitlement (such as being required to pay for dental treatment) and credit arrangement (where unemployment had provided some respite from regular payments).

• Expenses which can be characterised as new but ongoing costs associated with being in work. For example, the costs of buying lunch or regular supplies of toiletries. As will be seen in Section 4.10 this category of costs were often described as the most unexpected and although not major financial purchases in their own right their unexpected addition to household costs was frequently upsetting to household budgets during the transition.

Given the often turbulent experience of entering employment, people reacted in a number of different ways to receiving their first wages:

• continued caution, fuelled by uncertainty about how finances would work out or by the feeling that it would be easy to “blow” all of their newly acquired income

  ‘... you don’t know what’s going to happen. I’ve been fairly careful. I’ve hardly spent anything...’

  (Male, 52, rural area, 5 years JSA, Job Grant)

  ‘I’m just not used to having that little bit extra to play with yet, and I still daren’t touch it... just in case anything crops up, you know, cos you think – ‘well, no, something might happen yet’, so – I don’t…. if I need a new oven or if the washing machine goes, or anything like that, I mean it was an absolute no-no when you were on benefits, it would have been a case of, I would have had to have got it out of the catalogue and paid forever and a day for it, or whatever.’

  (Female, 36, urban area, 2 years JSA, Job Grant)

• a joyful “urge to spend” underpinned by a feeling that money would now be more plentiful...

• ... or by pride at it being money that had been earned:

  ‘I can say, ‘right I bought that with my first week’s money’... It’s good because you know that you’ve done it. You’ve done it yourself. It might sound stupid but it’s not... You know that you’ve got that yourself. That wasn’t a hand-out as they call it, a hand-out. Got that myself.’

  (Female, 61, urban area, 3 years IS and SSP)

• restrained increases in spending;

• moves toward greater financial independence from family, for example:

  A 39-year-old male doubled the amount he paid his sister for bed and board (from £50 per week to £100 per week) and began to pay his £5 weekly mobile phone expenses himself.

  (Male, 39, urban area, 11 years’ JSA, Job Grant)

  Likewise those under 25 often began to pay “digs” to their parents, or increased the contribution they were already making. One illustration is a 23-year-old Bangladeshi man who began to pick up a greater share of family financial responsibility by contributing towards the cost of a new family home being built in Bangladesh (to the tune of £100 to £200 per month).

  (Male, 23, urban area, 3 months’ JSA, no easements)
As far as the loss of benefits was concerned, most of the impact of this was felt in the early weeks in work when JSA, IB and/or IS payments ended and free school meals and free baby milk stopped being available. However, there was also concern about benefits that are only needed occasionally and whose loss might therefore not be immediately felt. Free prescriptions were one example – the loss of these cost one woman £30 every six months. Another was veterinary treatment, which is provided free for benefit recipients by organisations such as the PDSA.

This section has illustrated the myriad ways in which expenditure can change for people once they enter employment. Some changes are easily anticipated, such as the costs of travel to work, whilst others were unexpected (for example, the loss of free school meals). Section 4.10 will explore the impact unanticipated changes had on participants.

4.5 Income and spending - self-employed workers

The one group not included in the above discussion is the self-employed, whose case is somewhat different to that of others. Four participants in the sample were in this category of worker: a café-owner, a taxi-driver, and two child-minders (including one single mother). Their experiences differ from waged participants and fall into a sub-group which requires greater investigation. This is too small a sample for us to draw firm conclusions, but it is nevertheless worthwhile to compare their transitional issues with those of the waged participants.

The participants who went into self-employment had to make large capital outlays before they could start their businesses - £500 for one of the childminders, £1,500 for the taxi-driver and £4,500 for the café owner. Such large outlays did exist amongst some waged participants (i.e. those who bought cars to get them to work), but not amongst others. For the taxi driver and the café owner there were also significant ongoing expenditures. For the taxi driver for example these were £73 per week rent to the cab office, £20 per week for car wash; £40 per week for petrol; £100 per week for insurance – adding up to £233 per week. The need for capital expenditure also continued, for example for car parts.

Income could be lower and expenditure higher in the early weeks and months of self-employment than later on: for example, the taxi driver described how fares take longer until you are familiar with the best routes to take; tyres cost more until you become familiar with the best place to buy them, similarly, it can take time to find clients as a childminder. Presumably too (although this was not mentioned in the interview) it takes a while to build up custom in a new café. At the time of the interview one childminder’s income was only just over half what she had expected because she was only minding one child - £112 per week as against an anticipated £200). The other (and younger) childminder was taking her only client to the small claims court for non-payment, and had gone back on benefits.

With the exception of the second childminder however, income started to flow fairly quickly. For the taxi driver and the café owner money started to come in immediately, whilst one childminder received her first payment after just one week. This contrasts with the experiences of people on wages, of whom only those paid in cash did not have to work a week or more in hand.

Furthermore, initial income levels were boosted by the fact that tax and National Insurance were not paid at source. However the benefits of this were diluted by uncertainty over how much tax and NI would eventually be due. For example, one childminder reported that she was setting aside £20 per week to pay for eventual tax and NI demands. As a result, her available income was reduced by almost 20%. She did not know how appropriate the scale of her precautions were, but did not seek advice...
because of concern that she might discover that her business was not viable – a possibility that she preferred not to face.

4.6 Financial cycles and key financial pressure points during the transition

This section reports on any feelings of financial pressure experienced by individuals and their families during the transition from benefits to work. It explores their causes and timing, considers whether there are patterns to the financial cycles experienced by people returning to work and asks whether key points of financial pressure fall within any particular phases of these cycles.

It is important to bear in mind that experiences of financial pressure have both objective and subjective causes and are affected by perception. For example, some people perceived themselves as having no income in the first few weeks of their job, whilst others considered that their last benefit cheque would cover this period. This made a difference to the degree of financial pressure that they felt.

4.6.1 Debts, arrears and savings brought to the transition

Before turning to the causes and timing of financial pressure points during the transition, it is worth considering the debts or savings that were brought into the transitional situation. Savings are relevant because they were mentioned as a factor that made the transition easier, and debts are relevant because they were sometimes mentioned as adding to the pressure felt during the transition.

Debts brought to the transition were of many varieties, including Crisis Loans from the DWP, debts to friends, authorised and unauthorised bank overdrafts, credit card balances, moneys outstanding to catalogues, court fines, loans from parents and arrears in rent, Council Tax and household bills. Hence some individuals began their new job with phones cut off, or under threat of their home being repossessed:

- Catalogue instalments were monthly or fortnightly and of around £30 to £50. One man was threatened with credit blacklisting by his catalogue when he missed a payment during his transition (Male, 28, urban area, 23 months JSA, Job Grant/HBRO/CTBRO); he proceeded to pay off the remaining balance in order to get the company ‘off his back’. Another was able to persuade the HP company he had an agreement with to allow him to delay payment on the higher rate (triggered by his re-entry into employment) until his first monthly wage arrived (Male, 39, rural town, 18 months JSA, Job Grant & HBRO/CTBRO). Others continued to pay instalments as they had done before whilst out of employment, while those who had had payment insurance against unemployment had to restart payments during the transition.

- Social Fund or DWP Crisis loans had been taken out for a variety of reasons: for example to pay for presents for Christmas or for house redecoration. People also described the use of ‘social security’ crisis/emergency loans to cover their periods of unemployment. Weekly repayments on such loans were between £5 and £14. Payments were not always kept up during the transition, but no mention was made of these repayments causing specific problems when compared to the anxiety caused by commercial sector loans and HP agreements.

- Credit and store card balances could be as high as £4,500 and credit cards were mentioned as a good way of bridging the gap between benefits and wages, so balances sometimes increased during the transition. Older people, and those with families, showed more of a tendency to rely on this form of credit during the transition but only a quantitative survey would provide a real picture of the use of this form of credit during the transitional period:
A 42-year-old lone parent had credit card debts of £4,500 when she started her job, and had been paying the minimum monthly payment with her Child Benefit. When she started work she used the card to cover the gap in WFTC payments when they went from bi-weekly to monthly. She was now worried that the minimum payments would be more than she could afford. Salary: £77 to £144 (gross) per week; £85pw WFTC.

(Female, 42, rural area, 5 years’ IS, LPRO/MIRO)

- other debts were with banks and credit companies. Where overdraft limits were exceeded during the transition, bank charges were added to the total debt. Friends and family too were a source of loans. For example, a 41-year-old woman had borrowed £25 off her sister to buy interview clothes; a man had been borrowing off his friends to supplement his JSA and a 21-year-old male who had accrued an £8,000 debt to his parents;

- arrears that were brought to the transition included Council Tax arrears, rent or mortgage arrears, water rates arrears and arrears in payments of telephone and energy bills. Seeing all the money from a new job being used for ‘paying off yesterday’s bills’ could be disheartening (Male, 40, rural area, 1 year JSA, Job Grant). One man’s bank kept all of his first three weeks’ wages in lieu of mortgage arrears, leaving him with no income at all until he arranged for his wages to be paid into a new bank account (Male, 48, urban area, 13 months’ JSA, Job Grant). Experiences of mortgage and rent arrears differed across the sample, with few discernable patterns. Some banks and credit companies insisted upon an immediate change to repayment levels once employment was secured whilst others were more flexible in their response to a person’s new working status. ‘Warning’ periods varied with some people receiving little, or no, prior warning that their repayments would return to their previous level (as when in employment last) whilst others were well aware of the time period they had to return payments to their standard level.

Participants aspired to pay off these debts and arrears when they started work, and some did indeed begin to do so. However, there was disappointment when repayments could not be as large as had been hoped and disillusionment when indebtedness actually increased during the transitional period. The findings show that people can tend to overestimate their ability to escape from debt and the speed with which they can do so once they have secured employment. Some new debts were directly incurred as a result of the preparation for work – for example, the purchase of a car. Others were ascribed to an inadequacy of income while on benefits which, once creditors are aware of a change in employment circumstance, can lead to increased demands for monthly or weekly repayments.

However, not all participants described having come to the transition with negative cash balances. Exceptionally, people described having no debts at all and some reported how they had always kept some money in the bank as a reserve and had been able to rely on this to help them through the transition. Analysis showed that those in this section of the sample had few dependants or had been unemployed for briefer durations (for example, those unemployed for 18 months or under).

4.6.2 Factors determining financial pressure points

The research revealed a range of factors that determined the timing and extent of financial pressures. These included actual financial factors such as the timing and size of income, arrangements for debt and bill payments and the availability of informal financial support, but also perceptual factors such as feelings of uncertainty.

One determinant of pressure was the timing of income – whether pay, in-work benefits (WFTC, Housing Benefit etc) or earnings from self-employment. The period between receiving the last benefit
and the first new money was perceived by some as a time during which they had no income (i.e. the last benefit cheque was not thought of as covering this period). This caused feelings of anxiety. It was also a time when people actually did run out of money, given the complexity of household finances captured by this research, and the purposive nature of the sample, it is difficult to say with any certainty who, within the sample, was most heavily affected by these changes.

Another factor was changes to the rhythm of income. Where the frequency of pay was the same as the frequency of benefit payments had been, this could be an advantage; where it was different; this could cause problems with budgeting:

‘Before, I was getting paid weekly on Income Support and it was like Monday I’d get my money, pay all my bills and then that’s what I was left with you know to last me the week and it was sort of like the thing that I just always did. When I started work I was being paid monthly and it was like, ‘oh God’ you know… because you had this money in the bank and Amy ‘oh I need new shoes mum’ or ‘I want this’ and it’s like well I’ve got money in the bank and I would buy it for her then I was thinking ‘oh my God this has got to last me until I get paid’... I didn’t know if my money was going to last me… now I have to work out how much I could spend a day for a whole month and if I was running short I never had nothing there whereas if I was running short say Friday or Saturday I knew well that’s alright, I get paid again. I couldn’t do that when I was being paid monthly because if I was running short, a week or a week and a half before I was getting paid there was nothing I could do about it... when you’re paid monthly you’ve got to be careful because you could spend that money within two weeks and then you’ve got another two weeks then with no money.’

(Female lone parent, 37, rural area, unknown time on IS, HBRO/CTBRO/no memory of LPRO)

Such changes in the financial rhythm could be located at the point at which work began (as in the case of the woman quoted above), but could also occur once the job had begun. Examples include a woman whose WFTC was paid bi-weekly at first but then became monthly when it was paid with her wage (Female lone parent, 42, rural area, 5 years IS, LPRO/MIRO); a man who was paid weekly while working as a temp, but then monthly when he became a permanent employee after three weeks (Male, 42, urban area, 5 years’ IB, no easements); and those on variable rates of pay (for example, a building labourer who only worked in fine weather). There was little to suggest that this variability affected one group more than another across the sample. Nevertheless, it was clear that the unpredictability of income and repayment cycles were a key factor which shaped people’s experiences of the transitional period.

The timing of the job start in relation to other financial cycles was also important. For example, one woman described feeling under less pressure because she had paid all her monthly bills just before coming off benefits and so did not have to worry about them for another month (Female, 49, urban area, 15 years’ IS and 5 months’ JSA, Job Grant/MIRO/CTBRO). Conversely, those with credit arrangements which reverted to standard payments once a person’s employment status changed found the transition a troubling and demanding time as they juggled new, and sometimes unexpected (where companies made automatic reassessments of debt repayment levels) expenditure with unpredictable income levels. The timing in relation to the benefits cycle was also important. Some people felt that they would have been better off if they had not signed-off until their signing-on day, so that their last benefit cheque could have been a full one (i.e. in spite of the fact that they had received a full benefit cheque shortly before signing-off they felt worse off because their last cheque was only been a proportion of the normal one).
An additional pressure was uncertainty; not knowing how much WFTC or net pay would be received, or when WFTC would come through:

‘...you don’t know really when you’re going to get [WFTC], how much you’re going to get and you’re sitting waiting and wondering and you’re scared to spend anything, you know – cos you don’t know, you’re in sort of limbo – not knowing... it’s the not knowing part that gets you.’

(Male, 43, rural town, 2 years’ JSA, Job Grant/HBRO/CTBRO)

A further factor was awareness of new bills that had to be paid - especially where people misunderstood what they owed. Council Tax payments were commonly mentioned across the sample, although other forms of debt (whether they be private credit or state-related, such as Housing Benefit repayments) were also referred to. For reasons we will explore below individuals sometimes received Council Tax notifications in their early weeks at work that overstated the amount they owed, these statements were perceived as bills that had to be paid immediately and generated anxiety amongst some:

‘I just thought it would just automatically just sail through and then I knew that I could budget every month and say: ‘That’s been paid, that’s been paid’, and I’d be quite happy... [But then I got the Council Tax bill and, I was like ‘Where am I gonna get £750?’]

(Female, 49, urban area, 2 years’ JSA, MIRO)

‘... instead of letting me know how much [Council Tax] I owed from that time, they went for the full whack, the year’s money... it really, really shocked me...’

(Male, 35, urban area, 11 years’ JSA, Job Grant /HBRO/CTBRO)

Where there had been no feeling of financial pressure at all during the transition there were a range of explanatory factors:

- savings acted as a financial cushion;
- relatives provided them with their needs during the transition;
- they perceived the financial hardships of the transition as nothing new, and continued to juggle their finances/continued with the habit of being careful with money:

‘I juggle money anyway, always have.’

(Female lone parent, 44, urban area, 3 years’ IS, LPRO/HBRO/CTBRO)

- people were paid with the same frequency with which they had received benefits, hence reducing the financial turbulence created by a return to work.

As we will discuss in more detail later, the back-to-work measures were also sometimes a factor that could alleviate or exacerbate financial pressures. Although uncommon, early awareness of the back-to-work measures was helpful in relieving anxiety. In the limited number of cases where people were aware of their entitlement to support there was evidence that knowledge of future financial support assisted people in dealing with the financial pressures they faced, both practically (by helping with budgeting) and emotionally (by providing psychological reassurance that future bills could be met).
4.6.3 Timing of financial difficulties

A common time of hardship was the period immediately before the receipt of the first wage or tax credit, which could be at any time during the first two months at work and which varied in duration from days to weeks. Alternatively the last benefit payment could be enough to pay the bills for the first month, postponing the financial crisis until the second month:

A married man with four young children began working 16 hours per week in a bar. He received his last full JSA payment (£160) the week before starting work, a JSA payment of £90 during his first week at work and the Job Grant during his second week at work. He received two weeks’ pay (£120) and £330 WFTC two weeks into his job. Having paid outstanding bills he had £290 left to last him the month until his next pay cheque and ended up getting behind with the payment of his bills during this time.

(Male, 28, urban area, 2 years’ JSA, Job Grant/HBRO)

For those with variable income, the pressure could be at its greatest after the receipt of the second or third wage, if that wage was substantially smaller. Financial pressure was not in all cases transitional. For some, wages and in-work benefits were not covering expenditure and they predicted continuing financial difficulties:

‘This job is not paying us enough to live, that’s it in a nutshell. You take £140 a week and then you take all these bills and …. it will not balance.’

(Male, 57, rural town, 21 months’ JSA, Job Grant/MIRO)

4.6.4 Impact of debts and arrears on transition

Evidence from the study clearly shows that bringing debt to the transition undermined some of the positive feelings associated with finding work. People described how their elation at finding work was undermined by their need to meet old debts; the pleasure of being in work was clearly eroded in some cases by ongoing debts. This was particularly true for those with large debts, on which a sufficient repayment dent could not be made in the first weeks at work to give a significant morale boost. Where there was a lesser debt or a number of smaller debts, paying them off was more satisfying and people described feeling more satisfied by the financial rewards of being in work.

Most kinds of debt constituted a demand on resources during the transition, and added to the financial pressures experienced. Reactions to this added pressure varied. One response was to renegotiate repayment terms with creditors, and there were examples of this being done very successfully. Others did not mention having considered renegotiation and despite probing during the interviews did not give any greater details. Few mentioned explicitly defaulting on their repayment terms but this was clearly an issue that people in the sample had to face where income and expenditure did not meet during the early weeks of new employment.

4.6.5 Impact of the transition on debts and arrears

Not only did existing debts add to pressures experienced during the transition, but the transition too could add to the size of debts and arrears, or take people into debt for the first time. Where there was a change from one frequency of income to another (for example, from weekly to monthly) it was also described as making the servicing of payments more difficult.
Furthermore, being in work affected repayment terms of some personal loans and HP agreements. As mentioned already, insurance that covered catalogue payments during unemployment no longer applied once a person was back in work, and there were examples where creditors became harder to stave off once they knew a person had returned to employment.

In some cases, increased debts were mainly informal; for example the postponing of payment of nursery fees for a month, or the borrowing of £500 from friends. In other cases financing arrangements were more formal and the potential consequences more serious. The extended use of credit cards is one example; the taking out of new bank loans another.

4.7 Strategies for coping with financial pressure

A number of different strategies were employed by those returning to employment to cope with or alleviate the financial pressures of the transition. It is important to note that some of these strategies had long-term implications. Over the longer term short-term strategies for coping with additional expenditure or unpredictable household budgets, such as the use of credit cards or loans, meant that people sometimes faced financial strains resulting from transitional expenses long after they had moved into work.

4.7.1 Borrowing from friends and family

One of the main ways of coping with the financial difficulties of the transition was to borrow from family and friends; this was found across all groups in the sample. Sometimes this involved small occasional amounts of £5 or £10 but occasionally it involved hundreds or thousands of pounds. The importance of this source of support was highly regarded by all who had received it. It seemed especially important psychologically. One effect of the potential for help from loved ones was to make people feel less isolated with their problems and consequently less exposed.

‘... it was my parents who were a backup. I mean if I hadn’t have had them to lend me the extra it would have been a bit scary.’

(Female lone parent, 30, rural area, 2.5 years’ IS, LPRO/HBRO/CTBRO)

However, although some felt that borrowing off friends or family was fitting and appropriate, others felt guilty or ashamed about their dependency. One 18-year-old from an urban area said it made him feel ‘scruffy’ to borrow off his family (1 year JSA, no easements) and a father of an 11-year-old and a 13-year-old described it as ‘galling’ when he had to go ‘cap in hand’ to his children for financial support (Male, 39, rural area, 2 years JSA, Job Grant/HBRO/CTBRO).

4.7.2 Other borrowing

A second common response to financial pressure was a more formal type of borrowing. Credit cards were used where cash was not available (and were sometimes acquired specifically for the transition), new bank loans were arranged or DWP ‘crisis’ loans were taken out. There was less emotion associated with this kind of loan than the more informal ones described above - there was no mention of any feelings of guilt or shame. Of those that did express a fear or revulsion towards indebtedness, none admitted to having gone into debt during the transition (although one person described having made clothes purchases from a catalogue to bridge the financial gap caused by moving into work). This type of borrowing was more common amongst older respondents. It is difficult to know for certain why this pattern existed but it perhaps reflects their greater ability to acquire formal credit or the fact that younger respondents were more easily able to turn to family for financial support.
4.7.3 Cutting costs

Costs were cut in a number of ways across the sample during the transitional period. Costs were often cut by reducing expenditure on food. This could mean eating nothing while at work, buying cheaper brands of food, eating less fresh food or living off food stocks. Parents though were clear that where needed they attempted to alter their own, rather than their children’s diets.

There was also a clear reduction in socialising, leisure and telephone use, with distinctions being made between needs and wants, essentials and luxuries. For example, trips to the Bingo were cut out as were visits to fast food outlets, and more infrequently, visits to the swimming pool with children. In the latter cases, parents expressed feelings of guilt at, as they perceived it, being forced to deprive their children of leisure activities. Other activities, such as smoking were reduced or cut out, even when the stress of the transition was said to have increased the need for nicotine. Some participants reported that such deprivations had led to feelings of anger or depression if they felt that they were working harder for less reward:

‘…it was like you was limiting yourself, learning to do without, because you didn’t have it... I was cursing, to be honest, because I thought ‘what’s the point of me going back out to work, and here I am suffering’ …’

(Lone parent female, 45, urban area, 15 months’ IB, no memory of receiving any easements)

4.7.4 Juggling bills

An additional or alternative response to cutting costs was to “juggle” with household bills, a process described by one man as:

‘robbing Peter to pay Paul’ and ‘playing catch-up’

(Male, 39, rural area, 2 years’ JSA, Job Grant/HBRO/CTBRO).

Individuals took one of two approaches to this juggling process. One approach could be described as proactive. Here participants described approaching creditors or service providers to explain their predicament and rearrange payment schedules. For example, a man living with his girlfriend and two daughters had told his council that he would not be able to pay his rent until his WFTC came through (Male, 25, urban area, 2.5 years JSA, Job Grant/HBRO/CTBRO); and a married father of two had renegotiated terms with his telephone company, loan company and catalogue and had agreed with his ex-wife to postpone his first child maintenance payment by a month (Male, 39, rural town, 1.5 years’ JSA, Job Grant and HBRO/CTBRO). Other participants arranged for later payment of school-dinner costs, childcare payments, rental payments and household bills. Although this was described as a successful strategy, participants reported that it sometimes felt degrading:

‘I’m just sort of used to it but it does make you feel a bit – you know some people can make you feel a bit small for it, it just depends who you’re talking to.’

(Female lone parent, 30, rural area, 2.5 years’ IS, LPRO/HBRO/CTBRO)

The second approach was more reactive, this involved paying no attention to outstanding payments until they could no longer be ignored, for example by waiting until demands became ‘nasty’ before responding to them (Male, 39, rural area, 2 years’ JSA, Job Grant/HBRO/CTBRO). At times this was a fearful, head-in-the-sand attitude that deterred people from even enquiring about potential arrears. This meant that they did not become aware where rent/mortgage payments/Council Tax had been paid by HBRO/CTBRO, and therefore worried more than they need have.
Not all bills were ignored by this second group however. Rather, decisions were made about which bills were priorities and these were dealt with. Frequent casualties in this process were bills and outstanding payments to store cards, catalogues and other forms of credit arrangements, as noted above this often had long-term financial implications because of accrued increased interest payments and penalty charges.

### 4.7.5 Continued austerity budgeting

One group of participants said that they had simply continued living the early weeks of their new job under the same budgeting regime as while they were on benefits, or that they had budgeted even more carefully during the transition. In these cases, the continuance of a controlled budgeting regime helped people to retain control over outgoings and income unless unexpected outgoings arose. There was little to differentiate this group of participants from others beyond the fact that all had established ‘austerity’ mechanisms in place which they chose to continue once in work until they felt financially secure enough to make changes to their budgeting plans. As described previously, this approach was popular amongst those with dependent children who expressed a strong desire to retain the stability of their budget. However, transitional budgets were affected by unanticipated changes to expenditure (described previously) which affected the success of some in this group to control their household budget.

### 4.8 Experiences of the transition

Overall a number of factors influenced the financial experiences of participants during the transition, and the degree of ease or difficulty encountered. These are listed in Figure 4.1

**Figure 4.1 Factors influencing the experience of the transition, other than back to work measures**

<table>
<thead>
<tr>
<th>Factors that made the transition harder</th>
<th>Factors that eased the transition¹</th>
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<tbody>
<tr>
<td>Long wait for pay/tax credits</td>
<td>Living with relatives / friends able to provide financial cushion</td>
</tr>
<tr>
<td>Debts or arrears</td>
<td>Financial support from family/friends</td>
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<tr>
<td>Feelings of shame when short of money</td>
<td>Practical support from family</td>
</tr>
<tr>
<td>Feelings of guilt when depriving dependants of material things (such as limiting children’s trips to the swimming pool for example)</td>
<td>Short wait for pay/tax credits</td>
</tr>
<tr>
<td>Fear of debt</td>
<td>Savings</td>
</tr>
<tr>
<td>One-off payments necessary to facilitate the start of new employment (such as the purchase of clothing, toiletries for example)</td>
<td>Good budgeting skills (self or partner)</td>
</tr>
</tbody>
</table>

¹ Excluding back-to-work measures, which are dealt with in the next chapter

Key amongst these factors were the length of the wait for new income, the availability of support from friends and relatives, and feelings about accepting support from others.

How those who experienced financial pressure coped with it depended on their emotional reactions and how these were balanced by rationality. Figure 4.2 shows how reactions of anger and fear tended to influence behaviour. Those who expressed a sense of anger at their situation tended to spend more spontaneously and to be reactive in their financial management, paying bills when they were forced to. Those who were less emotional and more rational about their situation tended to budget more carefully and be proactive – negotiating with creditors and ‘showing willing’ by paying part of a bill if
they could not pay it all. Those who spoke of having felt fearful about their finances could display
either or both of these tendencies. Cutting back on expenditure was a response that was common to
all three types of reaction, although anger sometimes mitigated against it.

**Figure 4.2 Reactions to financial pressures**

4.9 The under-25s

People aged under 25 are excluded from entitlement to the Job Grant, they are however eligible for
other forms of transitional support through programmes such as New Deal. To allow a comparison of
their needs and experiences with those of older individuals (who are entitled to the grant) ten under-
25s who had recently returned to work after receiving JSA were included in this study. None of the ten
received any of the back-to-work measures, so they are not included in the analysis provided in
Chapter 5.

4.9.1 Living expenses and one-off payments

All of the under-25s were living with parents at the time of the transition, although one was working
in a different town and so spent weekdays away (at his employer’s expense). As a result, none paid
rent to anyone apart from their own parents and food was paid for in the form of contributions to
parents. None paid any bills apart from for mobile phones and, in one case, the costs of running a car.

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19 Please note the findings relate solely to the purposively sampled under 25 sample, and do not include
findings from lone parents who also happened to be under the age of 25 as these are dealt with separately.
The sample included in this study does not though reflect the overall composition of under-25s in benefit receipt who may or may not be living with family members. Indeed, several of the lone parents involved in the study under the age of 25 were living independently. The financial pressures faced by those living independently differ greatly to those who have family support. Family support was critical in offsetting some of the transitional concerns held amongst this sample. Despite this, knowledge that they would then have to begin to participate in household expenses once in employment was a concern or key calculation when considering which jobs they chose to take.

Despite clear evidence of financial support being provided by families, the extent and nature of that support was dependent on circumstances, most of those in the sample were being supported by their families (even where both parents were in receipt of benefit) and those who had previously been living independently or were planning to live independently in the near future there were higher levels of apprehension about the transition.

The under-25s described how the move into work had led to some immediate financial changes, including the need to pay for travel to work and for canteen lunches. Expenditure in anticipation of the job preparation was also mentioned; for example new clothes and shoes and more reliable personal transport. Some of these expenses were paid for by relatives – either as a loan or as a gift – but others were funded by savings, credit, loan extensions or Jobcentre clothing grants.

Although a number of the expenses mentioned increased immediately on the return to work, payments of rent, ‘digs’ or contributions towards Council Tax bills were kept low (or were suspended) by parents until after the person had received their first wage.

Reactions to changes in income related to start of work varied. Whilst some young people reported being comfortable with increases in their informal debts to parents and other relatives, this was not always the case. For instance, one said that he would have felt guilty about going to his parents for money and would have had to do so if he had not received a clothing grant from the Jobcentre (Male, 21, urban area, JSA 11 months, no easements). BA staff felt that parents who were themselves on benefits would not be able to provide this kind of support to their adult children. Nevertheless, even in this small sample there was evidence that even parents who were themselves in receipt of benefit were prepared to subsidise or assist their children with living costs, at some financial cost to themselves.

4.9.2 Debts and arrears brought to the transition

As well as day-to-day expenses and one-off purchases associated with the move into employment, under-25s, like their older counterparts, also had outstanding debts and arrears. These included for example, a court fine (with £285 still outstanding), a £190 Social Fund loan, an £8,000 debt to parents, loans for the purchase of cars, student loans and a bank overdraft of £750. In addition, a woman who had recently moved out of her own home and back in with her mother had outstanding Council Tax Benefit and Housing Benefit repayments, and arrears in electricity and telephone payments (Female, 24, rural area, 3 months’ JSA, no easements).

Unlike with the other samples there was greater evidence that the servicing of these debts was generally suspended during the transition, either unilaterally or with the agreement of the creditors (where these were the parents). Sometimes parents paid the instalments that were due during the transition, in effect transferring the debt from outside the family to inside the family.
4.9.3 Cutting back expenditure

Apart from the help received from parents and other sources, under-25s also described cutting back on expenditure during the transition as did the wider sample.

There was evidence that younger people made critical savings through reducing their expenditure on social activities. Examples given were not joining work colleagues for meals in canteens or cafes and not going out with friends—all activities that can provide support during transitional times in life. Again this reflects the underlying financial support provided for essentials provided by family support for this group. Unlike the wider sample, younger people rarely needed to juggle essential expenditure during this period (for example, heating costs, bills etc.) Nevertheless, their spending on personal items such as toiletries also reduced during this period.

4.9.4 Feelings about the transition

Only one of the under-25s spoke of any real distress during the transition. This was a woman who had recently given up her own home because of debts and who was still in arrears. Her first wage had been far less than she had expected due to errors being made in the size of deductions. Hence, for her the transition was ‘a real nightmare’:

‘That was the biggest nightmare. I spend 15 quid a week on petrol and that was the thing. I remember one day phoning up at work and going, “I’m going to be late because I haven’t got any petrol in my car and I can’t get to work and my mum’s just”... Oh God... we had this pot, we were looking... going for the two pence trying to get enough money for petrol! Pathetic isn’t it? And they were really good ‘cause I said I was going to be late so I got to work late and after scraping enough, like two pounds together to put in the car!’

‘I just thought, ‘well maybe I’m making a big fuss over nothing, maybe I’m just... maybe you’re supposed to be completely poor, completely in debt, supposed to have these letters through the post, be threatened to be taken to court every five minutes, this is life.’ I just thought, ‘it’s just **** isn’t it.’

(Female, 24, rural area, 3 months’ JSA, no easements)

Another under 25 said that he had had a difficult transition previously, but did not say that he had felt nervous about repeating the experience.

‘... when I first got a sales job I had to work a month before I got paid – ‘cos it was a monthly job... I was on a giro ... I got my giro... , and it was all shirt, tie, trousers and I didn’t have anything, it was just like panic, panic. So I think to start off with I wore a pair of my dad’s trousers, and ties, and stuff, his shirts even, Dad’s shirts, just before, till I got the money – it was awful.’

(Male, 21, urban area, 1 year JSA, no easements)

4.10 Meeting expectations? Experiences of the transition

The evidence presented in preceding sections demonstrates that people’s experiences of the transitional period did not necessarily fit with their expectations. Neither the nature/length of prior benefit receipt nor personal circumstances (such as age or family composition for example) were found to affect the match between the expectations of people moving into work and their experiences. Chapter 5 examines in detail people’s responses to the transitional easements they received or were offered. However, at this point it is useful to consider how expectations of the
transition were met in reality. It is important to note again that the sample only contained people who had moved into employment, it could be argued that those with the greatest fears of the transitional period were those excluded from the study (i.e. those who remained on benefit).

People were generally interviewed between six to eight weeks after their move into employment and were encouraged to compare their anticipation of the transition to their actual experiences. Obviously, as with any retrospective discussion there were some difficulties with recall about which factors caused the greatest apprehension prior to the return to work. Nevertheless, participants were given time to talk through their experiences and to reflect upon the match between their expectations and experiences.

The research found that those with dependants and those moving off benefits related to long-term health issues or disability had the highest anxiety about the transition. The reasons for these high levels of concern differed for the two groups.

Parents and primary carers described how their anxiety was rooted in a constant concern to ensure the stability of household finances and to ensure that dependants were not forced to ‘go without’ because of disruptions to income. In contrast, the key apprehensions about the return to work for people with long-term health issues or disability were related to people’s doubts about their ability (both physical and emotional) to sustain full-time employment after a prolonged period of unemployment. In both instances, reassurance about ongoing financial support (such as run-ons) were critical in persuading people to consider a move into employment and these issues will be further explored in Chapters 5 and 6.

A final group who expressed greater concerns was those with accumulated debts and mortgages. In this case, anxieties were directly related to financial concerns and worries about the costs of the transition. In contrast, younger people (particularly those still living at home) expressed fewer financial concerns about moving into work. Nevertheless, across the sample, anxiety was high in relation to what was expected to be an unpredictable period of financial turbulence.

Responses to this anxiety differed; for one group of participants the response was to undertake detailed financial planning. Not all participants did consider the likely financial implications of the move into employment. Whilst the evidence indicates that such planning was common amongst those with dependent children others, including some of the under-25s, also undertook careful planning to prepare themselves for the transitional period. As described previously, the key reasons for not calculating the potential impact were either fears about the implications of the transition, that the individual was not someone who generally made forward financial plans, and finally, that the person was confident that the transition into work would be a positive financial move.

Where people had thought through the possible ramifications of moving from benefit into work then their key calculations related to easily identifiable costs of the transition – such as clothing, travel expenses and child care costs. It was less common that people undertook detailed analysis of the implications for their existing benefit relief (for example, calculating the impact on Council Tax or Housing Benefit, or the extent to which the end of passported benefits might affect income and expenditure), or future in-work credit which might be available. When asked why these issues had not been calculated in the same way, people broadly argued that it was through a lack of awareness or knowledge of the way in which the transition might affect this income. There was certainly evidence to point to the greater awareness held by lone parents and others who were given advice and assistance by personal advisers around these issues.

As a result of these factors, how closely a person’s experience of the transition met with their expectations varied widely. One group of participants felt their experiences had matched their
expectations either because the transition had been as smooth as they had assumed it would be or because they had undertaken detailed calculations before making the move into employment and felt they were well briefed on the potential implications. People in this group came from all sectors of the sample.

A second group experienced greater turbulence than they had anticipated and this disruption came from a number of different sources. Key amongst these was the unpredictability of their new wage. Sometimes people had received limited information from employers prior to starting work but in other cases the application of emergency tax codes meant that wages were much lower than anticipated. Other problems arose when working hours turned out to be less regular than expected, this was particularly true for those in self-employment who frequently described being unable to accurately predict the costs of their new employment, especially as in some cases this included making major purchases or heavy expenditure in order to start their business. For example, one childminder described her shock at how costly it had been to make her home fully compatible with safety requirements. Second, but of equal disruption for those affected, were unexpected changes to benefit receipt or state support (such as the loss of free school meals for example). However, not all such disruptions were negative, as will be further explored in Chapter 5, the often unexpected arrival of transitional support measures such as the Job Grant were viewed as positive disruptions to anticipated budgets.

A final area where people often experienced a mismatch between what they had anticipated and what they experienced on moving into work was in the extent of the expenditure they would incur directly related to their day-to-day work. Although the purchase of one-off items of clothing could be fairly easily predicted, people frequently underestimated the ongoing expenditure associated with toiletries, buying food on a daily basis and travelling to and from work.

How much a mismatch between expectations and experiences affected people’s commitment to remain in employment also differed. Across the sample there were those who had a very strong motivation to work and some of these people, even when they experienced significant shortfalls in their expected income, stated that they would rather be working and financially struggling than back in receipt of benefit. More exceptionally though, people found the experience of the transition too difficult and had already left their employment by the time of interview or expressed regrets about making the move. Analysis showed that this group of participants shared some similar characteristics including higher levels of existing debt and responsibility for dependants, however it is impossible to generalize from this sample. In those cases where people had left work and returned to benefit then they were asked to discuss whether the transitional support they received, or in some cases did not receive, played a role in their decision-making, this issue is explored in Chapter 5.

4.11 Summary

- The first week in a new job is critical. People described high levels of anxiety related to the newly unpredictable state of their household finances; this was linked to either, or both, uncertainty about benefit/transitional support and the level/timing of wages. Nevertheless, as described previously it is wrong to assume that this uncertainty always occurs in week one of employment as it is dependent upon existing financial cycles and the timing and delivery of wage payments and transitional or in-work benefit support. Therefore, it is important to note that the factors determining when and how financial pressures appear vary greatly.

- Income unpredictability was key for people moving into work and particularly heightened for those with dependents. For example, uncertainty about the delivery and timing of in-work support, such as WFTC was clear in some accounts. Similarly, problems with benefit ‘run-ons’ and continued entitlement to support such as CTB caused problems for others.
Ongoing difficulties with income uncertainty were often compounded when wages during initial weeks were suppressed for a number of reasons, including the application of emergency tax, clerical errors, and misunderstandings about hours to be worked/pay levels, etc.

Analysis revealed the range of new expenditure the move into employment brought with it. Most commonly, people found themselves spending on items such as clothing, toiletries, childcare or travel expenses which they had not been spending previously. These were the most commonly predicted (and therefore, budgeted for) items of new expenditure associated with the move into employment. However, a whole range of other, more unexpected, costs were associated with a move into employment, these included the costs of participating in social events, buying regular meals for lunch, contributing to office collections. All of which contributed to ongoing financial pressure during the first weeks of work.

The key changes to expenditure described by participants during their early weeks in work were: One-off expenditure - this usually related to work clothing, equipment and, exceptionally, major purchases (for example, buying a car); travel to work costs - with little variation across the sample, travel to work costs were a key change to people’s expenditure patterns; childcare expenses – where primary carers moved into employment, costs associated with childcare became a new financial expense; the greater expenses caused by changes to benefit entitlement (such as being required to pay for dental treatment) and credit arrangement (where unemployment had provided some respite from regular payments); or those expenses which can be characterised as new but ongoing costs associated with being in work. For example, the costs of buying lunch or regular supplies of toiletries. This category of costs were often described as the most unexpected and although not major financial purchases in their own right their unexpected addition to household costs was frequently upsetting to household budgets during the transition.

Self-employed workers tended to experience different pressures. On the whole these related to the greater expenditure costs related to beginning in business (for example, having to make one-off major purchases such as a car or providing safety equipment around the home, in the case of a childminder).

As and when financial pressures appeared people employed different strategies. These included borrowing from friends and family which was a key response to financial difficulties for those with support networks. A second less popular, though no less used, option was more formal borrowing by increasing existing credit or loan arrangements, defaulting on existing repayment schedules or taking out new arrangements. People also widely discussed the cutting of household costs. Sometimes this was a by-product of returning to work (for example, not having to provide food where the employer did so or perhaps by cutting down on costs associated with heating at home or even smoking less during the day) in other cases it was a deliberate strategy to balance unpredictable budgets by reducing expenditure until household finances stabilised. For those under 25 not eligible for the Job Grant there was evidence of similar patterns in budgeting as like those older they faced increased expenditure and changes to their income. However, there was clear evidence of their greater ability to rely on family support, in particular repayments of informal debts to family members and housing costs were often suspended during the transitional period. It is important, though, to note that the sample was small and did not include younger people living independently without family support.

People's experiences of the transitional period did not necessarily fit with their expectations. Neither the nature/length of prior benefit receipt nor personal circumstances (such as age or family composition for example) were found to affect the match between the expectations of people moving into work and their experiences.
• Not all participants had considered the likely financial implications of the move into employment. Whilst the evidence indicates that such planning was common amongst those with dependent children others, including some of the under-25s, also undertook careful planning to prepare themselves for the transitional period. The key reasons for not calculating the potential impact were either fears about the implications of the transition, that the individual was not someone who generally made forward financial plans, or finally, that the person was confident that the transition into work would be a positive financial move.

• Where people had thought through the possible ramifications of moving from benefit into work then their key calculations related to easily identifiable costs of the transition – such as clothing, travel expenses and child care costs. It was less common that people undertook detailed analysis of the implications for their existing benefit relief (for example, calculating the impact on Council Tax or Housing Benefit, or the extent to which the end of passported benefits might affect income and expenditure), or future in-work credit which might be available. When asked why these issues had not been calculated in the same way, people broadly argued that it was through a lack of awareness or knowledge of the way in which the transition might affect this income.

• As a result of these factors, how closely a person’s experience of the transition met with their expectations varied widely.
5 Experiences of the easements

In the previous chapter we looked at participants' experiences of the transition into work, studying the causes and timing of particular financial pressure points and how people tended to react to them. In this chapter we reflect on an additional dimension of the transition – the back-to-work measures. Unlike in Chapter 2, where we focused on the effect of the measures on motivation to go back to work, here we consider their impact as easements during the transition itself. Each of the back-to-work measures are considered in turn, starting with the Job Grant, and then moving on to the various run-ons and Rapid Reclaim. For each there is a section on recipients' awareness of the measure\(^{20}\), its delivery, the timing of the delivery and its impact.

5.1 The Job Grant

The Job Grant, one of the main subjects of this study, is a one-off payment of £100 that is sent to eligible individuals on their move into work. Of the claimants interviewed in this study, all apart from the under-25s and the lone parents were entitled to the Job Grant. Most of these completed a diary as well as being interviewed. Further details of eligibility for the Job Grant are shown in the footnote below\(^{21}\).

5.1.1 Recipient awareness of Job Grant after coming off benefits

As mentioned in Chapter 2, the first that some recipients knew of the Job Grant was when they received the £100 cheque in the post from their local Benefits Agency.

Others had been told about the Job Grant, in person, once they had made the decision to move into employment usually by BA, ES or Employment Zone staff, or (less commonly) had read about the grant in leaflets available in Job Centres or BA offices. Where people first heard about the Job Grant on receipt of the cheque and accompanying letter there were high levels of uncertainty about what the

\(^{20}\) Participants' awareness of the back-to-work measures has already been discussed in Chapter 2. Here however we look at how this awareness changed once people began full-time work.

\(^{21}\) Job Grant - was introduced in April 2001, this is a grant of £100 for clients who have made a continuous claim for any one (or any combination of) Income Support (IS), Jobseeker’s Allowance (JSA), Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) for 52 weeks or more. They must also be moving into work of at least 16 hours per week that they expect to last for at least 5 weeks. Job Grant is not available to anyone receiving Lone Parent Run-on or to anyone aged under 25 at the time of starting work.
cheque was for and about their eligibility to receive the sum enclosed. People were often anxious about receiving a lump sum and concerned that they had inadvertently claimed or received money to which they were not entitled; few had clear recall of the letter which accompanied the cheque and this increased anxiety and concerns about the function of the payment. Evidence showed that those increasing their hours tended to have slightly higher levels of awareness, it is difficult to establish the factors underpinning this difference but it may be accounted for by the fact that these claimants were already dealing with benefit-related issues such as their eligibility for in-work tax credits and therefore, were more likely to explore options available for in-work or transitional support.

The research revealed that recipients did not distinguish clearly between the Job Grant and other sources of one-off funding such as Employment Zones grants and the Back to Work Bonus. As a result, there was a muddling of the different qualification criteria and characteristics. For example, the Job Grant was sometimes described as a reward for remaining in a job for a certain number of weeks, which is the criteria for some EZ bonuses. Sources of this confusion were difficult to clarify, especially as recipients themselves were unclear which benefits or bonuses they had received. As will be seen below, staff too were occasionally confused by the eligibility criteria for the grant.

The name ‘Job Grant’ itself had a low recall rate and interviewers often had to allude to a ‘cheque for £100’ to establish what they were talking about. The title of the ‘Back to Work Bonus’ was sometimes used interchangeably with ‘Job Grant’, suggesting a conflation of the two in people’s minds. Indeed, one woman thought that a mistake had been made when she received a cheque for £100 instead of the £118 Back to Work Bonus she had been expecting (Female, 58, urban area, 4 years’ JSA, Job Grant only). The study found that views about the purpose of the Job Grant hailed from two sources: what people had been told or had read, and assumptions based on other experiences of the benefit system – for example, that it could not be intended for the same purpose as other grants that had been received.

Views on the purpose of the Job Grant fell into four broad categories; the first three were dominant in the accounts gathered during the research:

- as practical help – for one-off purposes connected with work, or to help cover living costs until the first wage;
- as an incentive – to encourage people back into work;
- as a reward or thank-you (examples of how people described the Grant in these terms included seeing it as a “prize”, a “congratulations” or a “thank-you” for finding work);
- as a bribe – a cynical ploy for getting people off the unemployment register and reducing the unemployment figures.

These interpretations of the purpose of Job Grant were reflected in participants’ opinions as to how people qualified for it. For example, one of those who thought it was a reward said that you had to find a job without the help of the Jobcentre in order to qualify; others who thought it was for practical help assumed that everyone would get it when they left benefits to return to work.

As the above paragraph indicates knowledge of the qualification criteria was patchy. Estimations of the length of the qualification period (where this was mentioned at all) varied from six months to 12 months. Similarly, not all participants were aware that the criteria required a move into full-time work of more than 16 hours and no participants mentioned the criteria that the job be expected to last for five weeks or more. Some said that they had been told nothing at all about who qualified for Job Grant, even where they had been told that they would receive it themselves. One person reported
that her own adviser had seemed unsure whether or not she would receive the grant (single female with 1-year old child, 49, urban area, Job Grant/MIRO/CTBRO/LPRO run on\(^\text{22}\)). There was some confusion too about what needed to be done to receive the Job Grant, with a number of people claiming that they had been asked to fill in application forms.

There were three main views about what the £100 should be used for:

- That it was intended for practical purposes; for buying work-related clothes and equipment or for paying for living expenses.
- That it was to be used to provide treats or enjoyment for the recipient.
- That the money was intended to be used however the recipient wished.

The first of these views was the one that met most easily with people’s conception of the benefits system as providing money for people’s needs rather than for their pleasure. It took more of a leap of the imagination to assume that the money was for any other purpose:

> ‘It’s like when your favourite auntie gives you a fiver: ‘here’s something to help you’… It’s like, ‘well actually you’ve been quite a good boy so here’s a bit of money’, sort of thing. ‘You’ve played the game, so here’s some money for you’… I thought it was rather sweet actually!’\(^\text{23}\)

(Male, 54, urban area, 1 year JSA, Job Grant/HBRO/CTBRO)

> ‘I suppose it’s to help to go on clothes, things like that… Well, they don’t give you money for nothing do they!’

(Male, 25, urban area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO)

The evidence suggested that participants did not limit their use of the £100 to what they thought it was supposed to be used for. Even where they thought it was intended to be spent on work-clothing, for example, they sometimes spent it on celebrating their new employment. They expressed no reservations about doing this.

As already mentioned, some clients reported that the arrival of the Job Grant had been unexpected. Where this was the case, recipients reacted in a number of different ways:

- by assuming that a mistake had been made - that a benefit cheque had been misprinted or that the cheque was not intended for them at all. This engendered either a reluctance to spend the money, or a rush to spend it before it could be taken back. Staff spoke of people coming in to ask them whether they were entitled to the cheque and there were examples of recipients who said that they had contacted BA or ES staff to make sure of their entitlement;
- by not spending the money until sufficient time had passed for them to feel that it would not be claimed back;
- with joy and surprise. One recipient said he had felt the arrival of the cheque had been ‘incredible’; another said that he had felt as if he had won something (Male, 39, urban area, 2 years’ JSA, Job Grant/HBRO/CTBRO).

\(^{22}\) See Footnote 21 relating to why this participant received both LPRO and Job Grant

\(^{23}\) This respondent said that the letter accompanying the Job Grant had encouraged him to think this way: ‘it was couched in these sorts of terms’.
Those who had expected the Job Grant did not describe any such strong feelings on receipt of the £100, suggesting that the immediate impact of receiving the grant may have been softened by forewarning.

5.1.2 Delivery

The next issue for consideration was the delivery of the Job Grant. This involved examining the administrative systems employed by the agencies involved, as well as considering the experiences and views of recipients. Particular aspects for consideration included the identification of eligible claim terminations, mechanisms for getting the grant to recipients and the timing of the arrival of the grant in relation to the return to work.

Identification of eligible terminations

The first step in the process for delivering the Job Grant (as well as the run-ons) is the identification of eligible candidates, which involves applying the eligibility criteria to each termination. Staff described the identification process as summarised in the box shown below.

Staff mentioned a number of problems with this process:

- The failure of claimants to provide the information about the expected duration of their job: ES staff reported that the box on the ES40 was too small and poorly positioned on the form and that claimants often failed to notice it when completing the form. One view amongst BA staff was that the majority of claimants did not bother with the box at all because they do not see its relevance and were fed up with form filling. If handed the form in person, then some ES staff said that they might notice the omission and prompt the person for the information. However when forms were posted or handed in at Jobcentre receptions they were not checked. Posting, staff said, was more likely amongst people with a reason for not coming to the Jobcentre in person – for example, those who disliked being in the office or who lived a long way from it. If ES staff were not sure whether or not the question had been considered by the claimant they entered a code that signified “don’t know”. Consequently, BA staff did not have the information they needed to award the grant and did not do so unless and until they received more information from the claimant. Staff suggested that the process might be simplified if all claimants were required to complete a simple pro-forma in order to establish their entitlement to the Job Grant. However, conversely staff and former claimants felt this would add another layer of paperwork which was felt to be time-consuming and bureaucratic.

For JSA claimants, information for the first two criteria (hours of work and duration of job) is requested on the ‘ES40’, the form claimants complete when they sign off the unemployment register. This form is either posted to the Jobcentre, dropped in personally, or completed on site. In the latter case (but not the former two) the completed form is often checked in the claimant’s presence. Completion of an ES40 is not a requirement but is usually completed when a person leaves the register. Once they have received the ES40, ES staff then enter the information onto a computer system that they share with the BA. If the client has overlooked the question concerning the duration of the work, and if the claimant was not at hand when ES staff noticed this, then a code is entered that signifies that the expected duration of the work is unknown.

24 A person is eligible if they are entering work of 16 hours or more per week for an anticipated duration of 5 weeks or more; are 25 or over; are not a lone parent, and have been on one or more qualifying benefits for an uninterrupted period of at least 12 months.
Once ES staff have finished entering the closure data into the shared computer system, BA staff become aware that a person has signed off and set in motion processes for terminating their benefit. It is at this stage that procedures for awarding Job Grant need to be initiated, so the member of staff terminating the claim must make case-by-case decisions regarding compliance with the eligibility criteria. The most labour intensive part of this is the confirmation of the period of continuous claim, which involves looking on all the computer systems for the benefits that have been claimed during the preceding 12 months. Depending on local practice, the staff member will then ask for a £100 cheque to be sent either by writing a note to their manager or by entering a note in a dialogue box for the (separate) team who send out payments.

The process is different for individuals leaving IB, IS and SDA. Staff who dealt with these claim closures described the Job Grant as straightforward to administer, saying that clients come in when they are going to sign off and that they sign forms then and there to say whether they are going into full-time work and how long they expect it to last. However, some claimants said that they signed off without actually visiting their local benefit office and that they had been sent forms to fill in for the Job Grant.

**Pressure of work experienced by BA staff:** This made it possible for BA staff to forget to check for eligibility; even though a reminder was flashed onto the screen by the computer system. They felt that the computer should do the eligibility check itself and tell them who was eligible rather than just making suggestions.

‘We could overlook it, then we could have a really busy day, we could close claims in a Jobcentre, say for example we close it, you just – you’ve got somebody in your face who wants an enquiry, then you just finish it off… it’s human error.’

(Jobcentre-based BA staff, Wales)

In spite of their concerns, however, staff believed that in practice, people who were entitled to the Job Grant rarely got missed out in this way.

**The time taken to check the continuous length of the claim:** Where there are a number of linking benefits (i.e. where the person has claimed more than one different benefit during the previous year) this check can involve accessing three different computer systems. One staff member said that only five or six out of every 20 cases checked turned out to be eligible and suggested that this was not a good use of staff time.

**Unease about taking claimant evidence at face value:** BA staff reported that they were not used to trusting evidence given by clients about their eligibility for payments. They therefore felt uneasy about giving away £100 without checking the intention to work for five weeks or more:

‘I think if everyone knew that one of the conditions was that they had to be in the job for five weeks, they’d tick that box every time…’

(Jobcentre-base BA Team Leader, Wales)

‘It doesn’t make sense, considering we have to follow so many procedures to do certain things. And then all of a sudden, as – like we – we’re just giving it out without even checking it.’

(Jobcentre-base BA team member, Wales)
Timing of delivery

According to some BA staff the Job Grant was relatively easy to administer because its delivery was all in the hands of the same agency, and Job Grants were therefore quite reliably and quickly despatched. However, some said that it took longer to process than other measures, in spite of being automated in theory:

‘...you still have to do an awful lot of work. It’s like instead of writing out a payment you actually press a button or put the information on the system and then it will produce either a giro-cheque or a payment into the bank account or counter payment.’

(Jobcentre-based BA Team Leader, London)

‘In theory it’s all sort of automatic... it’s supposed to do it automatically but in reality I think [for] every ... person that’s entitled to a Jobfinders Grant or ... the Job Grant [it needs to be administered]... individually. You have to do it on a ... clerical basis ... you’ve got to put it in on the system.’

(Jobcentre-based BA Team Leader, London)

Estimates by staff of average times for delivery ranged from two or three days through to two weeks. It was felt that the ideal time for the cheque to arrive would be after two or three weeks in work, by which time recipients would have used up their last benefit payment. This suggests that staff assumed that the Job Grant was intended to cover the gap in income and did not think of it as being for one-off work-related expenditure. Given that research with staff, at this stage, was limited it is difficult to know how much of an impact such attitudes might have on both the promotion and delivery of the Grant. As has been seen previously in Chapter 3 recipients often had different views about the role of the Job Grant, see also Section 5.1.3.

Evidence from claimants puts them into four groups: those who received the Job Grant within a week; those who received it within two weeks; those for whom it took between two weeks and a month; and those who had not yet received the grant by the time of the interview. There was no evident pattern to the membership of these groups and they contained a mix of people from the different areas involved in the study. Further views about recipient’s views about the timing and delivery of the Grant are given in Chapter 6.

5.1.3 Use of the Job Grant

Use of the Job Grant varied enormously across the sample. The £100 from the Job Grant was sometimes used for very specific purposes, such as:

- repairs to the house or ‘brightening up the flat’;
- mortgage payments;
- household items;
- food shopping;
- general household bills;
- payment of overdue bills;
- savings for holidays or purchases (e.g. of a computer);
- treats (e.g. CDs, nights out);
• celebrating being back in work (e.g. by going out for a meal);
• Christmas presents for children in the family (it is important to remember that some of the interviews for this study were conducted in the run-up to Christmas 2001);
• clothes for work (although some said it arrived too late for this);
• clothes for other purposes;
• bus fares or petrol/diesel for travel to work;
• other sundry work-related expenditure, for example buying a flask for work;
• overdraft reduction.

In other cases it was simply added to the general fund; either for general spending, as a reserve for financial emergencies or to boost savings. Analysis revealed that people’s use of the Job Grant was strongly linked to existing budgetary patterns. For example, recipients who had previously saved rather than spent additional, or unexpected income, dealt with the grant in a similar way. However, where recipients were aware of the purpose of the grant as a means to alleviate transitional financial pressures, then there was greater evidence that the grant was used for purposes such as buying new clothes, toiletries or travel passes linked to the return to employment. In reality, the low awareness (and expectation) of receipt meant that on the whole people reacted to the grant as an unexpected bonus and it was absorbed into household budgets and used accordingly.

5.1.4 Impact

As was the case for HBRO and CTBRO (see below) the Job Grant brought both financial and psychological relief to recipients. It is distinguished from HBRO and CTBRO, however, by the strength of positive emotional responses that participants mentioned.

The extent of the financial impact of the Job Grant depended in part on the financial circumstances of the individual concerned. For example, a woman whose husband had an income of £3,500 per month (Female, 50, urban area, 5 years’ IB, Job Grant) reported that it had made very little difference to her experience of the transition or to her spending. For others, with less financial support but not experiencing great financial pressure, the extra money was welcomed and influenced spending, but did not influence experiences of the financial transition itself. One example was a young man living with his parents, both of whom were claiming benefit (Male, 27, urban area, 21 months’ JSA, Job Grant). This was typical of younger respondents who seemed more able to access financial support, even where the financial circumstances of the family were restricted.
For those who **were** under a financial strain during the transition the picture was different, with the money playing a more essential role. The research revealed several forms of impact:

- It could enable people to cope with the transition who may not have coped without it:

  One man had an unemployed wife and two children aged 11 and 13 and lived in rented accommodation in a town in a rural area. He worked 16 hours per week in a nursing home, with gross wages of about £1,000 per month. He spent his last JSA money (received the day before his job started) on a pair of shoes for work. His wife got the first WFTC payment of £222 two weeks later but he did not receive his first pay (for two weeks’ work) until six weeks after leaving benefits. He was not sure that he was going to receive HBRO until it was confirmed in writing ten days into his job. The family had not been in debt while he was on benefits, but when he started work he had to borrow money from his father-in-law and his children. He considered giving up his job because of the financial difficulty, but did not do so both because he would not have been able to claim JSA and because he was glad to be working.

  His Job Grant arrived early in his first week at work and was quickly used up on buying food. The hardest part of the transition was after the first week, but he did not have to wait long for the first WFTC payment to come through. He said that the Job Grant was nice to have, that it was not enough, but that they could not have managed without it.

  (Male, 39, rural area, 2 years’ JSA, Job Grant/HBRO/CTBRO)

- It could help individuals to avoid borrowing from friends, family or employers:

  One participant said that without the Job Grant he would have had to ask his boss for an advance and then would have found it hard when his first wage came through at a lower level.

  (Male, 41, rural area, 1 year IS and 7 months’ JSA, Job Grant/HBRO/CTBRO)

- It could enable people to keep up-to-date with household bills;

- It could reduce the need for cut-backs in spending; for example on food;

- It could provide money for new work clothes, which could in turn boost the confidence of the person in their new job:

  ‘I would have worn my old clothes to work… it helped me a bit because I could buy some things and made me feel good.’

  (Male, 34, urban area, 2 years’ JSA, Job Grant)

  ‘It made me not … worry about having to buy these things for work… I want to go back out there like… in[to] the real world. I wanted to actually be my best, and because I will be in front of the customer I don’t want the customer to look down and think: “My God, wh[ere] does she come from?”… I wanted to actually … be prepared, to actually feel good about the way I looked…’

  (Female, 32, urban area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO)
Finally, the Job Grant sometimes gave people a financial cushion, and an associated increase in feelings of security:

‘... it definitely was a god-send, but like I say I know full well I wouldn’t have – I wouldn’t have starved – the bills would have still been paid, because whatever was in the bank would have gone for them, it was – it was just a case of ‘I can cope’, once I got that £100 grant, I thought ‘right, I can cope till the end of the month now, I know’... I had money in the bank...’

(Female, 49, urban area, 15 years’ IS and 5 months’ JSA, Job Grant/CTBRO/HBRO)

It was also described as providing peace of mind:

‘Peace of mind, I think, ... the fact that you know the bills are going to get paid, food’s going to get bought, that you don’t have to worry about going hungry this week, or maybe having to cut the shopping down or whatever, you know, in order to squeeze things in... you know, it’s head relief really.’

(Female, 43, Rural town, 2 years’ JSA, Job Grant/HBRO/CTBRO)

All of the above effects of the Job Grant are more or less mirrored in recipients’ comments about other financial back-to-work measures, such as HBRO. What distinguished the Job Grant from other financial easements; however, were the emotional responses that people mentioned, such as excitement, surprise and joy. On the whole this was explained by the low awareness of the measure prior to receipt, it was generally unexpected and therefore received differently to other easements, such as the run-ons, which claimants had greater awareness of. Recipients explained their feelings as being related to the arrival and nature of the grant rather than to its size. For example, because it was not perceived as being linked to any particular area of spending, some felt freer to spend the Job Grant on whatever they liked and relished this more than if the money had been earmarked for food, rent or anything else.

‘It’s the psychological impact. It’s almost like a free gift whereas if it comes in bits and bobs it’s almost as if there’s a condition attached... This hundred pounds was given to me, ‘no strings attached’... It was a straightforward grant. I didn’t have to justify it to anybody.’

(Male, 54, urban area, 1 year JSA, Job Grant/HBRO/CTBRO)

The £100 felt like extra income; a bonus that did not have to be spent in any particular way. This made it all the more enjoyable and exciting.

‘I could go window shopping and allow myself to be tempted – anything that I fancied!’

(Male, 48, urban area, 14 months’ JSA, Job Grant/MIRO/CTBRO)

For these reasons, recipients tended to see it as a reward or a sign of appreciation from the benefits system for their “struggle” during unemployment. It felt like something that was given to them voluntarily; even perhaps out of good-will:

‘It seems like a fit of generosity on the part of the Government. It’s the first time I think they’ve ever done this.’

(Male, 48, urban area, 14 months’ JSA, Job Grant/MIRO/CTBRO)
'I think probably they wanted me to treat myself (amusement) - dunno - maybe treat yourself to something: ‘you’ve been here so long and you’ve tried hard’, or what have you... It felt like that when I opened it and saw it...’

(Female, 42, urban area, 18 months’ JSA, Job Grant)

It is worth adding though, that emotional reactions were not always this positive. For some, even though the money itself was helpful, feelings about the intention behind it were more cynical, especially where the size of the grant was considered insufficient:

‘It’s a pat on the head, ‘aren’t you clever?’ ‘Here’s a reward’, but it’s not... a hundred pound for a family of four is not [a huge amount]... when you could be waiting a month to get paid... It’s nice to have a hundred pound but it’s an insult... you get the feeling you’re being paid... so you’re not a statistic any more... it was nice to get it... But the amount was the insult. The amount was such a one that’s saying, ‘right there we are we’ve bought you off our books’. That was how it felt.’

(Male, 39, rural area, 2 years’ JSA, Job Grant/HBRO/CTBRO)

5.2 Housing Benefit Run-on

Alongside the Job Grant, a second major focus of this study was the various ‘run-on’ benefits. The first of these – and the one on which the study gathered most evidence – is the Housing Benefit Run-on. This was often assumed by recipients to include Council Tax Benefit Run-on (CTBRO), and the contents of this section should be read accordingly. However, in some notable areas the findings for the two components of HBRO are different; these are dealt with in Section 5.3. An analysis of the evidence for the Mortgage Interest Run-on can be found in Section 5.4.

5.2.1 Recipient awareness of HBRO and CTBRO after coming off benefits

The study found that participants became aware of HBRO/CTBRO at one of three stages in the transition: before they found a job; when they informed the Jobcentre/benefit office that they had found a job, or after they had started work. The first and second cases are discussed in Chapter 3; the third case is of interest here.

Those who found out about HBRO/CTBRO after starting work either did so after making enquiries prompted by concern about their rent or when they received a rent statement and saw that their HB had continued to be paid. In the former group, there were those who were concerned because they had not yet received bills (and were afraid that they might be getting into arrears by not paying any rent during the first month at work) and there were those who thought that they would not be able to pay their rent and had phoned the council to explain the reasons and ask for extra time. In line with the general findings of the study those with dependent children described greater levels of anxiety about this issue. Nevertheless, rent and housing costs were of major concern across all groups in the sample. People reacted differently to these concerns with some attempting to make payments ‘just in case’ whilst others made strenuous efforts to ascertain their HB and CT status.

There was an element of confusion amongst claimants about the duration of HBRO. Lone Parents, for example, tended to assume that HBRO and LPRO would last for the same amount of time, and so sometimes expected HBRO to end after two weeks. Those who had been told that HBRO was intended to help them until they received their first wage tended to assume that it would only last until they received that wage - e.g. two weeks if they were working a week in hand.
As is also the case for MIRO, awareness and understanding of HBRO was made more difficult by the fact that it did not normally pass through the hands of the claimant. The rent component went straight to the landlord and the Council Tax component went straight to the local authority. Hence, some recipients did not know that the run-ons were being paid, and even those who knew that they should be getting the run-ons were not confident that they actually were.

The evidence suggests that claimants’ doubt that they would receive easements was in part due to a more general lack of confidence expressed in the assurances of staff. The study also suggests, however, that this doubt is added by the uncertainty of staff themselves. People spoke of being told that they ‘might’ receive HBRO and one individual reported that she had been told different things about her eligibility by different staff (Female, 32, urban area, 2.5 years’ JSA, Job Grant/HBRO/CTBRO). Staff too spoke of avoiding expressions of certainty when talking about easements that a person was entitled to for fear that they would make errors.

There was confusion about conditions of entitlement as well among both staff and recipients. For example, one woman assumed that HBRO was not available to people entering self-employment (Female lone parent, 39, rural town, 10 years’ IS, LPRO/HBRO/CTBRO). Others variously described thinking that it was only for lone parents, that it was for everyone who went back to work, or that it was only for those who got their job through an Employment Zone. In some cases this led to people thinking they would were not eligible when in fact they were.

The study found that this lack of awareness and confidence eroded the impact of the measure as an easement, as recipients tended to fret about their rent until they had received some kind of statement from their landlord on which the receipt of the run-on was indicated. However, people had greater confidence where they received confirmation from their personal advisers or main staff contact that their HBRO or CTBRO had been paid.

5.2.2 Delivery

Many of the processes for the delivery of HBRO and CTBRO were similar to those for Job Grant; as a result, so too were a number of the problems. However the process was made significantly more complex by the involvement of local authorities. Although BA officers made the decisions about who was and was not eligible for HBRO, it was the local authorities that actually sent the money to the landlord or tenant. Staff participants cited multi-agency involvement as one factor that made administration of a measure more difficult. The involvement of more than a single agency in the delivery of easements was commonly regarded by staff as a hindrance to the effective application of financial supports, particularly where such easements required multiple entries into different computer systems. These issues are detailed further in the following sections.

All the aspects of the delivery of HBRO and CTBRO are considered below, but particular attention is paid to the identification of eligible terminations, communication between BA staff and local authority Housing Benefit teams and timing of delivery.

Identification of those eligible

Identification of eligibility involves applying the criteria to the case of each person who signs off from IS or JSA. This means checking that the person is entering work of 16 hours or more per week for an anticipated duration of 5 weeks or more, that they have been on one or more of the relevant benefits for an uninterrupted period of at least six months and that they are already in receipt of Housing Benefit. (Unlike for the Job Grant, under-25s and lone parents are eligible for this measure.)
Below is a description of this process, summarised from interviews and group discussions with staff from the key agencies:

For JSA claimants, information for the first two criteria (hours of work and duration of job) is requested on the 'ES40' – the form most claimants complete when they sign off the register. Claimants either post this completed form to the Jobcentre, drop it in personally or complete it in the Jobcentre itself. In the latter case, but not the former two, the completed form is often checked in the claimant’s presence. Once they have received the ES40, ES staff enter the information onto a computer system that they share with the BA. If they are not sure whether the person expects to work for five weeks or more, they enter a code that signifies that the duration of the work is unknown. Once ES staff have entered information to say that someone has started work, BA staff become aware that the person has signed off and set in motion processes for terminating their benefit. It is at this stage that procedures for awarding HBRO need to be initiated, so the member of staff terminating the claim must make case-by-case decisions regarding compliance with the eligibility criteria.

The most potentially labour intensive part of this process is the confirmation of six months’ continuous claim, which involves looking on the computer systems for the relevant benefit/s. The process is different for individuals leaving IS. In some areas, IS clients come in when they are going to sign off and are asked to sign forms then and there to say whether they are going into full-time work and how long they expect it to last. However, some claimants said that they signed off without actually visiting their local benefit office.

Like all changes to a Housing Benefit claimant’s circumstances, a termination of an IS/JSA claim is automatically reported to the relevant local authority. These notifications are printed out and then distributed to staff in the HB team for processing. (In some local authorities all team members deal with all types of notifications; in others there is a specialist team for terminations.) Termination notifications include an item of text at the bottom of the page that says whether a person is entitled to a run-on of HB. It is the responsibility of the officer processing the termination to check for this text and, where appropriate, enter instructions into the computer to extend payment of HB.

The research identified a number of problems with this process, each of which is described below.

- One problem concerns JSA claimants and the criteria for the employment to last at least five weeks. ES staff reported that the box on the ES40 was too small and poorly positioned on the form and that claimants often failed to notice it when completing the form. One view amongst BA staff is that the majority of claimants do not bother with the box at all because they do not see its relevance and are fed up with form filling. If handed the form by the person themselves, staff would sometimes notice this omission and fill in the information gap. However when forms were posted or handed in at Jobcentre receptions they were not checked. (Staff said that they were more likely to be posted by people with a reason for not coming to the Jobcentre in person – for example, if they disliked the office or if they lived a long way from it.) If staff were not sure whether or not the question had been considered by the claimant they entered a code that signified ‘don’t know’. Consequently, BA staff did not feel they had the information necessary to make an award. As a result, some payments were delayed whilst staff undertook a further exercise in gathering relevant or necessary information.
• BA staff also said that because of the pressure of work it was possible to sometimes forget to check eligibility – in spite of the prompt from the computer. They felt that the computer should do the eligibility check itself and tell them who was eligible rather than just making suggestions.

  ‘We could overlook it, then we could have a really busy day, we could close claims in a Jobcentre, say for example we close it, you just – you’ve got somebody in your face who wants an enquiry, then you just finish it off… it’s human error.’

(Jobcentre-based BA staff, Wales)

• There was also the time taken to check whether there has been six months’ continuous claim. Where there were a number of linking benefits (i.e. where the person has claimed more than one different benefit during the previous six months) this could involve accessing two different computer systems.

• Finally, BA staff spoke of notifications of entitlement to HBRO being lost by local authorities. Local authorities, on the other hand, said that the notifications sometimes took a long time to get through and that when they did come through, information about HBRO was easily overlooked because it was in small print and in an obscure location on the printout.

  The problems with identification led some staff to feel that claimants must, on occasion, have been missed out. On this the evidence from claimants was unclear because they were not always sure whether they were receiving it or not. Some claimed that they had not received it, some had known nothing about it until it was mentioned by the interviewer and some said that they would not have received it if they had not ‘badgered’ the Benefits Agency.

  Although there had been no need to apply for HBRO since April 2001, there was a conception amongst claimants that it did still have to be applied for. One man was told by his local authority that he had to apply to them in person. It is possible that this was an example of a council advising people to by-pass the BA in order to speed up the award of the run-on (which one council said was its practice), but this participant clearly thought that he would not otherwise have received it at all.

  (Male, 39, rural area, Job Grant/HBRO/CTBRO).

**Administration of the ‘run-on’**

According to both local authority Housing Benefit staff and BA staff, the biggest problem with the delivery of HBRO lay in the communication between the two agencies. Some BA staff spoke of notifications of HBRO entitlement being lost by local authorities and HB staff said that they arrived late and that the information on entitlement was easy to overlook and sometimes incomplete.

Although some BA staff said that they had had no problems at all with the delivery of HBRO, others were frustrated with their local authority colleagues, feeling that they ignored the notifications. Staff mentioned that they had tried employing alternative ways of informing HB teams of individuals’ entitlements, including adding notes to the dialogue boxes of individuals’ computer records (records that are accessible to HB staff), sending faxes, writing and phoning. They said that none of these seemed to work, and a sense of exasperation persisted:

  ‘There seems to be a black hole… over the last fortnight, we’ve sent three [notifications of HBRO entitlement], one via the system, one on a fax, and one in the – via the post, which was the duplicate of the fax, and they didn’t receive any of them!’

(BA Jobcentre-based staff, Wales)

There was a feeling amongst BA staff that their Housing Benefit colleagues were not interested in making the HBRO system work properly. This was at times hinted at by HB staff themselves:
‘I’ll be quite honest... we’re not there to give [claimants] the extra if they don’t wanna go looking for it, we wouldn’t, we’d say that’s up to them to sort it out.’

(Senior Counter Clerical Assistant, local authority Housing Benefit team)

BA staff felt that they had to ‘shout’ in order to be heard and to get anything sorted out. One member of BA staff said that the HB Team he dealt with did not allow BA staff to have any face-to-face or telephone contact at all (Jobcentre-based BA staff member, London). Another said that the council he dealt with simply assumed that someone was not entitled to HBRO if there was any doubt (Jobcentre-based BA staff member, Wales).

Seen from the HB teams’ point of view the situation was different, though also full of frustrations. Their complaint was that the information they received from the BA often arrived after the termination notification, was ambiguous and confusing or was non-existent. Furthermore, they said that BA staff could be difficult to get hold of on the phone. There was evidence of this deterring HB staff from even trying to contact them when they had queries.

One consequence of this confusion and poor communication was a general lack of respect for the work of the Benefits Agency by HB staff. As a result, HB teams sometimes took responsibility themselves for decisions about eligibility – a course of action that was felt to be necessary given the perceived lack of clarity about the division of roles between the two agencies.

In one area, local authority Housing Benefit staff said it sometimes took a couple of weeks for termination notifications from BA to get through to them. They therefore advised clients to tell them themselves when they started work and not to rely on the BA to do so. When they did hear directly from a client, they made the decision themselves as to whether he or she was entitled to a run-on or not. They used a telephone statement sheet to ask clients whether they expected to work for five weeks or more; and they had operators in the department who checked within one or two days on the length of the continuous claim. They would also ignore eligibility decisions made by BA if they had evidence to suggest that it was wrong. For example, if someone had an apparent gap in their claim but had been awarded the run-on by BA then the HB team would not pay it.

Communication was better in some cases than in others. Indeed, there were examples of good practice where regular liaison meetings between BA and HB managers took place. These were said by some staff to yield significant improvements.

An additional issue that arose concerned people who left their job before the end of five weeks. One local authority explained that they clawed back a proportion of the HBRO where this was the case (unless the person had lost the job ‘through no fault of their own’). One claimant from this local authority area (who left her job due to the onset of cancer after two weeks) told how her council had done just this, and had tried to reclaim half of the HBRO (Female lone parent, 39, rural town, 10 years’ IS, LPRO/HBRO/CTBRO). It is important to note that in practice this does not reflect departmental policies relating to HBRO.

**HBRO and lone parents**

The administration of HBRO for lone parents provided its own problems for local authority Housing Benefit staff. Lone parents are entitled to a two-week run-on of Income Support that runs concurrently with the first two weeks of the Housing Benefit extension. This means that they are only entitled to an extra two weeks of Housing Benefit from the date that their IS is stopped. HB staff reported that this resulted in confusion about the start date and duration of the HBRO.
One problem was that termination notifications did not always make it clear whether or not someone was a lone parent or how long a run-on a person was entitled to. One authority told how a tick-box was sometimes used to indicate that someone was a lone parent, but that this was not done consistently. Others said that they sometimes received a separate and additional note (on the Notepad for that individual’s record) if someone was a lone parent.

Staff expressed confusion about this and were unable to explain to the research team exactly what happened with regard to lone parents. One staff member reported that she and a colleague regularly had disagreements about which date to use as the start of the four-week run-on, and she felt that that inexperienced staff probably stopped lone parents’ HBRO too early. Given the general lack of clarity around this issue it was difficult to establish why this confusion occurred. One authority checked the family composition of all IS claimants and only gave two weeks’ run-on to those who seemed from the record to be single adults with children.

In the interviews with lone parents themselves, one reported that she had received just two weeks’ HBRO (instead of the usual four) (Female lone parent, 19, rural town, 2.5 years’ IS, LPRO/HBRO/CTBRO). There was no evidence of payment being particularly late for any of the lone parents.

### Timing of delivery

With the exception of the issue with lone parents mentioned above, the research with staff revealed two issues that staff believed accounted for delayed delivery of HBRO. The first of these was the failure of claimants to state whether they expected their work to last for five weeks or more. ES staff said that it was hard for them to find the time to chase-up this information. HB staff spoke of delays between their receiving termination notifications and the arrival of a decision about HBRO and of the extra time taken to write to claimants for information about the expected duration of their work. The second issue was workload. In one case a member of a Housing Benefit team admitted that his team had a processing backlog of up to two months, and that this included HBRO. Another said that her team was eight weeks behind because of a problem with a new computer system.

The evidence from recipients on the question of timing was scant, due to their not always being aware when HBRO was paid or if it had been paid at all. One reported that payment had not been made until after he had received his first monthly pay (Male, 26, rural town, 14 months’ JSA, Job Grant/HBRO/CTBRO). Another said that he had received a rent demand in his first week back at work, in spite of being entitled to HBRO (Male, 25, urban area, 14 months’ IS and 6 months’ JSA, Job Grant/HBRO/CTBRO). Where HBRO did take some time to come through it sometimes resulted in rent arrears and the need to borrow money.

### Delivery method

The run-on of Housing Benefit was either paid directly to the landlord or was sent to the claimant in the form of a cheque. Some claimants were offered the choice, but others were completely unaware of the method of delivery or had no option. One person had assumed that she herself would receive the run-on money and became worried when it did not arrive (Female lone parent, 30, rural area, 2.5 years’ IS, LPRO/HBRO/CTBRO). According to participants, the advantage of having the run-on sent to the landlord was that they could forget all about that particular bill, which took some pressure off them. It also meant that they were not able to spend the money on other things – which was described as a good thing – and that they did not have the bother of paying run-on cheques into their own accounts and sending cheques to the landlord.
5.2.3 Impact of HBRO

HBRO was perceived by participants in one of three ways: as crucial to their survival of the transition, as very helpful or as of marginal significance compared with other factors (such as long-term in-work finances).

For participants in the first two of these groups the nature of the impact was both financial and psychological. The practical, financial impact took various forms: lower rent arrears, less debt to banks or friends and family and less need for expenditure cut-backs or the renegotiation of bill payments. These were accompanied by psychological benefits: relief and an easing of stress, worry and fear. A further psychological benefit was the reduction in anxiety brought about by the bigger financial cushion that HBRO could help create or maintain. For example, it enabled one participant to keep a £200 reserve in the bank (Male, 41, Rural town, 11 years’ JSA, Job Grant/HBRO/CTBRO) and allowed another to stay below his maximum overdraft limit (Male, 26, rural town, 14 months’ JSA, Job Grant/HBRO).

‘I thought ‘brilliant’ when they said the rent were going to be paid … [was]… more relaxed. There were no thinking, ‘God what are we going to do about paying electric’ or whatever. ‘At least we know there’s some money going to come in. I know I’ve only got three weeks, if we can manage that three weeks we’ve cracked it.’ And with that little bit I thought, ‘sound - no problems at all.’… It does help. I think it’s a lot psychological and financial… It gives you that little bit of a lift, gives you a little bit more incentive to space things out. At least you know you have got that little bit, you don’t have to worry about pinching the pennies that much. You can relax a little bit. Not a lot but you can a little bit.’

(Male, 39, rural town, 1.5 years’ JSA, HBRO/CTBRO/Job Grant)

The evidence showed that those falling into the former group, where HBRO was greatly valued and perceived as highly effectual, tended to be those with greater debts and fewer financial resources. The following quotes are typical of people’s responses to the HBRO:

‘If we hadn’t had that four weeks’ aid, I think we’d have found it hard… I’d have paid the - the rent and the Council Tax, and the food… I’d have left the gas and electric for a few weeks; like phoned them up and told them what was happening, and then let them know that I’d pay it as soon as - that’s if like we had to.’

(Male, 39, urban area, 8 years’ JSA, Job Grant / HBRO/ C TBRO)

‘I would have had to take [the rent money] out of nothing (laughs) because I never had nothing… I would have got in debt. I never had enough money coming in to pay the bills plus live so yeah, [HBRO] was a good idea.’

(Female lone parent, 37, rural area, unknown time on IS, HBRO/CTBRO)

Another mother described how receipt of HBRO would have made a critical difference to her budgeting during the transition:

‘It would have made a lot of difference, because I wouldn’t have had to be asking my family for help, I wouldn’t have had to withhold [name of child]’s treats - M acdonald’s and his swimming - and then I wouldn’t have had to stop buying [West Indian] food, so it would have made a lot of difference.’

(Female lone parent unaware of receipt of HBRO/CTBRO, 45, urban area, 14 months’ IS and IB, no awareness of any easements)
5.3 Council Tax Benefit Run-on (CTBRO)

Council Tax Benefit and its associated run-on is often considered as a part of HBRO by recipients, and was indeed described in this way by both staff and claimants in this research. However, confusion over Council Tax was a major concern for claimants in this study and the issues involved were different to those for Housing Benefit, so in this section we highlight those elements of the Council Tax run-on that warrant being considered separately.

5.3.1 Recipient awareness of Council Tax Benefit Run-on after coming off benefits

Although it was not unusual for claimants to assume that HBRO also covered extended payments of Council Tax, this was not always the case. Where run-on of Council Tax benefit had not been specifically mentioned to participants by staff, this sometimes led to uncertainty over whether it was included, or to the assumption that it was not. In fact, CTBRO is more widely available than HBRO given that it is also available to home-owners.

5.3.2 Delivery

In the delivery of CTBRO it was the issuing of bills and statements that caused problems for participants. Staff explained that each individual who was eligible to pay Council Tax had a Council Tax account that was managed by the relevant local authority. At the start of the Council Tax year, the full amount of Council Tax was debited to that account and any Council Tax Benefit (CTB) for the year was credited to it. (Thus, for someone receiving full benefit, the balance in the account would be zero.) If someone’s benefit status changed during the year then the total Council Tax for the year was reviewed and the balance in the account adjusted accordingly. This automatically generated a revised statement of account, which was automatically (in some councils) sent to the individual concerned. A person starting full-time work in September 2001, for example, would have had seven months’ CTB deducted from their account. They would therefore have received a statement telling them that they had been overpaid Council Tax benefit and informing them of their new account balance. A change to the account would also generate a bill, but bills and statements were not always printed off with the same frequency, so these would not necessarily be dispatched together or even contain the same core information.

A lack of flexibility in this system meant that customers could be sent numerous different statements of account and bills on returning to work. Furthermore, the earlier bills and statements could mislead in that they might not take into account the run-on or any in-work benefits. According to staff, this was because statements of account were generated at three different points in the process: when CTB was cancelled, when the run-on was applied and when the in-work benefit calculation was completed. Unless some of these were filtered out by staff (which they were in some authorities), claimants might receive all three. Bills, meanwhile, were automatically generated whenever there was a transfer of money into or out of an account, which might also lead to three separate dispatches to the same client.

Not only were claimants bewildered by the number of letters they received about the Council Tax, but there was also evidence that they misinterpreted the account statements, thinking that they were bills and that they had to pay all of the outstanding Council Tax immediately. This resulted in shock and anxiety:
‘First of all they sent me out a bill for the full amount which I thought ‘God I can’t pay this’ and I sort of rung them up and said ‘look I’m waiting for it to be worked out, why have I been sent this?’ – ‘oh well we automatically send that out when you come off benefit’. Then they sent out another one but I had to send back saying ‘well I’m the only adult living in this property’ so they had to re-adjust it again but in the meantime they also gave me a court date as well.’

(Female lone parent, 30, rural area, 2.5 years’ IS, LPRO/HBRO/CTBRO)

‘If I’d have known that before I started this job there’s no way I would have accepted it... I mean if I was in my eighties, even my seventies, that’s enough to kill anybody. Oh my God, I haven’t got that much!’

(Female, 61, commenting on a Council Tax “bill” for £277, 2 years’ IS, no easements received)

5.4 Mortgage Interest Run-on (M IRO)

People who were entitled to M IRO were not specifically targeted for in the sample for this study, but there were nevertheless seven participants who were entitled to it. Amongst these, all were aware of the measure at the time of the research.

The evidence revealed delays in the delivery of the measure, with some claimants saying that they had received M IRO two weeks and more after their job-start. One person was told that the delay was due to computer problems (Male, 41, Rural town, 2 years’ JSA, Job Grant/M IRO/CTBRO). Another felt that help with mortgage payments was given a low priority by the Benefits Agency. He spoke of there being just one part-time staff member assigned to mortgages and said that this made it very hard to sort out problems. At the time of the interview he had still not received his M IRO and was in mortgage arrears (Male, 48, urban area, 13 months’ JSA, Job Grant/M IRO). Similar experiences led one claimant to question the appropriateness of the term ‘run-on’:

‘Although they call it ‘run-on’, it didn’t run-on, you know what I mean. Everything sort of stopped and then it’s as if they say ‘right, well does she qualify for it’...’

(Female, 49, urban area, 15 years’ IS and 5 months’ JSA, Job Grant/M IRO/CTBRO)

Not all claimants mentioned having had problems with M IRO. For some the transition in mortgage interest payments was smooth and undetectable.

Evidence from staff was variable. According to one BA staff member, M IRO was relatively easy to deliver because it was administered by just the one agency (Jobcentre-based BA staff member, Wales). Other staff, however, felt a lack of confidence about processing claims for M IRO and some felt that the system for identifying eligibility was unreliable. The main reason given for this was that mortgages were usually dealt with by specialist teams and that staff who closed benefit claims were therefore not familiar with mortgage benefits, thought that they were complicated and felt hesitant and uncertain when faced with someone who was entitled to M IRO. In the words of one BA staff member, ‘mortgages are mind-blowing’ (Jobcentre-based BA staff member, London). According to a member of a specialist mortgage team, colleagues were supposed to send her paper notification of eligibility but she suspected that they did not all realise that this was necessary (member of BA Mortgage Section, London). In her opinion it could be quite common for people with entitlement not to receive the measure – although she had no evidence that this actually was the case.
As regards the method of payment, for some claimants the money was sent straight to their lender while others were sent cheques themselves. In the latter case the money went into ‘the common pot’ rather than being used specifically for mortgage payments. Participants felt that it would be better if it were always sent to the lender.

Evidence as to the usefulness and impact of MIRO was similar to that for HBRO.

5.5 Rapid Reclaim

Rapid Reclaim was introduced in October 2001 to streamline the claiming process for those returning to benefit after a brief period in work. It was introduced too late to be included in the research with claimants and was therefore only discussed with staff.

Not all staff were sure that Rapid Reclaim was anything new, saying that it was just a new name for something that had already been in existence for a long time; that it was new for IS claimants but not for JSA claimants, or that it was the same as a previous scheme but that it applied within 12 weeks and had previously only applied within six. One Income Support Team Leader had never heard of it (BA benefit office staff member, London).

With regard to the impact of the initiative, staff reported that it reduced the work required of both staff and claimants. However, some said that it did not usually shorten the length of time taken to complete the claim process because it took the same amount of time to collect information on savings (if these were thought to have changed) and on previous earnings. These two circumstances were highlighted as those most likely to be unaffected by the introduction of the new process. There was some evidence that claimants on Rapid Reclaim were given a higher priority than others for New Claim interviews, but evidence too that the processing of completed claim forms might not then be given priority:

‘If you’ve got a backlog of work, and that Rapid Reclaim’s at the bottom, it stays at the bottom until you get there. It’s not done any quicker. If it takes eight days it takes eight.’

(Jobcentre-based member of BA staff, Wales)

Staff felt that Rapid Reclaim minimised frustration for claimants because of the shorter interviews and claim forms, but they were concerned that it raised false customer expectations about their claim being processed more quickly. Rapid Reclaim was not generally classed by staff as a work-incentive measure in the same way as others discussed above were. Nevertheless, staff were keen to point out that it could have a potentially potent role in encouraging people to consider a return to employment if it offset their concerns about the administration involved in returning to benefit should the new employment prove unsustainable.

5.6 Lone Parent Run-on (LPRO)

Lone parents of children aged under 16 are entitled to a two-week extension of their Income Support, or income based JSA, when they enter full-time work. This is in addition to HBRO and MIRO, but excludes them from eligibility for Job Grant. Eleven lone parents were interviewed as part of this study and staff were asked about the delivery of LPRO.
5.6.1 Awareness and understanding

Lone parents reported that they had first become aware of LPRO either when they decided to look for a full-time job or when they had already found one. There was some confusion about its duration, with lone parents tending to assume that LPRO and HBRO would both last for the same period of time and therefore sometimes expecting LPRO to be for four weeks. Some thought that the length of LPRO (and HBRO) varied between individuals, according to how long they had to wait for their first pay.

There were some differences too in understandings about the purpose of LPRO. Lone parents interviewed in the study saw it as a measure to cover the gap between the start of work and the first pay. Staff, however, thought that it was intended to provide for the time taken for WFTC to arrive, and said that lone parents saw it the same way.

There was also a hint of confusion regarding qualification criteria. None of the lone parents in the study were self-employed, but one who had been considering self-employment assumed that she would not have qualified for LPRO had she followed this route.

Of the 11 lone parents in this study, all had been aware of the existence of LPRO except one, who only learned of it at the interview itself. This participant (Female, 37, rural area, unknown time on IS, HBRO/CTBRO) had gone to her local ‘advice centre’ to find out about WFTC, and said that it was only through her application for WFTC that her BA office became aware of her return to work. She did not remember having received any extra IS payments but received her first WFTC after just a week, received her first pay a week later and said that her transition had been ‘quite easy’. Most commonly, lone parents had been given information about LPRO at interviews with their personal advisers or had collected information from their local office in the form of a leaflet or information booklet. Although the sample size was limited, in all but the one case described above, lone parents described how knowledge about LPRO was a significant factor in their decision to return to employment. The critical factor given for its incentive impact was that parents were reassured that they would not have to face an immediate drop in predictable income and would be able to ‘get on their feet’ financially before their income from benefit ceased.

5.6.2 Delivery and timing

Delivery of LPRO was administered by the Benefits Agency, who implemented the run-on by postponing the closure of IS claims for two weeks.

There was little evidence amongst claimants of dissatisfaction with how the measure was delivered. Some spoke of having been told at first that they were not entitled to it, but also said that this was sorted out quickly and efficiently by their Lone Parent Advisers. (The explanations given were that there had been computer errors.) No problems with timing were mentioned.

There was evidence, however, that LPRO did not always cover the income gaps experienced by lone parents. And according to staff, some lone parents “do the run-on themselves” (BA staff member, Wales) by holding on to their order books until their first wage or WFTC does arrive – even if this means claiming more than they are entitled to.

5.6.3 Impact

All the lone parent participants said that LPRO had been (or would have been) of help to them during the transition. Few had other alternatives for financial support and families were often cited as being the only other source of support during the transitional period. For example, one woman living with her parents described her situation and how it might have been had she not received the LPRO:
‘I wouldn’t have had no money for the week that I started work, it would have been a whole week. I would have borrowed money off my mother, I wouldn’t have been able to do nothing else, I didn’t have no other money. She would have helped me out buy nappies and things for the baby. She wouldn’t have charged me rent that week - I know that - if I hadn’t got the money.’

(Female, 20, rural town, 9 months’ IS, LPRO)

Others said that they simply would not have managed or would have struggled if it had not been for LPRO; they spoke of ‘big-time debt’ (Female, 44, urban area, 3 years’ IS, LPRO/HBRO/CTBRO), cutting out non-essential food purchases, or becoming “broke” (Female, 20, rural town, 3.5 years’ IS, LPRO/HBRO/CTBRO). One said that she would not have been able to afford petrol to get her to work (Female, 42, rural area, 2 years’ IS, LPRO/MIRO). As described above, having the LPRO, brought a sense of relief about finances during the transition. In the words of a lone parent (who had not actually received the run-on but who spoke of the impact it could have had):

‘you haven’t got the panic of ‘I work now’, the first week you go to work ‘I work now but I’ve got all these bills to pay’ , you know that you’ve got a fortnight to sort of sort your life out and it does take a fortnight to start working out all your money and everything.’

(Female, 37, rural area, unknown time on IS, HBRO/CTBRO)

In terms of feelings about the run-on, it is interesting that even those who said that they could have got help from their families initially said that they could not have coped without LPRO. This suggests that the run-on provides a measure of reassurance, even where there is an alternative means of support. And for one participant there was an almost gleeful feeling to the run-on:

‘Everything’s still being paid and you’re getting your wage from work. It’s like basically working, not claiming, not telling anyone like basically isn’t it. Working off the books basically.’

(Female, 20, rural town, 3.5 years’ IS, LPRO/HBRO)

5.7 Summary

• Recipient awareness of Job Grant was low as already demonstrated in Chapter 3. However, a key finding was that this awareness remained low even after coming off benefits. As mentioned in Chapter 2, the first that some recipients knew of the Job Grant was when they received the £100 cheque in the post from their local Benefits Agency. This led to some suspicion when people received the cheque, both in relation to their eligibility and the function of the grant.

• Views on the purpose of the Job Grant fell into four broad categories; the first three were dominant in the accounts gathered during the research: as practical help – for one-off purposes connected with work, or to help cover living costs until the first wage; as an incentive – to encourage people back into work; as a reward or thank-you (examples of how people described the Grant in these terms included seeing it as a ‘prize’, a ‘congratulations’ or a ‘thank-you’ for finding work); as a bribe – a cynical ploy designed to reduce the unemployment figures. Differing interpretations of the purpose of Job Grant were reflected in participants’ opinions as to how people qualified for it and to a great extent underpinned misinterpretations about eligibility. Similarly, there was a level of confusion amongst staff and recipients about what the grant was intended to be used for.
• Delivery of the Job Grant effectively was found to rely upon effective working relationships between different agencies (as noted already at the time of the research BA and ES staff formed two separate agencies). In addition, staff and recipients made clear the importance that staff administering the process and promoting the grant had a common understanding around eligibility and administrative processes related to the payment.

• Particular problems noted in delivery included: the failure of claimants to provide the information about the expected duration of their job; the pressure of other work faced by BA staff in handling claims; coupled with this was the time required to check the continuous length of the claim necessary to enable payment to be released; finally, some BA staff felt uneasy about relying upon evidence given by clients about the potential length of their new job without documentary evidence as this was outside of their normal working practices which generally required clear documentation. Timing of the delivery of the grant was often problematic, few recipients received the payment in the first two weeks of moving into work which was the period identified as optimal by staff and clients in providing financial assistance with transitional pressures.

• Although the grant was designed to both motivate people to return to employment and help to ease some of the associated pressures with that transition, the low levels of awareness of the grant greatly reduced its motivational impact. Nevertheless, recipients described how its (often) unexpected arrival provided both financial and psychological relief. In contrast to the ‘run-ons’ the arrival of the Job Grant often had a profound emotional impact on recipients providing a sense of reward and, in some cases, a strong motivation to sustain a new job. Its financial impact varied depending on the individual circumstances of the household, when it arrived within the financial cycle and the extent of transitional expenditure.

• Both HBRO/CTBRO and LPRO differed in awareness levels. Evidence suggests slightly greater levels of awareness of these benefits. In particular recipients were often familiar with HBRO and LPRO. The reasons for this are varied and difficult to distinguish. Firstly, as more established benefits staff described greater awareness of these easements and more confidence in applying them. Secondly, greater awareness might be explained by their central relevance to people with dependants or key concerns about accommodation costs. Finally, lone parents, in particular those in touch with personal advisers, were frequently given information about the ‘run-ons’ during their jobsearch.

• As will be seen in Chapter 6, a lack of awareness of the ‘run-on’ measures available was described as being a key disincentive for people to consider a return to work. Fears about the loss of key benefits such as IS, HB and CTB were pivotal when people, especially those with dependants, made decisions about returning to work.

• Many of the processes for the delivery of HBRO, LPRO and CTBRO were similar to those for Job Grant; as a result, so too were a number of the problems. However the process was made significantly more complex in the case of HBRO and CTBRO by the involvement of local authorities. The involvement of more than a single agency in the delivery of easements was commonly regarded by staff as a hindrance to the effective application of financial supports, particularly where such easements required multiple entries into different computer systems. Recipients who had experienced difficulties described their HBRO/CTBRO being stopped without warning and then a complex process of administration to re-start it and apply for the lost income. For those already in precarious financial circumstances this could be devastating financially. Several lone parents described how confusion over their eligibility for the different ‘run-ons’ had led to financial difficulties.
Although the immediate psychological reaction to receipt of the ‘run-on’ measures was less ‘exuberant’ than that which greeted the Job Grant, the financial impact appeared clearer. The overriding financial impact was to reassure people that the return to work would not threaten their housing or financial security during the early weeks of the transition. It was not uncommon for people in receipt of a ‘run-on’ to describe how it had made their move into work possible.
6 Easing the transition? Evaluations of the transitional support measures

Findings from this study have highlighted the complex financial pressures faced by those returning to employment after a period of unemployment. In addition to the considerable personal challenges involved in returning to work, people have described how the return to employment was a precarious time for household finances.

Previous chapters have shown the role that the current package of transitional easements plays in helping recipients to manage their first month in new employment. This chapter summarises evaluations of the measures currently available and also examines the suggestions proposed by staff, and people who have recently moved into work for refinements, or additions, to the current package of measures. In doing so, we not only explore the measures themselves but also the effectiveness of their current delivery and suggestions for change. The current package of measures divide into two groups - one-off payments (such as the Job Grant) and ‘run-on’ payments of existing benefits (such as the Lone Parent Run-on) - the question of which of these approaches is viewed as most effective in helping to ease the transition will also be considered below.

6.1 The Job Grant

Despite a limited awareness of the Job Grant amongst recipients, the research found widespread support for the measure. On the whole the Job Grant was seen positively as a less stigmatising method of providing financial support than other benefits. This section examines people’s reaction to the policy, describes key difficulties in its delivery and the improvements suggested by staff and recipients to its content and delivery. Differing evaluations of the effectiveness of the Job Grant were underpinned by issues relating to awareness, timing and administration of the Job Grant.
6.1.1 Recipient and staff evaluations of the effectiveness of the Job Grant

In evaluating the effectiveness of the Job Grant it is important to remember its dual purpose, that is, to motivate people to return to employment (by reducing fears about financial pressures) and to ease financial pressures created by the transitional gap between benefit income and the receipt of the first pay packet.

It will be apparent from preceding chapters that the Job Grant had a very limited impact on people's decision to return to employment. Low awareness of the measure prior to the return to work coupled with, often lengthy, gaps between the return to employment and delivery of the Job Grant meant that the measure had a minimal effect on the decisions to return to work made by claimants in the study.

Nevertheless, the Job Grant was highly valued by staff and recipients and was seen as an important method of rewarding and ‘incentivising’ an individual’s return to paid work. Even in cases where people had not been aware of the Job Grant, its arrival had been greatly beneficial in terms of motivation and in relation to providing extra income to ease the transitional period.

Although unexpected for most recipients, the Job Grant clearly had helped to assist with a range of financial pressures including transport costs, clothing expenditure and childcare. In addition, the Job Grant was described as having a range of psychological, in addition to financial, effects. The Job Grant was described as increasing morale, self-confidence and confidence in financial planning. Although a handful of recipients were suspicious of the grant when it arrived (due to their lack of knowledge about their entitlement to it), on the whole the Job Grant had positive impacts when received. It was described as lifting people's spirits and giving them motivation to make their new job work.

'I think because when you're unemployed you only see one side of the thing ... getting money out of anybody for anything is practically impossible and then suddenly you feel that what you've done is somehow valued, is appreciated by somebody. Although that of course is not the case, this is just churned out by a computer, yeah. But you get the sense that someone has appreciated the fact that you've made the effort to get into work…’

(Male, 54, Job Grant recipient, HBRO/CTBRO, JSA 12 months, rural area)

Despite the positive evaluations of the Job Grant, problems were reported. These were mainly related to the delivery and timing of the Job Grant. Delays in the payment of the Job Grant caused difficulties for some. A persistent comment about the administration of the Job Grant was that it arrived too late to assist with early financial pressures caused by the return to work, such as increased travel or clothing costs.

'[Claimants should get the Job Grant] when they start work, the day they start work... two to three days before they start work would be good, so as they can prepare themselves for their new job... I think it’s best to have it all before you start work... You don’t need to worry about whether you’re going to get it or not. See I [was] still worried that I wouldn’t get it you know? [They – the Government should] pay you the money, give you the money before you start the job rather than having to wait three weeks till you’re in the job.’

(Male, 38, Job Grant recipient, JSA 2 years, urban area)

It was rare that the Job Grant was reported as arriving immediately on, or before, the commencement of a new job. This affected the impact the Job Grant could have on assisting with transitional financial costs. Specifically, people rated the Job Grant less effective where they were either unaware of its imminent arrival, or where the cheque did not arrive during the crucial transitional period. As has been demonstrated previously the ‘crucial’ transitional period varied between respondents and was
dependent upon a number of factors.

Where people were unaware of the Job Grant they were unable to anticipate its use during the transition period. This meant that some people sought other financial assistance such as loans whereas knowledge about the Job Grant might have avoided the extension, or initiation, of credit. Where it did arrive in good time people described its impact as major both motivationally and in relation to providing financial security, even if they had no immediate need for the financial support:

‘It was spot on... It was just before the working families tax got cleared and sorted out for us and it was before I got my first wage... it were there if I needed it so I had a bit more money you know behind me. If something had gone wrong and we needed something, say I’d have split a shirt and I had to buy a new shirt [or my children had] a growing spurt ... and needed new shoes or they'd have been poorly, [and we needed to] buy more medicines for them... someone gave you £100 and you weren’t going to spend it, you’ve got £100 in there if you need it …’

(Male, 28, Job Grant recipient, JSA 23 months, urban area)

Where it arrived in a timely fashion the Job Grant was described as having a great impact on household finances, specifically in averting people from taking on new debts through various forms of credit (whether formal, via banks and credit companies or informally via friends and family). There was limited evidence to suggest that the Job Grant helped to sustain employment by providing financial support, unlike the ‘run-ons’ received it was generally unexpected and tended to be treated as a financial bonus rather than a key source of income during the transition. However, as is clear from the preceding chapters there was no doubt that its arrival alleviated certain financial pressures for some of those interviewed.

Despite criticisms related to low recipient awareness of the Job Grant, there were those who saw the relatively ‘automated’ nature of the Job Grant as an advantage. Willingness, and ability, to engage with the benefits system varied. Those who were less engaged, either because of a personal antipathy towards claiming benefit, or as the result of literacy or communication needs, rated the Job Grant highly as being a way of rewarding success and removing financial barriers to employment without increasing bureaucracy. These Job Grant recipients valued the relatively ‘interaction-free’ delivery of the Job Grant and saw the limited requirements associated with receipt as a major advantage of the grant approach.

6.1.2 Suggested improvements to the delivery of the Job Grant and content of Job Grant support

Key improvements suggested to the Job Grant reflected the initial difficulties reported in the administration and delivery of the measure.

Timing was seen as the most critical issue in people’s evaluations of the Job Grant. Almost without exception recipients and staff felt that the effectiveness of the Job Grant could be improved if its delivery was more closely linked to the timing of the transitional period. Problems associated with payment delays meant that some people in the sample had faced considerable financial pressures during the transitional period, including running up debts which might have been avoided had the Job Grant arrived within the first or second week of employment. Evidence overwhelmingly supported the need for improvements to the administration of the grant to improve the likelihood of its being paid within the first or second week of new employment. Nevertheless, recipients and staff were aware that this requirement would continue to be complicated by the fact that some people’s return to employment occur swiftly allowing little time for the relevant benefit staff to be alerted to the impending transition.
People were also asked to discuss the content of the Job Grant, and whether £100 was sufficient to meet their transitional needs. There were varied reactions to this question. On the one hand people argued that £100 was insufficient to meet the gap between income and expenditure caused by a return to work. In contrast, others felt that it was more than sufficient, indeed as seen in Chapter 5, those within this group saw the Job Grant as an additional ‘bonus’. Analysis revealed that household circumstances had a significant impact on views about the sufficiency of the Job Grant. Where households were greater in size (i.e. had more dependants) or had greater accumulated debts or monthly outgoings then the Job Grant, whilst welcomed, was seen as insufficient to meet financial needs. In contrast, those with fewer outgoings tended to welcome the Job Grant and viewed it as a pleasing addition to their income during the transitional period. Opinions about the ideal size of the Job Grant varied widely, some argued that the £100 was more than sufficient whilst others felt that sums of up to £1,000 would be more appropriate to overcome the financial barriers found when returning to work. Again this variation was shaped by differing household circumstances and different new employment situations (i.e. whether people were paid weekly or monthly and how they were paid).

Whilst the transitional impact of the Job Grant was noted across the sample, for example in its ability to help ‘smooth’ certain financial obstacles to moving into work, it appeared to fail in its ability to provide incentives for people to consider employment. As shown in Chapter 3 this was primarily due to the low level of awareness amongst recipients of the Job Grant. Greater publicity and wider awareness of the Job Grant were thought to be key to boosting the incentive value of the measure.

Finally, the fact that the Job Grant was a ‘grant’, as opposed to a benefit or loan, was especially important to those in the sample who had reservations about claiming benefits. It was seen, by these recipients, as recognition that they had ‘earned’ the grant by finding work. Further issues relating to whether a grant or ‘run-on’ are considered a more effective form of easement are considered in the following sections. However, the fact that a grant did not require a long-term commitment (unlike credit arrangements) also meant that people felt freer to use the grant ‘as I saw fit’ rather than feeling accountable for how the money had been spent.

On the whole, recipients of the Job Grant were comfortable about the use to which they had put the Job Grant, but it is important to note the concern of some staff and recipients that the grant might be poorly used. Whilst some argued that if a person had earned the grant they should use it as they saw fit, others felt strongly that it should be used to support key financial outgoings rather than, for instance, to give the family or household a ‘treat’.

6.2 The other easements

The purpose of the study was to evaluate the Job Grant within the context of the range of the easements that exist. This section summarises people’s evaluations of the other measures available and identifies key difficulties with them as well as noting suggestions for the future.

The other measures associated with the return to work were found to have a higher awareness amongst recipients than the Job Grant. In particular, the ‘run-ons’ linked to Lone Parent Benefit and Housing Benefit had high levels of recognition amongst those moving into employment. It was difficult to establish why this was the case, although evidence from staff interviews suggests that

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25 It is important to note that the main publicity campaign for the Job Grant was conducted after the interviews for this study were completed, in contrast LPRO was introduced in October 1999 and was, therefore, already an established part of the ‘back-to-work’ measures.
being a new measure the Job Grant was promoted less readily than, for example, LPRO, which was an established component of the back-to-work package.

6.2.1 Recipient and staff evaluation of effectiveness of measures other than the Job Grant

Overall the other easements, mainly taking the form of benefit ‘run-ons’, were greatly valued by staff and recipients. Although awareness of these measures was generally found to be greater than of the Job Grant, the evidence demonstrated an overall low level of awareness of the easement package amongst recipients.

The effectiveness of these measures was clearly affected by the limited knowledge of the potential financial support available. Within the sample were people who had greater awareness of the ‘run-on’ support available. In these instances, people described being able to budget and plan for the transition more effectively than had those who did not know, or expect, ongoing support during this period.

Financial security was seen as critical to recipients of the ‘back-to-work’ measures. ‘run-ons’ were highlighted as key means of providing confidence in financial security during the transition. Greater confidence that financial assistance would be forthcoming was felt towards these forms of measures and, therefore, the importance of this reassurance should not be underestimated. The idea of a ‘run-on’ was afforded greater credibility across the sample than the ‘promise’ of a grant to be given at some point in the future. Key to this reassurance was the notion that a ‘run-on’ would do exactly as described, providing financial security in the interim or transitional period, whilst grants were viewed more cautiously and people expressed greater reservations about their delivery and viability as a dependable source of income. Amongst those who had received ‘run-ons’ there was great acclaim for the confidence the benefit run-on had given to individuals in planning for their immediate financial future. The key ‘run-ons’ given credit for boosting financial confidence were HBRO, LPRO and CTBRO - all of which met with great support. It is difficult to establish the impact of MIRO from this qualitative sample.

On numerous occasions the ‘run-ons’ were credited with providing people with a ‘safety net’ or ‘financial cushion’ to attempt a return to employment. The evidence from this study demonstrates that, unlike the Job Grant, where people were aware of their eligibility for a ‘run-on, there was a clear motivational impact. People described feeling more willing to seek work given that they knew they would be financially secure, and in the case of IB recipients, be able to return to benefit without excessive administrative complexity, if the need arose.

The advantages associated with ‘run-on’ methods of easement support are discussed in further detail in Section 6.3.

Although the run-ons sometimes had positive effects, these were limited by a number of factors:

- people’s lack of awareness of the existence of the run-ons;
- claimants’ lack of confidence and trust in the ability of the benefits system to deliver run-ons promptly and effectively;
- delays in the delivery of the run-ons;
- confusion caused to claimants by the issuing of bills and statements that did not reflect run-ons, even where those run-ons were being received;
- when run-ons were received, a lack of awareness by recipients that this was happening (e.g. landlords being paid HBRO without tenants being informed of this).
These difficulties caused significant stress to households and in some cases led to severe financial
difficulties. For example, some people receiving what they considered to be huge Council Tax bills
experienced feelings of panic and considered their decision to return to work to have been a mistake.

6.2.2 Suggested improvements to the content and delivery of transitional measures other than the Job Grant

On the whole people reported few problems with the delivery or content of ‘run-on’ measures. Generally, these measures were rated favourably against those that required specific application forms or steps that were required to be taken prior to receipt.

Nevertheless, as seen above, difficulties were encountered. Participants felt that there should be
better co-ordination between agencies, to prevent, for example, Housing Benefit from being
discontinued for a few weeks before the run-on was implemented. They also felt that the ‘run-on’
package should be harmonized, by making all benefits run-on for the same period of time (including
passported benefit support such as free school meals and prescriptions). On the whole, it was felt that
run-ons should last for between two to four weeks. Views on this point varied according to the length
of the wait that people had experienced for their first wage or tax credit.

Issues related to the loss of, or interruption to, passported benefits ran across the sample but were
more critical for respondents with dependants (for example, parents or those providing care for other
family members). Notable problems reported included the disruption (both administrative and
financial) caused by the loss of free school meals or financial support for children’s school uniforms.
For example, one father described the financial crisis that the loss of free school meals for his two
children had had on the family budget during the period of his transition to work. He described how
the loss of this financial support placed greater strain on his already stretched budget and, for a time,
made his ability to sustain his new employment precarious. Eventually, and with the support of family
and friends, he was able to overcome this instability but he remained dissatisfied with a system which
he saw as penalizing those parents who chose to return to work, rather than remain on benefit.

6.3 The package of transitional support

In this final section, we consider people’s views, and experiences, of the package of transitional
easements as a whole. We pose a series of questions and provide evidence from staff delivering the
easements and people who have recently moved back into employment in response to these
questions. Critical to this discussion are questions such as how different measures work alongside one
another. Are there gaps in the existing package? Would one approach to delivery be more
appropriate than others? And are there priority areas for transitional support?

6.3.1 How long is the transitional period?

In order to effectively target transitional support, it is important to understand the duration of the
‘transition’ period as perceived by those moving into employment. Views differed about this across
the sample. Some people argued the transitional period lasted for a limited period of time (for
example just a week) whilst others felt it lasted considerably longer (up to five or six months).

In the first group, the duration of the transition period was directly associated with the financial gap
between the end of benefit payments and the receipt of the first wage payment or tax credit. In
general, this group viewed the transition as lasting between two to six weeks with variation being
caused by the timing of the first wage and/or tax credit payments and whether payment was cash in
hand or via the banking systems (which could affect access to the money).
A second group felt that the transitional period stretched well beyond this initial gap between benefits and wages. Those falling into this latter group tended to be people with greater accrued debts, longer periods of unemployment or more family responsibilities. In these circumstances, accumulated debts and greater financial outgoings meant that it took longer to escape debt burdens. An initial wage packet was rarely sufficient to overcome accrued outgoings and people frequently described feeling that they were stuck in a debt cycle, simply being able to afford to pay debts accrued in the previous month rather than to start building financial security in the future. Longer-term financial support, usually advocated in the form of continued ‘run-on’ payments, was seen as a key vehicle to assist people, long-term, in escaping this cycle of debt. Such measures, it was argued, would provide people with the confidence and motivation to sustain their employment and build firm financial foundations for the future. These views were particularly prominent amongst people who had returned to low-waged employment (i.e. those receiving only the minimum wage) and found themselves marginally, if at all, ‘better off’ in employment.

It is also important to recognise that the duration of the transition cycle fluctuates depending upon existing household debts, any new debts accrued as a result of returning to work and the unpredictability of wage income during the first weeks (or, in exceptional cases, months) of a new job. Perceptions of the duration of the transition were clearly linked to these factors. Additionally, the use of long-term loans or credit arrangements (whether formal or informal, i.e. through friends and family) to ‘ease’ the financial pressures created during the transition meant that the duration, or impact, of the transition was lengthened or delayed in some cases. There were no patterns to the use of loans and credit arrangements (whether formal or informal) which indicate the complex, and highly individual, way in which family household budgets are managed during the transitional period.

Similarly, the duration of the transition was increased where financial crises, or unpredictable expenditure, occurred during the first month of employment. Equally, some people described failing to plan in a systematic way for the fluctuations in their income over the transitional period. For example, one Job Grant recipient was relieved when his employer offered to give him an advance on his wages to help him to meet his outgoings before the arrival of his first wage cheque. However, he failed to budget for the (negative) difference this would make to his gross pay at the end of the month and found himself unable to manage the resulting financial difficulties.

The length of the transitional period was also judged in terms of the commencement of in-work support (such as WFTC), these forms of financial support were critical to some in the sample and where they began relatively soon after the transition then perceptions of the length of the transition period were reduced. In contrast, difficulties with the application of these measures meant that some felt the transition period extended way beyond their initial perceptions.

Overall, the transition period was characterised by participants as being a time of financial instability and uncertainty. Once stability of household finances had been resumed (whether through in-work benefits, the payment of bills or a rhythm of wage payment being established) people tended to feel they had come through the transitional period.

6.3.2 Does the current easement package meet needs?

The preceding sections have explored whether specific easements were thought to have met transitional needs. It is, though, important to consider whether, if taken as a whole package, the range of easements offered was seen as a satisfactory response to transitional needs. The evidence does not provide a simple answer to this critical question. Analysis of the data demonstrated that people have widely varying needs during the transitional period and that these needs do not form predictable patterns that can easily be foreseen.
The research has shown that the transition to work involves two distinct forms of barriers: financial and psychological. People returning to employment welcomed measures that both boosted their financial security and rewarded their motivation to return to the labour force. The barriers that people described were both real and perceived. That is to say that some barriers, such as concerns about financial security, could both be perceived (as in an anxiety about the loss of weekly income from benefit) and financially real (as in the loss of passported benefits). Whether or not barriers are real or perceived, they present similar obstacles to the move into work. Analysis of people’s accounts of the transition clearly demonstrated that perceptual obstacles to employment were as much of a hurdle to people considering a move as were tangible financial barriers. At the point of considering a move into work, people’s perceptions of what ‘might’ occur can be as potent, if not more, than any actual calculation of income and expenditure. This research has demonstrated, therefore, the importance of publicity around easement packages and the critical role of advisers in promoting these measures.

Low levels of awareness of the easement package had clearly lessened the potential for a widespread incentive effect, with the exception of those people who had been provided with, or had themselves sought out, detailed information relating to their entitlements. As a result, evidence related to the success of the package in overcoming financial obstacles to the return to work was less easy to untangle. For some, however, it clearly had been an influence in their decision to return to work, whilst others said that they thought it would have encouraged them to return to work earlier had they known about it.

When it came to the actual financial experiences of the transition, there was clear evidence of cases where the provision of financial assistance had had a dramatic impact on the ability of people to cope with the return to work. The nature of this impact ranged from providing much needed motivation through to crucial financial support and stability of household finances. Others were less certain that the easement had made much of an impact on their financial circumstances. In some cases, people described how they had been forced into new or greater debt by the return to work and how the easements, where available, had been insufficient to prevent this.

Where there was a lessened impact, a number of factors were found to account for the reduced effect of the measures:

- poor administration and problems with receipt of the measures, especially in relation to the timing of receipt of the job grant and problems with automatic ‘run-ons’;
- measures not amounting to enough to overcome additional expenditure (specifically relating to childcare and travel costs);
- households having sufficient finances of their own and therefore having less need for additional assistance.

‘run-ons’, in particular, were identified as critical in ensuring financial stability during the transitional period. The advantages associated with run-on easements are dealt with below in more detail.

Finally, amongst young people (those under 25) in the study who were not eligible for the support offered there was strong evidence that the lack of transitional support was impacting on the wider household where young people were living with their parents. In these cases parents were described as being required to ‘sub’ their children with money for work clothes, travel and subsistence expenses incurred as a result of returning to work. Not all of these parents were in employment themselves and further research with this group might reveal a range of financial and other impacts (for example on household relationships) resulting from the lack of transitional support currently offered to under-25s.
Staff of the key agencies delivering transitional support were clear that a successful package of measures relied upon effective publicity and administration of the package. In turn, they argued that the less complex the system of support the more likely it would be to produce the required outcomes. In particular, staff were concerned by the number of competing transitional benefits, all of which required different forms of administration and had different eligibility requirements. Staff felt that the current complexity of the easement package had the following resulting impacts:

- confusion about who was eligible for what measures;
- reduced promotion of measures for fear of misdirection;
- ineffective delivery of elements of the package due to confusion about eligibility or lack of awareness.

A simplified set of eligibility criteria and synchronised administrative systems relating to the easement package were, therefore, seen as critical to effective transitional support.

6.3.3 Should the easements target specific areas of expenditure?

Analysis of the depth interviews and expenditure diaries identified the complexity of budgeting processes used by people to manage their income and expenditure during the transitional period. It was clear that some specific areas of expenditure were more highly valued, and guarded, than others. This raises the question of whether the easement package should be focused on specific types of financial support. Participants and staff were asked to consider which areas of expenditure they felt were most important to maintain control over during the period in question.

Costs associated with housing and accommodation were undoubtedly seen as a paramount concern during the transitional period. The need to ensure stable housing was seen as a key difficulty with the transitional period and those who had rent or mortgage bills to pay described having worried about how to pay them during the transition. Anxiety about meeting housing costs was particularly acute for those with children.

The payment of household bills was given a similar priority by those returning to employment. Assuring that gas, water, electricity and other amenities remained available were described as key considerations during the transitional period. The primacy of these outgoings as key expenditure considerations depended to a large extent upon payment methods. Where people paid these amenities via monthly bills or direct debit, less importance was attached to them. In these instances, people were able to adjust their monthly budget and in some cases, delay payments, until their transitional budget had settled into a more regular rhythm. However, where households were reliant on ‘pay-as-you-use’ methods (such as electricity cards or coin operated meters) then budgeting to ensure continued access was paramount.

Similarly, other forms of expenditure were also viewed as being central to maintaining a successful transition to work. Chief amongst these was the expenditure intrinsically linked to a person’s ability to sustain their employment. Childcare and transport costs were reported as principal expenditure concerns. Participants vividly described how their ability to finance travel to their new jobs, or to find regular, affordable childcare were essential in their successful maintenance of their new job. Financial support around these forms of expenditure was rated as a high priority; although for those living in rural areas (where public transport was limited) financial assistance around these items was less effective than for those living in urban areas with greater access to reliable public transport systems.

Interestingly, expenditure for new clothes and other forms of work-related expenditure were classed as lower priorities than the above. Participants described being able to ‘make do’ until their first pay
cheque (or wage packet) to purchase new clothes or other accessories related to their new job. Nevertheless, this was not always the case. For those whose new employment required, for example, safety boots, uniforms or other clothing necessities, these items of expenditure were swiftly raised to primary importance.

The prioritising of expenditure detailed above shows again the complexity involved in targeting easement support. For example, whilst in one case the Job Grant provided the necessary financial assistance (in allowing a recipient to purchase a pair of safety boots without which he would have been denied access to his job) in another the lack of regular public transport made a return to work unsustainable without greater financial support to provide for the purchase of a car.

6.3.4 How do the measures interact within the context of other financial support?

Significant time has been invested in the development of the transitional package of easement support. Participants in the study were asked to consider the relative importance of easement support within the context of other forms of support available to them during the transitional period.

The importance of easements (whether ‘run-ons’ or ‘grants’) to the sustainability (or viability) of new employment was affected by individual circumstances. Easements had a higher priority where participants had dependents, major outstanding financial commitments (for example, accumulated debts) or limited family/kinship support. In these instances, financial easements were key factors in ensuring that the transition occurred and could be sustained. Where recipients had no family responsibilities, additional sources of income (for example, a partner’s wage) or strong family support, then the easement package was evaluated as being a ‘bonus’ rather than an essential element of the sustainability of their return to work.

In a similar way, the delivery of the easements varied in importance for people as they sought to manage their transition to work. As already described, for some in the sample the delivery of the Job Grant was delayed, for others ‘run-ons’ of Housing Benefit or Council Tax Benefit did not happen automatically. Where delivery was complicated or, in some cases failed completely, then the importance of other support (most notably that of friends and family or of credit facilities) grew in importance particularly for those in the group described above.

The evidence also demonstrates the importance of in-work financial support. Often the swift delivery of such in-work support as WFTC was described as far more important than any single payment such as the Job Grant. These measures were felt to provide a more enduring confidence in long-term financial stability and to play a key role in making work pay. Similarly, assurances that a rapid return to IB could be facilitated if employment proved too much, given an individual’s capacity for work was also seen as a key safety net in the transitional period, reducing stress and promoting self-esteem. Although Rapid Reclaim was introduced too late into the progress of this study to allow any judgments to be made about its effectiveness as an incentive in encouraging people to consider a return to work, the evidence in relation to IB suggests that some value is gained in providing reassurance about the process of benefit re-application should new employment not be sustainable. Likewise, advisers (within New Deal and other programmes) were credited with providing much needed advice and support around financial and other transitional difficulties.

6.3.5 Should easements ‘run-on’ or take the form of ‘one-off’ payments?

A key question for policy decisions around transitional support has been whether ‘one-off’ grants or ‘run-on’ payments of benefits are most effective in providing assistance. In this section, we present
the views of staff and those who had received a range of the easements available.

Analysis identified a clear preference for ‘run-ons’ as opposed to one-off payments from those who had returned to employment. This was particularly the case for those with dependent children. Where families had dependent children there was a more expressed desire for reassurance to assist in predicting the form and shape of household finances. Overall, preference for the ‘run-on’ mode of delivery was underpinned by a number of related factors. ‘run-ons’ (where delivered effectively) were viewed as predictable income. The ‘run-ons’, therefore, provided a feeling of security and presented less of an upheaval to financial cycles than grant payments (in that they mirrored familiar income patterns).

‘The Council Tax and Housing Benefit was paid [so] that wasn’t a worry. I knew I wasn’t going to be turfed out in the street. The work grant helped but that was only after [a while]…. The third week or so was the most worrying time for me. Well basically that’s what you’ve got to pay first [rent]. If you haven’t got somewhere to live then having gas or electric’s not a worry is it? You can go without heating for a week but you can’t go without a house... as I say I didn’t know how much I was going to pay in tax whether I’d be on emergency code or not. I had given in a P45 but because it was late arriving I was late giving it in. So I didn’t give that in towards the end of the second week so I didn’t know if that would be processed in time for me to get my pay cheque. And emergency code tax is quite a bit. I didn’t know whether I’d be getting [enough] basically to cover me for that month. And then knowing then that I’d have to wait another month before my next pay cheque...’

(Male, 26, Job Grant recipient, JSA 14 months, rural town)

They also fostered stability in household budgeting. Where households were operating on a weekly budget then the ‘run-on’ was described as helping financial management by preventing gaps between the last benefit cheque and first wage. For those who expressed a lack of confidence in their budgeting ability the ‘run-on’ was also seen as positive because its mode of delivery was thought to discourage unwise one-off expenditure, unlike a grant which could be spent (or wasted) quickly.

In contrast, single people with no dependants and those who had faced immediate one-off expenditure needs on their return to work displayed a slight preference for the grant mode of delivery. Greater ambivalence towards ‘run-ons’ was also found amongst those with higher confidence in their budgeting skills. In contrast to those who favoured the ‘run-on’ delivery, these participants argued that they had no difficulty in managing a single lump-sum payment. Indeed, some argued that it made budgeting easier to know initially what income was available for the rest of the four weeks. This was particularly the case amongst those who did not trust promises of run-ons and who therefore did not feel able to budget for them. For this group, a grant that was perceived as equivalent in value to four weeks of run-on had the perceived advantage, once they had received it, of making them less dependent on a benefits system that they did not trust.

Yet reflecting the diversity of the sample, there were those who found the ‘run-on’ periods psychologically supportive, providing a link to their former benefit status. Again there were few patterns to suggest that ‘run-ons’ were found more effective, or thought more attractive, by specific groups within the client base.

Other advantages ascribed to the grant system were: that it enabled people in the early days of a new job to finance necessary one-off expenditure (such as the cost of a travel pass, or new clothes); that it entailed less administration, fewer trips to the bank and benefits office; and that a grant served as an ideal security fund, immediately available should unexpected transitional expenses occur. Finally,
people also associated positive feelings with the grant that they did not mention for the run-ons. For them, grants were different to other benefits because they were seen as a reward for finding work and were therefore less stigmatising than other forms of state support. Some felt that Job Grant was ‘extra’ money, above and beyond what was needed to survive. It was money that could be spent as one wished, and this prompted feelings of joy and celebration amongst recipients.

‘It makes you feel better – the psychological aspects to this, … because you have the freedom to do what you want with that £100 that you have in your pocket rather than it being doled out to you in £25 instalments. Okay, it comes to the same thing at the end of the day, but it’s treating you as an adult. If you want to blow that £100 – that’s your responsibility, if you want to be sensible about it and dole it out yourself at £25 a week, fine, that’s your choice.’

(Male, 48, Job Grant recipient, JSA 13 months, urban area)

Returning to the needs identified by those returning to employment, it is important to note that the easement measures were seen to perform two quite distinct roles. On the one hand, easement measures provide much needed financial support to bridge the gap between benefit and work. On the other hand, certain types of easements, most notably, ‘one-off’ payments such as the Job Grant were also described as providing much needed psychological boosts for people leaving unemployment. The motivation provided by these forms of payment is impossible to quantify from a qualitative study but there is little doubt that for some in the sample, the motivational boost provided by the Job Grant (whether or not it had been expected) was a major factor in sustaining employment during the first few weeks of a new job.

In reality, the research has shown that both forms of delivery have advantages and disadvantages in helping to ease the transition to work. The appropriateness of either method though was mediated by a series of factors, which varied from case to case. Nevertheless, there was strong cross-sample support for the ‘run-on’ both in theory and in practice. Indeed so strong was this support that a persistent suggestion was that the key improvement which could be made to transitional support was to introduce a two or four week ‘run-on’ of JSA. The comments of ES staff in London summarised feelings about this issue:

‘What some clients ask for is just simply an extension of benefit or Jobseeker’s Allowance… a lot of them say that to me ‘well, I’m going back to work, when does my benefit, Jobseeker’s Allowance stop’?, and obviously we have to tell them ‘it stops the day before you start back to work’, they say … ‘I’ve got to work a month in hand and stuff like that’… obviously that’s when these back to work benefits come into place, but … I feel if … we just said ‘well, actually your Jobseeker’s Allowance will be extended … I think that would make them happier … think that would be a better idea all round… Once you start saying about this scheme, this bonus … a lot of clients think it’s going to be a lot of bother to claim it, or it’s going to come at a different time than they’re expecting – it’s something additional, something odd that’s coming from another office and you have to fill a form in or [something]… I think if it was just a simple case of extending it for another – whatever length of time the Government could afford to do it for, say for example, two weeks or something. Or if it was a month, especially if it was a month, to help the month in hand type people, I think that would be the ultimate, I think that really would be the best thing you could tell a client, and say ‘you don’t have to do anything, automatically you just get it, the same as you’ve always got it, on the same day’, remember these clients are specifically concerned about what day they get things on, they have to [be]- some of them are really hand-to-mouth cases.’

(ES staff London)
A simple benefit ‘run-on’ that was predictable in terms of amount and timing was given a great priority by staff and past benefit recipients. They argued that not only would this provide the greatest financial stability but also, on the part of staff, provide a simple and uncomplicated method of delivering transitional support requiring little staff intervention to ensure effective delivery.

### 6.3.6 Gaps in the existing package and suggestions for improvements

The overriding message about the current package of transitional support, from both those delivering the measures and those in receipt of such measures, was that improved administration and publicity of the easements would strengthen their impact.

Specific suggestions have been detailed above, but the evidence presents a strong argument for better publicity and more integrated delivery of transitional support. People argued that this would help, not just to ease the transition, but also to provide an incentive to those still unemployed to find work. People, both those who had returned to work and staff involved in delivering the measures, argued that better information and communication of the support available would help people to anticipate with greater clarity the likely impact of the transitional period on their household finances.

The accumulated debt caused by years of unemployment was also seen as a key issue for consideration. It was felt important to recognise that the transition may be longer for some than others (specifically for those who had been out of work for a lengthy period and had, as a result, greater accrued debts). In these instances, one suggestion was that the Government should provide an easily accessible loan facility for those with greater debts, thereby avoiding people falling into the commercial credit hole whereby any increases in income were immediately swallowed up by interest and debt repayments. Quite aside from avoiding the obvious financial implications of people using private credit to finance their transition into employment this was also seen as a key way to motivate people and make them feel valued for having found a way to return to the workforce.

Associated with this viewpoint was the suggestion that transitional support could be improved if it was tailored to meet individual need, rather than providing a generic package of measures for everyone regardless of their length of unemployment or household circumstances. These views, from those who had returned to work, sit uneasily alongside staff accounts of the current complexity of the easement package. From a staff perspective it would seem that the less complex and more generic the measures, the easier they are to implement.

Participants also identified a number of issues not currently included in the transitional measures which they felt should be considered in future policy plans:

- Creating specific financial support for returning to work transport costs. This was a constant theme in interviews with those who had returned to work and was not solely limited to those living in rural areas or areas poorly served by public transport.

- Ensuring continued access to passported benefits such as free school meals or reduced prescription charges. People were confused as to why their entitlement to these forms of financial assistance ended so immediately on their return to work. Although these expenses did not form a major component of household income, for those families with children or those people requiring regular medicines the loss of this support was keenly felt. As with other forms of benefit such as
LPRO, people argued that there should be ‘run-ons’ of these benefits at least until the key transitional period had been passed. Staff argued similarly for the temporary continuance of these benefits.

- Developing specific support for the self-employed - for example, one lone parent in a rural area described how she had felt forced to return to benefit after having left the register to become a self-employed childminder because she was unable to cope with the bureaucracy surrounding her new employment status. On reflection, she believed more support from a Personal Adviser could have helped her to learn to manage her financial and tax situation and would have allowed her to remain in self-employment. She was upset at the situation she found herself in and as a result did not expect to look for work until her child was in full-time education.

  ‘I think with this childminding, or self-employment I should say really, if there’s a bit more help towards that, becoming self-employed ... then you can take relevant information and then contact people. If not, then you can go back and say: ‘Look, I’ve tried this and up until this date nothing’s happened’... ‘cos it’s like everybody’s there when you’re on benefits, and then when you come off now like you’re on a limb on your own. Who do I go to now to say: “Excuse me, when I was in the office on 9th September I filled in my tax form and insurance and I haven’t heard anything.”’

  (Female, 28. lone parent, LPRO and CTBRO recipient, IS 24 months, rural area)

Another parent, in a similar situation, although still in self-employment, echoed these views:

  ‘Who do I go to now?... Here I am on my own, just when I need some help ... I’m not able to get it. So just a little - maybe a month after you really start what you’re doing, see how you’re getting on, drop you a line, or you can give a ring.’

  (Female, 42, lone parent, Job Grant recipient, JSA 18 months, urban area)

### 6.4 Summary

- There was widespread support for the Job Grant despite a limited awareness amongst recipients. On the whole the Job Grant was seen positively as the least stigmatising method of providing financial support and as a positive way to reward an individual’s move into paid work than other benefits. However, it had a very limited impact on people’s decision to return to employment due to low awareness levels.

- Job Grant helped to assist with a range of financial pressures including transport costs, clothing expenditure and childcare. In addition, the Job Grant was described as having a range of psychological, in addition to financial, effects. The Job Grant was described as increasing morale, self-confidence and confidence in financial planning.

- Despite these positive evaluations of the Job Grant, problems were reported. These were mainly related to the delivery and timing of the Job Grant. In addition, as the grant was generally unexpected, it tended to be treated as a financial bonus rather than a key source of income during the transition. Earlier knowledge of the grant might have averted the extension, or initiation, of credit in some instances.

- Timing was seen as the most critical issue in people’s evaluations of the Job Grant. Almost without exception recipients and staff felt that the effectiveness of the Job Grant could be improved if its delivery was more closely linked to the timing of the transitional period (in particular during the initial two weeks).
Views about the content of the grant varied and reflected individual financial experiences of the transition, whilst some argued £100 was sufficient there were others who felt a larger payment would have been more effective in ‘bridging the gap’ during the transition.

The range of other easements which took the form of ‘run-ons’ such as LPRO/HBRO/CTBRO etc.) were greatly valued by staff and recipients and had higher recognition levels than the Job Grant. As with the Job Grant, the effectiveness of the ‘run-on’ measures was clearly affected where there was limited prior knowledge of the financial support available.

Financial security was seen as critical to recipients of the ‘back-to-work’ measures. ‘run-ons’ were highlighted as key means of providing confidence in financial security during the transition. The idea of a ‘run-on’ was afforded greater credibility across the sample than the ‘promise’ of a grant to be given at some point in the future. Key to this reassurance was the notion that a ‘run-on’ would do exactly as described, providing financial security in the interim or transitional period, whilst grants were viewed more cautiously as a less dependable source of income.

On numerous occasions the ‘run-ons’ were credited with providing people with a ‘safety net’ or ‘financial cushion’ to attempt a return to employment. The evidence from this study demonstrates that, unlike the Job Grant, where people were aware of their eligibility for a ‘run-on, there was a clear motivational impact. People described feeling more willing to seek work given that they knew they would be financially secure, and in the case of IB recipients, be able to return to benefit without excessive administrative complexity, if the need arose.

On the whole, people reported few problems with the delivery or content of ‘run-on’ measures. Generally, these measures were rated favourably against those that required specific application forms or steps that were required to be taken prior to receipt. Nevertheless, difficulties were encountered. Participants felt that there should be better co-ordination between agencies. They also argued that ‘run-on’ packages should be harmonized, by making all benefits run-on for the same period of time (and should include an extension to passported benefit support such as free school meals and prescriptions). This was particularly crucial for those with dependants or medical conditions.

Views about the length of time transitional support should be given for varied and reflected different financial experiences during the transition. On the whole though, staff and former clients felt a period of transitional support of four weeks would generally be sufficient.

Analysis of people’s accounts of the transition clearly demonstrated that perceptual obstacles to employment were as much of a hurdle to people considering a move as were tangible financial barriers. At the point of considering a move into work, people’s perceptions of what ‘might’ occur can be as potent, if not more, than any actual calculation of income and expenditure. This research has demonstrated, therefore, the importance of publicity around easement packages and the critical role of advisers in promoting these measures.

Amongst those under 25 ineligible for measures such as Job Grant there was strong evidence that the lack of transitional support was impacting on the wider household where young people described being forced to rely more heavily on their parents during the transition.

Overall, both benefits and disadvantages were associated with both forms of transitional support (grant Vs run-on). Yet, despite limited effectiveness in motivating the return to work (because of low awareness) there was clear evidence that the range of measures currently offered were frequently provided much needed financial support during the early week after people moved into employment.


Appendix A
Staff sample profile

Please note a fuller set of technical appendices can be accessed by contacting: t.harries@natcen.ac.uk where you will be able get advice to access a PDF download of all relevant documentation.

Thirty-five staff took part in the research in all; of which two (for organisational reasons) were interviewed and the remaining 33 took part in focus groups. Ten participants were male and 25 were female.

Table A.1  Geographical distribution of staff participants

<table>
<thead>
<tr>
<th></th>
<th>Wales</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit office-based BA staff</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Jobcentre-based BA staff</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Employment Centre Staff</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Local Authority Staff</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>
## Table A.2 Jobs and roles of staff participants

<table>
<thead>
<tr>
<th>Category</th>
<th>Role</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit office-based BA staff</td>
<td>Team Leader</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Accuracy Improvement Officer (quality assurance, staff training,</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>implementation spot-checks)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Member of specialist mortgage team</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>“Change of circumstances” processor</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Counter staff – seeing claimants re changes of circumstances,</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>problems with benefits, Social Fund loans.</td>
<td></td>
</tr>
<tr>
<td>Jobcentre-based BA staff</td>
<td>JSA Team Leader</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>JSA claims processor</td>
<td>4</td>
</tr>
<tr>
<td>Other Jobcentre staff</td>
<td>New Deal 25+ Advisors</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>New Deal 50+ and Partners Advisor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>New Deal 50+ and Mainstream Advisor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>New Deal 25+ and 50+ Advisor</td>
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</tr>
<tr>
<td></td>
<td>New Deal 18-25/25+/50+ Advisors</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>New Deal for Lone Parents Advisor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Mainstream Advisor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Employment Zone Liaison Officer</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Counter officer dealing with Mainstream clients (i.e. those not on New Deal)</td>
<td>1</td>
</tr>
<tr>
<td>Local Authority staff</td>
<td>Housing Benefit Team Leader</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Senior Counter Clerical Assistant</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Assessors</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Claim Cancellation Officer</td>
<td>1</td>
</tr>
</tbody>
</table>
Appendix B
Diaries of expenditure and outgoings

The completion of diaries by recipients of the Job Grant was an innovative and, in part, experimental part of this study. The aim was to provide a real-time and detailed picture of the financial transition to both complement the depth interviews that would be conducted once the transition was already over (by which time recall of the experience might have become more difficult) and provide a separate dataset of financial cycles during the transition to work. Every effort was made to ensure diaries were placed with clients as soon as possible after a client had informed the Jobcentre or Benefits Agency they were moving into work. The following sections describe the development of the diary, its operationalisation in the field and its impact on the findings. The effectiveness of employing diaries in this kind of project is also evaluated.

Overview

The diaries were introduced in this study with two aims in mind. Firstly, to provide a map of the financial cycles experienced by people during their transition from benefits to work, and secondly, to identify changes in expenditure that occur during the transition and the cost and nature of one-off work-related purchases. They were designed to enable respondents to record in detail all of their personal financial income and outgoings over a four-week period during the transition. The diary design was taken through two rounds of ‘cognitive testing’ with people who had recently returned to work. This led to significant revisions. The final version of the diary was placed with 89 people who had recently qualified for the Job Grant. Members of NatCen’s interviewer fieldforce took the diaries to people in their homes, explained how to complete them and helped diarists complete it retrospectively for the four to six days that had just passed.

The role of diaries in the study

The diaries were introduced into the design of this study for several reasons, to:

• complement the evidence from the depth interviews: one aim of the study was to gain a better understanding of financial cycles and experiences during the return to work. However, it was felt that participants’ recall of these matters might be incomplete at the time of interview. The diaries were intended to fill in some of the gaps in respondents’ memories of what they had spent, what bills they had paid and what money they had had coming in;
• triangulate with the evidence from the depth interviews; participants’ recall of the transition was expected to be partial and to be coloured by their financial circumstances at the time of the interview, their emotional perspective on the transition and desires to give their story a particular angle in the interview (e.g. to convince the interviewer how tough the transition was, or to show the interviewer how well they coped). Similar factors were likely to influence their presentation of the evidence in the diaries, but their overall impact was likely to be less due to the lack of an immediate audience and the different stage in the transition in which they were recording the evidence. For this reason, the evidence in the diaries presented a different perspective on the same situation, providing data triangulation; and

• increase the sample from which evidence was collected: the project aimed at delivering a diary to 150 Job Grant recipients, with a predicted return of between 100 and 120 completed diaries. This was expected to provide a broader base from which conclusions about the transition could be drawn, as the number of depth interviews (more expensive and more time-consuming) was limited to less half that number.

With the above aims in mind, a specification of the diaries’ operational objectives was to:

• record all activity relating to the finances of the individual receiving the Job Grant;

• collect data at the level of daily transactions (in order to aggregate it up to the weekly level);

• record spending at the point in time when the money left the diarists’ possession (rather than at the point at which a service was used, a product received or payment demanded);

• distinguish one-off spending connected with the return to work from other one-off spending; and

• measure all income – whether from benefits, grants, formal loans, informal loans, earnings or winnings.

On average diaries were placed with respondents three and a half weeks after they had begun their new jobs. This was because eligibility for the Job Grant was usually determined very shortly before (or even after) the return to work. Following this recipients of the Job Grant were given a two-week period during which they could choose to opt-out of taking part in the study. Difficulties with locating people in the sample caused further delays in the placement. However, the key difficulty was the requirement of an ‘opt-out’ period. As with all research making use of Departmental records, Job Grant recipients were required to be allowed a two week period during which they could choose to ‘opt-out’ of the research prior to the research team contacting them, in a project such as this where early placement was critical the standard ‘opt-out’ procedures undoubtedly had an impact on the speed with which diaries could be delivered to respondents.

Respondents were left to complete the diary by themselves for between 21 and 24 days. They were given the number of a Freephone Helpline to call if they needed help but rarely made use of this facility. Sixty-nine people returned the diary out of the 89 with whom a diary had been placed. All but two of those returned were complete. The completed diaries served as:

• briefing material for depth interviews, allowing interviewers to identify individual issues for discussion before the start of the interview;

• a source of information that interviewers and participants could refer to during the interview, acting as a memory prompt and also as a way of checking the consistency of the participant’s story; and

• sources of additional and more detailed information than that gathered in the depth interviews.
The development of the diary design

The first draft of the diary was developed in consultation with an expert panel of NatCen survey staff who had previous experience of using diaries in policy research. This draft was then taken through a two-stage cognitive testing process.

Cognitive methods help researchers develop research tools that are clear and that can be understood by all participants as the designer intended. They draw on cognitive and motivational psychology and provide a useful framework for understanding the cognitive processes involved in completing diaries or answering survey questions.

In this study the technique was used to test comprehension and ease of use of the diaries, as well as the method for delivering, introducing and explaining them.

Testing was conducted in two stages, with the lessons from the first stage being incorporated into the diary that was used in the second. Five people were interviewed for each stage - all of them from London and recent recipients of the Job Grant. Participants were purposively sampled, but in practice the geographical dispersal and small size of the initial sample (due to levels of Job Grant awards) and difficulties in establishing contact with people made it impossible to match the desired sample structure – for example, only one of the participants was female.

### Table B.1 Sample composition for cognitive interviewing

<table>
<thead>
<tr>
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<th>Base=10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>25-35</td>
<td>6</td>
</tr>
<tr>
<td>36-49</td>
<td>4</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
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</tr>
<tr>
<td>Female</td>
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<tr>
<td><strong>Ethnicity</strong></td>
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<tr>
<td>White British</td>
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</tr>
<tr>
<td>White other</td>
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</tr>
<tr>
<td>Afro-Caribbean</td>
<td>2</td>
</tr>
<tr>
<td>Indian sub-continent</td>
<td>2</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
</tr>
<tr>
<td>Single and never married</td>
<td>5</td>
</tr>
<tr>
<td>Single, never married and cohabiting</td>
<td>1</td>
</tr>
<tr>
<td>Married and living in a couple</td>
<td>4</td>
</tr>
<tr>
<td><strong>Children</strong></td>
<td></td>
</tr>
<tr>
<td>No children in the household</td>
<td>6</td>
</tr>
<tr>
<td>Children in the household</td>
<td>4</td>
</tr>
<tr>
<td><strong>Living arrangements</strong></td>
<td></td>
</tr>
<tr>
<td>Own rented house or flat</td>
<td>6</td>
</tr>
<tr>
<td>With parents</td>
<td>3</td>
</tr>
<tr>
<td>With landlord</td>
<td>1</td>
</tr>
</tbody>
</table>

The cognitive interviews

The interviews began with an explanation by the interviewer of the purpose of the cognitive testing and of the diaries. Participants were then shown the diary and were taken through the steps that were to be used in the study to introduce and explain the diary, including the retrospective completion of the diary for the four to six days immediately prior to the interview.

During the exercise, interviewers explored participants’ understanding of the diary by asking them to “think aloud” – that is, to voice their thoughts about the diary and what was required of them. They also used “retrospective probing”, asking people to explain why they had behaved in a certain way
(e.g. skipped over the diary instructions) or written certain things (e.g. included some items of shopping and not others). They also probed retrospectively about respondents’ reactions to the introduction and explanation of the diary.

Interviewers tape-recorded the interviews and also made notes immediately after them. Using both of these records they then summarised their thoughts as to the strengths and weaknesses of the diary and how it could be improved. These thoughts were fed back to the design team (a combination of NatCen and DWP staff), who made appropriate changes to the diary.

The final version of the diary consisted of: a front cover and back-cover with information about returning the completed diary; an introductory note, instructions and “tips” on how to complete it; pages containing hypothetical examples of the kind and level of information that was wanted; three different tables for each of the four weeks of the diary: one for “general spending”, one for bills that were paid, one for income received.

It was clear from the cognitive interviews that some diarists would have doubts and hesitations about how to fill in the diaries. To make completion as simple as possible and to minimise non-completion, we provided support and guidance in all the following ways:

• diaries were hand-delivered by skilled staff, who explained the diary, helped people complete early pages of the diary and answered any questions;

• instructions in the diary were made as clear as possible and comprehension of the instructions was tested in the cognitive interviews;

• a fresh set of instructions on a separate (laminated) piece of card was left with diarists when the diary placer left their home;

• an office-hours, Freephone Helpline was set up to take diarists questions. (Although few calls were actually made to this Helpline); and

• a NatCen researcher attempted to call diarists to give them the chance to ask questions. (Only about a third of diarists were successfully contacted in this way and few of these expressed any difficulties.)

Recruitment and diary placement

The intention in this study was to place 150 diaries with recipients of the Job Grant from around Great Britain. The diaries were to be placed as soon as possible after the person had informed their Jobcentre or benefit office that they were entering full-time work. To make contact with individuals in the sample, recruiters made up to five visits to the person’s home. If this failed, they sometimes tried to phone the person. Once they had agreed to participate in the research, willing recruits were asked whether they had recently been in receipt of JSA, Income Support, Incapacity Benefit or Severe Disablement Allowance; and had recently started full-time work. Where both these questions were answered in the affirmative they were taken through a 15-page questionnaire covering personal, financial and employment information. Next the diary was explained to them and they completed the first week of the diary retrospectively in the presence of the recruiter. By observing this completion of a part of the diary, the recruiters were able to detect and correct any misunderstandings of the diary, answer any questions that arose and generally provide support and encouragement. Before leaving, recruiters gave diarists £5 in cash and a calculator, reminded them how to return the diaries (by Freepost in a supplied envelope) and handed over a laminated letter of thanks from the researcher, which had brief instructions on how to complete the diary on its reverse side. In all, recruiters spent an average of about of about 70 minutes with each diarist.
Issues encountered

Difficulties were encountered in various areas of the diary exercise.

Recruitment - Out of an initial sample of 450 Job Grant recipients (spread across five London boroughs, South Wales, Plymouth, Cornwall, Middlesbrough, Inverness and South Glasgow), contact with 256 was attempted. Of these, 97 were successfully recruited and 79 refused. The rest were either not suitable for the study (e.g. had not returned to work) or could not be found. On average about one day of recruiter time was needed for each successful recruitment. Recruitment was complicated by a number of factors: few people were receiving Job Grants, so the geographical dispersion of the sample was great. As a result, recruiters had to travel long distances from one potential respondent to the next; members of the target group had recently returned to full-time work and were therefore experiencing some degree of upheaval in their lives. One of the reasons given for refusing to take part in the diary exercise was that people were too stressed, anxious or exhausted, and wanted to avoid any additional demands on their time and energy; despite reassurances about confidentiality and the independence of NatCen, there was suspicion about the intentions of the recruiters, with some people believing that they were being checked up on by the “Social”. There is evidence from the interviews that some Job Grant recipients thought that they had been sent the grant by mistake and might have to give it back. It is possible that some people avoided the recruiters in order to ensure that they could keep their £100; finally, some people interviewed said that they preferred not to think too much about finances and others said that they found finances a daunting area. Similar attitudes may have prompted others to refuse to participate in the diary stage of the study.

Timing of the diary placement - Ideally, the diaries would have been completed from before to immediately after, the start of the job. They would then have given an indication of the changes to expenditure that occurred because of the move into work and the one-off expenses incurred in preparation for that move. In practice the nature of the sample made this impossible. Potential respondents were chosen from amongst those who had already qualified for the Job Grant, which meant that they had already informed the Jobcentre or benefit office of the fact that they were going to start work. None of the sample who were interviewed had done this more than a week before the actual start of their job, thus leaving insufficient time for their entitlement to be confirmed by benefit office staff and their details sent to the recruiters (via the Department for Work & Pensions and NatCen). Initially it had been hoped that benefit office and Jobcentre staff would themselves be able to give the diaries to people returning to work and to introduce and explain them. This would have ensured that most diarists received the diary before their move to work. However, pressures of work experiences by these staff made it too difficult for them to take on this task, and the delays described above therefore became inevitable.

On average, diaries were placed with respondents three and a half weeks after individuals had begun their new jobs (see Figure B.1).
Response rates - NatCen generally uses some form of incentive to improve response rates. On this occasion two different types of incentive were used: the time spent by recruiters in explaining the diary and a gift of £5 and a calculator, which were designed to create a feeling of obligation amongst participants; and a promise of a £10 payment when the diary was returned. Given the time we were asking potential diarists to invest in the exercise, these incentives are likely to have played a critical role. Seventy-three of the 97 placed diaries were returned to NatCen - all but two in a completed state. This is a response rate of 75% \(^\text{26}\), which is higher than was anticipated and higher than experienced by other studies involving diaries. Both of the participants who returned diaries in a semi-complete state were later interviewed. One had not been able to grasp the difference between actual financial flows and usual financial flows and had therefore completed the diary for one week with what he considered to be his normal income and outgoings. The other appeared to have lost interest in the diary after the first week and had been reluctant to reveal his income.

Accuracy of completion - Without conducting a rigorous evaluation, it is difficult to know with any certainty how accurately the diaries were completed. However, analysis indicated that there were signs of effort-minimisation strategies being employed, with the number of diary entries decreasing during the later weeks and records of spending patterns being replicated from one week to the next. Of course this could imply equally that budgeting patterns were rigid (in order to match income with expenditure on a practical basis) and, therefore, not subject to even minor fluctuations. Diarists who entered greater detail in their diaries seem to have been more assiduous in their efforts. This was borne out by comments in the interviews and reflect the complexity of making comparable statements based on this form of evidence.

Barriers to successful completion - The cognitive testing conducted during the diary development uncovered a number of difficulties that people experienced with filling in the diaries. All of these were addressed with modifications to the diary design, but it is likely that the majority remained

\(^{26}\) This figure does not reflect refusals or cases where diary placers were unable to place diaries.
problematic for diarists and will have undermined the accurate completion of some diaries. Participants in the cognitive testing tended to record expenditure or income only if it fell under one of the categories listed in the diary. Items that might have fallen into the category of “other” were sometimes forgotten. The diaries were intended to record finances at an individual level and not at a household level. The process of disaggregation proved conceptually and practically difficult. Participants were unsure whether or not to include partners’ outgoings; for example, if the diarist’s partner had paid a gas bill, done the shopping or bought cigarettes for her/his own consumption. Some participants overestimated the need for accuracy, thinking that entries had to be correct to the penny or that they had to remember exactly when a financial transaction had occurred. In these cases, some respondents (regardless of advice and reassurance given by the research team) may find anxiety about recall a barrier to completing the diary. Time issues were a clear factor for people completing the diaries with people reporting being too busy to complete the diary on a daily basis and said that they would only do so once per week. This could lead to problems of recall. Informal income and outgoings tended to be overlooked – e.g. loans to or from friends, money passed to other family members (for example, housekeeping money), or rounds bought at the pub. There was confusion between actual and nominal outgoings. For example, some diarists wanted to enter a bill in the week when they had received it or in the weeks when they had consumed the product, rather than in the week when they actually paid the bill. Similarly, direct debits and standing orders were easily forgotten.

**Evaluation of the diary exercise** - The completed diaries were used extensively during the analysis stage of the study, making a useful contribution to the findings of the research.

However, the diaries did not totally fulfil expectations due to the fact that often they were placed one or two weeks after people had moved into employment, therefore:

- they provided limited insight into the financial cycles experienced by people during their transition from benefits to work. Most useful information on this subject was gathered in the depth interviews;
- it was difficult to distinguish expenditure that was a result of the return to work from that which was not. As a result it was not possible to calculate the extent of the financial impact of the return to work;
- some one-off work-related expenditure was captured by the diaries; however, we know from the interviews that the diaries arrived too late to capture other spending of this kind.

Nevertheless, by providing a different perspective on the period of the transition the diaries were able to complement the evidence gathered during depth interviews. They also served to illuminate areas that had not been touched upon in the interviews or in which participants’ memories faltered. In addition, the diaries were a useful resource during the depth interview stage of the research, enabling researchers to identify, before the interview, key points in the transitional period which needed to be covered.

Analysis of the diaries as a corpus, however, was limited. In theory the number of diaries returned should have made it possible to identify patterns of financial demands and pressure points. In practice however, completion of the diaries commenced at differing stages in the transition, making comparison between them impossible. A further weakness that became evident during the study was the concentration of the diaries on actual money flows. No information was collected about underlying financial demands – for example unpaid or forthcoming bills. As a result, the diaries did not give a full record of a person’s financial situation during the transition and only painted a relatively superficial picture.
Similarly, it seems it may have been more useful (if also more ambitious) to target finances at the level of the family unit rather than at the individual level. Not only did participants living with partners find it hard to distinguish their own spending from their partners’, but the result of their trying to do so sometimes rendered the diary content difficult to interpret. (For example, a diary might show no spending on food, but would not give evidence of the partner who was buying all the food or whether food spending had genuinely reduced. Similarly, a married diarist might record low income and limited expenditure, but it might not be clear whether consumption was being reduced or whether someone else was doing the spending on their behalf.) An approach targeting household expenses might, however, have caused extra problems for not operating joint finances – for example, people living with their parents or adult children.

Overall the diaries did not deliver the benefits that were hoped for. Diaries are more familiar in studies with larger samples, where the development needed to create an effective and user-friendly diary is more easily justified. In studies such as this one, where the overall sample is smaller, the increased cost per sample-unit will be high, and this needs to be considered when deciding whether or not a diary is an appropriate tool to use. The experience of this study suggests that diaries can usefully be employed to triangulate with the findings of depth interviews and to provide some of the information that interviews cannot provide. However, the objectives of the diaries, their specification and the practicality of that specification need to be carefully considered in relation to each other before a diary exercise is begun.
Appendix C
Key documents

The diary
The diary consisted of an A4 booklet with a total of 12 paper pages and a lightweight card cover. It was printed in black, on white paper with two shades of sky-blue. Shown below are a selection of pages from the diary.

Advice on completing the dairy

Tips on filling in the diary

- This diary is about your income and your outgoings. Don’t include the income or outgoings of anyone else who lives with you. However do include any money that you give others (e.g. an allowance to your son, housekeeping money to your partner or gas-money to a flat-mate).
- Write in the diary all the money that you spend during the four weeks covered by the diary. Include payments by cash, cheque, direct debit, standing order and credit, debit or store card.
- Also record all the money that comes in to you – payments that come directly into your bank or building society as well as money that you receive in cash or as a cheque.
- Don’t worry about exact amounts; rough amounts are fine.
- If you can’t remember how much something was, just give your best guess.
- Write in what you actually spend or get, even if this is different from what you normally spend or get.
- Record spending on the day or week you actually part with the money. For example:
  - not when you receive a bill, but when you pay it;
  - not when you use the gas, but when the direct debit goes off your account or when you buy the gas tokens;
  - not when you use food, but when you buy it;
  - not when you run up the tab, but when you pay it off.

Remember, everything you write in this diary is totally confidential and will only be used for the purpose of this research. That’s a promise!
Topic guides

Amongst people who had recently left benefits and returned to work, two different topic guides were used: one for Job Grant recipients and one for those who were aged under 25 or who were lone parents. An amalgamated version of these guides is shown here, with the sections that were unique to Job Grant recipient interviews shown in hatched boxes.

Different topic guides were needed for different staff groups too – one for (then) ES staff, one for (then) BA staff and one for local authority staff. The guide for ES staff is shown to illustrate the structure of staff group discussions.
P6030  “Easing the Transition to Work”

Topic Guide for depth interviews with clients

Study objectives
To understand:
- How income and expenditure change when people come off benefits into work.
- What financial pressures people face when they return to work and the strategies they adopt to cope with them.
- The extent to which people rely on others for financial and practical support during this period.
- Whether Job Grant helps – and how.
- The comparative advantages of one-off payments and run-ons.
- How the transition could be made smoother.
- Whether awareness of the back-to-work benefits and the Job Grant encourages people to go back to full-time work.

C.1 Introduction
- Introduce self, study, NatCen.
- “A study exploring how people manage financially when they come off long-term benefits and start working for 16 or more hours per week. Especially interested in the transitional period just after the start of the new job. Want to find out how to improve the financial support available to people when they start work.”
- Explain that this is a follow-up to the diary that they have already completed, that you would like to explore some of the issues in greater depth, and that you will refer to the diary during the interview.
- Explain about the confidentiality of the diary and the interview. Explain tape recording and length of interview.

C.2 Personal circumstances
- Age / household / working & benefit status of others / family composition / living arrangements.
- Housing costs:
  - household housing costs (if known) - to whom paid;
  - amount paid by the respondent, and frequency, and
  - amount paid by others: who and how much.
- Household and personal income prior to return to employment.
- Current employment status.
- Current job:
  - when started;
  - location;
  - what it entails;
  - hours, and
  - consider it as full-time or part-time?
- Pay of current job – level / frequency / variations in level (overtime, bonuses, changes in hours etc).
- Childcare (where appropriate):
  - how provided and by whom;
  - direct costs; and
  - attendant costs (e.g. transport to childminder, new pram, duplicate set of nappy changing equipment etc).

C.3 Expectations of financial impact of the job
Thinking back to when you were still on benefits…
- Expectations about financial effects of the new job – what they were and where they came from.
- Advice / help given by others re. financial calculations.
- Impact of these calculations on feelings about coming off benefits.
C.4 Perceptions of return to work and awareness of easements

Now I’d like to talk about the feelings you had about going back to work while you were still on benefits...:

- Financial perceptions / concerns about coming off benefits (before came off benefits)
  First unprompted, then prompt about:
  - extra expenditure to prepare for job;
  - extra expenditure connected with going to work (e.g. food, travel);
  - loss of core benefits (JSA, IS, IB, SDA);
  - loss of secondary benefits (dental treatment, school meals, prescriptions etc);
  - changes to debt repayment arrangements (e.g. student loans, repayment schedules for unpaid amenities bills);
  - extra expenditure needs associated with disabilities / illness;
  - changes to childcare costs; and
  - extra expenditure needs associated with other caring responsibilities.

- Source of these perceptions / concerns, (ask for each concern mentioned) e.g.:
  - previous experiences of transition;
  - experiences of friends / family; and
  - hearsay.

- Awareness (both before coming off benefits and now) of back-to-work benefits (Prompt if necessary: Job Grant, Housing Benefit Run-on, Mortgage Interest Run-on, Council Tax Run-on).

- Understanding of Job Grant and relevant run-ons (probe for Job Grant and each benefit received):
  - eligibility;
  - how they are paid (direct to respondent, direct to landlord, by BACS, by cheque etc); and
  - when they are paid.

- Sources of information.

- Impact of awareness of transitional benefits (probe for Job Grant and for whichever of Housing Benefit Run-on / Council Tax Run-on / Mortgage Interest Run-on they have received):
  - on perceptions and concerns about work; and
  - on decision to take up work.

- Relative importance of financial concerns compared with others (e.g. effects on health or on children; loss of leisure time etc).

- Priority financial concerns.

- Importance of concerns about housing costs compared with other financial concerns.

- Effect on concerns of knowing (if did know) about Housing Benefit Run-on.

- Thoughts about run-ons as a way of delivering financial support (compared with grants).

C.5 Financial impact of going back to work

Thinking now about when you got this job (OR extended your working hours)...:

- Extra spending in run-up to new job (refer to question 21 of questionnaire and / or diary):
  - how much spent;
  - on what;
  - when;
  - flexibility of extent and timing of spend; and
  - whether one-off or on-going.

- Impact of the transition on finances once job begun:
  - expenditure (probe for areas where spending has increased or decreased. Use the diary as an aid.);
  - receipt of earnings (timing, foreknowledge of amount); and
  - other sources of money during first few weeks of job (including personal loans and other loans) (Prompt from entries in diary).

- Particular times of financial difficulty / ease (refer to diary):
  - cause;
  - duration; and
  - impact.
C.6 Coping Strategies
- Financial coping strategies at times of difficulty (refer to diary). E.g.:
  - borrowing money;
  - relying on partner's money;
  - cutting back or postponing purchases (explore fully, referring to diary); and
  - postponing payments of bills etc (explore all strategies fully).
- Financial support from parents or other family.
- Other coping strategies.
  E.g. friends and relatives helping with childcare, getting lifts to work to save on bus-fares...

C.7 The Job Grant and the run-ons
- Receipt of the Job Grant:
  - whether knew they were going to get it;
  - (and if so, expectations about timing);
  - when received;
  - understanding of what it was and what it was for (including explanations enclosed);
  - appropriateness of timing.
- Impact of the Job Grant:
  - impact that foreknowledge of Job Grant had / would have had;
  - use of the money;
  - impact of the grant when received.
- Evaluation of Job Grant:
  - helpfulness;
  - incentive factor for returning to work;
  - comparison with run-on model (helpfulness and incentive effect).
- Awareness of run-ons.

IF RECEIVED RUN-ONS:
- Timing of the run-ons:
  - whether knew they were going to get them;
  - when received;
  - appropriateness of timing.
- Use of the run-on money.
- Evaluation of run-ons:
  - helpfulness;
  - incentive factor for returning to work; and
  - comparison with grant model (helpfulness and incentive effect).
- Administration of run-ons.

C.8 Impact of back-to-work benefits
- Impact of run-ons (Housing Benefit Run-on, Council Tax Run-on, Mortgage Interest Run-on – whichever they have received) and Job Grant on use of coping strategies.
- Other impact of benefits and grant:
  - on household financial situation;
  - on feelings about financial pressures;
  - on spending of household / individuals; and
  - on attitude towards the benefits system.
- Views about the size of the Job Grant.
- Comparison between one-off grants (such as Job Grant) and run-ons.
  This is a key question. Probe fully:
  - timing of payments;
  - size of payments;
  - feelings about how the money can be used;
  - effects on feelings about financial stability; and
  - incentive effects.
• Identification of gaps in financial support.
• Suggestions for other ways of easing the financial transition.
• Suggestions for ways to improve incentive effect of transitional benefits.

C.9 Overall evaluation of the transition
• Comparison between expectations and experience of transition:
  - ability to manage financially; and
  - impact on self / household / family.
• Feelings about whether better off in full-time employment:
  - financially;
  - own quality of life; and
  - family/household as a whole decision.
• Impact of Job Grant and run-ons on ability / willingness to stick with the job.

C.10 Final comments
• Views on the usefulness of the back-to-work benefits for smoothing the transition to work.
• Ideas on other ways / changes to ease the transition to employment.
• Other thoughts / comments.

Thank respondent and give them £15.
Easing the Transition to Work (P6030)

Topic Guide for E.S. staff groups

Study objectives

With relation to the whole package of back-to-work incentives (Job Grant, MIRO, ISMI 52wk MIRO link, LPRO, HBRO and Rapid Redclaim), but especially Job Grant, to learn about:

- Awareness and understanding of the incentives that are available and the criteria for qualifying for them.
- Understanding of the policy objectives of the incentives.
- Promotion of the incentives and obstacles to promotion.
- Experience of delivering the incentives and obstacles to delivery.

... about staff views on:

- Clients’ needs in terms of the delivery of the incentives.
- Advantages and disadvantages of different forms of incentives.
- Improvements that could be made to the incentives or how they are delivered.
- Staff information needs regarding the incentives.

... and about:

- Local variations in delivery and promotion.
- Principles of good state btw support.

C.11 Introduction

- Introduce self, Natcen, study.

- We have been asked by the Department for Work and Pensions to do some research into the Back to Work incentives. These are a package of measures designed to ease the transition from benefits into work. (Explain that it’s about transition only and not poverty gap etc.) We’ve invited you to this discussion today to find out what you think about them and to find out about your experiences of working with them on the front line. We’re going to be doing the same thing with staff from Jobcentres / benefit offices and local authority housing departments in London, and with similar groups in S Wales. You’re the people who experience the delivery of these benefits first hand and who have everyday contact with the people who receive them, so we’re really interested in what you have to say.

- All opinions carry equal weight. There are no experts. No right or wrong answers. Everyone participates. Assure confidentiality both in the report and more widely and ask participants to keep confidential to the group comments made during the discussion.

- Explain tape recording, duration of group, questions.

C.12 Introductions (Round table)

- Name / job and organisation / length in job / involvement with BTW incentives.

- Profile of local office (size no. of staff), client profile, nature of local labour market.

C.13 Awareness of incentives

There are a number of different benefits etc that exist to ease people’s financial transition back into work. It would be useful for us if we could start by finding out which of those you come across in your daily work....

- Awareness of range of incentives (PROMPT FOR THOSE MISSED).
- Source of awareness (i.e. whether used in daily work, promotional/training materials).
- Understanding of content of different incentives.
- Understanding of eligibility criteria for incentives.
- Understanding of policy intentions of package of incentives.
- Views about policy intentions (PROBE RE INCENTIVE & EASEMENT INTENTIONS).
- Effectiveness of internal guidance / promotion.
C.14 The Job Grant

Focusing on the Job Grant…:
- experience of Job Grant (if not already covered);
  - numbers receiving it (reasons for any change);
  - how and when tell clients about it;
  - types of clients told about it (variation between client groups?);
  - clients’ responses when told;
- delivery:
  - how delivered;
  - timing (expected timing and the reality reported by clients);
  - problems;
  - dealing with enquiries from the public;
  - suggestions;
- specific policy intentions of Job Grant:
  - awareness of;
  - views on;
- interaction of Job Grant with other incentives:
  - importance compared with other incentives (staff perspective / client perspective);
  - views on mixed package of grant and run-ons (administration / comprehension);
- suggestions for improvements.

C.15 The other incentives

How about the other incentives you mentioned earlier. Do they have any particularly good characteristics from your point of view, or any particular difficulties?

(Allow group to discuss the ones that it wishes to.)

ENSURE HBRO (AKA EXTENDED PAYMENTS OR EP), LPRO AND MIRO DISCUSSED. [AUTOMATED HBRO - NOT THE ONE YOU HAD TO APPLY FOR.]

- experience of the incentive:
  - how and when tell clients about it;
  - types of clients told about it (variation between client groups?);
- specific policy intentions of each incentive:
  - awareness of;
  - views on.

C.16 All incentives

So thinking about the incentives in general…:
- Whether policy intentions being realised. If not, why not?
- Advantages of different incentives over others:
  - from client perspective;
  - from administrative perspective.
- Gaps in the package of incentives.
- Issues around involvement of other agencies.
C.17 Promotion
And how about promotion of the incentives... in general, how do clients find out about them?
- Methods of promotion (e.g. mail-outs, posters, in interviews).
- Timing of promotion (stage in claim).
- Whether promoted individually or as a package.
- Types of clients more / less likely to hear about them.
- Particular aspects of promotion:
  - availability of information / promotional material;
  - adequacy of promotional material;
  - design of incentives / package of incentives;
  - staff comprehension;
  - other.
- Views as to what works best.
- Suggestions for improving promotion.

C.18 Overall suggestions
So what could be done, overall, to improve the package of support we’ve been talking about?
- Suggestions for improving package of incentives.
- Suggestions for making delivery more effective.
- Principles of good btw support.
- Any other suggestions.

Thank group – reassure about confidentiality, explain next steps in the research (other groups, report timetable etc)

Close
Appendix D
Analytical framework

Analytical framework for people moving into work

Chart 1 – Context and personal information
• Personal circumstances, employment history.
• Dominant personal issues.
• General attitudes to benefits system.
• Motivations for going back into work.
• Expectations/concerns about being in work.
• Nature of job, hours and whether considered full-time.
• Amount and frequency of pay.
• Whether the job turned out as expected, satisfaction with job.
• Current work status.

Chart 2 – Household finances before the job started
• Household income before job.
• Loans/debts/overdrafts.
• Household financial arrangements.
• Housing – owner, named tenant etc.
• Rent/mortgage.
• Council tax and other bills.
• Any other spending mentioned.
Chart 3 – Signing off and starting work
- Expectations/fears/concerns about the transition to work.
- Experience of financial advice.
- How signed off and what happened; the last benefit cheque - when and how much.
- Pay frequency.
- Gap between start work and first pay available to spend - reasons.
- First pay - when and how much, what expected / same as future pay?
- Other new income when started work.
- How transition felt overall.

Chart 4 – Changes to finances after job start
- Grants etc (excluding Job Grant).
- One-off expenditure connected with job start.
- Changes in spending after job start.
- Impact of job on loan/debt repayments.
- Debts incurred due to starting work.
- Summary of household money flows after starting work.
- Experiences when moved back out of work (where relevant).

Chart 5 – Job Grant
- Recall, how and when found out about it.
- What told about it/understanding.
- Receipt; reactions when received/views about intended use.
- What did with it.
- Impact/what if hadn’t got it?
- Actual/potential incentive value.
- Evaluation.
Chart 6 - The run-ons
- Which run-ons received.
- Recall/how and when found out about them.
- What told/understanding/views.
- Importance for feelings of security.
- Impact/what if hadn’t got them?
- Application process and receipt.
- Actual potential incentive value.
- Evaluation and suggestions.

Chart 7 - Overall evaluation of easements
- Perception of the length of the financial transition.
- Success of easements in meeting financial needs.
- Gaps in current package.
- Views on Government providing financial support for those returning to work.
- Run-ons vs. grants – preferences.
- Other suggestions.
- Most important areas to be covered by easements.
- Importance of run-ons and Job Grant compared with other financial supports.
- Impact of easements on decision to start work.

Analytical framework for staff participants

Chart One - Background
1.1 Job titles and organisations
1.2 Job roles
1.3 Contact with customers
1.4 Processes
1.5 BTW structure in organisation
1.6 Profiles of clients and LLM
Chart Two - Staff Awareness
2.1 Awareness of btw measures
2.2 Awareness of policy intentions
2.3 How promoted to staff
2.4 Problems with promotion to staff
2.5 Suggested improvements to staff information
2.6 Other

Chart Three - Promotion
3.1 One to one promotion by staff
3.2 Other promotion
3.3 Problems with promotion
3.4 When people hear of the measures
3.5 Enquiries - what and how dealt
3.6 People more/less likely to hear of the measures
3.7 Suggestions for better promotion

Chart Four - Impact, MIRO and Rapid Reclaim
4.1 Impact as incentives
4.2 Impact as easements
4.3 Job retention
4.4 MIRO
4.5 Rapid Reclaim

Chart Five - Delivery of Job Grant and LPRO
5.1 Detection (Identifying those eligible)
5.2 Delivery
5.3 Job Grant - how, timing, numbers
5.4 Job Grant - problems & suggestions
5.5 LPRO
5.6 Who gets them and who is missing out

Chart Six - HBRO Delivery
6.1 Detection (Identifying those eligible)
6.2 How delivered (HBRO,MIRO)
6.3 HBRO - how, timing
6.4 HBRO - problems
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