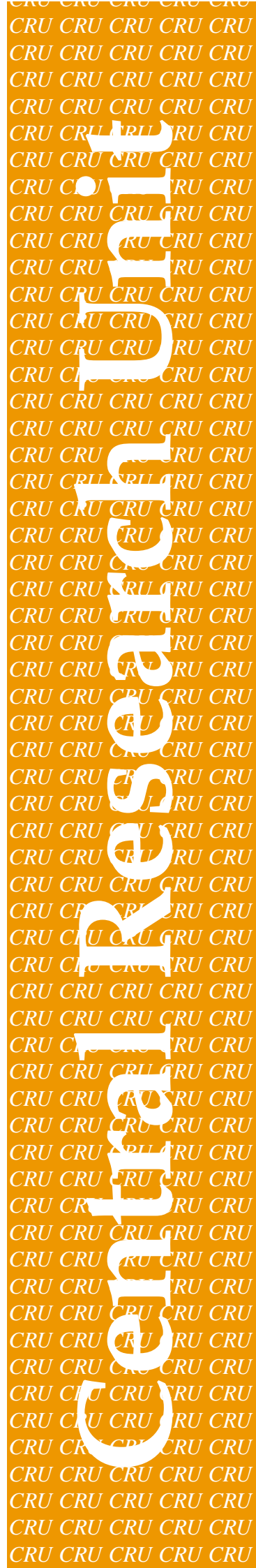


EVALUATION OF NEW DEAL FOR YOUNG PEOPLE IN SCOTLAND

Phase 2



SCOTTISH EXECUTIVE



EVALUATION OF NEW DEAL FOR YOUNG PEOPLE IN SCOTLAND

Phase 2

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**Scottish Executive Central Research Unit
2002**

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Executive summary

Introduction

The New Deal for Young People (NDYP), the first of the New Deals to be announced by the Labour Government, was rolled out nationally in April 1998 following a four month trial period in twelve Pathfinder areas. It aims to help young people into jobs and increase their long-term employability. The target group are 18 – 24 year olds who have been claiming unemployment benefits for six months or more and others in the same age group with shorter spells of unemployment who are particularly disadvantaged in the labour market.

This report examines outcomes for young people who entered the NDYP in Scotland between September 1998 and February 1999. It focuses on:

- experiences of the New Deal and changes in employability;
- the impact of New Deal Options on employment entry and unemployment exit;
- the impact of New Deal Options on job quality; and
- the New Deal experiences of disadvantaged groups

The report is based on the second stage of a survey of a random sample drawn from the September 1998 – February 1999 cohort of entrants to NDYP in Scotland. Stage one surveyed 1147 Scottish New Deal participants 7 months into the programme, while stage two re-interviewed 695 participants some 12 months later. The report also contains analysis based on administrative data that relates to all 10,416 young people who entered the New Deal in Scotland from September 1998 to February 1999.

Experiences of the New Deal and changes in employability

Key findings relating to experience of the programme and impact on employability include:

Overall, young people interviewed after 18 months on the New Deal were less satisfied with the programme than they were after 7 months. At stage two, 58% characterised their time on the New Deal as useful, compared to 66% at stage one. This might suggest that, at least according to client perceptions, the programme has found it difficult to sustain its impact over the medium to longer term. However, it is not consistent with findings reported below. This could be explained by the greater elapse of time between clients' experience of New Deal Options and the stage 2 interview, and the fact that young people may have attributed improvements to their own efforts rather than the effect of New Deal.

There is evidence that self-efficacy (feelings of motivation and capability leading to attempting and achieving goals) has improved between stage 1 and stage 2. 39% were measured as having very high self-efficacy at stage 1, this rose to 45% by stage 2.

However, over the same period respondents seem to be adopting a less positive attitude to improving their employability. 88% of clients agreed that they wanted “to continue to train and develop to maintain and add to work skills” at stage 1 falling to 83% by stage 2. The figures for England and Wales show a smaller decline, but a smaller proportion expressed a commitment to development at stage 1.

There were no substantial changes in health, with about one in five reporting health problems or disabilities that they expected to last for more than a year at both stages 1 and 2. However, there was a tendency for mental health to decline among respondents between stage 1 and 2. The proportion with very good mental health fell from 49% at stage 1 to 42% at stage 2.

Employability increased in relation to a number of measures:

- In Scotland, about one in six (16%) clients had experienced problems with literacy or numeracy since the age of 16. When interviewed at stage 2 only 9% of respondents reported problems. Respondents in England and Wales were considerably more likely to report problems with literacy and numeracy at the first stage interview than were respondents in Scotland (24% against 16%) but they experienced a similar decline.
- There was some evidence to suggest that barriers to job search, such as lack of transport, lack of nearby jobs, lack of childcare etc. had become somewhat less prevalent at stage 2 than at stage 1 (33% mentioned fewer problems at stage 2 than at stage 1). The evidence relating to England and Wales is slightly stronger in this regard.
- Among Scottish respondents who had no qualifications at the time of the stage one survey, about 13% had obtained qualifications by stage two. Among those who already had some qualifications a fifth obtained further qualifications.

Outcomes in terms of employability varied most greatly according to the Option respondents entered. The Employment and Voluntary Sector Options performed best in improving employability overall. Those who entered the Full-time Education and Training Option were relatively disadvantaged but made good progress in addressing problems, having the greatest tendency to increase self-efficacy. Entrants to the Environment Task Force were also relatively disadvantaged. They were most likely to report literacy and numeracy problems at stage 1 but also most likely to improve their basic skills during the evaluation period. Those who overstayed on Gateway were relatively advantaged at the time of entering New Deal but overstaying on Gateway produced fewer benefits in relation to motivation, health and employability than any of the New Deal Options.

The effects of the New Deal Options on employment entry and unemployment exit

The impact of different Options on employment entry and unemployment exit was measured in several ways:

- the probability of having left Job Seekers Allowance (JSA) in February 2001, some 24-30 months after first entering the programme;
- the amount of time entrants spent off JSA from February 2000 to February 2001; and
- the relative likelihood of entrants being in employment at the time of their survey stage two interviews.

The over-riding conclusion is that the Employment Option performs best in terms of increasing chances of unemployment exit and employment entry. Just under three quarters (74.3%) were off JSA at this time. Controlling for differences in characteristics of those entering different Options, those who participated in the Employment Option were more likely to be off JSA than had they participated in any other Option or overstayed on Gateway. Those who went through the Employment Option also spent more time off JSA from February 2000 to February 2001 than if they had been through any other Option. In addition, those whose first Option was Employment were more than twice as likely to be in work at the time of the stage 2 interview than those whose first Option was Full-time Education and Training.

Overstaying on Gateway was the next most effective route in terms of increasing the likelihood of JSA exit and reducing the amount of time spent on JSA, with this group doing better than if they had entered either the Full-time Education and Training, Voluntary Sector or Environment Task Force Options. One possible explanation is that it takes some time for the enhancements to employability generated by the New Deal Options to take effect.

The FTET and Voluntary Sector Options occupied an intermediate position in terms of outcomes, 67.8% and 67.7% respectively had moved off JSA by February 2001. The Full-time Education and Training Option was more effective than in the evaluation of the New Deal for Young People in Britain as a whole. This may be because the Scottish evaluation allowed for a longer evaluation period and education and training interventions would be expected to take their effect after a time lag.

The Environment Task Force was the least effective Option in relation to labour market outcomes. Only 58.3% of young people on this Option were off JSA in February 2001.

Option impacts on job quality

The report looked at the following aspects of job quality:

- job satisfaction
- satisfaction with training
- wages.

Both job satisfaction and satisfaction with training were very high, with roughly 90% of individuals reporting satisfaction.

Job satisfaction and satisfaction with training were both lowest for young people on the Environment Task Force Option.

The Environment Task Force Option also did worst in terms of wages. Net hourly wages for young people that were on the Environment Task Force were £3.65, which was £0.48 less than for those who had left New Deal at the Gateway stage.

These findings suggest that, as well as being less effective than other Options in encouraging exits from unemployment, the ETF was also associated with entry into jobs of lower quality.

New Deal experiences of disadvantaged groups

Respondents from multiply disadvantaged backgrounds tended to perform poorly in relation to measures of employability and did not always have as good experiences of the New Deal as other respondents. However, there was also evidence of the programme going some way to addressing the particular problems of multiply disadvantaged individuals.

Overall, those who reported having no work experience, no qualifications or having no employer references tended to make more progress in employability measures than those with problems with drugs, alcohol, a prison record or homelessness. This may be because New Deal was better able to respond to more conventional labour market problems than to those of a personal or social nature.

Living in a SIP area is a good indicator of the presence of labour market problems but does not appear to be correlated with the presence of personal or social problems. Those resident in Social Inclusion Partnership (SIP) areas had less commitment to training and development than those in non-SIP areas (69% against 79%). This gap did not close over the course of the evaluation. SIP residents were also less likely to gain qualifications over the course of the evaluation period (29% remained with no qualifications compared with 16% in non-SIP areas). However, in relation to most measures of experience and employability there was no difference between SIP and non-SIP areas.

There were few differences in experience and employability between rural and urban areas. Rural dwellers tend to do better on the self-efficacy scale, with 62% reporting high measures in both surveys compared with 52% of urban respondents.

Both SIP residents and rural dwellers were more likely to be on ETF and having entered it tended to do worse in terms of unemployment exits than did ETF entrants from other areas.

Summary of New Deal Option impacts

The impact of the different New Deal Options can be summarised as follows:

The Employment Option:

- Proved most effective in improving employability;
- Produced the most positive labour market outcomes in terms of employment entry and exits from unemployment;
- But tended to be entered by the least disadvantaged young people, therefore it is questionable whether substantially expanding this Option would continue to produce these positive results.

The Voluntary Sector Option:

- Was effective in improving employability;
- Was less effective in encouraging movements out of unemployment and into work;
- Women tended to be over-represented on this Option in comparison to others.

The Full Time Education and Training Option:

- Was effective in increasing employability, especially in improving basic skills and self-efficacy;
- Less effective in producing labour market outcomes, although it performs better than the UK;
- Tended to have more disadvantaged entrants.

The Environment Task Force Option:

- Was effective in encouraging young people with basic skills problems and lack of qualifications to improve their employability;
- Was least effective in encouraging movements off benefits and into work;
- Tended to have more SIP residents and rural dwellers than other Options;
- Had the poorest outcomes in terms of job quality.

Policy Conclusions

In terms of improving employability, all New Deal Options performed better than overstaying on Gateway. This illustrates the need to ensure that, as far as possible, New Deal entrants progress through the programme as designed with entry into an Option within the allocated Gateway period.

While the Employment and Voluntary Sector Options were probably the strongest performers overall, the FTET and ETF Options were effective in improving the employability of more disadvantaged entrants, underlining the benefits of multi-faceted programmes for long term unemployed people.

While the effectiveness of the Employment Option might lead one to conclude that it should be expanded, entrants to the Employment Option tend to be from a relatively advantaged background. It is open to question whether *employer* support for subsidised employment could be extended to those more disadvantaged participants who have perhaps had very long spells of unemployment.

The relative success of overstaying on Gateway in terms of labour market outcomes is difficult to explain, given that it apparently did little to enhance employability. One possible explanation is that they had more time to spend on job search during the study period. It may be beneficial to redesign the Options so that job search assistance is available beyond the Gateway.

Young people from SIP areas and rural areas were over-represented on the ETF Option, which did less well in encouraging exits from unemployment for these subgroups than for the cohort as a whole. This suggests either that greater effort needs to be put into improving the performance of the ETF Option, especially for young people from these types of areas, or that young people from SIP and rural areas should be encouraged to choose more effective Options.

The finding that those with labour market problems tend to make more progress in relation to employability measures than those with personal or social problems suggests there may be a need to re-consider the way in which those with the latter kind of problems are assisted by the New Deal.

1. BACKGROUND

NEW DEAL FOR YOUNG PEOPLE

The New Deal for Young People (NDYP), the first of the New Deals to be announced by the Labour Government, was rolled out nationally in April 1998 following a four month trial period in twelve Pathfinder areas. Funded from the windfall tax on utilities, it aims to help young unemployed people into jobs and increase their long-term employability. The target group are 18-24 year olds who have been claiming unemployment benefits for six months or more, plus others in the same age group with shorter unemployment spells who are particularly disadvantaged in the labour market.

HOW NEW DEAL WORKS

The programme marks a break with earlier British labour market programmes in two respects. First, as discussed below, its design is unusual. It incorporates a period explicitly designed to assist participants in choosing their route through the programme. Secondly, participation in the programme is compulsory for the target group, in the sense that failure to participate results in benefit sanctions.

After an initial interview with a New Deal Personal Adviser (NDPA), participants enter what is known as the Gateway period of the New Deal programme. During the Gateway, they receive intensive advice, help and counseling about job search, job opportunities, and other opportunities under the programme. Gateway provision 'aims to get young people into work, and includes help with job search, careers advice and guidance, and preparation for and submission to a range of options' (Department for Education and Employment, 1998:1).

After a period of up to four months those still on the programme may enter one of four Options: subsidised Employment, Full-Time Education and Training (FTET), work for the Voluntary Sector, or work with the Environment Task Force (ETF). Options can be of variable length, but most are expected to last around six months, except in the case of the Full-Time Education and Training programme, which can last anything up to a year. The third component of the programme is Follow-through. The objective of Follow-through is 'to ensure that New Deal clients are helped throughout their participation on an Option, to progress towards the goal of finding and sustaining work, and are given further assistance if they return to unemployment' (Department for Education and Employment, 1998:2). In practice, Follow-through is often used to describe continuing advice and assistance once participants have been through an Option but have not left New Deal.

THE EVALUATION OF NEW DEAL FOR YOUNG PEOPLE IN SCOTLAND

The Policy Studies Institute (PSI) and BMRB Social Research have been commissioned by the Scottish Executive to carry out a two-stage evaluation of New Deal for Young People in Scotland.

The survey of participants

Stage one of the survey was designed to capture participants' early experiences of the programme by interviewing them face-to-face about seven months after programme entry. Stage two was designed to obtain information on their experiences and attitudes at the end of the programme by following up on the same participants approximately twelve months later. The September 1998 to February 1999 cohort of programme entrants was chosen as the basis for the study. The first stage survey was reported on in Lakey and Knight (2001).

Survey method

The Employment Service commissioned PSI and BMRB Social Research to undertake and provide analysis of a two-stage national survey of NDYP participants in Great Britain. This was reported on in Bryson, Knight and White (2000) and Bonjour, Dorsett, Knight, Lissenburgh, Mukherjee, Payne, Range, Urwin and White (2001). Of the 6,010 respondents to the first stage of this survey, 653 were from Scotland. This number was considered insufficient for a full analysis of the impact of NDYP in Scotland, so the Scottish Executive commissioned PSI and BMRB to carry out a booster survey of Scottish New Deal entrants, and to analyse data from the combined national and booster surveys. The booster survey provided a further 494 interviews, giving a total of 1147 interviews with Scottish respondents at the first stage. Their characteristics and New Deal experiences were compared with those of the 5268 national survey respondents who came from England and Wales.

This report is based on the second stage of the survey. This involved re-interviewing respondents to the first stage survey about 12 months after the original interview. Of the 1147 Scottish respondents at the first stage, 695 agreed to be interviewed at the second stage. Where appropriate, the report makes comparisons with findings from the Great Britain surveys, although this is confined largely to situations where the findings are substantive.

Use of administrative data with the full cohort of Scottish NDYP entrants

This stage 2 report also contains analysis based on administrative data that relates to all 10,416 young people who entered NDYP in Scotland from September 1998 to February 1999. The administrative data was drawn from the New Deal Evaluation Database (NDED) and the Joint Unemployment and Vacancies Operating System (JUVOS). This data is used to estimate the impact of New Deal Options on exits from unemployment and to explore in more detail the experiences and performance of young people on New Deal.

Objectives of the stage 2 analyses

The primary objectives of the stage 2 analyses are to examine:

- experiences of the New Deal and changes in employability;
- the impact of New Deal Options on employment entry and unemployment exit;
- the impact of New Deal Options on job quality, and
- the New Deal experiences of disadvantaged groups

STRUCTURE OF THE REPORT

After Chapter One provides background information, Chapter Two describes the method of matching and other evaluation techniques that are used in this report. The next four chapters report analytical findings: Chapter Three uses descriptive analyses of the administrative data to examine the experiences and performance of NDYP entrants; Chapter Four uses descriptive statistics to examine changes in New Deal experiences between the first and second stage surveys and explores the programme's impact on employability; Chapter Five uses matching techniques to estimate Option impacts on the rate of employment entry and unemployment exit and Chapter Six uses regression techniques to assess whether different Options encouraged participants into jobs of different quality. Chapter Seven draws together a number of findings from elsewhere in the report as they relate to the New Deal experience of disadvantaged groups.

2. THE EVALUATION APPROACH

2.1 INTRODUCTION

There are a number of possible ways of evaluating programme effects and the choice of best approach is determined in large part by practicalities. Specifically, the nature of the programme and the quality of data available for analysis are key factors. Both of these were important in selecting the approach used for the evaluation of New Deal for Young People in Scotland. In this chapter, the details of this approach are presented.

A variety of evaluation techniques were used in this report. Chapters Three and Four rely primarily upon descriptive statistics, such as cross-tabulations. As this technique is familiar, it is not examined in detail here. Chapter Five estimates programme effects on employment entry and unemployment exit, using the method of matching. As this technique has rarely been used in the evaluation of UK active labour market programmes it is described thoroughly in this chapter. Chapter Five also uses regression models to analyse employment entry and unemployment exit, while Chapter Six uses similar techniques to estimate programme impacts on wages and job quality. The interpretation of coefficients from different types of regression model is also explained in this chapter.

It should be noted that the primary aim of the evaluation is not to estimate the *overall* effect of the New Deal. Rather, the aim is to consider the *relative* effects of the New Deal Options. The analysis is based on those entering the programme between September 1998 and February 1999.

2.2 THE METHOD OF MATCHING

This section attempts to provide an intuitive understanding of the method of matching. A fuller description is provided in Appendix 1. For the purposes of illustration, the effect of programme participation on the probability of having found employment at a subsequent point in time is considered.

The obvious way of doing this is to compare the proportion employed among those who participated and those who did not participate. However, the results of such comparisons will be misleading if certain characteristics of participants differ substantially from those of non-participants. More specifically, if participants had more favourable labour market characteristics than non-participants before entering the programme, one would expect them to have had more success in finding employment even if they had not taken part in the programme.

In order to identify the effect of the programme on employment, one must therefore take account of the participants' likely employment prospects had they not participated. Subtracting this from the actual result yields an estimate of programme effect. However, the difficulty arises from the fact that only actual employment is observed rather than hypothetical employment prospects that would have resulted from

participants not participating. What is needed in order to estimate the programme effect is the employment prospects for those who participated *had they not participated*.

The results provided by the simplistic approach of comparing the proportion employed among participants and non-participants implicitly assume that the prospects of non-participants provide a reasonable estimate of the prospects of participants had they not participated. The method of matching improves upon this by considering only that subset of non-participants who are in some sense similar to participants. Hence, their employment prospects can be regarded as a better indicator of the employment prospects of participants had they not participated since the comparison is essentially of like with like.

In the case of the New Deal, a number of Options are considered simultaneously. Hence, an estimate is needed for each Option of how individuals in that Option would have fared had they instead entered a different Option. This means that, when considering the employment effects of that Option for those its participants, a set of 'similar' individuals from each of the other Options must be identified. This makes it possible to derive an estimate of the employment effect of the Option relative to each of the other Options.

It is useful to provide an outline of the process involved in carrying out the matching. There are essentially two stages. First, models of Option participation are estimated. Second, individuals are matched using the resulting estimates of probability of Option participation.¹ This operationalises as follows. When considering the effect of a given Option (for example, the Employment Option) compared to another Option (say, ETF), the starting point is to estimate the probability of participating in the Employment Option for those who participated in either the Employment Option or the ETF. Next, each individual in the Employment Option is matched with that individual in ETF with the most similar probability of being in the Employment Option. Comparing the proportion in employment of the Employment Option participants with that of this matched group provides an estimate of the employment effect of the Employment Option relative to the ETF. This process can be done for all combinations of Options to provide the relative effects of all Options.

2.3 THE STRUCTURE OF THE ANALYSIS

As noted in the introduction, the aim of the analysis is to estimate the relative effect of the New Deal Options on a range of outcomes. For example, there is a need to know how an individual in the Employment Option would have fared in one of the other Options. Given the design of New Deal, those participating in an Option will have earlier participated in the Gateway. Hence, the overall effect of the New Deal for those in a given Option is not just the effect of that Option but instead is the combined effect of the Option and the earlier Gateway. In fact, those participating in an Option are only doing so because they did not find work while on the Gateway.

¹ See Appendix 1 for a discussion of the rationale behind this.

There is no attempt to capture the separate effect of Gateway. A comparison of those people who participated in the Gateway but did not enter an Option with those who did proceed to an Option is complicated by the fact that the matching approach controls for factors that led people into different Options. Those who did not enter an Option cannot be considered because they did not reach the 'starting line' for the analysis. However, analysis revealed that the intended Gateway maximum duration of four months was being exceeded in a substantial number of cases. There is a noticeable increase in exits at about four months after Gateway entry (approximately 122 days). Clearly, a significant minority of people remain on Gateway for longer than four months - some for much longer. These Gateway overstayers present a possibility for analysis. Specifically, those individuals who did not enter an Option but who remained on Gateway for longer than intended can be regarded as a reference group against which the other Options can be compared. The characteristics of this group of people will be considered more fully below, but it is conceivable to regard them as a group of untreated individuals. Whereas those participating in an Option can be regarded as having received a treatment of Gateway plus Option, those who simply remain on the Gateway can be regarded as receiving a treatment of Gateway plus more Gateway. In fact, such evidence as is available suggests that the intensity of Gateway diminishes with time such that Gateway overstayers can be regarded as receiving little additional attention beyond their initial Gateway experience. For example, analysis of administrative data reveals that the number of action starts and referrals grows initially with Gateway duration but levels off after about 20 weeks.

Hence, in the analysis that follows, five routes through New Deal (ie combinations of treatments) are considered. The first four routes correspond to the Gateway followed by one of the New Deal Options. The fifth route corresponds to the Gateway followed by remaining on the Gateway. It is the closest available approximation to a no-treatment group (at the Option stage). It is important to be clear on what this captures; the analysis will allow examination of the effect of remaining in Gateway rather than moving to an Option, but will not allow quantification of the Gateway effect for those who leave Gateway in the intended timeframe. For the purpose of this analysis Gateway overstayers are defined as those individuals who do not enter an Option and who remain on Gateway for longer than five months (150 days).²

2.4 MATCHING RESULTS

In this section, the results of the matching approach are presented. The matching method was applied to the full cohort of entrants to New Deal for Young People in Scotland from September 1998 to February 1999 and the analyses were carried out using administrative data from the New Deal Evaluation Database (NDED) and the Joint Unemployment and Vacancies Operating System (JUVOS). The sample numbers for the survey were too low to enable the matching technique to be applied to that dataset.

² Five months was chosen rather than four in order to exclude those individuals who remain on the Gateway only slightly longer than intended and to avoid splitting the sample at the peak Gateway duration.

Descriptive statistics

Before proceeding to the analysis proper, it is helpful to consider how the characteristics of the sample differed across Options. Some indication of this is provided in Table 2.1 below.³ These figures show some marked differences in the characteristics of those entering different Options or overstaying on Gateway. While there was a predictable similarity across Options in the average age, women were under-represented in the ETF. Women were over-represented in the Voluntary Sector Option.

In many respects, those who entered the Employment Option had more favourable labour market characteristics than the cohort as a whole. For example, they had spent a smaller amount of time in unemployment since January 1995 and their average length of qualifying claim was also shorter than for the other Options. By way of contrast, those in the ETF had the highest amount of unemployment since January 1995 and had the highest average length of qualifying claim. Gateway overstayers were similar to ETF entrants in this respect.

Turning to local area characteristics, there was little variation by Option in the unemployment rate prevailing at time of New Deal entry. There was some tendency for those in the Employment and ETF Options to be in a rural area. Employment Option entrants were also less likely to be in Social Inclusion Partnership (SIP) areas than were entrants to other Options.⁴

Results of estimating participation equations

Having examined the characteristics of the Option participants, the first stage in the matching process is to model the probability of participating in one Option rather than another. Since there are four Options plus Gateway overstayers, ten probability models must be estimated.⁵⁶ From these models, ‘propensity scores’ are calculated as the estimated probability of participating in one Option rather than another. It is these scores that are used to perform the match, as noted earlier.

³ To keep the evaluation methodology manageable, only the first Option was considered.

⁴ Certain areas within Scotland are designated Social Inclusion Partnership (SIP) areas and are given special assistance to encourage economic development. These are mostly urban areas experiencing relatively high levels of social deprivation.

⁵ The probability of entering Option A compared with Option B is 1 minus the probability of entering Option B compared with Option A, hence the probability model need only be estimated once for each pair of possible Options/routes.

⁶ An alternative would be to estimate the probabilities of entering each Option simultaneously using, for example, a multinomial probit model. Appendix 1 explains briefly why the pairwise approach is preferred.

Table 2.1: Descriptive statistics of the sample, by Option

	Emp	FTET	VS	ETF	GO	All
Age at entry to first New Deal spell	21	21	21	21	21	21
Female (%)	23	25	37	6	23	23
Private sector led delivery model (%)	8	7	9	7	6	7
Single, never married (%)	90	91	91	91	90	90
Disability indicator (%)	12	15	18	11	12	14
Entered New Deal as part of 6 month flow(%)	39	51	50	52	52	49
<i>Usual occupation</i>						
-Usual occupation is manager (%)	1	1	1	1	1	1
-Usual occupation is professional (%)	1	1	*	1	1	1
-Usual occupation is associate prof. (%)	3	3	4	2	2	3
-Usual occupation is clerical (%)	12	10	10	7	10	10
-Usual occupation is craft and related (%)	11	9	6	10	8	9
-Usual occupation is personal and protective services (%)	6	8	10	4	6	7
-Usual occupation is sales (%)	7	10	11	4	8	8
-Usual occupation is operative (%)	9	7	7	7	8	7
-Usual occupation is other (%)	14	12	11	20	16	14
-Usual occupation is missing or none (%)	36	39	40	44	40	40
<i>Sought occupation</i>						
-Sought occupation is manager (%)	1	1	1	*	1	1
-Sought occupation is professional (%)	2	1	1	1	1	1
-Sought occupation is associate prof. (%)	5	6	7	3	3	5
-Sought occupation is clerical (%)	17	15	17	11	14	15
-Sought occupation is craft and related (%)	15	12	10	16	12	13
-Sought occupation is personal and protective services (%)	8	12	15	6	9	10
-Sought occupation is sales (%)	10	15	15	5	12	12
-Sought occupation is operative (%)	11	8	8	9	9	9
-Sought occupation is other (%)	15	14	15	24	20	17
-Sought occupation is missing or none (%)	16	16	11	25	19	17
No. JSA claims since Jan 1995	4	4	4	4	4	4
Total days unemployed before ND	618	728	756	852	837	759
Length of current claim at ND entry (days)	490	560	575	658	627	583
TTWA unemployment rate at ND entry (%)	7	7	7	7	7	7
% of local workforce from ethnic minority	2	2	2	2	2	2
% of local workforce with disability	12	12	13	12	13	12
Rural area (%)	23	18	17	22	18	20
Social Inclusion Partnership area	20	28	27	36	30	28
<i>Base</i>	<i>1090</i>	<i>1872</i>	<i>1053</i>	<i>1178</i>	<i>1382</i>	<i>6575</i>

Guide to acronyms: Emp – Employment Option, FTET – Full-time Education and Training Option, VS – Voluntary Sector Option, ETF – Environment Task Force Option, GO – Gateway overstayers.

It is only necessary to include those variables that influence both participation and outcomes. The outcomes under consideration are those relating to labour market effects. The rationale for including variables that influence both participation and outcomes is that if a variable influences participation but not outcome, there is no need to control for the differences between the treatment and the control groups for this variable since the outcome variable of interest is unaffected. Alternatively, if the variable influences outcome but not participation, there is no need to control for it since it will be insignificantly different in the treatment and comparison groups.⁷ Variables that affect neither participation nor outcome are clearly unimportant, so the only remaining type of variable is the kind that influences both participation and outcome – and these are the ones needed to match. To include additional variables may increase the probability that there is no close match for a treated individual.

In view of the central importance of the propensity scores in deriving an adequate match, it is important to summarise the estimation results. As a general comment, the results tend to confirm the differences shown in the simple descriptive statistics given above. The factors that were most strongly associated with entry into each of the four Options, as opposed to overstaying on the Gateway, were as follows:⁸

The likelihood of entry into the *Employment Option* increased with

- Age at New Deal entry

The likelihood of entry into the *Employment Option* decreased with

- The amount of unemployment before New Deal
- Number of closed unemployment claims before New Deal
- Residence in certain SIP areas

The likelihood of entry into the *Full-time Education and Training Option* increased with

- The client having a disability at the time of New Deal entry
- The client seeking an intermediate level occupation at the time of New Deal entry
- The client being a non-standard entrant to New Deal, i.e. neither a member of the six-month flow nor the stock

The likelihood of entry into the *Full-time Education and Training Option* decreased with

- The amount of unemployment before New Deal

⁷ An example of a variable that might affect outcomes but not participation would be disability. This was found to be unrelated to participation in Options but has been shown by a number of studies to reduce the chances of employment entry.

⁸ The Gateway overstayers group is chosen as the reference category here for purposes of illustration. Each of the pairwise comparisons, as explained above, is based on a participation model estimated for that pair. For example, the effect of Employment relative to Voluntary Sector is based on a participation model relating to those two Options.

The likelihood of entry into the *Voluntary Sector Option* increased with

- The client being female
- The client having a disability at the time of New Deal entry
- The client seeking an intermediate level occupation at the time of New Deal entry

The likelihood of entry into the *Voluntary Sector Option* decreased with

- Residence in certain SIP areas

The likelihood of entry into the *Environment Task Force Option* increased with

- The client being male

The likelihood of entry into the *Environment Task Force Option* decreased with

- The amount of unemployment before New Deal
- The client being a member of an ethnic minority
- Age at New Deal entry
- Residence in certain SIP areas

Having estimated the probability models and associated propensity scores, the next step in the matching process is to identify the counterfactual for each treated person. This was done by finding, for each individual in a given Option, that individual in each other Option with the most similar propensity score. Since there are four Options plus Gateway overstayers being considered, this results in 20 pairwise matchings. These matchings are not symmetric. That is to say, identifying a comparator group for those in the Employment Option from among those in the ETF, for example, is a separate exercise from identifying a comparator group for those in the ETF from among those in the Employment Option. This is because the comparator group in each case is determined by the composition of the Option in question.

The most general results when using a matching approach are obtained when all effects are calculated across a common group of individuals. In this case, the effects associated with one Option relate to exactly the same group of individuals regardless of which other Option is being used to generate the counterfactuals. This allows general statements to be made about the relative effects of each of the Options without having to qualify such assertions with provisos about the composition of the primary Option being different in each case. Furthermore, such an approach allows one to calculate not just the effect of “treatment on the treated” (that is, the effect of participating in an Option for those who did participate in it) but also the effect of the Option for somebody drawn randomly from any of the Options. However, this requires common support across all Options for every other Option. In the case of our analysis, this proved to be too severe a restriction since half of the sample was being discarded for non-support reasons. This would seriously compromise the representativeness of the results. Hence, the approach taken was to ensure that there was support in the comparison group for the Option being

considered, but not to enforce a common support across all Options. While this means that the results cannot be viewed as being as general as those based on a common support, they have the advantage of being more representative of the Option in question.

Having discarded unsupported individuals, of whom there were very few, the matching process concludes by finding, for each Option participant, a counterfactual person from the comparison Option. This may result in individuals being used as comparators more than once. Should this happen, such individuals receive a weight that corresponds to the number of times they serve as comparators. Hence, the sum of weights in the comparator Option is equal to the number of observations in the treatment Option.

2.5 ASSESSMENT

In this chapter and its appendix, the matching approach was described and the results of implementing the matching were presented. This forms the basis for the analysis of programme effects associated with the New Deal Options presented in Chapter Five. The results have shown that the models of Option participation appear plausible and include a number of significant variables in all cases. This, together with the rich variable set used in the modelling, provides some reassurance that the matching approach is successfully controlling for those characteristics which might be expected to result in differences in outcomes between participants in the different Options. The information on the resulting matching weights and the remaining differences between the treatment and comparison groups in each case appear acceptable. In view of this, it is appropriate to examine the effect of the different Options by simply comparing mean differences. The matching approach is assumed to have successfully controlled for variations in outcome caused by differences in the characteristics of participants in different Options.

The next two sections explain how to interpret the results of other evaluation techniques used in the report, namely logistic regression and Ordinary Least Squares regression models. These are included for the benefit of readers who are not familiar with these types of regression models or with modelling terminology more generally. Others are advised to skip on to the next chapter.

2.6 INTERPRETING LOGISTIC REGRESSION MODELS

Some of the analyses in Chapter Five also make use of logistic regression modelling techniques. The following paragraphs explain how these should be interpreted.

With a binomial logistic regression model, the dependent variable (the variable to be explained or predicted) has two categories. For example the outcome, or dependent, variable may be whether the respondent found work or whether they remained unemployed. We model the odds of finding work rather than remaining unemployed – ‘remaining unemployed’ is thus the reference category for the dependent variable in such models.

The models include explanatory or predictor variables that ‘explain’ why one outcome has occurred rather than another. Thus, the fact that a respondent has a health problem might explain, to some extent, why they have remained unemployed rather than found work. A respondent’s possession of a driving licence may partly explain why they have found work, rather than stayed unemployed. The size of each effect is shown by the variable’s coefficient. The precise interpretation of each predictor variable depends on whether it is categorical or continuous.

When the predictor variable is categorical (that is, when it does not represent a scale of any kind, such as sex or ethnic group), the effect of each category of the predictor variable on the odds of a particular outcome occurring is assessed relative to a base or reference category which we nominate. Thus, the odds of a woman finding work rather than remaining unemployed is assessed relative to a man, the odds of a person from an ethnic minority entering work rather than remaining unemployed is assessed relative to a white person, and the odds of a person with a degree entering work are assessed relative to a person with no qualifications. The coefficient represents the multiplicative effect of being in that category, rather than being in the reference category, on the odds of the specified outcome occurring, as opposed to the reference outcome.

When the predictor variable is continuous (that is, when there is an equal distance between each point on the scale, as with months in time or wages in pounds sterling), the model coefficient represents the multiplicative effect of a unit increase in the value of the predictor variable on the odds of the outcome being modelled. Thus, if the predictor variable is the minimum net hourly pay for which the respondent will work, then the coefficient represents the marginal impact of each extra pound of expected earnings on the odds of the specified outcome occurring, as opposed to the reference outcome.

The term odds is used here exactly as in betting. If an outcome occurs 1 time in ten, the odds-against are 9 to 1 (i.e. 9), and the odds-on are 1 to 9 (i.e. 1/9). The effects of the different explanatory factors in an analysis are represented as *multiplying the odds*. If the effect is 1, then the odds are unchanged. If the effect is greater than 1, the odds are increased (become higher), while if the effect is less than 1, the odds are decreased (become lower).

2.7 INTERPRETING ORDINARY LEAST SQUARES (OLS) REGRESSION MODELS

The analyses of time in employment and time out of unemployment in Chapter Five and of Option impacts on wages in Chapter Seven are based on OLS regression models. This is the most appropriate form of regression technique where the dependent variable (whose variation is to be explained) is continuously distributed. In the case of the time in employment and time out of unemployment models in Chapter Five, a unit change in each of the independent variables can be interpreted as causing a change in percentage points of time spent either in employment or out of unemployment. As the natural logarithm of net hourly wages is used as the dependent variable in the wages analyses

that appear in Chapter Seven, a unit change in each of the independent variables can be interpreted as an approximate percentage change in net hourly wages.

3 CHARACTERISTICS AND ROUTE THROUGH THE NEW DEAL OF NDYP PARTICIPANTS

SUMMARY

Characteristics of NDYP participants

- The majority of NDYP participants in Scotland were men – almost 75%, compared with 72% in England and Wales
- There were nearly 10 times as many participants from ethnic minorities in England and Wales compared with Scotland.
- In Scotland, nearly 20% of ND participants lived in rural areas, and 27.3% lived in Social Inclusion Partnership (SIP) areas.

Programme experiences/route through the New Deal

- 71% of participants started Gateway within a month of joining New Deal, but 29% waited for longer.
- 34.8% of participants were on Gateway for 20 or more weeks.
- There were marked differences between the first Options of participants in Scotland compared to participants in England and Wales. 10.5% of Scottish participants went on the Employment (EMP) Option, compared with less than 8% in England and Wales. Slightly more participants in Scotland chose the Voluntary (VOL) Option, and 3.2 percentage points more chose the Environmental Task Force (ETF) Option.
- Young people living in SIP areas had the longest Gateway period, are least likely to be on the Employment Option and most likely to be on ETF or to have overstayed on Gateway, are more likely to have had more than one ND spell, and are less likely to be aiming for a qualification compared with young people from non-SIP and rural areas.
- EMP appeared to be the most ‘successful’ Option, with least participants returning for a second or third spell to New Deal and least participants having been sanctioned. Participants on EMP also spend the shortest time on ND compared with participants from other Options. However, only 46.4% of participants on EMP were aiming for a qualification, compared with 54% on ETF. Surprisingly, people on FTET were not much more likely to aim for a qualification.
- There were remarkable difference in Option composition by gender. 8.6% of young men and 14.9% of women chose VOL. 14.4% of men chose ETF, while only 2.6% of women chose this Option. A much higher percentage of women (33.5%) than men (26.7%) were on Gateway only.
- Women were less likely than men to aim for a qualification.
- Disabled young people were much more likely to aim for a qualification than their non-disabled counterparts.

3.1 INTRODUCTION

In this section we make use of the extensive administrative data from the New Deal Evaluation Database (NDED) to conduct descriptive analyses of NDYP participants in Scotland. First we describe the NDED and the data set we derived from it (Section 3.2). Then we look at participants (Section 3.3) in terms of personal characteristics (Section 3.3.1), their regional dispersion (Section 3.3.2), their experiences with New Deal (Section 3.3.3) and conduct subgroup analyses (Sections 3.4) with special emphasis on geographical differences and differences according to New Deal option. We compare results for Scotland with comparable data for England and Wales.¹

3.2 THE ADMINISTRATIVE DATA SET

The NDED is an administrative data set made available for research through the Employment Service (ES). It draws information from New Deal administrative sources (progress reports from New Deal Personal Advisors about, etc.), from Labour Market Systems (LMS) and the Joint Unemployment and Vacancies Operating System (JUVOS). For the evaluation of NDYP for ES, PSI constructed a dataset that covered the September to November 1998 NDYP entry cohort. This data formed the basis from which the survey sample was drawn. The survey covered the whole of Great Britain and thus contained NDYP participants living in Scotland – however not enough to analyse Scotland separately. Thus the Scottish Executive commissioned PSI to conduct a separate survey for Scotland. First a second entry cohort was drawn – sometimes called the Scottish booster sample – to cover December 1998 to February 1999 NDYP entrants. This was the basis from which individuals for the separate Scottish survey were drawn. Thus part of the data for Scotland (admin and survey) is a subsample of the Great Britain data.

When analysing the administrative data we use Scottish NDYP participants from the combined September 1998 to February 1999 entry cohort. To compare results to England and Wales we constructed an equivalent data set for England and Wales. It should be noted that the results from the NDYP evaluation PSI conducted for ES (see Bonjour et al, 2000) are only partly comparable to the ones presented here as they cover a different entry cohort (only September to November 1998) and include Scotland. This is the reason that we constructed the extra data set from NDED to compare Scotland to England and Wales.

We selected individuals that were 25 or younger.² The selection of people in Scotland happened on the basis of three geographical variables: the country, the standard statistical region and the ES defined region. The selection is based on the postcode of

¹ This data is different from the one used in the ES Report on NDYP in Britain (Bonjour et al, 2000). See the discussion below.

² NDYP was intended for young people aged 18 to 24. There was a very small number of 25-year-old individuals in the data.

the individual at the time of downloading the data from NDED.³ This might lead to inaccuracies if there is a lot of movement between the countries within the United Kingdom. To check this we looked at individuals that have a second and third New Deal (ND) spell recorded on the NDED. Table 3.1 gives their country of residence.

Table 3.1: Country moves from between ND spells

Residence 2nd spell	Frequency	Valid Percent
England	46	2.0
Northern Ireland	1	.0
Scotland	2310	98.0
Wales	1	.0
Total 1	2358	100.0
Missing values	11	
Total 2	2369	

Table 3.1 shows that there is very little movement between the countries of the UK from one recorded ND spell to the next. 98 percent of NDYP participants who had a second ND spell stayed in Scotland and 2 percent moved to England. Among the 84 who have a third spell 83 were in Scotland for all three spells, one moved back from England and one had a missing country code for the third spell. This minimal movement suggests that it is valid to select the data set based on the country at the time of the download.

After applying the above selection criteria we were left with 10,369 NDYP participants in Scotland.

3.3 CHARACTERISTICS OF NDYP PARTICIPANTS

3.3.1 Personal characteristics

In this section we present the characteristics of NDYP participants in terms of age, gender, ethnic background and disability indicator. Table 3.2 shows the age of NDYP participants.

Table 3.2: Age at entry to first New Deal spell

	Scotland		England & Wales
Age	Frequency	Percent	Percent
18	1692	16.3	15.2
19	1833	17.7	18.2
20	1566	15.1	15.1
21	1314	12.7	13.4
22	1380	13.3	13.1
23	1317	12.7	12.6
24	1212	11.7	11.8
25	55	0.5	0.7
Base	10369	10369	87911

³ The NDED is a dynamic data set and it is possible that the postcode recorded at the time of the download is not the same as the one entered when the participant started NDYP.

There was a very similar age distribution in Scotland and England and Wales but participants were slightly older in England and Wales. The biggest group in Scotland and in England and Wales were the 19 year olds.

Table 3.3: Sex of New Deal participants

	Scotland		England & Wales
Sex	Frequency	Percent	Percent
Male	7746	74.7	71.8
Female	2623	25.3	28.2
Base	10369	10369	87911

In Table 3.3 we summarise the sex composition of our data set. Nearly three quarters of NDYP participants were men. This was higher in Scotland than it was in England and Wales where only 72 percent were men. This lower representation of women in the Scottish data could be due to the higher proportion living in rural areas where female labour supply is lower, or to differences in the occupational and industrial structure between Scotland and England and Wales.

Table 3.4: Ethnic background

	Scotland		England & Wales
Sex	Frequency	Percent	Percent
White	9939	98.1	82.3
Non-white	197	1.9	17.7
Base	10136	10369	82395

Looking at the ethnic background we see a massive difference between Scotland and England and Wales. The percentage of ND participants from ethnic minorities in England and Wales was nearly ten times the percentage in Scotland, which allowed analyses by ethnic background. Unfortunately, the 197 observations from ethnic minorities in Scotland were not enough to conduct any meaningful subgroup analysis. If we were to split the 197 non-white ND participants by ND options we would be left with less than ten observations in some of the categories.

Table 3.5: Disability

	Scotland		England & Wales
Sex	Frequency	Percent	Percent
Disability	1304	12.6	12.9
No disability	9065	87.4	87.1
Base	10369	10369	87911

The number of young people that have a disability reported on NDED was very similar in Scotland and England and Wales with 12.6 and 12.9 percent, respectively. The number of individuals with a disability is large enough to perform subgroup analyses.

3.3.2 Regional dispersion

There was a special interest in the question whether NDYP was delivered differently in rural as opposed to urban areas and in Social Inclusion Partnership (SIP) areas. These variables were not included in the NDED and had to be matched to individuals based on their postcode and information provided by the Scottish Executive. The matching procedure was performed by PSI in the case of SIP areas and by BMRB in the case of the rural variable.⁴

The following two tables give the distribution of the NDYP population by these two geographical dimensions.

Table 3.6: Rural – Urban

	Scotland		England & Wales
	Frequency	Percent	Percent
Urban	8264	80.1	86
Rural	2049	19.9	14
Base	10313		87911

In Scotland nearly twenty percent of ND participants lived in rural areas. This gave us 2049 young people living in rural areas which was enough for subgroup analyses. This compares to only 14 percent of English and Welsh participants in rural areas. As the definition for rural is not the same in Scotland and England and Wales it is difficult to interpret the difference.

Table 3.7: SIP areas

	Frequency	Percent
Living in a SIP area	2827	27.3
Not living in a SIP area	7542	72.7
Base	10369	

There is no equivalent of SIP areas in England and Wales. Table 4.7 gives the distribution of young people living in SIP and non-SIP areas. In total there are 37 SIP areas. These contain between ten and 263 observations which is not enough to present results by individual SIP areas. The distribution of NDYP participants over individual SIP areas is given in Appendix 3.

⁴ The rural variable supplied on the NDED is defined for England and Wales only. It is based on wards. The variable used for Scotland was supplied by the Scottish Executive. It is based on population density in localities.

Table 3.8: SIP areas by urban and rural
(Row percentages)

	Urban		Rural	
	Frequency	Percent	Frequency	Percent
Living in a SIP area	2654	93.3	171	6.1
Not living in a SIP area	5610	74.9	1878	25.1
Total	8264	80.1	2049	19.9

In interpreting results below it is interesting to know to what extent the two geographical dimensions overlap. Table 3.8 presents the rural-urban split in SIP and non-SIP areas. SIP areas were to a large extent urban, but not all urban areas are in a SIP, only just over 32 percent of urban areas are SIP areas. There were very few rural areas the lie with in a SIP.

3.3.3 NDYP programme experiences

In this section we ‘follow’ participants as they enter the different stages of the programme. First we look at the time before Gateway starts, then measure the length and intensity of the Gateway period, followed by a closer look at the option stage of the NDYP and some overall measures.

3.3.3.1 Gateway

NDYP started with a Gateway period. It was designed to last for up to four months. But as we will see below there was a considerable number of young people who stayed on Gateway for longer. During the Gateway period young men and women had a series of interviews with their New Deal Personal Advisor (NDPA) who helped them with their job search and organised referrals to other services if necessary. We characterise the Gateway with the following measures: number of days to Gateway start, number of days on Gateway, number of days with an interview, and the number of referrals.

Table 3.9: Time from ND entry to Gateway start

	Scotland		England & Wales
	Frequency	Percent	Percent
Same day	1191	11.5	15.0
up to 1 week	874	8.5	7.3
1 to 2 weeks	1612	15.6	14.5
2 to 3 weeks	2836	27.4	27.4
3 to 4 weeks	858	8.3	7.9
4 to 8 weeks	1966	19.0	17.4
8 to 12 weeks	461	4.5	4.7
12 to 26 weeks	421	4.1	4.3
More than 26 weeks	121	1.2	1.6
Average days		26.0	26.9
Base	10340	10340	87481

On the database two dates for the start of the programme are recorded: the start of New Deal and the start of Gateway. For over 11 percent Gateway started on the same day as ND. About 60 percent started Gateway within one month of NDYP start, but 29 percent waited for longer. In England and Wales a higher proportion started Gateway on the same day and a comparable number waited for more than a month. However, the average wait was slightly higher in England and Wales (27 days) than in Scotland (26 days).

Table 3.10: Time on Gateway

	Scotland		England & Wales
	Frequency	Percent	Percent
up to 1 week	663	7.1	7.4
1 to 4 weeks	1010	10.9	10.7
4 to 8 weeks	1072	11.6	12.2
8 to 12 weeks	992	10.7	10.7
12 to 16 weeks	985	10.6	12.2
16 to 20 weeks	1330	14.3	14.3
20 to 24 weeks	971	10.5	9.6
24 to 30 weeks	1005	10.8	9.3
30 to 40 weeks	729	7.9	7.7
More than 40 weeks	523	5.6	6.0
Average days		129.0	130.7
Average days		129.0	130.7
Base	9280	9280	79724
Base	9280	9280	79724

Originally the Gateway period was designed to last for up to four months or just over 17 weeks but as can be seen from Table 3.10, a large percentage of NDYP participants stayed on Gateway for longer. The distribution of time spent on Gateway is very similar in Scotland and England and Wales.

During the Gateway period programme participants had interviews with the NDPA. They got advice on job search, identified problems which could lead to referrals to other services and discussed the possibilities of the option stage of the programme.

In Table 3.11 and 3.12 the number of days with interviews and the number of referrals are presented.

Table 3.11: Number of days with interviews

	Scotland		England & Wales
	Frequency	Percent	Percent
None	962	9.3	10.8
1 day	872	8.4	9.4
2 or 3 days	1529	14.7	15.8
4 or 5 days	1422	13.7	13.7
6 or 7 days	1338	12.9	12.4
8 to 10 days	1624	15.7	14.3
11 to 15 days	1546	14.9	13.3
16 to 20 days	678	6.5	6.0
More than 21 days	398	3.8	4.3
Average days		7.4	6.7
Base	10369	10369	84082

Some individuals have more than 21 days with an interview, but over 65 percent had between one and ten interviews. On average participants in Scotland had over seven interviews which was higher than the equivalent number for England and Wales. Results like these are difficult to interpret. The higher number of interview days could have a number of reasons: different programme delivery, different NDPA characteristics or different NDYP participants. From the database it is not possible to say which of these hypotheses is true and therefore it is difficult to judge whether more interviews are desirable or not.

Table 3.12: Number of adjudication referrals

	Scotland		England & Wales
	Frequency	Percent	Percent
No referrals	8688	83.8	82.8
1 referral	1119	10.8	11.4
2 referrals	316	3.0	3.2
3 or more referrals	246	2.4	2.5
Base	10369	10369	87911

The vast majority of young people had no referrals. Just fewer than 11 percent in Scotland and just over 11 percent in England and Wales had one referral and over five percent had two or more referrals in both countries.

3.3.3.2 Option

At the end of the Gateway period young people chose to go on one of four options on offer: employment (EMP), full-time education or training (FTET), voluntary sector (VOL) and environmental task force (ETF). However a substantial proportion of participants never entered one of these options - some of them because they left Gateway before the time to move on to an option and some because they stayed on Gateway for longer than intended. All NDYP participants on Gateway for more than five months are categorised as “Gateway overstayers” (GO) in our evaluation.

Table 3.13 gives the distribution of all participants over these options.

Table 3.13: First Option

	Scotland		England & Wales
	Frequency	Percent	Percent
Employment	1089	10.5	7.8
Full-time education and training	1873	18.1	18.4
Voluntary sector	1053	10.2	9.0
Environmental task force	1182	11.4	8.2
Gateway overstayers	1380	13.3	14.0
Gateway only	2949	28.4	33.3
No Gateway*	843	8.1	9.3
Base	10369	10369	87911

* People with NDYP start date but no Gateway start date.

The first thing to notice is that we found quite marked differences between Scotland and England and Wales. In Scotland 10.5 percent went on the EMP option while this number was below 8 percent in England and Wales. There was a similar proportion on the FTET option, 18.1 in Scotland and 18.4 in England and Wales. It was the most popular of the programme options in both countries. Slightly more participants in Scotland chose VOL and 3.2 percentage points more chose ETF. The number of Gateway overstayers was similar in the two countries but there was a much larger proportion on Gateway for less than five months in England and Wales (33.3 percent) than in Scotland (28.4 percent). In some later discussions we will call this group 'Gateway only' (GWO).

To investigate this difference further, Table 4.14 provides the destination after leaving Gateway. We could detect one difference between Scotland and England and Wales. In Scotland the number leaving Gateway for other benefits was more than five percentage points higher than in England and Wales. However this was true for Gateway only (GWO) and Gateway overstayers (GO). It is therefore difficult to use this fact to explain differences between the countries with respect to the number on Gateway.

Table 3.14: Destination immediately after Gateway

	Scotland				England & Wales			
	GWO		GO		GWO		GO	
		%		%		%		%
Unsubsidized employment	1433	48.6	446	32.3	13517	46.1	4203	34.3
Other benefit	590	20.0	284	20.6	4466	15.2	1729	14.1
Other known	208	7.1	130	9.4	2168	7.4	1108	9.0
Not known	718	24.3	487	35.3	9156	31.2	4837	39.4
Missing	-	-	33	2.4	5	0	390	3.2
Base	2949		1380		29312		12267	

Table 3.15: Number of options

	Scotland		England & Wales
	Frequency	Percent	Frequency
1 option	4329	83.3	81.8
2 options	721	13.9	14.9
3 options	127	2.4	2.6
4 options	16	0.3	0.5
5 options	4	0.1	0.1
Base	5197	5197	38145

Some participants started more than one option, but a large majority, 83.3 percent in Scotland and 81.8 percent in England and Wales, entered just one option. Nearly 14 percent in Scotland and nearly 15 percent in England and Wales entered two options and roughly three percent start three or more options in both countries.

Among those entering more than one option the majority entered a different option. The number staying on the same type of option decreased as the number of options entered increased. Details are given in Table 3.16 below.

Table 3.16: Number of different options*

	Scotland		England & Wales	
	Frequency	Percent	Frequency	Percent
2 options	672		5218	
Same options	279	41.5	2421	46.4
2 different options	393	58.5	2797	53.6
3 options	111		858	
Same options	40	36.0	318	37.1
2 different options	54	48.6	435	50.7
3 different options	17	15.3	105	12.2
4 options	13		172	
Same options	5	(38.4)	80	46.5
2 different options	6	(46.2)	74	43.0
3 different options	2	(15.4)	16	9.3
4 different options	-		2	1.2
5 options	3		46	
Same options	-		9	(20.7)
2 different options	2	(66.7)	25	(54.3)
3 different options	-		11	(23.9)
4 different options	1	(33.3)	1	(2.2)
5 different options	-		-	

*Only among options where a start and end date is observed.

Table 3.17: Time on first option

	Scotland		England & Wales
	Frequency	Percent	Percent
Left same day	31	0.6	0.6
Up to 4 weeks	812	15.9	13.9
4 to 9 weeks	749	14.7	14.3
9 to 17 weeks	832	16.3	17.1
17 to 26 weeks	1950	38.3	35.5
26 to 52 weeks	617	12.1	16.2
More than 52 weeks	107	2.1	2.5
Average weeks	18.5		19.4
Base	5098	5098	37461

Table 3.17 gives the time people spent on their first option. On average this was 18.5 weeks in Scotland which is just over 4 months and slightly more in England and Wales where it was 19.4 weeks. Most people stayed for 17 to 26 weeks on their first option. Over two percent were still on their first option after one year. Options were designed to last for up to six months in the case of EMP, VOL and ETF and up to 12 months for FTET.

Table 3.18: Total time on options during first ND spell

	Scotland		England & Wales
	Frequency	Percent	Percent
Left same day	31	0.6	0.6
Up to 6 weeks	842	16.4	14.5
6 to 18 weeks	1253	24.5	24.8
18 to 30 weeks	2168	42.3	40.0
More than 30 weeks	826	16.1	20.2
Average weeks	21.0		22.1
Base	5120	5120	37461

As some entered more than one option the time spent on options overall was higher than time spent on the first options. It was 21 weeks in Scotland and just over 22 weeks in England and Wales.

3.3.3.3 Overall

In this section we look at some overall characteristics of the experiences of young people on ND.

Table 3.19: Total time spent on first ND spell

	Scotland		England & Wales
	Frequency	Percent	Percent
Up to 4 weeks	995	9.6	11.2
4 to 13 weeks	1398	13.5	14.9
13 to 26 weeks	1733	16.7	18.7
26 to 39 weeks	1742	16.8	14.7
39 to 52 weeks	1362	13.1	11.8
52 to 78 weeks	1827	17.6	15.8
78 to 104 weeks	744	7.2	7.0
More than 104 weeks	568	5.5	5.9
Average weeks	40.5		38.9
Base	10369		87911

Table 3.19 gives the total time NDYP participants spent on the programme. On average this was over 40 weeks in Scotland and just under 39 weeks in England and Wales, this translates to just over and slightly less than 9 months, respectively. If we excluded people who were still on ND at the time of the download from this calculation, the number dropped to 36.8 weeks in Scotland and 34.7 in England and Wales.

70 percent of NDYP participants in Scotland spent up to one year on the programme, over 18 percent between one and one and a half years and 13 percent stayed longer than one and a half years. These numbers were very similar for England and Wales with 71, 16 and 13 percent respectively.

Table 3.20: Number of adjudication sanctions

	Scotland		England & Wales
	Frequency	Percent	Percent
No sanctions	9373	90.4	90.8
1 sanction	736	7.1	6.9
2 sanctions	174	1.7	1.6
3 and more sanctions	86	0.8	0.8
Base	10369	10369	87911

There were very few sanctions. For over 90 percent of participants in Scotland and England and Wales there were no sanctions recorded. Of the remaining 10 percent, most – around 7 percent – had just one sanction, about 2 percent had two sanctions and less than 1 percent had three or more sanctions.

Table 3.21: Number of job submissions

	Scotland		England & Wales
	Frequency	Percent	Percent
<u>New Deal job submissions</u>			
None	6343	61.2	70.5
1	1778	17.1	14.1
2	883	8.5	6.1
3 or 4	744	7.2	5.2
5 to 9	512	4.9	3.2
10 to 19	100	1.0	0.8
20 and more	9	0.1	0.1
<u>Not ND job submissions</u>			
None	1992	19.2	27.9
1	1166	11.2	12.5
2	948	9.1	9.0
3 or 4	1448	14.0	12.7
5 to 9	2079	20.1	17.4
10 to 19	1629	15.7	12.8
20 and more	1107	10.7	7.7
<u>Total job submissions</u>			
None	1752	16.9	25.0
1	1053	10.2	12.1
2	875	8.4	8.9
3 or 4	1419	13.7	12.7
5 to 9	2133	20.6	17.9
10 to 19	1810	17.5	14.2
20 and more	1327	12.8	9.2
Base	10369	10369	87911

The first thing to note is that there were fewer New Deal job submissions than non-New Deal job submissions. New Deal job submissions are submissions where the employer considers a job subsidy under the employment option – some might then not take up the subsidy. Over 60 percent of NDYP participants in Scotland had no New Deal job submissions. This number was even higher, 71 percent, in England and Wales. Among the rest most (17 percent) had one ND job submission, 9 percent had two, 7 percent three to four and the remaining six percent had five or more ND job submissions. There were more non-ND job submissions. Again the number of people without job submissions was considerably higher in England and Wales (26 percent) than in Scotland (19 percent). This is also reflected in the last part of the table where total jobs submissions are listed. 17 percent of young people in Scotland had no job submissions of either type. In England and Wales this number was 25 percent. From this it seems that Scottish NDPA were more active than their English counterparts. However, it is difficult to draw strong conclusions from this one source of information.

Table 3.22: Qualifications aimed for and achieved during ND

Aimed for	Achieved	Scotland		England & Wales
		Frequency	Percent	Percent
Foundation		62	0.6	1.2
	<i>Yes</i>	17	27.4	22.0
	<i>No</i>	6	9.7	9.3
	<i>Not known</i>	34	54.8	54.6
	<i>Missing</i>	5	8.1	14.1
NVQ/SVQ level 1		380	3.7	4.0
	<i>Yes</i>	91	23.9	21.3
	<i>No</i>	31	8.2	10.1
	<i>Not known</i>	223	58.7	57.1
	<i>Missing</i>	35	9.2	11.4
NVQ/SVQ level 2		2139	20.6	13.6
	<i>Yes</i>	503	23.5	23.0
	<i>No</i>	214	10.0	9.6
	<i>Not known</i>	1187	55.5	53.6
	<i>Missing</i>	234	10.9	13.7
NVQ/SVQ level 3		158	1.5	1.9
	<i>Yes</i>	(43)	(27.2)	24.2
	<i>No</i>	(10)	(6.3)	9.4
	<i>Not known</i>	(89)	(56.3)	48.5
	<i>Missing</i>	(16)	(10.1)	17.8
NVQ/SVQ level 4		(32)	(0.3)	0.2
	<i>Yes</i>	(9)	(28.1)	26.6
	<i>No</i>	(3)	(9.4)	15.4
	<i>Not known</i>	(14)	(43.8)	35.5
	<i>Missing</i>	(6)	(18.8)	22.4
Total		2771	26.7	20.9
	<i>Yes</i>	663	23.9	22.8
	<i>No</i>	264	9.5	9.8
	<i>Not known</i>	1547	55.8	53.7
	<i>Missing</i>	297	10.7	13.8
Not Known		197	1.9	1.8
No qualification		7401	73.3	77.2
	Base	10369		87911

Table 3.22 gives the number of people that aimed to gain a qualification during their time on ND and the percentage who achieved this aim by level of qualification. Most people aiming for a qualification aimed to gain a NVQ level 2 or equivalent qualification, 20.6 percent in Scotland and 13.6 percent in England and Wales. This fact, that there were less people aiming for a qualification at level 2 in England and Wales is also true for level 1 and the total. This could potentially have had two opposing effects on ND outcome measures. Gaining qualifications should have increased employability and thus helped Scottish youngsters to find a job after ND. However, during the time gaining the qualification job search activity might have been lower than it would have been otherwise, reducing the chance of getting a job.

Thus, it is not clear how to interpret this higher proportion of NDYP participants in Scotland that aimed for a qualification.

The success rate is slightly higher in Scotland than in England and Wales, 24 percent in Scotland achieved the qualification compared to 23 percent in England and Wales. Numbers especially in Scotland and for the higher levels of qualifications were too low to say much about varying success rates by level of qualification. Looking at the data for England and Wales there seemed to be a slight tendency for the success rate to increase with the level of qualification. In Scotland this is not true for Foundation courses which had a higher success rate than SVQ levels 1 and 2.

Table 3.23: Number of ND spells

	Scotland		England & Wales
	Frequency	Percent	Percent
1 spell	7916	76.3	80.0
2 spells	2369	22.8	19.4
3 spells	84	0.8	0.6
Base	10369	10369	87911

In Table 3.23 the number of ND spells per person are listed. In Scotland 76.3 percent of young people had only one ND spell up to March 2001, 22.8 percent had two spells and 0.8 percent returned three times to the programme. In England and Wales a higher percentage, 80 percent, had only one spell. It would be dangerous to take these numbers at face value and to conclude that ND was more successful in England and Wales. The number of ND spells does not reflect the full history of what people did. It masks what people did if they were not on ND. They could be employed, unemployed (for shorter spells that did not qualify them to re-enter ND), on other than unemployment benefits or out of the labour force (looking after children or ill people). Nevertheless it is a fact that more NDYP participants in Scotland than in England and Wales have a second or even third spell of unemployment that is long enough for them to enter ND again.

3.4 PROGRAMME EXPERIENCES BY PARTICIPANTS CHARACTERISTICS

In this section we again look at experiences of young people with ND, but conduct this analysis for subgroups. The aim was to detect differences by personal characteristics and ND option. Among the personal characteristics it was of special interest whether there were differences by geographical area.

First we look at geographical differences, then at ND option and in the last subsection at age, gender and disability. In each subsection we first analyse Gateway experiences, then option experiences and some overall measures. Most of the measures are the same as in the last section, albeit more aggregated in some cases.

3.4.1 Geographical differences

We looked at the two geographical dimensions SIP vs. non-SIP and urban vs. rural. At this point it is worth remembering that most of the SIP areas (over 93 percent) were urban areas. If there were more disadvantaged youths in SIP areas and in urban areas this gives an implicit ranking of the four groups as SIP, urban, non-SIP and rural. In fact, in many of the tables below we can observe such an ordering.

Table 3.24: Gateway experiences by location

	Rural	Urban	SIP area	Non SIP area
Averages				
Days to Gateway	23.5	26.4	26.1	25.8
Days on Gateway	127.4	129.4	137.8	125.6
Days with an interview	6.9	7.5	7.8	7.2
Column Percent				
<u>Number of referrals</u>				
No referrals	86.6	83.1	80.5	85.0
1 referral	9.4	11.1	12.6	10.1
2 or more referrals	4.0	5.8	7.0	4.8

Some of the above mentioned ranking can be found in Table 3.24 which gives numbers relating to the Gateway experience. Young people living in rural areas had the shortest wait for Gateway and the shortest stay on Gateway. People living in SIP areas had by far the longest Gateway period, 138 days or 4.5 months. This is more than a week longer than for young people in urban areas. Young people living in non-SIP areas period experienced the shortest Gateway.

The ranking is even clearer if we look at days with an interview and referrals. NDYP participants in rural areas had least days with interviews (6.9), followed by non-SIP areas (7.2), urban areas (7.5) and SIP areas (7.8). The same pattern emerges for referrals. Over 86 percent in rural areas had no referrals. This percentage decreased slightly to 85 in non-SIP areas, in urban areas it was 83 and in SIP areas only 80 percent had no referrals. These results seem to confirm that there were more disadvantaged ND clients in SIP areas.

Table 3.25: Option experiences by location

	Rural	Urban	SIP area	Non SIP area
Column Percent				
<u>1st option</u>				
Employment	12.3	10.1	7.6	11.6
Full-time education or training	16.3	18.5	18.4	17.9
Voluntary sector	9.0	10.5	10.1	10.2
Environmental task force	12.9	11.0	14.9	10.1
Gateway overstayers	12.1	13.6	14.6	12.8
Gateway only	28.8	28.3	27.7	28.7
No Gateway	8.7	8.0	6.8	8.6
<u>Number of options</u>				
No option*	49.5	49.9	49.1	50.2
1 option	42.6	41.6	41.4	41.9
2 options	6.9	7.0	7.8	6.6
3 or more options	1.0	1.5	1.7	1.3
Averages				
Weeks on first option	20.0	18.1	17.1	19.0
Total weeks on options	22.5	20.7	19.9	21.5

* People who were in one of the Gateway categories above.

The results above are confirmed during the option stages. Young people living in SIP areas are least likely to be on the employment option and most likely to be on ETF and to have overstayed on Gateway. They have the shortest time on their first option and the shortest time on options overall. In both cases the longest time was observed for NDYP participants in rural areas. For the number of options there was not much difference by location.

Table 3.26: Overall ND experiences by location

	Rural	Urban	SIP area	Non SIP area
Column Percent				
<u>Number of ND spells</u>				
1 spell	78.6	75.7	72.9	77.6
2 spells	20.6	23.5	26.0	21.7
3 spells	0.8	0.8	1.1	0.7
<u>Number of sanctions</u>				
No sanctions	92.3	89.9	87.8	91.4
1 sanction	5.8	7.4	8.6	6.5
2 or more sanctions	1.9	2.6	3.6	2.1
<u>Percent aiming for a qualification</u>	29.8	26.0	24.9	27.4
Averages				
Total number of job submissions	8.6	9.1	8.6	9.1
Total weeks on 1 st ND spell	40.0	40.6	42.1	39.8

There was a large difference in the number of ND spells, the number of sanctions, percentage aiming for qualifications, job submissions and the total time spent on the first ND spell by locality. Young people living in SIP areas were over 5 percentage points more likely to return for a second or third spell than those living in rural areas. They were also about five percentage points less likely to have had no sanctions compared to their rural counterparts. There was again about a five percentage points difference between SIP and rural areas in the percentage of young people aiming for a qualification. The percentage is nearly 30 in rural areas and just 25 in SIP areas. A very similar picture emerged from looking at job submissions and weeks on ND. Young people in SIP areas had about five percent less job submissions and stayed two weeks longer on ND.

There is clear evidence of strong geographical differences. It is therefore vital to take locality into account in the models below.

3.4.2 By NDYP option

Here we look at difference by ND ‘option’. We analysed the four proper programme options, employment (EMP), full-time education or training (FTET), voluntary sector (VOL) environmental task force (ETF), as well as overstaying on Gateway. The emphasis on options comes from one of the core evaluation questions: Are there differences in programme success by ND option?

Table 3.27: Gateway experiences by ND option

	EMP	FTET	VOL	ETF	GO
Averages					
Days to Gateway	17.8	23.0	21.3	24.2	26.7
Days on Gateway	87.9	125.9	139.3	156.1	(276.8)
Days with interview	7.0	10.3	12.0	12.1	8.9
Column Percent					
<u>Number of referrals</u>					
no referrals	87.5	75.0	77.4	71.3	76.6
1 referral	10.7	16.4	14.7	16.7	14.1
2 or more referrals	1.8	8.7	7.9	12.0	9.3

Table 3.27 summarises the Gateway period by later ND option. People that later entered the EMP option had the shortest wait for Gateway (17.8 days). This waiting period was longest for people who only had a Gateway experience on ND, 26.7 days for GO. People on the EMP option also had the shortest time on Gateway and the least number of days with interviews. Most interviews were recorded for people on VOL and ETF. The number of sanctions followed a similar pattern. The highest percentage with no sanctions (87.5) is found among the people on the employment option, followed by VOL (77.4), GO (76.6), FTET (75) and – with quite a gap – ETF (71.3).

Table 3.28: Option experiences by ND option

	EMP	FTET	VOL	ETF
Column Percent				
<u>Number of options</u>				
1 option	93.8	80.4	81.5	79.9
2 options	5.4	16.4	16.0	15.7
3 or more options	0.8	3.3	2.5	4.4
Averages				
Weeks on first option	19.9	18.5	18.3	17.2
Total weeks on options	21.0	21.7	21.5	19.6

In the section about option experiences we have to exclude Gateway overstayers for obvious reasons. By far the highest percentage with just one option was observed for EMP, 94 percent. People on EMP also spent the longest time on their first option - 19.9 weeks, compared to 17.2 weeks for ETF and 18.5 weeks for people on FTET. This was surprising given that FTET was the only option that could last up to 12 months whereas the other options were restricted to 6 months. The total weeks on options showed fewer variations.

Table 3.29: Overall ND experiences by ND option

	EMP	FTET	VOL	ETF	GO
Column Percent					
<u>Number of ND spells</u>					
1 spell	82.8	72.3	72.0	69.5	78.6
2 spells	16.9	26.8	27.3	30.1	20.7
3 spells	0.3	0.9	0.8	0.3	0.7
<u>Number of sanctions</u>					
No sanctions	93.8	84.1	87.2	82.1	85.9
1 sanction	5.6	11.5	9.6	12.0	9.9
2 or more sanctions	0.6	4.3	3.3	5.9	4.2
<u>Percentage aiming for qualification</u>					
Averages	46.4	51.8	50.5	54.2	4.2
Total number of job submissions	10.7	11.5	14.7	10.9	10.6
Total weeks on 1 st ND spell	46.6	62.4	63.7	66.2	43.4

Looking at some overall measures (Table 3.29), the employment option seems to be the most ‘successful’ with least participants returning for a second or third spell to new deal and least participants having been sanctioned. Compared with participants in other Options, participants in the Employment Option spent the shortest time on ND. However, only 46.4% of participants on the Employment Option were aiming for a qualification, compared to 54.2% on ETF. Surprisingly, people on FTET were not much more likely to aim for a qualifications. With regard to job submissions VOL was an outlier with 14.7 job submissions. All the other options had around 11.

These differences by ND option underline the importance of further analysis. At this point it is not clear what drives these difference (difference in the client composition or genuine option differences) and whether they are also observed for other outcome measures.

3.4.3 By personal characteristics

There was also interest in possible differences in ND experiences by personal characteristics. In particular we analysed differences by gender, age and disability status.

Table 3.30: Gateway experiences by gender and disability

	Male	Female	Disabled	Not disab.
Averages				
Days to Gateway	26.7	23.5	23.0	26.3
Days on Gateway	133.3	115.9	127.0	129.3
Days with interview	7.6	6.5	7.4	7.4
Column Percent				
<u>Number of referrals</u>				
No referrals	81.9	89.4	85.3	83.6
1 referral	11.8	7.7	9.2	11.0
2 or more referrals	6.3	2.8	5.5	5.4

Female NDYP participants spent less time waiting for and less time on Gateway, they had less days with interviews and were more likely to have no referrals compared with their male counterparts. Differences between disabled and not disabled young people were less pronounced than by gender. Disabled NDYP participants had a shorter wait for Gateway and a shorter Gateway period. They were more likely to have no referrals.

Table 3.31: Option experiences by gender and disability

	Male	Female	Disabled	Not disab.
Column Percent				
<u>1st option</u>				
Employment	10.8	9.8	9.8	10.6
Full-time education or training	18.1	17.9	21.2	17.6
Voluntary sector	8.6	14.9	14.4	9.5
Environmental task force	14.4	2.6	10.2	11.6
Gateway overstayers	13.8	11.9	13.1	13.3
Gateway only	26.7	33.5	25.1	28.9
No Gateway	7.7	9.5	6.1	8.4
<u>Number of options</u>				
No option*	49.4	56.3	45.6	51.9
1 option	42.1	38.4	45.1	40.6
2 options	7.0	4.8	7.8	6.3
3 or more options	1.5	0.5	1.5	1.1
Averages				
Weeks on first option	18.1	19.7	19.5	18.3
Total weeks on options	20.8	21.8	22.3	20.8

* People who were in one of the Gateway categories above.

There were remarkable differences in option composition by gender. Only 8.6 percent of young men chose VOL while this number was 14.9 percent for women. The difference in ETF is even larger: 14.4 of men chose ETF but only 2.6 percent of women. In turn there was a much higher percentage of females (33.5) than males (26.7) on GWO. This fact could go some way in explaining the higher proportion of people on GWO in England and Wales than in Scotland (see Table 3.13). There were more women on NDYP in England and Wales and if they were more likely to be on GWO it is not surprising that we found overall more people on GWO only in England and Wales. Males stayed for a shorter time on their first option and on options overall.

Again differences between disabled and not disabled are less marked. Disabled people were more likely to be on the VOL option and less to be on GWO. They spent more time on their first option and also on all the options.

Table 3.32: Overall ND experiences by gender and disability

	Male	Female	Disabled	Not disab.
Column Percent				
<u>Number of ND spells</u>				
1 spell	74.2	82.6	77.1	76.2
2 spells	24.8	17.0	22.0	23.0
3 spells	1.0	0.3	0.8	0.8
<u>Number of sanctions</u>				
No sanctions	89.0	94.6	92.2	90.1
1 sanction	8.0	4.5	6.2	7.2
2 or more sanctions	3.0	0.9	1.6	2.7
<u>Percentage aiming for qualification</u>	27.2	25.4	30.4	26.2
Averages				
Total number of job submissions	8.7	9.9	9.0	9.0
Total weeks on 1 st ND spell	42.0	36.0	44.2	39.9

Looking at overall ND experiences (Table 3.32) it emerges that women were much more likely to have only one spell on ND, 82.9 percent as opposed to 74.2 percent among men. They were also more likely to have had no sanctions. However they were less likely to aim for a qualification. Disabled young people were much more likely to aim for a qualification (30.4 percent) than their not disabled counterparts (26.2 percent). They also spent over 3 weeks longer on their first ND spell (44.2 as opposed to 39.9 weeks). Women spent six weeks less on the first ND spell than men.

In the last of these comparisons we look at differences in ND experiences by age. We have seven age groups and rather than reporting on them separately we report some overall tendencies.

Table 3.33: Gateway experiences by age

	18	19	20	21	22	23	24
Averages							
Days to Gateway	25.1	28.2	27.9	26.8	25.5	24.9	21.3
Days on Gateway	135.3	130.5	132.8	130.4	129.6	121.5	120.4
Days with interview	8.1	7.6	7.5	7.4	7.0	7.2	6.3
Column Percent							
<u>Number of referrals</u>							
No referrals	78.9	82.5	81.8	85.3	85.1	86.3	88.6
1 referral	12.8	11.7	12.1	9.7	10.6	9.5	8.3
2 or more referrals	8.4	5.8	6.2	5.0	4.3	4.3	3.0

With age the number of days to Gateway as well as the number of days on Gateway and the number of days with interviews was declining. The percentage of young people without any referrals was increasing with age.

Table 3.34: Option experiences by age

	18	19	20	21	22	23	24
Column Percent							
<u>1st option</u>							
Employment	10.8	10.7	10.4	10.1	10.6	12.3	8.5
Full-time educ. or training	19.4	20.4	18.6	18.0	17.0	16.6	15.2
Voluntary sector	12.4	8.7	9.6	11.7	10.4	10.3	8.2
Environmental task force	12.8	11.9	12.4	11.0	9.9	10.4	10.9
Gateway overstayers	13.5	13.0	14.3	13.1	12.7	13.1	13.4
Gateway	24.1	27.8	26.7	27.9	30.6	29.3	33.9
No Gateway	7.0	7.4	8.0	8.2	8.8	8.0	9.9
<u>Number of options</u>							
No option*	44.6	48.2	49.0	49.2	52.1	50.4	58.3
1 option	44.8	41.7	41.7	42.2	40.7	42.3	37.9
2 options	8.2	8.2	8.1	7.2	6.3	5.9	3.5
3 or more options	2.4	1.8	1.2	1.5	0.9	1.4	0.3
Averages							
Weeks on first option	17.3	18.2	17.9	18.2	19.3	19.0	20.5
Total weeks on options	20.0	21.0	20.9	20.8	21.4	21.8	22.2

* People who were in one of the Gateway categories above.

The oldest age group was least likely to be on EMP, FTET or VOL and most likely to be on GWO or have had no Gateway at all. They also had a smaller number of options although this was partly due to their higher probability of not entering an option, i.e. being in one of the Gateway categories. The youngest were most likely to be on VOL or ETF. Among the ones that entered an option, the number of weeks on first option was increasing with age as did the number of weeks on options overall.

Table 3.35: Overall ND experiences by age

	18	19	20	21	22	23	24
Column Percent							
<u>Number of ND spells</u>							
1 spell	67.5	71.8	71.3	73.7	72.9	84.3	99.2
2 spells	31.3	27.3	27.6	25.0	26.2	15.7	0.8
3 spells	1.2	0.9	1.1	1.3	0.9	-	-
<u>Number of sanctions</u>							
No sanctions	87.6	89.2	89.8	91.2	91.0	91.6	93.6
1 sanction	8.9	8.4	7.9	6.1	6.7	6.1	4.6
2 or more sanctions	3.5	2.4	2.4	2.8	2.2	2.3	1.7
<u>Percentage aiming for qualification</u>	30.3	28.2	27.5	27.2	24.6	26.3	21.7
Averages							
Total number of job submissions	9.4	9.5	9.6	9.4	9.2	8.0	7.5
Total weeks on 1 st ND spell	43.6	41.9	41.6	41.8	39.4	38.9	34.6

The probability of having just one ND spell increased with age. It was only 67.5 percent for the 18 year olds and 72.9 percent for the 22 year olds. The young people aged 23 and 24 year old at the start of new deal turned over 24 during the observation period and thus became ineligible for further spells.

Older participants were more likely to have no sanctions. They had less job submissions and stayed on ND for a shorter period.

3.4.4 Conclusions

If we interpret some of the measures discussed above as indicators of how ‘difficult’ clients were to place some patterns emerge. Clients who were female, older, and lived in rural, non-SIP areas tended to be easier to place than clients without these characteristics. Certain clients – male, rural, non-SIP, not disabled and aged 23 - were more likely to be on EMP. Looking at some outcomes an early conclusion could be that EMP was a more ‘successful’ option. However, these early results also suggested that there was a lot of interaction between personal characteristics, option choice and programme success. It is therefore of enormous importance to control adequately for these interactions when evaluating differences in programme options. The matching approach applied in chapter 5 offers the possibility of doing this.

4. EXPERIENCES OF THE NEW DEAL AND CHANGES IN EMPLOYABILITY

Summary

This chapter evaluates the programme experience of New Deal participants and examines how this experience changed in the 12 months between the stage 1 and stage 2 interviews. This involves using cross-tabular analyses based on the survey data to analyse changes in the level of customer satisfaction with New Deal, changes in the attitudes and motivation of clients, to assess whether there have been any health benefits and to establish the 'distance travelled' by clients – the degree to which their employability had been enhanced by the programme.

The main findings to emerge were that:-

- Overall, young people interviewed after 18 months on New Deal were less satisfied with the programme than they were after 7 months.
- There is evidence that self-efficacy (feelings of motivation and capability leading to attempting and achieving goals) improved between stage 1 and stage 2. However, over the same period client's self-confidence and commitment to improving their employability appeared to decline somewhat. There were no substantial changes in health, but psychological health showed some tendency to decline.
- Employability increased in relation to a number of measures, including basic skills and qualifications acquisition. There was also some evidence to suggest that barriers to jobs search had become somewhat less prevalent at stage 2 than at stage 1.
- Outcomes in terms of employability varied most greatly according to the Option respondents entered, with the Employment and Voluntary Sector options performing best overall. Those entering the FTET Option were relatively disadvantaged but made good progress in addressing problems. Entrants to the ETF Option were also disadvantaged, but were most likely to improve their basic skills during the evaluation period. Entering an Option delivered benefits, especially in relation to employability, that were not forthcoming where the respondent left New Deal during the Gateway or overstayed on Gateway.

4.1 INTRODUCTION

This chapter evaluates the programme experience of New Deal participants and examines how this experience changed in the 12 months between the stage 1 and stage 2 interviews. This involves using the survey data to analyse changes in the level of customer satisfaction with New Deal, changes in the attitudes and motivation of clients, to assess whether there have been any health benefits and to establish the 'distance travelled' by clients – the degree to which their employability had been enhanced by the programme. It is also possible, to some extent, to explore the relationship between client characteristics, option choice, employability and employment outcomes.

In total, 1,147 young people were interviewed in the stage 1 survey. About 60 per cent of these (695 respondents) were re-interviewed at stage 2. The survey-based analyses concentrate on the 695 respondents who were interviewed at both stage 1 and stage 2. Comparisons are made with 2,924 young people who were interviewed in England and Wales as part of the Great Britain evaluation of New Deal for Young People (Bonjour, Dorsett, Knight, Lissenburgh, Mukherjee, Payne, Range, Urwin and White, 2001).¹

As the sample numbers for Scotland are relatively low, the matching procedure described in Chapter Two cannot be applied to the analyses carried out in this chapter and instead descriptive cross-tabulations are used. Any causal inferences must accordingly be tentative. This is especially the case where relationships are drawn about between client characteristics, option choice, employability and employment outcomes.

4.2 CHANGES IN THE LEVEL OF CUSTOMER SATISFACTION WITH NEW DEAL

A picture of declining customer satisfaction with New Deal emerges from the analysis. Table 4.1 shows the change in usefulness of New Deal between the first and second surveys. In the stage 1 survey, two-thirds (66 per cent) of respondents in Scotland found their time on New Deal useful. By the stage 2 survey, this proportion had fallen to about six in 10 (58 per cent). There was a corresponding increase (from 32 per cent to 40 per cent) in the proportion of respondents who thought their time on New Deal was not useful. The figures for England and Wales are very similar.²

Table 4.1: Generally, how useful did you find / have you found your time on New Deal? Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Useful	66	58	65	58
Not useful	32	40	33	40
(NOT SURE)	2	2	2	2
<i>Weighted base</i>	629	629	2633	2633
<i>Unweighted base</i>	630	630	2667	2667

*weighted for response and attrition bias

Base: all respondents at survey2, except those who said they had not been on or can't recall New Deal

A similar picture of declining customer satisfaction with New Deal is presented by Table 4.2. This shows that about half (51 per cent) of the respondents in Scotland thought New Deal had increased their chances of getting a good job at the time of the first survey, but only four in 10 (42 per cent) said likewise in the stage 2 survey. Again, there was a corresponding increase (from 29 per cent to 38 per cent) in the

¹ The survey data was weighted to take account of sample non-response and attrition from the first to the second stage. Details of how this was done are provided in Appendix 2.

² The stage 1 report (Lakey and Knight, 2001) found that New Deal participants with literacy and numeracy problems were more likely to have found the programme useful than had respondents without these disadvantages. By stage 2 however, there was no difference between those with literacy and numeracy problems and other respondents in relation to how useful they found New Deal.

proportion of respondents who disagreed with the statement that ‘New Deal has improved my chances of getting a good job’. The equivalent proportions for England and Wales show a very similar tendency for respondents to become less optimistic about New Deal’s likely effect on their job prospects as time goes on.

Table 4.2: New Deal has improved my chances of getting a good job Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Agree	51	42	51	42
Neither agree/disagree	19	19	19	18
Disagree	29	38	30	41
<i>Weighted base</i>	649	649	2712	2712
<i>Unweighted base</i>	650	650	2733	2733

*weighted for response and attrition bias

Base: all respondents at survey2, except those who said they had not been on or can’t recall New Deal

As well as asking about positive impacts that New Deal might have had upon young people, the questionnaires also asked whether it might have had a negative impact. Respondents were asked whether, in their opinion, people on New Deal are ‘pushed into things that they don’t want to do.’ Just under half (47 per cent) of respondents in Scotland agreed with this suggestion at the first survey. (Table 4.3). By the time of the second survey, this proportion had increased to six in 10. A similar movement towards respondents taking a more negative view of New Deal is shown by the data for England and Wales.

Table 4.3: On New Deal people are pushed into things they don’t want to do Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Agree	47	60	50	58
Neither agree/disagree	16	14	16	15
Disagree	37	26	34	27
<i>Weighted base</i>	659	659	2775	2775
<i>Unweighted base</i>	660	660	2791	2791

*weighted for response and attrition bias

Base: all respondents at survey2, except those who said they had not been on or can’t recall New Deal

It has been widely reported that the aspect of New Deal about which entrants felt most positive was the help offered by the New Deal Personal Adviser (Bryson, Knight and White, 2000; Lakey and Knight, 2001). About three-quarters (76 per cent) of respondents in Scotland expressed satisfaction with the help offered by the New Deal Personal Adviser (NDPA) at the time of the stage 1 interview (Table 4.4). As with the

other measures of customer satisfaction reported here, there was some tendency for the level of satisfaction with NDPAs to decline over the 12 months between surveys, as only seven in 10 respondents were satisfied with the help offered by the NDPA at the stage 2 interview. This decline is somewhat less steep, however, than was reported in relation to other measures. There was again no appreciable tendency for the results based on survey respondents in Scotland to differ from those in England and Wales.

Table 4.4: Satisfaction with help offered by New Deal Personal Advisor Column percent

	Scotland survey 1	Scotland survey 2	England/Wales Survey 1	England/Wales Survey 2
Satisfied	76	70	76	69
Neither satisfied nor dissatisfied	10	10	9	12
Dissatisfied	14	20	15	19
<i>Weighted base</i>	408	408	1786	1786
<i>Unweighted base</i>	406	406	1818	1818

weighted for response and attrition bias

Base: all respondents at survey2 who recalled NDPA interviews or ES interviews at both waves.

*Note: At wave 2, only those who recalled NDPA interviews or ES interviews since the date of the 1st survey were asked.

The decline in customer satisfaction with New Deal reported in this section suggests that, at least according to client perceptions, the programme has found it difficult to sustain its impact over the medium to longer term. Before drawing more definite conclusions on this issue, however, and before offering explanations as to why this might be the case, it is necessary to examine other evidence on programme experience that provides important context for these findings.

4.3 CHANGES IN THE ATTITUDES AND MOTIVATION OF CLIENTS

This section examines the degree to which there were changes in the attitudes and motivation of New Deal entrants over the course of the evaluation period. Attention is focussed on self-efficacy, self-confidence, feelings of control and commitment to development. All of these measures are potentially important for the employability of young people.

Self-efficacy

A central position in social-psychological theories of motivation is occupied by the concept of self-efficacy (Bandura, 1997). Feelings of capability, developed through past experience and self-imaging, lead people to attempt goals, and achievement of goals further develops feelings of capability. A labour market programme that helps to initiate this virtuous circle may be particularly effective in developing employability.

To examine this concept, a five-item scale of 'job search self-efficacy' was included in the survey. The items constituting the scale were as follows:-

- I know the best ways to apply for the kind of work I want
- I know how to write a good application letter
- I do well at job interviews when I get them
- I have lots of experience relevant to work
- I have many work-related skills that would make me a good employee

Responses to each item were scored 0-4, with higher scores indicative of greater confidence in capacity to carry out an aspect of job search. Responses to all the items were positively correlated, indicative of an underlying construct, and this was also confirmed by factor analysis with a wider set of attitudinal variables, where the five items emerged as a distinct factor³. The scores were used to categorise respondents as having very high, high or poor levels of self-efficacy.

There is evidence that self-efficacy has improved among respondents between stage 1 and stage 2. Table 4.5 shows how self-efficacy scores changed from the first to the second survey. Amongst New Deal entrants in Scotland, self-efficacy was relatively high at the time of the first stage interview. About four in 10 respondents (39 per cent) had very high self-efficacy, just under half (46 per cent) had high self-efficacy and only one in seven (14 per cent) had low self-efficacy. Despite starting from a high base, measures of self-efficacy improved amongst respondents in Scotland from the first to the second stage interviews. The proportion of respondents registering very high scores on the scale rose to 45 per cent at the stage 2 survey. A similar improvement can be seen in relation to the mean score, which rose from 3.11 at the first stage survey to 3.21 at the second stage (Table 4.5). The figures for England and Wales show a very similar pattern. While it is not possible to establish whether this improvement in self-efficacy was due to the programme, it provides strong suggestive evidence for such an interpretation.

Table 4.5: Work/job search related self-efficacy score Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Poor	14	12	18	14
High	46	42	44	41
Very high	39	45	38	45
Mean	3.11	3.21	3.02	3.17
Weighted base	695	695	2924	2924
Unweighted base	695	695	2924	2924

*weighted for response and attrition bias Base: all respondents at survey2

Self-confidence

Self-confidence is conceptually related to self-efficacy. In the surveys respondents were asked “Has New Deal been helpful to you in increasing your confidence?” At stage 1, about four in 10 (42 per cent) of respondents in Scotland answered this question positively (Table 4.6). By the second stage survey, however, this proportion have fallen to a little over a third (35 per cent). In England and Wales, the proportion

³ The statistical reliability of the scale (Cronbach alpha) was 0.80.

of respondents saying New Deal increased their confidence fell in a similar way from 43 per cent at the first survey to 37 per cent at the second.

Table 4.6: The effect of New Deal on self-confidence

Column percentages

	Scotland survey 1	Scotland survey 2	England/Wales survey 1	England/Wales survey 2
Increased confidence	42	35	43	37
Did not increase confidence	57	63	55	61
Don't know	1	1	3	2
Weighted base	650	646	2761	2683

weighted for response and attrition bias Base: all respondents at survey2 who recalled New Deal

Feelings of control

The extent to which an individual feels that her future is in her own control, or conversely that it is largely a matter of luck or external forces, may have a bearing on her capacity to plan and pursue goals in life. In this vein, a question in the survey asked for agreement or disagreement with the statement “Getting a job is more down to luck than the effort you put in”. About four in 10 respondents in Scotland (39 per cent) agreed with this statement at the stage 1 survey, while just under half (47 per cent) disagreed with it (Table 4.7). The latter group can be regarded as feeling they have more control over their prospects in the labour market than the former. By the stage 2 survey, the proportion of respondents thinking that getting a job was more down to luck than effort had fallen slightly to 37 per cent, while the proportion disagreeing with the statement was also down slightly at 46 per cent.

Table 4.7: “Getting a job is more down to luck than the effort you put in”

Column percentages

	Scotland survey 1	Scotland survey 2	England/Wales survey 1	England/Wales survey 2
Agree	39	37	40	39
Neither agree nor disagree	14	17	16	17
Disagree	47	46	44	43
Don't know	1	*	1	1
Weighted base	695	695	2924	2924
Unweighted base				

weighted for response and attrition bias Base: all respondents at survey 2

Commitment to development

The final attitude question to be considered concerns development intentions. The wording was “I want to continue to train and develop so that I maintain and add to my work skills”. Almost nine out of 10 respondents in Scotland (88 per cent) agreed with this statement at the first survey, but the proportion had fallen to about eight in 10 (83 per cent) at the second (Table 4.8). This suggests that, in this respect, New Deal entrants in Scotland were adopting a less positive attitude towards improving their

employability as time went on. The figures for England and Wales suggest a smaller decline, but a smaller proportion of New Deal entrants in England and Wales expressed a commitment to development at the first stage survey.

Table 4.8: “I want to continue to train and develop so that I maintain and add to my work skills”

	Scotland survey 1	Scotland survey 2	<i>Column percentages</i>	
			England/Wales survey 1	England/Wales survey 2
Agree	88	83	85	83
Neither agree nor disagree	8	10	8	8
Disagree	4	7	7	7
Don't know		1		1
<i>Weighted base</i>	695	695	2924	2924
<i>Unweighted base</i>				

weighted for response and attrition bias Base: all respondents at survey 2

Summary

The analyses carried out in this section provide conflicting evidence about how the attitudes and motivation of clients changed over the course of the evaluation period. While there was evidence of improvements in self-efficacy, there was a decline in commitment to development and in the extent to which young people said New Deal increased their confidence. No clear trend emerged with regard to feelings of control.

4.4 HEALTH BENEFITS

In recent years, increasing attention has been focussed on the possible health impacts of social programmes (Lakey with Mukherjee and White, 2001). As the health impact of New Deal is being assessed by a separate evaluation, there is no intention to consider this issue in detail here, but it is important to provide some information on how clients' health tended to vary from the first to the second stage survey.

Respondents were asked whether they had any health problems or disabilities that they expected to last for more than a year. About one in five New Deal entrants in Scotland (19 per cent) said they had such problems at stage one (Table 4.9). The position had barely altered by stage two. Respondents in England and Wales were slightly less likely to report health problems at both stages.

Table 4.9: Incidence of Longstanding illness or disability Column percent

Do you have any problems or disabilities that you expect will last for more than a year?	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Problems	19	20	17	18
No Problems	81	80	83	82
<i>Weighted base</i>	673	673	2859	2859
<i>Unweighted base</i>	674	674	2863	2863

*weighted for response and attrition bias

Base: All respondents at survey 2, who gave information about health in both surveys

This picture of apparent stability at the aggregate level masks quite substantial changes that become apparent when one summarises the position of respondents at the second survey interview, given the information they provided on health at both stage 1 and stage 2. This is done in Table 4.10.

Table 4.10: Summary of change in Longstanding illness or disability by work status at 2nd survey column per cent

	Scotland	England / Wales
No longstanding health problem/disability	73	76
Still has longstanding illness/disability	11	10
Better, now no longstanding illness/disability	7	7
Now has longstanding illness/disability	8	8
<i>Weighted base</i>	673	2859
<i>Unweighted base</i>	674	2863

*weighted for response and attrition bias

Base: all respondents at survey2, who gave information about health in both surveys (excludes 'no answer').

Just under three-quarters (73 per cent) of respondents in Scotland reported no long-standing health problem or disability at either the first or second stage interviews (Table 4.10). A further 7 per cent had experienced an improvement in their health between the stage 1 and stage 2 surveys, so that overall, eight in 10 respondents at stage 2 reported no long-standing health problem. Of the remaining fifth of respondents who reported a health problem at stage 2, 11 per cent reported the continuation of a problem that had been indicated at stage 1, while 8 per cent had acquired a problem between the stage 1 and stage 2 surveys. This shows that, while the summary figures reported in Table 4.9 indicated almost no change in the proportion of the sample who reported a health problem between the first and second

stage surveys, there was in fact some movement in and out of poor health during this period. Sample numbers are not sufficient to carry out the type of matching analyses that would be able to determine whether these health changes can be attributed to New Deal, but the picture of relative stability suggests it is unlikely that the programme had either a positive or negative effect.

Research on unemployment and health has suggested that low levels of psychological well-being are strongly associated with worklessness, both as cause and effect (Lakey with Mukherjee and White, 2001). Psychological well-being was measured using a recognised five-item mental health index which focused on anxiety and depression. Mean scores on this index were categorised to give four groups, with very good, good, fair and poor mental health. At the first survey, just under half (49 per cent) of respondents in Scotland had very good mental health, a quarter (26 per cent) had good mental health and a further quarter had fair or poor mental health (Table 4.11). The mental health of respondents in England and Wales was somewhat worse at stage 1, with only just over four in 10 (43 per cent) having very good mental health.

Table 4.11: Incidence of Psychological well-being score Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
Very good	49	42	43	40
Good	26	29	28	30
Fair to Poor	25	29	29	30
<i>Weighted base</i>	689	689	2874	2874
<i>Unweighted base</i>	689	689	2878	2878

*weighted for response and attrition bias Base: all respondents at survey2

There was a tendency for mental health to worsen among respondents in Scotland between the stage 1 and stage 2 surveys. The proportion with very good mental health fell to just over four in 10 respondents (42 per cent) at stage 2, with corresponding increases in the proportion with good or fair to poor mental health. A reduction in mental health also occurred in England and Wales, but of a lesser degree, so that by the time of the stage 2 survey the overall picture on mental health looked very similar to that in Scotland.

The tendency for mental health to decline between the first and second stage surveys is re-affirmed by the summary statistics presented in Table 4.12. Just over half the respondents in Scotland (52 per cent) had the same mental health at stage 2 as at stage 1, and of these four in 10 (38 per cent) maintained good or very good mental health while one in seven (14 per cent) continued to have fair or poor mental health. The other half of Scottish respondents experienced a change in their mental health between the two surveys, with a fifth (19 per cent) experiencing an improvement and about three in 10 (28 per cent) experiencing a decline. Again, the decline also occurred for English and Welsh respondents but was not quite as steep.

**Table 4.12: Summary of Change to incidence of Psychological well-being score
2nd survey column per cent**

	Scotland	England / Wales
Always fair/poor	14	15
Same as at wave 1 good/very good	38	36
Improved	19	22
Fell	28	27
<i>Weighted base</i>	689	2874
<i>Unweighted base</i>	689	2878

*weighted for response and attrition bias Base: all respondents at survey2

4.5 CHANGES IN EMPLOYABILITY

This section explores the extent to which New Deal entrants developed the skills and capacities likely to increase their labour market prospects over the medium- to long-term. In other words, it examines their ‘distance travelled’ towards employability. This is done by analysing three issues of primary importance for improving employability:- reducing the extent of literacy and numeracy problems, tackling barriers to job search and acquiring qualifications.

Literacy and numeracy problems

Respondents were asked at the first survey whether they had experienced problems with reading or writing English or with numbers and simple arithmetic since the age of 16. Among respondents in Scotland, about one in six (16 per cent) reported a problem with either literacy or numeracy (Table 4.13). As part of the second survey, they were asked whether they had experienced such problems since Autumn 1998, which was when this particular cohort started to enter New Deal. Only about one in 10 respondents (9 per cent) said they had experienced a problem with literacy or numeracy since Autumn 1998. This suggests that the incidence of literacy and numeracy problems declined quite appreciably between the first and second stage surveys. Respondents in England and Wales were considerably more likely to report problems with literacy or numeracy at the first stage interview than were respondents in Scotland (24 per cent against 16 per cent). They experienced a similar decline however, in the proportion of respondents still reporting these problems at the second stage.

Table 4.13: Incidence of Literacy and/or numeracy problems Column percent

	Scotland survey1	Scotland survey2	England/Wales Survey1	England/Wales Survey2
	Problems with reading/writing English &/or numbers/simple arithmetic, Since aged 16	Since Autumn 1998 have you had any problems Reading/writing English &/or numbers/simple arithmetic	Problems with reading/writing English &/or numbers/simple arithmetic, Since aged 16	Since Autumn 1998 have you had any problems reading/writing English &/or numbers/simple arithmetic
NO problems	84	91	76	85
Problems	16	9	24	15
<i>Weighted base</i>	695	695	2920	2920
<i>Unweighted base</i>	695	695	2919	2919

*weighted for response and attrition bias

Base: all respondents at survey2

The summary table confirms that about one in 10 Scottish respondents (nine per cent) experienced an improvement in their basic skills over the course of the evaluation period, such that they switched from having literacy or numeracy problems at stage 1 to not having such problems at stage 2 (Table 4.14). A small proportion of respondents (two per cent) however, mentioned problems at stage 2 whereas they reported none at stage 1, so the net improvement was the seven per cent shown in Table 4.13.

Table 4.14: Summary of change to incidence of Literacy and/or numeracy problems at 2nd survey column per cent

	Scotland	England / Wales
No literacy/numeracy problems Since 16	82	73
Still has literacy/numeracy problems	7	4
Better, now feels has no literacy/numeracy problems	9	20
Now aware of literacy/numeracy problems	2	3
<i>Weighted base</i>	695	2920
<i>Unweighted base</i>	695	2919

*weighted for response and attrition bias

Base: all respondents at survey2

Barriers to job search

Respondents were asked at both surveys about a number of problems that might have made it hard for them to find or keep a job in the past year. The problems were as follows:- own health/disability, illness of other family member, lack of public

transport, lack of personal transport, no jobs near here, lack of childcare/not able to afford childcare, debt/money problems, no permanent place to live, problems with the law/previous criminal record, problems with drugs/alcohol and lack of references from a previous employer. About one in six Scottish respondents (15 per cent) said they had never experienced any of these problems; about a quarter (23 per cent) mentioned a number of problems but this number did not change between the stage 1 and stage 2 surveys; about three in 10 (29 per cent) respondents said they were aware of more problems at stage 2 than at stage 1, while a third (33 per cent) mentioned fewer problems at stage 2 than at stage 1. There is some evidence to suggest, therefore, that barriers to effective job search had become somewhat less prevalent from the first to the second stage survey. The evidence relating to England and Wales is rather stronger in this regard, where about a quarter of respondents (26 per cent) mentioned more problems, against a third (34 per cent) who mentioned fewer.

Table 4.15: Summary of change to number of problems making it difficult to find/keep a job at 2nd survey column per cent

	Scotland	England / Wales
No problems ever	15	19
No change in number of problems	23	20
Aware of More problems	29	26
Now has Fewer problems	33	34
Weighted base	695	2924
Unweighted base	695	2924

*weighted for response and attrition bias Base: all respondents at survey2

List includes: own health/disability, illness of other family member, lack of public transport, lack of personal transport, no jobs near here, lack of childcare/not able to afford childcare, debt/money problems, no permanent place to live, problems with the law/previous record, problems with drugs/alcohol, lack of references for previous employer, something else.

Excludes: ** survey 2 only: Lack of previous work experience

Acquiring qualifications

Acquiring qualifications is perhaps the most obvious way in which New Deal entrants can boost their human capital with a view to increasing their employability over the medium- to longer-term. The survey provided information on both educational and vocational qualifications gained in the period between the first and second stage surveys. Purely educational qualifications (such as GCSE examinations passed) were too few to be separately analysed. Table 4.16 shows information on qualifications gained by qualification level at the time of the first survey.

Table 4.16: Qualifications gained, given education level at survey 1 Column percent

	Scotland survey1 NO qualifications	Scotland survey1 All with Qualifications	Scotland survey1 For Qualifications SVQ level 1-2	Scotland survey1 For Qualifications SVQ level 3,4,5
Gained qualifications since 1st survey	13	20	16	31
Not gained	87	80	84	69
Weighted base	159	536	419	106
Unweighted base	147	548	427	111

*weighted for response and attrition bias Base: all respondents at survey2

Among Scottish respondents with no qualifications at the time of the stage 1 survey, about one in eight (13 per cent) had obtained a qualification by stage 2. While this represents considerable progress, it is less marked than that enjoyed by respondents who already had qualifications at stage 1. Overall, a fifth of respondents who had already attained qualifications at stage 1 had obtained further qualifications by stage 2 (although this is not the case for Gateway overstayers or those who left at the Gateway stage – see below p36). A similar pattern occurs when the acquisition of qualifications is broken down by the *level* of the highest qualification held at stage 1. Around one in six (16 per cent) of respondents whose highest qualification was the equivalent of SVQ level 1 or 2 obtained a further qualification between the first and second surveys, compared with a third (31 per cent) of those whose highest qualification was the equivalent of SVQ level 3 or higher. While the acquisition of qualifications provides one of the clearest examples of New Deal entrants improving their employability, therefore, this was more the case for those who entered the programme with qualifications (especially higher level ones) than those who did not.⁴⁵

Acquiring qualifications was also related to some of the measures of attitudes and motivation discussed earlier. For example, about a fifth (22 per cent) of those with high levels of commitment to training and development acquired qualifications between the first and second stage interviews, compared with less than one in 10 (9 per cent) of those with low levels of commitment. Similarly, a quarter (27 per cent) of those with high levels of self-confidence acquired qualifications, compared with one in eight (13 per cent) of those with low levels of self-confidence.

⁴ As well as being more likely to improve their employability, those who had qualifications prior to New Deal entry were also more likely to enter employment: three in 10 of them had done so by the time of the stage 2 interview, compared with one in six (17 per cent) of those who had no qualifications at the time they entered the programme.

⁵ While notable, this finding is perhaps not surprising. Those respondents who had gained qualifications prior to New Deal would have had more experience of success in the educational system than those who entered New Deal without qualifications. They would thus have had a greater capacity to build upon their attainment levels and were more able to access the educational opportunities made available through New Deal. This should not be taken to mean that the programme was ineffective for those without prior qualifications, simply that it was not able to completely overcome the disadvantages they had before entering.

Summary

The analyses carried out in this section contain a considerable amount of suggestive evidence of improvements in employability associated with New Deal. Respondents showed evidence of addressing basic skills problems, increasing the amount of job search they undertook and acquiring qualifications.

This evidence is not consistent with the findings of section 4.2, which showed that customer satisfaction with New Deal declined over the course of the evaluation period. This inconsistency can probably be explained by two factors. First, the greater elapse of time between the experience of New Deal Options and the stage 2 interview, compared with the experience of Gateway and the stage 1 interview, might explain why respondents were less inclined to attribute positive outcomes to New Deal at the second stage interview than at the first. Second, where New Deal was able to improve young peoples' competitiveness in the labour market, the entrants may have attributed this to their own efforts, rather than New Deal.

4.6 SUBGROUP ANALYSES

The preceding sections investigated changes in the level of customer satisfaction with New Deal, changes in the attitudes and motivation of clients, assessed whether there have been any health benefits and examined the degree to which employability had been enhanced by the programme. This section analyses the extent to which experiences varied for particular subgroups within the survey sample. Two of the subgroups are associated with geographical factors: whether the respondent lived in an urban or rural area and whether they lived in a Social Inclusion Partnership area. A further two subgroups identify clients as being multiply disadvantaged. Finally, an attempt is made to show how respondents' experiences varied according to the first New Deal Option through which they passed.

Social Inclusion Partnership areas

Certain areas within Scotland are designated Social Inclusion Partnership (SIP) areas and are given special assistance to encourage economic development. These are mostly urban areas experiencing relatively high levels of social deprivation. However, there was no particularly marked tendency for programme experiences to differ or be less positive than in other areas. Those resident in SIP areas had less commitment to training and development than those in non-SIP areas (69 per cent against 79 per cent) and New Deal did nothing to close this gap (Table 4.17). In fact, SIP residents were more likely to report a declining commitment to development over the evaluation period (16 per cent against 11 per cent). SIP area residents were also somewhat less likely than others to gain qualifications over the course of the evaluation period and, as they started from a disadvantaged position, were considerably more likely to remain unqualified (29 per cent against 14 per cent of those in non-SIP areas).⁶ In relation to most of the experience and employability measures analysed in this section however, there were no differences between residents in SIP and non-SIP areas.

⁶ These examples of weaker performance on the part of respondents from SIP areas are likely to be related to the over-representation in SIP areas of those who had particularly marked social and labour market problems prior to New Deal entry. The relationship between SIP residence and pre-programme social and labour market disadvantage is explored in more detail in Chapter Six.

Rural and urban comparisons

Scotland of course has a higher proportion of its residents in rural areas than do England and Wales, so it is worthwhile considering the degree to which New Deal experience varied according to this characteristic (Table 4.17). Again, there were some differences but not many. Those differences that did exist related to attitudes. Rural dwellers were more likely than respondents living in urban areas to say in both surveys that New Deal increased their self-confidence (35 per cent against 25 per cent). They also did better on the self-efficacy scale, with six in 10 rural respondents (62 per cent) recording high measures in both surveys compared to about half (52 per cent) of urban respondents.

Groups at risk of social exclusion

Whereas some of the geographically defined subgroups considered above would be expected to include large numbers of individuals at risk of social exclusion, and thus be a proxy for multiple disadvantage, it was in fact the case that more direct measures of disadvantage provided greater evidence of differences in New Deal experiences and changes in employability. The survey was used to construct two such measures of multiple disadvantage. The first, STIGMA, indicated whether respondents at the first survey reported any problems with drugs, alcohol, a prison record or homelessness. Around one in seven respondents (14 per cent) reported at least one such problem. The second, DEFICIT, indicated whether respondents at the first survey reported having no work experience, no qualifications, literacy or numeracy problems or that having no employer references affected their ability to get a job. Over half the respondents (56 per cent) mentioned that they had at least one of these problems. As one might expect, respondents from a multiply disadvantaged background performed poorly in relation to many of the measures of employability and did not always have experiences of New Deal that were as good as other respondents, but there was also evidence of the programme going at least some way towards addressing the particular barriers and problems affecting these groups.

Table 4.17: Social Inclusion Partnerships and Rural/Urban comparisons
column percentages

	Urban	Rural	Non-SIP area	SIP area
Change in self-efficacy				
Always lower	6	4	5	9
Always high	52	62	54	53
Improved	25	23	25	22
Worsened	18	11	17	17
<i>Weighted base</i>	<i>572</i>	<i>117</i>	<i>460</i>	<i>232</i>
<i>Unweighted base</i>				

	Urban	Rural	Non-SIP area	SIP area
New Deal and self-confidence				
Improved	10	5	8	11
Always high	25	35	27	26
Always low	51	44	51	47
Worsened	14	17	14	17
<i>Weighted base</i>	<i>513</i>	<i>103</i>	<i>414</i>	<i>202</i>
<i>Unweighted base</i>				
Commitment to development				
Improved	9	10	8	11
Always high	74	79	78	69
Always low	4	2	3	4
Worsened	14	10	11	16
<i>Weighted base</i>	<i>568</i>	<i>115</i>	<i>458</i>	<i>228</i>
<i>Unweighted base</i>				
Change in health				
Always good	73	75	73	72
Always poor	12	10	12	10
Improved	7	8	7	7
Worsened	9	7	7	10
<i>Weighted base</i>	<i>554</i>	<i>114</i>	<i>449</i>	<i>221</i>
<i>Unweighted base</i>				
Change in psychological health				
Always poor	15	14	13	17
Always good	38	42	39	37
Improved	19	20	19	19
Worsened	28	25	29	26
<i>Weighted base</i>	<i>566</i>	<i>118</i>	<i>456</i>	<i>230</i>
Change in qualifications				
Gained qualifications	19	19	20	15
Already qualified	61	67	66	56
Remain unqualified	20	14	14	29
<i>Weighted base</i>	<i>573</i>	<i>118</i>	<i>460</i>	<i>231</i>
<i>Unweighted base</i>				

Those who had experienced problems with drugs, alcohol, a prison record or homelessness scored poorly in relation to self-efficacy and psychological health. About one in eight of these respondents (12 per cent) recorded low self-efficacy at both the first and second stage interviews, compared with only one in 20 of those without such problems (Table 4.18). Similarly, about a quarter (24 per cent) of the respondents with these problems had poor psychological health at both interviews, compared with only about one in eight (13 per cent) of the respondents without such problems.

In relation to other measures, the results were more varied. On commitment to development, for example, relatively few respondents who had experienced problems with drugs, alcohol, a prison record or homelessness showed high levels of commitment to development (63 per cent as against 77 per cent of those without such problems), but they showed a greater tendency to show increased commitment between the first and second stage interviews (15 per cent against eight per cent). Respondents who had experienced problems with drugs, alcohol, a prison record or homelessness were also particularly likely to increase the number of job search methods they used from the first to the second stage interview, with 53 per cent of this group doing so compared with 32 per cent of those without these problems (Table 4.18). In relation to other employability indicators however, the position was not so positive. Only one in 10 respondents who had experienced problems with drugs, alcohol, a prison record or homelessness gained a qualification between the first and second stage interviews, compared with one in five of those without such problems. This meant that about a third (32 per cent) of this disadvantaged group remained without a qualification at the end of the evaluation period, compared with about one in six (17 per cent) of those without such problems.

Overall, those who reported having no work experience, no qualifications, literacy or numeracy problems or that having no employer references affected their ability to get a job tended to make more progress in relation to employability measures than those with problems relating to with drugs, alcohol, a prison record or homelessness. This may be because New Deal was better able to respond to more conventional labour market problems than to those of a personal or social nature.

Table 4.18: Social exclusion and multiple disadvantage

Column percentages

	No personal/ social problems	Personal/social problems	No labour market problems	Labour market problems
Change in self-efficacy				
Always low	5	12	1	9
Always high	54	50	62	46
Improved	25	19	21	27
Worsened	16	18	16	17
<i>Weighted base</i>	596	98	307	388
<i>Unweighted base</i>				

	No personal/ social problems	Personal/social problems	No labour market problems	Labour market problems
New Deal and self-confidence				
Improved	10	6	8	10
Always high	27	25	22	31
Always low	49	54	54	46
Worsened	14	16	16	13
<i>Weighted base</i>	535	84	273	346
<i>Unweighted base</i>				
Commitment to development				
Improved	8	15	11	7
Always high	77	63	78	73
Always low	3	5	3	4
Worsened	12	18	9	16
<i>Weighted base</i>	594	96	305	383
<i>Unweighted base</i>				
Change in health				
Always good	73	70	76	71
Always poor	12	10	10	13
Improved	7	9	7	7
Worsened	8	12	7	10
<i>Weighted base</i>	580	94	298	374
<i>Unweighted base</i>				
Change in psychological health				
Always poor	13	24	11	18
Always good	39	34	45	33
Improved	18	23	17	20
Worsened	30	18	27	29
<i>Weighted base</i>	590	99		
<i>Unweighted base</i>				
Change in basic skills problems				
Improved	9	12	0	17
Never a problem	82	77	98	68
Always a problem	7	10	0	13
Worsened	3	1	2	3
<i>Weighted base</i>	596	99	307	388
<i>Unweighted base</i>				

	No personal/ social problems	Personal/social problems	No labour market problems	Labour market problems
Change in number of job search methods				
Increased	32	53	31	38
Stayed the same	37	24	39	32
Decreased	31	24	30	30
<i>Weighted base</i>	596	98	307	388
<i>Unweighted base</i>				
Change in qualifications				
Gained qualifications	20	10	21	16
Already qualified	63	58	79	49
Remained unqualified	17	32	0	35
<i>Weighted base</i>	596	98	308	388
<i>Unweighted base</i>				

While the two groups were similar in that they had relatively poor psychological health (only 33 per cent of those with labour market problems had good psychological health at both surveys, compared with 45 per cent of other respondents), those with labour market problems showed more tendency to progress than those with personal or social problems. For example, over a quarter (27 per cent) of those with labour market problems showed an improvement in self-efficacy between the first and second stage surveys, compared with about a fifth (21 per cent) of those without such problems (Table 4.18). Similarly, 54 per cent of those with labour market problems said New Deal increased their confidence at both surveys compared with 46 per cent of other respondents who said likewise.

While starting by definition from a low base, those with labour market problems showed improvement in relation to basic skills and extent of job search. About one in six of those with labour market problems reported no problems with literacy or numeracy at the stage 2 interview, having previously reported a problem at stage 1 (Table 4.18). About four in 10 (38 per cent) of those with labour market problems reported increasing the number of job search methods they used over the course of the evaluation period, compared with only three in 10 (31 per cent) of those without such problems.

In relation to qualification acquisition however, those with labour market problems did not perform a great deal better than those with personal and social problems. Only one in six of them gained a qualification during the evaluation period (compared with 21 per cent of other respondents) and over a third (35 per cent) remained unqualified at the end of the period (Table 4.18). On this employability measure therefore, there was no evidence of catch-up between the multiply disadvantaged and those with fewer labour market problems.⁷

⁷ An attempt was also made to investigate whether customer satisfaction with New Deal was related to these measures of multiple disadvantage. Four in 10 (38 per cent) of those with personal and social

New Deal Option

Experiences of New Deal and enhancements to employability that occurred during the evaluation period varied to the greatest extent according to the first Option that respondents entered. This partly reflects the background characteristics associated with Option entry but is also likely to indicate differential impacts between the Options.⁸

Respondents who went through the Voluntary Sector Option had higher levels of self-efficacy than other groups, especially those who went through Full-time Education and Training. Six out of 10 Voluntary Sector entrants had high levels of self-efficacy at both the stage 1 and stage 2 interviews, compared with fewer than half (46 per cent) of Full-time Education and Training participants (Table 4.19). Voluntary Sector respondents were also most likely to say that New Deal increased their confidence, with over a third of such respondents (36 per cent) confirming this at both surveys, compared with one in 10 (11 per cent) of those who overstayed on Gateway. Respondents who went through the Employment Option were most likely to show improvement on this variable: one in six of this group said New Deal increased their confidence at stage 2 having not said this at stage 1. Those who went through the Environment Task Force were least likely to show improvement, with only six per cent doing so. These results are likely to reflect differences between Employment and Environment Task Force entrants in relation to job entry and unemployment exit during the evaluation period. This issue is explored in detail in Chapter Five.

Employment Option entrants also registered high levels of commitment to training and development, with five out of six of them (87 per cent) saying they wanted to “continue to train and develop so that I maintain and add to my work skills” at both surveys. This was true of only about seven in 10 (71 per cent and 72 per cent respectively) of the Gateway overstayers and Environment Task Force groups (Table 4.19). Those who left New Deal at the Gateway stage were most likely to register a decline in commitment, with one in six (17 per cent) showing less commitment at stage 2 than at stage 1. This was a higher proportion than for any of the Options, other than Environment Task Force. This suggests that participation in the other Options might have played an important role in maintaining the motivation of clients over the course of the evaluation period.

While the Environment Task Force performed poorly in relation to the attitudinal measures, its entrants showed better results on health outcomes. About eight out of 10 Environment Task Force entrants (78 per cent) reported no long-term health problems at either interview and a further one in eight (12 per cent) reported improvement at stage 2 (Table 4.19). This was the highest proportion showing improvement for any Option, despite the fact that Environment Task Force started from a relatively high

problems said that New Deal was not useful at both the stage 1 and stage 2 interviews, compared with a quarter of respondents without these disadvantages.

⁸ This section also considers the position of respondents who left New Deal at the Gateway stage, before entering an Option, and Gateway overstayers, as defined in Chapter Two. A small number of respondents who left New Deal very early, before entering the Gateway, are also identified, but they were too few in number to analyse.

base on this measure. Gateway overstayers were most likely to report worsening health, with about one in eight (12 per cent) doing so.

Table 4.19: New Deal Option

Column percentages

	Gateway	Emp	FTET	VS	ETF	GO	No Gateway
Change in self-efficacy							
Always low	6	3	8	4	7	6	5
Always high	55	57	46	60	53	53	55
Improved	22	21	30	24	26	20	23
Worsened	17	19	17	12	14	21	18
<i>Weighted base</i>	<i>185</i>	<i>62</i>	<i>145</i>	<i>78</i>	<i>105</i>	<i>70</i>	<i>44</i>
<i>Unweighted base</i>							
New Deal and self-confidence							
Improved	9	16	11	6	6	8	7
Always high	17	33	32	36	34	11	7
Always low	60	41	40	37	47	69	71
Worsened	15	10	16	21	13	13	14
<i>Weighted base</i>	<i>158</i>	<i>63</i>	<i>142</i>	<i>78</i>	<i>99</i>	<i>64</i>	<i>14</i>
<i>Unweighted base</i>							
Commitment to development							
Improved	11	5	5	9	9	12	11
Always high	68	87	80	86	72	71	68
Always low	5	0	3	1	3	3	7
Worsened	17	8	12	4	16	15	14
<i>Weighted base</i>	<i>182</i>	<i>62</i>	<i>147</i>	<i>78</i>	<i>104</i>	<i>69</i>	<i>44</i>
<i>Unweighted base</i>							
Change in health							
Always good	69	83	74	69	78	75	68
Always poor	14	8	11	21	4	7	18
Improved	8	2	6	5	12	6	8
Worsened	10	8	9	5	6	12	8
<i>Weighted base</i>	<i>177</i>	<i>63</i>	<i>142</i>	<i>78</i>	<i>100</i>	<i>68</i>	<i>40</i>
<i>Unweighted base</i>							

4.19 cont.

	Gateway	Emp	FTET	VS	ETF	GO	No Gateway
Change in psychological health							
Always poor	18	13	13	13	16	14	7
Always good	34	38	42	40	39	39	43
Improved	20	20	17	22	15	25	18
Worsened	28	30	29	26	29	21	32
<i>Weighted base</i>	<i>181</i>	<i>64</i>	<i>144</i>	<i>78</i>	<i>104</i>	<i>71</i>	<i>44</i>
<i>Unweighted base</i>							
Change in basic skills problems							
Improved	7	9	14	9	15	3	2
Never a problem	88	86	73	80	75	89	91
Always a problem	4	3	11	8	10	4	5
Worsened	2	2	2	4	0	4	2
<i>Weighted base</i>	<i>185</i>	<i>64</i>	<i>145</i>	<i>79</i>	<i>104</i>	<i>70</i>	<i>44</i>
<i>Unweighted base</i>							
Change in number of job search methods							
Increased	36	36	33	30	33	38	51
Stayed the same	36	42	39	43	27	31	19
Decreased	28	22	28	27	40	31	30
<i>Weighted base</i>	<i>185</i>	<i>64</i>	<i>146</i>	<i>79</i>	<i>104</i>	<i>71</i>	<i>43</i>
<i>Unweighted base</i>							
Change in qualifications							
Gained qualifications	9	19	31	27	18	10	19
Already qualified	70	71	53	61	51	66	74
Remained unqualified	22	10	16	13	32	24	7
<i>Weighted base</i>	<i>186</i>	<i>63</i>	<i>146</i>	<i>79</i>	<i>103</i>	<i>70</i>	<i>43</i>
<i>Unweighted base</i>							

The position on psychological health was rather different. A quarter of Gateway overstayers showed improved psychological health between the first and second stage surveys, compared with about one in six (15 per cent) of those who went through the Environment Task Force (Table 4.19). Similarly, while three in 10 Employment Option entrants showed worsening psychological health, this was true of only about a fifth (21 per cent) of Gateway overstayers. While one can only speculate on the reasons for these differences, it may be that Gateway overstayers felt less pressure than Option entrants to do things that they did not really want to do.

There were quite substantial differences between Options in relation to basic skills problems. Entrants to the Environment Task Force and Full-time Education and Training were the most disadvantaged on this measure, with only about three-quarters

of these groups saying at both surveys that they did not have a problem with literacy or numeracy, compared with nine out of 10 (89 per cent) Gateway overstayers (Table 4.19). But these two Options were also associated with the greatest improvements on this measure, with 15 per cent of Environment Task Force and 14 per cent of Full-time Education and Training entrants reporting no problems at stage 2 after mentioning problems at stage 1, compared with only three per cent of Gateway overstayers who said likewise. This is another example, therefore, of Options outperforming overstaying on Gateway in relation to improvements in employability and helping to address the needs of disadvantaged groups.

This picture emerges even more emphatically from an analysis of qualifications acquisition. With the exception of entrants to the Employment Option, those who left New Deal at the Gateway stage or who overstayed on Gateway were the most likely to have qualifications at the beginning of the evaluation period (Table 4.19). Entrants to any Option were more likely to gain qualifications between the first and second stage interviews however, than those who did not enter an Option. About three in 10 of those (31 per cent) who went through Full-time Education and Training gained a qualification, as did a quarter (27 per cent) of Voluntary Sector entrants, a fifth (19 per cent) of Employment Option entrants and about a sixth (18 per cent) of Environment Task Force entrants. In comparison, only about one in 10 of those who left New Deal at the Gateway stage or who overstayed on Gateway gained a qualification between.

A number of general findings can be drawn out from the analyses carried out in this section. There is evidence to suggest that entering an Option delivers benefits, especially in relation to employability, that are not forthcoming where the respondent left New Deal during the Gateway or overstayed on Gateway. The Employment and Voluntary Sector Options were probably the best performers overall, although there is a lot of variation across measures. Entrants to the Environment Task Force and Full-time Education and Training Options started from a disadvantaged position in relation to many of the measures but in some cases had shown significant improvements by the end of the evaluation period.

4.7 CONCLUSION

This chapter has employed cross-tabular analyses to examine the experiences of New Deal participants and the impact the programme has had on their employability. Before moving on to consider the programme's impact on employment entry and unemployment exit, this chapter concludes by summarising the main findings on experiences and employability by route through the New Deal, and by suggesting some conclusions for policy.

a) Summary of experiences and impacts on employability by route through New Deal

Along with the Voluntary Sector Option, the *Employment Option* was probably the strongest performer overall. Employment Option entrants were most likely to say that New Deal increased their self-confidence over the course of the evaluation period and to show high levels of commitment to training and development. They were also the

most likely, however, to report worsening psychological health over the course of the evaluation period.

The *Voluntary Sector Option* performed equally well. Entrants to this Option reported high levels of self-efficacy throughout the evaluation period. They were also likely to report at both the first and second stage interviews that New Deal increased their self-confidence. They were also the most likely group after Full-time Education and Training entrants to gain a qualification through the programme.

There was some evidence to suggest that entrants to the *Full-time Education and Training Option* were relatively disadvantaged at their time of entry to New Deal. They had low levels of self-efficacy at the beginning of the evaluation period and were more likely to report literacy and numeracy problems and lack of qualifications at stage 1 than any group other than Environment Task Force entrants. They made good progress, however, in addressing these problems, having the greatest tendency to increase self-efficacy and, after Environment Task Force entrants, being the most likely to improve their basic skills. As might be expected given the nature of the Option, this route was also the one most strongly associated with the acquisition of qualifications. Overall, therefore, the Full-time Education and Training Option was effective in raising the employability of disadvantaged groups.

Entrants to the *Environment Task Force* also started from a relatively disadvantaged position and showed some evidence of improvement, but not as consistently as the Full-time Education and Training group. They were the most likely to report problems with literacy and numeracy at the start of the evaluation period but the most likely to show an improvement in this regard between the first and second stage interviews. Similarly, they were the group least likely to have qualifications prior to New Deal but showed a greater tendency to gain qualifications than those who left New Deal at the Gateway stage or who overstayed on Gateway. Environment Task Force entrants were also the most likely to report a cessation of long-term health problems over the course of the evaluation period, although their psychological health worsened quite markedly. They also showed relatively low levels of commitment to development and little tendency to say that New Deal increased their self-confidence.

There was some evidence to suggest that *Gateway overstayers* were relatively advantaged at the time of entering New Deal. They were amongst the least likely groups to have basic skills problems and among the most likely to have qualifications before joining the programme. There was very little evidence to suggest, however, that they gained much from New Deal participation. They showed little tendency to overcome basic skills problems or to gain qualifications, were not likely to report that New Deal increased their self-confidence and had low commitment to development. In short, overstaying on Gateway produced fewer benefits in relation to motivation, health and employability than any of the New Deal Options.

The cross-tabular analyses presented in this chapter, unlike analyses based on the matching methodology, are not able to provide definitive evidence of the impact of New Deal. It is notable, however, that this pattern of findings is broadly similar to that revealed by matching-based analyses of employability in the report on New Deal for Young People as it operated in Great Britain as a whole (Bonjour, Dorsett, Knight, Lissenburgh, Mukherjee, Payne, Range, Urwin and White (2001). This increases the

chance that the pattern of findings presented above represents a reliable depiction of differences in Option impact.

b) Policy conclusions

Two main policy conclusions emerge from the analyses presented in this chapter:

First, in terms of improving employability, all the New Deal Options performed better than overstaying on Gateway. This illustrates the need to ensure that, as far as possible, New Deal entrants progress through the programme as designed with entry into an Option within the allocated Gateway period.

Second, while the Employment and Voluntary Sector Options were probably the strongest performers overall, the Full-time Education and Training and Environment Task Force Options tended to have more disadvantaged entrants, who often exhibited substantial improvements in their employability over the course of the evaluation period. This was especially evident in relation to the alleviation of basic skills problems and the acquisition of qualifications. In policy terms, these findings underline the benefits of multi-faceted programmes for long term unemployed people.

5. THE EFFECTS OF THE NEW DEAL OPTIONS ON EMPLOYMENT ENTRY AND UNEMPLOYMENT EXIT

Summary

In this chapter, the impact of different Options on employment entry and unemployment exit is analysed using several measures:

- The probability of having left Jobseekers Allowance (JSA)¹ in February 2001, some 24-30 months after first entering the programme;
- The amount of time entrants spent off JSA from February 2000 to February 2001; and
- The relative likelihood of entrants being in employment at the time of their survey stage two interviews

The main findings from the analyses are as follows:-

- The Employment Option was the most effective of the New Deal Options, both in terms of increasing the likelihood of exit from unemployment by February 2001 and increasing the amount of time spent off JSA from February 2000 to February 2001. Those whose first Option was Employment were more than twice as likely to be in work at the time of the stage 2 interview than those whose first Option was Full-time Education and Training.
- Overstaying on Gateway was the next most effective route for clients to take with regards to reducing the amount of time spent on JSA and increasing the likelihood of JSA exit.
- The Voluntary Sector and Full-time Education and Training Options occupied an intermediate position in terms of outcomes, although the Full-time Education and Training Option was more effective than in the evaluation of New Deal for Young People in Great Britain as a whole. This may be because the Scottish evaluation allowed for a longer evaluation period after New Deal entry and education and training interventions would be expected to take their effect after a time-lag.
- The Environment Task Force was the least effective Option in relation to labour market outcomes. Only 58.3% of young people on this Option were off JSA in February 2001.

5.1 INTRODUCTION

In this chapter, the effects of the New Deal Options on employment entry and unemployment exit are considered through two types of analysis. First, we present findings based on the matching results presented earlier, which take the form of simple

¹ Jobseeker's Allowance can be claimed by those who are not working or those who are working under 16 hours a week.

comparisons in average levels of a particular outcome for those participants in one Option relative to those in another Option. These analyses are based on the full cohort of entrants to New Deal for Young People in Scotland and use administrative data from the New Deal Evaluation Database (NDED) and the Joint Unemployment and Vacancies Operating System (JUVOS). They have the advantage, therefore, of using data on all of the young people who entered New Deal between September 1998 and February 1999. The disadvantage of the administrative data is that, despite containing a wider range of variables than is common for data of this type, it still contains less information than can be found in the survey. As a complement to the analyses based on the full cohort therefore, analyses of job entry and unemployment exit are also carried out using the survey data. The sample numbers in the survey are not sufficient to enable a matching analysis, but the relative effect of the New Deal Options can be established through the use of regression techniques.

5.2 THE EFFECT OF OPTIONS ON UNEMPLOYMENT EXIT (ANALYSES BASED ON MATCHING)

The results in this section relate to the probability of having left Jobseeker's Allowance (JSA) in February 2001, some 24-30 months after this cohort had first entered the programme. Thus, programme impacts are being estimated at a time point sufficiently long after New Deal entry that it is reasonable to expect a positive outcome to have been achieved by this stage, even if clients had entered the Full-time Education and Training Option, which lasts longer than the others. Table 5.1 presents the results of this analysis.

Table 5.1: Off JSA in February 2001

Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp	74.3	6.3*	10.0**	7.7*	6.3*
FTET	-7.9**	67.8			
VS	-6.9*	-4.7	67.7		
ETF	-12.7**			58.3	
GO					66.4

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

Since the results for all outcome variables are presented in a similar way, it is worth considering this first set of results in some detail so that later results can be appreciated more readily. As noted, the outcome considered is the probability of having left JSA by February 2001. The bold figures on the diagonal show how this varies across the Options. For instance, just under three-quarters (74.3 per cent) of those who had been in the Employment Option were off JSA at this time, while the corresponding figure for those in the Environment Task Force was 58.3 per cent. Clearly, there were some sizeable differences: the Employment Option appears the most favourable while the Environment Task Force appears the worst performer. The remaining two Options and overstaying on Gateway have little to choose between them, with about two-thirds of entrants having left JSA by February 2001.

These figures take no account of the differences in characteristics between participants in each Option, however.² The off-diagonal cells draw on the matching results to give the estimated effect of being in the row Option compared to the column Option for those who were in the row Option. A positive value indicates that the participants in the row Option are more likely to be off JSA than they would have been had they participated in the column Option.³ To illustrate, those who participated in the Employment Option were more likely to be off JSA than had they participated in the Environment Task Force Option. The size of this effect is 7.7 percentage points. That indicates that the average level of JSA exit for those who participated in the Employment Option was 7.7 percentage points higher than it would have been had these same people participated in the Environment Task Force Option instead. This difference is smaller than would have been expected by simple inspection of the JSA exit levels by Option. On this basis, the estimated effect would have amounted to 16 percentage points (the difference in the levels of JSA exit by Option, 74.3 minus 58.3). The difference between this and the matching estimate of 7.7 is due to the matching estimate controlling for differences in the characteristics of Employment

² As such, they are not a central concern in the analyses that follow and the equivalent figures are not provided in subsequent tables.

³ Asterisks denote the level of significance; those marked with a double asterisk indicate significance at the 1% level, a single asterisk denotes significance at the 5% level and no asterisk denotes significance at the 10% level. Empty cells indicate that the significance of the difference was below the 10% level.

Option participants relative to Environment Task Force Option participants.⁴ The results suggest that those in the Employment Option were advantaged relative to those in the Environment Task Force Option but that the experience of participating in the Employment Option had a positive effect as well. All cells in Table 5.1 can be interpreted in a similar way.

The over-riding conclusion is that, on the whole, participating in the Employment Option improves the chances of being off JSA in February 2001. Those who participated in the Employment Option were more likely to be off JSA than had they participated in any other Option (or overstayed on Gateway) to the extent of 6.3-10 percentage points. It is also the case that entrants to other Options would have performed better if they had instead entered the Employment Option (as indicated by the negative values in the first column of Table 5.1). Those who entered the Full-time Education and Training Option, for example, had chances of being off JSA that were 7.9 percentage points lower than if they had been on the Employment Option. All of the highly significant results in Table 5.1 relate to the Employment Option. The only other result, significant at the 10 per cent level, was that those who entered the Voluntary Sector Option had JSA exit chances that were about 5 per cent lower than if they had instead entered the Full-time Education and Training Option.

While examining whether clients were off JSA in February 2001 has the advantage of allowing a long period of time between New Deal entry and the measurement of the outcome variable, it has the disadvantage of only providing a snapshot of JSA status. Some clients may have been off JSA for a considerable period of time before February 2001, but then returned to JSA at that time. The analyses presented in Table 5.1 do not take into account the time the client spent off JSA. For this reason, it is worthwhile to carry out analyses based on the proportion of time clients were off JSA during a particular period. Table 5.2 shows programme effects on the proportion of time off JSA for the year from February 2000 to February 2001.

⁴ Although such differences may be accounted for in part by individuals in given comparisons being dropped due to non-support.

Table 5.2: % time off JSA from February 2000 to February 2001

Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp		8.8**	11.6**	14.4**	7.8**
FTET	-11.5**			4.2*	-4.9*
VS	-11.5**				-5.2*
ETF	-16.2**	-5.7**			-8.5**
GO		4.4*	7.7**	10.0**	

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

When JSA claiming over a longer time period is considered, the positive effects of the Employment Option appear even more pronounced. Those who went through the Employment Option spent more time off JSA than if they had been through any other Option or an overstayer on Gateway, by between 8 and 14 percentage points. Similarly, those who went through other Options spent less time off JSA than if they had been through the Employment Option (12 to 16 percentage points). This did not apply to the Gateway overstayers however. Indeed, the most interesting feature to emerge from Table 5.2 is how overstaying on Gateway performs better in relation to JSA claiming over a period of time than in relation to the February 2001 'snapshot'. It dominates all Options other than Employment, with Gateway overstayers doing better than if they had entered either the Full-time Education and Training, Voluntary Sector or Environment Task Force Options and the entrants to each of these Options doing worse than if they had overstayed on Gateway. One possible explanation for this finding is that it takes some time for the enhancements to employability generated by the New Deal Options other than Employment to take effect, so there is more evidence of their having done so by February 2001 than for the year leading up to that date.⁵ The other significant findings in Table 5.2 related to Full-time Education and Training, which again shows signs of performing better than the Environment Task Force.

5.3 SUB-GROUP ANALYSES

In addition to evaluating the effect of the New Deal Options on the participants as a whole, it is also interesting to consider how this effect may vary across particular groups of individuals. In this section, the following groups⁶ are considered:

- Women
- Individuals living in rural areas
- Individuals living in Social Inclusion Partnership areas

⁵ The same picture of dominance by Gateway overstayers emerges even when those who were still on Options were excluded from analysis.

⁶ Fuller definitions of each of the sub-groups are provided in the relevant section.

Estimating programme effects for subgroups necessarily involves a drop in numbers. This problem is exacerbated by the concentration of clients in particular Options. As the analyses in Chapter Two showed, for example, women are over-represented in the Voluntary Sector Option. For this reason, the subgroup analyses are based only on the proportion of time clients were off JSA for the year from February 2000 to February 2001. As this is a continuous variable, analyses based upon it can be carried out with more precision than for a categorical outcome variable, which increases the chances of it yielding reliable results.⁷

Women

Of those clients who entered one of the Options or overstayed on Gateway, just under a quarter (23 per cent) were female. Participation models were re-estimated based only on women and the matching analyses used to produce the results shown in Table 5.3.

Table 5.3: % time off JSA from February 2000 to February 2001 (women)
Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp		5.0	6.9*	16.8*	
FTET	-7.7*			15.6*	
VS		-6.1*			-6.3
ETF	-24.2**				-19.4**
GO			6.3		

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

Reduced numbers for analysis produce a smaller amount of statistically significant results for women than was the case for the cohort as a whole. There are some similarities with the overall results presented in Table 5.2 but some important differences as well. The Employment Option continues to be the most successful, with women who entered this Option doing better in terms of time spent off JSA than if they had entered any other Option (but not if they had overstayed on Gateway). There is also a tendency for entrants to other Options to do worse than if they had instead entered the Employment Option. Interestingly, this is not the case for the Voluntary Sector Option, in which women were over-represented, but was emphatically the case for the Environment Task Force Option, where entrants did 24.2 per cent worse than if they had been through Employment. This suggests either that the female pattern of Option entry had some rationale, or that women found it difficult to get the most out of Options where they were in a small minority. Table 5.3 also shows evidence of the Environment Task Force being heavily outperformed by

⁷ This is because it reduces standard errors.

Full-time Education and Training and overstaying on Gateway, to a greater degree than was apparent from analyses based on the whole cohort. While the Voluntary Sector Option performed better against Employment for women than was the case for the whole cohort, the reverse was true in relation to Full-time Education and Training. This is problematic given women's over-representation in the Voluntary Sector Option.

Individuals living in rural areas

The proportion of Scottish entrants to New Deal for Young People, at 20 per cent, was considerable higher than for England and Wales. It is important, therefore, to examine how the Options performed for these clients relative to the position for Scotland as a whole. Table 5.4 summarises the position.

Table 5.4: % time off JSA from February 2000 to February 2001 (rural areas)
Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp			12.0*	22.3**	
FTET				12.6**	
VS				12.0*	
ETF	-12.0**				
GO				7.0	

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

While to some extent small base numbers prevented results from being statistically significant, it is clear from the table that the Options performed rather differently for those in rural areas as compared to the cohort as a whole. The Employment Option and Gateway overstayers were much less dominant. The most significant finding is that the Environment Task Force performed much worse in rural areas than in the country as a whole. Entrants to all of the Options and Gateway overstayers spent more time off JSA than if they had entered the Environment Task Force. As residents of rural areas were somewhat over-represented on the Environment Task Force Option (see Chapter Two), this is a cause for some concern.

Individuals living in Social Inclusion Partnership areas

It is likely that multiply disadvantaged individuals are over-represented in areas that qualify for Social Inclusion Partnership (SIP) status.⁸ Overall, just over a quarter of the cohort (28 per cent) lived in SIP areas. Table 5.5 shows the relative effect of Options on the proportion of time spent off JSA from February 2000 to February 2001, for young people who were residents of SIP areas.

Table 5.5: % time off JSA from February 2000 to February 2001 (SIP areas)
Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp		10.9**		14.8**	9.0*
FTET	-8.4*		8.1**	7.9	
VS	-17.6**				-6.6*
ETF	-18.4**	-6.4*	-7.0*		-12.8**
GO	-11.5**	5.4	9.2*	9.3*	

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

The pattern of effects is similar to that observed for the cohort as a whole. The Employment Option is most effective, followed by overstaying on Gateway. The Full-time Education and Training Option does somewhat better than for Scotland as a whole, as entrants to this Option did better than if they had been through the Voluntary Sector, as well as the Environment Task Force. The Environment Task Force does slightly worse than for the cohort as a whole, with ETF entrants experiencing more unemployment than if they had been through the Voluntary Sector, as well as being dominated by the other Options and overstaying on Gateway as they were nationally. This is particularly problematic in SIP areas, given that ETF entrants were over-represented there (see Table 2.1).

5.4 THE EFFECTS OF THE OPTIONS ON EMPLOYMENT ENTRY AND UNEMPLOYMENT EXIT (SURVEY-BASED ANALYSES)

For reasons outlined previously, it was also worthwhile estimating Option impacts on employment entry and unemployment exit using the survey data. The number of clients available for analysis was obviously much lower in the case of the survey respondents than in the case of the full cohort, but this was partly compensated for by the wider range of variables available in the survey. It should be remembered, of course, that all of the variables available in the administrative datasets were also available for respondents to the survey.

⁸ Whether this is indeed the case is examined in Chapter 7.

Econometric models

In order to estimate Option impacts on employment entry and unemployment exit using the survey data, it was necessary to construct econometric models that were able to explain the impact of Option participation on these outcomes while simultaneously controlling for the effect of other background influences. The background influences that could be measured by the survey data (combined with the administrative data) included age, gender, ethnicity, education, work experience, unemployment history, marital status, presence of dependent children in the household and local area and labour market characteristics.

Two types of regression modelling were carried out. Binomial logistic regression models were estimated to show the impact of Option entry on the chances of being in a job or off JSA at a particular point in time. In the case of employment entry models, the dependent variable took the value 0 if the respondent was not working at the time of the stage 2 interview and 1 if they were working at that time. This 'snapshot' variable was measured, therefore, about 18 months after New Deal entry. In the case of unemployment exit models, the dependent variable took the value 0 if the respondent was claiming JSA in February 2001 and 1 if they were not claiming JSA at that time. This 'snapshot' variable was measured, therefore, about 24-30 months after New Deal entry. As with the analyses based on administrative data, models were also computed which had continuous dependent variables. These were for the proportion of time employed between leaving the first Option and the stage 2 interview and for the proportion of time off JSA between February 2000 and February 2001. The most appropriate type of regression modelling where the dependent variable is continuous is Ordinary Least Squares (OLS) regression.

In the case of each of these models, the explanatory variables included a binary indicator of whether the respondent had first entered the Employment, Voluntary Sector or Environment Task Force Options, or had overstayed on Gateway. As the Full-time Education and Training Option was the largest numerically, it was selected as the reference category against which other Options were compared. These binary indicators were joined in each model by variables designed to capture the background influences listed previously. The analyses estimated how each explanatory variable affected the odds of finding work or exiting unemployment (in the case of the binomial logistic regression models), or the percentage point change in time spent in employment or off JSA (in the case of the OLS regression models) net of the influences of other variables that were also included in the analysis.

Controlling for selection

The main problem that had to be overcome when estimating programme impacts with the survey data was to control for selection into Options. This was the function performed by the matching analysis in the case of the administrative data. Sample

numbers in the survey were not sufficient to make a matching analysis viable however, so other methods had to be used.

Selection was controlled for by computing a univariate probit model that indicated what characteristics were associated with entry into each Option, rather than another Option or overstay on Gateway, saving the predicted probabilities from this model and then inserting these probabilities into a binomial logistic regression model that estimated programme impacts.⁹ Gregg and Wadsworth (1994) and White, Lissenburgh and Bryson (1997) have used this method previously.

Econometric results

For the most part, the explanatory variables had the signs and levels of statistical significance one would expect from previous theoretical and empirical work in the literature. Our main interest, however, is in the programme effects, and these are summarised in Table 5.6.

Table 5.6

Option effects on employment entry and unemployment exit (assessed relative to Full-time Education and Training)

Option	Employed at stage 2 interview, multiplicative odds	Proportion of time in employment between leaving first Option and stage 2 interview, percentage points	Off JSA by February 2001, multiplicative odds	Proportion of time off JSA from February 2000 to February 2001, percentage points
Employment	2.24*	20.7**		12.8**
Voluntary Sector				
Environment Task Force				
Gateway overstay		11.8*		

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

The results on employment suggest that the effectiveness of the Employment Option extends beyond encouraging movements off JSA. Those whose first Option was Employment were more than twice as likely (2.24 times) to be in work at the time of the stage 2 interview than those who first Option was Full-time Education and Training. Similarly, they had a 20.7 percentage point advantage over the Full-time Education and Training entrants in the proportion of time in employment from leaving the Option to the stage 2 interview. While having no effect on JSA exit at February 2001, in contrast to the matching-based analyses, the Employment Option did produce a 12.8 percentage point increase in the amount of time spent off JSA from February 2000 to February 2001. Again, this is assessed relative to the Full-time Education and Training group.

⁹ More detail on binomial logistic regression models and how they should be interpreted are provided in Chapter Two.

The only statistically significant result in Table 5.6 that does not involve the Employment Option is that Gateway overstayers spent 11.8 percentage points more time in employment than Full-time Education and Training entrants. This underlines the relative effectiveness of overstaying on Gateway that was apparent from the analyses based on matching.

5.5 Policy conclusions

This chapter found that the *Employment Option* was the most effective of the New Deal Options in terms of increasing chances of unemployment exit and employment entry. The effectiveness of the Employment Option might lead one to conclude that it should be expanded, perhaps at the expense of other Options. However, Chapter Two showed that entrants to the Employment Option tended to be from a relatively advantaged background, especially with regards to the comparatively small amount of time they had been unemployed prior to New Deal. While such differences are controlled for in the matching analyses, so that the Employment Option effect is net of such advantages, it is open to question whether *employer* support for subsidised employment could be extended to those with very long spells of unemployment.

The relative success of *Gateway overstayers* is difficult to explain. The analyses in Chapter Four showed clearly that overstaying on Gateway did little to enhance employability, and yet it was more successful at moving clients off unemployment than any Option other than subsidised employment. The explanation for this can perhaps be found in the suggestion that Gateway overstayers would have had more time to spend on job search during the evaluation period than those who entered Options and that this additional job search proved productive. There is considerable evidence to suggest from earlier research that job search assistance can be more effective than training in encouraging job entry after a period of unemployment (Auspos, Riccio and White, 1999). This is only a suggestion, and it may be that this question would warrant further research. However, it may be beneficial to redesign the Options so that job search assistance is available beyond the Gateway.

Young people from rural and Social Inclusion Partnership (SIP) areas were over-represented on the *Environment Task Force Option*. This Option performed less well for these subgroups in terms of encouraging exits from unemployment than it did for the cohort as a whole. Given that these areas, especially SIPs, also contain a relatively high proportion of multiply disadvantaged individuals with comparatively poor employment prospects, this finding can be seen as problematic. It suggests either that greater effort needs to be put into improving the performance of the Environment Task Force Option, especially in these types of areas, or that a higher proportion of young unemployed people in these areas should be encouraged to choose more effective Options. As was noted in relation to the Employment Option, however, any change in the composition of an Option, in terms of the characteristics of those clients who enter it, might have consequences for the Option's performance.

6 JOB QUALITY

Summary

This chapter looks at the following aspects of job quality:

- Job satisfaction
- Satisfaction with training
- Wages

The main findings were:

- Both job satisfaction and satisfaction with training were very high, with roughly 90% of individuals reporting satisfaction.
- Job satisfaction and satisfaction with training were both lowest for young people on the ETF Option.
- The ETF Option also did worst in terms of wages. Net hourly wages for young people that went through this Option were £3.65, which was £0.48 less than for those who had left New Deal at the Gateway stage.
- These findings suggest that, as well as being less effective than other Options in encouraging exits from unemployment, the ETF was also associated with entry into jobs of lower quality.

6.1 INTRODUCTION

This chapter investigates the impact of NDYP options on job quality. In particular, it examines the impact of the various options on job satisfaction, satisfaction with training and wages. Research in labour economics suggests that wages are a measure of labour productivity. Participants wages may therefore provide suggestive indicators for the wider economic impact of the programme - a positive programme effect on wages indicates that the programme is promoting productivity and efficiency. An increase in job quality can also have positive effects on self-esteem and stability of personal circumstances. Seeing work as a “foundation for independence and a sense of self-worth” (ES, 1997, p.2) is itself an aim of New Deal and in turn could increase employability further.

There are no strong reasons to believe that options should have an impact on job quality. However, for a full evaluation and understanding of the NDYP programme it was important to investigate whether option impacts on job quality occurred in practice and whether such impacts were different in Scotland as opposed to Great Britain. In the remainder of this chapter, section 6.2 describes the data used in the analysis; section 6.3 discusses some methodological issues; section 6.4-6.6 outlines the results for the three measures of job quality, and section 6.7 concludes.

6.2 SAMPLE DESCRIPTION

For this part of the analysis the survey data was used, as there was no detailed information on job aspects on the NDED. This means that the sample size, especially for sub-group analyses, was relatively small. The starting point were the respondents to the stage two survey. These were 695 individuals. The definition of the ND option – as was the case for the GB evaluation – was derived from the NDED. The following definitions and abbreviations for the four ND options, overstaying on Gateway, and Gateway only are used throughout the chapter:

- EMP: Employment Option
- FTET: Full-Time Education and Training
- VOL: Voluntary Sector
- ETF: Environmental Task Force
- GO: Gateway overstayers (individuals on Gateway for five months or longer)
- GWO: Individuals on Gateway for less than five months, not entering an option.¹

All options were defined as the first option an individual entered. An individual was classed as a Gateway overstayer if he or she was observed for more than five months on Gateway. The last category, GWO, is a ‘residual’ category. It contains all individuals observed in the survey that were not on one of the four options and had not overstayed on Gateway.

Three individuals in the survey could not be found on NDED and therefore no option could be defined for them. They were excluded from the analysis. Furthermore we excluded one observation that had an unplausibly high wage rate. This left us with 691 survey respondents. Table 6.1 gives a simple description of this sample.² The most popular option among survey respondents was FTET with 21.7 percent or 150 individuals, followed by ETF (15.3%, 106), VOL (11.4 %, 79) and EMP (9.4%, 65). Over 40 percent never entered an option: 9.4 percent or 66 individuals were classified as GO and 32.7 percent (226) were in the residual category GWO. The percentages vary compared to those given in Chapter 5 based on NDED. These discrepancies are partly due to the small sample size and partly due to response bias.³

¹ This category also includes a small number of people who according to NDED started ND but never entered Gateway.

² The wage rate was reported as £18.16 which was 80% than the next highest wage rate.

³ The use of weights was not considered in this section. This was because the sub-sample of interest – the NDYP participants which had a job was a non-random sub-sample and weights designed for the full sample would no longer be appropriate.

Table 6.1: Sample Description

	Frequency	Percent
GWO*	226	32.7
EMP	65	9.4
FTET	150	21.7
VOL	79	11.4
ETF	106	15.3
GO	66	9.4
Total	692	100

* Includes 45 participants that have no gateway start recorded on NDED.

To examine job quality we had to restrict the sample to individuals that had jobs. At this stage we faced a trade-off between keeping the sample size as large as possible and applying the same selection criteria as in the GB report for comparability. In the GB report we restricted the sample in two ways:

- We restricted the sample to survey respondents that described their current status as: ‘full-time employment’, ‘part-time employment’, or ‘self-employment’.
- And we restricted the sample further to survey participants that responded ‘no’ to the question “Can I just check is this job part of New Deal?”

We argued that it was important to select post New Deal jobs because we wanted to analyse the impact of the New Deal programme on after programme outcomes and therefore needed to exclude jobs that were part of the programme itself. Furthermore, we concentrated on jobs held at the stage 2 interview – as opposed to all jobs held after New Deal – to maximise the period between New Deal and the wage observation. This helped to ensure that we investigated the medium-run impact of the programme rather than picking up short-term, transitory effects.

To make the best use of the data available we applied weaker selection criteria for Scotland and considered all jobs. However, we also created a sample according to the selection criteria used in the GB report for comparative purposes. In discussing the results we concentrate on the wider sample.

Of the 692 survey respondents, 253 had information on job satisfaction, 130 on satisfaction with training, and 209 on wages. Thus, even after applying weaker selection criteria we were left with sample sizes only one quarter to one third of those for GB.

6.3 METHODOLOGICAL ISSUES⁴

6.3.1 Selection into Programme Option

The main methodological issue in programme evaluation is selection bias. Researchers face this problem independent of the outcome variable evaluated. In general, selection bias means that the selection into programme options is not random but depends on certain characteristics of an individual. If the same characteristics also influence the outcome of interest then the effects of the programme cannot be measured by simply comparing the

⁴ This section draws heavily on the NDYP report for GB (Bonjour et al, 2001).

differences in outcome by programme option. This is, because such differences arise from two sources:

- They can be due to specific individuals choosing one option over another (selection effect)
- They can be due to a genuine effect of the programme option on the outcome (treatment effect).

A programme evaluation attempts to measure the second effect. Thus, observed differences in outcome have to be corrected for the selection effect. One way to do this is to use the matching methodology described earlier and used in the NDYP report for GB. However, the sample size for Scotland is too small to use matching techniques in the case of job quality.

6.3.2 Selection into Employment

In the case of the analysis of job quality we were faced with a second selection problem: we had to restrict the sample to those in employment. However, the probability of being in employment is not a random event, but depends on personal characteristics and option choice, which in turn influence job quality. Furthermore, there might be unobservable characteristics that influence both the probability of employment and job quality aspects.

It is not possible to control for the selection into options and the selection into employment simultaneously. As we could not control for selection into option (matching) due to sample size, we did control for the selection into employment using a selection correction variable λ when estimating wage equations. λ was derived from modelling the employment probability⁵ according to the familiar approach proposed by Heckman (1979). The procedure eliminates any bias that might arise if unmeasured characteristics that influence job entry are correlated with unmeasured characteristics that influence wages. In this approach wage determination was estimated with programme options being one of the determinants of wages. Thus, we were able to estimate the option impact on wages.

We argued in the NDYP report for GB that controlling for the selection into employment – using NDYP option as an explanatory variable – controls at least partly for the selection into options. It controls for selection into options to the extent that choice of option and probability of employment were determined by the same variables. Thus, even though it was not possible to conduct matching analyses to control for selection into options the estimations presented here should control for some of these selection effects.

6.4 JOB SATISFACTION

Individuals were asked how satisfied or dissatisfied they were with their job and could choose their answer from seven possible categories:

- completely satisfied
- very satisfied
- fairly satisfied
- neither satisfied nor dissatisfied
- fairly dissatisfied
- very dissatisfied

⁵ The results of the model estimating the probability of being employed can be found in Table 1 in Appendix 2.

- completely dissatisfied

Table 6.2 presents the percentages of answers in each category. Job satisfaction was very high. Nearly 90% were satisfied with their job (first three categories). Only 6.8 percent reported dissatisfaction and 4.4 percent were neutral about their job. There were not enough observations to present these results by ND option.

Table 6.2: Job Satisfaction

	Frequency	Percent	Cumulative
Completely satisfied (= 1)	61	24.2	24.2
Very satisfied (= 2)	83	32.9	57.1
Fairly satisfied (= 3)	80	31.8	88.9
Neither /nor (= 4)	11	4.4	93.3
Fairly dissatisfied (= 5)	6	2.4	95.6
Very dissatisfied (= 6).	6	2.4	98.0
Completely dissatisfied (= 7)	5	2.0	100
<i>N</i>	253	100	

However, we constructed an overall measure of job satisfaction that can be calculated for sub-groups: the mean score. We assigned numbers to each of the categories in the following way: ‘completely satisfied’ = 1, ‘very satisfied’ = 2, ‘fairly satisfied’ = 3, ..., ‘completely dissatisfied’ = 7. After this transformation, it was possible to calculate an average of job satisfaction. This average is called the mean score. The higher the mean score the lower job satisfaction.

Mean scores for job satisfaction are given in Table 6.3. The overall mean score was 2.43 which was between the categories ‘very satisfied’ and ‘fairly satisfied’. NDYP participants on EMP had the highest job satisfaction (lowest mean score) with 2.14, followed by FTET (2.17), GWO (2.41), GO (2.5), VOL (2.51) and ETF with 2.88. In the GB report it was also EMP that had the highest job satisfaction but the ranking of the other options varied. Only the difference in the mean scores between the EMP option and ETF and between FTET and ETF are statistically significant. Table A2 in Appendix 4 gives mean scores of job satisfaction looking only at current post-ND jobs.

Table 6.3: Job Satisfaction: Mean score by option

	Scotland		GB
	Mean Score	Frequency	Mean Score
GWO*	2.41	80	2.45
EMP	2.14	37	2.20
FTET	2.17	41	2.44
VOL	2.51	37	2.23
ETF	2.88	40	2.28
GO	2.5	18	2.46
All	2.43	253	2.40

* Includes 45 participants that have no gateway start recorded on NDED.

We tried to model job satisfaction but all model attempts were rejected by statistical tests.

6.5 SATISFACTION WITH TRAINING

Satisfaction with training was measured in the same way as job satisfaction. Again results are reported as percentage of answers in each category and for the mean score. Table 6.4 gives the categorical frequencies and Table 6.5 the mean scores by ND option. The sample size was even smaller as this question could only be asked of people who reported receiving training.

Table 6.4: Satisfaction with Training

	Frequency	Percent	Cumulative
Completely satisfied (= 1)	43	33.1	33.1
Very satisfied (= 2)	45	34.6	67.7
Fairly satisfied (= 3)	31	23.9	91.5
Neither /nor (= 4)	4	3.1	94.6
Fairly dissatisfied (= 5)	3	2.3	96.9
Very dissatisfied (= 6).	1	0.8	97.7
Completely dissatisfied (= 7)	3	2.3	100
<i>N</i>	130	100	

Table 6.5: Satisfaction with Training: Mean score by option

	Scotland		GB
	Mean Score	Frequency	Mean Score
GWO*	2.00	37	2.09
EMP	1.88	17	1.89
FTET	2.13	23	2.04
VOL	2.52	23	2.12
ETF	2.80	20	2.10
GO	1.50	10	2.25
All	2.18	130	2.09

*. Includes 45 participants that have no gateway start recorded on NDED.

Satisfaction levels were again very high. Of the 130 young people in employment receiving training over 90 percent were satisfied with the training and only 5.4 percent reported dissatisfaction while 3.1 percent were neither satisfied nor dissatisfied. The mean score of satisfaction with training was 2.18, which like the mean score for job satisfaction

lies between ‘very satisfied’ and ‘fairly satisfied’. The highest satisfaction with training was reported by people who had overstayed on Gateway (mean score of 1.50) followed by EMP (1.88), GWO (2.00), FTET (2.13), VOL (2.52), and ETF with a mean score of 2.80. The differences by options were larger than in the case of job satisfaction which was reflected in the higher number of significant differences. The differences between the following options/routes were statistically significant: GWO and ETF, EMP and ETF, VOL and GO, as well as ETF and GO.

The ranking of options with respect to the mean score of satisfaction with training was very different in Scotland compared to GB. In Scotland, Gateway overstayers reported the highest satisfaction with training, whereas this group reported the lowest satisfaction in the GB analysis. ETF, which came last in Scotland, was higher up the ranking in GB.

The small sample size did not allow us to model satisfaction with training. Again, a table in Appendix 4 (Table A3) gives the above results for the more restricted sample.

6.6 WAGES

The analysis of wages was conducted in two parts. First we present descriptive results followed by the models of wage determination.

6.6.1 Descriptive analysis

Table 6.6 reports net hourly wage rates by option. The average wage was just under £4 and very similar to the wage in GB. There was variation in wages by programme options. The highest wage of £4.13 for people on GWO was 48p higher than the lowest wage for young people on ETF. This difference was slightly smaller in GB where the highest and lowest wages by option were 36p apart. There were some important difference between wages in GB and Scotland. While in GB the wages for people on VOL and ETF were above average, they were below average in Scotland. The wages for young people on ETF and VOL in Scotland were £3.65 and £3.66, respectively, compared to an average wage of £3.92. This finding is confirmed in the wage modelling below. Statistical tests showed that only the difference between the wages on GWO against wages on EMP was significant. Wages for the more restricted sample of post-ND jobs at the stage 2 interview are given in Table A4 in Appendix 4.

Table 6.6: Wages

	Scotland		Current post-ND jobs		GB
	Mean	Frequency	Mean	Frequency	Mean
GWO*	4.13	69	4.14	60	4.12
EMP	3.95	33	3.34	7	4.06
FTET	3.86	34	3.58	21	3.83
VOL	3.66	25	4.04	16	4.19
ETF	3.65	30	3.58	17	4.07
GO	4.00	17	4.07	13	4.00
All	3.92	208	3.92	134	4.04

*. Includes 45 participants that have no gateway start recorded on NDED.

6.6.2 Wage determination

This section describes the results obtained by estimating wage equations. In particular, we were modelling the logarithm of hourly wages as a function of wage determining variables and a variable reflecting the probability of employment. We also included variables indicating which of the ND options a young person was on in order to estimate option impacts on wages.

The main findings in relation to the New Deal options reflect the findings in the descriptive analysis above. The wages of young people who had been on ETF were on average 14 percent lower than those of young people who were on the Gateway only, and 13 percent lower than those of Gateway overstayers. This strong result was not found in the GB analysis. However, ETF also did badly with respect to probability of employment and time in employment, so it is not surprising that this is reflected in lower wages. Taking part in the VOL option also appeared to have a negative association with wages, in contrast with the GB findings where the VOL option had a significantly positive impact on wages. Modelling also indicated that in terms of wages, GWO and GO were the most successful routes. Table 6.7 presents the results for the model. Details of the model and additional results are discussed below.

Table 6.7: Wage Equation

Variable	All Jobs		Jobs at stage 2	
	All	Without gw	All	Without gw
Constant	1.033***	1.282***	1.020***	1.327***
Male	0.070	0.056	0.042	-0.032
White	0.282***	⁺⁾	0.297***	⁺⁾
Education				
Level 1 or level 2	0.032	0.007	0.029	0.025
Level 3	0.000	-0.0026	-0.002	0.021
Level 4 or level 5	0.261***	0.201*	0.206**	0.207*
Small Firm (1 – 10 employees)	-0.081	-0.078	-0.029	-0.055
Large Firm (100+ employees)	0.100**	0.094*	0.079	0.066
Months in employment	0.001*	0.000	0.001	0.0005
Part-time Job	-0.008	0.012	-0.003	0.007
Manual Occupation	0.032	0.092	0.014	0.062
Production	0.102**	0.095*	0.169***	0.171***
Distribution	-0.003	-0.060	0.006	-0.055
Financial Services	-0.001	-0.048	0.072	0.039
Professional occupation	0.060	0.097*	0.080	0.079
Rural	-0.083**	-0.070	-0.077*	-0.036
SIP area	-0.023	-0.008	0.011	0.026
Subsidised job	0.011	0.052	-	-
New Deal Options				
Employment	-0.044	-0.047	-0.062	-0.070
Full-time Education or Training	-0.036	-0.030	-0.061	-0.081
Voluntary Sector	-0.096*	-0.105	-0.054	-0.011
Environmental Task Force	-0.137**	-0.1.29**	-0.117*	-0.121
Gateway overstayers (5+ months)	-0.012	-	-0.013	-
(Selection Correction Variable) [‡]	-0.120*	-0.094	-0.117	-0.0.81
R^2	0.229	0.234	0.398	0.449
N	193	130	124	69

Note: bold differences are statistically significant at the following significance levels:

*** 1%, ** 5%, and * 10%.

Reference categories: ‘no qualifications’ for education, ‘medium firm with 11-99 employees’ for firm size, ‘other services’ for industries, ‘gwo’ and ‘go’ for New Deal options.

⁺⁾ Dropped from estimation due to lack of observations, i.e. all are white.

^{†)} The selection correction variable is derived from different probit models, which are given in Appendix 4.

We used the natural logarithm of net hourly wages. This has the advantage that coefficients of the model can be interpreted as an approximate percentage change. We included the following variables in our model: gender, ethnicity, four educational levels, firm size, part-time job, manual, four broad industrial sectors, whether the occupation was professional, rural, whether a person was living in a SIP area, whether the job was subsidised, five or six New Deal routes, and the selection correction variable lambda (λ).

The first two columns of table 6.7 refer to the sample where we analysed all jobs. Columns three and four refer to the more restricted sample of only post-ND jobs at the stage 2 interview. For both samples we estimated two versions of the model. Version one included everybody, while version two excluded people on GWO and compared the four ND options with Gateway overstayers. In our discussion we concentrate on the larger sample. The results relating to the ND Options, discussed above, were generally confirmed for the more restrictive sample, although we found less significant effects.

The model explained variation of earnings fairly well with R^2 of 0.229 and 0.234. New Deal participants are a relatively homogenous group compared to the whole population; especially in terms of age, education and labour market experience which are all variables that explain a high percentage of variation in wages. Thus, we expected our model to do less well than similar models applied to a cross-section of the whole population.

Gender, ethnicity, part-time job and manual occupation, professional occupation, rural and living in a SIP area are all dummy variables; that is variables that take the values zero or one. The coefficients of dummy variables are interpreted in the following way: for gender male = 1 and female = 0, thus the coefficient of male (which is 0.070) tells us that males earned about 7% more than females, however the coefficient was not statistically different from zero. Education, firm size, industry and ND options are sets of dummy variables. For each set one variable – the reference category – is omitted from the estimation. The coefficients are interpreted relative to the reference category. For example, the firm size reference category was a medium firm with 11 to 99 employees. Thus, the coefficient for large firm which was 0.100 informs us that young people working in a large firm earned about 10 percent more than their counterparts in medium sized firms.

The vast majority of coefficients in the model had the expected sign. The large and significant coefficient on the ethnicity dummy should be interpreted with care. There were only a small number of non-white NDYP participants in the sample. Therefore, we believe that the result cannot be generalised to the ND population. Having a vocational or academic qualification of level 4 or 5 increased wages by over 25 percent. People working in small firms had lower wages, albeit not significantly. In contrast, working in a large firm increased wages by 10 percent, as mentioned above. Each additional month a person spent working prior to ND increased their wages by 0.1 percent. Working in the production sector carried a 10 percent wage premium compared to working in other services and living in a rural area a wage penalty of 8 percent. These results are in line with the results for GB, as given in the NDYP report for GB. One difference is that the wage premium for higher educational qualifications was larger in Scotland. The results for GB can be found in Table 5.9 (p.105) of the NDYP report for GB (Bonjour et al, 2001).

6.7 CONCLUSION

The key findings in this chapter relate to the relative poor performance of the ETF option in relation to job quality. Whilst both job satisfaction and satisfaction with training were in general very high, with roughly 90 per cent of individuals reporting satisfaction, in both measures ETF compared badly to both the other options and overstaying on Gateway. Job satisfaction for people that were on ETF was significantly lower than for those who had been on EMP or FTET and satisfaction with training for people on ETF was significantly lower than for those who had been EMP, GWO, or had overstayed on Gateway.

ETF also did worst in terms of wages. Net hourly wages for young people that were on ETF were £3.65, which was £0.48 less than for those who had been on GW. This descriptive result was confirmed by the wage determination model that controlled for selection into employment. Young people on the ETF earned 14 per cent less than people on GW and 13 per cent less than Gateway overstayers.

These findings suggest that, as well as being less effective than other Options in encouraging exits from unemployment, the ETF was also associated with entry into jobs of lower quality than were obtained by young people with similar characteristics but who entered employment after the Gateway or overstayed on Gateway.

7. THE NEW DEAL EXPERIENCES OF DISADVANTAGED GROUPS

Summary

This chapter focuses on the New Deal experiences of disadvantaged groups. It considers the relationship between indicators of disadvantage and changes in the level of customer satisfaction with New Deal, changes in the attitudes and motivation of clients, health benefits and employability. It also explores the extent to which residence in a Social Inclusion Partnership (SIP) area is a predictor of social or labour market disadvantage and examines the relationship between residence in a SIP area, Option choice and employment outcomes. The main findings were as follows:-

- Respondents from multiply disadvantaged groups tended to perform poorly in relation to many measures of employability and did not always have as good experiences of the New Deal as other respondents. However, there was also evidence of the programme going some way to addressing the problems of multiply disadvantaged individuals.
- Overall, those who reported having no work experience, no qualifications or having no employer references tended to make more progress in employability measures than those with problems with drugs, alcohol, a prison record or homelessness. This may be because New Deal was better able to respond to more conventional labour market problems than to those of a personal or social nature.
- Residents from SIP areas were more likely to have labour market problems than those outside SIP areas, but no more likely to have personal or social problems. Thus while there is some association between residence in a SIP area and the presence of social disadvantage, the relationship is perhaps not quite as strong as might be expected.
- Those resident in SIP areas had less commitment to training and development than those in non-SIP areas (69% against 79%). SIP residents were also less likely to gain qualifications over the course of the evaluation period. However, in relation to most measures of experience and employability, there was no difference between SIP and non-SIP areas.
- SIP residents were more likely to be on ETF than residents from non-SIP areas, and having entered it tended to do worse in terms of unemployment exits than did ETF entrants from other areas.

7.1 INTRODUCTION

This chapter focuses on the New Deal experiences of disadvantaged groups. As this has been a central theme of the report, the chapter consists largely of an attempt to synthesise and discuss relevant evidence that has been brought forward in earlier chapters. The chapter uses three measures of disadvantage:-

1. **STIGMA**, which indicates whether respondents at the first survey reported any problems with drugs, alcohol, a prison record or homelessness. Around one in seven respondents (14 per cent) reported at least one of these social or personal problems.
2. **DEFICIT**, which indicates whether respondents at the first survey reported having literacy or numeracy problems, no work experience, no qualifications, or that having no employer references affected their ability to get a job. Over half the respondents (56 per cent) mentioned that they had at least one of these labour market problems.
3. Residence in a Social Inclusion Partnership (SIP) area. These areas are given special assistance to encourage economic development. They are mostly urban areas experiencing relatively high levels of social deprivation, so one would expect disadvantaged groups to be over-represented in them. About a third of respondents were resident in SIP areas.

The chapter is organised as follows. It begins with a discussion of the relationship between the three indicators of disadvantage and changes in the level of customer satisfaction with New Deal, changes in the attitudes and motivation of clients, health benefits and employability. This is followed by an exploration of the extent to which residence in a SIP area is a predictor of social or labour market disadvantage as measured by the other two indicators. The relationship between residence in a SIP area, Option choice and employment outcomes is then explored.

7.2 THE NEW DEAL EXPERIENCES OF DISADVANTAGED GROUPS

Groups with social, personal or labour market problems

As one might expect, respondents from a multiply disadvantaged background performed poorly in relation to many measures of employability and did not always have experiences of New Deal that were as good as other respondents, but there was also evidence of the programme going at least some way towards addressing the particular barriers and problems affecting these groups.

Those who had experienced problems with drugs, alcohol, a prison record or homelessness scored poorly in relation to self-efficacy and psychological health. About one in eight of these respondents (12 per cent) recorded low self-efficacy at both the first and second stage interviews, compared with only one in 20 of those without such problems (Table 7.1). Similarly, about a quarter (24 per cent) of the respondents with these problems had poor psychological health at both interviews, compared with only about one in eight (13 per cent) of the respondents without such problems.

In relation to other measures, the results were more varied. On commitment to development, for example, relatively few respondents who had experienced problems with drugs, alcohol, a prison record or homelessness showed high levels of commitment to development (63 per cent as against 77 per cent of those without such problems), but they showed a greater tendency to show increased commitment between the first and second stage interviews (15 per cent against eight per cent). Respondents who had experienced problems with drugs, alcohol, a prison record or homelessness were also particularly likely to increase the number of job search methods they used from the first to the second stage interview, with 53 per cent of this group doing so compared with 32 per cent of those without these problems (Table 7.1). In relation to other employability indicators however, the position was not so positive. Only one in 10 respondents who had experienced problems with drugs, alcohol, a prison record or homelessness gained a qualification between the first and second stage interviews, compared with one in five of those without such problems. This meant that about a third (32 per cent) of this disadvantaged group remained without a qualification at the end of the evaluation period, compared with about one in six (17 per cent) of those without such problems.

Overall, those who reported having no work experience, no qualifications, literacy or numeracy problems or that having no employer references affected their ability to get a job tended to make more progress in relation to employability measures than those with problems relating to with drugs, alcohol, a prison record or homelessness. This may be because New Deal was better able to respond to more conventional labour market problems than to those of a personal or social nature.

While the two groups were similar in that they had relatively poor psychological health (only 33 per cent of those with labour market problems had good psychological health at both surveys, compared with 45 per cent of other respondents), those with labour market problems showed more tendency to progress than those with personal or social problems. For example, over a quarter (27 per cent) of those with labour market problems showed an improvement in self-efficacy between the first and second stage surveys, compared with about a fifth (21 per cent) of those without such problems (Table 7.1). Similarly, 54 per cent of those with labour market problems said New Deal increased their confidence at both surveys compared with 46 per cent of other respondents who said likewise.

While starting by definition from a low base, those with labour market problems showed improvement in relation to basic skills and extent of job search. About one in six of those with labour market problems reported no problems with literacy or numeracy at the stage 2 interview, having previously reported a problem at stage 1 (Table 7.1). About four in 10 (38 per cent) of those with labour market problems reported increasing the number of job search methods they used over the course of the evaluation period, compared with only three in 10 (31 per cent) of those without such problems.

In relation to qualification acquisition however, those with labour market problems did not perform a great deal better than those with personal and social problems. Only one in six of them gained a qualification during the evaluation period (compared with 21 per cent of other respondents) and over a third (35 per cent) remained unqualified at the end of the period (Table 7.1). On this employability measure therefore, there

was no evidence of catch-up between the multiply disadvantaged and those with fewer labour market problems.

Table 7.1 Social exclusion and multiple disadvantage

Column percentages

	No personal/ social problems	Personal/social problems	No labour market problems	Labour market problems
Change in self-efficacy				
Always low	5	12	1	9
Always high	54	50	62	46
Improved	25	19	21	27
Worsened	16	18	16	17
<i>Weighted base</i>	<i>596</i>	<i>98</i>	<i>307</i>	<i>388</i>
<i>Unweighted base</i>				
New Deal and self-confidence				
Improved	10	6	8	10
Always high	27	25	22	31
Always low	49	54	54	46
Worsened	14	16	16	13
<i>Weighted base</i>	<i>535</i>	<i>84</i>	<i>273</i>	<i>346</i>
<i>Unweighted base</i>				
Commitment to development				
Improved	8	15	11	7
Always high	77	63	78	73
Always low	3	5	3	4
Worsened	12	18	9	16
<i>Weighted base</i>	<i>594</i>	<i>96</i>	<i>305</i>	<i>383</i>
<i>Unweighted base</i>				
Change in health				
Always good	73	70	76	71
Always poor	12	10	10	13
Improved	7	9	7	7
Worsened	8	12	7	10
<i>Weighted base</i>	<i>580</i>	<i>94</i>	<i>298</i>	<i>374</i>
<i>Unweighted base</i>				

	No personal/ social problems	Personal/social problems	No labour market problems	Labour market problems
Change in psychological health				
Always poor	13	24	11	18
Always good	39	34	45	33
Improved	18	23	17	20
Worsened	30	18	27	29
<i>Weighted base</i>	590	99	306	382
<i>Unweighted base</i>				
Change in basic skills problems				
Improved	9	12	0	17
Never a problem	82	77	98	68
Always a problem	7	10	0	13
Worsened	3	1	2	3
<i>Weighted base</i>	596	99	307	388
<i>Unweighted base</i>				
Change in number of job search methods				
Increased	32	53	31	38
Stayed the same	37	24	39	32
Decreased	31	24	30	30
<i>Weighted base</i>	596	98	307	388
<i>Unweighted base</i>				
Change in qualifications				
Gained qualifications	20	10	21	16
Already qualified	63	58	79	49
Remained unqualified	17	32	0	35
<i>Weighted base</i>	596	98	308	388
<i>Unweighted base</i>				

Social Inclusion Partnership areas

There was no particularly marked tendency for programme experiences to differ between those respondents resident in SIP areas and those living in non-SIP areas. Those resident in SIP areas had less commitment to training and development than those in non-SIP areas (69 per cent against 79 per cent) and New Deal did nothing to close this gap (Table 7.2). In fact, SIP residents were more likely to report a declining commitment to development over the evaluation period (16 per cent against 11 per cent). SIP area residents were also somewhat less likely than others to gain qualifications over the course of the evaluation period and, as they started from a disadvantaged position, were considerably more likely to remain unqualified (29 per cent against 14 per cent of those in non-SIP areas). In relation to most of the experience and employability measures analysed in this section however, there were no differences between residents in SIP and non-SIP areas.

It is notable, therefore, that simply living in a SIP area was not so strongly related to New Deal experiences and changes in employability as having a particular social problem or labour market disadvantage. Thus, while SIP residence may be an *indicator* of social or labour market disadvantage, it is unlikely to be highly correlated with them. The extent to which this is the case is explored briefly in the next section.

Table 7.2 Social Inclusion Partnerships

column percentages

	non-SIP area	SIP area
Changes in self-efficacy		
Always low	5	9
Always high	54	53
Improved	25	22
Worsened	17	17
<i>Weighted base</i>	<i>460</i>	<i>232</i>
<i>Unweighted base</i>		
New deal and self-confidence		
Improved	8	11
Always high	27	26
Always low	51	47
Worsened	14	17
<i>Weighted base</i>	<i>414</i>	<i>202</i>
<i>Unweighted base</i>		
Commitment to development		
Improved	8	11
Always high	78	69
Always low	3	4
Worsened	11	16
<i>Weighted base</i>	<i>458</i>	<i>228</i>
<i>Unweighted base</i>		
Changes in health		
Always good	73	72
Always poor	12	10
Improved	7	7
Worsened	7	10
<i>Weighted base</i>	<i>449</i>	<i>221</i>
<i>Unweighted base</i>		

	non-SIP area	SIP area
Change in psychological health		
Always poor	13	17
Always good	39	37
Improved	19	19
Worsened	29	26
<i>Weighted base</i>	<i>456</i>	<i>230</i>
<i>Unweighted base</i>		
Change in qualifications		
Gained qualifications	20	15
Already qualified	66	56
Remain unqualified	14	29
<i>Weighted base</i>	<i>460</i>	<i>231</i>
<i>Unweighted base</i>		

7.3 SIP RESIDENCE AS AN INDICATOR OF SOCIAL OR LABOUR MARKET DISADVANTAGE

Given that Social Inclusion Partnership status is only given to areas with significant levels of social deprivation, it is reasonable to assume that residence in a SIP area would be correlated with social disadvantage as measured by the STIGMA and DEFICIT indicators. Table 7.3 shows the extent to which this was indeed the case.

Table 7.3 STIGMA and DEFICIT by SIP
percentages

Column

Measure of disadvantage	Living in SIP area	Not living in SIP area	All
Has personal or social problems	16	13	14
Has labour market problems	64	51	56
<i>Weighted base</i>	<i>232</i>	<i>461</i>	<i>693</i>
<i>Unweighted base</i>	<i>232</i>	<i>461</i>	<i>693</i>

The table shows that while living in a SIP area is a good indicator of the presence of labour market problems, it is not correlated with the presence of personal or social problems. About two-thirds (64 per cent) of respondents living in SIP areas had either no previous job, no qualifications, literacy and numeracy problems or no references from a previous employer, whereas this was the case for only half (51 per cent) of those respondents living outside SIP areas. However, the proportion of respondents from SIP areas who had a problem with drugs, alcohol, a prison record or homelessness (16 per cent) was not markedly different from the proportion (13 per cent) in non-SIP areas. Thus, while there is some association between residence in a SIP area and the presence of social disadvantage, the relationship is perhaps not quite as strong as might be expected. Nevertheless, the correlation between labour market disadvantage and SIP residence means it is valid to treat SIP residence as being, at least to some extent, an indicator of disadvantage.

The next two sections explore whether SIP residence was associated first with Option choice and then with exit from unemployment.

7.4 SIP RESIDENCE AND CHOICE OF OPTION

Option choice was not related strongly to SIP residence, other than in relation to the Environment Task Force (Table 7.4).

Table 7.4 SIP residence and choice of Option *Column percentages*

	Living in SIP area	Not living in SIP area	All
Gateway	27	27	27
Employment	9	9	9
Full-time Education and Training	22	21	21
Voluntary Sector	9	13	11
Environment Task Force	23	11	15
Gateway overstayers	7	12	10
No Gateway	4	8	6
<i>Weighted base</i>	<i>231</i>	<i>460</i>	<i>691</i>
<i>Unweighted base</i>	<i>221</i>	<i>471</i>	<i>692</i>

Almost a quarter of SIP residents (23 per cent) entered the Environment Task Force, compared with only a tenth (11 per cent) of those from non-SIP areas. SIP residents were somewhat less likely than those outside SIP areas to overstay on Gateway (7 per cent against 12 per cent).

7.5 SIP RESIDENCE AND UNEMPLOYMENT EXIT

In order to examine the impact of SIP residence on exits from unemployment, it is necessary to use the administrative rather than the survey data. This is because it is only in relation to the administrative data that sample numbers are large enough to use the matching technique, which provides reliable estimates of programme impacts on employment and unemployment outcomes.

Table 7.5 shows the relative effect of Options on the proportion of time spent off JSA from February 2000 to February 2001, for young people who were residents of SIP areas.

Table 7.5: % time off JSA from February 2000 to February 2001 (SIP areas)
Percentage point differences for each row route, relative to comparators in the routes shown in the column headings.

	Emp	FTET	VS	ETF	GO
Emp		10.9**		14.8**	9.0*
FTET	-8.4*		8.1**	7.9	
VS	-17.6**				-6.6*
ETF	-18.4**	-6.4*	-7.0*		-12.8**
GO	-11.5**	5.4	9.2*	9.3*	

Note: ** - significant at 1%; * - significant at 5%; no asterisk - significant at 10%

The pattern of effects is similar to that observed for the cohort as a whole. The Employment Option is most effective, followed by overstaying on Gateway. The Full-time Education and Training Option does somewhat better than for Scotland as a whole, as entrants to this Option did better than if they had been through the Voluntary Sector, as well as the Environment Task Force. The Environment Task Force does slightly worse than for the cohort as a whole, with ETF entrants experiencing more unemployment than if they had been through the Voluntary Sector, as well as being dominated by the other Options and overstaying on Gateway as they were nationally. This is particularly problematic in SIP areas, given that ETF entrants were over-represented there (see Table 7.4).

7.6 POLICY CONCLUSIONS

This chapter found that young people with labour market problems tended to make more progress in relation to employability measures than young people with problems relating to with drugs, alcohol, a prison record or homelessness. This suggests that there may be some need to re-consider the ways in which those with social and personal problems are assisted by the programme. While the success of those with labour market problems is to be welcomed, any tendency for those with social and personal problems to emulate this success would of course be a very positive development.

The finding that SIP residents were over-represented on the Environment Task Force Option but did less well on this Option in terms of unemployment exit is clearly problematic. It suggests perhaps that either greater effort needs to be put into improving the performance of the Environment Task Force Option, especially in these types of areas, or that a higher proportion of young unemployed people in these areas should be encouraged to choose more effective Options.

Appendix 1 The method of matching

The essential difficulty of programme evaluation is one of missing data. We can observe choices that individuals make or influences they are exposed to, and can also observe outcomes. The problem is that we cannot observe the outcome that would have resulted had the individual made an alternative choice or been subject to an alternative influence. This hypothetical outcome is known as the counterfactual.

Simple inspection of the differences in outcomes between those participating and those not participating in a programme is likely to be misleading since no account is taken of selection into that programme. In other words, there may be systematic differences in characteristics across participants and non-participants that one might expect to influence outcomes. In order to isolate the programme effect from the effect of individual characteristics, these selection effects must be accounted for. As noted earlier, there are a number of methods available to do this.

Generally viewed as the most defensible approach is random assignment. This operates by creating a control group of individuals who are randomly denied access to a programme. The outcomes of those participating in the programme relative to those in the control group provides an indication of the programme effect (subject to some provisos – see Heckman, LaLonde and Smith, 1999). This approach was not an option for the evaluation of the New Deal since the programme was introduced nationally and universally for the eligible population.

The approach used instead was the method of matching (more fully, propensity score matching). This is described below. In doing so, the single treatment¹ case is considered first. While the range of Options in the New Deal makes for a more complicated structure, concentrating on the single treatment case allows us to focus on the main principles behind matching (which are common to both the multiple treatment and the single treatment case) before considering the additional refinements necessitated by the multiple treatment nature of the New Deal.

The essence of the approach is that, for each treated person, a non-treated individual is identified who is, in some sense, similar. In effect, this non-treated person becomes the counterfactual for the treated person. That is to say, the outcome of the identified non-treated person can be regarded as the outcome that would have resulted had the treated person not received treatment. Comparing the average outcome of those in the treated group with their matched counterparts provides an indication of the effect of the treatment (in a similar way to the random assignment case).

Implicit in this approach is the key identifying assumption of matching; namely, that if one can control for differences in characteristics between the treated and non-treated group, the outcome that would result in the absence of treatment is the same in both cases. Clearly, this outcome is observed for the group that receives no treatment, but this assumption allows the counterfactual outcome for the treatment group to be inferred, and therefore for any differences between the participants and non-

¹ Note that in the evaluation literature the term “treatment” is used to denote experience of a labour market programme. The same convention is followed here. The different Options of the New Deal represent separate treatments.

participants to be attributed to the effect of the programme. With all relevant differences between the treatment and comparator groups accounted for, the matching technique can be viewed as the non-experimental analogue of a random assignment approach.

For this assumption to be plausible, one must be able to control for all characteristics that will affect both participation and outcomes jointly. This requires very informative data. In the case of the New Deal, such data were available and it therefore appears defensible to apply the matching approach. As will be seen later, rich information (drawn from administrative records and survey responses) was available on the labour market and other characteristics at both the individual and local area level.

A practical difficulty that arises when attempting to match individuals is that, as the number of characteristics to be matched increases, the probability of not finding a match increases. In other words, the chances of finding a 'similar' person fall as one becomes more specific as to what this person should be like. Where a suitable match can be found for an individual in the treatment group, there is said to be *support* in the comparator group for that member of the treatment group. Rosenbaum and Rubin (1983) show that if the identifying assumption for matching holds, it will also hold for certain functions of the controlling variables. One such function is the propensity score; the probability of belonging to the treatment group. Propensity score matching involves judging similarity between individuals purely on the basis of their propensity score. Matching using a single number in this way can prove less demanding in terms of support than matching a large number of characteristics directly. An additional requirement, however, is that the propensity score in the comparator group must be greater than 0 but less than 1 for all values of the propensity score in the treatment group. If this condition does not hold, the remedy is to discard those observations in the treated group that are causing the problem. This ensures there is support for the treated group among the comparator group. While it does not cause any real problems where only a small proportion of the sample is discarded in this way, should a more sizeable number of observations be rejected, the representativeness of the estimated effect may be compromised.

There are a number of possible ways of identifying the comparator group. The single nearest-neighbour technique, used in the present research, involves finding for each treated individual that non-treated individual with the most similar propensity score (and, consequently, most similar characteristics). This procedure is usually implemented with replacement: each treated individual has one match but a non-treated individual may be matched to more than one treated individual. Dehejia and Wahba (1998) find that allowing for non-treatment group members to be used more than once as comparators improves the performance of the match. Furthermore, matching with replacement in this way is less demanding in terms of the support requirement since individuals in the comparator group who would provide the closest match to a number of treated individuals remain available. Should a certain type of individual be common in the treatment group but relatively uncommon in the comparator group, the pool of comparators able to provide a close match would become exhausted were matching carried out without replacement. Allowing replacement in the matching process overcomes this difficulty.

NDYP, of course, is a multiple treatment programme with individuals able to move through a number of Options. The methodology can be easily adapted to suit this. The assumption required to identify effects generalises in an intuitive way. Identification is now possible so long as the outcome that would result from treatment is independent of treatment group, after controlling for differences in individual characteristics. The theory underpinning matching as an evaluation technique for multiple treatment programmes is set out in Imbens (1999) and Lechner (1999a).

A major practical consideration when evaluating multiple treatment programmes using matching is that of support. As before, this is the requirement for ‘similar’ individuals to those in the treatment group to exist in the comparator group. Matching in this context requires comparing each type of treatment with each other type of treatment. It follows that if programme effects are to be estimated across a common group of individuals then there must be support in each type of treatment for every other type of treatment. This can prove too severe a restriction in that it can result in too many people being excluded from the analysis and hence the resulting estimate of the treatment effect not being representative of the whole treated population. The alternative is to not insist upon common support among each type of treatment for every other type of treatment, but instead to just ensure that in all comparisons between two treatments, there is support among the comparator treatment. This has the major practical advantage of keeping the number of excluded people observations to a minimum, but suffers from the drawback that the results are not as general across the Options. For example, comparing the effect of being in the employment Option rather than the full-time education Option may be based on a different group of employment Option participants than when comparing the effect of being in the employment Option rather than the voluntary sector Option. Hence, one must be more circumspect about assuming that the effects are consistent across the choice of comparison Option.

Appendix 2 Weighting to account for sample non-response and attrition

The Scottish evaluation of NDYP was carried out using 2 surveys. The administrative data was used to identify the population, from which a sampling frame was drawn. This sampling frame gave the basis for the 1st Survey, and those who responded to the 1st survey formed the basis of the 2nd Follow-up survey. The Stage 2 Scottish Survey of NDYP needs to take account of reduced number of observations due to both survey non-response at the 1st survey and at the follow-up survey.

The sample frame for the Survey of NDYP Scotland was made up of several parts additional to those of the NDYP survey for Great Britain. The boosters and the sample selection are described further in both the Technical Report to the NDYP Survey First Stage Report and Technical Report to the NDYP Survey Second Stage Report. Of the 1865¹ individuals in the sampling frame, 1098 responded to the first survey of NDYP in Scotland, and of these 695 responded to the second survey. The response rate to the surveys is dealt with in the Technical Reports in more detail. The loss of sample observations may lead to biases in the estimates. Weights have been constructed that are designed to address this loss of sample observations.

Two types of weights are initially derived. These take explicit account of the 2 stages in sample reduction to the second survey. As for the NDYP survey of Great Britain, these are derived separately, and then combined. Deriving each weight separately, allows for the possibility of different factors affecting non-response and sample attrition. As well, only administrative data can be used to model non-response, but both survey and administrative data can be applied to estimates of the sample attrition weight.

The first weight accounts for non-response at the first survey, while the second treats the sample attrition at the second survey. Both were calculated using probabilistic models. The first weight is constructed by estimating a probit model of survey response for all individuals in the sampling frame. The inverse of the estimated probabilities from the model can then be used to weight back to the sampling frame. The second weight which treats the sample attrition, is a probit model of response to the second survey for all 1098 respondents at survey 1. Using the probability estimates from this model, a further weight is constructed which is the inverse of the probability.

The results of estimating the 2 probit models are shown in Table 1. Estimates in Column 1 are for the non-response model, relating response at survey 1 to the sampling frame of 1865 individuals. Several variables have significant impact on response at survey 1. The higher number of JSA claims an individual has recorded since January 1995, then the lower the likelihood of responding. As well, being part of the NDYP eligibility group ‘other restart flow’, some preferred occupations, and having a longer the time between the NDYP interview invitation being sent and the

¹ Once individuals with administrative recording anomalies are removed, and also the removal of individuals found to be present in both the Main sampling Frame and subsequent Booster sampling frames.

Gateway interview, led to lower response. Summary measures of fit indicate the model performs adequately.

The probit estimates of the sample attrition are shown in column 2 of Table 1. Survey variables from the 1st survey provide additional explanatory power to the model, and the advantages of the separate modeling become apparent, as very different variables are found useful in explaining the attrition than were found for the non-response. Lower response was associated with individuals being older, some preferred occupations, the opinion that NDYP was not at all useful and having housing tenure that was not owner occupier/private rental. Those who had been on an option of NDYP at the time of the 1st survey were more likely to respond, as were owner occupiers, and those with a disability.

Performance of the weights is examined using Table 2. The profile of the sampling frame is shown in column 1, using means. Those individuals who responded to the 1st survey are profiled in column 2. Applying the weights derived from the non-response modeling gives column 3. Where the means shown in column 2 differ from those in Column 1, the weight can be expected to act to return the profile of column 1 in column 3. It can be seen that this is usually the case, and the profile of the sampling frame is generally restored. The characteristics of those who responded to the 2nd survey are shown in column 4. The attrition weights derived in the second model, are applied to adjust back to the 1st survey profile, in column 5. The figures in Column 5 reflect those in column 2 closely, achieving a very close similarity in profile. Finally, the two weights are combined, by multiplying, to form a single weight which can be applied to the respondents at the 2nd survey to adjust back to the sampling frame. This weight is applied in column 6. Overall, the weights perform well in restoring the data so that it reflects the original sample².

² The final weight is converted to a useable form, by dividing by the mean of the weights.

Table 1: Probit models of response and attrition used to construct weights

	Probit Response model (1)	Probit Attrition model (2)	
	Response to 1 st survey	Response to 2 nd survey	
Age at entry to first New Deal spell	-0.011 (0.72)	-0.043 (2.13)*	
Gender=female	0.086 (1.08)	0.004 (0.04)	
Partner indicator	0.141 (1.02)		
Disability Indicator	0.038 (0.41)	0.239 (1.90)*	
Number of JSA claims since Jan 1995	-0.028 (1.46)		
<i>Preferred occupation [base=other]</i>			
SOC: managers & administrators	-0.060 (0.19)	0.359 (0.72)	
SOC: professional	-0.222 (0.60)	-1.484 (2.32)*	
SOC: associate prof & technical	0.034 (0.19)	-0.352 (1.52)	
SOC: clerical & secretarial	0.195 (2.07)*	-0.112 (0.91)	
SOC: craft & related	-0.055 (0.55)	-0.095 (0.68)	
SOC: personal & protective services	0.023 (0.21)	-0.164 (1.13)	
SOC: sales	0.034 (0.32)	0.072 (0.51)	
SOC: plant & machine operators	0.110 (1.09)	0.010 (0.08)	
<i>NDYP eligibility [base=6mth flow]</i>			
APNELIGA==Other Restart flow	-0.105 (1.66)*	0.044 (0.52)	
Table 1 continued	Probit Response model (1)	Probit model (2)	Attrition
APNELIGA==Early entry at < 6 months	-0.173 (1.14)	-0.264 (1.27)	
APNELIGA==Early entry - 6 month + stock	0.062 (0.18)	0.085 (0.19)	
Time to gateway entry from newdeal entry invitation (ndealtdt)	-0.001 (1.66)*		
Any academic qualifications		-0.047 (0.52)	
Any vocational qualifications		0.083 (1.02)	
Housing tenure: other		-0.651 (3.02)**	
Housing tenure: owner occupier		0.191 (1.91)*	

Housing tenure: private renter		-0.194 (1.08)
NDYP status at wave 1: follow through		0.251 (1.61)
NDYP status at wave 1: gateway		-0.033 (0.30)
NDYP status at wave 1: option		0.175 (1.65)*
Perception of NDYP: cannot recall		0.064 (0.33)
Perception of NDYP: fairly useful		-0.015 (0.14)
Perception of NDYP: not at all useful		-0.272 (1.89)*
Perception of NDYP: not sure how useful		-0.348 (1.11)
Perception of NDYP: not very useful		-0.059 (0.45)
Constant	0.666 (1.89)*	0.941 (1.95)*
Observations	1865	1098

Absolute value of z-statistics in parentheses,* significant at 5% level; ** significant at 1% level

Table 2: Performance of weight as measured by unweighted and weighted profile

mean	sampld population profile	Wave 1 unadjusted profile	Wave 1 adjusted Weighted profile	Wave 2 unadjusted profile	Wave2 adjusted to wave1	Wave 2 adjusted to sampled population
Age at entry to first New Deal spell	20.8	20.8	20.8	20.7	20.8	20.8
Gender=female	24.0	25.8	24.0	25.8	25.6	23.7
Disability Indicator	12.3	12.7	12.4	13.7	12.5	12.2
white indicator	96.1	96.7	96.6	96.5	96.4	96.3

NOTE 1: for a 0-1 indicator variable, the mean gives the proportion. For example, the mean in the population, column 1, for gender=female is the proportion of females in the population.

Appendix 3 Distribution of NDYP participants in Scotland by SIP areas

The rural variable is based on population density in localities. These are based on the 1991 census.

Social inclusion partnership areas (SIP)

Table A2 gives the distribution of NDYP participants in Scotland by SIPs. The participants were matched to a SIP on the basis of the postcode. Some of the postcodes appear in two SIP areas (see the last two categories in the Table). For some of the analysis the two SIP areas North Lanarkshire and South Coatbridge were combined into one. The three observations that had a postcode that covered both the Glasgow North and Springburn SIP areas were coded as being in the Springburn SIP.

Table A2: Social inclusion partnership areas

	Frequency	Percent
Not living in SIP area	7542	72.7
Alloa South and East	47	.5
Argyll and Bute	19	.2
Blantyre/North Hamilton	106	1.0
Cambuslang	47	.5
Castlemilk	79	.8
Craigmillar	49	.5
Drumchapel	61	.6
Dundee SIP1	66	.6
Dundee SIP2	74	.7
East Ayrshire Coalfield Area	65	.6
Edinburgh Strategic Programme	47	.5
Falkirk Community Urban Regeneration Programme	39	.4
Fife	127	1.2
Girvan Connections	17	.2
Glasgow East End	144	1.4
Glasgow North	179	1.7
Glasgow Smaller Areas	99	1.0
Gorbals	10	.1
Great Northern (Aberdeen)	31	.3
Greater Easterhouse	146	1.4
Greater Govan	60	.6
Greater Pollok	131	1.3
Inverclyde	68	.7
Levern Valley	17	.2
Milton	24	.2
Motherwell North	74	.7
North Ayr	50	.5
North Ayrshire	105	1.0
North Edinburgh	75	.7
North Lanarkshire	263	2.5
Paisley (incl. Ferguslie Park)	133	1.3
South Coatbridge	11	.1

South Edinburgh	27	.3
Springburn	42	.4
Stirling	29	.3
W. Dunbartonshire (Clydebank area)	161	1.6
Wester Hailes	54	.5
North Lanarkshire / South Coonbridge	48	.5
Glasgow North / Springburn	3	.0
Total	10369	100.0

Appendix 4

Table A1: Probit Estimation: Probability of Being Employed

Variable	All Jobs		Jobs at stage 2	
	All	Without gw	All	Without gw
Constant	0.349	0.432	0.309	-0.055
Male	-0.377***	-0.425**	-0.436***	-0.340**
White	0.356	⁺⁾	0.327	⁺⁾
Vocational Qualifications				
Level 1 or level 2	0.195	0.120	0.240*	0.263*
Level 3	0.543**	0.818***	0.492*	0.657**
Level 4 or level 5	0.130	0.326	0.230	0.464
Other qualifications	0.598**	0.576	0.539*	0.598
Academic Qualifications				
Level 1 or level 2	0.181	0.155	0.169	0.184
Level 3	-0.036	-0.367	0.044	-0.092
Level 4 or level 5	0.222	-0.236	0.213	-0.110
Other qualifications	-0.709	-0.963*	-1.101*	⁺⁾
Literacy and numeracy problems	-0.360	-0.296	-0.229	-0.075
Literacy problems	-0.344	-0.298	-0.174	-0.074
Numeracy problems	-0.120	-0.197	-0.048	-0.108
Married or cohabiting	1.017***	0.799*	0.848**	0.600
Long-term health problem or disability	-0.308*	-0.315	-0.304*	-0.377*
Ever had long-term health prob. or disab.	-0.141	0.069	-0.092	0.020
Access to a car	0.288*	0.368*	0.476***	0.482**
Partner employed	-0.884***	-0.603	-0.868***	-0.607
Number of benefit types claimed	-0.784***	0.621***	-0.727***	-0.519***
Number of benefit types claimed by partner	-0.154	-0.093	-0.117	-0.017
Number of additional adults in Household	-0.182***	-0.142**	-0.156***	-0.113*
Proportion of add. adults employed	0.797***	0.618***	0.788***	0.574***
Rural	-0.087	-0.120	-0.068	0.001
SIP area	-0.038	0.052	-0.266*	-0.272*
New Deal Options				
Employment	0.163	0.357	-0.144	0.251
Full-time Education or Training	-0.266	0.125	-0.342**	-0.025
Voluntary Sector	0.109	0.244	-0.074	0.266
Environmental Task Force	-0.108	0.686	-0.327*	0.022
Extended Gateway (5+ months)	-0.110	-	-0.305	-
<i>Pseudo-R²</i>	0.211	0.182	0.214	0.158
<i>N</i>	669	448	669	437

Note: bold differences are statistically significant at the following significance levels:

*** 1%, ** 5%, and * 10%. Probit estimation

⁺⁾ Dropped from estimation due to lack of observations, i.e. all are white.

**Table A2: Job Satisfaction: Mean score by option
(Restricted sample)⁺**

	Mean Score	Frequency
GW [*]	2.36	66
EMP	2.66	9
FTET	1.91	23
VOL	2.47	17
ETF	2.5	18
EGW	2.69	13
All	2.37	146

* Includes 45 participants that have no gateway start recorded on NDED.

⁺ Only post-ND jobs held at the time of the stage 2 interview.

**Table A3: Satisfaction with Training: Mean score by option
(Restricted sample)⁺**

	Mean Score	Frequency
GW [*]	2.09	32
EMP	2.33	6
FTET	1.92	13
VOL	1.63	8
ETF	2.20	5
EGW	1.56	9
All	1.97	73

* Includes 45 participants that have no gateway start recorded on NDED.

⁺ Only post-ND jobs held at the time of the stage 2 interview.

Table A4: Wages (Restricted sample)⁺

	Current post-ND jobs	
	Mean	Frequency
GW [*]	4.14	60
EMP	3.34	7
FTET	3.58	21
VOL	4.04	16
ETF	3.58	17
EGW	4.07	13
All	3.92	134

* Includes 45 participants that have no gateway start recorded on NDED.

⁺ Only post-ND jobs held at the time of the stage 2 interview.

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