

UK ERA

The UK's Employment Retention and Advancement Demonstration

Implementation and Two-Year Impact Findings

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PSI
Policy Studies Institute

ONS
Office for National Statistics

3 Target Groups

Out of work and entering New Deal:



(1) “New Deal 25-Plus” (ND25+)



(2) “New Deal Lone Parents” (NDLP)

In work (lone parents):



(3) Working Tax Credit (WTC) group → mostly women working part time (16-29 hours/wk)

Programme Services

Operates within Jobcentre Plus

For the 2 New Deal groups: ~ 9 months of regular New Deal pre-employment assistance (e.g., job placement)

For all groups: 2 years of “in-work” job coaching and support from “Advancement Support Advisors”

Programme Incentives

Retention bonus
for sustained full-time work → £400 3x/yr for
2 yrs (£2,400 total)

Tuition assistance
if combine training + work → £1,000

Tuition bonus
if *complete* training → up to £1,000

In-work emergency funds → £300/worker

The Sites

6 districts (Total N=16,000 people):

- 4 districts in **England**
 - (E. Midlands, London, NE England, NW England)
- 1 in **Scotland**
- 1 in **Wales**

Spread across 60 local offices

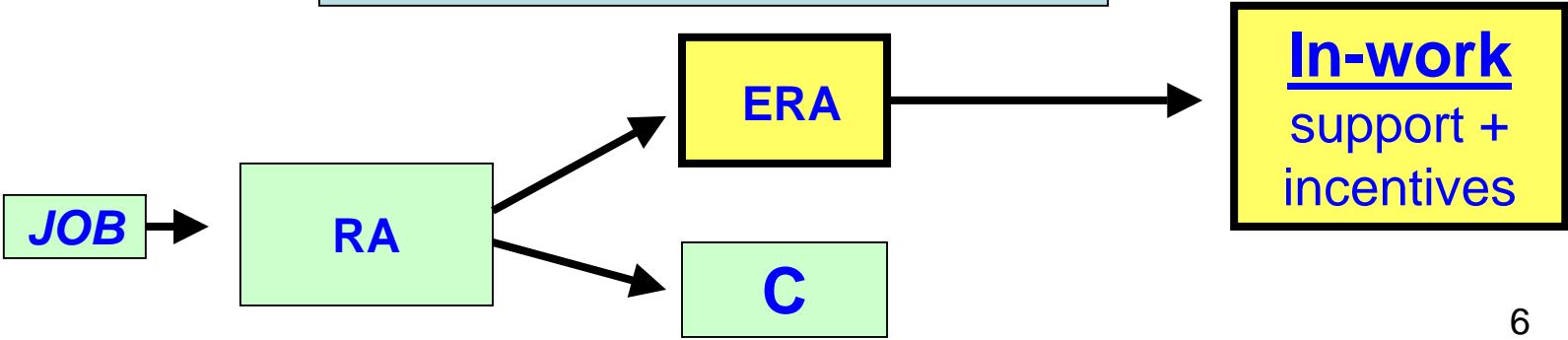
(where random assignment took place)

Random Assignment

For ND25+ and NDLP Groups



For WTC Group



Data

Qualitative observations and interviews

- JC+ staff and ERA participants

3 waves of customer survey

- 1-year and 2-year surveys completed
- 5-year to begin by end of this year (lone parents only)

Administrative records

- Employment & earnings (WPLS)
- Benefit receipt (DWP)
- Bonus payments (DWP)

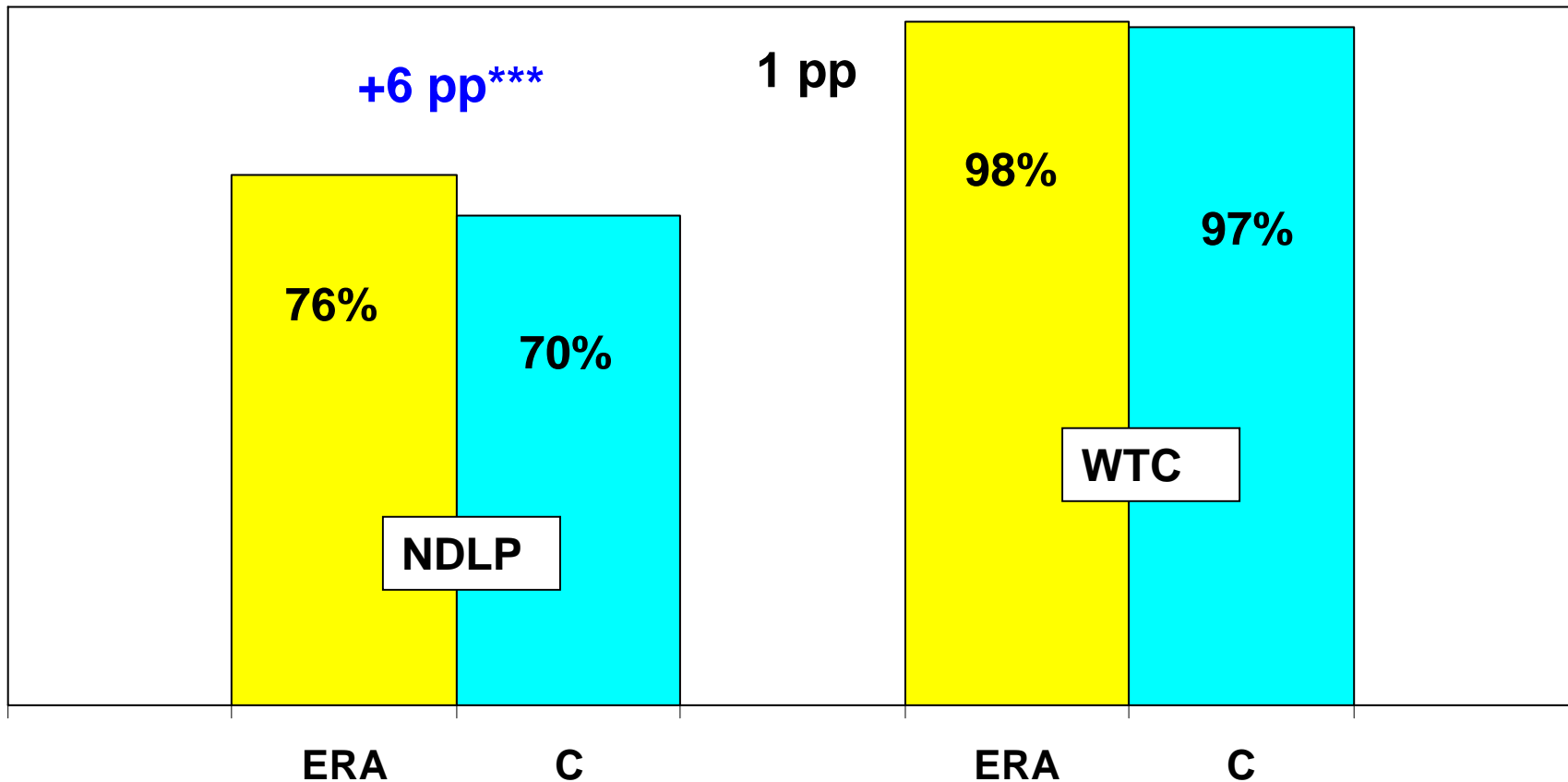
Cost data

Implementation

- Little ERA vs. C “treatment difference” during New Deal pre-employment phase
- Core “post-employment” model was delivered:
 - Working customers in ERA got much more “in-work” help/advice on retention and advancement than did Cs
 - Most ERA participants were aware of the incentives offer (bonuses for full-time work and for training)
- Service *quality* was low during first year and struggled against placement goals of JC+; but substantial improvements by 2nd year

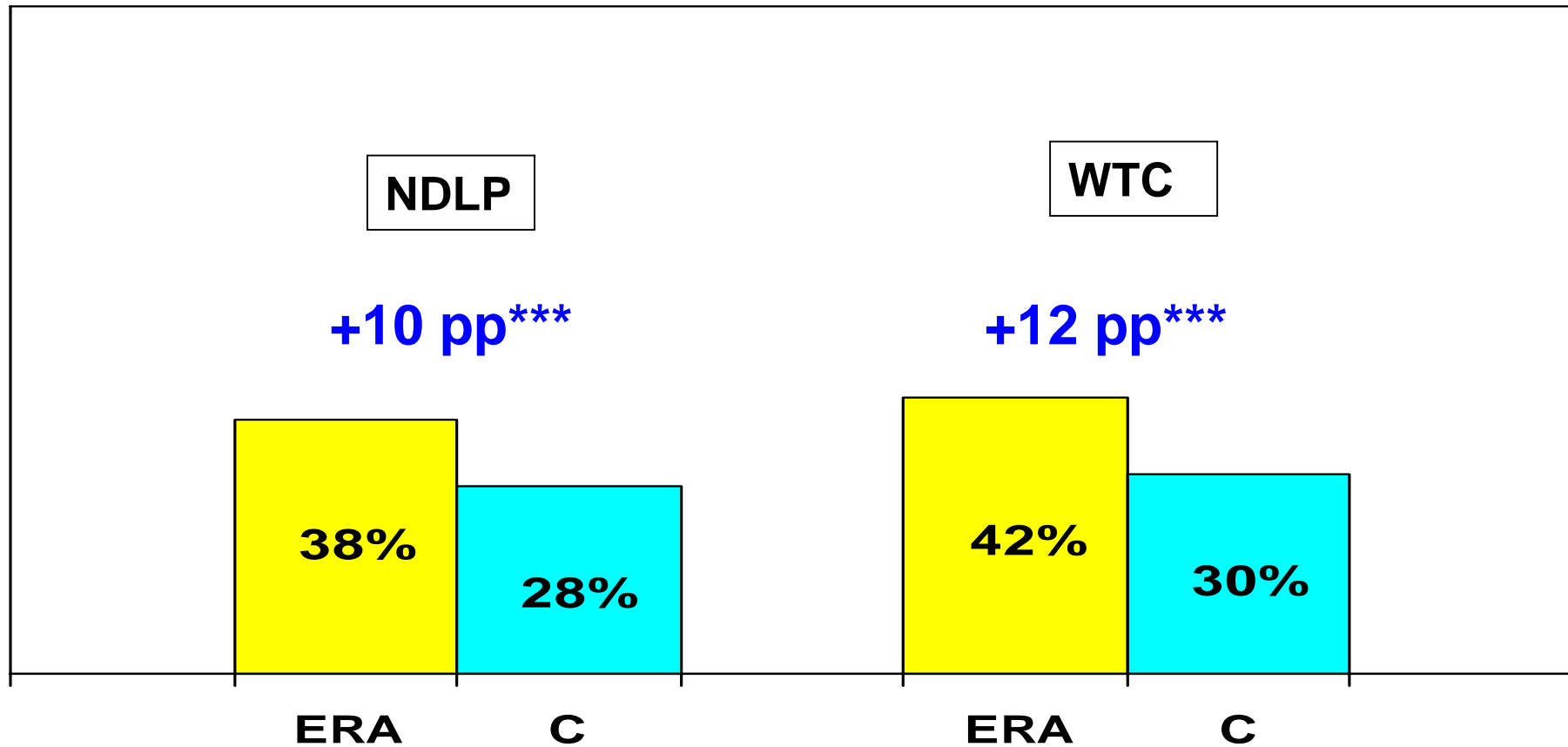
Impact on Employment Rate

Ever worked in within 2 years after RA?



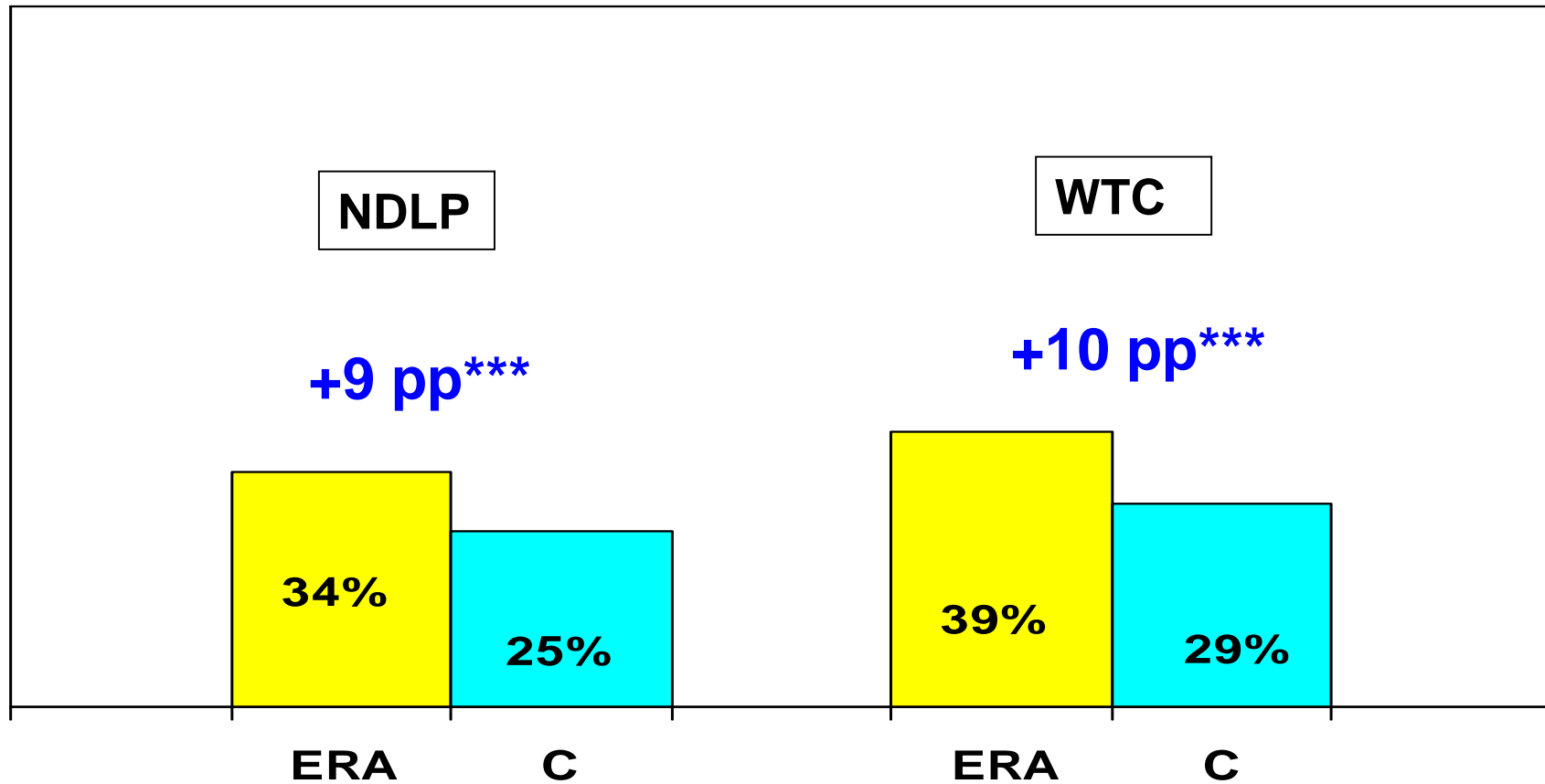
Impact on Full-Time Work

Ever worked full-time in 2-year period?



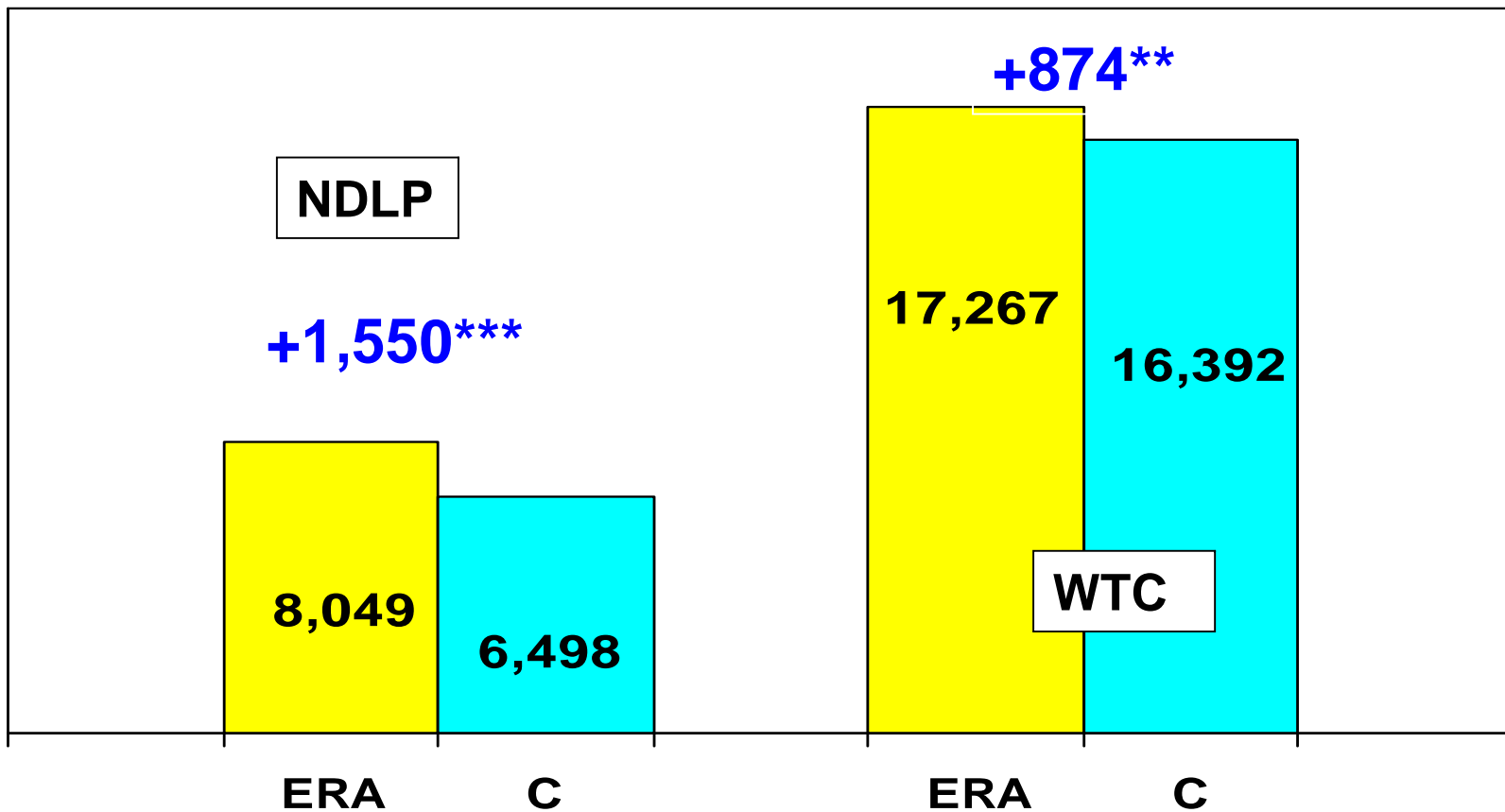
Impact on *Sustained* Full-Time Work

Worked full time at least 4 consecutive months?



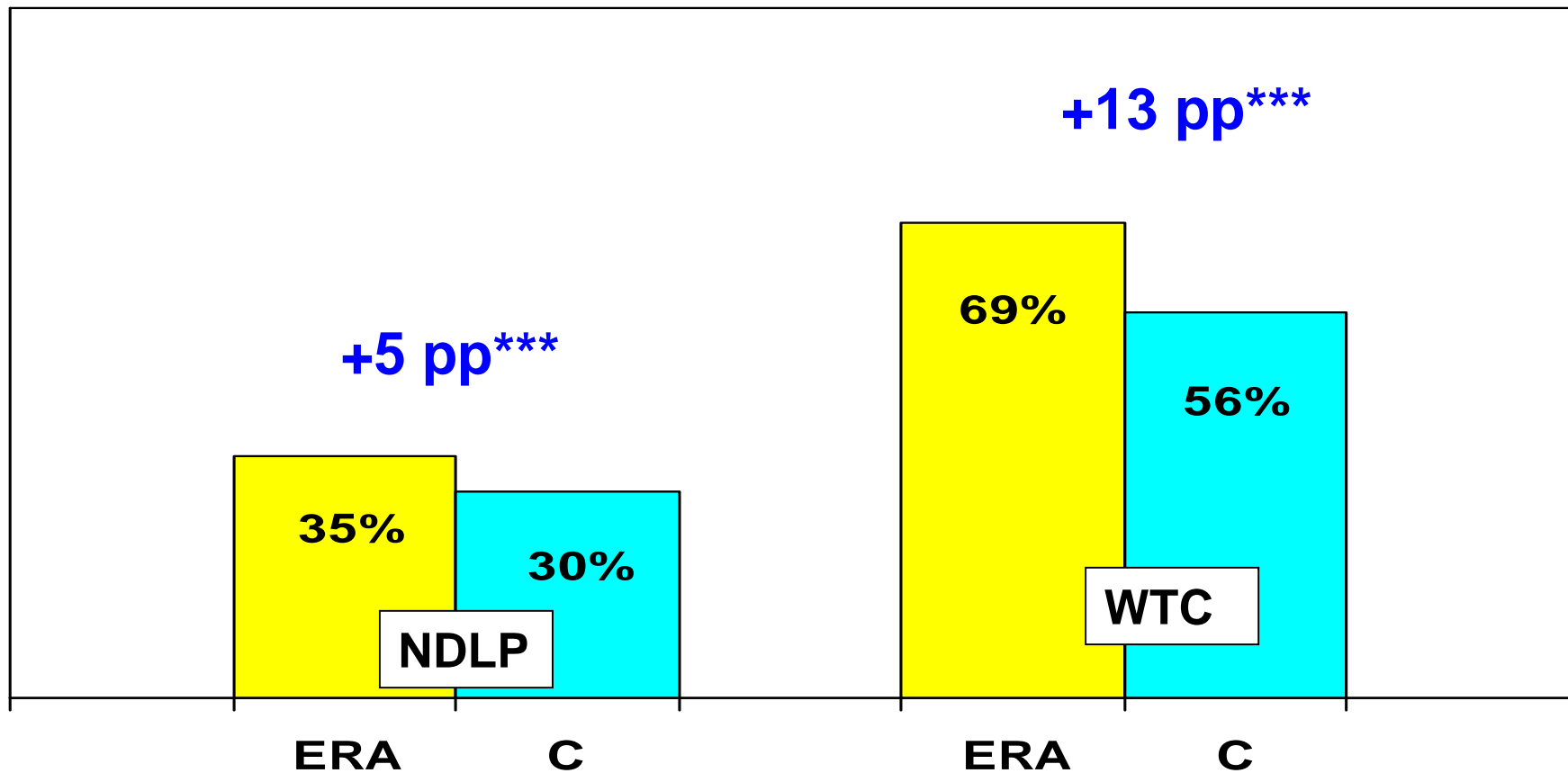
Impact on Earnings

Average 2-year earnings (£)



Impacts on Work + Training

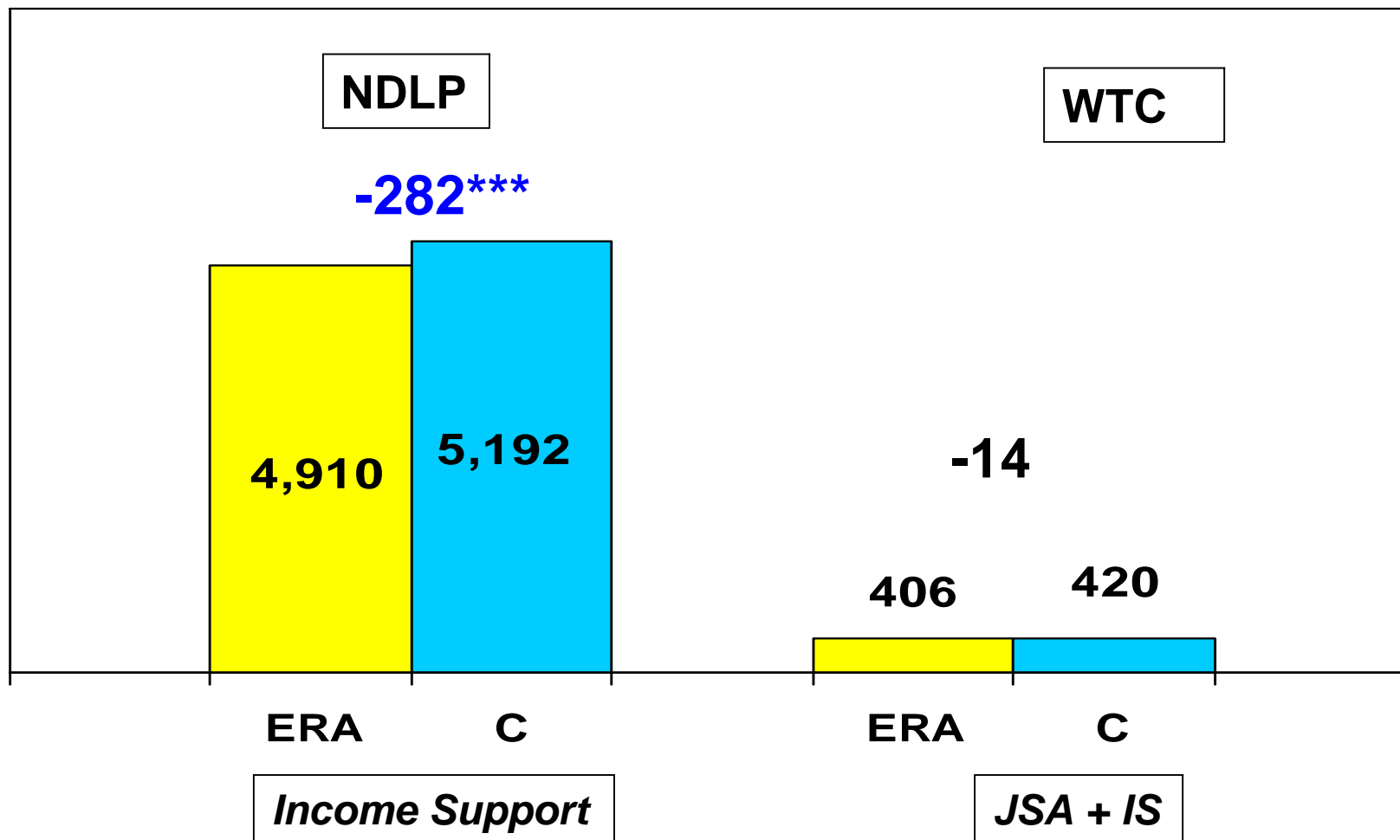
Combined education or training with work?



Impact on 2-year Benefit Amount

[Administrative records data; FULL SAMPLE]

Average 2-year amount (£)



Other Findings

- Impacts found across **range of subgroups**, including more disadvantaged
- Impacts found **across districts**
- No noteworthy impacts on the **ND25+**
- Added cost of ERA for post-employment services from JC+ and incentives over first 2 years are modest
 - *Preliminary estimates range from **£1,100** to **£2,200** per customer across the 3 target groups)*
- Final story still not in at end of 2 years—many customers still in programme at that time

Next Steps

- 5-year survey for lone-parent groups (NDLP and WTC)
- Further qualitative analysis
- Continued collection of administrative data on earnings and benefit receipt
- Benefit-cost analysis