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Lone parents: In Work Benefit Calculations – work and benefit outcomes.

Genevieve Knight
Diana Kasparova

A report of research carried out by the Policy Studies Institute on behalf of the Department for Work and Pensions

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Department for Work and Pensions

Research Report No 367

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Genevieve Knight and Diana Kasparova

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Abbreviations

BOC	Better Off Calculation
DWP	Department for Work and Pensions
GP	General Practitioner
IB	Incapacity Benefit
IS	Income Support. Income Support is a noncontributory, income-assessed benefit available to people who are not required to work
IWBC	In Work Benefit Calculation
JSA	Jobseeker's Allowance
LPWFI	Lone Parent Work Focused Interview
NDLP	New Deal for Lone Parents
PA	Personal Adviser
PHA	Proportional Hazard Assumption
SEN	Special Educational Needs
WASD	Working Age Statistical Database

Summary

This report presents findings of research into an association between the outcomes of the In Work Benefit Calculation (IWBC), or 'better off calculation' (BOC), received by lone parents during a Lone Parent Work Focused Interview (LPWFI) and their work and benefit outcomes, such as work entry, benefit exit and the speed of these events occurring. The research used both administrative and survey data and explored the outcomes separately for existing and new/repeat lone parent claimants. The examination covers the work and benefit outcomes **within the first 12 months after their initial LPWFI**, achieved by lone parents that received an IWBC. The experiences reflect a sample selected from the August-October 2001 cohort who had records of attending an LPWFI.

Provision of the financial incentives to work is one of the key means of achieving the Government's target of 70 per cent of lone parents being in work by 2010. The IWBC delivers a key means of communicating these incentives with claimants. Lone parents, especially existing claimants of Income Support (IS), face multiple barriers to work, such as caring responsibilities, lack of skills and/or confidence and ill-health. Some of these barriers could be addressed during an LPWFI and Thomas and Griffiths (2004) found that Personal Advisers (PAs) were most successful in tackling lone parents' fears of leaving benefits and being worse off in work. This was achieved mainly by providing IWBC during an LPWFI.

The design of the LPWFI initiative required lone parents to attend review meetings. New or repeat claimants had their first review meeting six months after the initial LPWFI and annually thereafter and existing claimants had annual review meetings after their initial LPWFI. The IWBC could be conducted at each of the LPWFIs and its outcomes may differ. Claimants may also change their employment status before a review meeting and, if they were back on IS, they were supposed to have an initial LPWFI (with or without an IWBC) again. In these situations it may be difficult to attribute a particular work entry or benefit exit to a particular IWBC outcome.

Moreover, the LPWFI itself may have an impact on claimants' work decisions, regardless of whether an IWBC was conducted and it would be difficult to distinguish the impact of the IWBC from the simultaneous impact of other LPWFI

elements. Additionally, the number of LPWFIs that claimants attended may be associated with work outcomes both positively (the more LPWFIs lone parents attended, the more likely they were to enter work) and negatively (those lone parents who entered work were likely to attend fewer LPWFIs than those who stayed out of work).

In econometric analysis, these challenges were met by investigating association rather than causality between the IWBC outcomes and work and benefit outcomes; by focusing only on those lone parents who received an IWBC at their initial LPWFI; by excluding the number of LPWFIs from the set of explanatory variables, disregarding the outcome of the second IWBC, where it was provided; and by restricting the period of analysis to the first 12 months after the initial LPWFI.

Findings

Descriptive analyses were made of the IWBC incidence and work and benefit outcomes, and of associations between them and claimants' demographic characteristics, their qualification and educational attainment, work experience, skills and barriers to work entry. The results of analyses led to a number of conclusions that had implications for further analysis of associations.

There were clear differences between new/repeat and existing claimants. New/repeat lone parents were more likely to enter work and leave benefits, they tended to achieve these outcomes more quickly and where they entered work, on average they would spend more time in work than existing lone parents. These differences between the two claimants groups were unlikely to be attributed to receiving an IWBC because existing lone parents were as likely to receive an IWBC as were new/repeat claimants. Instead, they may be attributed to variation in the claimants' endowed characteristics, such as their demographic profile, educational attainment and skills and barriers to work they faced.

Compared to new/repeat claimants, existing claimants were more likely to be older, have fewer and older children and live in the social rented sector. They were more likely to have health problems, especially problems affecting the kind or amount of work they could do. The majority of existing claimants did not have any qualification, in contrast to the majority of new/repeat claimants who had some qualifications. Existing claimants were more likely to leave school at 16 years of age, or earlier, and to lack work experience and driving skills. When asked about barriers to work, existing lone parents were more likely to point to the lack of skills and/or confidence than new/repeat lone parents. It was not surprising, therefore, to find that new/repeat claimants were more likely to be looking for work and to have better expectations about the impact of future work on their finances than existing claimants.

These differences between new/repeat and existing lone parents implied that the analysis of association between IWBC outcomes and lone parents' work and benefit outcomes should be conducted separately for each group.

Receipt of an In Work Benefit Calculation

Within each client group, these same endowed characteristics distinguished those who received an IWBC from those who did not receive it, those who moved into work from those who did not move and those who left benefits from those who did not leave them. For example, regardless of whether lone parents were existing or new/repeat claimants, those who received an IWBC, those who moved into work and those who left benefits were all more likely to be looking for work and less likely to have a child with long-standing illness or have health problems themselves than those who did not receive an IWBC, those who did not move into work and those who did not leave benefits respectively. Not surprisingly, therefore, within each client group, lone parents who received an IWBC were more likely to enter work or leave benefits within the first year after the initial LPWFI than those who did not receive it. The speed of work entry and time spent in work was also positively associated with receiving an IWBC.

This association between receiving the IWBC and achieving better outcomes was unlikely to be causal. Rather, it may be explained by the influence that claimants' characteristics have on both the incidence of receiving an IWBC and work and benefit outcomes. Lone parents receiving an IWBC were those most likely to enter work and leave benefits. In such a situation, valid analysis focuses only on lone parents who received an IWBC and, therefore, investigates the association between IWBC **outcomes** and work and benefit outcomes, although even this association is not clear in interpretation.

The analysis of work and benefit outcomes consisted of five sections, three of which examined outcomes relating to work entry and two examined outcomes relating to benefit exit. The main association examined was that between the work and benefit outcomes on the one hand, and the IWBC outcomes that lone parents received at their initial LPWFI, on the other hand. The period under analysis was restricted to 12 months after the initial LPWFI.

Work outcomes

Analyses of work outcomes across different IWBC outcomes and client groups showed consistency with regard to both the association and characteristics of claimants associated with work outcomes. The results confirmed that new/repeat and existing lone parents differed from each other significantly: while no association between the IWBC outcome and work outcomes were found among existing claimants, an association was found for new/repeat claimants. Among new/repeat lone parents, all analyses relating to work outcomes pointed to a positive association between these outcomes and a positive IWBC outcome. With regard to the characteristics of claimants associated with work outcomes, again there were consistent differences between the existing and new/repeat lone parents. Where existing lone parents were concerned, all analyses pointed to the significance of health status and lack of skills and/or confidence, while caring responsibilities and

factors relating to children (their age and number or problems associated with them) were found significant to new/repeat lone parents' work outcomes.

The chief similarity between the existing and new/repeat claimant groups was found in the importance of their **desire to work**. This factor was relevant to achieving every work outcome considered. Few other characteristics of lone parents featured as significantly, for both existing and new/repeat claimants, but this was not true across all work outcomes considered. For the analysis of time spent in work, the **past work experience** was a factor increasing the time in employment among both client groups. The analysis of time to work entry suggested that **caring responsibilities** were equally important as a barrier among existing lone parents as they were among new/repeat lone parents.

Benefit outcomes

The results of analyses of benefit outcomes were more difficult to interpret and it was concluded that benefit outcomes were a poor proxy for work outcomes. The analyses were complicated by the fact that potentially significant variables – destination of benefit leavers and change in their partnership status – were not available for modelling. Nevertheless, the analyses suggested that new/repeat lone parents who received a positive IWBC outcome were more likely to move into work after leaving benefits than lone parents who left benefits after receiving any other IWBC outcome. With regard to existing lone parents, it was found that those who thought, as a result of the IWBC, that in work they would be worse off were less likely to leave benefits than lone parents who did not expect any change to their financial position after entering work.

Both analyses of benefit outcomes (likelihood of exit and time to exit) pointed to the significance of problems related to **children and/or childcare**, and this was true for both groups of claimants: existing and new/repeat lone parents. There were differences in barriers to benefit exit between the two groups of lone parents too. Lone parents' age, their health status and age of their youngest child were of importance to existing but not new/repeat claimants. At the same time, the desire to work was of independent importance only to new/repeat claimants.

Finally, considering both work and benefit outcomes together, **health status** was the only factor always found independently significant to achieving work entry or benefit exit by existing claimants, while the **desire to work** was the single factor consistently found significant to achieving these outcomes by new/repeat claimants. This suggests that the two client groups should be targeted differently when policy measures are designed to move them closer to work.

Conclusions

This research recommends that policy measures that intend to bring lone parents closer to the labour market, should differ between existing and new/repeat client groups. However, findings were not conclusive about the role of the IWBC as an instrument encouraging lone parents to enter work or leave benefits. Policy measures may not necessarily require the use of the IWBC, but should target the specific barriers to work which differ between the two client groups.

Although an association between IWBC outcomes and work outcomes was found only for new/repeat but not for existing claimants, it is argued that extending the time period under analysis may lead to different results given that the IWBC is usually provided at review and not the initial LPWFI.

Some suggestions are made with regard to improving the IWBC delivery process, survey design and data quality. Standardisation of delivery process and administrative recording of the reasons for IWBC non-provision would be useful. Some caution is required when trying to generalise these findings due to changes in the cohorts of lone parents eligible for an LPWFI over time. Since the age of youngest child was found significant to work and benefit outcomes of lone parents, extending the LPWFI programme to those with a youngest child of an age different from that analysed in this research may lead to different results. These findings relate to those eligible for an LPWFI in 2001– new/repeat claimants with a youngest child aged five years and three months up to 16, and existing claimants with a younger child aged between 13 and 15 years nine months.

1 Introduction

The key means of assessing changes in a claimant's financial position when they move into work is an In Work Benefit Calculation (IWBC), also known as the Better Off Calculation (BOC). It is often conducted during a Lone Parents Work Focused Interview (LPWFI), usually with regard to a hypothetical job, or a job vacancy that the client intends to apply to, or a job offer received by the client. An IWBC can also be delivered during a New Deal for Lone Parents (NDLP) meeting. More information about NDLP and LPWFI can be found in Appendix B.

The importance of economic considerations in making a decision to participate in the labour market suggests that the prospects of being better off in work should encourage lone parents to enter the labour market. Since the IWBC provides lone parents with some guidance about changes in their finances following their work entry, it may address lone parents' fears of being worse off in work and, among other factors, influence their decisions about the number of hours and the wage level at which to enter the labour market. For example, qualitative investigation of the first 18 months after the introduction of Work Focused Interviews suggested that a negative outcome for the IWBC had a negative impact on lone parents' work decisions (Thomas and Griffiths, 2004).

This research investigates associations between the IWBC outcome and a number of work and benefit outcomes, including the likelihood of work entry and the likelihood of benefit exit. Lone parents are considered to be in work if they have a job of 16 or more hours a week. Lone parents are considered as having left benefits if they do not receive any out of work benefit. It is, however, not possible to conclude on the causality of relationships between the IWBC outcome and work and benefit outcomes because other factors may simultaneously determine both the outcomes and provision of IWBC, or these factors may influence work and benefit outcomes regardless of IWBC provision.

The LPWFI itself may have an impact on claimants' employment decisions, regardless of whether an IWBC was conducted, for example. This is because the main aims of LPWFI include moving lone parents receiving Income Support (IS) closer to the labour market and ultimately increasing their rates of work entry. These aims may be

achieved not only by provision of the IWBC but also by other LPWFI elements, improving lone parents' confidence for instance. This impact of the LPWFI itself on work outcomes is likely to be stronger among lone parents looking for work because research has found that job readiness affected lone parents' assessment of the usefulness of Work Focused Interviews in general (Thomas and Griffiths, 2004).

Lone parents' attitudes towards work and their job readiness would also affect the likelihood of a positive work outcome, regardless of whether an IWBC was provided. Although their sample consisted of households with both recent experience of unemployment or of employment, Ford *et al.* (1996) found that only half of the respondents in their survey based their decisions to enter work or remain on benefit upon economic grounds. Of these, only half (i.e. 25 per cent of the total) took into account the outcome of the IWBC when entering the labour market. The commitment to work appeared to be such a strong factor that in some cases respondents disregarded the results of the economic calculation when deciding on whether to enter work. Accordingly, it may be difficult to extract the causal impact of the IWBC outcome on work decisions from the impacts of claimants' work commitment and LPWFI in general.

Additionally, the degree of a lone parents' job readiness may be associated with the claimants' other characteristics, such as their demographic profile, educational attainment and health status. If these characteristics affect the decision of a Personal Adviser (PA) to provide an IWBC, due to a perception that particular claimants are more likely to enter work or receive a positive IWBC outcome, then the relationship between the IWBC and work outcomes, even if found, is likely to be spurious. Such a situation will create the endogeneity problem, whereby both IWBC provision and work outcomes will be affected by the claimants' characteristics.

The analysis of causality between the IWBC outcome and different work outcomes is also obstructed by some 'technical' problems related to the data. Information about the IWBC outcome was collected six months after the LPWFI and, therefore, lone parents may have forgotten the outcome of their IWBC. This problem of recall may explain a substantial number of missing values for the exact amounts of IWBCs and also suggests that some answers may be inaccurate. Thomas and Griffiths (2004) report a lack of recording quality for the IWBC at the initial LPWFI, and also regional inconsistencies in providing IWBCs. These regional inconsistencies in IWBC provision may manifest themselves in the significance of regional variables in modelling, thus confusing the impact of area characteristics (such as local unemployment level) with the impact of process delivery.

Moreover, the outcome of the IWBC depends on the accuracy of information that enters the calculation, including the expected wage level. The calculation process, however, is quite complex and long to complete, leading PAs to concentrate on delivering calculations to the most job-ready and less often for those who are, or appear to be, not seeking work (Thomas and Griffiths, 2004). It is not inconceivable, therefore, that the incidence of receiving an IWBC was greater where lone parents already had some job offer or were looking for work and knew what job offer they

were likely to receive compared with lone parents who did not know whether, or at what wage level, they may enter the labour market. Therefore, the results of the analyses are likely to overestimate the association between the IWBC outcome and different work and benefit outcomes because of the sample bias connected with over-representation of those most ready to work among those who received an IWBC.

LPWFIs do not only aim to increase lone parents' labour market participation rates, they also aim to encourage lone parents to enter NDLP or to exit IS. Therefore, in some cases PAs think that such outcomes are more likely than work entry, they may not offer to conduct the IWBC. Indeed, research evaluating the first 18 months of LPWFI reported that IWBC were provided only in 30 per cent of LPWFI (Thomas and Griffiths, 2004: x).

This has two implications for the current research. First, benefit exit is considered as an additional outcome of LPWFIs and an association between IWBCs and benefit exit is analysed in this report. However, such an association may be relevant in those cases where benefit leavers enter work and not in those cases where lone parents leave benefits due to changes in their circumstances, such as marriage. In the latter cases, the association between benefit exit and the IWBC outcome should not be expected. Moreover, since the impact of the LPWFI itself is not distinguished from the impact of the IWBC, it is possible that while LPWFIs achieve their aim of reducing the number of lone parents on benefits (Knight and White, 2003, Knight and Lissenburgh, 2005; Thomas and Griffiths, 2004 and Knight and Thomas, 2006), this outcome might not be associated with IWBCs. The association between benefit outcomes and IWBC outcomes may, therefore, be difficult to interpret. This research focuses not only on leaving IS but on leaving any benefit because claimants may transfer and start claiming Jobseeker's Allowance (JSA) or Incapacity Benefit (IB) for example.

Secondly, in order to avoid a problem of self-selection and endogeneity¹ (arising where the IWBC is provided mainly to those who are likely to enter work anyway) in the analysis, those lone parents who did not receive an IWBC are excluded from the analyses. Consequently, multivariate analysis is used to explore the association between IWBC outcomes **for those who received them**, and work and benefit outcomes.

Findings of previous research suggest that the amount of money by which lone parents were told they would be better off was associated with their views towards IWBCs (Lessoft *et. al.*, 2003). In their sample of NDLP participants with the median IWBC outcome of extra £20 a week, the authors found that among those who

¹ A term arising from econometric analysis, in which the value of an independent variable is correlated with the error term (dependent on the value of the error term).

received a positive IWBC outcome, those who were told they would be better off by less than the median were likely to react to the IWBC negatively. The greater the IWBC outcome, the higher the proportion of claimants that assessed the IWBC positively: 70 per cent of those who were told they would be better off by £20 to £40 a week and 90 per cent of those who expected to be better off by not less than £40 a week viewed the IWBC positively (Lessof *et al.*, 2003: 77-79).

Since nearly 50 per cent of lone parents who received an IWBC pointed to a positive link between the IWBC outcome and their decision to enter work, in order to explore these findings in greater detail, the outcome of the IWBC was broken down in a number of ways. The usefulness of this approach being adopted here was strengthened by the Government's decision to pilot two schemes from October 2004: a £20 per week Work Search Premium aiming to reduce the job search costs and £40 per week In Work Credit provided to lone parents who have been receiving IS for a year or more (Evans *et al.*, 2003). Accordingly, these numeric focal points (£20, £40) were explored for the IWBC outcome.

Finally, this research does not distinguish between work entries that followed participation in NDLP and work entries that took place without NDLP. This is because in those cases where LPWFI resulted in participation in NDLP following which lone parents then entered work, it is difficult to conclude whether this work entry was associated with the LPWFI or with participation in NDLP. The role played by an IWBC in the decision to enter work, whether the IWBC was conducted at the time of the LPWFI or during NDLP is similarly unclear. The analysis of association between the IWBC outcome and NDLP entry is also outside the scope of this research. Indeed, in those cases where an LPWFI encouraged participation in NDLP and then resulted in work entry, the relationship between IWBCs conducted during the LPWFI and NDLP entry is unlikely to shed light on the likelihood of work entry which followed NDLP.

1.1 Data sets and sample size

Both administrative and survey data are used in the analysis. The description of administrative data is given in the Appendices, sections A.1 and B.1 of the companion report². These provide benefit and demographic variables where the survey data are not accurate or available. A national survey representing LPWFI participants during 2001 is the main source of data used in the analysis of association between the IWBC outcome and different work and benefit outcomes because it contained data on IWBC outcomes, which are not available in administrative data. A brief description of the survey data is included in Appendix A section A.1, and, for interested readers, helps give context to the analyses. Further detail about

² Knight, G., Speckesser, S., Smith, J., Dolton, P., Azevedo, J.P. (2006) Lone Parents Work Focused Interviews and New Deal for Lone Parents combined evaluation and further analyses of net impacts, Department for Work and Pensions Research Report, July 2006, Department for Work and Pensions Research Report.

the survey is found in Coleman *et al.* (2002) and Coleman *et al.* (2003). Weights were constructed to use with the survey data to deal with non-response, and these are also described in Appendix A.

1.2 Structure of the report

This introduction is followed by a description of claimant characteristics, treatments they received (LPWFI and IWBC) and outcomes³ of this treatment. The claimants are characterised by the length of IS claim (existing and new/repeat), their demographic profile, skills, work experience and economic status. The outcome measures include entry into NDLP, movement into work, the speed of work entry, proportion of time spent in work, benefit exit and speed of leaving benefits. Some patterns of relationships between the IWBC outcome and these outcomes are outlined. Additionally, some conclusions on the likelihood of receiving IWBC and achieving work and benefit outcomes depending on claimants' characteristics are drawn. Among other findings, it is suggested that new/repeat and existing claimants differ substantially and should be modelled separately in further analysis.

The third chapter provides econometric analysis of work and benefit outcomes. It considers five work and benefit outcomes separately for existing and new/repeat claimants. On the basis of findings presented in the previous chapter, models distinguish the association between work and benefit and IWBC outcomes independently from other significant factors. The analysis of association between five IWBC outcome categories and five work and benefit outcomes for both new/repeat and existing claimants required the construction of 50 models. The wealth of findings is confined to a table presented in the conclusion to this chapter, which shows the occurrence and the sign of association for each outcome and client group.

The last chapter draws overall conclusions and presents some implications of the research findings for future policy development.

³ Social and economic factors liable to be affected by a social programme, which analysts will often treat as dependent variables.

2 Descriptive overview of claimants' In Work Benefit Calculations, work and benefit outcomes

2.1 An overview of claimants' In Work Benefit Calculations and work and benefit outcomes

Within the first 12 months after the initial Lone Parent Work Focused Interview (LPWFI), new/repeat claimants were less likely to receive an In Work Benefit Calculation (IWBC) than existing claimants (Table 2.1). However, the two groups did not differ in IWBC outcomes if only those who received the IWBC are considered. At the same time, work outcomes differed significantly between new/repeat and existing claimants. New/repeat lone parents were more likely to enter work of 16 or more hours a week than existing lone parents: within the first year after the initial LPWFI, 25 per cent of new/repeat claimants entered work compared with 13 per cent of existing claimants. In the first 12 months, new/repeat claimants were likely to spend 58 days in work in total (16 per cent of the 12 months), while the comparative figure for existing claimants is only 26 days (seven per cent of the 12 months). Among those who entered work within the first 12 months after the initial LPWFI, new/repeat claimants tended to take 37 days less than existing lone parents to do so. This suggests that new/repeat claimants were likely to enter work regardless of the IWBC outcome, either because they were more job-ready than existing claimants or because other elements of the LPWFI had a greater influence on their work decisions than an IWBC outcome.

Table 2.1 Overview of outcomes across client groups

	<i>Column percentages</i>		
	New/repeat	Sample type Existing	All
IWBC outcome			
– no IWBC	72	67	70
– no difference if in work	5	7	6
– worse off	3	4	4
– better off	19	22	20
Entered New Deal for Lone Parents (NDLP)	35	31	34
Moved into work of 16+ hrs	25	13	20
Proportion of time in work (Mean)	16	7	12
<i>Unweighted base</i>	<i>1,570</i>	<i>1,161</i>	<i>2,731</i>
Days to first work entry* (Mean)	118	155	128
<i>Unweighted base</i>	<i>394</i>	<i>155</i>	<i>549</i>
Benefit exit	49	22	38
<i>Unweighted base</i>	<i>1,570</i>	<i>1,161</i>	<i>2,731</i>
Weeks to first benefit exit** (Mean)	15	25	17
<i>Unweighted base</i>	<i>764</i>	<i>247</i>	<i>1,011</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. *Only those who entered 16+ hours work. **Only those who exited

Column percentages are weighted.

A similar picture emerges from the analysis of benefit exit. New/repeat claimants were more likely to leave benefits compared with existing claimants and where they did so, they left benefits more quickly than existing lone parents.

Table 2.2 considers differences in work and benefit outcomes within each client group depending on whether the IWBC was received or not. The findings show a clear positive association between receiving an IWBC and achieving LPWFI goals, regardless of whether existing or new/repeat claimants are considered. If they received an IWBC, both claimant groups were more likely to enter NDLP, move into work of 16 or more hours a week and exit benefits.

Table 2.2 IWBC and outcomes of each client group

	<i>Column percentages</i>					
	New/repeat			Existing		
	No IWBC	IWBC	All	No IWBC	IWBC	All
Entered into						
NDLP	27	57	35	21	53	31
Moved into work						
	19	40	25	6	29	13
<i>Unweighted base</i>	<i>1,123</i>	<i>447</i>	<i>1,570</i>	<i>771</i>	<i>390</i>	<i>1,161</i>
Days to first work entry*						
Mean	132	99	118	[193]	139	155
<i>Unweighted base</i>	<i>216</i>	<i>197</i>	<i>393</i>	<i>48</i>	<i>106</i>	<i>154</i>
Proportion of time in work						
Mean	11	27	16	3	17	7
Benefit exit						
	44	61	49	15	36	22
<i>Unweighted base</i>	<i>1,123</i>	<i>447</i>	<i>1,570</i>	<i>771</i>	<i>390</i>	<i>1,161</i>
Weeks to first benefit exit**						
Mean	14	15	15	29	22	25
<i>Unweighted base</i>	<i>493</i>	<i>271</i>	<i>764</i>	<i>110</i>	<i>137</i>	<i>247</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted. *Only those who entered 16+ hours work. **Only those who left benefits.

Moreover, among those who entered work, lone parents who received an IWBC were likely to enter work more often and spend more time in work compared with lone parents who did not receive it. The speed of benefit exit differed only among existing lone parents: those who received the IWBC were likely to leave benefits more quickly than those who did not receive it.

These findings suggest that the IWBC could have encouraged lone parents to enter work and therefore, had it been offered to more lone parents, the work and benefit outcomes could have been even higher. However, it is not clear that Personal Advisers (PAs) should always offer an IWBC at the time of initial LPWFI. Although inconsistencies in the IWBC conduct across PAs may be part of the reason why some claimants did not receive it at the time of initial LPWFI, it is also possible that some lone parents subsequently received IWBC when participating in NDLP. If this was true, then taking into account the higher NDLP participation rate among new/repeat lone parents (Table 2.1) would reduce the difference between the two client groups in receiving IWBCs.

However, there still were 'inequalities' between lone parents (both existing and new/repeat) in receiving IWBCs (Table 2.3). For those not in full-time work both

new/repeat and existing claimants who received the IWBC were more likely to be unemployed (i.e. seeking work) than those claimants who did not receive it. Existing claimants who had IWBCs were also more likely to already be in work of under 16 hours a week, i.e. be more job-ready, than existing claimants who did not receive IWBCs. Both existing and new/repeat claimants who received IWBCs were less likely to describe their status as looking after children and have health problems than lone parents who did not receive IWBCs.

Table 2.3 Economic status of claimants at the time of LPWFI and incidence of IWBC

	<i>Column percentages</i>					
	New/repeat			Existing		
	No	Yes	Had IWBC All	No	Yes	All
In work of under 16 hours	6	7	6	5	13	7
In training, including government scheme	4	3	3	4	4	4
Unemployed	22	38	27	11	17	13
Looking after children	51	43	49	46	53	48
Health problems	11	5	10	29	10	23
Not working for another reason	5	4	5	6	4	5
<i>Unweighted base</i>	<i>1,121</i>	<i>445</i>	<i>1,566</i>	<i>771</i>	<i>389</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

The analysis of work outcomes also showed that those lone parents (both existing and new/repeat) who entered work were more likely to describe their status as unemployed at the time of the initial LPWFI than lone parents who did not move into work (Table 2.4). Additionally, existing claimants who entered work were more likely to already have a job with few hours compared with existing claimants who did not enter work. Those who entered work differed from those who did not do so, in the barriers they faced. These barriers, in turn, varied between the existing and new/repeat claimants groups. New/repeat claimants who did not enter work within the first 12 months after the initial LPWFI were more likely to describe their status as looking after children than those who entered work. Health problems were a barrier among existing claimants: lone parents who entered work were less likely to cite health problems than lone parents who did not enter work.

Table 2.4 Economic status of claimants at the time of LPWFI and work entry

	<i>Column percentages</i>					
	New/repeat			Existing		
	No	Yes	Moved in work All	No	Yes	All
In work of under 16 hours	7	3	6	6	14	7
In training, including government scheme	4	3	3	4	4	4
Unemployed	19	49	27	11	28	13
Looking after children	55	32	49	49	45	48
Health problems	11	7	10	25	4	23
Not working for another reason	5	6	5	5	5	5
<i>Unweighted base</i>	<i>1,173</i>	<i>393</i>	<i>1,566</i>	<i>1,006</i>	<i>154</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

Similar findings emerge from Table 2.5. Both new/repeat and existing claimants who left benefits were more likely to describe themselves as unemployed (i.e. seeking work) at the time of the initial LPWFI than claimants who stayed on benefits (Table 2.5). Existing claimants who left benefits were more likely to have a job with fewer hours than existing claimants who were still claiming benefits a year after the initial LPWFI. New/repeat lone parents who left benefits were less likely to describe themselves as looking after their children than lone parents who did not leave benefits. Ill-health appeared to be a barrier to leaving benefits among both lone parent groups: new/repeat, but particularly existing, claimants who left benefits were less likely to cite health problems than lone parents who were still claiming benefits 12 months after their initial LPWFI.

A clear difference is demonstrated between new/repeat and existing lone parents with regard to their work and benefit outcomes assessed 12 months after their initial LPWFI. New/repeat claimants were more likely than existing claimants to enter work and exit benefits.

Where both existing and new/repeat claimants entered work and exited benefits, new/repeat lone parents did so more quickly and they also spent more time in work than did existing claimants who entered work. These differences in the outcomes achieved by the two client groups are not clearly attributable to receiving an IWBC because the incidence of receiving an IWBC did not differ **between** the groups. This suggests the existence of differences in characteristics, such as their demographic profile, educational attainment and skills and barriers to work. If this was true, then better work and benefit outcomes demonstrated by new/repeat lone parents could stem, for example, from their greater job-readiness compared with existing lone

parents. These differences between the two client groups imply that the analysis of association between IWBC outcomes and lone parents' work and benefit outcomes should be conducted separately for each group.

Table 2.5 Economic status of claimants at the time of LPWFI and benefit exit

	<i>Column percentages</i>					
	New/repeat			Existing		
	No	Yes	All	No	Yes	All
In work of under 16 hours	5	7	6	4	17	7
In training, including government scheme	3	4	3	4	4	4
Unemployed	18	36	27	10	24	13
Looking after children	56	41	49	49	46	48
Health problems	13	6	10	27	6	23
Not working for another reason	4	6	5	5	4	5
<i>Unweighted base</i>	802	764	1,566	913	247	1,160

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

The analysis also showed that **within** each group, customers experiencing an IWBC were likely to have higher chances of entering work or leaving benefits within the first year after the initial LPWFI. If they received an IWBC, both new/repeat and existing lone parents were more likely to enter NDLP, move into work of 16 or more hours a week and exit benefits. The speed of work entry and time spent in work were also positively associated with receiving an IWBC. Additionally, existing claimants who received an IWBC left benefits more quickly than those who did not receive it.

However, a relation between claimants' characteristics and the incidence of receiving an IWBC is noticeable. Regardless of whether lone parents were existing or new/repeat claimants, those who received an IWBC were more likely to be looking for work and less likely to have a child with a long-standing illness or have health problems themselves than lone parents who did not receive an IWBC. These same characteristics also distinguished those who entered work and left benefits from those who did not do so.

These findings have two implications. First, they point to endogeneity in the IWBC provision, whereby lone parents receiving IWBCs were those most likely to enter work and leave benefits. Therefore, analysis should focus only on lone parents who received an IWBC to avoid a bias in results connected with a sample selection problem. Secondly, these findings suggest that a positive association between receiving an IWBC and work and benefit outcomes is unlikely to be causal. In other

words, it is possible that claimants' characteristics determined whether they received an IWBC, entered work and left benefits. This is the issue now examined: claimants' demographic characteristics, their education and skills, and barriers to work are analysed with regard to their work and benefit outcomes, and the incidence of IWBC.

2.2 An overview of claimants' demographic characteristics

This analysis mostly made use of administrative data because of the lack of quality of the survey data on claimants' children. The survey data were employed, however, with regard to housing tenure and where there was no contradiction between the two data sets.

2.2.1 Claimants' demographic characteristics and IWBC incidence

Table 2.6 shows that those who received an IWBC were more likely to be white, regardless of whether they were existing or new/repeat claimants. Figure 2.1 points to differences both between and within the two client groups. Existing lone parents were older than new/repeat lone parents but regardless of the client group, those who received an IWBC were more likely to be younger than those who did not. Existing claimants in general were more likely to have fewer and older children than new/repeat claimants (Figure 2.2). However, within this former claimant group, lone parents who received an IWBC were more likely to have only one (older) child than lone parents who did not receive an IWBC. Finally, the majority of existing lone parents, unlike new/repeat lone parents, were social tenants but among this group, those who received an IWBC were less likely to live in the social rented sector.

It seems, therefore, that those who received an IWBC were more likely to be younger, white and have fewer and older children at the time of initial LPWFI than those who did not receive an IWBC.

Table 2.6 Claimants' characteristics and IWBC incidence

	<i>Column percentages</i>					
	New/repeat			Existing		
	No IWBC	IWBC	All	No IWBC	IWBC	All
Sex of respondent						
Female	88	86	88	85	87	86
Ethnicity						
White	84	93	87	87	91	88
Number of children*						
1	45	46	45	62	68	64
2	36	34	35	30	27	29
3+	19	20	19	9	5	7
<i>Unweighted base</i>	<i>1,007</i>	<i>407</i>	<i>1,414</i>	<i>692</i>	<i>376</i>	<i>1,068</i>
Housing tenure						
Social rented sector	47	50	48	58	52	56
Housing Associations, co-operatives, charities, etc	19	20	19	18	20	19
Private rented sector	14	14	14	11	11	11
Owner occupied	19	17	18	13	16	14
<i>Unweighted base</i>	<i>1,121</i>	<i>444</i>	<i>1,566</i>	<i>771</i>	<i>389</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI (mostly administrative data). Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of initial LPWFI.

Figure 2.1 Age of respondents and IWBC incidence

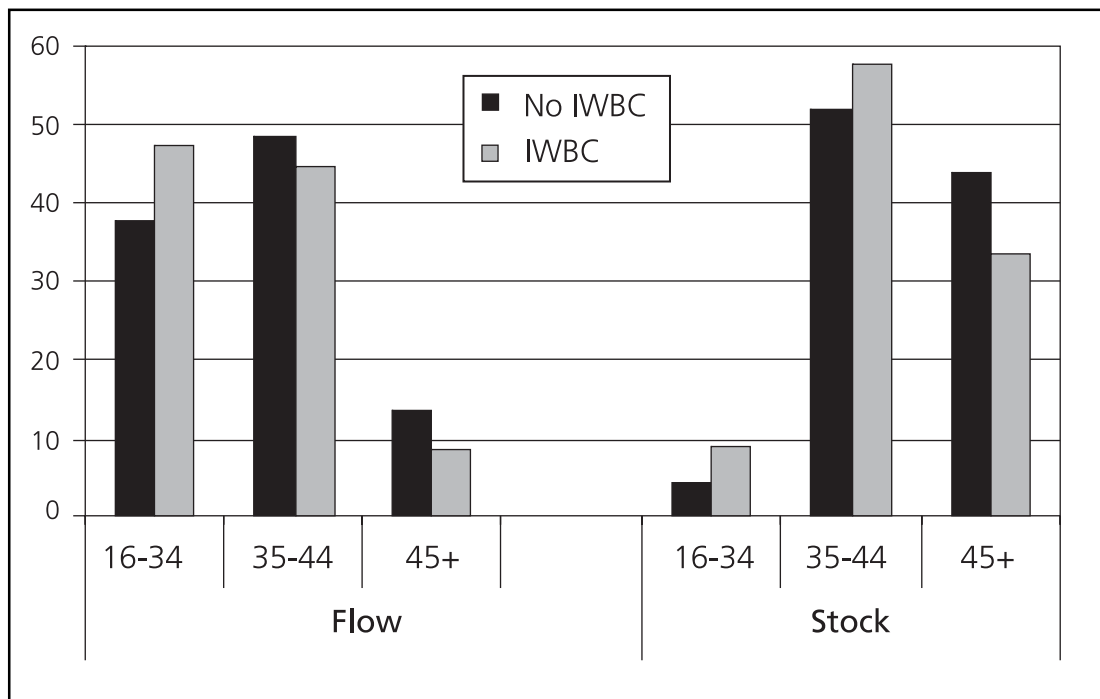
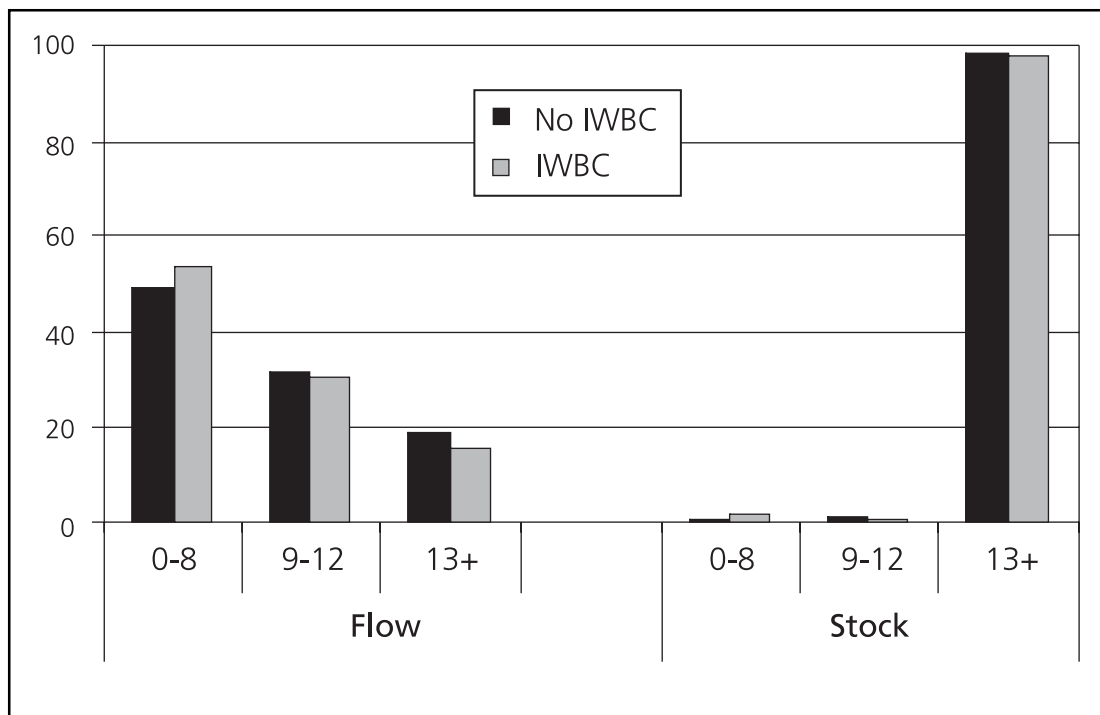


Figure 2.2 Age of claimants' youngest child and IWBC incidence



2.2.2 Claimants' demographic characteristics and work outcomes

These same demographic characteristics are associated with those who entered work within the first 12 months after the initial LPWFI. Table 2.7, Figure 2.3 and Figure 2.4 demonstrate that regardless of whether they were new/repeat or existing Income Support (IS) claimants, those who moved into work were more likely to be white, have only one child and own their house than those who did not move into work. Additionally, new/repeat claimants who moved into work were more likely to have a child older than nine years of age compared with those who did not enter the labour market.

Table 2.7 Claimants' characteristics and movement into work

	<i>Column percentages</i>					
	New/repeat			Existing		
	Did not move	Moved into work	All	Did not move	Moved into work	All
Sex of respondent						
Female	87	89	88	85	87	86
Ethnicity						
White	84	93	87	87	93	88
Number of children*						
1	42	56	45	62	79	64
2	37	30	35	30	18	29
3+	21	14	19	8	4	7
<i>Unweighted base</i>	<i>1,074</i>	<i>340</i>	<i>1,414</i>	<i>915</i>	<i>153</i>	<i>1,068</i>
Housing tenure						
Local authority	49	45	48	57	52	56
Housing Association, co-operatives, charity, etc	20	18	19	19	17	19
Private rental sector	15	11	14	11	13	11
Owner occupied	16	26	18	13	18	14
<i>Unweighted base</i>	<i>1,173</i>	<i>393</i>	<i>1,566</i>	<i>1,006</i>	<i>154</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of the first LPWFI.

Figure 2.3 Age of respondents and movement into work

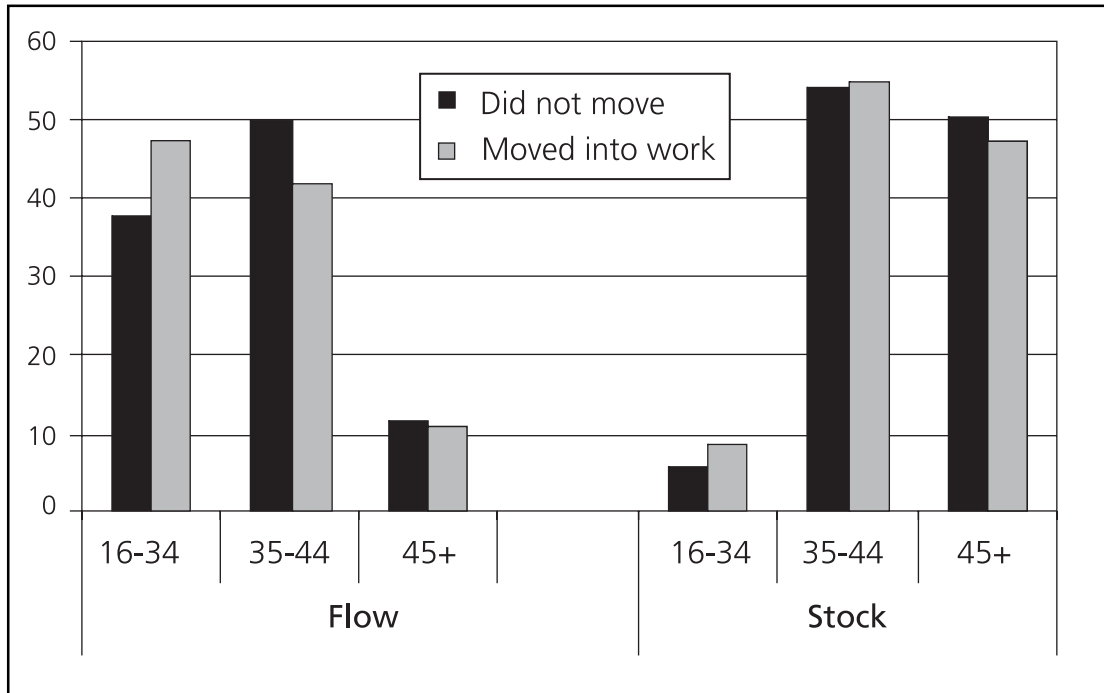
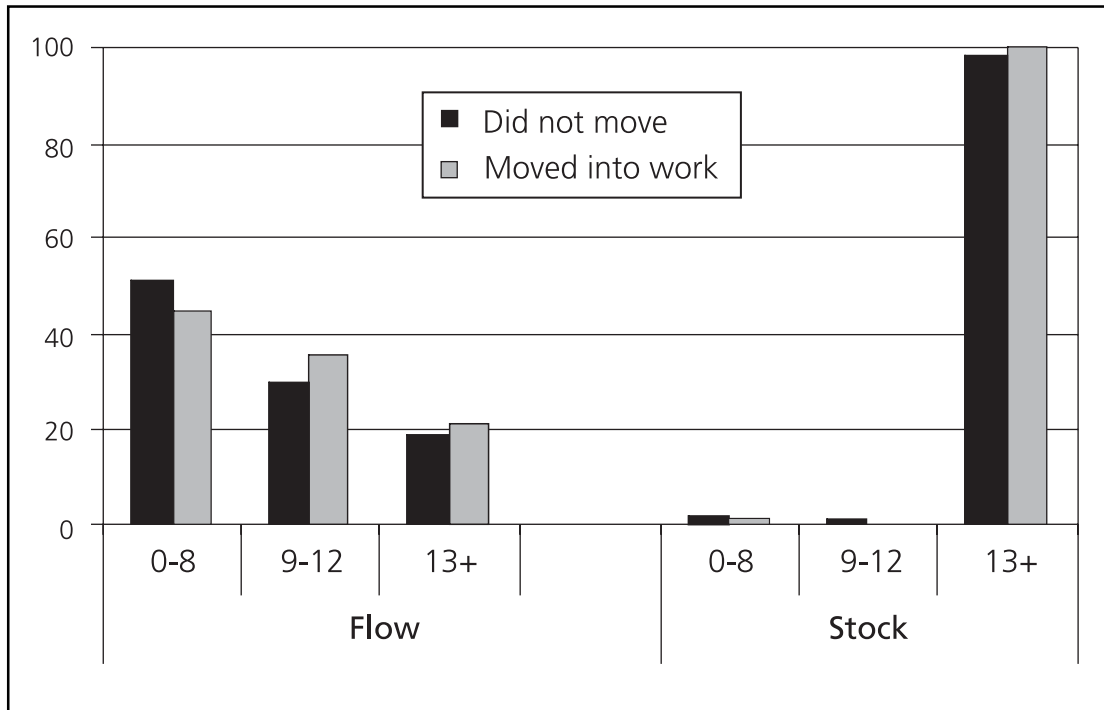


Figure 2.4 Age of claimants' youngest child and movement into work



2.2.3 Demographic characteristics and benefit outcomes

The analyses of benefit outcomes are more difficult to interpret without first distinguishing between the benefits lone parents receive and knowing the reason for leaving benefits or destination of benefit leavers. Nevertheless, similar to the previous analyses of demographic characteristics, lone parents (both existing and new/repeat) who left benefits were more likely to be younger and have fewer children than those who were still on benefits 12 months after the initial LPWFI (Table 2.8, Figure 2.5 and Figure 2.6). Among new/repeat claimants, those who left benefits were more likely to live in their own house than those who did not leave benefits. It is important to note, however, that if during the year after the initial LPWFI claimants moved from IS on to another benefit without a time gap between claiming the two different benefit types, in this analysis they are considered as being on benefit during this year and feature among those claimants who did not leave benefits.

Table 2.8 Claimants' characteristics and benefit exit

	<i>Column percentages</i>					
	New/repeat			Existing		
	Still on benefit	Left benefit	All	Still on benefit	Left benefit	All
Sex of respondent						
Female	86	89	88	86	84	86
Ethnicity						
White	85	88	87	87	90	88
Number of children*						
1	43	48	45	62	71	64
2	38	32	35	30	25	29
3+	19	19	19	8	4	7
<i>Unweighted base</i>	<i>787</i>	<i>627</i>	<i>1,414</i>	<i>829</i>	<i>239</i>	<i>1,068</i>
Housing tenure						
Local authority	50	47	48	57	55	56
Housing Association, co-operatives, charity, etc	20	19	19	20	15	19
Private rented sector	15	13	14	10	14	11
Owner occupied	15	21	18	14	15	14
<i>Unweighted base</i>	<i>802</i>	<i>764</i>	<i>1,566</i>	<i>913</i>	<i>247</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of the first LPWFI.

Figure 2.5 Age of respondents and benefit exit

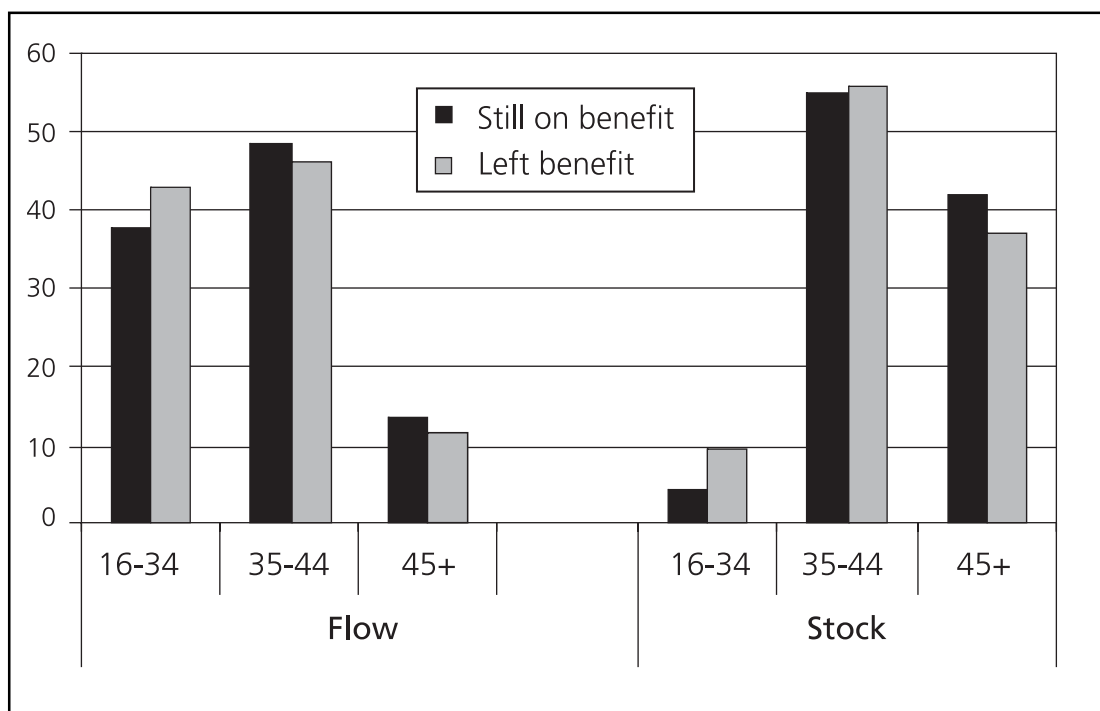
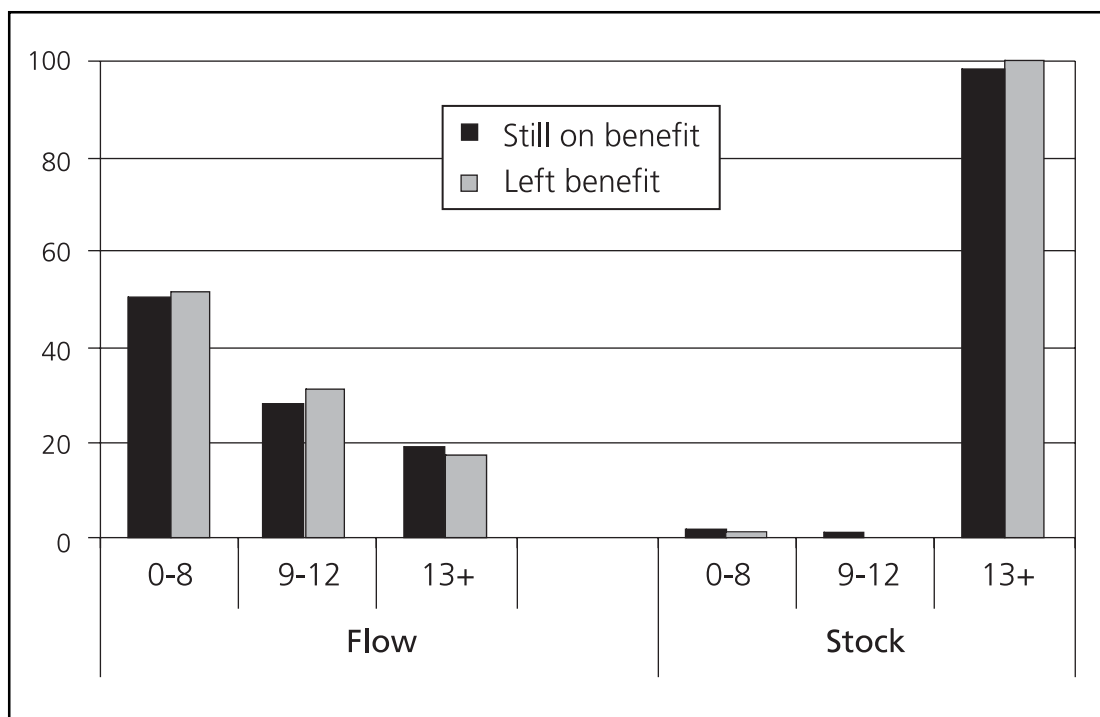


Figure 2.6 Age of claimants' youngest child and benefit exit



Claimants' ethnicity and age, the size of their family and the age of their youngest child as well as housing tenure, are all associated with their work and benefit outcomes as well as with the likelihood of receiving an IWBC. This pattern was observed against the background of the greater probability to enter work and leave benefits of new/repeat lone parents compared with existing lone parents. These findings lead to two conclusions:

- the two client groups should indeed be analysed separately;
- associations were found between demographic characteristics and work and benefits outcomes and between these characteristics and receiving an IWBC.

2.3 An overview of claimants' educational attainment and skills

The data on claimants' educational characteristics and skills used in this analysis originate from the survey.

2.3.1 Claimants' education and skills and IWBC incidence

Table 2.9 reveals noticeable differences between the two client groups in their educational characteristics and skills. While the majority of lone parents who attended LPWFI had left school at 16 years of age or earlier, new/repeat lone parents had less commonly done so than existing lone parents. A similar finding refers to work experience, where four-fifths of the new/repeat contrasted with three-fifths of the existing claimants, had worked in the past. Existing lone parents who had an IWBC did not differ from those who did not have an IWBC on these two indicators of work experience and education. However, among new/repeat claimants, those who received an IWBC differed from those who did not receive an IWBC: the former were more likely to have left school at 16 or earlier and they were also more likely to have some work experience than the latter group.

New/repeat and existing claimants also differed with regard to their skills and qualifications. While 61 per cent of new repeat claimants had some qualification, a comparable 63 per cent of the existing claimants did not have any qualification. While 66 per cent of existing lone parents had no driving licence, slightly fewer (54 per cent) of new/repeat claimants had none. One-third of new/repeat claimants had car access compared with only one-fourth of existing claimants. The likelihood of having qualifications and the likelihood of having car access did not differ between new/repeat claimants who received an IWBC and those who did not receive it. However, the picture was different where existing claimants were concerned: lone parents who received an IWBC were more likely to have some qualification than lone parents who did not receive an IWBC. Those existing claimants who received an IWBC were also more likely to have car access and less likely to have no driving licence compared with those not given an IWBC.

Table 2.9 Claimants' education and skills and IWBC incidence

	<i>Column percentages</i>					
	New/repeat			Existing		
	No IWBC	IWBC	All	No IWBC	IWBC	All
Age finished education						
16 or under	77	82	79	89	87	88
<i>Unweighted base</i>	<i>1,098</i>	<i>443</i>	<i>1,541</i>	<i>760</i>	<i>384</i>	<i>1,144</i>
Ever worked in past						
	77	86	80	59	60	59
<i>Unweighted base</i>	<i>1,051</i>	<i>416</i>	<i>1,467</i>	<i>729</i>	<i>341</i>	<i>1,070</i>
Has any qualification						
	61	62	61	34	44	37
Driving licence						
No licence	54	53	54	69	59	66
Licence but no car access	12	11	12	8	10	9
Car access	34	36	35	22	30	25
Looking for work						
	30	50	35	18	27	21
<i>Unweighted base</i>	<i>1,121</i>	<i>444</i>	<i>1,566</i>	<i>771</i>	<i>389</i>	<i>1,160</i>
Expectations about the impact of future work						
Better off	42	52	45	34	45	38
No difference	21	22	21	26	22	24
Worse off	26	21	25	27	21	25
Don't know	11	5	9	13	11	12
<i>Unweighted base</i>	<i>722</i>	<i>265</i>	<i>987</i>	<i>413</i>	<i>237</i>	<i>650</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI (survey data).
Column percentages are weighted.

It is not surprising given these differences that new/repeat claimants were more likely to be looking for work at the time of the initial LPWFI and were also more likely to have better expectations about the impact of future work on their finances. What is crucial, however, is that **new/repeat and existing lone parents who received the IWBC were much more likely to be looking for work than those who did not receive the IWBC**. This supports the earlier suggestion that claimants' characteristics, including the degree of their job readiness, may be associated with the PA's decision to provide them with an IWBC. Understandably, compared with new/repeat and existing claimants who did not receive an IWBC, those who received it were more likely to expect future work to bring improvements in their financial position. In contrast, new/repeat and existing claimants who did not receive an IWBC were more likely to expect worsening in their financial situation if they entered work compared with lone parents who received an IWBC. These claimants retained

their fears of losing financially if they left benefits and entered work. It is also plausible that PAs chose not to provide lone parents with an IWBC in anticipation of a negative outcome.

2.3.2 Claimants' education and skills and their work outcomes

The findings that emerged from the analysis of IWBC incidence are very similar to those obtained in the analysis of work entry (Table 2.10). Both new/repeat and existing lone parents who moved into work were more likely to have qualifications and past work experience than those who stayed out of work during a year after the initial LPWFI, and they were also more likely to have a driving licence and car access.

Table 2.10 Claimants' education and skills and work entry

	<i>Column percentages</i>					
	New/repeat			Existing		
	Did not move	Moved into work	All	Did not move	Moved into work	All
Age finished education						
16 or under	80	75	79	88	89	88
<i>Unweighted base</i>	<i>1,150</i>	<i>391</i>	<i>1,541</i>	<i>1,150</i>	<i>391</i>	<i>1,541</i>
Ever worked in past	76	89	80	58	68	59
<i>Unweighted base</i>	<i>1,088</i>	<i>379</i>	<i>1,467</i>	<i>1,088</i>	<i>379</i>	<i>1,467</i>
Has any qualification	58	71	61	34	55	37
Driving licence						
No licence	57	43	54	67	57	66
Licence but no car access	12	10	12	9	8	9
Car access	31	47	35	24	34	25
Looking for work	27	61	35	18	38	21
<i>Unweighted base</i>	<i>1,173</i>	<i>393</i>	<i>1,566</i>	<i>1,006</i>	<i>154</i>	<i>1,160</i>
Expectations about the impact of future work						
Better off	42	59	45	38	41	38
No difference	21	22	21	24	30	24
Worse off	27	14	25	26	20	25
Don't know	10	5	9	13	9	12
<i>Unweighted base</i>	<i>857</i>	<i>130</i>	<i>987</i>	<i>857</i>	<i>130</i>	<i>987</i>

Base: all those who were out of 16+ hrs work at the time of initial LPWFI. Column percentages are weighted.

The differences between lone parents who moved into work and those who did not do so were striking. Among both new/repeat and existing lone parents who moved into work, the proportions of those looking for work was more than twice their respective proportions among those who did not move into work. Similarly to previous findings, new/repeat and existing lone parents who had moved into work were less likely to expect worsening in their financial position before the move than those who did not make this move. Additionally, new/repeat claimants who moved into work within the first 12 months after their initial LPWFI were more likely to think that their financial position would improve in work than new/repeat lone parents who stayed out of work for this period.

2.3.3 Claimants' education and skills and benefit outcomes

The analysis of association between claimants' educational characteristics and skills and their benefit outcomes shows that existing lone parents who left benefits were more likely to have qualifications and work experience than existing lone parents who stayed on benefits during the first year after their initial LPWFI (Table 2.11). Compared with lone parents who stayed on benefits, both new/repeat and existing claimants who left benefits were more likely to have a licence and car access, to look for work and to have positive expectations about the impact of future work on their financial wellbeing.

To summarise, there are marked differences between new/repeat and existing claimants regarding their educational attainment, qualification, skills and work experience. Underachievement of existing claimants compared with new/repeat claimants in these aspects may explain their lower expectations about benefits of the future work and the lack of intensity in their job search activity. Nevertheless, within each client group, lone parents who received an IWBC, moved into work or exited benefits were likely to have a set of similar characteristics distinguishing them from lone parents who did not receive an IWBC, did not move into work or stayed on benefit during the period under investigation. These characteristics included qualification and work experience, driving licence and car access, job readiness and positive expectations about the impact of future work on their finances.

Since these same characteristics feature in analyses of IWBC receipt, work entry and benefit exit, it is conceivable that an association between **receiving** an IWBC and work and benefit outcomes will be found. However, this association will not necessarily be causal but determined by these characteristics. Accordingly, later analysis focuses on the association between the IWBC **outcomes** and work and benefit outcomes.

Table 2.11 Claimants' education and skills and benefit exit

	<i>Column percentages</i>					
	New/repeat			Existing		
	Still on benefit	Left benefit	All	Still on benefit	Left benefit	All
Age finished education						
16 or under	80	77	79	88	90	88
<i>Unweighted base</i>	792	749	1,541	897	247	1,144
Ever worked in past						
	78	82	80	58	67	59
<i>Unweighted base</i>	758	709	1,467	867	203	1,070
Has any qualification						
Driving licence						
No licence	60	62	61	34	47	37
Licence but no car access	57	50	54	68	59	66
Car access	13	10	12	9	9	9
	30	40	35	23	32	25
Looking for work						
	26	45	35	17	34	21
<i>Unweighted base</i>	802	764	1,566	913	247	1,160
Expectations about the impact of future work						
Better off	39	54	45	37	43	38
No difference	23	18	21	25	23	24
Worse off	27	21	25	26	21	25
Don't know	11	7	9	12	13	12
<i>Unweighted base</i>	594	393	987	536	114	650

Base: all those who were out of 16+ hrs work at the time of initial LPWFI. Column percentages are weighted.

2.4 Barriers to work among lone parents

Analysis of barriers to work used the survey data collected at wave one. Different barriers to work were included as these were perceived by lone parents themselves. Thus, lone parents were asked to assess their health as good, fairly good or not good and also to report whether they had a long-standing illness. These self-assessed characteristics fed into lone parents' perceptions of how much a barrier to work their health problems were. Those who said they had health problems were asked to comment on whether these problems affected the kind or amount of work they could do.

Presence in the family of a child with a long-standing illness or with a statement of Special Educational Needs (SEN) and the need to care for someone else other than a child were also considered in this analysis because they were likely to hinder lone parents entry into the labour market. Thomas and Griffiths (2004) suggested that having a first language other than English was a more important barrier to work than being of an ethnic minority origin and this factor was additionally included in the descriptive analysis of barriers to work.

Finally, a number of questions were asked in the survey to assess lone parents' views and experiences of barriers to work. Claimants were asked to comment on the reasons that made it difficult for them to work. The answers ranged from financial worries (*I would be worse off in work; I would not be able to cope till the first pay day; It is too expensive to look for work*, etc.) to the lack of confidence, skills or work experience and to problems with language or simple arithmetic. Problems relating to children (*I need to spend more time with them*) and childcare affordability were also mentioned by respondents and thus were included in the analyses.

As previously, barriers to work reported by lone parents were analysed with regard to the IWBC receipt and claimants' work and benefit outcomes.

2.4.1 Barriers to work and IWBC incidence

Table 2.12 demonstrates that existing lone parents were much more likely than new/repeat lone parents to record health problems. At 51 per cent, the majority of existing claimants described themselves as having health problems or a disability compared with almost half as many (26 per cent) of new/repeat claimants. Among those with health problems, existing claimants were more than twice as likely as new/repeat claimants to say that these health problems affected the kind, or amount, of work they could do. This suggests that the sample of new/repeat lone parents generally felt healthier than the sample of existing lone parents.

Within each claimant group, however, the patterns were similar: those new/repeat and existing lone parents who received an IWBC were less likely to declare health problems. Even where lone parents cited health problems, those who received an IWBC were less likely than those who did not to think that their health problems affected the kind or amount of work they could do. Likewise, new/repeat and existing lone parents who received an IWBC were less likely to have a child with a long-standing illness compared with new/repeat and existing lone parents who did not receive an IWBC. Additionally, existing claimants who received an IWBC were less likely to have a child with behavioural problems than existing claimants who did not receive it.

Table 2.12 Barriers to work and IWBC incidence

	<i>Column percentages</i>					
	New/repeat			Existing		
	No IWBC	IWBC	All	No IWBC	IWBC	All
Health status						
No health problems or disability	71	81	74	39	68	49
Health problems do not affect work that can do	6	5	5	4	5	4
Health problems affect kind or amount of work that can do	24	14	21	57	27	47
<i>Unweighted base</i>	<i>1,121</i>	<i>445</i>	<i>1,566</i>	<i>771</i>	<i>389</i>	<i>1,160</i>
Child has LSI*	23	17	21	20	13	17
<i>Unweighted base</i>	<i>995</i>	<i>404</i>	<i>1,399</i>	<i>680</i>	<i>372</i>	<i>1,052</i>
Child has SEN or Statement of SEN*	18	18	18	19	13	17
<i>Unweighted base</i>	<i>981</i>	<i>397</i>	<i>1,378</i>	<i>672</i>	<i>365</i>	<i>1,037</i>
Caring responsibilities	8	8	8	13	11	12
English is first language	91	95	92	91	94	92
Other barriers to work						
Financial worries	34	39	35	38	46	40
Skills/confidence	31	27	30	44	47	45
Children/childcare	62	55	60	33	37	34
Literacy/numeracy	17	10	15	20	15	19
<i>Unweighted base</i>	<i>1,121</i>	<i>445</i>	<i>1,566</i>	<i>771</i>	<i>389</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI (survey data).
Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of initial LPWFI.

There were differences between the two client groups where other barriers to work were concerned. Compared with new/repeat lone parents, existing lone parents were more likely to point to the lack of skills and/or confidence, and be less likely to consider childcare and other children-related problems as barriers to work. This is consistent with the results of previous analyses which showed that in comparison with new/repeat claimants, existing claimants were much less likely to have any qualification or work experience and were more likely to have fewer and older children.

Within each group there were differences between those who received and those who did not receive an IWBC. Of those out of full time work, existing and to a lesser extent new/repeat claimants **who received an IWBC** were more likely to have had worries about being worse off in work than claimants who did not receive an IWBC. Since lone parents' views were collected approximately six months after their initial LPWFI at which an IWBC was conducted, this finding suggests that the outcome of the IWBC itself may have influenced lone parents' perception of this barrier to work. Additionally, amongst new/repeat claimants, those who received an IWBC were less likely than those who did not receive an IWBC to have children-related barriers to work or problems with literacy and/or numeracy.

The analysis points to further differences between the new/repeat and existing client groups in their perceived barriers to work confirming that the two groups should be analysed differently. Within each group, however, certain characteristics seem to be associated with a receipt of an IWBC at the initial LPWFI. Compared with lone parents who did not receive an IWBC, lone parents who received it were less likely to have health problems, especially problems that affected the kind or amount of work they could do, and they were less likely to have a child with a long-standing illness. New/repeat claimants who received an IWBC, additionally, were more likely than new/repeat claimants who did not receive it to be free from children-related concerns and literacy and/or numeracy problems.

2.4.2 Barriers to work and work outcomes

A very similar picture emerged from the analysis of work outcomes (Table 2.13). Compared with lone parents who did not enter work, existing and new/repeat lone parents who did so were less likely to have health problems, especially problems affecting the amount or kind of work they could do, and to have a child with a long-standing illness or behavioural problems.

As was the case with ethnicity, those who entered work within the first 12 months after their initial LPWFI differed from those who did not do so in having English as their first language. Both existing and new/repeat claimants that entered work within the first 12 months after the initial LPWFI were more likely to be native speakers of English than their counterparts that did not enter the labour market. The other barriers common for these claimant groups included having children-related concerns and literacy/numeracy problems. Both new/repeat and existing claimants who entered work were much less likely to point to these barriers to work than those who stayed out of work for the first 12 months after their initial LPWFI.

Table 2.13 Barriers to work and work entry

	<i>Column percentages</i>					
	New/repeat			Existing		
	Did not move	Moved into work	All	Did not move	Moved into work	All
Health status						
No health problems or disability	71	82	74	44	80	49
Health problems do not affect work that can do	5	6	5	4	6	4
Health problems affect kind or amount of work can do	24	11	21	52	15	47
<i>Unweighted base</i>	<i>1,173</i>	<i>393</i>	<i>1,566</i>	<i>1,006</i>	<i>154</i>	<i>1,160</i>
Child has a long-standing illness*	24	12	21	29	10	17
<i>Unweighted base</i>	<i>1,061</i>	<i>338</i>	<i>1,399</i>	<i>900</i>	<i>152</i>	<i>1,052</i>
Child has SEN or Statement of SEN*	20	11	18	19	9	17
<i>Unweighted base</i>	<i>1,044</i>	<i>334</i>	<i>1,378</i>	<i>888</i>	<i>149</i>	<i>1,037</i>
Caring responsibilities	9	7	8	12	12	12
English is first language	90	97	92	91	97	92
Other barriers to work						
Financial worries	38	26	35	41	38	40
Skills/confidence	32	21	30	45	43	45
Children/childcare	66	41	60	36	27	34
Literacy/numeracy	18	6	15	20	11	19
<i>Unweighted base</i>	<i>1,173</i>	<i>393</i>	<i>1,566</i>	<i>1,006</i>	<i>154</i>	<i>1,160</i>

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of initial LPWFI.

Although all previous analyses suggested that the likelihood of IWBC receipt and the likelihood of work entry were associated with similar characteristics, this was not the case with regard to financial worries. The association between the attitudinal barriers to work and outcomes is, however, difficult to interpret because of the changing nature of people's attitudes and the fact that these views were expressed half a year after the initial LPWFI at which the IWBC was conducted. Thus while new/repeat claimants who received an IWBC were more likely to have financial worries than those who did not receive an IWBC, new/repeat claimants who entered work were less likely to have financial worries than those who did not enter work. It is

impossible to suggest whether the financial worries of those who entered work were addressed by the IWBC they received or these lone parents were ready to enter work regardless of the IWBC outcome. It is also probable that lone parents who did not enter work had their financial worries confirmed by the IWBC outcome. Finally, new/repeat lone parents who entered work were much less likely to lack skills and/or confidence than lone parents who did not enter work.

2.4.3 Barriers to work and benefit outcomes

Table 2.14 points to associations between the barriers to work and the likelihood of benefit exit and shows that these were similar to those found for other outcomes. New/repeat and existing lone parents who left benefits within the first 12 months after their initial LPWFI were less likely to have health problems, particularly those problems that affected the kind and amount of work they could do, and less likely to have a child with a long-standing illness or disability than new/repeat and existing lone parents who stayed on benefits during this time. Existing claimants who stayed on benefits were more likely to have a child with SEN than existing claimants who left benefits.

Lone parents who left benefits differed from lone parents who stayed on benefits in the barriers to work which they reported. Those who left benefits (both existing and new/repeat claimants) were less likely to point to the lack of skills and/or confidence and to children-related problems than the latter group. Similar to the findings for work outcomes, new/repeat lone parents who left benefits were less likely to foresee financial worries than new/repeat lone parents who did not do so.

These analyses of barriers to work and different work and benefit outcomes and IWBC incidence pointed to differences in the existing and new/repeat groups and to similarities in the sets of characteristics associated with these outcomes. New/repeat lone parents generally felt healthier than existing lone parents, they were less likely to worry about the lack of skills and/or confidence and they were more likely to point to childcare and other children-related problems as a barrier to work.

Within each group, however, similar characteristics seemed to be associated with receipt of an IWBC at the initial LPWFI and with subsequent work entry and benefit exit within the first 12 months after the initial LPWFI. Compared with lone parents who did not receive an IWBC, did not enter work or did not leave benefits, those lone parents who received an IWBC, entered work or left benefits were less likely to have health problems, especially problems that affected the kind or amount of work they could do, they were less likely to have a child with a long-standing illness or behavioural problems and they were less likely to have children-related concerns and literacy/numeracy problems.

Table 2.14 Barriers to work and benefit exit

	<i>Column percentages</i>					
	New/repeat			Existing		
	Still on benefit	Left benefit	All	Still on benefit	Left benefit	All
Health status						
No health problems or disability	68	79	74	41	75	49
Health problems do not affect work that can do	5	6	5	4	4	4
Health problems affect kind or amount of work that can do	27	15	21	55	20	47
<i>Unweighted base</i>	802	764	1,566	913	247	1,160
Child has a long-standing illness*	26	16	21	20	10	17
<i>Unweighted base</i>	781	618	1,399	816	236	1,052
Child has SEN or Statement of SEN*	19	16	18	19	12	17
<i>Unweighted base</i>	771	607	1,378	805	232	1,037
Caring responsibilities	8	8	8	13	10	12
English is first language	91	92	92	91	94	92
Other barriers to work						
Financial worries	43	27	35	40	40	40
Skills/confidence	36	23	30	46	41	45
Children/childcare	70	49	60	37	24	34
Literacy/numeracy	16	13	15	19	15	19
<i>Unweighted base</i>	802	764	1,566	913	247	1,160

Base: all those who were out of 16+ hours work at the time of initial LPWFI. Column percentages are weighted.

* Excludes those who according to administrative data did not have children at the date of initial LPWFI.

One finding of the analysis which was difficult to explain referred to the association between financial worries reported by lone parents and different outcomes. On the one hand, new/repeat claimants who received IWBC were more likely to foresee financial worries than those who did not receive IWBC. On the other hand, new/ repeat claimants who entered work or who left benefits were less likely to foresee financial worries than new/repeat claimants who did not enter work or did not leave benefits. This finding seemed to be contradictory because the previous analysis pointed to a positive association between the receipt of IWBC and work and benefit outcomes (Table 2.2). Since lone parents' views regarding the barriers to work were

collected six months after the IWBC was conducted, these results may point to any or all of the following scenarios: that the financial worries of those who entered work were addressed by the IWBC they received; that the financial worries of those who did **not** enter work were confirmed by the IWBC outcome; and that lone parents who were ready to enter work did so regardless of the IWBC outcome. Therefore, a term accounting for interaction between this barrier and the IWBC outcome will be introduced in subsequent analyses.

2.5 Summary

This chapter presented descriptive analyses of IWBC incidence and work and benefit outcomes, and of association between these and claimants' demographic characteristics (their qualification and educational attainment, work experience, skills and barriers to work entry). The results of analyses led to a number of conclusions that had implications for further analysis.

First, there were clear differences found between new/repeat and existing claimants. New/repeat lone parents were more likely to enter work and leave benefits, they tended to achieve these outcomes more quickly and where they entered work, on average they would spend more time in work than existing lone parents. These differences between the two claimant groups were unlikely to be attributed to receiving IWBC because existing lone parents were as likely to receive IWBC as were new/repeat claimants. Instead, they may be attributed to variation in claimants' endowed characteristics, such as their demographic profile, educational attainment and the skills and barriers to work they faced.

Compared to new/repeat claimants, existing claimants were more likely to be older, have fewer and older children and live in the social rented sector. They were more likely to declare health problems, especially problems affecting the kind or amount of work they could do. The majority of existing claimants did not have any qualification in contrast to the majority of new/repeat claimants who had some qualification. Existing lone parents were more likely to have left school at 16 years of age or earlier, and to lack work experience and driving skills. When asked about barriers to work, existing lone parents were more likely to point to their lack of skills and/or confidence than new/repeat lone parents. It was not surprising, therefore, to find that new/repeat claimants were more likely to be looking for work and to have better expectations about the impact of future work on their finances than existing claimants.

These differences between new/repeat and existing lone parents implied that the analysis of association between IWBC outcomes and lone parents' work and benefit outcomes should be conducted separately for each group.

Secondly, within each client group, these same endowed characteristics distinguished those who received an IWBC from those who did not receive it, those who moved into work from those who did not, and those who left benefits from those who did

not. For example, regardless of whether lone parents were existing or new/repeat claimants, those who received an IWBC, those who moved into work and those who left benefits were more likely to be looking for work and less likely to have a child with a long-standing illness or have health problems themselves than those who did not receive an IWBC, those who did not move into work and those who did not leave benefits respectively. Accordingly, within each client group, lone parents who received an IWBC were more likely than lone parents who did not receive it to enter work or leave benefits within the first year after the initial LPWFI. The speed of work entry and time spent in work was also positively associated with receiving IWBC.

This association between receiving an IWBC and achieving better outcomes is not interpreted as causal. Rather, it may be explained by the impact that claimants' characteristics have on both the incidence of receiving an IWBC and work and benefit outcomes. This implied that lone parents receiving an IWBC were those most likely to enter work and leave benefits. In Chapter 3, further analyses, will focus only on lone parents who received an IWBC and, therefore, investigate the association between IWBC **outcomes** and work and benefit outcomes.

3 In Work Benefit Calculation relationships with work and benefit outcomes

This chapter contains analyses of the association between In Work Benefit Calculation (IWBC) outcomes and work and benefit outcomes. Modelling was based on both theoretical grounds and findings of the descriptive chapter. As a result, new/repeat and existing claimants were analysed separately because these two client groups differed significantly from each other and because the Lone Parent Work Focused Interview (LPWFI) programme operated differently for them. The period under analysis was restricted to the first 12 months after the initial LPWFI to diminish the complicating impact of consecutive LPWFIs and IWBCs on work and benefit outcomes. Consequently, the number of LPWFIs attended was excluded from the set of explanatory variables and the outcome of the second IWBC, where it was provided, was disregarded.

Descriptive analysis pointed to a number of factors that may be detrimental to lone parents' work and benefit outcomes. These included the demographic profile of claimants, their educational characteristics, work experience, skills and also the barriers to work perceived by them. Together with IWBC outcomes, these factors were entered in the models to assess the association between each of the factors and work and benefit outcomes, independent from all other factors.

Demographic characteristics were represented by the age of respondents, their sex, the age of their youngest child and the number of children they had at the time of interview with a Personal Adviser (PA)⁴.

Another set of factors referred to claimants' past work experience, their desire to work⁵, education, qualification and skills. Together with these, variables representing housing tenure, the region where claimants lived, and the month when they had their initial LPWFI were also included in the models. Lone parents were grouped into three categories depending on their status at the time of the LPWFI: working (14 per cent), looking for work (36 per cent) and other (50 per cent).

Factors relating to barriers to work were less 'robust' for modelling purposes in the sense that they reflected claimants' perception of barriers (say, about their health) and could not be confirmed using independent sources (say, their General Practitioner (GP) records). Moreover, being opinions and attitudes these factors may change over time, including for reasons related to the information received at the LPWFI itself.

Factors representing barriers to work included claimants' own health and its impact on the kind and amount of work they could do, health of their children, caring responsibilities relating to someone other than their children and also obstacles to entering work as lone parents perceived them. These barriers were described earlier and referred to as financial worries, the lack of skills and/or confidence, literacy and/or numeracy problems and concerns relating to children and childcare. There were also other barriers' mentioned by lone parents, such as perceived lack of job opportunities, negative attitude of employers to lone parents, and preferences to stay out of work.

⁴ The absence of partnership status variables in the models is explained by the quality of administrative and survey data. While administrative data lacked quality in recording the partnership status, the survey data did not contain the date of the change because the partnership status was observed at the time of survey interviews, i.e. only twice with an annual interval between the observations. Therefore, it was impossible to accurately relate the change in partnership status to the change in employment status over time.

⁵ There is some ambiguity about the factor termed the 'desire to work'. The work category intended to capture those who were in work of one-15 hours a week. The second option referred mainly to unemployed and seeking work. And the latter option reflected such reasons for being out of work as looking after home and family or being on a training scheme. The variable created for modelling purposes had only two categories depending on whether or not lone parents said they were looking for work. As a result, those who were not looking for a job of greater hours and those who were not seeking a job altogether belonged to the same category making this category mixed with regard to the types of claimants it combined. Also, since those who were looking for work according to the new variable were mainly Jobseeker's Allowance (JSA) claimants, the newly created variable was likely to be strongly associated with both movement into work and receiving the IWBC.

As was noted above, opinions and attitudes expressed by lone parents could have been affected by the information obtained at the LPWFI itself. Indeed, the financial worries of lone parents could have been addressed or confirmed by an outcome of an IWBC. In the same way, the lack of confidence and skills reported by respondents may have been linked with possessing any formal qualification. In order to account for these relationships the interaction between financial barriers and the IWBC outcome, and the interaction between the perceived lack of confidence and/or skills and possession of qualification were included as additional variables in the models.

In each of the analyses presented in this chapter the association between two outcomes was examined: various work or benefit outcomes on the one hand (dependent variable) and various IWBC outcomes (independent variable) on the other hand. The following three work and two benefit outcomes were considered (see Box A):

Box A Five work and benefit outcomes were considered for IWBC analyses:

- 1 likelihood of work entry;
- 2 time spent in work;
- 3 time to work entry;
- 4 likelihood of leaving benefits; and
- 5 time to benefit exit.

It was decided not to distinguish between different types of benefit (Income Support (IS), JSA and Incapacity Benefit (IB)) when examining benefit exit to avoid bias due to movement between benefits. Hence, the claimants were considered as being on benefit if they were on any of these benefits and the claimants were considered as having left benefits if they stopped receiving any benefits overall.

However, benefit exit could only be considered as a crude approximation to work outcomes because benefit leavers may exit benefits following a change in circumstances (say, by partnering an IB claimant) rather than moving into work. Moreover, later they may return to the same or another benefit, or they may move into work some time after leaving the benefits. Indeed, overall only 49 per cent of benefit leavers (47 per cent of new/repeat claimants and 55 per cent of existing claimants) moved into work at some point in time within the first 12 months after the LPWFI, while three per cent of lone parents (four per cent of new/repeat claimants and two per cent of existing claimants) kept receiving some benefits after moving into work. The data on destinations of benefit leavers lacks precision and this, in addition to the diversity of reasons for leaving benefits makes it difficult to clearly interpret the findings relating to the analysis of benefit outcomes. The absence of reliable data on partnership status further complicates this task.

Five outcomes of the IWBC were used in estimation (see Box B).

Box B Five IWBC outcomes were used in estimation:

- 1 provided that lone parents received an IWBC, whether they were told they would be better off, worse off or there would be no difference in their financial position if they entered work. Further in the text this is referred to as **model one**;
- 2 provided that lone parents received a positive IWBC outcome, whether they were told they would be better off by more than 20 pounds a week; **model two**;
- 3 provided that lone parents received a positive IWBC outcome, whether they were told they would be better off by more than 40 pounds a week; **model three**;
- 4 provided that lone parents received an IWBC, whether they were told they would be better off by more than 20 pounds a week; **model four**;
- 5 provided that lone parents received an IWBC, whether they were told they would be better off by more than 40 pounds a week; **model five**.

The models four and five were similar to models two and three, except they did not condition on receiving a positive IWBC outcome. Rather, they distinguished between lone parents who were told that in work they would be at least 20 pounds (model four), or at least 40 pounds (model five), better off and those lone parents who reported any other IWBC outcome. The last four models (models two to five) contained a separate category of lone parents – a missing category. This category was introduced to account for those lone parents who reported having an IWBC but could not remember the amount by which they were told they would be better or worse off.

In what follows, each work and benefit outcome is described in turn for each of the five models. First, work outcomes were considered and these included the analyses of likelihood of work entry, time spent in work and time to work entry over the 12 month follow up period. Second, benefit outcomes were described and these included the analyses of likelihood of leaving benefits and time to benefit exit within 12 months. The list of abbreviations that were used to label the variables in modelling is provided in Table A.6.

3.1 Likelihood of work entry within the first 12 months after Lone Parent Work Focused Interview

The analysis started with the examination of factors determining whether or not claimants entered work. This binary outcome was analysed using probit as a method of analysis. Positive coefficients on the variables reported in the tables implied that

claimants possessing these characteristics were more likely to enter work; negative coefficients implied the opposite. Each modelling outcome is described here, with the results shown in Section A.2, due to the size of the tables.

3.1.1 New/repeat claimants

As descriptive analysis demonstrated, among those who received an IWBC, 40 per cent of new/repeat claimants entered work within the first 12 months after the initial LPWFI (Table 2.2). Table A.7 shows which factors and to what extent they were associated with the likelihood of work entry across the five models (which differed in the types of IWBC outcome). The results are now discussed.

New/repeat claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

In this model, a positive IWBC outcome was associated with movement into work. Those who were told that in work they would be better off, were 22 per cent more likely to enter work than those who were told that working would make no difference to their financial circumstances. Another factor that increased the likelihood of work entry was lone parents' desire to work: those looking for work had a 21 per cent better chance of being in work within the first 12 months after the initial LPWFI than those who were not looking for work. At the ten per cent significance level, the model suggested that lone parents with a youngest child aged nine-12 were 14 per cent more likely to enter work than lone parents who had a younger child.

The barriers to work reported by lone parents reduced their chances to enter work. Those who said childcare and children-related reasons made their work entry difficult were 21 per cent less likely to move into work than those who did not report these barriers; and those who reported other barriers to work were 16 per cent less likely to do so. Having a child with a long-standing illness reduced the likelihood of entering work by one-fifth, and having caring responsibilities not relating to children decreased the chances of work entry by more than a third. Perceived lack of skills and/or confidence also made work entry less likely. Lone parents who reported this barrier and, at the same time, had no qualifications had a 20 per cent lower chance of entering work compared with lone parents who did not report this barrier.

New/repeat claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

Among lone parents who received a positive IWBC outcome, those who were told they would be better off by more than £20 a week were more likely to enter work:

their chances were almost 40 per cent greater than the chances of those who were told they would be better off by £20 or less a week. Among other factors positively associated with work entry were the gender of claimants (the chances of women to enter work were 36 per cent greater than those of men); having an older child (those whose youngest child was older than eight had a greater chance of being in work than those with a younger child); age of leaving education (those who left at 17 or later increased their chances of being in work by a third compared with those who left earlier); and the desire to work (those looking for work had a 35 per cent greater chance of being in work within the first 12 months after the initial LPWFI than those who were not looking for work at the time of the LPWFI).

Barriers to work included problems with childcare and children (those who reported these problems were 24 per cent less likely to enter work than those who did not mention them); having caring responsibilities (this factor reduced chances of work entry by 42 per cent); and other barriers reported by respondents, such as perceived lack of job opportunities or preferences to stay out of work, which decreased the likelihood of work entry by 38 per cent. Claimants residing in London and the rest of the South East were less likely to be found in work than those living in Scotland, and those interviewed in September or October were less likely to have a job within a year after the LPWFI than those interviewed in August.

Finally, those claimants who reported receiving a positive outcome but could not remember the amount (the 'missing' category of lone parents), were more likely to enter work. However, if financial barriers were taken into account, then those lone parents who could not recall the exact amount received at the IWBC, and reported these barriers, had a 37 per cent lower chance of being in work within the first 12 months after the LPWFI than lone parents who did not report these barriers.

New/repeat claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

In this model, movement into work was positively associated with expectations to be more than £40 a week better off but only at the ten per cent level of significance. This reduction in significance is partly an effect of accounting for the interaction between having financial barriers to work and the IWBC outcome. Indeed, in the model which did not account for this interaction the reported association was highly significant.

With regard to the interaction term, the sign of the coefficient attached to those who reported financial barriers and were told to be more than £40 a week better off, although not significant, was positive. This suggests that lone parents who reported having financial barriers were more likely to enter work than those who reported no financial barriers, if they were told they would be better off by more than £40 a week. At the same time, the coefficient relating to those who reported having

financial barriers and were told they would be less than £40 better off, although statistically insignificant, is negative. This suggests that lone parents who reported having financial barriers were less likely to enter work than those who reported no financial barriers if they were told they would be less than £40 a week better off. Lone parents who could not remember the amount they were told they would be better off, and reported having financial barriers were also less likely to enter work than those who had no financial worries, and this result was statistically significant. The negative impact associated with these two latter categories of lone parents who had financial worries, therefore, explains a weaker statistical significance of the IWBC outcome variable in this model.

The other factors associated with work entry were similar to those found in the previous model and the magnitude of the impact did not differ much either. Of interest, in this model, past work experience was found to increase the chances of work entry by 23 per cent but only at the ten per cent level of significance.

New/repeat claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

Model four showed that lone parents who were told they would be more than £20 a week better off were more likely (by 32 per cent) to enter work than those who received any other IWBC outcome. Although financial worries were not found to be a significant barrier to work entry, lone parents who reported them and did not remember their IWBC outcome (the missing category) were less likely to be in work than lone parents who reported no financial worries. With regard to other factors associated with movement into work, these were similar to those found in model one where no distinction was made between the amounts by which lone parents were told they would be better or worse off. The magnitude of the impact of these factors was also similar between models one and four.

New/repeat claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not

The results of this analysis were similar to those for model four: lone parents who were told they would be more than £40 a week better off had a 29 per cent better chance of being in work than those who received any other IWBC outcome. The set of other significant factors and their magnitude did not differ much between models four and five, with the only exception that in model five, similarly to model three, past work experience was found to increase the chances of work entry (by 19 per cent) at the ten per cent level of statistical significance.

To summarise, in all five models for new/repeat claimants, an association was found between the IWBC outcome and movement into work. Lone parents who received a positive IWBC outcome were more likely to be in work within the first 12 months after the LPWFI than lone parents who were told there would be no change to their financial position. Among those who received an IWBC outcome, lone parents who thought they would be more than £20 better off were more likely to be in work than lone parents who were told to expect a smaller amount. Likewise, those who expected to be more than £40 better off were more likely to move into work than those who received a less encouraging outcome. Among the subset of lone parents who received a positive IWBC outcome, those who were told of a greater amount (more than £20 or more than £40 a week) were more likely to be in work than those who were told to expect a smaller amount.

Not surprisingly, a robust association was found between work entry and the desire to work: looking for work was significant in all models. At 32-35 per cent, the association between this factor and chances to enter work was the strongest among lone parents who received a positive IWBC outcome. Among the barriers to work those relating to caring responsibilities, children and childcare, and such barriers as perceived lack of job opportunities or negative attitude of employers to lone parents were found to be statistically significant in all models.

There was no observed difference between the factors associated with lone parents' movement into work depending on whether, according to an IWBC outcome, lone parents could expect to be more than £20 or £40 better off. However, there were slight differences between the subset of lone parents who received any IWBC outcome and the subset of lone parents who received a positive IWBC outcome. Having a child with a long-standing illness did not feature as a barrier among the latter subset of lone parents. At the same time, such factors as the age of youngest child, the lone parent's gender and the age lone parents left education were only found to be positively associated with work entry in the analysis restricted to lone parents who received a positive IWBC outcome.

3.1.2 Existing claimants

Only 29 per cent of existing claimants moved into work within the first 12 months after their initial LPWFI, as seen in the descriptive analysis presented earlier (Table 2.2). Modelling results shown in Table A.8 highlight the factors that were associated with work entry among these claimants across the five ways in which the IWBC outcome was defined.

Existing claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

Contrary to the findings relating to new/repeat claimants, no association was found between the IWBC outcome and work entry by existing claimants in model one. The

signs of the coefficients suggest that compared with lone parents who did not expect any changes in their wellbeing due to entering work, those lone parents who received a negative IWBC outcome were less likely to enter work and those lone parents who received a positive outcome were more likely to do so. However, neither of these results was statistically significant.

The chances of entering work were 14 per cent greater if, at the time of the initial LPWFI, lone parents had a child aged 15 or older rather than younger; and the chances were 15 per cent greater if the parent was a lone mother rather than a lone father. The strongest impact on movement into work was a desire to work. The chances of lone parents who said they were looking for work were 16 per cent greater than for lone parents who had no desire to work. Past work experience was also associated with work entry: lone parents who used to work in the past were 12 per cent more likely to enter work than lone parents without any work experience. Lastly, residents of the South of the country (London, South East and South West) were more likely to enter work than those living in Scotland, although these results were statistically significant only at the ten per cent level.

The age of respondents was also associated with the likelihood of work entry: at the ten per cent level of significance those who were 40 or older at the time of the LPWFI were less likely to enter work than those who were younger. If lone parents declared they had an illness that affected the amount or kind of work they could do, their likelihood of entering work was 16 per cent lower compared with lone parents considering themselves healthy or whose health problems did not have an impact on work. The same negative impact on the chances of entering work was found for a long-standing illness of their children.

Additionally, at the ten per cent level of significance, the model showed that lone parents who lacked confidence or skills were less likely to enter work. This result is reported because the significance level of this barrier was much higher in the model (not presented here) in which the interaction term was excluded. Indeed, although the coefficient on the interaction term between the skills barrier and qualification was insignificant, the direction of its impact was negative. Surprisingly, those who finished education at 17 or later were less likely (by 24 per cent) to enter work than lone parents who finished education at an earlier age. Given that health problems and the lack of skills were found to be key barriers to work among these lone parents, it is possible that lone parents stayed in education longer because they had problems entering work for health reasons and/or tried to improve their skills while out of work.

Existing claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

This model focused on lone parents who received a positive IWBC outcome but similarly to model one, it did not point to any association between work entry and

the incentive of being better off by more than £20 a week. Factors that had an association with movement into work resembled those reported for model one, although their statistical significance differed sometimes.

The likelihood of work entry was greater if the youngest child of lone parents was older than 14 rather than if the child was younger; if the lone parent was a mother rather than a father; and if lone parents were looking for a job at the time of the LPWFI. Caring responsibilities were a significant barrier to work: they reduced the likelihood of work entry by 24 per cent compared with when such responsibilities were not present. Although at 26 per cent, the negative impact of financial worries on work entry chances was slightly greater, this result was statistically significant only at the ten per cent level of significance. Additionally, lone parents aged 40 or older were also less likely to enter work in comparison with younger claimants; and the chances of entering work were 20 per cent lower if lone parents left education at 17 or later rather than earlier.

Although the model did not confirm the statistical significance, perceived lack of skills and/or confidence was another barrier to work worth further consideration. Firstly, this barrier was statistically significant at the five per cent level in the model which did not include the interaction between having qualifications and lacking skills or confidence. Secondly, the negative coefficient related to the interaction term (although not statistically significant) suggests that lone parents who had qualifications, but at the same time reported the lack of skills and/or confidence, were less likely to enter work than those who did not report this barrier. This allows for the conclusion that, similarly to model one, perceived lack of skills and/or confidence was likely to reduce the likelihood of work entry.

Existing claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

The results of this analysis were similar to those presented for model two, in that no statistically significant association was found between work entry and the IWBC outcome. However, the category of lone parents who were missing their IWBC amount were generally less likely to enter work than those who expected to be up to 40 pounds a week better off. The set of statistically significant factors was narrower than in model two. The age of respondents and their gender lost their significance in model three. Financial worries too became statistically insignificant, while the lack of skills and/or confidence was found to reduce the chance of work entry by 24 per cent at the five per cent level of significance. Additionally, looking for work became statistically significant at the five per cent level and was found to increase the likelihood of work entry by 21 per cent.

Existing claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

Among existing lone parents who remembered an IWBC outcome, there was no association found between work entry and the incentive of being better off by more than £20 a week. Lone parents who were 40 years of age or older were less likely to enter work than those who were younger at the time of the initial LPWFI. Thus, those aged 40-44 were 17 per cent less likely, and those aged 45 and older were 14 per cent less likely, to enter work than those who were 16-39 years old. Another barrier to work found to be statistically significant in this model was related to the time in education. Lone parents who left education at 17 or later had a 25 per cent lower chance of finding a job within the first 12 months after the LPWFI than lone parents who left education at an earlier age.

Ill-health, not surprisingly, was a significant barrier to work: lone parents who reported having health problems that affected the amount and/or kind of work they could do had a 14 per cent lower chance of being in work within the first 12 months after the LPWFI than lone parents who did not report any health problems or said that their health problems would not impact on work they could do. However, not only their own health problems were found to hinder lone parents' entry into work. Those who had a child with a long-standing illness were less likely to enter work than those not reporting this. Although this factor was statistically significant only at the ten per cent level, this occurred in the model which excluded the interaction terms.

Similarly to all other models, having their youngest child older than 14 years of age increased the chances of lone parents entering work by 16 per cent compared with having a younger child. Looking for work had a similar effect: lone parents were 15 per cent more likely to find a job if they had said they were looking for one. A lack of skills and/or confidence was another factor common to other models which was negatively associated with work entry. Those who reported this barrier had a 16 per cent lower chance of being in work compared with those who did not mention it. Additionally, this model suggests (in line with model one) that lone parents residing in London, the South East or South West were more likely to enter work than lone parents living in Scotland.

Existing claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

The results of this analysis were similar to those obtained previously – no association between work entry and the incentive of being better off by more than £40 a week was found. The set of factors and the magnitude of their association with the likelihood of work entry also resembled those obtained for model four. The only

small difference between the two models related to the level of significance of two factors: the lack of skills and/or confidence and residing in London and the South East were found to be statistically significant at the ten per cent level in model five and not at the five per cent level as was the case in model four.

To summarise, in none of the five models for existing claimants was an association found between the IWBC outcome and movement into work. Interestingly, there was not much difference between the factors associated with lone parents' movement into work depending on whether, according to an IWBC outcome, lone parents could expect to be £20 or £40 better off. However, the subset of lone parents who received an IWBC outcome differed from the subset of lone parents who received a positive IWBC outcome.

Compared to all those who received an IWBC, those who received a positive IWBC faced fewer barriers to work (their health status, age and the age left education were not found to decrease their chances of work entry), although caring responsibilities were an additional obstacle to them. At the same time, work experience raised the likelihood of work entry by lone parents who received any IWBC outcome, but was not associated with movement into work where lone parents who received a positive IWBC outcome were concerned.

Both subsets of lone parents were more likely to move into work if they were looking for work and if they had an older youngest child (older than 14). A barrier to work common to both subsets of lone parents was found to be the lack of skills and/or confidence. A set of factors found significant in the first model, which did not distinguish between the amounts of IWBC outcome, to a large extent consisted of characteristics that were statistically significant amongst either of the subsets of lone parents.

Finally, among lone parents who received a positive IWBC outcome, a number of barriers were found to be significant in model three relative to model two. This may point to the fact that those who were better prepared to work were also more likely to be better off when in work. However, for this conclusion to be robust a further analysis is needed with the IWBC outcome as a dependent variable and other factors as independent covariates.

3.1.3 Conclusion

The two groups of claimants (existing and new/repeat) differed from each other significantly: while no association between the IWBC outcome and work entry was found for existing claimants, there was an association for new/repeat claimants. Likewise, where the association between leaving education at 17 or later (as opposite to an earlier age) was significant, it differed between the existing and new/repeat claimants, being negative for the former and positive for the latter. The similarity between the two client groups was only found in a positive association between work entry and the desire to work. However, this is not surprising taking into account that this factor mainly relates to unemployed status and looking for work, except that for those claiming IS there is no requirement to look for work.

Compared with new/repeat claimants, existing lone parents were more likely to declare health problems that affected the amount or kind of work they could do. Perceived lack of skills and/or confidence reported by claimants also more often featured as a barrier to work among existing rather than new/repeat claimants. On the contrary, having caring responsibilities and problems with children and childcare would more often be a hurdle among new/repeat lone parents compared with existing claimants.

However, not only existing claimants were different from new/repeat claimants. Both new/repeat lone parents and especially existing lone parents were mixed groups. Differences between the models suggested that a further division of lone parents into subgroups, especially within the existing group of claimants, may be needed. These subgroups faced different barriers and may need, therefore, different policy measures. Identifying the subsets of lone parents that share similar characteristics would help policy makers to better tailor welfare-to-work policies to more effectively meet the needs of different client groups.

3.2 Time in work within the first 12 months after Lone Parent Work Focused Interview

Descriptive analysis showed that new/repeat lone parents who received an IWBC were likely to spend 27 per cent of the 12-months' period in work, while existing lone parents who received an IWBC were likely to spend only 17 per cent of this time period in work (Table 2.2). This difference reflected the lower probability of work entry among existing claimants compared with new/repeat claimants. The analysis of work entry concentrated on lone parents' **first entry into the labour market** and disregarded their activity after this event. The analysis of time spent in work during the first 12 months after the initial LPWFI, additionally, accounts for lone parents' activity after the first work entry, where this took place, because the **time spent in work includes exits and re-entries into the labour market**.

Table 3.1 shows that there were a maximum of two entries into the labour market within the first 12 months after the initial LPWFI among the surveyed claimants. In the sample of all surveyed lone parents, as well as in the sample of lone parents who received an IWBC, the majority of claimants who entered work did so only once. Only eight new/repeat claimants and four existing claimants entered the labour market twice within a year after their initial LPWFI and in the sample of lone parents who received an IWBC, these numbers were reduced to four and three respectively. This suggests a high correspondence between the results obtained in two analyses: the likelihood of work entry and time spent in work.

Table 3.1 Work entries of lone parents

<i>Number of claimants</i>			
Number of work entries	New/repeat	Sample type Existing	All
<i>All lone parents</i>			
No entry	1,176	1,006	2,182
One	386	151	537
Two	8	4	12
<i>Unweighted base</i>	<i>1,570</i>	<i>1,161</i>	<i>2,731</i>
<i>Only lone parents who received IWBC</i>			
No entry	269	283	552
One	174	104	278
Two	4	3	7
<i>Unweighted base</i>	<i>447</i>	<i>390</i>	<i>837</i>

The analysis of time lone parents spent in work identifies the factors determining the percentage of time that claimants spent in work within a year after the LPWFI. This implies that the outcome variable is continuous but it has boundaries. Its maximum value is close to one hundred and it is reached if lone parents enter work immediately after the LPWFI and stay in work uninterrupted during the next 12 months. The minimum value of the outcome variable is zero and it is reached if lone parents never enter work within the first 12 months after the LPWFI.⁶ Such characteristics of an outcome variable require tobit regression as a method of analysis. The results subsequently presented in this chapter show the change in the percentage of time that lone parents spent in work that is associated with possessing a characteristic. The sign of change shows whether the percentage of time in work increased or decreased due to the factor. The results for new/repeat and existing claimants across all five models are presented in turn.

3.2.1 New/repeat claimants

Table A.9 gives the results of which factors and to what extent they were associated with the change in the percentage of time that new/repeat lone parents spent in work within the first 12 months after their initial LPWFI. As with the previous

⁶ The intermediate values of the outcome variable may reflect 'cycling' of lone parents between the two states (in work-out of work) or entering work and staying in it until the end of the period under analysis. The distinction between 'cycling' claimants and those who change their work status only once within the 12 months is not made in this analysis.

chapter, the results are presented across five models which differ according to the types of IWBC outcome.

New/repeat claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

In this model, a positive IWBC outcome was associated with a greater percentage of time spent by lone parents in work: the time in work was 43 per cent longer if lone parents expected to be better off than if they did not expect any change to their financial position. The time in work was also greater (by 27 per cent) if lone parents were looking for work at the time of the LPWFI. If they had any work experience, lone parents would spend 23 per cent more time in work than if they never worked, but this result was significant only at the ten per cent level. Also at the ten per cent level of significance, the model suggested that lone parents from the South West were likely to stay in work one-third longer than lone parents from Scotland.

However, lone parents who had caring responsibilities or a child with a long-standing illness were likely to spend less time in work compared with lone parents who did not have caring responsibilities or did not have an ill child: these factors reduced the percentage of time spent in work by 58 per cent and by 28 per cent respectively. The other barriers found to reduce lone parents' time in work included financial worries (those who reported them spent 38 per cent less time in work than those who did not); barriers relating to children and childcare (this factor reduced the time spent in work by 32 per cent); and other barriers, such as the perceived negative attitude of employers to lone parents (lone parents who reported these barriers were likely to spend 21 per cent less time in work compared with lone parents who did not report them). Additionally, those who thought they lacked skills and/or experience were likely to spend 31 per cent less time in work than those who did not mention these problems, but this result was only statistically significant at the ten per cent level.

New/repeat claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

Similarly to model one, a positive association was found between the length of time in work and expectations of being better off. Lone parents who were told to expect more than an extra £20 weekly were likely to stay in work longer (by 43 per cent) than lone parents who were told to expect up to £20 a week extra. Those lone parents, who could only remember receiving a positive outcome but not its amount, were also likely to spend 39 per cent more time in work than lone parents who were told to be better off by up to £20 a week.

All the other factors significantly associated with the time spent in work were similar to those reported for model one with few exceptions. In model two, having a child with a long-standing illness, living in the South West and facing a skills barrier were not significant but attending the first LPWFI in September rather than August was found to reduce the time in work by 31 per cent. The magnitude of association between the time spent in work and statistically significant factors did not differ much between models one and two, except the following three factors. Lone parents with financial worries spent 55 per cent (rather than 37 per cent) less time in work compared with lone parents who did not have these worries; those who reported other barriers were likely to stay in work for 36 per cent (rather than 21 per cent) less time; and those looking for work were likely to spend 37 per cent (rather than 27 per cent) more time in work than those without a desire to work. This suggests that both barriers as well as drivers to work had a greater association with the likelihood of work entry where lone parents received a positive IWBC outcome.

New/repeat claimants – model three

Provided lone parents received a *positive* IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

The results obtained for this model were almost identical to those reported for model two. First, a positive association was found between the length of time in work and expectations of being more than £40 better off, as 32 per cent more time was spent in work by lone parents who expected to be better off by more than £40 a week compared with lone parents expecting to be less than £40 better off. Second, the set of other factors and the strength of their association with time spent in work were also similar between models two and three. The only difference between the two models was related to the category of lone parents who received a positive amount but did not record the amount, for whom in model three, their outcome of the IWBC was associated with the length of time in work at the ten per cent and not at the five per cent level of significance. Additionally, at the ten per cent level of significance, model three showed that lone parents residing in the South West were likely to spend 42 per cent more time in work compared with lone parents from Scotland.

New/repeat claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

The analysis conducted for this model produced results that were very similar to those reported for model one. An association between the length of time in work and expectations of being better off by more than £20 a week was positive and significant. Among lone parents who received the IWBC, those who expected to be better off by more than £20 a week spent 48 per cent more time in work than those

who received any other IWBC outcome. The 'positive but did not recall an IWBC' amount category of lone parents also spent more time in work than those whose IWBC outcome did not exceed £20 a week.

The set of other statistically significant factors and the strength of their association with this work outcome were also similar to model one. The only difference between the two models was related to the significance of some particular factors. Financial worries became a significant barrier at the ten per cent and not at the five per cent level of statistical significance as was the case in model one. This is a result of the presence of the variable that shows the interaction between financial worries and the IWBC outcome. Although the coefficient on the interaction term was not statistically significant, its sign suggests that lone parents who had financial worries and for whom the IWBC outcome was no more than £20 a week were likely to spend more time in work than lone parents who did not report financial worries. Therefore, the association between the interaction term and time spent in work is positive and opposite to the association between the financial barrier and time spent in work, and this explains the decrease in significance of the latter factor. Indeed, the association between financial worries and time spent in work is statistically significant at the five per cent level in the model without the interaction term (not presented in this report).

Two other changes in statistical significance were related to the geographic location of lone parents and the month they had their initial LPWFI. The former factor lost its significance altogether. The latter factor became significant at the ten per cent level: those interviewed in September were likely to spend less time in work than those interviewed in August.

New/repeat claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

The results obtained using this model were similar to those reported for model four with regard to both the set of factors associated with time spent in work and the strength of their association. Those lone parents who were told they would be better off by more than £40 a week spent 43 per cent more time in work than lone parents who were told to expect a smaller amount. Models four and five differed slightly in two aspects. Financial worries stopped being statistically significant even at the ten per cent level, tentatively suggesting that this financial barrier could have been overcome by having at least an extra £40 a week. The same was true for the interaction term relating to the skills barrier and qualification. Facing this barrier while having no qualification stopped being statistically significant even at the ten per cent level. On the contrary, the statistical significance of past work experience increased suggesting that lone parents with such experience were likely to spend 30 per cent more time in work than lone parents who never worked. Like model three,

at the ten per cent level of significance, this model also suggested that lone parents residing in the South West were likely to stay in work longer (by 42 per cent) compared with lone parents from Scotland.

To summarise, in all five models an association was observed between the IWBC outcome and time spent in work. Those who received a positive IWBC outcome were likely to spend more time in work than those who thought that being in work would not make a difference to their financial position. Lone parents who expected to be better off by more than £20 were likely to spend more time in work than lone parents who were told to expect a different amount, even if this amount was positive as in model two. Likewise, lone parents who expected to be better off by more than £40 a week were likely to stay in work longer than lone parents who received a different IWBC outcome, even if this outcome was still positive.

Common to all models was the finding for the category of lone parents who could not remember the exact IWBC outcome but it was positive, the missing category of lone parents. They were also likely to stay in work longer than the respective reference categories in each model. A number of other factors were found to be significant in all models. Thus, problems with children and childcare, caring responsibilities and other barriers were found to shorten the time lone parents spent in work, while looking for a job lengthened the working period.

In general, new/repeat claimants were a group of mostly similar claimants because there were only two factors (financial worries and the months of LPWFI) that were significant in some models but not in others. However, a difference could be observed between the two subsets of lone parents – those who received a positive IWBC and those who received any IWBC outcome – regarding the strength of association. The association between time spent in work and significant factors tended to be stronger where the subset of lone parents who received a positive IWBC outcome is concerned. At the same time, within each subset, there was very little difference between the models depending on whether the breakpoint of the IWBC outcome was 20 or 40 pounds.

3.2.2 Existing claimants

Table A.10 presents findings of the analysis of time that existing lone parents spent in work. It shows the factors and the strength of their association with the change in the percentage of time that existing lone parents spent in work within the first 12 months after their initial LPWFI. The five models shown in the table differ according to the types of IWBC outcome.

Existing claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

This model showed no statistically significant association between the IWBC outcome and time spent in work, although the signs of coefficients suggested that those who received a negative IWBC outcome were spending less time in work and those who received a positive IWBC outcome were spending more time in work compared with lone parents who did not expect any changes after entering work.

Such factors as having a youngest child aged 15 or more (as opposed to having a younger child), being a female (relative to being a male) and looking for work (compared to not doing so) were positively associated with time spent in work. These factors increased the total period in work by 29, 38 and 33 per cent respectively. On the contrary, lone parents who suffered from ill-health that affected the amount and/or kind of work they could do spent 46 per cent less time in work compared with lone parents who did not have such problems. Similarly, time spent in work would decrease by 43 per cent if lone parents finished education at 17 years of age or later than if they left education earlier. At the ten per cent level of significance, a negative association was also found between the time spent in work and the barrier relating to skills and/or confidence: those lone parents who reported this barrier were likely to spend 33 per cent less time in work compared with lone parents who did not report it. However, a similarly significant positive association with time spent in work was found for residing in the South and having work experience. Lone parents living in London, the South East or the South West were likely to stay in work up to 1.5 times longer than lone parents living in Scotland; and 22 per cent more time in work would be spent by lone parents with work experience compared with lone parents who had never worked.

Existing claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

The results obtained for this model showed no association between the IWBC outcome and time spent in work. The set and the magnitude of impact of the factors positively associated with the time in work were similar to model one, except work experience and living in the South West became insignificant in model two. Among the negatively associated factors was again the lack of skills and/or confidence – at the ten per cent level of significance this factor reduced the time spent in work by 29 per cent. However, own ill-health of lone parents was no longer reducing the time in work. Instead, having caring responsibilities was negatively associated with time lone parents spent in work: those who had them were likely to spend 46 per cent less time in work than those who had not.

Existing claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

Similarly to previous models, no association between the IWBC outcome and time spent in work was found for model three. However, those who could not remember the amount by which they were to be better off were shown to spend less time in work than those expecting to be up to £40 better off. The set of factors and the strength of their association with the time in work resembled model two, except gender which became statistically significant only at the ten per cent and not at the five per cent level. The difference between the models also referred to the significance level of caring responsibilities. In model three, having caring responsibilities was negatively associated with the time lone parents spent in work at the ten per cent level of significance and this factor reduced the time spent in work by 43 per cent.

Existing claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

This model found no association between the IWBC outcome and the time lone parents spent in work. As in all other models, the age of the youngest child, gender, living in London and the South East and the desire to work were positively associated with the length of time spent in work, while the association with the lack of skills and/or confidence reduced time in work. The significance level of some of these factors was different, so that gender became only significant at the ten per cent level and the lack of skills, and living in London and the South East became significant at the five per cent level.

Similarly to model one, past work experience was found to increase the time spent in work: lone parents who used to work in the past were likely to spend 25 per cent more time in work compared with lone parents who never worked. Featured among the factors reducing the length of working period was ill-health that affected the amount and/or kind of work lone parents could do and also leaving education at 17 years old or later. Having such health problems would lead to a reduction in the working period of 40 per cent compared with having good health or health problems that do not impact on the ability to work. Regarding the age when lone parents left education, those who left at 17 or later were likely to stay in work for 42 per cent less time than those who left at an earlier age.

Existing claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not

This model and model four already considered did not differ much. Whether lone parents expected to be more than 40 pounds better off or not, did not have any measurable association with the time they spent in work over the year. The factors that were associated with the length of working period were the same as in model four. The differences between the models were related to the significance levels of some factors. Thus although the strength of association between the lack of skills and/or confidence was similar in two models, in model five, this factor was significant only at the ten per cent level. The same was true for having past work experience and living in London and the South East. Additionally, at the ten per cent level of significance, lone parents living in the South West were likely to stay in work more than 1.5 times longer than lone parents living in Scotland.

To summarise, none of the five models found an association between the IWBC outcome and time spent in work. The only exception referred to the category of lone parents who received a positive IWBC outcome but could not remember the exact amount. These lone parents were likely to spend less time in work than lone parents who expected to be better off by up to £40 a week.

According to all models, lone mothers, lone parents with older children, those looking for work and those living in London and the rest of the South East were likely to stay in work longer than, respectively, lone fathers, lone parents with younger children, those who were not seeking work and those who were living in Scotland. On the contrary, each model pointed to health problems and lack of skills and/or confidence as the factors that made lone parents spend less time in work compared to lone parents without these problems.

At the same time, while the first model provided an overall picture and thus contained all the factors found significant in other models, there were differences between the two subsets of existing lone parents: those who received a positive IWBC outcome and those who received any IWBC outcome. For example, caring responsibilities featured as a factor shortening the time in employment only among lone parents who received a positive IWBC outcome. But past work experience and the age lone parents left education were statistically significant only for the fuller subset of lone parents.

A difference could be observed between the two subsets of lone parents regarding the strength of association between health problems and time spent in work. This association was weaker where the subset of lone parents who received a positive IWBC outcome was concerned. However, within each subset, differences were negligible between the models depending on whether the breakpoint of the IWBC outcome was £20 or £40.

3.2.3 Conclusion

Similar to the analysis of the likelihood of work entry, the analysis of time spent in work suggests that the two groups of claimants (existing and new/repeat) differed from each other significantly. While no association between the IWBC outcome and work entry was found for the new/repeat claimant group, the result was the opposite for the existing claimants.

Factors that were associated with time spent in work differed between existing and new/repeat claimants. Only two factors positively associated with time spent in work were common to both existing and new/repeat claimants: the desire to work and past work experience. Caring responsibilities also featured as a factor shortening the employment period of both existing claimants and new/repeat claimants but only if the comparison of two client groups is constrained to those who received a positive IWBC outcome. With regard to other factors, while health, the age of the youngest child, gender and lack of skills featured as important for existing claimants, barriers relating to children and childcare and financial worries were significant for new/repeat claimants.

Comparative analysis of the models for each client group also suggested that existing claimants were a more complex and mixed group compared with new/repeat claimants as there were fewer factors that were common to all models of existing claimants. This also points to the importance of identifying the subsets of existing lone parents that share similar characteristics so that welfare-to-work policies could more effectively meet their needs.

3.3 Time to work entry within the first 12 months after Lone Parent Work Focused Interview

This section examines the association between the time taken by lone parents to enter work, measured in days, and the IWBC outcome, and therefore, examines the characteristics of claimants that are associated with a speedier or a slower work entry. Since the dependent variable measures the time to the occurrence of the event (i.e. work entry) and is continuous, duration analysis is of the research method.

In continuous duration models, such as the Cox proportional hazards model, the assumption called the proportional hazard assumption (PHA) is made. The word 'hazard' refers to the risk of an event, in this case – work entry, taking place. The word 'proportional' implies that while the underlying risk of an event happening is the same for everyone in the sample, one person's hazard is a multiplicative replica of another.

It is possible, however, that the underlying hazard is different for different categories of claimants, say, men and women. In such cases, stratification of the sample by the categories of gender allows the baseline hazard to vary between men and women restoring the PHA. Finally, duration analysis makes it possible to include in the sample those lone parents who had more than one LPWFI (and hence, potentially

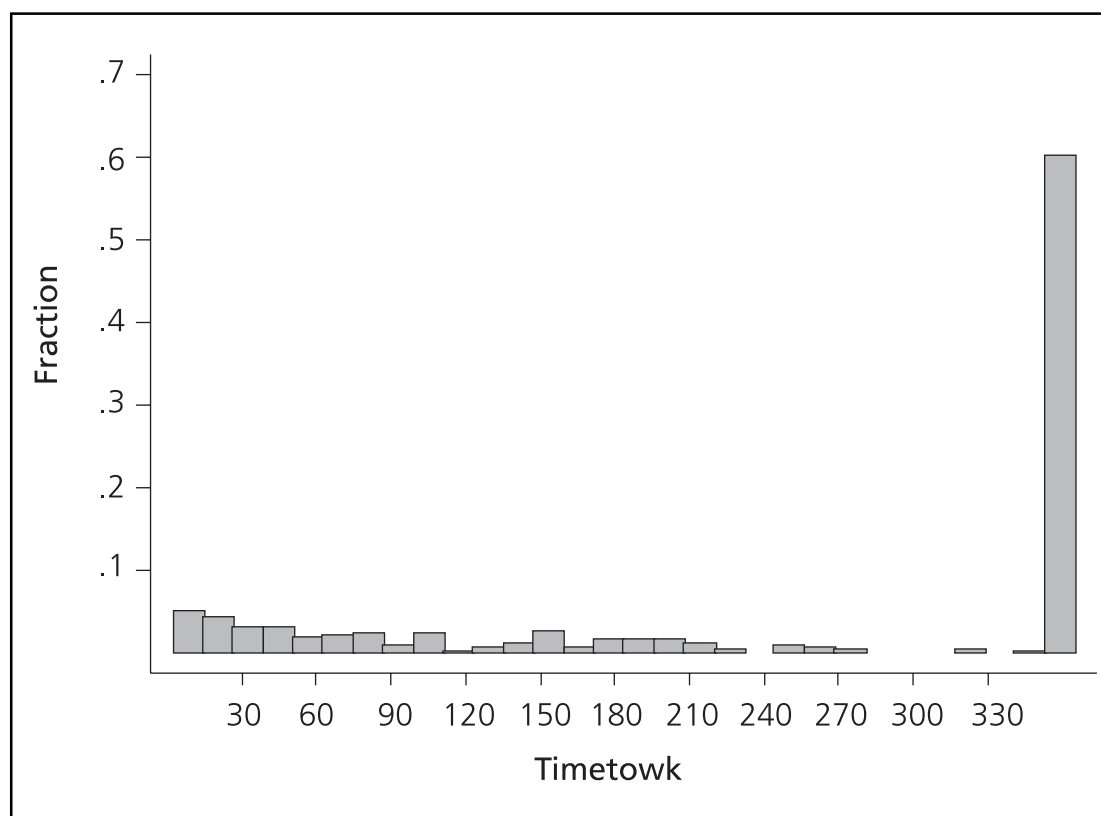
more than one IWBC) up until the point in time when either the second LPWFI took place or they entered work, whichever happened first. Duration analysis also accounts for changes in lone parents' circumstances within the period, e.g. for an increase in the family size. For example, if findings suggest that lone parents with one child tend to enter work more quickly than lone parents with two children, then the appearance of another child in the family during the first 12 months after the initial LPWFI is likely to slow down the client's work entry.

In the tables presenting the results of analysis, shown in Appendix A.2, a value greater than one indicates that the characteristic is associated with a speedier entry, while a value less than one indicates the reverse. The variables used for stratification of the sample are also shown in the tables.

3.3.1 New/repeat claimants

Focusing only on those lone parents who received an IWBC, Figure 3.1 shows the proportions of new/repeat claimants entering work over time. While Table 2.2 demonstrates that new/repeat lone parents who entered work took on average more than three months (99 days) to do so, Figure 3.1 additionally suggests that the median time to work entry, (i.e. the time taken by 50 per cent of those who entered work) is about two-and-a-half months (76 days). Table A.11 highlights the factors and the strength of their association with the speed of this process depending on the IWBC outcome.

Figure 3.1 Time taken by new/repeat lone parents to enter work, days



New/repeat claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

The results of this model showed a significant positive association between the speed of work entry and receiving a positive IWBC outcome: lone parents who expected to be better off were likely to enter work twice as quickly as other lone parents. The same increase in speed was obtained for lone parents who were looking for work compared to lone parents who were not doing so.

Lone parents entered work more quickly (by 57 per cent) if their youngest child was nine-12 years old than if their child was under nine. At the ten per cent level of significance the model suggested that those with a youngest child older than 12 years of age were also likely to enter work more speedily than those with a child under nine. Moreover, as the strength of association increased with the age of youngest child, this model suggested that the older the youngest child, the less time lone parents took to enter work. On the contrary, the more children they had, the more time lone parents took to enter work: lone parents with two children were slower by about 40 per cent and those who had three or more children took almost twice as long as lone parents with only one child. Having a child with a long-standing illness was also associated with slower work entry. Although this result was significant only at the ten per cent level, those whose child had a long-standing illness were likely to take 45 per cent more time to enter work than those who had a healthy child.

The age of lone parents was associated with the speed of work entry too. Older lone parents, aged 40 or more, took longer to enter work compared to lone parents who were under 35 at the time of the LPWFI. Caring responsibilities featured as a strong factor lengthening the jobless period: lone parents who had these were likely to take 70 per cent longer to enter work compared with lone parents who did not have these responsibilities.

Barriers to work reported by lone parents were also among the factors associated with a lower speed of entry. Those who said they had financial worries took 40 per cent longer compared to those who did not report these difficulties. The same effect on the speed of work entry was found for other barriers to work such as perceived negative attitude of employers to lone parents or personal preferences to stay out of work.

New/repeat claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

The results of this analysis point to a positive association between the speed of work entry and the (positive) IWBC outcome: lone parents who expected to be more than

£20 a week better off entered work 2.5 times more quickly than those who expected to be better off by less than £20 a week. As previously, the speed of work entry was positively associated with the age of youngest child and the desire to work, and it was negatively associated with the age of the lone parent, having caring responsibilities and facing other barriers to work.

However, neither the number of children nor their health statuses were associated with the speed of work entry among those lone parents who received a positive IWBC outcome. At the same time, at the ten per cent level of significance, the perceived lack of skills and/or confidence reported by lone parents was found to decrease the speed of work entry by 37 per cent compared to the absence of this barrier. Interestingly, while financial worries in general were found to lengthen the jobless period, those who had these worries but were told they would be more than £20 better off entered work 6.5 times more quickly than those who did not have these worries. Additionally, those who had their LPWFI in September stayed out of work for longer than those interviewed in August.

New/repeat claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per weeks, or not.

The results of this model showed that those who expected to be better off by more than £40 a week were likely to enter work more quickly than those who expected to be better off by less than £40 a week. The category of lone parents who did not remember the amount by which they were told to be better off, were also likely to enter work more speedily than those who were told they would be better off by less than £40 a week.

Except the perceived lack of skills and/or confidence, all other factors associated with the speed of work entry were the same as in model two. The differences between the models arose in the significance levels of two factors: having a youngest child older than 12 years of age and having caring responsibilities. These factors had a higher significance level in model three. In addition, gender became significant in model three – lone mothers were likely to enter work 2.6 times more quickly than lone fathers. And, consistent with the findings of model two, model three suggested that those who reported financial worries, but were told they would be better off by up to 40 pounds a week, entered work 3.5 times more speedily than those who were not.

New/repeat claimants – model four

Provided lone parents received IWBC: whether they were told they would be better off by more than £20 per week, or not.

This model, similarly to all models presented above, showed an association between the IWBC and the speed of work entry. Those who were told they would be better off by more than £20 a week were likely to enter work twice as quickly as those who received any other IWBC outcome. Again a positive association was found between the speed of work entry and the IWBC outcome received by the category of lone parents who could not remember the exact amount calculated for them.

The set of other factors associated with the speed of work entry was mostly the same as in model one, although the level of significance attached to the factor relating to the number of children was lower. Those who had three or more children were still likely to enter work less quickly than those who had only one child, but this result was significant only at the ten per cent level. The other differences between the models included gender as a factor significant at the ten per cent level (lone mothers entered work more quickly than lone fathers) and the loss of statistical significance for financial worries. However, the last finding can be explained by the association between the speed of work entry and the interaction term which accounted for having financial worries and receiving different IWBC outcomes. The model suggested that lone parents who reported financial worries, but could not remember the IWBC outcome, took 80 per cent longer to enter work than those who did not report these worries.

New/repeat claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

The results of this model resembled those presented for models one and four, but they also had some similarities with model three where lone parents who received a positive IWBC outcome (more than £40 a week or otherwise) were considered. Similarly to model four, lone parents who were told they would be better off by more than £40 a week were likely to enter work more quickly than those who were given any other amount; the same was true for the category of lone parents who could not remember the exact outcome of their IWBC. If the latter category of lone parents had financial worries, however, they were likely to enter work much more slowly than lone parents who did not have these worries.

Similarly to model one, older lone parents were taking longer to enter work than younger lone parents and lone parents with more than one child stayed out of work longer compared with lone parents who had one child or whose child stopped being dependent. Those lone parents who had a child with a long-standing illness or who had other caring responsibilities were also likely to enter work less quickly than lone parents with healthy children or without caring responsibilities, respectively. The other barriers reported by lone parents, such as preferences to stay out of work, were likely to reduce the speed of work entry too.

Similarly to model three, lone parents who were interviewed in September were likely to take longer to enter work than those who had their LPWFI in August. Also, lone parents with the youngest child older than eight were likely to enter work more quickly than lone parents with a younger child; lone mothers were likely to enter work more quickly than lone fathers; and those with a desire to work were likely to find a job more quickly than those who did not look for work.

To summarise, four out of five models for new/repeat claimants found an association between the IWBC outcome and speed of work entry. A positive IWBC outcome was associated with a speedier work entry. Among those who remembered an IWBC outcome, lone parents who expected to be better off by more than £20 a week entered work more speedily than lone parents who received any other IWBC outcome. The same was true of lone parents who expected to be better off by more than £40 a week.

Focusing only those who received a positive IWBC, the results suggested that only those who thought they would be better off by more than £40 a week were likely to enter work more speedily than those who expected to improve their financial position by a smaller amount. Whether or not lone parents thought to be better off by £20 a week, the IWBC outcome was not associated with the speed of their work entry. At the same time, lone parents who expressed financial concerns were likely to enter work more speedily than lone parents who did not have these worries if they were told to expect more than £20 extra a week. This finding suggests that the IWBC managed to address these financial concerns. In contrast, generally those who expressed financial worries among lone parents with a positive IWBC outcome were likely to postpone their work entry compared with lone parents who did not have these problems.

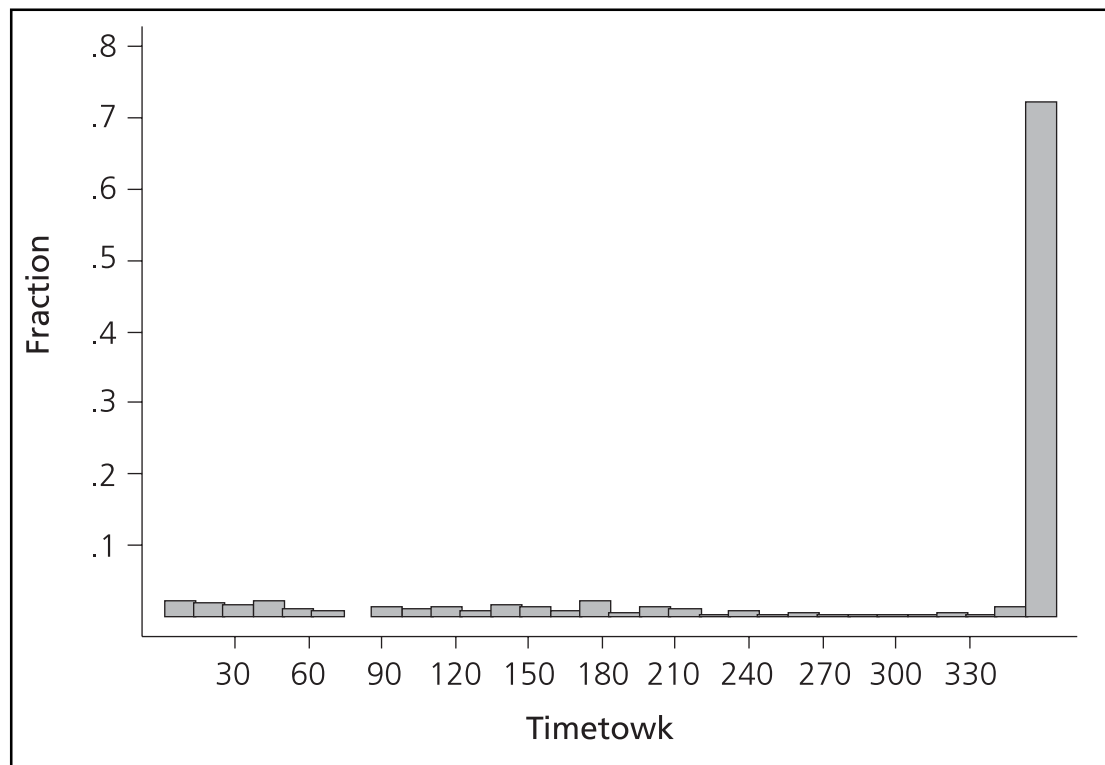
All models pointed to the statistical significance of non-recall of the IWBC outcome. Lone parents who could not remember the exact amount given to them were likely to enter work more quickly than lone parents of respective reference categories. However, contrary to the results reported for lone parents with a positive IWBC outcome, lone parents who had financial worries and could not remember the exact IWBC amount, whether positive or negative, were likely to enter work much more slowly than lone parents without financial worries. It might be that lone parents forgot their IWBC outcome because it did not address their financial worries and did not encourage taking up a job.

A set of factors significantly associated with the speed of work entry was similar across all models, although the associations were slightly stronger where the analysis was restricted to the sample of lone parents with a positive IWBC outcome. All models pointed to the influence of age, the number of children, caring responsibilities and other barriers in postponing work entry. The older the age of the youngest child and the desire to work, on the contrary, speeded up the process of getting a job by new/repeat claimants.

3.3.2 Existing claimants

Concentrating on existing lone parents who received an IWBC, Figure 3.2 shows the proportions of existing claimants entering work over time. Compared with new/repeat claimants, an even smaller proportion of existing claimants entered work within the first 12 months after the initial LPWFI, as was confirmed by Table 2.2. Figure 3.2, additionally, demonstrates that existing lone parents who received an IWBC and did enter work, on average took 135 days to do so, i.e. much longer than the 76 days that new/repeat claimants took to enter work. Table A.12 in Appendix A presents the factors and the strength of their association with the speed of existing claimants' work entry across the five types of IWBC outcome.

Figure 3.2 Time taken by existing lone parents to enter work, days



Existing claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

In this model for existing claimants, no association was found between the speed of work entry and the IWBC outcome. The results of analysis pointed to a single factor associated with a speedier work entry: lone parents who were looking for work at the time of initial LPWFI were likely to enter work 1.8 times more quickly than lone parents who were not seeking a job. All other statistically significant factors were associated with a slower work entry. Lone parents with two or more children were likely to take 80 per cent longer to enter work than lone parents whose child grew up

and stopped being dependent. Those with health problems that affected the kind and/or amount of work they could do were likely to stay out of work 60 per cent longer than those without health problems or with problems that did not impact on their work capability. Lone parents who left education at 17 years of age or later were likely to enter work approximately 70 per cent more slowly than lone parents who left education earlier.

Existing claimants – model two:

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

In this model, the only factor that was associated with the speed of work entry at the five per cent level of significance was the age at which lone parents left education. Similarly to model one, those who stayed in education for longer were likely to take 65 per cent more time to enter work. All other factors were statistically significant at the ten per cent level. There was resemblance with model one regarding the set and the magnitude of significant factors, which consisted of the desire to work and having two or more children.

The other results suggested that lone parents who thought they lacked skills and/or experience were likely to enter work with half the speed of lone parents who did not report such problems. Lone parents who expressed financial worries, however, were likely to find a job twice as quickly as lone parents who did not have these concerns. This factor could have had a higher level of statistical significance had the interaction term not been included in the model. The interaction term shows that the category of lone parents without recall of the IWBC amount who expressed financial worries were likely to stay out of work 80 per cent longer than lone parents who did not worry about their financial position when in work.

Existing claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

This model also showed no association between the time lone parents took to enter work and the (positive) IWBC outcome. The only factor that was statistically significant at the five per cent level was the desire to work: those looking for work were likely to enter work 80 per cent more speedily than those not seeking a job. The age at which lone parents left education was still statistically significant, but only at the ten per cent level: lone parents who left education when they were 17 years old or later were likely to take 60 per cent more time to enter work than lone parents who left education when they were younger.

Similarly to model two, those who thought they did not have enough experience and/or skills were likely to take twice as long as those who did not report this barrier when entering work. The interaction term also showed that the category of lone parents either with no recall of the IWBC amount or who had financial worries relating to work were likely to postpone work entry by three-quarters of the time taken by lone parents who did not have such problems. However, financial worries themselves were not found to be statistically significant in the analysis.

Existing claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

Similarly to earlier analysis for existing claimants, model four suggested no association between the IWBC outcome and the speed of work entry. The desire to work again featured among the factors speeding up work entry: at the ten per cent level of significance, lone parents looking for work were likely to enter work 64 per cent more quickly than lone parents not looking for work at the time of the LPWFI.

Another positive association with the speed of work entry was obtained for the interaction term relating financial worries and the IWBC outcome, but only if lone parents expected to be more than £20 better off. Both other categories of lone parents – those with financial worries who received any other IWBC outcome and the category of lone parents with no recall of the IWBC amount who had financial worries – were likely to take longer to enter work than lone parents who did not have financial worries.

Caring responsibilities were also shown to decrease the speed of work entry: those who had these responsibilities were likely to take about 60 per cent more time to enter work than lone parents without caring responsibilities. Ill-health had a similar impact on lone parents' speed of work entry. Lone parents whose health had an impact on the kind and/or amount of work they could do were likely to take about 60 per cent longer to enter work than lone parents who did not have health problems or whose problems had no impact on work.

Existing claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not

Unlike all other models for existing claimants, at the ten per cent significance level this model showed that lone parents who expected to be better off by more than £40 a week were likely to stay jobless for 63 per cent more time than lone parents who received any other IWBC outcome. This result is interpreted by examining the interaction term that accounts for the IWBC outcome received by lone parents and their financial worries. Lone parents who had financial worries but were told to

expect more than £40 a week extra were likely to enter work about seven times more quickly than lone parents who did not have financial worries. This suggests that while in general the IWBC outcome was not a significant catalyst for work entry, where it promised to sufficiently relieve financial worries, the work entry was much quicker.

Similarly to all previous models, lone parents who were looking for work at the time of the LPWFI were likely to enter work twice as quickly as those who were not looking for work. Unusually, those who cited problems with literacy and/or numeracy were also likely to enter work 2.5 times more quickly than those who did not have these problems. This finding may suggest that by providing the IWBC, the LPWFI helped lone parents to overcome this barrier to work. In addition, featured among the barriers to work were the caring responsibilities, number of children and health status of lone parents. Lone parents with two or more children were likely to stay out of work 80 per cent longer than lone parents whose children grew up and ceased being dependent; those with caring responsibilities were likely to move into work 57 per cent more slowly than those without these responsibilities; and lone parents whose health had an impact on the amount and/or kind of work they could do took more than twice as long to enter work as lone parents without such problems.

To summarise, the presented analyses demonstrated no clear association between the IWBC outcome and the speed of work entry by existing claimants. Very tentatively models two and three suggest that a positive IWBC helped address financial concerns for existing lone parents because those who received a positive IWBC outcome and had financial concerns were likely to enter work more quickly than those who did not have these worries. Models four and five allow the previous statement to be generalised and suggest that if existing lone parents had financial concerns and received the IWBC with an outcome greater than 20 pounds a week, they were likely to enter work more quickly than lone parents who did not have financial worries.

Existing claimants were a heterogeneous group because the sets of significant factors differed between those lone parents who received a positive IWBC and those who received any IWBC outcome. Only one factor was significant in all five models – the desire to work. Regarding other significant factors, while ill-health and caring responsibilities were always found to delay the work entry of lone parents who received any IWBC outcome, the age at which lone parents left education, and perceived lack of skills and/or confidence were only significant in delaying work entry in the models for lone parents with a positive IWBC outcome. This suggests that a more detailed analysis of this group of lone parents may be needed to suggest policy measures for encouraging them to enter the labour market with less delay.

3.3.3 Conclusion

The analysis of time to work entry demonstrated both differences and similarities between new/repeat and existing claimants. Regarding differences between the claimants, while in almost all models there was an association between the time to work entry and the IWBC outcome for new/repeat claimants, no such association was found for existing claimants.

Similarities between existing and new/repeat claimants were only observed among those who received a positive IWBC outcome. Both new/repeat and existing lone parents who expressed financial concerns were likely to enter work more quickly than lone parents who did not have these worries, if they were told to expect more than £20 extra a week. This finding suggests that the IWBC managed to address the financial concerns of lone parents but it also suggests that lone parents who received a positive IWBC outcome had some characteristics that distinguished them among all lone parents.

Two other factors were common among new/repeat and existing claimants. Those seeking a job were likely to enter work more quickly than those who were not looking for work, and those with caring responsibilities took longer to enter work than those who did not have them. However, variation in the results of analyses point to differences between the two client groups. While the number of children and their age featured more strongly in the models for new/repeat claimants, ill-health and lack of skills and/or confidence were more likely to appear in models for existing claimants.

3.4 Benefit exit within the first 12 months after Lone Parent Work Focused Interview

This section examines the likelihood of exiting any benefit (and not just IS) within the first 12 months after the initial LPWFI. The interpretation of the coefficients shown in the tables below is the same as in the analysis of the likelihood of work entry. Positive values imply a greater likelihood of benefit exit associated with characteristics and negative values of coefficients imply lower chances of benefit exit associated with characteristics.

3.4.1 New/repeat claimants

As the descriptive analysis demonstrated, 61 per cent of new/repeat claimants who received an IWBC left benefits within the first 12 months after the initial LPWFI (Table 2.2). Table A.13 shows which factors, and to what extent they were associated with the likelihood of benefit exit across the five models with distinct types of IWBC outcome.

New/repeat claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

This model suggested no association between leaving benefits and the IWBC outcome. The desire to work, living in public housing (local authority or housing association) and being white had statistically significant positive associations with leaving benefits. Lone parents looking for work were 23 per cent more likely to leave benefit than lone parents who did not look for work at the time of the LPWFI. The chances of white lone parents leaving benefits were 31 per cent higher than the chances of other ethnic groups. Those living in the social rented sector were 17 per cent more likely to leave benefits than those living in private accommodation (own or rented).

The likelihood of leaving benefits was smaller if lone parents thought they lacked skills, confidence and/or experience. If this was the case, lone parents were 32 per cent less likely to leave benefits compared with lone parents who did not report these difficulties. Caring responsibilities and financial worries had a similar downgrading impact (of 21-22 per cent) on lone parents' chances of leaving benefits, both at the ten per cent level of statistical significance. Lone parents whose child had a long-standing illness were 21 per cent less likely to leave benefits than lone parents whose child was healthy. Finally, at the ten per cent level of statistical significance, the model showed that lone parents who reported other barriers to work, such as preferences to stay out of work, had a 15 per cent lower chance of leaving benefits than lone parents who did not report these barriers.

New/repeat claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

This model focused on lone parents who received a positive IWBC outcome and it showed a positive association between leaving benefits and expecting to be better off by more than £20 a week. Lone parents who thought that in work they would be more than £20 a week better off were 43 per cent more likely to leave benefits than lone parents who expected to be better off by £20 or less a week. However, if lone parents who expected to be more than £20 better off also had financial worries, then their chances of leaving benefits were 45 per cent lower than the chances of lone parents without financial worries.

Other statistically significant factors were similar to those reported for model one, although their significance and amplitude was often different. Thus the statistical significance of caring responsibilities increased to the five per cent level and lone parents with these responsibilities were 40 per cent less likely to leave benefits than were lone parents without them. Ethnicity became statistically significant only at the

ten per cent rather than the five per cent level, although the amplitude of this factor did not change much. While the same was true for the tenure type, the opposite was the case for other barriers reported by lone parents. Those who mentioned other work barriers were 32 per cent less likely to leave benefits than those who did not mention them and the statistical significance of this factor increased to the one per cent level.

The association between leaving benefits and the desire to work strengthened in model two as well (those looking for work were 39 per cent more likely to leave benefits than those who were not) but the lack of skills and/or confidence stopped being statistically significant altogether. However, the last result can be explained by the inclusion of the interaction term in the model. In the model where the interaction between qualification and the lack of skills and/or confidence was excluded, the lack of skills was shown to reduce the likelihood of benefit exit in the same way as it did in model one. Additionally, being a lone mother rather than a lone father increased the chances of leaving benefits by 35 per cent.

New/repeat claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

The results of model three were very similar to those obtained for model two. Those who expected to be better off by more than £40 a week were 27 per cent more likely to leave benefits than those who thought they would be better off by less than £40 a week. The set and the magnitude of significant factors were similar between models two and three with two exceptions. In model three, the lack of skills and/or confidence featured as a statistically significant factor reducing chances of leaving benefits by 26 per cent. At the same time the interaction term between financial worries and the IWBC outcome was found to be insignificant in model three. Additionally, the significance of housing tenure type increased and living in social housing was found to increase the likelihood of leaving benefits by almost a quarter compared with living in any other tenure type.

New/repeat claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

In this model, a positive association was found between the IWBC outcome and likelihood of leaving benefits. Those who expected to be more than £20 better off were a third more likely to leave benefits than those who received another outcome.

The set of other statistically significant factors was the same as in model one, although their significance level and magnitude differed sometimes. The most noticeable difference occurred for financial worries. This factor became highly

significant in model four and lone parents who reported financial worries related to working had their chances to leave benefits more than halved compared with lone parents who had no such worries. At the same time, lone parents who had both financial worries and expected to be better off by up to £20 a week were more likely (by 43 per cent) to leave benefits than lone parents without financial worries.

New/repeat claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

Similarly to model three, this analysis showed that lone parents who expected to be better off by more than £40 a week were 27 per cent more likely to leave benefits than lone parents who received another IWBC outcome. With regard to the set of statistically significant factors and their magnitude, the results produced by this model resembled those presented for model one.

To summarise, the analyses for new/repeat claimants suggest that lone parents were more likely to leave benefits if they expected to be better off in work by more than £20 a week. However, although the likelihood of leaving benefits is considered a proxy to the likelihood of entering work, it is impossible to assert that those leaving benefits moved into work. In the absence of data on partnership status and destinations of benefit leavers it is difficult to understand why, compared with lone parents who had no financial concerns, lone parents with these worries who expected to be better off by more than £20 a week were less likely to leave benefits (model two), while lone parents who expected to be better off by up to £20 a week were more likely to leave benefits (model four). One possible explanation is that these subgroups face serious financial debts for which repayments would be triggered by entering work, and the IWBC outcome does not reflect this issue.

Taking into account that lone parents looking for work were likely to move into work after leaving benefits, the stronger association of this factor with the likelihood of benefit exit suggests that lone parents who received a positive IWBC outcome were more likely to move into work after leaving benefits than lone parents overall.

Although the models differ in level of statistical significance and strength of association, the sets of significant factors are mostly common across the models. The exceptions were having a child with a long-standing illness, which was not statistically significant except in the models for lone parents who received a positive IWBC outcome, and gender, which was also statistically significant only in these models. The other (common) factors included ethnicity, financial concerns, caring responsibilities and housing tenure.

3.4.2 Existing claimants

According to Table 2.2, only 36 per cent of existing claimants who received an IWBC left benefits within the first 12 months after the initial LPWFI. Table A.14 presents the factors and the extent of their association with the likelihood of benefit exit across the five types of IWBC outcome.

Existing claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

This analysis found that lone parents who received a negative IWBC outcome were 24 per cent less likely to leave benefits. Older lone parents were also less likely to leave benefits than lone parents who were younger than 40 years old at the time of the LPWFI. Among the other barriers to leaving benefits were lone parents' own ill-health, caring responsibilities for someone other than their children, perceived lack of skills and/or confidence and problems with children and childcare. Compared with the absence of these factors, their presence reduced lone parents' chances of leaving benefits by 20, 21, 18 and 12 per cent respectively.

Past work experience, the desire to work and having older children were positively associated with the likelihood of benefit exit. Those with an older youngest child (aged 15 or more) were 19 per cent more likely to leave benefits than those with a younger child (note that at age 16, standard eligibility ceases). Lone parents who had some work experience improved their chances of leaving benefits by 20 per cent compared with lone parents who never worked. And those who were looking for work were 12 per cent more likely to leave benefits than lone parents who were not looking for work, although this result was only statistically significant at the ten per cent level. Ethnicity featured among the factors associated with benefit exit: white lone parents were 22 per cent more likely to leave benefits than lone parents from other ethnic backgrounds. Additionally, lone parents living in London and the South East were 28 per cent more likely to leave benefits than lone parents from Scotland.

Existing claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

This model found no association between the IWBC outcome and likelihood of leaving benefits, except for the missing category of lone parents. Those who received a positive outcome but could not remember the amount were almost 30 per cent less likely to leave benefits than lone parents who were told to be up to £20 better off when in work. Lone parents who had financial concerns were also less likely (by 37 per cent) to leave benefits than lone parents who did not express these worries. However, those who had financial worries and could not remember the

exact (positive) IWBC outcome were more likely to leave benefits than lone parents without financial worries. This result is difficult to interpret without a detailed analysis of the category of lone parents missing their IWBC amount, changes in their partnership status and destinations after leaving benefits.

A more definitive finding is that, at the ten per cent level of significance, lone parents who had financial concerns and were told that in work they would be more than £20 a week better off were 44 per cent more likely to leave benefits than lone parents who did not have financial concerns. This suggests that the IWBC might have managed to address the financial worries of these claimants because they were more likely to leave benefits than even those without financial concerns (who in turn were more likely to leave benefits than those with financial worries).

Other statistically significant factors were similar to those reported for model one, but the strength of their association with the likelihood of leaving benefits in most cases was about 1.5 times greater. Differences between the models were concentrated in the statistical significance of two factors. Looking for work became statistically insignificant in model two, but other barriers reported by lone parents, such as perceived lack of job opportunities, gained significance. In model two, these barriers reduced the likelihood of leaving benefits, so that lone parents who reported them were 18 per cent less likely to leave benefits compared with lone parents who did not mention them.

Existing claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

Similarly to model two, in this analysis the association between a (positive) IWBC outcome and the likelihood of leaving benefits was not found, except for the category of lone parents who did not recall the IWBC amount. They were less likely to leave benefits than lone parents who expected to be better off by up to £40 a week. The set of other factors associated with leaving benefits, and their magnitude, were similar between models three and two.

However, financial worries did not feature in this model as a statistically significant factor associated with leaving benefits. Nevertheless, those who had financial worries but expected to be better off by up to £40 a week were a third less likely to leave benefits than those who did not express financial worries altogether. This finding seems to (at least partly) contradict the result reported for model two, namely that lone parents with financial worries were more likely to leave benefits than lone parents without these concerns if they expected to be better off by more than £20 a week. This contradiction points to the potential problems associated with using benefit exit as a proxy for the work outcome and to the lack of data on the destinations of benefit leavers.

Existing claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

There was no association between the IWBC outcome and likelihood of benefit exit regardless of whether lone parents were told to expect more than £20 a week or any other amount. This model did not point to the importance of financial worries either. It was very similar to model one with regard to both the set of statistically significant factors and the strength of their association with the likelihood of leaving benefits. The few exceptions were related to the desire to work (this factor stopped being statistically significant in model four) and residing in Yorkshire and Humberside. Lone parents from this area were 24 per cent more likely to leave benefits than lone parents from Scotland.

Existing claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

Similarly to model three where the focus was only on those who received a positive IWBC outcome, in this more general analysis, the association between the IWBC outcome and likelihood of leaving benefits was found only with regard to the category of lone parents with no recall of the IWBC amount. They were 17 per cent less likely to leave benefits than lone parents who expected to receive less than £40 extra a week. Neither financial worries, nor the interaction term were found statistically significant in model five and there were only a few differences between this model and models one and four regarding the set of statistically significant factors and the strength of their association with the likelihood of benefit exit. Additionally, at the ten per cent statistical significance level, those who had a driving licence but had no car or van access were less likely to leave benefits than those who had no driving licence.

To summarise, the models for existing claimants suggest that lone parents who received a negative IWBC outcome were less likely to leave benefits than lone parents who did not expect any changes to their financial circumstances. First, model one showed this result and second, other models demonstrated that where lone parents did not remember the exact IWBC outcome they were less likely to leave benefits. It is possible that the IWBC outcome was forgotten by this category of lone parents because the amount given to them was not sufficient to overcome their barriers to benefit exit.

The analyses suggest that compared to lone parents who did not have financial concerns, lone parents who were told they would be better off by more than £20 were more likely to exit benefits (model two) but lone parents who were told they would be better off by less than £40 were less likely to exit benefits (model three).

This suggests at least £40 extra per week was needed to address financial concerns. However, this discrepancy in the results could also be due to the fact that benefit exit is a poor proxy for work entry and the association between the likelihood of benefit exit and the IWBC outcome or financial barriers to work may not be robust, especially in the absence of such covariates as destination of benefit leavers and changes in their partnership status.

Some statistically significant factors were common to almost all models for existing claimants. These included the age of lone parents, the age of their youngest child, their own health status, ethnicity, past work experience and different barriers to work, such as financial worries, perceived lack of skills and/or confidence, caring responsibilities and problems with children and/or childcare.

3.4.3 Conclusion

The results of the analysis of benefit exit should be cautiously interpreted because the IWBC outcome may not necessarily be the key element associated with the likelihood of benefit exit but some other LPWFI aspect. The models for new/repeat claimants tentatively suggest that where the IWBC outcome was greater than £20 a week, lone parents were more likely to leave benefits and that lone parents who received a positive IWBC were more likely to move into work after leaving benefits than lone parents who received any other IWBC outcome. Existing claimants, who received a negative IWBC outcome were less likely to leave benefits than those who did not expect changes in their financial situation as a result of entering work. The IWBC outcome may have addressed the financial worries of those existing claimants who received a positive IWBC outcome.

There were more statistically significant factors that would hinder or assist benefit exit, in the models for existing claimants. The age of lone parents, the age of their youngest child, lone parents' health status and past work experience were found to be significant for existing but not for new/repeat claimants, while the situation was reversed for housing tenure and to some extent lone parents' desire to work and the health status of their children. Significant factors that were common to both new/repeat and existing lone parents included ethnicity, lack of skills and/or confidence, problems related to children and/or childcare and caring responsibilities.

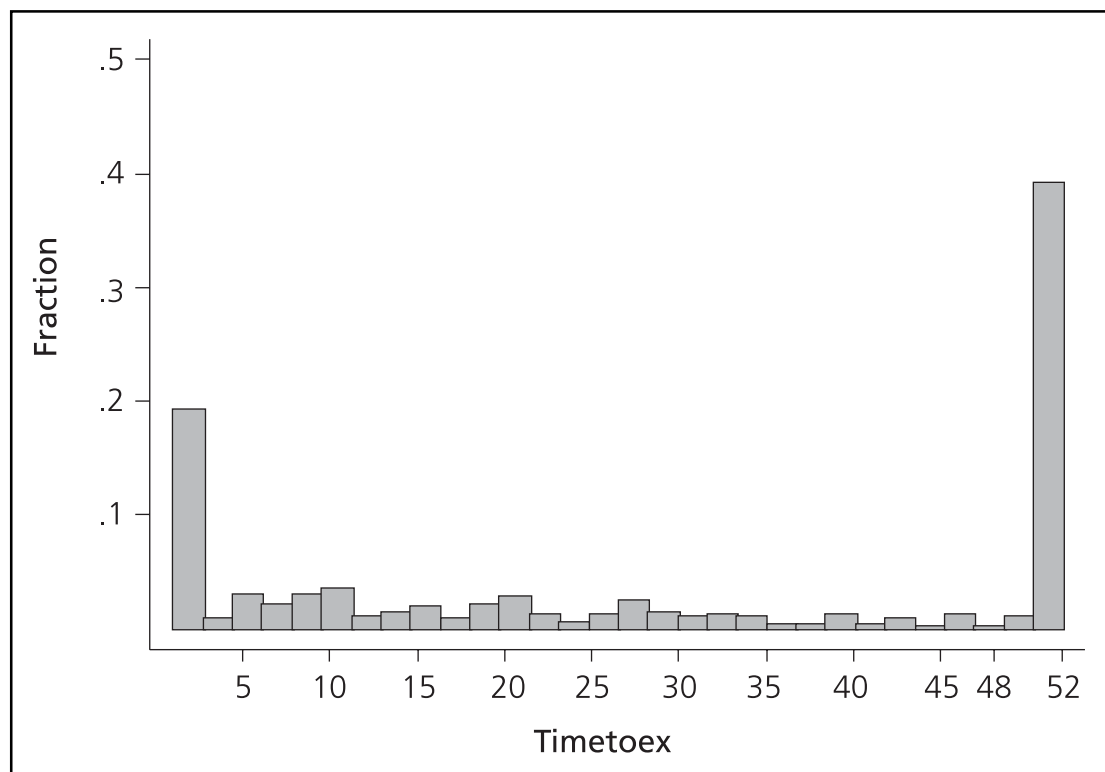
3.5 Time to benefit exit within the first 12 months after Lone Parent Work Focused Interview

This section investigates the association between the time taken by lone parents to leave benefits, measured in days, and the IWBC outcome. As in the analysis of time to work entry, these models reveal the characteristics of claimants that are associated with a speedier or a slower benefit exit by employing continuous duration analysis. Also, as previously, a value greater than one suggests that the characteristic is associated with a speedier exit, while a value less than one suggests the reverse. The tables also contain the variables used for stratification of the sample.

3.5.1 New/repeat claimants

Figure 3.3 shows the proportions of new/repeat claimants exiting benefits over time. It confirms that the majority of new/repeat lone parents stayed on benefits and of those who did leave benefits, 50 per cent of lone parents took at least ten weeks to do so. The high proportion of new/repeat lone parents leaving benefits during the first week reflects the problem created by the absence of benefit spell data for the 294 cases described in Table A.3. Table A.15 highlights the factors and the strength of their association with the speed of benefit exit depending on the IWBC outcome.

Figure 3.3 Time taken by new/repeat lone parents to exit benefits, weeks



New/repeat claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

According to this model, lone parents who received a positive IWBC outcome were likely to leave benefits twice as quickly as lone parents who thought that working would make no difference to their financial position. However, those who received a negative IWBC outcome were likely to leave benefits almost as quickly as those who received a positive outcome. This seems to indicate that both these groups of lone parents (who received a positive and a negative IWBC outcome) were likely to leave benefits regardless of the IWBC outcome, and the IWBC itself was conducted for them in anticipation of their benefit exit. However, this statement is impossible to further confirm empirically.

Lone parents with a youngest child aged nine-12 were leaving benefits 1.5 times more speedily than lone parents with a younger child, and lone parents who had access to a car or van were likely to leave benefits 1.3 times more quickly than lone parents without a driving licence. The other included factors were found to slow down the process of benefit exit. Those who mentioned problems with children and/or childcare were likely to take 33 per cent longer to leave benefits than those who did not have these problems. Lone parents who reported other barriers to work, such as a lack of job vacancies, were leaving benefits 30 per cent more slowly than lone parents who did not mention these barriers. At the ten per cent statistical significance level, lone parents with financial worries were likely to stay on benefit 40 per cent longer than lone parents without these worries and, strangely, lone parents with a qualification were likely to take 28 per cent more time in leaving benefits than lone parents without a qualification. Again, the last finding is difficult to interpret without reliable data on the destinations of benefit leavers as partnership changes cannot be accounted for.

New/repeat claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

This model showed no association between a (positive) IWBC outcome and the speed of benefit exit. Indeed, very few factors were associated with the speed of leaving benefits and those were statistically significant only at the ten per cent level. Similarly to model one, barriers relating to children and/or childcare and other barriers reported by lone parents were likely to reduce the speed of leaving benefits. The magnitude of these factors was similar to model one too. The only factor that was shown to speed up the exit was the desire to work: lone parents looking for work were likely to leave benefits 1.5 times more quickly than lone parents who were not looking for work at the time of the LPWFI.

New/repeat claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

Similarly to model two, model three did not suggest any association between a (positive) IWBC outcome and the speed of leaving benefit. Three factors were found statistically significant in this model. Looking for work and problems with children and/or childcare had the same association with the speed of benefit exit as in model two, and financial worries became significant in slowing down the speed of benefit exit in model three. Lone parents who had financial worries were likely to stay on benefit 60 per cent longer than lone parents who did not have these problems. Compared with model two, other barriers to work lost their statistical significance in model three.

New/repeat claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

At the ten per cent statistical significance level, this model suggested that lone parents who expected to be better off by more than £20 a week were likely to leave benefits almost 1.5 times more quickly than lone parents who received another IWBC outcome. Three other significant factors were the same as those reported for model two, although the levels of significance of some were higher. In addition to these factors, financial worries and the age of the youngest child were associated with the speed of benefit exit. Those who had financial worries took more than twice as long to leave benefits as those who did not report these problems. On the contrary, lone parents with a youngest child aged nine-12 years old were likely to leave benefits 1.4 times more quickly than lone parents whose youngest child was under nine years of age.

New/repeat claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not.

Model five found no association between the IWBC outcome and the speed of leaving benefits. In the same way as model four resembled model two, this model had similarities with model three regarding the factors significantly associated with the speed of leaving benefits. The differences between models three and five were a higher level of statistical significance attached to the desire for work and associations found between the speed of benefit exit and two factors: qualification and driving licence. Similarly to model one, lone parents with a qualification were likely to stay on benefit 33 per cent longer than lone parents without a qualification; and lone parents who had access to a car or van were likely to leave benefits 1.4 times more quickly than lone parents without driving licence.

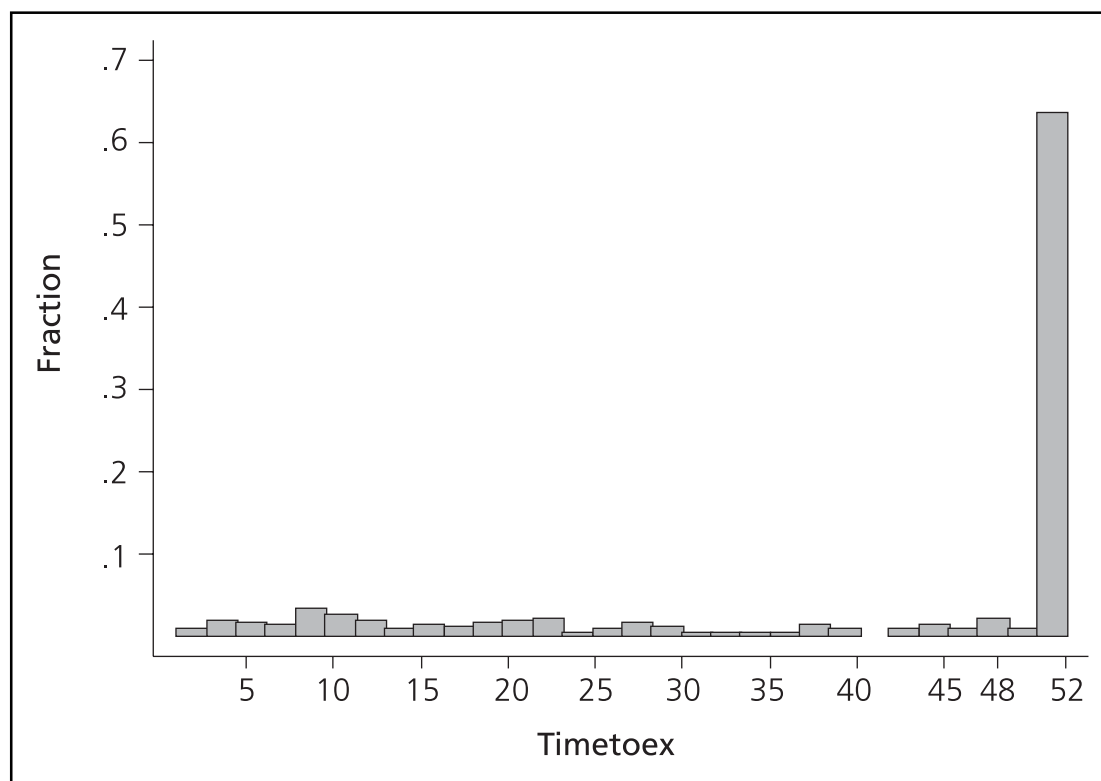
It is difficult to summarise the results of this analysis because they do not seem to be easily reconcilable. First, the analysis shows that lone parents tended to leave benefits more quickly if they expected any change in their financial circumstances – positive as well as negative (model one). Second, models four and five suggest that lone parents were leaving benefits more quickly if they expected to be better off by more than £20 (model four) but not by more than £40 (model five). Third, among those who received a positive IWBC, no association was found between the IWBC outcome and the speed of leaving benefits. Such discrepancies may point to the importance of variables that are not included in the model specification if it is their effects that the IWBC factor picks up. Overall, a possible interpretation for recent claimants is that firstly the IWBC amount has no general influence over the speed of exits amongst those who received an IWBC but that secondly, the increase in exit speed for amounts greater than £20 does not further increase with the size of the amount.

The other results were not very robust in that only one factor was consistently significant in all five models – problems associated with children and childcare (which made lone parents postpone their benefit exit). Two other factors common to most, but not all, across the models were the desire to work (which speeded up the benefit exit) and having financial concerns (which slowed down the speed of benefit exit).

3.5.2 Existing claimants

Figure 3.4 shows the proportions of existing claimants exiting benefits over time. Again, only those existing claimants who received an IWBC are considered. This chart supports the data presented in Table 2.2 that the majority of existing lone parents stayed on benefits. It, additionally, shows that of those existing claimants who did leave benefits, 50 per cent of lone parents took at least 20 weeks to do so, i.e. twice as long as new/repeat lone parents. Table A.16 presents the factors and the strength of their association with the speed of benefit exit depending on the IWBC outcome.

Figure 3.4 Time taken by existing lone parents to exit benefits, weeks



Existing claimants – model one

Provided lone parents received an IWBC, whether they were told they would be better off, worse off or no different in their financial position.

This model showed no association between the IWBC outcome and the speed of leaving benefits. The lack of skills and/or confidence was found to slow down exit to the greatest extent: lone parents who thought they did not have enough skills took 70 per cent longer to leave benefits than lone parents who did not report these barriers to work. Having caring responsibilities and ill-health was the second strongest factor associated with the speed of benefit exit. Lone parents who reported having caring responsibilities stayed on benefits 65 per cent longer than lone parents who did not have to care for someone other than their children. Lone parents who had health problems that affected the amount and/or kind of work they could do stayed on benefits 60 per cent longer than lone parents without such problems. Additionally, lone parents who were 40 years of age or older at the time of the LPWFI were also likely to take longer to leave benefits compared with younger lone parents.

At the ten per cent statistical significance level, the model pointed to the importance of factors relating to children. Experiencing problems related to children and childcare was found to halve the speed of benefit exit, while having an older youngest child (older than 14 years old) would speed up exit by 66 per cent. Past work experience was also positively associated with the speed of leaving benefits: lone parents who used to work in the past were likely to leave benefits 60 per cent more quickly than lone parents who had never worked.

Existing claimants – model two

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £20 per week, or not.

There was no association between the speed of leaving benefits and the IWBC outcome, except for the category of lone parents who could not recall the IWBC amount. The model suggests that those who recalled receiving a positive IWBC outcome, but not its amount, were likely to stay on benefits longer than those who expected to be better off by up to £20. Those who had financial worries and were told they would be better off by less than 20 pounds a week were very slow to leave benefits within the first 12 months after the first LPWFI. The analysis suggests that the risk of leaving benefits by this group of lone parents was less than ten per cent of the risk of leaving benefits by lone parents who did not have financial concerns.

The set of all other statistically significant factors was the same as in model one except past work experience which had no association with the speed of benefit exit. Instead, the tenure type acquired a high statistical significance in model two: lone parents who lived in social housing were likely to leave benefits 3.6 times more

quickly than lone parents living in housing of other tenure types. For the factors that were common between models one and two, the strength of association between these factors and the speed of benefit exit was stronger in model two than in model one.

Existing claimants – model three

Provided lone parents received a **positive** IWBC outcome: whether they were told they would be better off by more than £40 per week, or not.

At the ten per cent level of statistical significance, this model suggested an association between a (positive) IWBC outcome and the speed of benefit exit. Both those lone parents who expected to be better off by more than £40 a week and lone parents who could not remember the amount by which they were to be better off were likely to take longer to leave benefits compared with lone parents who thought they would be less than £40 per week better off. Without information on destinations of benefit leavers this unexpected outcome is difficult to further interpret.

The set of other statistically significant factors was similar between this model and model two, although the strength of their association with the speed of benefit exit sometimes differed. Also, the lack of skills and/or confidence lost statistical significance in model three, while the desire to work became significant at the ten per cent level. Additionally, lone parents who were looking for work at the time of the LPWFI were likely to leave benefits almost twice as quickly as lone parents who were not looking for work.

Existing claimants – model four

Provided lone parents received an IWBC: whether they were told they would be better off by more than £20 per week, or not.

Similarly to model two, a positive association was found between expectations of being better off by more than £20 a week and the speed of leaving benefits. Lone parents who received such an outcome were likely to leave benefits twice as quickly as lone parents who received any other IWBC outcome.

Again, the age of lone parents was found to be statistically significant, so that lone parents who were 40 years of age or older at the time of the LPWFI were likely to leave benefits more speedily than younger lone parents. Those with past work experience were also likely to leave benefits more than twice as quickly as lone parents who had never worked. Two factors were found to slow down benefit exit: having caring responsibilities and having problems with children and/or childcare. Lone parents who had to care for someone other than their children were likely to stay on benefits 80 per cent longer than lone parents who did not have these responsibilities. Lone parents who expressed their worries about children and/or

childcare were likely to take 42 per cent longer to leave benefits than lone parents who did not report these concerns.

Existing claimants – model five

Provided lone parents received an IWBC: whether they were told they would be better off by more than £40 per week, or not

No association was found between the IWBC outcome and the speed of benefit exit in this model. The age of respondents and the age of their youngest child, their own health, past work experience, tenure and various barriers featured as significant factors in the analysis. Lone parents of 40-44 years of age at the time of the LPWFI were likely to stay on benefits 38 per cent longer than younger lone parents. Those with a youngest child older than 14 years of age were likely to leave benefits almost twice as quickly as were those with a younger child, while lone parents who mentioned problems with children and/or childcare as a barrier to work were likely to stay on benefits twice as long as lone parents who did not have these concerns. Health problems that had an impact on the amount and/or kind of work lone parents could do were likely to slow down benefit exit by 64 per cent. On the contrary, living in social housing was likely to speed up the exit by about 2.3 times compared with living in any other tenure form.

Lone parents who mentioned lack of skills and/or confidence as a barrier to work were likely to stay on benefits 80 per cent longer than lone parents who did not report to this problem. It is difficult to explain therefore, why lone parents who reported this problem but additionally had no qualification were likely to exit benefits more than three times more quickly than other lone parents. Lone parents with past work experience (which theoretically should have improved their confidence levels) were likely to leave benefits 2.3 times more quickly compared with lone parents who had never worked.

To summarise, the analysis of the speed of leaving benefits tentatively suggested that lone parents were likely to leave benefits more quickly if they expected to be better off by more than £20 a week than if they received any other IWBC outcome (model four). However, this result was counteracted by model five where no significant association was found between the expectations of being better off by more than £40 a week and leaving benefits more quickly. Hence, no further increase in exit speed was found for amounts above £20. One of the models also suggests that if lone parents had financial concerns and, as a result of the IWBC outcome, they expected to improve their financial circumstances but only by up to £20 a week, they were likely to take much longer time to leave benefits than lone parents without these concerns.

Regarding other associations, although no single factor was found to be statistically significant in all five models, a few factors were associated with speed of benefit exit in the majority of models. These included the age of lone parents and of their

youngest child, problems relating to children and childcare and lone parents' health status.

3.5.3 Conclusion

The analysis of speed of benefit exit confirmed the concern expressed at the beginning of the analysis of benefit outcomes, namely that benefit outcomes are not an exact proxy for work outcomes and that the association between the IWBC outcome and the benefit outcome may not be revealing. No strong conclusions can be made about the IWBC when analysing the speed of benefit exit. Both existing and new/repeat lone parents seemed to leave benefits more quickly if they were told they would be better off by more than £20 than if they received any other IWBC outcome. However, no such effect was observed where lone parents expected to be better off by more than £40 a week. This suggests that some significant factors were not included in the models and further investigation of the speed of benefit exit with alternative data sets may be required. However, a possible interpretation is that for the bulk of lone parents who received an IWBC, an IWBC amount between £20-£40 increased benefit exit, and no observable further increase in benefit exit occurred for those expecting more than £40 per week.

Both client groups were likely to be mixed because very few factors were significantly associated with the speed of benefit exit across all models. Those factors that were robust differed between the client groups. While the desire for work and financial worries were statistically significant for new/repeat claimants, the age of lone parents and of their youngest child and lone parents' health status were significant among existing claimants. The only common factor between new/repeat and existing lone parents were problems related to children and childcare – both client groups who reported these concerns were likely to delay their benefit exit compared with lone parents who did not report them.

3.6 Conclusions

Chapter 3 consists of five sub-sections, three of which examined outcomes relating to work entry and two examined outcomes relating to benefit exit. The main association examined was between the subsequent work and benefit outcomes on the one hand, and the IWBC outcomes that lone parents received at their initial LPWFI. The period under analysis was restricted to 12 months after the initial LPWFI. A summary of results obtained in all analyses for both new/repeat and existing claimants are presented in Table 3.2.

Table 3.2 Summary of IWBC relationships

IWBC outcomes	Work and benefit outcomes				
	Work entry	Speed of work entry	Time spent in work	Benefit exit	Speed of benefit exit
	New/ repeat/ existing	New/ repeat/ existing	New/ repeat/ existing	New/ repeat/ existing	New/ repeat/ existing
Received IWBC					
Positive	+ / 0	+ / 0	+ / 0	0 / 0	+ / 0
Negative	0 / 0	0 / 0	0 / 0	0 / -	+ / 0
Received positive IWBC					
Extra £21 or more a week	+ / 0	0 / 0	+ / 0	+ / 0	0 / 0
Extra £41 or more a week	+ / 0	+ / 0	+ / 0	+ / 0	0 / 0
Received IWBC					
Extra more than £20 a week	+ / 0	+ / 0	+ / 0	+ / 0	+ / +
Extra more than £40 a week	+ / 0	+ / 0	+ / 0	+ / 0	0 / 0

Note: + indicates positive, - indicates negative

3.6.1 Work outcomes

Analyses of work outcomes across different IWBC outcomes and existing and new/repeat client groups showed consistency with regard to both the association in focus and characteristics of claimants associated with work outcomes. The results confirmed that new/repeat and existing lone parents differed from each other in important ways: while no association between the IWBC outcome and work outcomes was found among existing claimants, the results were opposite for new/repeat claimants. Among new/repeat lone parents, all analyses relating to work outcomes pointed to a positive association between these outcomes and a positive IWBC outcome. The characteristics of claimants associated with work outcomes, showed consistent differences between the existing and new/repeat lone parents. Where existing lone parents were concerned, all analyses pointed to the importance of health status and lack of skills and/or confidence, while caring responsibilities and factors relating to children (their age and number or problems associated with them) were found to affect new/repeat lone parents' work outcomes.

The only similarity between the existing and new/repeat client groups was found in the importance of their **desire to work**. This factor was important to achieving every work outcome considered. Few other characteristics of lone parents featured as statistically significant, regardless of whether these were existing or new/repeat claimants, but not across all work outcomes considered. Thus, the analysis of time spent in work pointed to past work experience as a factor increasing the time in employment over the next 12 months among both client groups. The analysis of time to work entry suggested that caring responsibilities were as important a barrier among existing lone parents as they were among new/repeat lone parents.

3.6.2 Benefit outcomes

The results of analyses of benefit outcomes were more difficult to interpret and it was concluded that benefit outcomes were a poor proxy for work outcomes and it may be erroneous to expect an association between the IWBC and benefit exit. The analyses were complicated by the fact that potentially important variables related to benefit exit – destination of benefit leavers and change in their partnership status – were not available for modelling. Nevertheless, the analyses suggested that new/repeat lone parents who received a positive IWBC outcome were more likely to move into work after leaving benefits than lone parents who left benefits after receiving any other IWBC outcome. With regard to existing lone parents, those who thought that they would be worse off in work were less likely to leave benefits than lone parents who did not expect any change to their financial position after entering work.

Both analyses of benefit outcomes (likelihood of exit and time to exit) pointed to the significance of problems related to children and/or childcare, and this was true for both groups of claimants: existing and new/repeat lone parents. There were differences in barriers to benefit exit between these two groups of lone parents too. Lone parents' age, their health status and age of their youngest child were of importance to existing but not new/repeat claimants. At the same time, the desire to work was of strong importance to benefit outcomes only for new/repeat claimants.

3.6.3 Work and benefit outcomes

Finally, considering both work and benefit outcomes together, it was observed that **health status** was the only factor always found important to achieving these outcomes by existing claimants, while the desire to work was the only factor always found significant to achieving these outcomes by new/repeat claimants. This suggests that the existing and new/repeat client groups should be targeted differently when policy measures are designed to move them closer to work.

4 Overall conclusions for In Work Benefit Calculation and work/benefit outcomes

This research examined the association between the In Work Benefit Calculation (IWBC) outcomes and a number of work and benefit outcomes among lone parents claiming Income Support (IS). Two client groups were identified – existing and new/repeat lone parents – according to the length of their claim and the age of their youngest child on 30 April 2001. These groups differed in their endowed characteristics, barriers to work they faced and the likelihood and speed of achieving work and benefit outcomes within the first 12 months after the initial Lone Parent Work Focused Interview (LPWFI). The outcomes examined in this report consisted of three work and two benefit outcomes, including the entry into work, time to work entry, time spent in work, benefit exit and time to benefit exit.

4.1 Work outcomes

The analyses were conducted separately for the two client groups and the results differed between them. Regarding work outcomes, all analyses relating to new/repeat lone parents pointed to a positive association between these outcomes and a positive IWBC outcome. However, no association between the IWBC outcomes and work outcomes was found among existing claimants. These results were not surprising given that existing claimants were generally older and less healthy than new/repeat claimants and that the health status and lack of skills and/or confidence were found important in (not) achieving work outcomes by existing lone parents. On the contrary, new/repeat lone parents must have been comparatively more readily available for work once caring responsibilities and factors relating to children (their age and number or problems associated with them) diminished in their importance.

This conclusion was supported by the fact that both existing and new/repeat lone parents were more likely to achieve work outcomes if they were looking for work at the time of their initial LPWFI but new/repeat lone parents were more likely to describe themselves as looking for work, than existing lone parents.

4.2 Benefit outcomes

The results of analyses examining the association between the IWBC outcomes and benefit outcomes were more difficult to interpret: since benefit leavers were not necessarily leaving benefits in order to enter work (up to 16 hours of work a week is allowed for IS benefit claimants), benefit outcomes were a weak approximation of work outcomes. Indeed, with regard to existing lone parents, it was found that those who thought that they would be worse off in work were less likely to leave benefits than those who did not expect any change to their financial position after entering work. Other factors than the IWBC outcome were found relevant to benefit outcomes. Problems relating to children and/or childcare hindered benefit exit among both client groups: existing and new/repeat lone parents. Lone parents' age, their health status and the age of their youngest child, additionally, were of importance to existing claimants' benefit exit, while the desire to work was of importance to benefit exit by new/repeat claimants.

4.3 Work and benefit outcomes

Finally, considering both work and benefit outcomes together, **health status** was always found important to achieving these outcomes by existing claimants, while the **desire to work** was always found significant to achieving these outcomes by new/repeat claimants. This may be because existing IS claimants may also be more likely to be claiming Incapacity Benefit (IB). Although it is difficult to comment on the relationship between work and benefit outcomes, some suggestions may be made with regard to new/repeat lone parents. The analyses indicated that new/repeat claimants who received a positive IWBC outcome were more likely to move into work than those with any other IWBC outcome. This suggestion was supported by the previous finding that looking for work was significant to leaving benefits for new/repeat claimants.

4.4 Conclusions

These findings suggest that policy measures should differ for existing and new/repeat client groups. However, they did not necessarily advocate the use of the IWBC as an instrument encouraging lone parents to enter work or leave benefits. This is because both the incidence of receiving an IWBC and benefit outcomes might have been simultaneously associated with claimants' characteristics or some other elements of an LPWFI than an IWBC, for example, claimants' job readiness or necessity of training. In other words, some factors may have simultaneously determined both the outcomes and provision of an IWBC, or these factors may have influenced work and benefit outcomes regardless of IWBC provision.

Therefore, although an association between the IWBC outcome and work outcomes was found among new/repeat lone parents, whether an IWBC or some other element of the LPWFI had an impact on achieving these work outcomes is impossible to judge. Moreover, it should be noted that the analyses were focused on those who received an IWBC and, therefore, the results are likely to be biased upwards, as this study suggested, lone parents seeking work at the time of the initial LPWFI were more likely to receive an IWBC than lone parents not ready for work.

Given that it was impossible to comment on how the IWBC scored relative to other LPWFI elements in encouraging lone parents to enter work, the findings of this research offered some insights into the relative importance of different IWBC outcomes to achieving work outcomes. However, since no association was found between IWBC outcomes and work outcomes for existing claimants, these insights were only applicable to new/repeat lone parents. Thus, it is logical to anticipate that the greater the amount by which lone parents expected to be better off when in work, the more likely they were to achieve work outcomes. In this case, the association between IWBC and work outcomes was not stronger where the outcome was more than an extra £40 a week than where the outcome was less than that amount. But this may be due to the relative scarcity of observations with IWBCs calculations much greater than £40 per week. However, the results suggested that any positive IWBC outcome was associated with positive work outcomes. This was true regardless of the subset of new/repeat lone parents considered – those who received any IWBC outcome or those who received a positive IWBC outcome.

Therefore, although previous qualitative research found a positive link between lone parents' work decisions and the amount of IWBC received if this outcome exceeded £40 a week, this research pointed to the importance of **any** positive IWBC outcome.⁷ However, it was noted above that the results of these analyses were likely to be biased upwards due to the nature of the sample of lone parents. Therefore, had all lone parents been considered, it is conceivable that a threshold incentive might have been found. Nevertheless, if those who were job ready tended to enter work provided they expected an improvement in their financial position, then it can be argued that spending an extra £20 or £40 a week to encourage them to enter work may not be necessary. Hence resources spent to encourage work entry by lone parents who were likely to do so anyway might be directed to help those who are further away from the labour market to consider job search and attain job readiness.

⁷ This seems to contradict the qualitative results reported by Thomas and Griffith (2004) on the impact of a negative IWBC outcome on lone parents' work decisions. However, the findings of this previous research were not based on econometric modelling making it impossible to conclude on the independent impact of IWBC outcome on lone parents' work decisions. Moreover, research by Thomas and Griffith (2004) did not consider the two client groups (existing and new/repeat) separately. And finally, their time frame covered more than a 12 month period.

Regarding existing lone parents, no association between IWBC outcomes and work outcomes was found among this client group. This may be explained by the restriction of the time period to 12 months after the initial LPWFI and the fact that existing lone parents may take longer than this to enter work. It might be possible to find an association between IWBC outcomes and work outcomes by increasing the time period under analysis. Indeed, the long-term impact needs to be investigated in order to conclude on the differences in the outcomes between new/repeat and existing claimants. In this case, it is possible, for example, that existing lone parents catch up with new/repeat lone parents with regard to work and benefit outcomes in a sufficiently long time horizon. However, this does not undermine the suggestion that to bring existing lone parents closer to the labour market, more resources may have to be directed to this group of lone parents.

4.5 Delivery and recording issues

A lack of record taking at the initial LPWFI has been reported by previous research (Thomas and Griffith, 2004). This factor and a problem of recall explained the presence of a 'missing' category of IWBC outcome in the analysis. This category referred to lone parents who reported receiving an IWBC but could not remember its outcome. The results presented for this category consistently showed a positive association between IWBC outcomes and work outcomes among new/repeat but not existing lone parents. This would support the argument for targeting public spending by suggesting that new/repeat lone parents who received an IWBC were those who were likely to enter work. On the contrary, existing lone parents with a missing IWBC outcome were unlikely to leave benefits within the first 12 months after their initial LPWFI, even when recalling the IWBC outcome was positive. This seems to confirm the conclusion that existing lone parents were further away from the labour market and needed more time to enter it. Therefore, the analysis of association between the IWBC outcome and their work and benefit outcomes may need to be conducted over a longer time horizon, but the data prevented this here.

However, all future analyses relating to IWBCs would be impaired by the quality of data and inconsistencies in the IWBC delivering processes. Better IWBC analyses would result if administrative data on the IWBC were recorded. Robust conclusions on the IWBC impact can only be possible if IWBC provision is less discretionary and the delivery process standardised across the Personal Advisers (PAs), customers and jobs for which IWBCs are conducted. Indeed, since IWBCs were more likely to be provided at review (rather than initial LPWFI) meetings, the sample size available for this research was greatly reduced (by 70 per cent overall). It is conceivable that PAs did not need to conduct the calculation in every case given its complexity. However, in these cases it would be useful to state the reason for not providing an IWBC in the administrative data (LMS) records. This could have reduced complications that hinder analysis.

Regarding consistency across the jobs for which IWBCs are provided, at present there is a great variety of interpretations: some PAs offer an IWBC for a specific job vacancy and some for a 'speculative' job (see Thomas and Griffith, 2004: 38). In line with proposals made by previous studies, it seems possible to standardise the process, even if this would not eliminate those cases where the financial position of lone parents in work did not match the position predicted by the IWBC. Without standardisation it is not possible to distinguish, for example, true regional effects from differences arising due to varying practices in IWBC delivery.

4.6 Limitations of the analysis

However, not only inconsistency of IWBC delivery across Jobcentres, customers and jobs made it difficult to generalise the findings of this research. It should be reminded that these findings were applicable only to an early cohort of lone parents in 2001. Since its first introduction in April 2001, the LPWFI initiative was gradually extended to cover lone parents with younger children. From April 2003, new/repeat claimants with a youngest child under three years old and from April 2004 existing claimants with children under five years old have had to attend the LPWFI. The importance of the age of the youngest child found in most analyses of work and benefit outcomes suggested that for later cohorts the results of investigation may alter.

4.7 Summary

This research recommends that policy measures that intend to bring lone parents closer to the labour market should differ between existing and new/repeat client groups. However, this study was not conclusive about the role of the IWBC as an instrument encouraging lone parents to enter work or leave benefits.

Although an association between IWBC outcomes and work outcomes was found only for new/repeat and not for existing claimants, it is argued that extending the time period under analysis may lead to different results given that IWBC is usually provided at review and not the initial LPWFI. Notwithstanding this conclusion, better targeting of public resources might be achieved by directing lone parents closer to the labour market, particularly encouraging job search and motivating the desire to work.

Some suggestions are indicated with regard to improving the IWBC delivery process, and data quality. Standardisation of delivery process and recording the reasons for IWBC non-provision would reduce the restriction of IWBC provision to only those whom advisers believe job-ready as well as increase the number of cases available for quantitative analysis.

In generalising from the results of this study, some caution is required due to changes in the cohorts of lone parents eligible for an LPWFI over time. Since the age of the youngest child was found significant to work and benefit outcomes of lone parents, extending the LPWFI programme to those with a youngest child of an age different from that analysed in this research may lead to different results. These results pertained to new/repeat claimants with a youngest child older than five years three months and existing claimants with a youngest child older than 12.

Appendix A

Description of the data

A.1 Description of the data used for analyses of the In Work Benefit Calculation

The survey of lone parents who attended work focused interviews was conducted in two waves (Table A.1). The first wave covered 3,043 lone parents who attended a Lone Parent Work Focused Interview (LPWFI) between August and October 2001. First wave interviews took place between February and April 2002, i.e. approximately half-a-year after the initial LPWFI. This sample of first wave participants consisted of 1,220 existing claimants and 1,823 new or repeat claimants. Existing claimants were represented by lone parents already in receipt of Income Support (IS) and whose youngest child was aged from 13 to 15 years and nine months old on 30 April 2001. New or repeat claimants were represented by lone parents making new or repeat claims for IS and whose youngest child was at least five years and three months old at the time of initiating the claim.

Table A.1 Number of claimants in LPWFI survey

Wave	Existing claimants	New/ repeat claimants	Total claimants	LPWFI period	Survey interview period
Wave one	1,220	1,823	3,043	August – October 2001	February – April 2002
Wave two	882	1,175	1,997	February – December 2002	October 2002 – January 2003

Of those interviewed in the first survey 1,997 were re-interviewed between October 2002 and January 2003. The second survey covered those lone parents who attended a review LPWFI between February and December 2002. In this sample, 822 were existing claimants and 1,175 were new or repeat claimants. The review

meetings were mandatory. For new or repeat claimants the first review meeting would normally take place after six months and annually thereafter and existing claimants were required to attend annual review meetings after their initial LPWFI.

Therefore, lone parents who participated in the survey were likely to have a number of work focused interviews, with or without an IWBC, during the period of observation. Table A.2 shows that within the first 12 months after the initial LPWFI, 16 per cent of lone parents had more than one work focused interview. Nine per cent of lone parents had two or more initial work focused interviews implying their exit and return into the LPWFI programme within one year. This raises a number of issues that may complicate analysis.

Table A.2 The number of LPWFI within the first 12 months after the initial LPWFI

<i>Column percentages</i>			
Number of LPWFI in 12 months	New/repeat	Sample type	
		Existing	All
One	78	92	84
Two or more:	22	8	16
– of these:			
two or more initial LPWFI	13	3	9
two or more annual review LPWFI	9	5	7
<i>Unweighted base</i>	<i>1,566</i>	<i>1,160</i>	<i>2,726</i>

Base: Participants of the first LPWFI survey who were present in the sample for the first 12 months after the initial LPWFI and had information on LPWFI.

If LPWFIs have an impact on work outcomes, there is likely to be an association between the number of these interviews and work outcomes. One may suggest that a higher treatment dose (i.e. a greater number of LPWFI) would increase the probability of work entry. At the same time, those lone parents who enter work do not need to have another LPWFI and one may expect, therefore, an association between fewer interviews and work entry. In analysis, this issue is dealt with by excluding the number of work focused interviews from the set of explanatory variables.

Another problem caused by being subjected to more than one LPWFI is that lone parents who received an In Work Benefit Calculation (IWBC) at both interviews might have been given different IWBC outcomes. There were 44 lone parents who received an IWBC at both work focused interviews and in 15 of these cases the IWBC outcomes differed. Where these lone parents entered work, it may be difficult to determine which of the IWBC outcomes that lone parents received prior to work entry is associated with this work outcome. In modelling this problem is solved by restricting the period under analysis to the first 12 months after the initial LPWFI and focusing on the outcome of the first IWBC received at the initial LPWFI.

Such an approach implies that all annual review interviews are excluded from the analysis unless they took place earlier than a year after the initial LPWFI. In those 37 cases where lone parents had a review meeting and obtained the second IWBC within the first 12 months after the initial LPWFI, the analysis disregards the outcome of the second IWBC. However, among these 37 lone parents, only 13 received differing IWBC outcomes and of these 13, only one entered work within the first 12 months. Accordingly the focus on the IWBC outcome received only at the initial LPWFI is justified in the analysis. Also, by restricting the time period to the first 12 months after the initial LPWFI the strength of the confounding effects of more than one work focused interview on work outcomes is diminished. Moreover, the standardisation of the period under analysis allows for comparison of outcomes within a distinct time frame.

Data were linked for the analyses and although preference was given to the survey, the administrative data were used where the survey did not provide information or the information seemed unreliable. The administrative data was the same data⁸ as was prepared for the analyses of the combined LPWFI/New Deal for Lone Parents (NDLP) net impacts, and is described further in that report⁹. This was the case with the data on benefits received by lone parents and some demographic characteristics. Some cases in the survey had to be excluded from the analysis altogether either because they had no identifier or because lone parents appeared to be in work of more than 16 hours per week at the time of the initial LPWFI (Table A.3)

Table A.3 Sample size

At the time of initial LPWFI	New/ repeat	Existing claimants	All claimants
Total in LPWFI survey	1,823	1,220	3,043
Claimants with no ID	74	37	111
In work of 16+ hours	179	22	201
Available for analysis	1,570	1,161	2,731
Not on IS at the time of initial LPWFI, total	348	10	358
– Do not have an IS spell within the first 12 months	294	10	304
– IS spell starts within the first 12 months	54	0	54

⁸ Working Age Statistical Database (WASD) data offer the whole benefit history since 1998 for individuals who have had at least one spell on benefit. Data provided for this study consists of WASD spells for lone parents based on the lone parent customer flags in the IS data for the period 2001-03. This extract of the WASD data provides previous and later spells on any of the benefits recorded in the WASD data for this customer group (including Incapacity Benefit, Severe Disability Allowance, Jobseeker's Allowance and others).

⁹ Knight, G., Speckesser, S., Smith, J., Dolton, P., Azevedo, J.P. (2006) *The evaluation of combined Lone Parents Work Focused Interviews and New Deal for Lone Parents, and further re-analyses of the New Deal for Lone Parents net impacts*, Department for Work and Pensions Research Report.

Table A.3 figures shows that there were problems with administrative data too and some administrative variables had to be amended for analysis. For example, the survey contained 358 claimants who, according to administrative data, were not claiming benefit at the time of the initial LPWFI. It was decided to consider these lone parents as receiving IS at the time of the initial LPWFI if there was a benefit claim starting within the first 12 months after the LPWFI. If there was no benefit claim within the first 12 months after the LPWFI, lone parents were considered as being on benefit only for one week after the initial LPWFI on the grounds that their spell may have been so short that it was not recorded properly.

Finally, the possibility of having multiple benefit spells and work re-entries within the first 12 months after the initial LPWFI should be mentioned. In some analyses, described below, where the likelihood of an outcome (e.g. the likelihood of work entry) or the time to the occurrence of an event (e.g. the speed of work entry) are considered, the focus is only on the first event (e.g. work entry) and all consequent events are disregarded. However, in the analysis of the proportion of time spent in work, work re-entries are accounted for.

A.1.1 Survey weights

The survey was designed to collect a representative sample for the population from which they were drawn in the administrative data. Individual non-response to the survey can compromise this. To overcome any biases that might result, weights can be calculated that restore the representativeness in respect of the observed population characteristics.

The weights were calculated by estimating a probit model of survey response for all individuals in the sampling frame. The inverse of the estimated probability of response is then the weight used. The results of the probit are shown in Table A.4. Variables are limited to those available in the administrative data sampling frame. Table A.5 shows the means observed for each of the sampling frame, the unweighted survey and the weighted survey. It shows that the weights generally help return the distribution observed in the sampling frame.

Table A.4 Probit of survey non-response

	Response to survey	
	coefficient	t statistic
Male	-0.08**	-2.45
Aged under 21	-0.93**	-2.38
Aged 31-40	0.03	1.11
Aged 41-50	0.06	1.68
Aged 51 and less than 65	0.12*	2.69
Office for Scotland	0.31**	8.44
Northern	0.50**	12.15
North West	0.41**	12.43
Yorkshire and the Humber	0.37**	9.28
Wales	0.44**	10.37
West Midlands	0.22**	5.53
East Midlands and Eastern	0.15**	3.50
South West	-0.15**	-2.98
Month when the WFI was attended (August)	0.04	1.86
October	0.09**	3.42
Constant	-1.65	-43.18
Observations	31,719	

Categories excluded: Female, age 20-30, London LASER, interview in September. * significant at five per cent level, ** significant at ten per cent level.

Table A.5 Means observed

Means	Sample frame	Survey unweighted	Survey weighted
Male	0.13	0.12	0.13
Aged under 21	0.00	0.00	0.00
Aged 21-30	0.13	0.12	0.13
Aged 31-40	0.48	0.47	0.49
Aged 41-50	0.32	0.32	0.31
Aged 51 and less than 65	0.07	0.08	0.07
Office for Scotland	0.12	0.13	0.12
Northern	0.07	0.10	0.07
North West	0.17	0.22	0.17
Yorkshire and the Humber	0.08	0.10	0.09
Wales	0.07	0.09	0.07
West Midlands	0.10	0.10	0.11
East Midlands and Eastern	0.09	0.07	0.09
South West	0.08	0.03	0.08
London LASER	0.22	0.13	0.22
Month when the WFI was attended (August)	0.37	0.37	0.37
September	0.34	0.30	0.34
October	0.28	0.31	0.28

A.2 IWBC modelling results tables

Table A.6 Variables in the IWBC models

Abbreviation	Definition
lwbc_neg	Negative IWB outcome. Reference category – no difference if in work
lwbc_pos	Positive IWB outcome. Reference category – no difference if in work
lwbc_pos21up	The IWBC outcome is extra more than £20 a week. Reference category – the IWBC outcome is extra £0-£20 a week
lwbc_pos41up	The IWBC outcome is extra more than £40 a week. Reference category – the IWBC outcome is extra £0-£40 a week
lwbc_pos21mis	The IWBC outcome is positive but the exact amount by which lone parents were told to be better off is not known. Reference category – lone parents who received positive IWBC outcome and reported the exact amount. The two variable names distinguish models two and three
lwbc_pos41mis	
lwbc_res21up	The IWBC outcome is extra more than £20 a week. Reference category – the IWBC outcome is £20 or less a week
lwbc_res41up	The IWBC outcome is extra more than £40 a week. Reference category – the IWBC outcome is £40 or less a week
lwbc_res21mis	The IWBC outcome is not known. Reference category – lone parents who reported an exact IWBC outcome. The two variable names distinguish models four and five
lwbc_res41mis	
Age_3539	Age of new/repeat client is 35-39 years old at the time of initial LPWFI. Reference category – new/repeat lone parents who are under 35 years old at the time of initial LPWFI
Age_4044	Age of existing client is 40-44 years old at the time of initial LPWFI. Reference category – existing lone parents who are under 35 years old at the time of initial LPWFI
Age_40plus	The new/repeat client is 40 or more years of age at the time of initial LPWFI. Reference category – new/repeat lone parents who are under 35 years old at the time of initial LPWFI
Age_45plus	The existing client is 45 or more years of age at the time of initial LPWFI. Reference category – existing lone parents who are under 35 years old at the time of initial LPWFI
Young_912	The new/repeat client has a youngest child that is nine-12 years old at the time of initial LPWFI. Reference category is a child under nine years of age
Young_13plus	The new/repeat client has a youngest child of 13 or more years of age at the time of initial LPWFI. Reference category is a child under eight years of age
Young_15plus	The existing client has a youngest child of 15 or more years of age at the time of initial LPWFI. Reference category is a child under 15 years of age
Children_1	The existing client has one child. Reference category – the existing client whose child grew up within the first 12 months after the initial LPWFI and stopped being dependent

Continued

Table A.6 Continued

Abbreviation	Definition
Children_2	The new/repeat client has two children. Reference category – new/repeat client has one child. The existing client has two or more children. Reference category – the existing client whose child grew up within the first 12 months after the initial LPWFI and stopped being dependent
Children_3	The new/repeat client has three or more children. Reference category – new/repeat client has one child
Female	The client is a female. Reference category – male
White	The client is of white ethnic origin. Reference category – non-white
Social_housing	The client lives in social housing. Reference category – non-social housing
Educ_17plus	The client finished education at 17 years of age or later. Reference category – 16 years of age or earlier
Ever_work	The client has work experience. Reference category – the client never worked in the past
Qualification	The client has any qualification. Reference category – the client with no qualification
Look_work	The client is looking for work at the time of LPWFI. Reference category – the client is not looking for work
Lic_noacces	The client has licence but no car/van access. Reference category – the client has no licence
Lic_acces	The client has licence and car/van access. Reference category – the client has no licence
Care	The client has caring responsibilities related to someone other than child. Reference category – the client who has no caring responsibilities
Ill_health	The client has health problems that affect the amount or kind of work they can do. Reference category – the client has no health problems or these problems do not affect the amount or kind of work they can do
Child_ill	The client has a child with LSI. Reference category – the client's child has no LSI
Barrier_finance	The client reported financial barriers to work. Reference category – the client who did not mention financial barriers
Barrier_skills	The client reported lack of confidence and/or skills as barriers to work. Reference category – the client who did not mention these barriers
Barrier_child	The client reported barriers to work relating to children and/or childcare. Reference category – the client who did not mention these barriers
Barrier_litnum	The client reported literacy/numeracy problems as barriers to work. Reference category – the client who did not mention these barriers
Barrier_other	The client reported other barriers to work. Reference category – the client who did not mention other barriers
Skillbar_qual	The client has qualification and reported lack of confidence and/or skills as barriers to work. Reference category – the client who did not mention these barriers, regardless of their qualification
Skillbar_noqual	The client has no qualification and reported lack of confidence and/or skills as barriers to work. Reference category – the client who did not mention these barriers, regardless of their qualification

Continued

Table A.6 Continued

Abbreviation	Definition
Int_September	The client had their initial LPWFI in September. Reference category – the client who had their initial LPWFI in August
Int_October	The client had their initial LPWFI in October. Reference category – the client who had their initial LPWFI in August
North West	The client lives in North West. Reference category – Scotland
Northern region	The client lives in Northern region. Reference category – Scotland
London and SER	The client lives in London and South East Region. Reference category – Scotland
Wales	The client lives in Wales. Reference category – Scotland
Yorkshire and Humberside	The client lives in Yorkshire and Humberside. Reference category – Scotland
West Midlands	The client lives in West Midlands. Reference category – Scotland
East Midlands and Eastern	The client lives in East Midlands and Eastern. Reference category – Scotland
South West	The client lives in South West. Reference category – Scotland
Finbar_notpos	The client reported financial barriers and received either a negative or 'no difference if in work' IWBC outcome. Reference category – the client who did not report financial problems
Finbar_pos	The client reported financial barriers and received a positive IWBC outcome. Reference category – the client who did not report financial problems
Finbar_pos20	The client reported financial barriers and received a positive IWBC outcome of being better off by £20 or less a week. Reference category – the client who did not report financial barriers
Finbar_pos21plus	The client reported financial barriers and received a positive IWBC outcome of being better off by more than £20 a week. Reference category – the client who did not report financial barriers
Finbar_pos40	The client reported financial barriers and received a positive IWBC outcome of being better off by £40 or less a week. Reference category – the client who did not report financial barriers
Finbar_pos41plus	The client reported financial barriers and received a positive IWBC outcome of being better off by more than £40 a week. Reference category – the client who did not report financial barriers
Finbar_pos20mis Finbar_pos40mis	The client reported financial barriers and received a positive IWBC outcome but the exact amount given to the client is not known. Reference category – the client who did not report financial barriers. The variable names distinguish models two and three
Finbar_res20	The client reported financial barriers and was told to expect the change in the financial circumstances by £20 or less a week. Reference category – the client who did not report financial barriers
Finbar_res21plus	The client reported financial barriers and was told to be better off by more than £20 a week if in work. Reference category – the client who did not report financial barriers

Continued

Table A.6 Continued

Abbreviation	Definition
Finbar_res40	The client reported financial barriers and was told to expect the change in the financial circumstances by £40 or less a week. Reference category – the client who did not report financial barriers
Finbar_res41 plus	The client reported financial barriers and was told to be better off by more than £40 a week if in work. Reference category – the client who did not report financial barriers
Finbar_res20mis Finbar_res40mis	The client reported financial barriers and received IWBC but the exact amount given to the client is not known. Reference category – the client who did not report financial barriers. The variable names distinguish models four and five
wfi_month	The sample is stratified according to the month of initial LPWFI into three groups: claimants who had their LPWFI in August, claimants who had their LPWFI in September and claimants who had their LPWFI in October
region	The sample is stratified according to the region in which the client lives into nine groups: North West, Northern region, London and SER, Wales, Yorkshire and Humberside, West Midlands, East Midlands and Eastern, South West and Scotland
children	The sample of existing claimants is stratified according to the number of children the claimants had at the time of initial LPWFI into three groups: claimants with one child, claimants with two or more children and claimants with a child that grew up and stopped being dependent
health	The sample is stratified according to the health status of claimants into two groups: claimants with no health problems or with health problems that do not affect the amount or kind of work that claimants can do and claimants with health problems that affect the amount or kind of work they can do
lic_acces	The sample is stratified according to the possession of licence and car/van access into three groups: claimants with no licence, claimants with licence but no car access and claimants with licence and car access
skillbar	The sample is stratified according to whether the client reported skills barrier and had qualifications into three groups: claimants who did not report this barrier, claimants who reported this barrier and had qualification, and claimants who reported this barrier and did not have any qualification
gender	The sample is stratified according to client's gender into two categories: males and females
young	The sample of existing claimants is stratified according to the age of youngest child into two categories: claimants whose youngest child is under 15 years of age and claimants whose youngest child is 15 years of age or older

Table A.7 IWBC likelihood of movement into work – new/repeat claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	0.105 (0.78)				
lwbc_pos	0.221 (2.10)*				
lwbc_pos21up		0.376 (2.59)**			
lwbc_pos21mis		0.404 (2.92)**			
lwbc_pos41up			0.275 (1.76)		
lwbc_pos41mis			0.265 (2.08)*		
lwbc_res21up				0.317 (2.73)**	
lwbc_res21mis				0.293 (2.72)**	
lwbc_res41up					0.294 (2.22)*
lwbc_res41mis					0.224 (2.24)*
Young_912	0.136 (1.66)	0.218 (1.94)	0.207 (1.91)	0.131 (1.55)	0.126 (1.51)
Young_13plus	0.061 (0.59)	0.281 (1.98)*	0.294 (1.99)*	0.095 (0.93)	0.114 (1.10)
Female	0.124 (1.07)	0.358 (2.07)*	0.372 (2.20)*	0.128 (1.07)	0.150 (1.29)
Barrier_child	-0.208 (2.72)**	-0.235 (2.15)*	-0.241 (2.23)*	-0.206 (2.67)**	-0.206 (2.68)**
Barrier_other	-0.161 (1.98)*	-0.378 (3.59)**	-0.354 (3.43)**	-0.184 (2.31)*	-0.180 (2.26)*
Child_ill	-0.203 (2.12)*	-0.170 (1.15)	-0.155 (1.13)	-0.207 (2.06)*	-0.218 (2.14)*
Ill_health	-0.049 (0.47)	-0.107 (0.63)	-0.107 (0.66)	-0.094 (0.89)	-0.096 (0.95)
Skillbar_qual	-0.044 (0.44)	-0.155 (1.27)	-0.161 (1.24)	-0.034 (0.34)	-0.040 (0.41)
Skillbar_noqual	-0.195 (1.75)	-0.158 (0.96)	-0.090 (0.53)	-0.208 (1.84)	-0.189 (1.65)
Care	-0.341 (3.71)**	-0.423 (3.44)**	-0.425 (3.39)**	-0.337 (3.72)**	-0.342 (3.64)**

Continued

Table A.7 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Educ_17plus	0.146 (1.39)	0.332 (2.48)*	0.298 (2.20)*	0.132 (1.19)	0.127 (1.13)
Look_work	0.206 (2.68)**	0.346 (3.41)**	0.316 (2.99)**	0.229 (2.96)**	0.195 (2.52)*
Ever_work	0.148 (1.44)	0.206 (1.34)	0.234 (1.65)	0.163 (1.50)	0.192 (1.81)
Lic_noacces	-0.135 (1.18)	-0.133 (0.72)	-0.126 (0.68)	-0.160 (1.39)	-0.152 (1.31)
Lic_acces	0.064 (0.81)	0.042 (0.40)	0.022 (0.21)	0.045 (0.56)	0.039 (0.49)
Int_September	-0.098 (1.15)	-0.387 (3.51)**	-0.371 (3.33)**	-0.129 (1.52)	-0.125 (1.49)
Int_October	0.020 (0.23)	-0.229 (1.84)	-0.187 (1.54)	-0.010 (0.11)	0.009 (0.10)
Northern region	-0.071 (0.54)	-0.246 (1.33)	-0.129 (0.70)	-0.119 (0.89)	-0.072 (0.54)
North West	-0.115 (0.98)	-0.243 (1.57)	-0.189 (1.20)	-0.126 (1.08)	-0.102 (0.88)
Yorkshire and Humberside	-0.042 (0.35)	-0.115 (0.71)	-0.068 (0.43)	-0.058 (0.47)	-0.037 (0.31)
Wales	-0.233 (1.55)	-0.281 (1.47)	-0.229 (1.11)	-0.205 (1.38)	-0.186 (1.22)
West Midlands	0.051 (0.34)	0.033 (0.17)	0.103 (0.52)	0.064 (0.44)	0.100 (0.68)
East Midlands and Eastern	-0.201 (1.30)	-0.321 (1.54)	-0.287 (1.26)	-0.180 (1.17)	-0.146 (0.89)
South West	0.024 (0.15)	-0.071 (0.32)	-0.006 (0.03)	0.036 (0.22)	0.068 (0.43)
London and SER	-0.193 (1.52)	-0.396 (2.61)**	-0.332 (2.14)*	-0.211 (1.67)	-0.159 (1.29)
Finbar_notpos	-0.064 (0.49)				
Finbar_pos	-0.152 (1.62)				
Finbar_pos20		0.034 (0.18)			
Finbar_pos21plus		0.108 (0.63)			
Finbar_pos20mis		-0.367 (2.39)*			

Continued

Table A.7 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_pos40			-0.067 (0.42)		
Finbar_pos41plus			0.229 (1.03)		
Finbar_pos40mis			-0.352 (2.30)*		
Finbar_res20				0.002 (0.02)	
Finbar_res21plus				-0.006 (0.04)	
Finbar_res20mis				-0.302 (2.60)**	
Finbar_res40					-0.039 (0.37)
Finbar_res41plus					0.018 (0.09)
Finbar_res40mis					-0.291 (2.49)*
Observations	282	184	184	282	282
Robust z statistics in parentheses					

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.8 IWBC likelihood of movement into work – existing claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	-0.135 (0.98)				
lwbc_pos	0.058 (0.73)				
lwbc_pos21up		0.004 (0.03)			
lwbc_pos21mis		-0.180 (1.44)			
lwbc_pos41up			-0.083 (0.67)		
lwbc_pos41mis			-0.196 (1.91)		
lwbc_res21up				0.063 (0.70)	

Continued

Table A.8 Continued

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_res21mis				-0.097 (1.08)	
lwbc_res41up					-0.014 (0.13)
lwbc_res41mis					-0.121 (1.41)
Age_4044	-0.125 (1.79)	-0.191 (2.01)*	-0.144 (1.58)	-0.170 (2.40)*	-0.158 (2.26)*
Age_45plus	-0.112 (1.69)	-0.154 (1.72)	-0.115 (1.32)	-0.143 (2.12)*	-0.134 (2.01)*
Young_15plus	0.134 (2.35)*	0.175 (2.37)*	0.175 (2.35)*	0.156 (2.70)**	0.156 (2.70)**
Female	0.149 (2.12)*	0.174 (1.79)	0.162 (1.62)	0.134 (1.85)	0.134 (1.81)
Ill_health	-0.164 (2.53)*	-0.107 (1.13)	-0.138 (1.51)	-0.143 (2.12)*	-0.155 (2.33)*
Barrier_finance	-0.105 (1.52)	-0.258 (1.86)	-0.148 (1.14)	-0.005 (0.04)	-0.094 (0.54)
Barrier_skills	-0.154 (1.88)	-0.138 (1.63)	-0.242 (2.22)*	-0.163 (2.01)*	-0.156 (1.95)
Child_ill	-0.158 (1.97)*	-0.114 (1.05)	-0.096 (0.91)	-0.155 (1.91)	-0.146 (1.76)
Care	-0.122 (1.39)	-0.242 (2.32)*	-0.221 (2.11)*	-0.145 (1.62)	-0.133 (1.49)
Skillbar_qual		-0.126 (1.09)			
Skillbar_noqual	-0.013 (0.14)		0.097 (0.77)	0.021 (0.22)	0.007 (0.07)
Educ_17plus	-0.240 (2.81)**	-0.210 (1.89)	-0.183 (1.60)	-0.246 (2.99)**	-0.235 (2.74)**
Look_work	0.160 (2.49)*	0.161 (1.94)	0.214 (2.60)**	0.147 (2.26)*	0.183 (2.81)**
Ever_work	0.120 (2.13)*	0.122 (1.57)	0.110 (1.42)	0.138 (2.41)*	0.132 (2.30)*
Lic_noacces	-0.025 (0.30)	0.054 (0.43)	0.027 (0.22)	-0.035 (0.43)	-0.060 (0.75)
Lic_acces	0.045 (0.61)	-0.058 (0.63)	-0.057 (0.62)	0.044 (0.60)	0.038 (0.51)
Northern region	-0.072 (0.75)	-0.079 (0.64)	-0.071 (0.56)	-0.054 (0.56)	-0.043 (0.44)
North West	-0.002 (0.02)	-0.077 (0.59)	-0.027 (0.20)	-0.017 (0.18)	0.007 (0.07)

Continued

Table A.8 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Yorkshire and Humberside	-0.016 (0.14)	-0.069 (0.51)	-0.071 (0.52)	0.040 (0.34)	0.047 (0.40)
Wales	0.046 (0.40)	-0.039 (0.27)	0.010 (0.07)	0.035 (0.30)	0.066 (0.55)
West Midlands	-0.079 (0.67)	-0.070 (0.50)	-0.081 (0.57)	-0.055 (0.46)	-0.058 (0.48)
East Midlands and Eastern	-0.037 (0.33)	0.000 (0.00)	-0.014 (0.09)	-0.001 (0.01)	-0.008 (0.07)
South West	0.366 (1.65)	0.233 (0.93)	0.245 (0.98)	0.352 (1.64)	0.373 (1.75)
London and SER	0.232 (1.68)	0.262 (1.51)	0.274 (1.55)	0.265 (1.97)*	0.245 (1.77)
Finbar_notpos	-0.021 (0.16)				
Finbar_pos21plus		0.287 (1.40)			
Finbar_pos20mis		0.125 (0.60)			
Finbar_pos40			0.007 (0.04)		
Finbar_pos41plus			-0.012 (0.05)		
Finbar_res20				-0.136 (1.11)	
Finbar_res20mis				-0.150 (1.12)	
Finbar_res40					-0.023 (0.13)
Finbar_res40mis					-0.078 (0.40)
Observations	298	202	202	298	298

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.9 IWBC time spent in work – new/repeat claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	25.416 (1.53)				
lwbc_pos	43.504 (3.03)**				
lwbc_pos21up		43.377 (3.00)**			
lwbc_pos21mis		38.657 (2.55)*			
lwbc_pos41up			31.908 (2.05)*		
lwbc_pos41mis			23.249 (1.72)		
lwbc_res21up				48.211 (3.74)**	
lwbc_res21mis				42.687 (3.28)**	
lwbc_res41up					42.503 (2.83)**
lwbc_res41mis					32.006 (2.58)*
Young_13plus	10.821 (1.20)	14.547 (1.39)	14.998 (1.41)	11.165 (1.26)	11.697 (1.29)
Barrier_finance	-37.085 (2.99)**	-54.920 (2.47)*	-53.252 (2.35)*	-31.078 (1.64)	-37.465 (1.48)
Barrier_child	-32.282 (3.30)**	-30.501 (2.80)**	-32.600 (2.93)**	-30.318 (3.18)**	-30.858 (3.18)**
Barrier_other	-20.709 (1.97)*	-35.643 (2.97)**	-35.469 (2.90)**	-22.730 (2.23)*	-22.572 (2.17)*
Ill_health	-1.384 (0.09)	-11.312 (0.66)	-10.735 (0.61)	-6.243 (0.43)	-6.731 (0.45)
Care	-58.392 (3.14)**	-52.055 (2.72)**	-54.300 (2.77)**	-56.512 (3.12)**	-58.664 (3.16)**
Skillbar_qual	-6.812 (0.52)	-21.332 (1.38)	-20.778 (1.32)	-5.917 (0.46)	-5.797 (0.44)
Skillbar_noqual	-30.612 (1.66)	-25.327 (1.17)	-22.234 (1.01)	-31.674 (1.75)	-29.748 (1.62)
Educ_17plus	18.450 (1.58)	18.340 (1.41)	17.827 (1.36)	15.309 (1.32)	14.656 (1.25)
Look_work	27.412 (2.69)**	37.487 (3.24)**	31.961 (2.68)**	29.978 (2.97)**	24.715 (2.40)*
Ever_work	23.226 (1.68)	19.309 (1.28)	24.080 (1.56)	24.883 (1.83)	29.928 (2.16)*

Continued

Table A.9 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Northern region	-7.004 (0.36)	-11.025 (0.48)	-1.045 (0.04)	-17.396 (0.91)	-12.542 (0.64)
North West	-15.283 (0.91)	-13.998 (0.72)	-6.409 (0.32)	-18.415 (1.12)	-14.363 (0.86)
Yorkshire and the Humberside	-3.359 (0.19)	-3.022 (0.15)	1.927 (0.10)	-7.784 (0.44)	-5.233 (0.29)
Wales	-32.318 (1.35)	-21.915 (0.86)	-18.868 (0.72)	-28.745 (1.22)	-27.352 (1.14)
West Midlands	12.878 (0.69)	7.422 (0.36)	13.225 (0.63)	10.588 (0.58)	14.805 (0.80)
East Midlands and Eastern	-11.717 (0.56)	-8.683 (0.38)	-1.769 (0.07)	-10.057 (0.49)	-3.686 (0.18)
South West	30.172 (1.66)	32.944 (1.52)	42.431 (1.92)	26.687 (1.50)	31.008 (1.70)
London and SER	-8.391 (0.50)	-16.727 (0.93)	-7.949 (0.44)	-12.923 (0.79)	-4.072 (0.25)
Int_September	-15.169 (1.43)	-30.140 (2.48)*	-28.093 (2.28)*	-18.150 (1.75)	-17.913 (1.69)
Int_October	1.230 (0.12)	-16.329 (1.39)	-13.033 (1.10)	-3.224 (0.31)	-0.937 (0.09)
Child_ill	-28.259 (2.10)*	-11.241 (0.67)	-11.557 (0.67)	-27.529 (2.12)*	-30.611 (2.32)*
Lic_noacces	-19.484 (1.24)	-10.692 (0.63)	-9.169 (0.53)	-24.690 (1.59)	-23.131 (1.47)
Lic_acces	4.939 (0.51)	-3.476 (0.33)	-1.119 (0.10)	0.512 (0.05)	1.593 (0.17)
Finbar_notpos	24.627 (1.20)				
Finbar_pos20		44.934 (1.61)			
Finbar_pos21plus		32.544 (1.16)			
Finbar_pos40			33.890 (1.30)		
Finbar_pos41plus			31.710 (0.95)		
Finbar_res20				24.759 (1.07)	
Finbar_res20mis				-22.667 (0.89)	
Finbar_res40					23.018 (0.83)

Continued

Table A.9 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_res40mis					-15.236 (0.49)
Constant	-23.975 (0.97)	1.880 (0.07)	7.497 (0.29)	-11.011 (0.50)	-7.570 (0.34)
Observations	282	184	184	282	282
Absolute value of t statistics in parentheses					

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.10 IWBC time spent in work – existing claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	-32.707 (1.15)				
lwbc_pos	12.925 (0.75)				
lwbc_pos21up		3.332 (0.16)			
lwbc_pos21mis		-32.824 (1.50)			
lwbc_pos41up			-7.454 (0.33)		
lwbc_pos41mis			-37.072 (2.02)*		
lwbc_res21up				15.127 (0.89)	
lwbc_res21mis				-20.065 (1.12)	
lwbc_res41up					5.048 (0.23)
lwbc_res41mis					-25.740 (1.50)
Young_15plus	28.771 (2.08)*	31.568 (2.05)*	32.405 (2.08)*	31.922 (2.32)*	32.463 (2.31)*
Female	37.946 (2.23)*	38.141 (2.01)*	34.478 (1.80)	32.206 (1.92)	32.327 (1.89)
Ill_health	-45.981 (3.05)**	-26.487 (1.61)	-30.155 (1.83)	-39.652 (2.70)**	-42.173 (2.84)**
Barrier_finance	-36.574 (1.48)	-14.520 (0.66)	-46.447 (1.32)	-11.496 (0.52)	-39.366 (1.07)

Continued

Table A.10 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Barrier_skills	-32.902 (1.96)	-29.156 (1.75)	-31.101 (1.86)	-32.423 (1.97)*	-32.020 (1.93)
Care	-20.641 (1.07)	-46.188 (2.06)*	-42.502 (1.90)	-25.358 (1.33)	-23.541 (1.22)
Skillbar_qual		-15.439 (0.70)	-12.076 (0.55)		
Skillbar_noqual	-5.488 (0.29)			2.004 (0.11)	-0.206 (0.01)
Look_work	32.510 (2.62)**	32.195 (2.30)*	38.881 (2.80)**	31.478 (2.52)*	38.456 (3.08)**
Ever_work	21.942 (1.81)	16.739 (1.23)	14.612 (1.08)	24.711 (2.07)*	23.686 (1.96)
Lic_noacces	0.368 (0.02)	12.261 (0.49)	9.201 (0.37)	-2.473 (0.13)	-8.204 (0.41)
Lic_acces	13.778 (1.04)	-3.225 (0.22)	-4.077 (0.27)	13.636 (1.04)	12.142 (0.92)
Educ_17plus	-42.785 (2.21)*	-18.976 (0.90)	-14.315 (0.69)	-41.647 (2.19)*	-37.938 (1.99)*
Northern region	-26.270 (1.11)	-18.978 (0.74)	-17.156 (0.66)	-20.773 (0.88)	-19.499 (0.81)
North West	-14.155 (0.69)	-20.838 (0.87)	-13.425 (0.56)	-16.987 (0.83)	-12.373 (0.60)
Yorkshire and Humberside	-10.194 (0.43)	-13.964 (0.55)	-13.796 (0.54)	-0.039 (0.00)	1.480 (0.06)
Wales	-7.307 (0.29)	-12.525 (0.44)	-6.177 (0.22)	-7.881 (0.31)	-3.451 (0.14)
West Midlands	-17.331 (0.73)	-10.949 (0.43)	-12.309 (0.48)	-12.639 (0.54)	-14.063 (0.59)
East Midlands and Eastern	-3.327 (0.14)	4.269 (0.16)	3.548 (0.14)	5.662 (0.25)	3.594 (0.15)
South West	50.277 (1.70)	34.230 (0.93)	36.486 (1.00)	45.157 (1.53)	50.944 (1.71)
London and SER	40.860 (1.81)	43.179 (1.64)	46.640 (1.74)	45.319 (2.02)*	43.977 (1.93)
Finbar_pos	10.646 (0.39)				
Finbar_pos20		-26.589 (0.79)			
Finbar_pos20mis		-20.323 (0.63)			
Finbar_pos40			22.575 (0.57)		

Continued

Table A.10 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_pos40mis			12.390 (0.29)		
Finbar_res20				-22.898 (0.82)	
Finbar_res20mis				-36.209 (1.14)	
Finbar_res40					13.258 (0.34)
Finbar_res40mis					-8.226 (0.19)
Constant	-77.561 (2.58)*	-49.808 (1.58)	-46.103 (1.54)	-71.846 (2.57)*	-69.128 (2.46)*
Observations	302	205	205	302	302
Absolute value of t statistics in parentheses					

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.11 IWBC time to work entry – new/repeat claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	1.481 (1.09)				
lwbc_pos	2.192 (2.54)*				
lwbc_pos21up		1.468 (1.07)			
lwbc_pos21mis		2.548 (2.60)**			
lwbc_pos41up			2.036 (2.22)*		
lwbc_pos41mis			2.439 (2.94)**		
lwbc_res21up				1.855 (2.14)*	
lwbc_res21mis				2.566 (3.42)**	
lwbc_res41up					2.239 (2.50)*
lwbc_res41mis					2.199 (3.04)**

Continued

Table A.11 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Age_3539	0.893 (0.45)	1.019 (0.06)	0.972 (0.09)	0.970 (0.13)	0.931 (0.29)
Age_40plus	0.536 (2.75)**	0.528 (2.29)*	0.528 (2.42)*	0.515 (2.86)**	0.555 (2.57)*
Young_912	1.571 (2.07)*	1.915 (2.36)*	2.001 (2.54)*	1.560 (2.04)*	1.620 (2.24)*
Young_13plus	1.787 (1.91)	2.002 (1.74)	2.507 (2.51)*	1.814 (1.95)	1.837 (2.05)*
Children_2	0.629 (2.21)*	0.562 (2.11)*	0.550 (2.27)*	0.645 (2.11)*	0.597 (2.50)*
Children_3	0.529 (2.26)*	0.805 (0.69)	0.866 (0.47)	0.602 (1.88)	0.573 (2.00)*
Female	1.657 (1.57)	1.821 (1.52)	2.573 (2.41)*	1.721 (1.77)	1.953 (2.03)*
Educ_17plus	1.309 (1.15)	1.260 (0.82)	1.198 (0.68)	1.157 (0.56)	1.120 (0.45)
Look_work	1.917 (3.16)**	2.391 (3.40)**	2.226 (3.07)**	2.159 (3.52)**	1.891 (2.92)**
Lic_noacces	0.738 (0.92)	0.773 (0.63)	0.854 (0.40)	0.760 (0.84)	0.682 (1.17)
Lic_acces	1.260 (1.10)	1.081 (0.29)	0.954 (0.19)	1.134 (0.58)	1.039 (0.18)
Care	0.319 (2.55)*	0.365 (1.92)	0.369 (1.99)*	0.347 (2.32)*	0.317 (2.63)**
Ever_work	1.427 (1.03)	0.880 (0.26)	1.238 (0.43)	1.293 (0.68)	1.597 (1.16)
Barrier_finance	0.592 (2.06)*	0.207 (3.45)**	0.202 (3.61)**	1.161 (0.41)	0.987 (0.03)
Barrier_skills	0.740 (1.03)	0.285 (1.93)	0.307 (1.51)	0.693 (1.28)	0.575 (1.93)
Skillbar_qual		2.185 (1.11)	1.616 (0.60)		
Skillbar_noqual	0.489 (1.27)			0.580 (0.98)	0.712 (0.59)
Barrier_other	0.573 (2.33)*	0.562 (2.31)*	0.518 (2.46)*	0.589 (2.32)*	0.609 (2.13)*
Child_ill	0.560 (1.80)	1.004 (0.01)	0.710 (1.00)	0.552 (1.83)	0.453 (2.35)*
Int_September	0.759 (1.16)	0.576 (2.00)*	0.482 (2.46)*	0.698 (1.55)	0.612 (2.01)*
Int_October	1.011 (0.05)	0.820 (0.72)	0.773 (0.94)	0.990 (0.04)	0.987 (0.06)

Continued

Table A.11 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_notpos	1.130 (0.27)				
Finbar_pos20		2.731 (1.49)			
Finbar_pos21plus		6.477 (3.08)**			
Finbar_pos40			3.516 (2.04)*		
Finbar_pos41plus			9.196 (3.68)**		
Finbar_res20				0.640 (0.98)	
Finbar_res20mis				0.223 (2.65)**	
Finbar_res40					0.709 (0.68)
Finbar_res40mis					0.293 (1.97)*
Stratified by	region	region barrier_litnum	region	region	region health
Number of subjects, unweighted	370	253	253	370	370

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.12 IWBC time to work entry – existing claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	0.571 (0.88)				
lwbc_pos	1.097 (0.25)				
lwbc_pos21up		0.849 (0.31)			
lwbc_pos21mis		0.721 (0.54)			
lwbc_pos41up			0.660 (0.83)		
lwbc_pos41mis			0.622 (1.03)		
lwbc_res21up				0.729 (0.75)	

Continued

Table A.12 Continued

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_res21mis				0.503 (1.43)	
lwbc_res41up					0.365 (1.89)
lwbc_res41mis					0.513 (1.52)
Young_15plus	1.275 (0.80)	1.209 (0.57)	1.569 (1.43)		
Children_1	0.822 (0.46)	0.652 (0.81)		0.705 (0.74)	0.740 (0.61)
Children_2	0.235 (2.58)**	0.243 (1.94)		0.355 (1.60)	0.208 (2.30)*
Ill_health	0.414 (2.71)**	0.576 (1.59)	0.572 (1.59)	0.424 (2.13)*	0.474 (2.15)*
Barrier_finance	0.970 (0.11)	2.061 (1.84)	2.031 (1.19)		
Barrier_skills	0.584 (1.48)	0.521 (1.80)	0.534 (1.70)		
Skillbar_qual		0.892 (0.17)	0.817 (0.30)		
Skillbar_noqual	1.087 (0.18)				
Barrier_litnum	1.519 (1.30)	1.681 (1.10)	1.121 (0.23)	1.578 (1.05)	2.452 (2.08)*
Care	0.625 (1.22)	0.497 (1.47)	0.578 (0.98)	0.414 (2.29)*	0.427 (2.23)*
Child_ill	0.499 (1.56)	0.786 (0.42)	1.056 (0.10)	0.419 (1.09)	0.517 (0.93)
Educ_17plus	0.325 (2.42)*	0.349 (2.01)*	0.395 (1.84)	0.439 (1.61)	0.775 (0.51)
Qualification	1.689 (1.59)	1.361 (0.77)	1.300 (0.73)	1.780 (1.55)	1.224 (0.56)
Look_work	1.756 (2.51)*	1.548 (1.65)	1.846 (2.37)*	1.642 (1.82)	2.025 (2.71)**
Finbar_notpos	0.530 (1.12)				
Finbar_pos20		0.345 (1.52)			
Finbar_pos20mis		0.279 (1.96)			
Finbar_pos40			0.513 (0.89)		

Continued

Table A.12 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_pos40mis			0.241 (1.69)		
Finbar_res20				0.264 (3.02)**	
Finbar_res21plus				2.288 (1.79)	
Finbar_res20mis				0.223 (2.20)*	
Finbar_res40					0.596 (1.44)
Finbar_res41plus					6.945 (2.49)*
Finbar_res40mis					0.575 (0.98)
Observations	19,015	12,094	12,094	19,015	19,015
Robust z statistics in parentheses					
Stratified by	region lic_acces ever_work	region lic_acces ever_work	region lic_acces ever_work	region lic_acces ever_work skillbar	region ever_work skillbar wfi_month
Number of subjects, weighted	367	244	244	367	367

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.13 IWBC likelihood of benefit exit – new/repeat claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	-0.005 (0.04)				
lwbc_pos	0.013 (0.12)				
lwbc_pos21up		0.428 (3.61)**			
lwbc_pos21mis		0.165 (1.23)			
lwbc_pos41up			0.271 (2.05)*		
lwbc_pos41mis			0.011 (0.08)		
lwbc_res21up				0.334 (3.47)**	

Continued

Table A.13 Continued

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_res21mis				0.049 (0.45)	
lwbc_res41up					0.271 (2.42)*
lwbc_res41mis					-0.021 (0.19)
Young_912	0.069 (0.96)	0.086 (0.89)	0.104 (1.07)	0.074 (1.03)	0.084 (1.16)
White	0.312 (2.23)*	0.338 (1.75)	0.334 (1.67)	0.323 (2.32)*	0.327 (2.34)*
Barrier_finance	-0.214 (1.85)	-0.073 (0.47)	-0.079 (0.50)	-0.547 (3.47)**	-0.238 (1.84)
Barrier_skills	-0.317 (2.56)*	-0.135 (0.81)	-0.260 (2.10)*	-0.320 (2.49)*	-0.323 (2.58)**
Barrier_child	-0.145 (1.84)	-0.321 (3.44)**	-0.293 (3.03)**	-0.151 (1.99)*	-0.152 (1.98)*
Care	-0.216 (1.85)	-0.396 (2.67)**	-0.379 (2.79)**	-0.260 (2.24)*	-0.252 (2.20)*
Child_ill	-0.209 (2.22)*	-0.137 (1.04)	-0.148 (1.17)	-0.204 (2.08)*	-0.210 (2.18)*
Look_work	0.232 (3.18)**	0.393 (4.19)**	0.353 (3.69)**	0.250 (3.46)**	0.225 (3.10)**
Ever_work	-0.103 (1.05)	-0.186 (1.48)	-0.168 (1.35)	-0.109 (1.10)	-0.094 (0.94)
Social_housing	0.170 (2.18)*	0.183 (1.76)	0.241 (2.36)*	0.139 (1.75)	0.163 (2.06)*
Skillbar_qual	0.104 (0.70)	-0.162 (0.78)		0.084 (0.55)	0.106 (0.71)
Skillbar_noqual			0.104 (0.55)		
Northern region	0.060 (0.45)	-0.028 (0.15)	0.077 (0.43)	0.046 (0.34)	0.071 (0.53)
North West	0.030 (0.25)	0.028 (0.18)	0.103 (0.68)	0.024 (0.20)	0.057 (0.48)
Yorkshire and Humberside	-0.020 (0.16)	-0.106 (0.61)	-0.005 (0.03)	-0.095 (0.70)	-0.043 (0.32)
Wales	0.047 (0.32)	0.017 (0.09)	0.103 (0.54)	0.023 (0.15)	0.053 (0.34)
West Midlands	0.014 (0.10)	0.124 (0.76)	0.166 (1.06)	-0.000 (0.00)	0.021 (0.15)
East Midlands and Eastern	-0.028 (0.15)	-0.033 (0.14)	0.024 (0.10)	-0.019 (0.10)	0.018 (0.10)

Continued

Table A.13 Continued

Model number	(1)	(2)	(3)	(4)	(5)
South West	0.004 (0.03)	-0.279 (1.45)	-0.156 (0.81)	-0.019 (0.12)	0.016 (0.10)
London and SER	-0.006 (0.05)	-0.153 (0.94)	-0.083 (0.52)	-0.026 (0.19)	0.017 (0.12)
Lic_noacces	-0.020 (0.19)	0.115 (0.91)	0.108 (0.87)	-0.051 (0.46)	-0.050 (0.46)
Lic_acces	0.097 (1.19)	0.134 (1.28)	0.113 (1.05)	0.108 (1.35)	0.091 (1.13)
Female	0.142 (1.20)	0.354 (2.56)*	0.360 (2.56)*	0.112 (0.98)	0.129 (1.10)
Qualification	-0.047 (0.58)	0.025 (0.23)	-0.025 (0.24)	-0.054 (0.68)	-0.069 (0.85)
Ill_health	-0.026 (0.25)	-0.074 (0.48)	-0.059 (0.40)	-0.061 (0.57)	-0.050 (0.48)
Finbar_pos	-0.020 (0.14)				
Finbar_pos20		0.122 (0.62)			
Finbar_pos21plus		-0.454 (2.03)*			
Finbar_pos40			-0.120 (0.61)		
Finbar_pos41plus			-0.316 (1.09)		
Finbar_res20				0.431 (2.77)**	
Finbar_res20mis				0.286 (1.64)	
Finbar_res40					0.073 (0.48)
Finbar_res40mis					-0.266 (1.03)
Observations	283	185	185	283	283
Robust z statistics in parentheses					

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.14 IWBC likelihood of benefit exit – existing claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	-0.243 (1.99)*				
lwbc_pos	0.063 (0.71)				
lwbc_pos21up		0.045 (0.29)			
lwbc_pos21mis		-0.289 (1.98)*			
lwbc_pos41up			-0.179 (1.19)		
lwbc_pos41mis			-0.339 (2.99)**		
lwbc_res21up				0.113 (1.08)	
lwbc_res21mis				-0.140 (1.48)	
lwbc_res41up					-0.050 (0.41)
lwbc_res41mis					-0.174 (2.01)*
Young_15plus	0.186 (3.16)**	0.251 (2.92)**	0.263 (3.06)**	0.203 (3.29)**	0.206 (3.31)**
Age_4044	-0.251 (3.71)**	-0.399 (4.01)**	-0.354 (3.80)**	-0.300 (4.24)**	-0.296 (4.31)**
Age_45plus	-0.190 (2.77)**	-0.301 (3.24)**	-0.281 (3.15)**	-0.235 (3.42)**	-0.240 (3.53)**
Ill_health	-0.203 (3.10)**	-0.205 (2.04)*	-0.223 (2.30)*	-0.195 (2.84)**	-0.205 (3.06)**
Barrier_skills	-0.182 (2.36)*	-0.338 (2.71)**	-0.299 (2.76)**	-0.150 (1.91)	-0.164 (2.10)*
Barrier_child	-0.122 (2.04)*	-0.247 (3.04)**	-0.213 (2.64)**	-0.143 (2.21)*	-0.133 (2.09)*
Care	-0.213 (2.75)**	-0.278 (2.53)*	-0.242 (2.25)*	-0.237 (2.90)**	-0.221 (2.76)**
Skillbar_qual	-0.064 (0.56)		0.016 (0.10)	-0.103 (0.88)	-0.065 (0.56)
Skillbar_noqual		0.095 (0.54)			
Qualification	0.006 (0.08)	-0.065 (0.56)	-0.117 (1.02)	-0.000 (0.00)	-0.019 (0.23)
Ever_work	0.198 (3.60)**	0.265 (3.34)**	0.261 (3.34)**	0.216 (3.70)**	0.219 (3.76)**

Continued

Table A.14 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Barrier_finance	-0.105 (0.94)	-0.367 (2.37)*	0.077 (0.58)	-0.036 (0.29)	0.096 (0.48)
Lic_noacces	-0.110 (1.44)	0.007 (0.05)	-0.047 (0.35)	-0.118 (1.41)	-0.147 (1.85)
Lic_acces	-0.005 (0.08)	-0.016 (0.15)	0.009 (0.09)	-0.019 (0.26)	-0.018 (0.24)
Look_work	0.120 (1.80)	0.054 (0.58)	0.095 (1.05)	0.097 (1.42)	0.131 (1.94)
White	0.222 (2.22)*	0.275 (1.68)	0.299 (1.99)*	0.208 (1.96)*	0.222 (2.17)*
Northern region	-0.042 (0.38)	-0.135 (0.95)	-0.109 (0.75)	-0.058 (0.53)	-0.037 (0.33)
North West	0.109 (0.95)	-0.013 (0.09)	0.053 (0.34)	0.071 (0.64)	0.100 (0.89)
Yorkshire and Humberside	0.173 (1.32)	0.168 (1.09)	0.173 (1.12)	0.243 (1.82)	0.273 (2.06)*
Wales	0.167 (1.31)	0.133 (0.77)	0.174 (1.00)	0.178 (1.31)	0.205 (1.49)
West Midlands	-0.158 (1.48)	-0.233 (1.57)	-0.219 (1.54)	-0.171 (1.54)	-0.154 (1.38)
East Midlands and Eastern	0.054 (0.39)	0.171 (0.91)	0.116 (0.66)	0.106 (0.73)	0.082 (0.58)
South West	0.222 (0.99)	-0.001 (0.00)	0.107 (0.41)	0.168 (0.74)	0.222 (0.99)
London and SER	0.282 (1.93)	0.373 (2.06)*	0.412 (2.30)*	0.246 (1.75)	0.242 (1.71)
Child_ill	-0.102 (1.20)	-0.132 (1.07)	-0.133 (1.11)	-0.122 (1.39)	-0.110 (1.23)
Barrier_other	-0.064 (1.03)	-0.179 (2.02)*	-0.151 (1.71)	-0.081 (1.26)	-0.071 (1.13)
Finbar_pos	0.006 (0.05)				
Finbar_pos21plus		0.438 (1.92)			
Finbar_pos20mis		0.483 (2.23)*			
Finbar_pos40			-0.313 (2.18)*		
Finbar_pos41plus			0.082 (0.30)		
Finbar_res20				-0.195 (1.47)	

Continued

Table A.14 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_res20mis				-0.007 (0.04)	
Finbar_res40					-0.279 (1.61)
Finbar_res40mis					-0.130 (0.66)
Observations	302	203	203	302	302
Robust z statistics in parentheses					

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.15 IWBC time to benefit exit – new/repeat claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	1.925 (2.35)*				
lwbc_pos	1.961 (2.97)**				
lwbc_pos21up		1.344 (1.00)			
lwbc_pos21mis		1.261 (0.76)			
lwbc_pos41up			1.058 (0.21)		
lwbc_pos41mis			1.075 (0.30)		
lwbc_res21up				1.481 (1.87)	
lwbc_res21mis				1.267 (1.06)	
lwbc_res41up					1.400 (1.46)
lwbc_res41mis					1.202 (0.92)
Age_3539	0.889 (0.65)	0.684 (1.53)	0.700 (1.48)	0.875 (0.73)	1.073 (0.38)
Age_40plus	0.818 (0.94)	0.987 (0.05)	0.947 (0.23)	0.830 (0.86)	0.850 (0.76)
Young_912	1.457 (2.04)*	1.105 (0.39)	1.169 (0.62)	1.354 (1.69)	1.134 (0.70)

Continued

Table A.15 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Young_13plus	1.040 (0.16)	0.898 (0.33)	0.901 (0.31)	1.080 (0.30)	0.867 (0.56)
Ill_health	1.259 (0.88)	1.188 (0.56)	1.210 (0.61)	1.072 (0.27)	0.946 (0.21)
Educ_17plus	0.710 (1.40)	0.696 (1.22)	0.658 (1.42)	0.714 (1.35)	0.793 (0.98)
Barrier_skills	0.788 (0.80)	0.724 (0.98)	0.738 (0.90)	0.724 (1.09)	0.811 (0.74)
Barrier_finance	0.592 (1.71)	0.606 (1.42)	0.432 (1.98)*	0.468 (2.41)*	0.469 (2.39)*
Barrier_child	0.667 (2.33)*	0.639 (1.94)	0.632 (1.98)*	0.657 (2.51)*	0.523 (3.73)**
Barrier_other	0.692 (2.05)*	0.691 (1.69)	0.708 (1.55)	0.700 (2.04)*	0.767 (1.51)
Skillbar_noqual	0.888 (0.31)	0.785 (0.51)	0.793 (0.49)	0.928 (0.19)	0.733 (0.78)
Look_work	1.274 (1.52)	1.520 (1.93)	1.434 (1.73)	1.373 (1.92)	1.414 (2.14)*
Ever_work	0.745 (1.30)	0.893 (0.37)	0.877 (0.43)	0.795 (1.01)	0.736 (1.33)
Qualification	0.723 (1.81)	0.811 (0.87)	0.806 (0.89)	0.774 (1.39)	0.667 (2.20)*
Lic_noacces	0.789 (0.82)	0.791 (0.72)	0.793 (0.72)	0.841 (0.60)	0.804 (0.78)
Lic_acces	1.340 (1.71)	1.394 (1.48)	1.372 (1.40)	1.307 (1.56)	1.425 (2.06)*
Finbar_pos	0.968 (0.09)				
Finbar_pos20		1.945 (1.33)			
Finbar_pos20mis		0.734 (0.56)			
Finbar_pos40			1.850 (1.18)		
Finbar_pos41plus			1.738 (0.87)		
Finbar_res20				1.719 (1.32)	
Finbar_res21plus				1.073 (0.15)	
Finbar_res40					1.803 (1.54)

Continued

Table A.15 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Finbar_res41plus					1.360 (0.53)
Observations	11,430	7,147	7,147	11,430	11,430
Robust z statistics in parentheses					
Number of subjects (unweighted)	383	263	263	383	383
Stratified	region	region	region	region	region
	wfi_month	wfi_month	wfi_month	wfi_month	wfi_month
	child_ill care	child_ill care	child_ill care	child_ill care	child_ill white
	barrier_litnum	barrier_litnum	barrier_litnum	barrier_litnum	barrier_litnum

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Table A.16 IWBC time to benefit exit – existing claimants

Model number	(1)	(2)	(3)	(4)	(5)
lwbc_neg	0.176 (1.36)				
lwbc_pos	1.298 (0.65)				
lwbc_pos21up		0.423 (1.53)			
lwbc_pos21mis		0.182 (2.49)*			
lwbc_pos41up			0.413 (1.74)		
lwbc_pos41mis			0.305 (2.30)*		
lwbc_res21up				1.984 (2.25)*	
lwbc_res21mis				0.736 (0.71)	
lwbc_res41up					1.841 (1.23)
lwbc_res41mis					0.562 (1.43)
Social_housing	1.467 (1.05)	3.643 (2.59)**	3.713 (2.76)**	1.108 (0.33)	2.265 (2.12)*
Age_4044	0.539 (1.92)	0.140 (3.68)**	0.247 (2.97)**	0.378 (3.32)**	0.425 (2.58)*

Continued

Table A.16 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Age_45plus	0.557 (2.03)*	0.254 (2.95)**	0.318 (2.44)*	0.528 (2.14)*	0.672 (1.37)
Young_15plus	1.658 (1.68)	3.402 (2.17)*	3.562 (2.42)*		1.879 (2.33)*
Ill_health	0.402 (2.47)*	0.328 (2.89)**	0.241 (3.99)**	0.531 (1.59)	0.361 (2.87)**
Care	0.345 (2.36)*	0.141 (2.52)*	0.194 (2.20)*	0.201 (2.71)**	0.493 (1.59)
Barrier_finance	0.708 (1.12)	1.101 (0.19)	0.524 (0.84)	0.726 (0.90)	0.531 (0.94)
Educ_17plus	0.728 (0.90)	1.451 (0.78)	1.930 (1.39)	1.027 (0.07)	0.753 (0.86)
Barrier_skills	0.299 (2.14)*	0.254 (1.78)		0.567 (1.53)	0.207 (2.66)**
Barrier_child	0.513 (1.80)	0.429 (2.08)*	0.467 (2.02)*	0.582 (1.78)	0.468 (2.23)*
Skillbar_noqual	2.147 (1.27)	1.888 (0.72)		0.921 (0.19)	3.353 (1.87)
Look_work	1.271 (0.97)	1.237 (0.61)	1.871 (1.88)	1.162 (0.57)	1.413 (1.32)
Ever_work	1.593 (1.96)*	1.554 (1.27)	1.677 (1.48)	2.115 (2.97)**	2.345 (3.14)**
Finbar_notpos	0.781 (0.38)				
Finbar_pos20		0.091 (2.29)*			
Finbar_pos20mis		1.597 (0.61)			
Finbar_pos40			0.700 (0.36)		
Finbar_pos40mis			1.813 (0.56)		
Finbar_res20				0.864 (0.28)	
Finbar_res20mis				1.143 (0.24)	
Finbar_res40					1.547 (0.60)
Finbar_res40mis					2.100 (0.92)

Continued

Table A.16 Continued

Model number	(1)	(2)	(3)	(4)	(5)
Observations	13,489	8,602	8,602	13,489	13,489
Robust z statistics in parentheses					
Number of subjects (unweighted)	329	217	217	329	329
Stratified by	region children child_ill qualif barrier_litnum	region children child_ill qualif barrier_litnum	region children child_ill qualif barrier_litnum	region children child_ill young barrier_litnum	region children child_ill qualif barrier_litnum

* significant at five per cent; ** significant at one per cent

Note: See Table A.6 for the list of abbreviations relating to the variables in this Table.

Appendix B

Background information

B.1 New Deal for Lone Parents

New Deal for Lone Parents (NDLP) was launched in eight areas as a prototype in July and August 1997, introduced nationally for new and repeat claimants in April 1998, and extended to all existing lone parents on Income Support (IS) in October 1998. It was, and continues to be, a voluntary programme, and all lone parents on IS whose youngest child was under 16 were eligible to join.

There is no need to wait for an invitation: by contacting a lone parent Personal Adviser (PA), an eligible person can join at any time. An interview with a PA was a key delivery mechanism for NDLP. The PA developed an individually tailored package of advice and support designed to facilitate a move into employment, which could include:

- providing job search support to customers who are job ready;
- helping lone parents to identify their skills and develop confidence;
- identifying and providing access to education and training opportunities;
- improving awareness of benefits;
- providing practical support and information on finding childcare;
- providing In Work Benefit Calculations (IWBC) and assisting with benefit claims;
- liaising with employers and other agencies offering in-work support.

Although all lone parents on IS with a youngest child aged less than 16 were eligible, NDLP was initially targeted at those whose youngest child was at least five years three months. After May 2000, targeting was extended to include lone parents on IS whose youngest child was at least three years old. From November 2001, NDLP

eligibility was extended to lone parents not working and lone parents working less than 16 hours a week¹⁰.

B.2 Lone Parent Work Focused Interviews

To help and encourage as many lone parents as possible to participate in NDLP and take up paid employment, a number of further measures were announced in the March 2000 Budget¹¹. With effect from 30 April 2001, mandatory Lone Parent Work Focused Interviews (LPWFI) were introduced for lone parents claiming IS within the following groups:

- new/repeat claimants for IS where the youngest child was at least five years three months at the time of initiating a claim;
- lone parents already claiming IS on 30 April 2001 (known as 'existing claimants') where the youngest child was in the 13-15¾ year age group.

Lone parents with new/repeat claims were to attend their first meeting with a PA at the start of their IS claim, and then on an annual basis while they received IS. For lone parents in the stock group, the invitation to attend the first meeting would be sent at specific times, depending on the age of the youngest child. For example, in the first year of the national programme, local offices were instructed to begin with those existing claimants with youngest children closest to the cut-off age of 15 years and nine months. The 13-15 year age group for the stock was interpreted in determining the stock invitations as youngest child turning 13 years within 12 months, to 15 years nine months, i.e. 12 years to 15 years nine months.

LPWFIs were essentially an appointed meeting with a PA. The PA could use the meeting to provide awareness about the opportunities and the support available to lone parents.

The stated aim of the mandatory LPWFI was to facilitate a movement into paid employment by encouraging the lone parent to seek work and supporting the job search process, and/or encourage them to take up training opportunities aimed at improving their chances of moving into paid employment. In particular, LPWFI had the additional objective of encouraging participation in NDLP. Although participation in the LPWFI was compulsory, it was not compulsory for lone parents to seek work or join NDLP. Eventually via LPWFI, all lone parents making a claim for, or receiving, IS will be given information about NDLP and an opportunity to participate.

¹⁰ More detailed information on NDLP can be found on the New Deal website www.newdeal.gov.uk and in Evans *et al.* (2002) and Evans *et al.* (2003).

¹¹ LPWFI were introduced into legislation in 2000, in the Social Security (work focused interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000, S1200, no. 1926.

The system of mandatory LPWFI was subsequently extended to other groups. Interviews were rolled out gradually depending on the age of the youngest child and for new/repeat claimants, the extension groups are:

- April 2002: those whose youngest child is three years or above;
- April 2003: all new and repeat claimants.

For existing claimants, the extension groups are:

- From April 2002: those with youngest child aged nine-12;
- From April 2003: those with youngest child aged five-eight;
- From April 2004: those with youngest child aged 0-five years and three months, so that all IS lone parent claimants were eligible.

In addition to the extension to coverage, review meetings were started as a follow-up for those eligible for LPWFI. After the first LPWFI, if the customer remained claiming, then a review meeting would take place. The introduction of review meetings was staggered.

- Annual reviews started in May 2002 for those eligible new/repeats who had entered the LPWFI system between April 2001– April 2002. Annual reviews also started at this time for the stock of claimants who became eligible on 30 April 2001.
- Reviews at six months started in October 2002 for all eligible new/repeats who had entered the LPWFI system after April 2002, and then subsequent annual reviews followed these.

Hence, new/repeat claimants of IS who remain on benefit are required to attend a review meeting after six months, and then again 6 months after that and annually thereafter.

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