

European Social Fund Objective 3: The 2005 beneficiary survey for England

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Ispos MORI carried out two waves of longitudinal research among beneficiaries of European Social Fund (ESF) Objective 3 training in England. The first wave drew on the views of 4,682 beneficiaries enrolled on an ESF-funded course, and the second wave involved interviews with 2,063 of the same beneficiaries after they had left their course:

- ESF-funded training courses appear to have been successful in targeting beneficiaries who face a wide range of potential labour market disadvantages. Overall, two in three beneficiaries experienced one or more labour market disadvantages on entry – that is, they were either lone parents, carers, they belonged to a Minority Ethnic Group, their main language was not English or they had a disability or long-term health condition.
- Two in five beneficiaries were employed on entry to an ESF-funded course, compared with around a quarter who were either inactive or unemployed. Fewer than one in ten were in education.
- Nearly half of beneficiaries who were not in employment on entry felt that they had difficulty finding paid work or a better job because they did not have the right qualifications, training or skills. A lack of recent work experience, out-dated skills, a lack of local jobs or a disability or health problem were each cited by around one in three non-working entrants as barriers to work.
- Overall, beneficiaries' expectations of their courses were high. Around four in five felt that they would either gain work-related skills, improve their qualifications or boost their self-confidence as a result of attending their course. Two in three beneficiaries hoped that they would be given practical help to find a job. Employed entrants were more likely to expect to gain work-related skills and qualifications, while unemployed entrants were more likely to expect practical job search help.
- Around four in five beneficiaries who were interviewed once they had left an ESF-funded course said that their work-related skills and self-confidence had improved. Two in three beneficiaries had gained a qualification, however, only two in five felt that they had received practical job search help.
- Of those beneficiaries who were interviewed in the second wave of the research, two in five had been employed on entry. By the time of the second survey (between four and eight months after the first wave), the proportion in work had risen to three in five. Overall, this represents a 49 per cent increase in the proportion of people who were employed.
- At the same time, the proportion of beneficiaries who were unemployed fell by 42 per cent. The decline in inactivity was, however, less pronounced: around one in five beneficiaries were inactive on entry and this only fell slightly to one in seven by the time of the second survey.

Summary of research

Beneficiary characteristics

- **Many beneficiaries were employed when they enrolled onto a course and were seeking to improve or update their skills, but around half were either unemployed or economically inactive.**
- Just over half of the beneficiaries surveyed were women (54 per cent), and a similar proportion (49 per cent) were 35 years old or over. Four in five beneficiaries (82 per cent) classified themselves either as 'White British' or 'White Other'. Of the rest, seven per cent were Asian or Asian British and six per cent were Black or Black British.
- Overall, two in three beneficiaries (66 per cent) experienced one or more labour market disadvantages on entry – that is, they were either lone parents, carers, they belonged to a Minority Ethnic Group, their main language was not English or they had a disability or long-term health condition.
- Two in five beneficiaries (40 per cent) were employed on entry to an ESF-funded course, while around a quarter were either inactive (23 per cent) or unemployed (25 per cent) and eight per cent were in education.
- Nearly two in three beneficiaries (64 per cent) experienced 'low human capital'. This is defined as beneficiaries who did not have relevant qualifications, lacked training or skills, had no recent work experience and had poor understanding of English and poor levels of literacy and numeracy. Beneficiaries with low human capital were more likely to be unemployed on entry (31 per cent compared with 24 per cent of all beneficiaries).
- One in three beneficiaries (35 per cent) had experienced long-term unemployment/inactivity. This group is made up of beneficiaries who were either inactive or unemployed and seeking work for 12 months or more before entry to an ESF course (or six months for beneficiaries under the age of 25). Almost half of these people (46 per cent) were inactive on entry.

Barriers to employment

- **Non-working beneficiaries faced a wide range of barriers to work – both skills-based and personal. ESF-funded courses were more successful at addressing skills-based barriers, largely because they are directly work-related.**
- Nearly half of beneficiaries who were not employed on entry felt that they had difficulty finding paid work, or getting a better job, because they did not have the right qualifications, training or skills (46 per cent). This was the most common barrier for non-working entrants, although it was most pronounced among unemployed entrants (53 per cent) and non-working beneficiaries with low human capital (61 per cent).
- A lack of recent work experience or out-dated skills were each cited by around one in three non-working entrants (36 per cent and 35 per cent respectively). As with qualifications, those with low human capital and unemployed entrants were more likely to cite these as barriers. Similar proportions felt that a lack of local jobs or their own disability or health problem was a barrier (33 per cent and 30 per cent respectively).
- Age and problems with transport were each mentioned as barriers by around one in four (28 per cent and 25 per cent respectively).
- Inadequate literacy and numeracy skills were mentioned as a barrier by one in five non-working beneficiaries (21 per cent), while one in ten (nine per cent) said they had problems understanding English. A lack of affordable childcare was mentioned as a barrier by a similar proportion (11 per cent), while seven per cent mentioned the need to care for an elderly, ill or disabled person.

Expectations

- **Overall, beneficiaries' expectations of their courses were high. Around four in five felt that they would either gain work-related skills (82 per cent), improve their qualifications (78 per cent), or boost their**

self-confidence (78 per cent) as a result of attending their course. Two in three beneficiaries hoped that they would be given practical help to find a job (69 per cent).

- There were significant differences in expectations between groups of beneficiaries. Women, younger beneficiaries and those from Minority Ethnic Groups tended to have among the highest expectations of their courses. Conversely, those with health problems or disabilities tended to have lower expectations, with the exception of improved self-confidence.
- Entry status was also a significant indicator of expectation. Employed entrants were more likely to expect to gain work-related skills and qualifications, while unemployed entrants were more likely to expect to receive practical job search help.
- Beneficiaries on courses funded through Policy Fields 3 and 4 (and who were therefore most likely to be in employment on entry) expected to improve their work-related skills and qualifications. By contrast, those in Policy Fields 1 and 2 had higher expectations regarding practical job search help. Those in Policy Field 5 were more likely than the average to expect their self-confidence to increase.

Meeting expectations

- **Beneficiaries' expectations were generally met. Across the board, beneficiaries felt that they gained work-related skills, qualifications and self-confidence. Inactive entrants, in particular, felt that they had benefited from the acquisition of 'softer' skills, such as motivation and independence.**
- Improvements in work-related skills were clearly met, with 84 per cent of beneficiaries interviewed once they had left an ESF-funded course saying that they were helped in this area – a rating which is replicated across nearly all demographic groups. Unemployed entrants were most likely to say the course

did **not** help them improve work-related skills, as were those in Policy Fields 1 and 2.

- Gains in self-confidence were also clearly evident, with 81 per cent of beneficiaries saying that their ESF experience helped them to build their self-confidence about working. As is the case with work skills, reported gains in self-confidence were high among almost all groups, never falling below 74 per cent. In general, though – as with work-related skills – unemployed entrants were less likely to feel that they had gained in terms of self-confidence.
- Two in three beneficiaries (68 per cent) gained a qualification as a result of being on their course. While this is a positive outcome, the proportion falls below the expectation (78 per cent), and there were some significant sub-group differences.
- Women were more likely to gain qualifications than men (73 per cent compared with 62 per cent), while those on courses funded by the Learning and Skills Council or through Alternative Bids were more likely to achieve qualifications than beneficiaries on courses funded through Jobcentre Plus.
- Contrastingly, those with a disability or health problem were markedly less likely than the average to gain a qualification (55 per cent), as were those in Policy Fields 1 and 2 (58 per cent each). Beneficiaries who were unemployed on entry were less likely than their employed counterparts to gain a qualification (54 per cent compared with 79 per cent of those who were employed on entry).
- It is also less clear whether ESF-funded training courses provided the expected practical help. Overall, two-thirds of beneficiaries expected to receive some practical help in finding a job. However, only two in five (41 per cent) actually felt that they received this support. Unemployed entrants were more likely than average to feel that they were given this practical help, as were those on Policy Field 1 and 2 courses.

Outcomes

- **The proportion of beneficiaries in employment rose by nearly half over the course of this study. Correspondingly, unemployment fell away, from 31 per cent to 18 per cent. Inactivity, however, remained largely unchanged, recording a marginal fall from 19 per cent to 15 per cent.**
- Of those beneficiaries who completed their course and were interviewed in the second wave of the research, two in five (41 per cent) had been employed on entry. By the time they left their course, 56 per cent of beneficiaries had a job and at the time of the survey (between four and eight months after the first wave) 61 per cent were in work. Overall, this represents a 49 per cent increase in the proportion of people who were employed.
- At the same time, the proportion of beneficiaries who were unemployed fell from 31 per cent on entry to 18 per cent at the time of the second survey – a fall of 42 per cent.
- The proportion of beneficiaries who were in education rose from six per cent on entry to nine per cent on leaving, before falling back to the entry status figure. This is consistent with beneficiaries' perceptions of education as a stepping stone to employment.
- The one group whose status was little changed was the inactive beneficiaries. Around one in five beneficiaries were inactive on entry (19 per cent) and while this fell to 14 per cent when they left their course, it remained unchanged thereafter – 15 per cent at the time of the second survey. In many ways, this is intuitively understandable, as the demographic profile of inactivity indicates that these people were the least work-ready among the beneficiary population.

- This is confirmed by an examination of the employment pathways of ESF entrants. Most employed entrants were still in work at the time of the survey (88 per cent), while 44 per cent of unemployed entrants had found work by that point, as had 48 per cent of those who were in education on entry. This contrasts with just a third of inactive entrants who were in work at the time of the survey (34 per cent) and two in five inactive entrants who were still inactive at that point (43 per cent).

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84712 059 8. Research Report 376. August 2006).

It is available from Paul Noakes at the address below.

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