

# The 2011 European Social Fund Leavers Survey

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## **Highlights of the Survey**

The majority of participants who took part in ESF projects developed essential skills in organization, communication, team working skills and problem solving skills. Most feel more confident in their own abilities.

Almost three quarters of respondents gained a qualification as a result of their participation in ESF training. As in earlier surveys participants are more likely to report positive outcomes, and attribute these positive outcomes to their participation in an ESF project, if they have gained qualifications through ESF (particularly qualifications at a higher level than previously held).

### **For priorities aimed at the unemployed and economically inactive:**

- Within 12 months of finishing their training, almost half of previously unemployed respondents and 30% of previously economically inactive respondents are in employment.
- Comparisons with the wider population suggest that unemployed participants were about 20% more likely to find a job than unemployed individuals who have not attended ESF training.

### **For priorities aimed at those in work:**

- The majority of participants reported improvements in job satisfaction, future pay and promotion prospects and opportunities for training, following their participation in an ESF project, although only a minority indicated that this could be directly attributed to their participation in an ESF project.
- Approximately 1 in 5 respondents who were employed in a different job from that held prior to their participation in an ESF project report that their ESF project was vital to them gaining their current employment.

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## **Executive Summary**

- The aim of the 2011 ESF Leavers Survey is to assist in assessing the effectiveness of labour market interventions delivered under ESF. Telephone interviews were conducted with over six thousand people who had left an ESF project delivered under Priorities 2 and 3 of the Convergence Programme and Priorities 1 and 2 of the Competitiveness Programme during 2011. Not all approved projects were included in the survey due to the availability of participant data at the time the sample was drawn.

### **Who are the participants?**

- Compared with the wider population of non-employed working age, non-employed respondents to the ESF survey are less likely to be male and are less likely to suffer from a work limiting illness. Employed respondents are generally comparable to the wider employed population of working age.
- On entry to an ESF project, approximately three quarters of respondents participating in ESF interventions aimed at increasing participation in the labour market are unemployed. However, a similar proportion also described their careers since completing full time education as being continuously employed or as being in paid work for most of this time.
- The main difficulty in finding work cited by the unemployed is a lack of jobs in the area in which they live, reported by 40% of respondents. A lack of qualifications or skills was cited by 13% of unemployed respondents.

### **Participating in ESF**

- Approximately 70% of respondents were aware that ESF had helped to pay for their participation in an ESF project.
- The two main reasons given by respondents for participating in an ESF project were to help them get a job (26%) and to develop a broader range of skills (18%).
- Rates of withdrawal from ESF projects are estimated to be approximately 7% based on administrative records. However, reasons for withdrawal from an ESF project are complex and can reflect positive events such as finding a job.

### **ESF and the Accumulation of Skills**

- The most commonly cited skills acquired by respondents during their ESF project were job specific skills (72%), organizational skills (70%), communication skills (70%), team working skills (70%), and problem solving skills (68%).
- Respondents report that they felt that their capabilities and capacities have improved as a result of participating in ESF including feeling more confident

about their abilities (86%), feeling better about themselves generally (83%) and feeling that they have improved their career prospects (80%).

- Approximately 75% of respondents report that they gained some form of qualification through ESF.

### **Improving Participation in the Labour Market**

- Data for the non-employed population suggest that levels of occupational training among the unemployed and economically inactive population in Wales are comparable to those observed in other parts of the UK.
- Among respondents from Priorities aimed at improving participation in the labour market, 66% were in paid employment at the time of the survey: an increase in their rate of employment of 52 percentage points compared with that observed before their participation in an ESF project.
- Over a fifth of those who were in a job at the time of the survey that was not held prior to their participation in ESF, report that their ESF project was vital to them gaining their current employment. Among those who remained out of work at the time of the survey, approximately 1 in 4 (24%) report that they felt that they had more chance of finding a job in the future as a result of their participation in ESF.
- Participation in non Redundancy Training projects is associated with an average increase in the rate of transition into employment of 6 percentage points among the previously unemployed (42% among ESF participants compared with 36% among non ESF participants).
- Participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 12 percentage points among the previously unemployed (76% among ESF participants compared with 64%). There is also evidence to suggest that participants in Redundancy Training are less likely to enter low paid occupations.

### **Supporting Progression in Employment**

- Approximately 7% of respondents report experiencing an improvement in their jobs (whether they be in the same job or in a new job) that could be directly attributed to their participation in ESF.
- Approximately 1 in 5 respondents who were employed in a different job to that held prior to ESF report that their ESF project was vital to them gaining their current employment.

## Chapter 1: Introduction

### 1.1 ESF programmes and projects in Wales, 2007 – 2013

The two ESF Operational Programmes which are benefiting Wales for the Programming period 2007 – 2013 are together providing a little over £1.2 billion<sup>1</sup> of investment, with almost 90% of this channelled through the West Wales and the Valleys Convergence Programme<sup>2</sup>. When initially agreed, the Programmes were expected to provide support to almost 300,000 individual participants – 267,500 under Convergence and 26,600 under Competitiveness – in other words, around 10% of the Welsh population. However, with all the funding now committed to projects (the Programmes are now over-committed due to changes in the Pound: Euro exchange rate), approved projects are forecasting that they will reach almost 600,000 participants – though it is likely that there is some double-counting within these figures.

The ESF programmes in Wales have continued to operate during very tough economic times. The period over which the three ESF Leavers surveys have occurred saw industrial output in Wales some 10-20% below what it had been in 2007<sup>3</sup>. Output within the market services sector also fell by approximately 10% between 2007 and 2009, although output within this sector has recovered to 2007 levels during recent years<sup>4</sup>. In the later periods employment prospects have been damaged by restrictions in public sector spending, together with further rounds of restructuring and rationalisation among some of Wales's major industry groups. An exacerbating factor has been increasingly poor performance from the region in attracting new inward investment. In this light the employment progression evidenced from elements of the ESF is a strong achievement, although we note concerns about elements of progression to low skilled employment.

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<sup>1</sup> At current exchange rates. The Programme allocations are set in Euro. See Reports to PMC 15.06.12 – Papers PMC (12) 199 and PMC (12) 200

<sup>2</sup> Convergence Programme - £1,097 million, Competitiveness £134 million

<sup>3</sup> <http://wales.gov.uk/topics/statistics/headlines/economy2013/index-production-construction-quarter-3-2012/?lang=en>

<sup>4</sup> <http://wales.gov.uk/docs/statistics/2013/130117index-market-services-quarter-3-2012en.pdf>

## 1.2 An Overview of the ESF Leavers Surveys

The interventions which are supported by the ESF Programme are wide-ranging, though all relate to the investment in human capital. Given the scale of the investment, it is clearly essential to evaluate the impact of measures supported by the Programmes, above all in increasing access to employment for those currently unemployed or economically inactive, in raising skills levels, which at a whole population level are below those which are required by a modern economy<sup>5</sup>, and in increasing the capacity of those in work to add value to their economic contribution. The aim of the 2011 ESF Leavers Survey is to assist in assessing the effectiveness of labour market interventions delivered under the ESF Convergence and Competitiveness Programmes.

The over-arching objective of the survey is to understand the characteristics and outcomes of those participating in ESF projects. To achieve this, a telephone survey was conducted during the autumn of 2012 among a group identified as having left an ESF project during 2011. The survey collected information on: pre-entry characteristics of ESF participants; motivations for participating in an ESF project; skills acquired as a result of the intervention and career details of respondents since completing the project. Also identified were employment outcomes, including 'softer' benefits from learning (such as increased confidence) and entry in to further learning. The interviews included questions to explore participants' perceptions regarding their level of satisfaction with their course, their awareness of ESF and perceptions of additionality i.e. did participants feel that they would have gained the same employment impact without intervention.

The development of the 2011 Survey built upon the experiences of the 2009 and 2010 Surveys (also undertaken by the research team responsible for this report). Particular emphasis has been placed upon maintaining continuity in the design of the surveys over time. This allows data from these surveys to be merged together to facilitate more detailed levels of analysis than that which could be achieved from a single year's worth of data. In the 2011 survey, only a limited number of relatively minor changes to the questionnaire were made where it was felt the data collected

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<sup>5</sup> See for example, "A Wales that Works: The First Annual Report of the Wales Employment and Skills Board" (April 2009)

did not contain sufficient detail. The two most important changes are the collection of more detail on the duration of non-employment prior to ESF and the introduction of a new question relating to the last occupation held by respondents prior to their participation. The development of these questions was largely driven by a need to improve our understanding of respondents who participated in interventions aimed at those who had recently been made redundant. This group is often characterised by relatively short durations of unemployment and whose employability is likely to be enhanced by their accumulation of skills during their previous employment.

The majority of this report focuses upon findings derived from the 2011 Survey. However, chapter 6 presents the results of Counterfactual Impact Evaluation (CIE) analysis techniques that are based upon data pooled from the 2009, 2010 and 2011 Leavers Surveys. The purpose of this is to benefit from the increased statistical power that can be gained from a larger sample size. This is particularly important in CIE analysis where relatively restrictive criteria have to be used for respondents to be incorporated in the analysis (namely the ability to observe transitions in economic activity over a period of at least 12 months) and the reduced sample sizes that can result. Reflecting the inclusion of data from the earlier surveys in this report, Table 1.1 presents a summary of the 2009, 2010 and 2011 ESF Surveys. A more detailed overview of the 2011 survey is presented in Annex 1.

In conducting the 2011 Survey, a file containing the details of over 28,000 individuals who left ESF projects during 2011 was provided to the research team by WEFO. This file covered all those for whom participant data was available for at the time of the survey and therefore does not cover all those who completed an ESF project during 2011. The aim of the survey was to achieve interviews with 6,500 participants, whilst at the same time ensuring that the quality of the data was maintained through the achievement of a response rate of 50%. Not all of the administrative records supplied by WEFO were used during the course of the fieldwork. Checks were undertaken on the database to remove records that did not have a valid telephone number. A small number of records from one project were also excluded as there was an overlap with a concurrent evaluation being undertaken by members of the research team. A further two projects were withdrawn during the very early stages of the fieldwork as it was discovered that 'establishment level' telephone numbers had



been uniformly supplied as points of contact for participants. The total number of records loaded for the main stage of fieldwork was 21,587.

Interviews were achieved with 6,016 ESF participants from 34 different projects. Whilst responses were achieved across all projects, the number of responses varied considerably reflecting the relative size of these interventions. For example, almost half of the responses to the survey were achieved among participants from just 5 projects. By contrast, less than 100 responses were achieved from participants from the 9 smallest projects. Whilst it remains the case that the majority of the respondents have participated in projects under the Convergence Programme, the 2011 survey is the first of three surveys where the achieved sample of responses are distributed in a way that facilitates separate analysis of responses from the different Priorities of the two Programme Areas (i.e. West Wales and the Valleys and East Wales). The estimated response rate to the 2011 survey was 48%, comparable to that achieved during the 2010 survey (50%). Nonetheless, the achieved number of interviews fell approximately 500 short of the original target sample. This shortfall occurred despite the fieldwork period being extended by an additional 2 weeks (from 5 weeks to 7 weeks). Analysis of response data (see Annex 1) revealed that main reason for the shortfall in responses was a much larger proportion of individuals included in the original survey population who reported that they did not recall participating in an ESF project (12%). This occurred despite interviewers having information to hand about the project that the respondent was known to have participated in. It is estimated that if the level of recall among the 2011 survey population was comparable to that exhibited among the 2010 survey population, an additional 1,500 people would have recalled participating in ESF and therefore an additional 500-700 interviews would have probably been achieved.

One possible reason for the lower level of recall was that the fieldwork for the 2011 survey took place later in the year than in the earlier surveys, resulting in an increased length of time having elapsed between the completion of an ESF project and the time of the interview. For some, the 2011 survey would have been asking individuals to recall their participation in an ESF training course that may have taken place almost two years earlier. However, analysis of response data does not reveal any obvious relationship between response rates and month of completion (see

Annex 1). As discussed above, the range of projects that were able to be included within the sampling frame for the 2011 survey was far more comprehensive than those covered by the earlier surveys. Lower levels of recall are therefore more likely to reflect differences in the composition of the participant database such as the inclusion of relatively 'light touch' interventions.

**Table 1.1: Overview of the ESF Survey Population and Achieved Samples**

	ESF Leavers Surveys		
	2009 <sup>a</sup> (Wave 1)	2010	2011
Fieldwork period	Feb/March 2010	June/July 2011	Sept/Nov 2012
Population	9,672	22,108	21,587
Responses (Projects)			
Convergence P2	1973 (3)	3182 (7)	2793 (13)
Convergence P3	2085 (4)	3502 (7)	2011 (14)
Competitiveness P1	0	57 (3)	751 (3)
Competitiveness P2	0	766 (2)	461 (4)
Total Survey Samples	4,058 (7)	7,507 (19)	6016 (34)
Response Rates (correct number/eligible learner)	60%	50%	48%

<sup>a</sup> The 2009 survey was conducted in waves, with respondents to the first wave of interviews being re-contacted approximately 5-6 months later to take part in a shorter follow-up survey. Both the 2010 and the 2011 Surveys were conducted during a single wave.

### 1.3 Structure of the Report

The remainder of the report is structured as follows. Chapter 2 provides an overview of the characteristics of respondents to the ESF survey. Chapter 3 considers the reasons given by respondents for undertaking an ESF course and the characteristics of those who withdraw early from ESF. Chapter 4 details the role of ESF in enhancing the skills of participants. Chapter 5 describes the subsequent careers of respondents who undertook training programmes aimed at increasing participation in the labour market since leaving an ESF project. Chapter 6 considers the effectiveness of ESF among this group by comparing the career transitions made by respondents to the survey with those reported by a comparable group of people drawn from the Annual Population Survey. Chapter 7 focuses upon the experiences of those respondents who participated in interventions aimed at improving progression in employment. Finally, Chapter 8 provides some conclusions and recommendations.

## CHAPTER 2: Who are the participants?

### Chapter Summary

- Compared with the wider population of non-employed working age, non-employed respondents to the ESF survey are less likely to be male and are less likely to suffer from a work limiting illness. Employed respondents are generally comparable to the wider employed population of working age.
- On entry to an ESF project, approximately three quarters of respondents participating in ESF interventions aimed at increasing participation in the labour market are unemployed. However, a similar proportion also described their careers since completing full time education as being continuously employed or as being in paid work for most of this time.
- The main difficulty in finding work cited by the unemployed is a lack of jobs in the area in which they live, reported by 40% of respondents. A lack of qualifications or skills was cited by 13% of unemployed respondents.

### 2.1 Introduction

The purpose of this chapter is to map the demographic and educational characteristics of the sample of ESF participants. Primarily, it provides a profile of the sample of 2011 leavers from ESF Convergence and Competitiveness projects in Wales and their experiences prior to their participation in these projects. We summarise their personal characteristics and their prior educational qualifications. We also report their career status – whether or not they were in employment prior to ESF and, where relevant, their occupations, contractual status and hours worked. Using national statistics, comparisons are also made with the characteristics of those in the wider population.

### 2.2 Personal characteristics of participants

Table 2.1 presents an overview of the personal characteristics of respondents, distinguishing between those who participated in the different Priorities of the two Programmes. Throughout the report we distinguish between those respondents who participated in interventions aimed at improving participation in the labour market (Convergence Priority 2, Competitiveness Priority 1) and those respondents who

participated in interventions aimed at supporting progression in employment (Convergence Priority 3, Competitiveness Priority 2).

**Table 2.1: Personal characteristics of participants**

	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
<i>per cent of respondents</i>							
Gender:							
Male	64.7	58.5	63.3	45.6	56.4	47.6	56.9
Female	35.3	41.5	36.7	54.4	43.6	52.4	43.1
Age: (at time of survey)							
16 -18 yrs	1.9	0.3	1.6	1.0	0.7	1.0	1.3
19 - 21 yrs	9.0	3.9	7.9	11.0	1.7	9.3	8.5
22 - 24 yrs	6.7	4.5	6.2	13.8	5.4	12.3	8.7
16 - 24 yrs	17.5	8.7	15.7	25.9	7.8	22.5	18.5
25 - 30 yrs	13.3	10.8	12.8	15.9	10.9	15.0	13.7
31 - 40 yrs	20.5	19.0	20.2	21.2	27.6	22.4	21.1
41 - 54 yrs	35.2	43.4	36.9	31.3	40.9	33.1	35.4
55+ yrs	13.5	18.1	14.5	5.7	12.8	7.0	11.4
Ethnicity:							
White	97.2	94.4	96.6	95.0	94.6	94.9	95.9
Educational attainment prior to ESF							
None	13.9	6.7	12.3	3.8	3.5	3.8	8.8
NQF Level 1 or less	10.9	7.6	10.2	7.6	6.3	7.4	9.0
NQF Level 2	16.0	11.5	15.0	10.4	8.5	10.0	13.0
NQF Level 3	15.1	14.0	14.9	19.2	18.2	19.0	16.6
NQF Level 4 or above	16.2	32.5	19.7	40.2	41.7	40.5	28.2
Unspecified level	27.9	27.8	27.9	18.8	21.9	19.3	24.4
Long term limiting illness (at time of survey)							
Yes	24.3	15.6	22.4	11.0	9.8	10.8	17.7
No	75.7	84.4	77.6	89.0	90.2	89.2	82.4
Work limiting illness (at time of survey)							
Yes	15.6	8.7	14.1	4.5	4.1	4.4	10.1
No	84.4	91.3	85.9	95.5	95.9	95.6	89.9
Place of birth:							
Wales	75.2	62.7	72.5	72.7	57.3	69.8	71.4
Elsewhere in the UK	21.6	31.7	23.8	22.1	38.4	25.1	24.3
Outside UK	3.2	5.6	3.7	5.2	4.3	5.1	4.3
English as first language	93.6	95.3	94.0	85.5	95.2	87.3	91.2
Speak Welsh	24.8	16.9	23.1	35.6	19.3	32.6	27.0
Sample size	2793	751	3544	2011	461	2472	6016

Overall, 43% of respondents to the survey were female. However, women accounted for over half of respondents (52%) from interventions aimed at supporting progression in employment, with the proportion being highest among the respondents from Priority 3 under the Convergence Programme (54%).

Respondents from Priority 3 projects under the Convergence Programme are youngest, with approximately 1 in 4 aged 24 or under at the time they completed their project. The age distribution of respondents to the 2011 Survey is considerably older than the 2010 Survey. It can be seen that whilst 19% of respondents to the 2011 Survey are aged 16-24, this group accounted for approximately a third of respondents to the 2010 survey. By contrast, 35% of respondents to the 2011 survey are aged 41-54, approximately 9 percentage points higher than that observed among respondents to the 2010 survey.

Levels of educational attainment prior to undertaking an ESF project were higher among respondents within the two Priorities where interventions are aimed at supporting progression in employment. Among these Priorities, approximately 70% respondents had achieved a qualification equivalent to NQF Level 3 or above. This figure is twice the proportion of respondents from interventions aimed at supporting participation. Across all Priorities, levels of educational attainment among respondents to the 2011 Survey are higher than those observed among respondents to the 2010 Survey.

Eighteen per cent of respondents reported that they suffered from a long term illness. The overall rate of work limiting illness was 10%. Rates of ill-health are higher among those Priorities where interventions are primarily aimed at those out of work. Among respondents from projects aimed at supporting participation, 14% report that they suffer from a work-related ill-health condition. This is compared to just 4% of respondents from projects aimed at supporting progression in employment. It is interesting to note that despite the older age distribution of respondents to the 2011 Survey compared with the 2010 Survey, levels of work related ill-health are broadly comparable. Only 4% of respondents are from a minority ethnic background. Approximately one in four respondents report that they are able to speak Welsh although nine out of ten report that English is their first language.

### 2.3 Labour market circumstances of project participants prior to ESF

Many of the differences observed in the personal characteristics of ESF participants by Programme and Priority reflect differences in the groups being targeted and the nature of the interventions. The labour market circumstances of ESF participants immediately prior to their interventions are presented in detail in Table 2.2.

Comparing those who participated in projects aimed at supporting participation and those in projects aimed at supporting progression in employment, the largest difference between these two groups is the large majority of respondents from interventions aimed at supporting progression in employment who were in paid employment prior to participation in their project (86%), reflecting the specific targeting of the employed by these projects. In contrast, 73% of respondents who participated in interventions aimed at supporting participation in the labour market were unemployed prior to their participation. It should be noted that the definition of unemployment used in this survey relates to being out of work and looking for work and is not based on any information regarding the receipt of benefits.<sup>6</sup> These respondents may therefore not be registered as unemployed or in receipt of benefits aimed at the unemployed. Such definitional issues may explain at least in part why levels of economic inactivity derived from respondents to the survey (10% among Convergence Priority 2 and 4% among Competitiveness Priority 1) are considerably lower than the targets set out for participation by the economically inactive in these projects.

In addition to asking respondents about their activity status immediately prior to commencing their project, respondents were also asked to provide an overview of their working lives since completing full time education. Specifically, respondents were asked 'Since leaving compulsory education at age 16, which of the following best describes what you had been doing up to the point when you began your ESF funded course?'. The purpose of this question is to provide a more accurate understanding of the career histories of ESF respondents, and therefore their skills and employability, than a 'snap shot' picture of their economic activity immediately prior to participating in an ESF project. Across all Priorities, 78% of respondents

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<sup>6</sup> In contrast to the definition used in the Programmes which defines unemployed participants as those claiming Job Seekers Allowance. Economically inactive participants are defined by the Programmes as those out of work not claiming Job Seekers Allowance.

report that they had either been continuously in paid employment or had been in paid work for most of their time since completing full time education. Even among projects aimed at improving participation in the labour market a majority of respondents report that their careers since full time education were typically characterised by being in paid employment. This is surprising given the policy intention of these Priorities is principally to support those on inactive benefits or the long term unemployed. However, it must be noted that respondents who participated in Redundancy Training account for approximately 1 in 4 respondents to the 2011 Survey. This is particularly important in the case of Priority 1 of the Competitiveness Programme, where Redundancy Training accounts for 616 out of the 751 responses achieved.

**Table 2.2: Labour market characteristics of participants**

	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Paid employment	13.1	17.4	14.0	82.8	98.3	85.7	43.5
Unemployed	72.3	76.6	73.2	6.4	0.4	5.3	45.3
Education & training	4.8	1.9	4.1	9.4	0.9	7.8	5.7
Inactive	9.6	3.9	8.4	1.3	0.4	1.2	5.4
Not known	0.3	0.3	0.3	0.1	0.0	0.0	0.2
Continuously in paid employment	37.2	49.9	39.9	46.3	62.0	49.2	43.7
Continuously in education or training	5.3	3.5	4.9	13.3	2.4	11.2	7.5
In paid work for most of this time	36.7	36.6	36.7	30.0	29.9	30.0	33.9
In education or training for most of this time	6.6	4.7	6.2	8.4	4.1	7.6	6.8
Mostly unemployed or out of work	9.3	3.5	8.1	1.1	0.7	1.0	5.2
Continuously out of work	3.6	1.1	3.1	0.2	0.0	0.2	1.9
Other	1.2	0.8	1.1	0.8	0.9	0.8	1.0
Total	100	100	100	100	100	100	100
Sample	2793	751	3544	2011	461	2472	6016

Table 2.3 presents more detailed information on the previous labour market experiences of those who participated in projects aimed at supporting participation in the labour market and who were either unemployed or economically inactive prior to their participation. Information is provided on the duration of non-employment and, for those who have held paid employment at some point, the previous occupation

held. Among previously non-employed respondents from Priority 2 of the Convergence Programme, over 1 in 4 (28%) reported that they had been out of work for 3 months or less. Less than a third (32%) had been out of work for 12 months or more. Among previously non-employed respondents from Priority 1 of the Competitiveness Programme, almost half (47%) reported that they had been out of work for 3 months or less. As discussed above, the relative prevalence of respondents with only short spells out of work reflects the high proportion of respondents having undertaken Redundancy Training. Once again, these findings suggest that ESF participants are relatively connected to the labour market.

**Table 2.3: Duration of non-employment and previous occupation held prior to participation in an ESF project (projects supporting participation)**

	<i>per cent of non-employed respondents</i>		
	Con P2	Comp P1	Total
Duration of non-employment:			
Less than 3 months	27.6	46.9	31.7
3-6 months	20.7	28.0	22.2
6-12 months	18.1	12.4	16.9
1-2 years	11.6	3.5	9.9
2-3 years	5.7	1.7	4.8
3+ years	14.6	5.5	12.6
Don't know	1.9	2.0	1.9
Total	100.0	100.0	100.0
Sample	2,260	603	2,863
Previous Occupation (among those who have previously worked):			
1. Managers & senior officials	11.1	22.0	13.5
2. Professional	3.9	8.1	4.8
3. Associate professional & technical	7.7	15.1	9.3
4. Admin and secretarial	9.5	13.9	10.4
5. Skilled trades	16.5	11.5	15.4
6. Personal service	5.7	3.1	5.2
7. Sales and customer service	9.7	6.9	9.1
8. Process, plant and machine	17.7	11.0	16.2
9. Elementary	18.2	8.4	16.1
Total	100	100	100
Sample	2,090	582	2,672

Approximately 58% of respondents from Priority 2 of the Convergence Programme have previously been employed in occupations that are generally characterised by manual occupations, including skilled trades (17%), process operatives (18%) and elementary occupations (18%). Among respondents from Priority 1 of the



Competitiveness Programme, almost half of respondents (45%) were previously employed in occupations characterised by relatively high level skills or work experience, including managerial occupations (22%), professional occupations (8%) and associate professional and technical occupations (15%).

Respondents to the survey who were out of work prior to their participation were asked why they experienced difficulties in finding work. The most important reasons cited by previously unemployed respondents were a perceived lack of appropriate jobs in the area where they lived (65%), their lack of qualifications (36%), their lack of relevant work experience (33%), and transport difficulties / barriers associated with accessing appropriate work (23%). Reasons provided by respondents who were economically inactive prior to their participation were more varied. Having medical or health issues (42%) and a lack of appropriate jobs in the area where they lived (42%) were cited by approximately 4 out of 10. Having caring responsibilities, their lack of qualifications, their lack of relevant work experience and transport difficulties were each cited by 3 out of 10 previously inactive respondents.

**Table 2.4: Difficulties associated with finding work**

Reasons for non-employment:	<i>per cent of respondents</i>					
	All Reasons			Main Reason		
	Unemployed	Inactive	Total	Unemployed	Inactive	Total
A lack of qualifications or skills	35.6	29.9	35.0	13.2	10.4	12.9
Lack of relevant work experience	32.7	28.2	32.2	10.8	6.7	10.4
Lack of affordable childcare	7.4	21.1	8.8	1.7	7.4	2.3
Having caring responsibilities	10.2	30.9	12.2	3.0	10.7	3.8
Medical/health issues	10.5	42.3	13.6	4.3	28.9	6.7
My age (too old/young)	20.1	14.4	19.5	6.1	3.0	5.8
Alcohol or drug dependency	1.1	2.7	1.3	0.4	0.7	0.4
Having a criminal record	2.7	4.0	2.8	1.0	1.3	1.0
Lack of appropriate jobs where you live	65.7	41.6	63.3	40.4	12.8	37.7
Transport difficulties and it being hard to get appropriate work	22.6	28.2	23.2	5.4	5.0	5.3
Only wanting to work part time	10.2	19.5	11.1	1.8	2.0	1.8
Believing you would not be better off financially in work	7.2	12.8	7.7	0.7	1.3	0.7
The recession/economic climate	4.9	0.7	4.5	3.6	0.0	3.2
Sample	2725	298	3023	2725	298	3023

Survey respondents were then asked what they perceived to be the main difficulty that they faced in finding work. The reason most frequently cited by previously unemployed respondents was 'a lack of appropriate jobs where they lived', with 4 out of 10 of these respondents (40%) reporting this as the main reason for them being unable to find work. A further 4% of previously unemployed respondents pointed to the importance of the economic climate and the recession as the main difficulty they faced. A lack of qualifications or skills and a lack of relevant work experience were cited by 13% and 10% of previously unemployed respondents respectively. Demand conditions were therefore cited by twice as many respondents as issues surrounding qualifications, skills and work experience. Among those who were economically inactive prior to ESF, approximately 3 out of 10 respondents (29%) reported health problems as the main issue they faced in finding work, whilst one in eight (13%) respondents reported local labour market conditions as the main difficulty.

#### 2.4 Comparisons of survey respondents with the wider population

Finally in this chapter, we compare the characteristics of respondents with the wider population to consider how similar ESF participants are to the wider population. Comparison data for Wales are provided by the Annual Population Survey (APS) for 2011. The APS is the source of data used in the CIE analysis presented in Chapter 6. As only a small number of respondents to the ESF survey are under the age of 18 at the time of the survey, both sources of data are restricted to the population of working age who are also aged 18 or over. For the purpose of these comparisons, we distinguish between the employed and the non-employed. In Table 2.5, it can be seen that the employed sample of ESF participants derived from the survey is broadly comparable with the wider employed population in Wales. More significant differences emerge with respect to the non-employed sample of ESF participants who are less likely to be male (37% compared with 50%), are slightly younger (36% aged 30 or under compared with 29%) and are much less likely to suffer a work limiting illness (14% compared with 40%). Response rates to the survey (see Annex 1) do not vary greatly by gender, suggesting that the higher proportion of women in the ESF sample cannot be attributed to response bias. Similarly, the lower levels of response achieved within the survey among younger age groups reinforce the finding the ESF interventions are more likely to be undertaken by younger people in the non-employed population. Finally, those with a disability are less likely to respond to the

ESF survey, indicating that response bias may be in part contributing to the lower incidence of work limiting illness among survey respondents. However, the scale of the difference (14% compared to 40%) is such that response bias could not account for all of this difference.

**Table 2.5: Comparing the survey sample with the population of working age**  
*per cent of total*

	2011 Annual Population Survey			2011 ESF Leavers Survey		
	Employed	Non Employed	All	Employed	Non Employed	All
Gender:						
Male	53.5	49.6	52.4	50.1	36.5	42.4
Age:						
18 - 20 yrs	3.9	14.9	7.2	3.8	8.6	6.5
21 - 24 yrs	8.2	13.0	9.6	10.8	13.1	12.1
25 - 30 yrs	13.6	11.1	12.9	14.3	13.7	14.0
31 - 40 yrs	22.7	13.5	19.9	24.7	19.0	21.5
41 - 54 yrs	37.8	24.6	33.8	39.0	33.8	36.1
55+ yrs	13.8	23.0	16.5	7.4	11.8	9.9
Educational attainment:						
NQF level 3+	54.2	34.9	48.5	55.2	37.1	45.0
Work limiting illness	9.0	39.6	18.1	5.1	13.8	10.0
Ethnicity:						
White	95.9	93.6	95.2	95.9	93.6	95.2
Total	100	100	100	100	100	100
Sample	12,949	5,394	18,343	2,614	3,402	6,016

## CHAPTER 3: Participating in an ESF project

### Chapter Summary

- Approximately 70% of respondents were aware that ESF had helped to pay for their participation in an ESF project.
- The two main reasons given by respondents for participating in an ESF project were to help them get a job (26%) and to develop a broader range of skills (18%).
- Rates of withdrawal from are estimated to be approximately 7% based on administrative records. However, reasons for withdrawal are complex and can reflect positive events such as finding a job. This could result in administrative data over-estimating rates of withdrawal by approximately 25%.
- Rates of withdrawal are highest among the young, those with no qualifications and those with a work limiting illness.

### 3.1 Introduction

This chapter considers the nature of interventions that ESF participants took part in. The chapter firstly describes where and when respondents undertook their ESF interventions. The main reasons given by respondents for choosing to participate in an ESF project are then discussed. The chapter culminates in a description of the incidence of early withdrawal from ESF projects and the factors that influence participants' decisions to withdraw.

### 3.2 Embarking on an ESF project

Chapter 2 described how differences in the characteristics of survey respondents under the two ESF Priorities reflected differences in the groups that were being targeted. The distinct nature of these interventions is also reflected in the way they are delivered. Approximately half of respondents who participated in projects aimed at supporting progression undertook these interventions at the workplace (see Table 3.1). In comparison, approximately three quarters of respondents from projects aimed at supporting participation undertook these interventions at a training centre (54%), community centre (10%) or college (10%).

**Table 3.1: Characteristics of ESF Projects**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Location of delivery:							
College	10.1	10.7	10.2	14.2	18.9	15.1	12.2
Community centre	12.3	3.2	10.4	3.9	1.5	3.4	7.5
Training centre	52.6	59.4	54.0	17.9	15.4	17.4	39.0
At home	0.8	2.4	1.2	1.8	1.7	1.8	1.4
Workplace	16.4	14.5	16.0	49.4	52.7	50.0	30.0
School	7.8	9.9	8.2	12.8	9.8	12.3	9.9
Duration:							
Less than 1 month	43.6	56.6	46.4	24.5	67.7	32.5	40.7
1 to 6 months	37.8	30.4	36.2	33.7	18.2	30.8	34.0
6 to 12 months	9.9	8.8	9.6	22.8	9.3	20.3	14.0
12 to 24 months	2.1	0.5	1.8	8.3	1.5	7.0	3.9
24 months+	0.4	0.1	0.3	4.9	0.0	4.0	1.8
Don't Know	6.3	3.6	5.7	5.9	3.3	5.4	5.6
Hours spent per week on the course or project:							
0-4 hours	18.9	6.9	16.3	24.6	16.1	23.0	19.1
5-9 hours	14.4	10.5	13.6	27.3	47.3	31.0	20.7
10-15 hours	7.9	11.3	8.6	14.9	11.5	14.2	10.9
16-24 hours	11.4	17.0	12.6	9.1	8.0	8.9	11.1
25 hours or more	39.8	47.9	41.5	18.8	11.7	17.5	31.7
Don't know	7.6	6.3	7.3	5.4	5.4	5.4	6.6
Took course on evenings/weekends:							
Yes	6.3	12.1	7.5	11.8	6.7	10.8	8.9
No	93.7	87.9	92.5	88.2	93.3	89.2	91.1
Took course on during the working week:							
Yes	95.7	93.6	95.3	93.6	95.7	94.0	94.8
No	4.3	6.4	4.7	6.4	4.3	6.0	5.2
Aware that ESF helped pay?							
Yes	66.2	71.0	67.2	71.2	72.0	71.3	68.9
No	30.0	24.5	28.8	25.5	25.4	25.4	27.4
Unsure	3.8	4.5	3.9	3.4	2.6	3.2	3.6
Sample	2793	751	3544	2011	461	2472	6016

Both the duration and intensity of ESF interventions differ considerably between respondents from the different Priorities. Among respondents who participated in projects aimed at supporting participation in the labour market, 83% reported that their interventions lasted less than 6 months, with 46% lasting less than a month. The short duration reflects that many of these interventions provide short term help with job search activities. The duration of ESF interventions is typically longer among

respondents who participated in projects aimed at supporting progression in employment. Approximately 37% of such interventions last longer than 6 months. Interestingly however, respondents from Priority 2 of the Competitiveness Programme participated in interventions of relatively short duration.

Although of shorter duration, interventions primarily aimed at those out of work are associated with spending more hours per week on the course or project. Approximately 42% of such respondents indicated that they spent 25 hours a week or more on their course. The relative intensity of these interventions has important implications in terms of evaluating their effectiveness. For many, this represents a full time activity, albeit of relatively short duration. In some respects participating in such interventions takes up time that could otherwise be spent on job search activities. Any evaluation of the net effect of these interventions must therefore take account of the time spent on the course. Approximately 69% of respondents were aware that the project was funded by ESF, with levels of awareness being relatively uniform across different Priorities. Overall, the level of awareness among respondents to the 2011 survey is approximately 9 percentage points higher than that reported among respondents of the 2009 Survey.

Respondents to the survey were asked to provide reasons why they embarked on an ESF project. Table 3.2 reports the most commonly cited reasons across the four Priority areas. Reflecting their relative labour market positions, the three main reasons provided by respondents from projects aimed at supporting participation were to help them get a job (40%), to improve or widen their career options (18%) and to develop a broader range of skills (14%). Respondents from projects aimed at supporting progression in employment placed greater emphasis on the importance of developing a broader range of skills (25%). It is of interest to note that approximately 14% indicated that their main reason for undertaking their ESF project was because their employer had requested or required it. This figure increases to 1 in 4 respondents (23%) from Priority 2 of the Competitiveness Programme. While the primary focus of ESF interventions relates to the employability and progression of individuals, some projects do operate at the level of the workplace and begin with a diagnosis of the employers' training and development needs. In these

circumstances, it is not surprising that the impetus for training may arise from the employer rather than the individual.

**Table 3.2: Reasons for undertaking an ESF project**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
All reasons:							
Develop a broader range of skills	87.7	92.8	88.8	93.1	93.7	93.2	90.6
Develop more specialist skills	79.8	85.5	81.0	81.8	80.9	81.6	81.3
Improve or widen career options	91.3	94.9	92.1	83.4	65.1	80.0	87.1
Help get a job	89.0	92.4	89.7	39.6	14.3	34.9	67.2
Improve pay, promotion or other prospect	51.6	47.9	50.8	60.3	45.1	57.4	53.5
Employer requested or required it	14.5	5.5	12.6	46.4	70.5	50.9	28.3
Learn something new for personal interest	67.6	59.9	66.0	66.2	56.0	64.3	65.3
Help progress to another education, training or learning course	40.8	25.6	37.6	38.3	26.0	36.0	36.9
An adviser recommended that you should	58.1	42.6	54.8	51.5	53.6	51.9	53.6
Main reason:							
Develop a broader range of skills	14.1	13.2	13.9	23.1	32.1	24.8	18.4
Develop more specialist skills	7.0	9.3	7.5	15.3	18.7	15.9	11.0
Improve or widen career options	16.7	22.4	17.9	18.8	7.6	16.7	17.4
Help get a job	40.1	41.7	40.4	7.8	0.0	6.3	26.4
Improve pay, promotion or other prospect	1.5	2.5	1.7	6.5	5.4	6.3	3.6
Employer requested or required it	1.9	1.1	1.7	12.2	23.4	14.3	6.9
Learn something new for personal interest	4.2	1.6	3.6	4.5	3.0	4.3	3.9
Help progress to another education, training or learning course	2.0	1.1	1.8	3.0	1.5	2.7	2.2
An adviser recommended that you should	4.1	1.2	3.5	2.2	3.7	2.5	3.1
Sample	2793	751	3544	2011	461	2472	6016

### 3.3 Withdrawing from an ESF project

Both the administrative records of ESF participants supplied by WEFO and the survey dataset provide information on early withdrawal from ESF projects. The completion status from these two sources is presented in Table 3.3. This suggests that there are significant inconsistencies between the information held on administrative records and the information supplied by participants regarding whether or not they completed the course. Rates of withdrawal derived from both sources are low. Based upon administrative data, 406 of the participants who responded to the

survey withdrew from ESF; a withdrawal rate of 6.7%. Based upon the survey, the estimated rate of withdrawal is slightly higher at 8.4%, with 508 respondents reporting that they had withdrawn from ESF early. However, only 151 respondents (2.5%) are consistently recorded as having withdrawn from ESF based upon both their responses to the survey data and their administrative records.

**Table 3.3: Withdrawal from ESF projects**  
*per cent of respondents*

	Administrative Data		
	Completed	Withdrew	Total
Survey Data			
Completed	5,206	249	5,455
Withdrew	357	151	508
Don't know	47	6	53
<b>Total</b>	<b>5,610</b>	<b>406</b>	<b>6,016</b>

Respondents to the survey were asked about their reasons for leaving an ESF project early (presented in Table 3.4). The most commonly cited reason was having left to start a new job (41%). This finding illustrates the difficulty in accurately measuring rates of withdrawal and highlights that may reflect a positive outcome. Rates of withdrawal derived from administrative data may therefore overestimate the 'true' incidence of withdrawal from ESF projects.

The second column of Table 3.4 considers the reasons for early withdrawal (as recorded by the survey) for those respondents where both their survey responses and their administrative records indicate that that individual had withdrawn early. The proportion who report that they had withdrawn to start a job falls, which highlights starting a job as a key reason for the apparent inconsistency between the two sets of data. Nonetheless, 1 in 4 respondents still report that they withdrew early in order to start a job. This finding suggests that administrative records may overestimate rates of withdrawal (in the sense of an unsuccessful non-completion of provision) by 25%. Taking account of this in the 2011 administrative data would yield a rate of withdrawal of approximately 5%.



**Table 3.4: Reasons for not completing an ESF project**

	<i>per cent of withdrawers</i>	
	<u>Source of Data Where Respondent is Identified as an Early Withdrawer</u>	
	Survey Data	Survey and Admin Data
Withdrawal Rate	8.4	
Left to start a job	40.9	25.2
Family / personal circumstances	11.4	15.2
Lack of time / too busy	9.1	11.3
Ill health / disability	8.9	10.6
Course did not meet expectations	8.1	11.3
Lack of support / help	7.3	7.9
Changed job or made redundant	4.7	7.3
Problems accessing course e.g. travel problems	4.1	6.6
Course cancelled / closed down	3.1	4.6
Course too advanced / too hard	3.0	2.6
Course too easy	2.2	2.6
Sample	508	151

Finally, rates of withdrawal segmented according to a variety of personal characteristics are presented in Table 3.5. The analysis is derived from the administrative data as the lower rates of withdrawal are believed to provide a more accurate measure. It can be seen that rates of withdrawal are higher in interventions aimed at supporting participation in the labour market (9%) compared with interventions aimed at supporting progression in employment (4%). Across both types of intervention, withdrawal from ESF is most prevalent among the young (13% among those aged 16 to 18 years) and among those with a work limiting illness (13%). Women are also more likely to withdraw from ESF (8%) than men (6%), with this differential widening to approximately 4 percentage points in interventions aimed at improving participation in the labour market. Further examination of reasons for withdrawal (not presented) reveals that women are more than twice as likely than men to report that they withdrew due to family/personal reasons (17% compared to 7% using the survey based definition of withdrawal). Women were also more likely to report that they were too busy or had a lack of time compared with men, indicating the importance of domestic and caring responsibilities among this group.

**Table 3.5: Personal characteristics and withdrawal from ESF projects***per cent of respondents*

	Supporting Participation	Supporting Progression	Total
<b>Gender:</b>			
Male	7.7	3.1	6.1
Female	11.5	3.6	7.6
<b>Age:</b>			
16 - 18 yrs	16.4	4.2	12.7
19 - 21 yrs	11.1	8.7	10.0
22 - 24 yrs	10.4	5.3	7.4
16 - 24 yrs	11.4	6.7	9.0
25 - 30 yrs	10.2	3.2	7.1
31 - 40 yrs	8.0	2.9	5.8
41 - 54 yrs	8.4	1.6	5.8
55+ yrs	9.2	2.9	7.6
<b>Ethnicity:</b>			
White	9.1	3.3	6.8
Non-white	8.4	4.0	6.1
<b>Nationality:</b>			
Born in UK	9.2	3.4	6.8
Born elsewhere	7.6	2.4	5.1
<b>Educational attainment prior to ESF:</b>			
None	9.4	2.2	8.1
NQF Level 1 or less	13.3	3.3	9.9
NQF Level 2	10.9	4.0	8.7
NQF Level 3	8.9	5.7	7.4
NQF Level 4 or above	6.3	2.1	3.8
Unspecified Level	8.6	3.6	7.0
<b>Work limiting illness:</b>			
Yes	14.6	6.4	13.1
No	8.2	3.2	6.0
<b>All withdrawals</b>			
Sample	9.1	3.4	6.7
	3,544	2,472	6016

## CHAPTER 4: ESF and the Accumulation of Skills

### Chapter Summary

- The most commonly cited skills acquired by respondents during their ESF project were job specific skills (72%), organizational skills (70%), communication skills (70%), team working skills (70%), and problem solving skills (68%).
- Respondents report that they felt their capabilities and capacities have improved as a result of participating in ESF including feeling more confident about their abilities (86%), feeling better about themselves generally (83%) and feeling that they have improved their career prospects (80%).
- Approximately 75% of respondents report that they gained some form of qualification through ESF.

#### 4.1 Introduction

This short chapter presents information on the contribution of ESF to the development of skills. The analysis firstly considers the type of skills that respondents report they have acquired as a result of their ESF project. The analysis then goes on to consider the contribution of ESF, and of further study and training following the completion of their intervention, upon levels of educational attainment.

#### 4.2 Skills Acquired from ESF

Table 4.1 considers the nature of skills acquired by respondents during the course of their ESF project. The most commonly cited skills acquired were job specific skills (72%). It is of interest to note that these skills were most commonly cited in both interventions aimed at improving participation in the labour market and interventions supporting progression in employment. Once again, the relative prevalence of Redundancy Training in the 2011 survey is likely to be important in explaining this finding, where support is often tailored to helping the participants gain employment within a particular area of work. Other commonly cited skills include key skills such as organizational skills (70%), communication (70%) team working (70%), and problem solving (68%). A key difference between Priorities was that participants from projects supporting participation in the labour market were more likely to report improvements in job search skills (52%) and CV writing or interview skills (45%).

Approximately 4 out of 10 participants reported that they had improved literacy (42%) and numeracy skills (40%) as a result of the intervention.

**Table 4.1: Skills Acquired from an ESF project**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Job-specific skills related to a specific occupation	68.3	76.0	69.9	76.1	73.5	75.6	72.2
Organisational skills	67.0	57.2	65.0	79.4	66.3	76.9	69.9
Communication skills	67.3	52.9	64.3	79.3	71.1	77.8	69.8
Team working skills	67.3	51.7	64.0	77.7	69.8	76.3	69.0
Problem solving skills	63.8	57.4	62.4	76.5	67.2	74.7	67.5
Leadership and/or strategic management skills	36.2	31.4	35.2	64.6	59.9	63.7	46.9
Job search skills	55.5	39.3	52.1	34.4	20.7	31.8	43.8
IT skills	47.8	44.0	47.0	41.0	24.7	38.0	43.3
Literacy skills	46.2	29.2	42.6	44.8	29.5	41.9	42.3
Numeracy skills	44.8	32.0	42.1	39.6	23.7	36.7	39.8
CV writing or interview skills	48.7	30.5	44.8	32.6	17.5	29.7	38.6
English language skills	28.0	13.6	25.0	25.4	9.8	22.5	24.0
Sample	2793	751	3544	2011	461	2472	6016

As well as the acquisition of generic and specific skills, the survey asked respondents about other perceived benefits of the course (see Table 4.2). Although often related to skills, many of these benefits point towards how participation in ESF contributed to enhancing the capacity and capabilities of participants. The benefits most commonly cited were that respondents felt more confident about their capabilities (86%) and were feeling better about themselves generally (83%). Approximately three quarters (74%) reported that they felt more enthusiastic about learning as a result of participating in ESF. Little difference is observed when comparing the benefits reported by participants from different priorities. The largest differences that emerge relate to well-being. A higher proportion of respondents from interventions aimed at supporting participation in employment reported that they made new friends as a result of the course (61% compared to 50%) and that they felt more healthy (60% compared to 50%).

**Table 4.2: Outcomes from ESF projects**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
More confident about your abilities	84.8	83.0	84.4	88.3	82.6	87.3	85.6
Feeling better about yourself generally	83.4	81.7	83.0	83.3	75.7	81.9	82.6
Feeling you have improved employment or career prospects	78.0	82.3	78.9	82.6	71.2	80.4	79.5
Clearer about the range of opportunities open to you	78.6	78.8	78.6	79.6	73.1	78.4	78.5
More enthusiastic about learning	75.9	72.8	75.2	73.0	63.5	71.2	73.6
Clearer about what you want to do in your life	74.7	70.1	73.7	72.8	66.6	71.7	72.9
Making new friends as a result of the course	63.4	52.1	61.0	53.3	34.6	49.8	56.4
Feeling more healthy	61.1	54.7	59.8	51.5	42.2	49.8	55.7
Taking part in more voluntary or community activities	28.3	24.2	27.5	26.6	26.7	26.7	27.1
Thinking about setting up your own business or working self-employed	21.8	22.7	22.0	21.8	12.4	20.1	21.1
Taken up new hobbies or interests	12.9	11.5	12.6	10.2	5.9	9.4	11.3
Sample	2793	751	3544	2011	461	2472	6016

#### 4.3 Educational Attainment and ESF

Table 4.3 considers how the educational attainment of survey respondents develops both as a result of ESF and as a result of further education and training undertaken after their participation on an ESF project. The survey asks respondents about their level of educational attainment prior to their participation in ESF (previously reported in Table 2.1 but repeated here for ease of exposition). Due to the complexities associated with collecting information on qualifications held, particularly among respondents who may have completed full time education several decades earlier, it is not possible to allocate the prior educational attainment of all respondents to an NQF category. As such, 24% of respondents are recorded as having a qualification level classified as 'other or unspecified'. Approximately 9% of respondents did not possess any qualifications prior to their participation. This figure increases to 12% among respondents from projects aimed at supporting participation in the labour market.

The next panel in Table 4.3 provides information on the qualifications held at the time of the survey. It is possible to derive the educational attainment of a respondent at

the time of the survey using the information they supplied on their pre-ESF qualification and qualifications achieved subsequently. Once again respondents may not provide sufficient detail for these qualification to be allocated to an NQF level. In such cases, the highest level of educational attainment is recorded as the highest 'known' qualification for that individual. This level could relate to qualifications held either before ESF, as a result of ESF or from training undertaken since ESF. By the time of the survey, the proportion of respondents who do not possess any qualifications is 6%, a decline of three percentage points.

**Table 4.3: Qualification Levels and ESF**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Qualifications held before course							
None	13.9	6.7	12.3	3.8	3.5	3.8	8.8
NQF Level 1 or less	10.9	7.6	10.2	7.6	6.3	7.4	9.0
NQF Level 2	16.0	11.5	15.0	10.4	8.5	10.0	13.0
NQF Level 3	15.1	14.0	14.9	19.2	18.2	19.0	16.6
NQF Level 4 or above	16.2	32.5	19.7	40.2	41.7	40.5	28.2
Unspecified, other	27.9	27.8	27.9	18.8	21.9	19.3	24.4
Qualifications held at time of survey							
None	10.3	5.1	9.2	2.0	2.4	2.1	6.3
NQF Level 1 or less	9.1	6.9	8.6	3.0	5.0	3.4	6.5
NQF Level 2	18.8	12.1	17.4	10.1	8.7	9.9	14.3
NQF Level 3	16.8	15.1	16.5	20.0	18.2	19.7	17.8
NQF Level 4 or above	17.1	33.0	20.5	46.1	43.8	45.7	30.8
Unspecified, other	27.9	27.8	27.9	18.8	21.9	19.3	24.4
Total	100	100	100	100	100	100	100
Sample	2,793	751	3,544	2,011	461	2,472	6,016

Table 4.4 considers transitions in individual educational attainment that occur as a result of participation in ESF (i.e. excluding any qualifications that may have been gained subsequently). In almost half of cases (45%), it is not possible to determine how educational attainment changes for an individual. This will occur in situations where (a) educational attainment prior to ESF is unknown or where (b) the level of qualification achieved via ESF is unknown. In both cases, it is not possible to determine whether the additional qualification is at a higher or lower level than that

previously held. This is particularly problematic among projects from Priority 1 of the Competitiveness Programme. As noted previously, these respondents are largely participants in Redundancy Training. Further examination of the data revealed that approximately 400 of these respondents reported that they had attained a qualification (typically a 'Diploma') but did not specify a level. We continue to use survey data as the source of educational attainment data for purposes of consistency.

**Table 4.4: Qualification Transitions and ESF**

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
<b>Qualification transitions</b>							
Lower qualifications	8.8	10.1	9.1	16.9	8.0	15.3	11.6
No qualifications	29.4	19.0	27.2	23.9	36.7	26.3	26.8
Same qualifications	5.9	7.2	6.2	13.6	6.1	12.2	8.7
Higher qualifications	7.5	3.3	6.6	12.2	3.7	10.6	8.2
Qualification transition not determined	48.4	60.3	50.9	33.4	45.6	35.7	44.7
<b>Transitions excluding not determined</b>							
Lower qualifications	17.1	25.5	18.6	25.4	14.7	23.7	21.0
No qualifications	57.0	48.0	55.5	35.9	67.3	40.8	48.5
Same qualifications	11.4	18.1	12.6	20.5	11.1	19.0	15.6
Higher qualifications	14.4	8.4	13.4	18.3	6.8	16.5	14.9
Total	100	100	100	100	100	100	100
Sample	2,793	751	3,544	2,011	461	2,472	6,016

Overall 27% of respondents indicated that their project did not result in a qualification compared with 21% in the 2010 Survey. This indicates that the projects covered by this year’s survey appear slightly less likely to have resulted in a qualification. Nine per cent of respondents undertook projects that resulted in a qualification at the same level as the highest qualification which they held prior to the intervention (as classified by the National Qualification Framework). A further 12% of respondents participated in a project that resulted in a lower level qualification and 8% of respondents undertook a qualification that was at a higher level.. As a result, there is relatively little change in the distributions of qualifications held following participation in ESF.

Comparisons between Priority areas can be difficult to make due to the varying proportion of respondents for whom qualification transitions cannot be determined. Qualification transitions cannot be determined for approximately half (51%) of respondents who participated in projects aimed at supporting participation and for over a third of respondents (36%) who participated in projects aimed at supporting progression in employment. To overcome these difficulties, the lower panel of Table 4.4 shows the percentage of respondents experiencing qualification transitions, excluding those for whom no transition data is available. Participants in interventions aimed at supporting progression are more likely to achieve a qualification (59%) than participants in interventions aimed at supporting participation (45%). However, this finding is driven by the high incidence of qualifications received among participants in projects under Priority 3 of the Convergence Programme (64%). Over two-thirds of participants in projects under Priority 2 of the Competitiveness Programme (67%) did not gain a qualification from their participation in ESF.



## CHAPTER 5: Improving Participation in the Labour Market

### Chapter Summary

- A majority of transitions out of unemployment and inactivity among Priority 2 respondents from the Convergence Programme occur either during or immediately following their participation in an ESF project.
- Among respondents from Priorities aimed at improving participation in the labour market, 66% were in paid employment at the time of the survey: an increase in their rate of employment of 52 percentage points compared with that observed before their participation. Of this increase in employment, over 92% can be accounted for by people moving out of unemployment and into paid work.
- Over a fifth of those who were in a job at the time of the survey that was not held prior to their participation in ESF report that their project was vital to them gaining their current employment. Among those who remained out of work at the time of the survey, approximately 1 in 4 (24%) report that they felt that they had more chance of finding a job in the future as a result of their participation.
- Respondents perceive the benefits of ESF to be higher when they gain any qualification, although perceived benefits are greatest when the qualification gained is at a higher level than that which they previously held.

#### 5.1 Introduction

This chapter examines the labour market experiences of survey respondents following the completion of their intervention. The first part of the chapter uses survey data that provides an historical account of the main activities the respondent had engaged in following the completion of their ESF intervention during 2011. The fieldwork for the survey was largely undertaken during October 2012. Due to the timing of the survey, a majority of respondents were able to provide an account of their labour market experiences for a period of at least 12 months following the completion of their interventions. Such a longitudinal perspective enables us to consider evolving patterns of participation in the labour market following ESF. Career history data are only able to provide relatively limited information about participation status. The remainder of the chapter therefore provides a more detailed account of economic activity at the time of the survey.

There is considerable continuity in the post intervention career profiles of respondents participating in projects aimed primarily at those in employment. By definition, respondents in projects under Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme exhibit high rates of employment both before and after the intervention. This continuity reflects the targeting of these interventions among the employed population and that the objectives of these interventions are about progression in employment. Whilst these interventions may indirectly affect labour market status insofar as they improve the chances of participants remaining in employment, the effects are expected to be much smaller than those observed among participants in projects aimed at improving participation in the labour market. The remainder of this chapter therefore focuses on the career profiles of respondents from projects under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme; i.e. those aimed at supporting participation in the labour market.

## 5.2 Employment and non-employment following ESF projects

Figure 5.1 considers the situation of those respondents who were unemployed immediately prior to their participation. Fifty six per cent of participants who were unemployed prior to their intervention were neither in employment, education or training upon the completion of their intervention (i.e. at zero months following ESF). The proportion that remains unemployed or inactive falls to 35% by the end of the 12 month follow-up period. This 21 percentage points decline in the proportion of unemployed or inactive respondents is accounted for by a corresponding increase in the proportion of respondents in employment (from 42% to 63%). It is noted that participation in employment throughout this 12 month period is approximately 12-15 percentage points higher among respondents to the 2011 Survey than the 2010 Survey. As outlined in Chapter 2, in terms of their previous labour market experience, respondents to the 2011 Survey appear to be relatively 'close' to the labour market and would therefore be expected to have relatively high levels of employability.

**Figure 5.1: Career profiles of previously unemployed respondents (Con P2/Comp P1)**

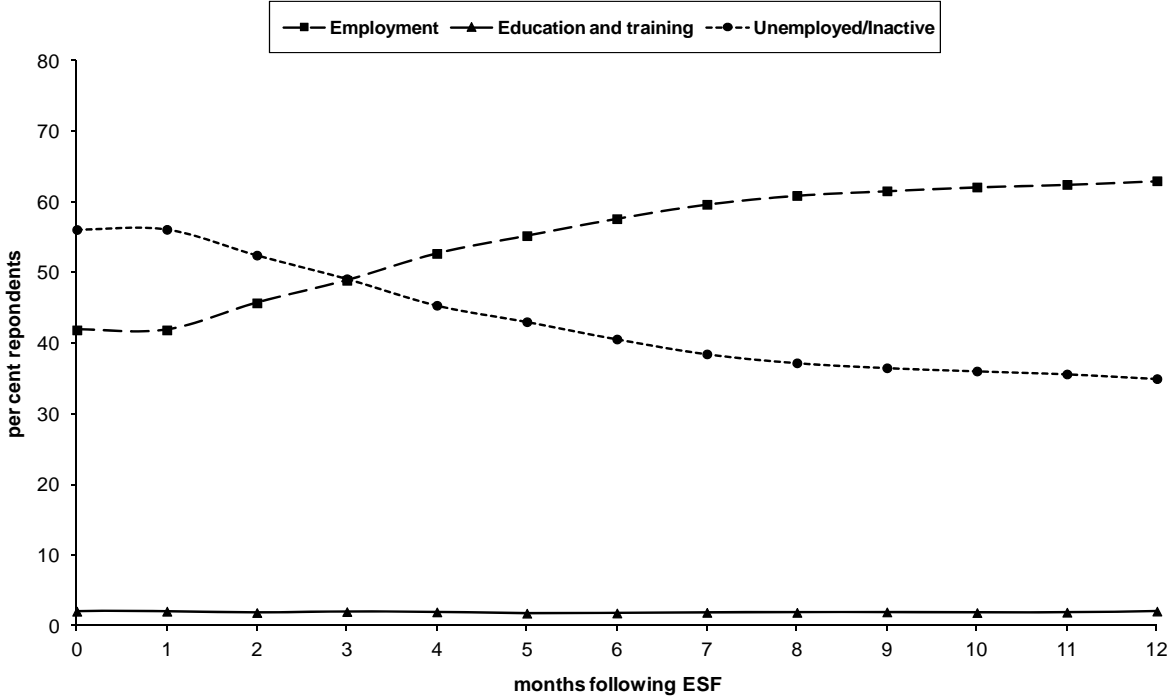
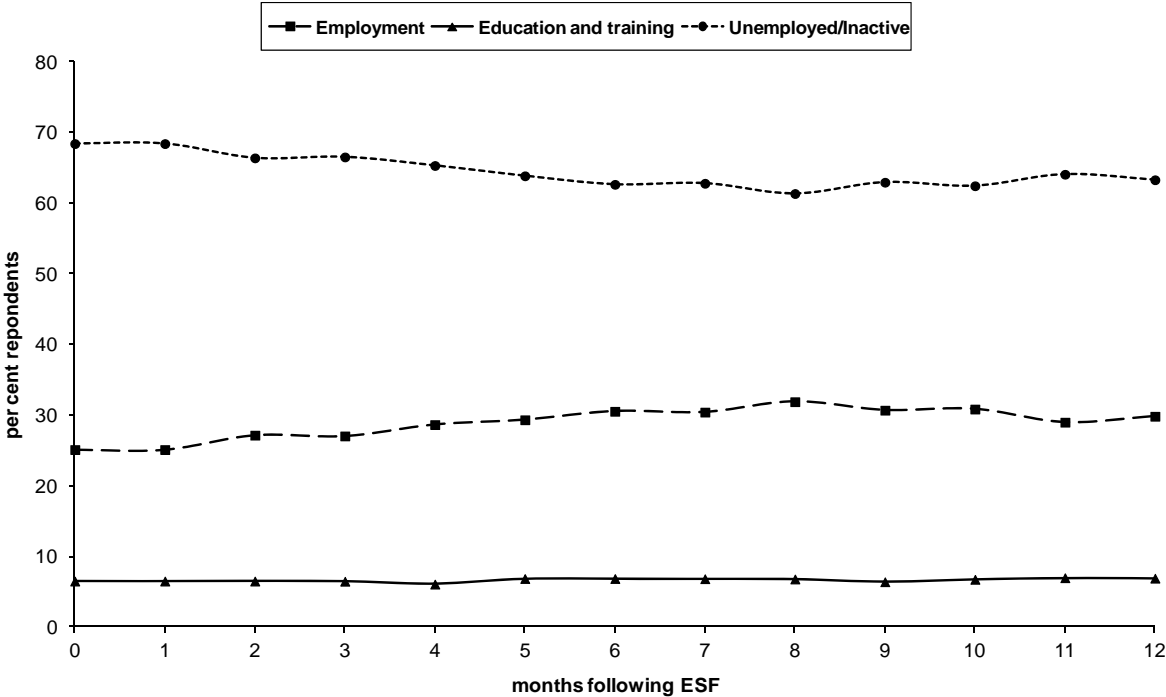


Figure 5.2 considers the situation of respondents who were economically inactive prior to their participation in an ESF project. Rates of employment are much lower among this group compared with those who were unemployed prior to their project. Immediately following their interventions, 25% have gained employment and a further 7% have moved into education and training. There is relatively little in the way of continued improvement in employment levels during the remainder of the follow-up period. By the end of the follow-up period, 30% of respondents who were economically inactive prior to their participation are in employment. It is noted that this level of participation in employment among the economically inactive is considerably higher than that observed in the 2010 Survey. However, the proportion of respondents to the 2011 Survey who are economically inactive is smaller than in the previous study. Among Convergence Priority 2 respondents, the proportion who are economically inactive has declined from 16% to 9%. Among Competitiveness Priority 1 respondents, the proportion who are economically inactive has declined from 21% to 4%, reflecting the high levels of participation in Redundancy Training among this group in 2011. The report of the combined analysis of the 2009 and 2010 Surveys provides a detailed discussion of issues surrounding the employment transitions of the economically inactive population.

**Figure 5.2: Career profiles of previously inactive Priority 2 respondents (Con P2/Comp P1)**



**5.3 The Current Activity of ESF Participants**

The previous section provided a broad overview of the labour market status of participants for 12 months following the completion of their project. This section provides a more detailed insight into the labour market characteristics of respondents measured at the time of the survey. Among respondents from Convergence Priority 2, 62% were in employment, 21% were unemployed and 12% were economically inactive at the time of the survey. Among respondents from Competitiveness Priority 1, 77% were in employment, 17% were unemployed and 5% were economically inactive.

Table 5.1 considers labour market transitions among respondents from projects funded by these 2 Priority Areas, contrasting their main labour market activity immediately before their ESF project with their situation at the time of the survey. Prior to their participation, 14% of these respondents were in employment (although some may have been under notice of redundancy). By the time of the survey, 66% were in employment. This 52 percentage point increase in employment is largely accounted for by a movement out of unemployment into paid work, (48% of

respondents make this transition). Therefore two thirds of those who were unemployed prior to ESF gain employment by the time of the survey.

Transitions experienced among those who were previously economically inactive are relatively small by comparison. Only 3% of respondents made a transition from economic inactivity to paid employment. At the time of the survey, the overall proportion of respondents who were economically inactive increases from 8% to 10%. This is largely due to 6% of respondents making a transition from unemployed prior to ESF to economically inactive following ESF. This group accounts for the single largest ‘negative’ transition in economic activity.

**Table 5.1: Current activity compared with main activity prior to ESF intervention: (Con P2/Comp P1 Respondents)**

*per cent of respondents*

Main activity before attending course	Current main activity				Total
	Paid employment	Education and training	Unemployed	Economically inactive	
Paid employment	12.2	0.1	1.1	0.7	14.1
Education and training	2.3	0.6	0.9	0.4	4.2
Unemployed	48.3	2.3	17.4	5.5	73.4
Economically inactive	2.9	0.7	0.9	3.8	8.4
<b>Total</b>	<b>65.7</b>	<b>3.8</b>	<b>20.2</b>	<b>10.4</b>	<b>(n=3,518)</b>

Note: For ease of exposition, respondents who replied don't know have been removed from this transition matrix

#### 5.4 Characteristics of current employment

Table 5.2 presents information on the nature of employment held by respondents at the time of the survey. As described above, a significant proportion of respondents from projects that aim to improve participation in the labour market moved into employment following their training. The nature of employment gained among participants from Priority 2 of the Convergence Programme is concentrated towards relatively low skilled occupations. Almost 1 in 3 (29%) are employed in either process or elementary occupations. This is compared to 1 in 5 who participated in projects under Priority 1 of the Competitiveness Programme. Among this latter group, approximately 4 out of 10 respondents (39%) gained employment in managerial, professional or associate professional occupations (around 15 percentage points higher than among Convergence Priority 2 respondents).

For both Priorities, approximately three quarters of respondents who find work are employed in permanent positions and three quarters work more than 30 hours per week. Participants from Priority 2 of the Convergence Programme earn approximately £40/week less than respondents from Priority 1 of the Competitiveness Programme, irrespective of gender. Given the higher prevalence Redundancy Training respondents from projects under Priority 1 of the Competitiveness Programme, the higher levels of earnings will reflect the relatively high skills and labour market experience of those who have recently been made redundant. However, despite the lower earnings and the relatively low skilled nature of jobs held by those respondents who participated in Priority 2 of the Convergence Programme, among both groups approximately 85% indicate that overall they are either satisfied or highly satisfied with their jobs.

**Table 5.2: Nature of current employment**

	<i>per cent of employed respondents</i>		
	Con P2	Comp P1	Total
<b>Occupation:</b>			
Managers & senior officials	8.6	14.6	10.1
Professional	4.6	9.7	5.9
Associate prof & tech	10.8	15.1	11.9
Admin and secretarial	8.9	15.5	10.5
Skilled trades	15.8	9.2	14.1
Personal service	10.9	6.1	9.7
Sales and customer service	7.4	6.3	7.1
Process, plant and machine	14.2	11.0	13.4
Elementary	15.0	8.9	13.5
Missing	3.8	3.7	3.8
<b>Contractual Status:</b>			
Permanent	74.4	72.7	74.0
<b>Hours worked per week:</b>			
Less than 16 hours	10.5	7.7	9.8
16-29 hours	13.7	15.6	14.2
30+ hours	75.1	76.1	75.4
Missing	0.7	0.5	0.7
<b>Earnings (Gross Weekly Earnings)</b>			
Male	345	384	354
Female	221	286	239
All	303	342	313
Overall satisfied/very satisfied with your present job	86.6	84.2	86.0
Sample	1731	570	2301

## 5.5 Improvements in job characteristics

Respondents who were employed at the time of the survey and who were either not in employment prior to participating in an ESF project or employed in a different job were asked to what extent they thought that the course helped them get their current job. For respondents who participated in projects aimed at improving participation in the labour market, these are generally the perceptions of those who were out of work (predominantly unemployed) prior to their participation. Table 5.3 shows that 22% of respondents report that their ESF project was vital to them gaining their current employment. Among respondents from interventions aimed at improving participation in the labour market who remained out of work at the time of the survey, approximately 1 in 4 (24%) report feeling that they had more chance of finding a job in the future as a result of their participation. Finally, respondents were asked whether, with the value of hindsight, they would do the course again. Three quarters of respondents report that they would do the course again, indicating that overall levels of satisfaction with ESF are high.

Table 5.3 also considers how these self reported measures of additionality vary among different groups of respondents classified according to the nature of qualifications gained as a result of their participation. The perceived benefits are lowest among those who gain no qualification from ESF and are generally highest among those who gain a qualification at a higher level of attainment than held prior to their participation. Levels of satisfaction among those who achieve a qualification either at the same or lower level than that which they held prior to ESF generally lie between those who achieved higher and no qualifications. It is noted that those in the 'not determined' category also gained a qualification, but its effect on levels of educational attainment could not be determined. Levels of satisfaction among this group are broadly comparable to those who gain qualifications at the same or lower level. We can therefore conclude that respondents perceive the benefits of ESF to be higher when they gain any qualification and that perceived benefits are greatest when the qualification gained is at a more advanced level. These perceptions are comparable to those reported in the 2009 and 2010 ESF Leavers Surveys.

**Table 5.3: Perceived Benefits of ESF**

*per cent employed respondents*

	Vital in gaining current job	More chance of finding job in the future	Would do the course again
	All those in a job that was not held prior to participation in ESF	All those not in work at the time of the survey	All
Lower Level	21.4	23.2	78.9
No qualification	13.5	15.8	66.8
Same Level	24.8	28.4	81.7
Higher Level	30.7	34.3	78.1
Not determined	23.9	27.3	78.2
Total	21.5	24.0	75.4
Sample	2,132	1181	3,544



## Chapter 6: The Effects of ESF on Participation in Employment

### Chapter Summary

- Data for the non-employed population suggest that levels of occupational training among the unemployed and economically inactive population in Wales are comparable with those observed in other parts of the UK.
- Participation in non Redundancy Training projects is associated with an average increase in the rate of transition into employment of 6 percentage points among those recently made redundant (42% among ESF participants compared with 36% within the wider labour market).
- Participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 12 percentage points among the unemployed (76% among ESF participants compared with 64% within the wider labour market).
- Among the economically inactive, participation in ESF is associated with an average increase in the rate of transition into employment of 9 percentage points (17% among ESF participants compared with 8% within the wider labour market).
- Participants in Redundancy Training are much less likely to enter low paid occupations following their participation in ESF (18% among ESF participants compared to 8% among those recently made redundant within the wider labour market).

### 6.1 Introduction<sup>7</sup>

The report of the 2010 ESF Leavers Survey was the first to contain the results of Counterfactual Impact Evaluation (CIE) techniques, where the labour market experiences of ESF survey respondents were compared with the experiences of similar groups of people in the wider labour market. Using Propensity Score Matching (PSM) techniques, respondents to the ESF survey were matched with respondents to the Labour Force Survey (LFS). The analysis focussed upon transitions into employment made by ESF participants who were unemployed prior to their participation in ESF. Such transitions were compared with those made by otherwise comparable people identified in the LFS.

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<sup>7</sup> This chapter incorporates data from the Annual Population Survey which is produced by the ONS and is accessed via special licence from the UK Data Archive, University of Essex, Colchester. None of these organisations bears any responsibility for the analysis or interpretation undertaken here.

In several respects, the analysis contained in that report represented the results of a pilot exercise to establish whether such techniques could usefully be applied to ESF Survey data. Whilst the analysis demonstrated that such techniques could be applied to ESF data, a number of issues remained. Firstly, there were a number of methodological limitations associated with using the LFS as a source of counterfactual data. Most significantly, the LFS based analysis relied upon a question that asked respondents to retrospectively recall their economic activity status 12 months earlier. This question was the source of data regarding employment transitions among the wider population. As a result, the characteristics of respondents being used for the purpose of statistical matching were being measured at the end of the 12 month period over which transitions were being considered. Whilst this is acceptable for time invariant characteristics, it does violate one of the key assumptions of CIE which requires the personal characteristics to be measured at the beginning of the period over which subsequent transitions are compared. Secondly, the estimated size of transitions into employment associated with participation in ESF was sensitive to the inclusion or exclusion of participants in Redundancy Training within the analysis, with the estimated employment transitions among these ESF participants being much larger than transitions among seemingly comparable respondents to the LFS. This suggested that the CIE analysis based upon the LFS was failing to make 'like for like' comparisons with respect to participants in Redundancy Training.

During 2012, the methodology of the CIE analysis was further developed in a report of the combined analysis of the 2009 and 2010 surveys. The important innovation for that analysis was the development of a new source of longitudinal counterfactual data based on the Annual Population Survey (APS). The longitudinal APS data set improved the accuracy with which a control group for ESF participants was developed. Specifically, transitions derived from the APS data could be based on linking actual responses to surveys over time rather than relying upon a question asking respondents to recall what they were doing 12 months earlier. This also meant that APS respondents could be matched with ESF survey respondents on the basis of characteristics as measured at the beginning of a 12 month period. A further benefit was that more detailed information could be included in the derivation of a control group from the APS data. Firstly, the duration of non-employment recorded

at the time of the survey (an important determinant of employability) could be included as an additional matching variable. Secondly, a question related to redundancy during the previous three months could also be used to create a more accurate control group for participants in Redundancy Training.

The methodology developed to use the APS as a source of longitudinal data, including the particular measures used to derive a control group for participants in Redundancy Training, is detailed in the report of the combined analysis of the 2009 and 2010 ESF Leavers Surveys<sup>8</sup>. This chapter essentially updates the results of CIE techniques applied to ESF participants in the *Combined Analysis* report to include data from the 2011 survey. Unlike the rest of this report, the analysis in this chapter is based upon combined data from the 2009, 2010 and 2011 ESF Leavers Surveys. The CIE analysis requires respondents to the ESF survey to be observed for a period of at least 12 months following the commencement of the ESF intervention. This restriction placed on the ESF sample for inclusion does mean that many respondents to the surveys are not included in the CIE analysis, reducing the available sample size from that originally collected. Combining data across three surveys is therefore important to maximise the number of observations that can be included within this type of analysis. This is particularly the case for Redundancy Training participants who were not included in the 2009 Survey and for whom only APS respondents made redundant in the past 3 months can be included within the control group.

## 6.2 Occupational Training and the Annual Population Survey

We firstly consider the incidence of occupational training among the wider non-employed population as derived from the APS data. One concern in using the APS survey as a source of counterfactual data is that APS respondents may themselves have also participated in ESF training. The fact that administrative data records 350,000 participants in the 2007-2013 Programmes to date suggests that the penetration of ESF among the wider population is high. Therefore the employment transitions of ESF participants derived from the ESF surveys could simply be being compared against the employment transitions of ESF participants included within the APS. To address this issue, Table 6.1 considers the incidence of occupational

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<sup>8</sup> Available from WEFO website.

training among APS respondents. The APS asks respondents whether in the last three months they have taken part in any education or training connected with a job that they might be able to do in the future. It is estimated that only 14% of the unemployed and 3% of the economically inactive take part in some form of occupational training, indicating that the APS provides a valid source of counterfactual data against which to compare the relative transitions into employment among ESF participants. Also of interest, the incidence of occupational training among both the unemployed and economically inactive does not appear to vary significantly between the four countries of the United Kingdom. The bottom of Table 6.1 demonstrates that the non-employed who participate in occupational training exhibit much higher rates of transition in to employment than those who do not participate in such training.

**Table 6.1: Occupational Training Among the Non-Employed During the Last 3 Months**

	<i>per cent respondents</i>	
	Unemployed	Economically Inactive
<b><i>Incidence of Occupational Training</i></b>		
England	13.7	3.3
Wales	13.8	2.8
Scotland	14.0	2.4
Northern Ireland	12.0	2.2
All	13.8	3.0
<b><i>Employment Transition Rates</i></b>		
Received Occupational Training	49.5	20.4
No Occupational Training	36.4	6.5
All	38.0	7.3

Not all ESF training is related to occupational training, with approximately 70% of respondents to the ESF survey reporting that they had accumulated occupational specific skills as a result of their participation. As such, questions included in the APS would not necessarily be expected to pick up all ESF training activity in Wales. Furthermore, the APS respondents will also be reporting on occupational training received from across a range of sources and providers, such as support received via schemes funded by Central Government (e.g. JobCentre Plus). In the remainder of

the analysis, no restrictions are placed on the APS sample with respect to the receipt of occupational training. As such, the estimated effect of participation in ESF could be regarded as being evaluated against a 'baseline' level of support received by the non-employed.

### 6.3 Comparing Transitions into Employment

This section makes a simple comparison of the labour market transitions of ESF participants (the treated group) with respondents to the APS. Table 6.2 reveals that among respondents to the ESF Surveys, the unemployed exhibit a 12 month transition rate into paid employment of 52%, approximately 13 percentage points higher than that estimated from the APS. However, this differential is being driven by the particularly high rates of transition exhibited by those participating in Redundancy Training, where approximately three quarters (76%) of participants are in paid employment 12 months after participating in their project. Those unemployed who are participating in other types of ESF intervention exhibit broadly similar – though marginally higher - rates of transition in to paid employment (43%) than those in the wider population (38%). Excluding those participating in Redundancy Training, participants in ESF who are single, aged 18-25, suffer from a work limiting illness or have low levels of educational attainment appear to exhibit lower rates of transition in to paid employment. Among participants in Redundancy Training, it can be seen that there is relatively little difference in transition rates among different population sub-groups. This would suggest that the overriding characteristic of this group is their high employability having relatively recently been engaged in paid employment. APS data reveal that local labour conditions also influence the probability of somebody moving in to employment, although this is more difficult to gauge from the ESF data due to the geographical location of particular types of intervention. Finally, among both respondents to the ESF and APS surveys, a clear relationship emerges between duration of non-employment and employment transition rates, with those people who have been out of work for longer being less likely to enter into employment over a period of 12 months.

**Table 6.2: Comparing Employment Transition Rates Among the Non-Employed Population**

	<i>per cent respondents</i>					
	Unemployed				Economically Inactive	
	Non Redundancy Training	Redundancy Training	All ESF	APS	ESF	APS
Gender:						
Male	43.0	77.3	54.5	37.5	16.4	9.3
Female	41.7	71.9	48.7	38.8	17.1	12.4
Age:						
18-20 yrs	34.8	60.0	35.1	36.5	12.5	22.7
21-25 yrs	44.4	85.4	49.0	42.2	40.0	15.1
26-35 yrs	43.6	73.0	52.7	37.0	21.7	14.9
36-45 yrs	47.1	81.0	58.7	41.4	18.2	13.6
46-55 yrs	47.0	77.9	60.0	39.4	20.7	9.1
56-65 yrs	29.9	63.3	43.7	28.0	5.0	6.0
Work Limiting Illness:						
No	46.9	77.3	56.7	41.1	22.6	18.7
Yes	19.9	53.7	24.5	25.4	9.5	4.7
Educational Attainment:						
NQF Level 4+	57.3	78.3	68.2	51.1	17.4	20.9
NQF Level 3	44.8	72.2	54.0	43.6	27.7	14.6
NQF Level 2	43.3	77.5	51.1	39.4	19.8	13.1
NQF < Level 2	35.1	77.8	41.5	34.0	19.0	9.8
None	37.4	66.7	42.5	21.8	10.1	5.6
Other	42.9	73.9	56.5	36.9	27.3	10.3
Local area employment levels:						
q1 <0.707	42.0	76.6	49.6	32.5	14.3	8.3
q2 0.707-0.744	39.9	80.3	51.9	36.1	19.0	8.8
q3 0.744-0.766	52.4	70.7	62.0	38.8	39.4	12.0
q4 0.766-0.795	37.5	69.0	64.0	41.7		11.8
q5 0.795>	58.8	77.6	72.7	44.1		16.6
Duration of non-employment:						
<1 year -	54.2	76.8	63.9	47.9	33.3	21.6
1-3 years -	32.4	47.8	33.0	30.5	21.0	14.4
3 years+ -	24.0	33.3	24.0	19.9	12.6	6.1
Total	42.5	75.8	52.4	38.0	16.9	11.2

The final two columns of Table 6.2 present comparisons of employment transition rates for the economically inactive. A large majority of the non-employed respondents in projects aimed at improving participation in the labour market are unemployed rather than economically inactive. In contrast, the economically inactive represent approximately three quarters of the non-employed wider population. Whilst the unemployed are relatively homogenous in terms of their situation and attitudes towards finding work (out of work, looking for work and available to start work), the economically inactive are far more varied in their circumstances and preferences for work. As a result, it is more difficult to make 'like for like' comparisons in employment transitions among this group. By participating in ESF, inactive participants would appear to be expressing a preference for gaining employment. Among economically inactive respondents to the ESF survey, approximately 17% gain work during the 12 months following their participation in an ESF project. The APS provides information on the attitudes of the economically inactive about gaining employment. It is possible to exclude economically inactive APS respondents who indicate that they are not looking for work and do not want work from contributing to the control group. Among the remaining inactive APS respondents, the rate of transition in to paid employment is estimated to be 11%; six percentage points lower (or approximately a third lower) than the rate observed among economically inactive ESF participants.

Among respondents to the APS, rates of transition in to paid employment for the economically inactive population are higher among women, the young, those who do not suffer from a work related illness and those with higher levels of educational attainment. Employment transition rates appear to be particularly responsive to local labour market conditions, with rates of transition into paid work being twice as high in the top quintile of Unitary Authorities (17%) than those Unitary Authorities in the bottom quintile (8%). The likelihood with which the economically inactive enter work is also related to their duration of non-employment. These patterns are generally repeated among respondents to the ESF surveys, although the comparison suggests that ESF support has a disproportionately large effect on those who have not worked for three years or more, with more than twice the proportion of ESF participants making the transition to employment as the (admittedly very small) proportion of APS respondents. However, it must be noted that the economically

inactive represent a relatively small proportion of the non-employed sample within the ESF surveys and so estimates for particular population sub-groups will be subject to sampling variability.

#### 6.4 The Effect of ESF on Increasing Participation in Employment

To estimate the effect of ESF interventions on the likelihood that those out of work prior to participation gain employment following ESF, it is necessary to define a control group or sample whose experiences accurately reflect the hypothetical, unobserved outcomes for the treatment group in the absence of the ESF intervention. Simple comparisons of transition rates in to employment between data from the ESF Leavers Surveys and the APS can be confounded by a number of factors such as differences in the composition of the ESF and APS samples. To address this, statistical matching has been undertaken utilising Propensity Score Matching to simultaneously account for a variety of differences that may emerge between the ESF and APS samples. The variables used for the purposes of statistical matching are gender, age, educational attainment, family status, ethnicity, work limiting illness, local area employment rates and unemployment duration. The aim of PSM is to match each ESF participant to someone from the wider population who is most similar in terms of their probability of being an ESF participant. Once a comparison group is formed, the effect of the ESF intervention is estimated by simply comparing differences in outcome measures between the two groups. A more detailed description of Propensity Score Matching is provided in the report of the 2010 Leavers Survey and in the report of the combined analysis of the 2009 and 2010 surveys.

There are a number of different PSM techniques and detailed results based upon eight different estimation specifications are presented in Annex 2. The results derived from the different methods are very similar. Summarizing these findings by taking the average of the results estimated by the different PSM techniques, participation in non Redundancy Training projects among the unemployed is associated with an average increase in the rate of transition into employment of 6 percentage points (42% among ESF participants compared with 36% among respondents from the APS). Among the unemployed who have recently been made



redundant, participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 12 percentage points (76% among ESF participants compared with 64% among APS respondents). It is important to note that although the absolute size of the estimated differential in employment transitions is higher among participants in Redundancy Training, proportionately the effect of Redundancy Training (a 19% increase in employment) is similar to that observed among other forms of interventions (17%). Finally, among the economically inactive, participation in ESF is associated with an average increase in the rate of transition into employment of 9 percentage points (17% among ESF participants compared with 8% among APS respondents).

Additional analysis was undertaken among this group of participants to examine whether the attainment of additional qualifications from ESF could be demonstrated to have a differential effect on employment outcomes. The analysis revealed that the higher levels of additionality perceived by respondents who had achieved qualifications as a result of their participation in ESF did not translate in to improved employment outcomes. However, it must be noted that the only question asked in the survey which related to perceived additionality surrounding employment outcomes was whether ESF was vital to them gaining their current job. This does not imply that they would not have got *any* job in the absence of ESF. Therefore, a relationship between perceived additionality and actual employment outcomes can not necessarily be expected to emerge.

It is important to treat the results derived from these techniques with caution. It is not possible for statistical matching techniques to control for the effects of selection on to the projects. It is possible that the small positive effects associated with participation in ESF interventions on progression into employment could simply reflect the relative employability of those people who either chose or who were selected to participate in the interventions. This is of particular importance among the economically inactive among whom it is most likely to be the case that those who participate in ESF are particularly unrepresentative of the wider economically inactive population. Those who gained employment following ESF may also have been more likely to respond to the survey, thereby inflating the rates of transition in to employment among ESF participants. Nonetheless, estimated results for both the unemployed and the

economically inactive are broadly comparable with results produced by Ainsworth and Marlow (2011)<sup>9</sup> based upon their counterfactual impact evaluation of the net impacts of the 2007-2013 ESF Programme in England undertaken by DWP using administrative data. Despite the different methodology used (in that, for Wales we have merged data from separate surveys rather than use a single source of administrative data), the results presented here provide a useful 'ball-park' figure to frame the discussion surrounding the effects of ESF upon labour market outcomes.

## 6.6 Occupations Gained by the Previously Unemployed

We now turn to whether ESF participants are more or less likely to enter jobs that are regarded as being low paid. This analysis utilises definitions of low paying occupations derived by the Low Pay Commission (LPC). These occupations have been identified by the LPC as having a large number or proportion of low paying jobs<sup>10</sup>. A limitation of the occupational analysis is that the career history section of the Leavers Survey did not collect a detailed account of all the occupations held since participants had completed their ESF intervention. Occupations therefore refer to the jobs held by respondents at the time of the survey rather than a point exactly 12 months following the start of their participation in an ESF project. However, there is a high degree of continuity in the careers of ESF participants, particularly beyond 12 months following participation in ESF (see Figure 5.1). It is therefore likely that the occupation held at the time of the survey would also have been held at the end of a 12 month follow-up period.

Table 6.4 presents information on the proportion of previously unemployed ESF participants who make the transition into paid work and who enter in to a low paid job. Among respondents to the APS, it can be seen that approximately 35% of the previously unemployed who gain work take up jobs that are typically regarded as being low paid. Among the wider population, those previously unemployed who exhibit the greatest reliance upon low paid jobs as a source of employment include women (51% gaining employment in low paid jobs), those aged 18-20 (54%), lone parents (62%) and those with no qualifications (50%). Among respondents to the ESF Surveys, 27% of the previously unemployed who gain work do so within low

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<sup>9</sup> [http://research.dwp.gov.uk/asd/asd5/report\\_abstracts/ihr\\_abstracts/ihr\\_003.asp](http://research.dwp.gov.uk/asd/asd5/report_abstracts/ihr_abstracts/ihr_003.asp)

<sup>10</sup> <http://www.lowpay.gov.uk/lowpay/report/pdf/7997-BERR-Low%20Pay%20Commission-WEB.pdf>

paid jobs. However, this lower incidence of employment in low paid jobs is being driven by the particularly low rates of low paid work exhibited by participants in Redundancy Training. Only 9% of those among this group who gain work are employed in a low paid occupation at the time of the survey. Excluding those who participated in Redundancy Training, 39% of ESF participants who gain work are employed in low paid occupations at the time of the survey, broadly comparable with estimates for the wider population derived from the APS.

**Table 6.4: Entry in to Low Paid Jobs Among the Previously Unemployed**  
*per cent respondents*

	Non Redundancy Training	Redundancy Training	All ESF	APS
<b>Gender:</b>				
Male	25.2	6.6	16.6	21.8
Female	59.9	14.8	46.1	51.1
<b>Age:</b>				
18-20 yrs	54.4	16.7	53.7	53.8
21-25 yrs	42.4	6.5	35.4	34.6
26-35 yrs	35.9	9.3	24.4	35.6
36-45 yrs	33.9	6.4	20.9	33.4
46-55 yrs	33.6	9.8	21.2	27.6
56-65 yrs	31.5	9.8	19.3	27.8
<b>Work Limiting Illness:</b>				
No	39.1	8.6	26.4	33.8
Yes	33.1	8.9	25.8	41.1
<b>Educational Attainment:</b>				
NQF Level 4+	24.4	3.8	12.1	20.5
NQF Level 3	42.6	10.5	28.7	37.1
NQF Level 2	45.6	11.4	34.8	40.1
NQF < Level 2	44.3	14.9	35.8	45.0
None	39.8	8.2	30.9	49.8
Other	22.6	6.0	13.3	32.2
<b>Duration of non-employment:</b>				
<1 year out of work	34.7	8.4	21.4	31.7
1-3 years out of work	42.0	15.0	40.6	36.7
3 years+ out of work	54.6	-	54.0	51.5
All	38.7	8.6	26.4	34.8
Sample	1,761	1,245	3,006	2,851

As with the analysis of employment transitions, statistical matching techniques have been used to examine how the incidence of previously unemployed participants entering low paid work following ESF compares with occupations typically gained by comparable unemployed from the wider population. The full results of this analysis are presented in Annex 2. An important change in the design of the 2012 survey was the collection of information related to the last occupation held by those respondents who were not in work prior to their participation in ESF. Occupations previously held are likely to be an important factor in governing what job an individual will find following ESF. This will be of particular importance among participants in Redundancy Training who have, by definition, recently held paid employment. Results for Redundancy Training are only based upon 2012 data so that previous occupation can be included as a matching variable. The control group for Redundancy Training is again restricted to those who are unemployed and have been made redundant in the last 3 months.

No statistically significant results were estimated for participants in non Redundancy Training interventions. However, participants in Redundancy Training are estimated to be significantly less likely to enter low paid occupations following their participation compared with comparable people in the wider population. The scale of this differential varies depending upon the estimation technique that is chosen, although it is generally in the order of 9-13 percentage points. The average differential derived from the 8 separate specifications is 10 percentage points (9% among ESF participants compared with 19% among APS respondents). As with the analysis of employment transitions, the positive effects associated with participation in Redundancy Training could simply reflect the relative employability of those who select on to the scheme. Nonetheless, Redundancy Training includes training to help respondents gain particular types of jobs and as such a reduced level of employment in low paid occupations could reflect outcomes from the scheme.

## CHAPTER 7: Supporting Progression in Employment

### Chapter Summary

- The nature of employment held among ESF participants who undertook projects aimed at improving progression in employment is concentrated towards relatively high skilled occupations at the upper end of the occupational distribution. Approximately half are employed in managerial, professional or associate professional occupations.
- Over 90% of such respondents are employed in permanent positions, with a similar proportion working more than 30 hours per week. Approximately 9 out of 10 respondents who were in employment at the time of the survey report that they are either satisfied or highly satisfied with their jobs.
- Approximately 7% of respondents report experiencing an improvement in their job (whether they are in the same job or in a new job) that could be directly attributed to their participation in ESF.
- Approximately 1 in 5 respondents who were employed in a different job from that held prior to ESF report that their ESF project was vital to them gaining their current employment.
- Perceptions of additionality are higher among those who gain qualifications from ESF that are at a higher level than that which they held prior to ESF.

#### 7.1 Introduction

This chapter examines the labour market experiences of survey respondents who participated in ESF interventions aimed at supporting progression in employment. These participants exhibit high rates of employment both before and after the intervention. Whilst these interventions may improve participation in the labour market insofar as they improve the chances of participants remaining in employment, the effects of these interventions on labour market status are expected to be much smaller than those observed among participants in projects aimed at improving participation in the labour market and employment. The focus of this chapter is therefore upon the characteristics of jobs held by participants from Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme. We firstly describe the nature of the employment held by these respondents, including occupations, hours, contractual status, earnings and job satisfaction. We then

consider the perceptions of respondents regarding any improvements that they have experienced in their jobs since participation in an ESF intervention and whether these improvements can be attributed directly to ESF.

## 7.2 Characteristics of current employment

Table 7.1 presents information on the nature of employment held by respondents at the time of the survey. It can be seen that the nature of employment gained among both groups of respondents is concentrated towards relatively high skilled occupations at the upper end of the occupational distribution. One in three respondents from Priority 2 of the Competitiveness Programme are employed in managerial occupations. This is compared with 1 in 5 who participated in projects under Priority 3 of the Convergence Programme. Among this latter group, 46% are employed in managerial, professional or associate professional occupations. Among those respondents from Competitiveness Priority 2, 55% are employed in managerial, professional or associate professional occupations.

In the case of both Priorities, more than 90% of respondents are employed in permanent positions, with a similar proportion working more than 30 hours per week. Earnings among these respondents are considerably higher than those achieved among respondents who participated in interventions aimed at improving participation in the labour market. Earnings are higher among participants in projects under Competitiveness Priority 2 (£446/week) than participants in projects under Convergence Priority 3 (£378/week). Among both groups of respondents, the gross weekly earnings of women are approximately 15% lower than that received by men. Approximately 9 out of 10 respondents who were in employment at the time of the survey reported that they were either satisfied or highly satisfied with their jobs.

**Table 7.1: Nature of current employment**

	<i>per cent of employed respondents</i>		
	Con P3	Comp P2	Total
<b>Occupation:</b>			
Managers & senior officials	21.0	32.9	23.3
Professional	7.6	7.2	7.5
Associate prof & tech	17.5	15.3	17.1
Admin and secretarial	10.6	5.9	9.7
Skilled trades	8.8	6.8	8.4
Personal service	10.8	5.6	9.8
Sales and customer service	4.4	2.0	4.0
Process, plant and machine	3.9	4.1	3.9
Elementary	5.0	5.6	5.1
Missing	10.4	14.6	11.3
<b>Contractual Status:</b>			
Permanent	89.0	95.0	90.1
<b>Hours worked per week:</b>			
Less than 16 hours	4.4	1.4	3.8
16-29 hours	8.6	6.1	8.1
30+ hours	86.6	92.1	87.7
Missing	0.4	0.5	0.4
<b>Earnings (Gross Weekly Earnings)</b>			
Male	416	478	429
Female	347	406	356
All	378	446	391
Overall satisfied/very satisfied with your present job	88.5	89.4	88.7
Sample	1827	442	2269

### 7.3 Improvements in job characteristics

Respondents to the survey who were in employment both prior to participation and at the time of the survey were asked to consider whether changes had occurred in the nature of their employment and whether they felt that any of these changes happened because of their participation. These questions were asked of both those who, at the time of the survey, were in the same or a different job to the one they held prior to the intervention. However, 85% of respondents from Priorities aimed at progression in employment hold the same job at the time of the ESF survey as they held prior to their participation in an ESF project.

Table 7.2 reports changes perceived by respondents in the nature of their employment. Among those respondents employed in the same jobs that they held prior to ESF, the most commonly reported improvements in job conditions were having had more training opportunities (64%), getting more job satisfaction (60%) and improvements in future pay and promotion prospects (53%). One in five (21%) of such respondents reported that they had been promoted following their participation in ESF. Respondents who were in a different job from that which they held prior to participating in an ESF project were more likely to report a variety of improvements in their jobs. The most commonly reported improvements in job conditions were getting more job satisfaction (83%), improvements in future pay and promotion prospects (77%) and having more opportunities for training (76%). The biggest differences in the nature of improvement reported by these two groups of respondents were having received a promotion or the job being at a higher level. This is perhaps to be expected as people who change jobs, particularly among those who quit their jobs voluntarily, are likely to do so in order to gain a job that is at a higher level. Respondents were also asked whether they felt the changes happened because of their participation in the intervention. Approximately 7% reported that an improvement in their jobs (whether in the same job or in a new job) could be directly attributed to their participation in ESF.

**Table 7.2: ESF and improvements in current job**

	<i>per cent employed respondents</i>		
	In the same job	In a new job	All Jobs
Promotion/new job is at a higher level	21.1	60.2	26.8
Pay rate, salary or income increased	40.4	65.6	44.1
More job satisfaction	60.4	83.2	63.7
Better job security	39.1	67.7	43.3
Improved pay and promotion prospects	52.9	77.4	56.5
More opportunities for training	63.8	75.8	65.5
Improvements directly related to ESF	7.3	7.5	7.4
Sample	1704	294	1998

It is therefore observed that many respondents who undertook ESF projects aimed at supporting progression in employment report that they have experienced some form of improvement in their conditions of employment, although only a small minority



directly attribute these improvements to their participation in ESF. The previous analysis provided details of respondents subjective assessment of job improvements. Table 7.3 aims to identify whether any changes in more 'objective' characteristics of employment occurred among those who were employed both before and after their participation in ESF. The analysis reveals that whilst there is a small decline in the proportion of participants who are employed in low paid occupations (21% prior to ESF compared to 18% at the time of the survey), there is no difference observed in terms of average hours worked or the proportion of respondents employed on permanent contracts. Whilst some larger differences emerge for particular population sub-groups, more detailed measures of employment relations (such as supervisory responsibilities) and contractual arrangements may be required to 'objectively' capture the improvements in employment conditions reported by respondents.

**Table 7.3: ESF and changes in job characteristics**

*per cent employed respondents*

n=2256	Prior to ESF	Time of survey
<b>Working in a low paid occupation (%)</b>		
Gender		
Male	10.9	8.9
Female	29.9	26.6
Age		
16-24 yrs	33.5	29.3
24+ yrs	18.5	16.0
All	20.5	17.9
<b>Average weekly hours (mean hours)</b>		
Gender		
Male	40.1	40.3
Female	34.4	34.1
Age		
16-24 yrs	35.1	35.5
24+ yrs	37.6	37.4
All	37.2	37.2
<b>Employed on a permanent contract (%)</b>		
Gender		
Male	91.3	91.7
Female	88.6	88.0
Age		
16-24 yrs	79.9	84.7
24+ yrs	91.6	90.6
All	89.9	89.8

Respondents who, at the time of the survey, were employed in a different job from that held prior to ESF were asked to what extent they thought that the course helped them get their current job. Table 7.4 shows that approximately 1 in 5 (20%) report that their ESF project was vital to them gaining their current employment. Also, approximately 8 out of 10 of all employed respondents (81%) who participated in projects aimed at supporting progression in employment report that, with the value of hindsight, they would do the course again. As discussed above in relation to Table 7.2, approximately 7% reported that an improvement in their jobs (whether in the same job or in a new job) could be directly attributed to their participation in ESF. These perceptions are comparable to those reported by respondents to the 2009 and 2010 ESF Leavers Surveys.

Table 7.4 also demonstrates how these assessments vary between different sub-groups of ESF participants. Among those who were in a different job from that held prior to ESF, men, younger participants, those with low levels of educational attainment prior to ESF and those who acquired qualifications through ESF at NQF level 3 or above were more likely to report that participation in ESF had been vital to them in gaining their current job. Younger participants, those with a work limiting illness and those who had acquired qualifications at an equivalent to NQF level 3 or above were more likely to report that they had experienced an improvement in their job that could be directly attributable to their participation. Finally, those who had acquired qualifications at an equivalent to NQF level 3 or above or at an unspecified level were most likely to indicate that, with the value of hindsight, they would do the course again. Those who reported suffering from a work related ill-health condition were less likely to indicate that they would do the course again. This is despite the fact that this group are more likely to report that they had experienced improvements in their jobs that could be directly attributable to their participation in ESF. A consistent finding that emerges across each of the three measures of perceived benefits is the importance attached by respondents to achieving higher level qualifications.

**Table 7.4: Perceived Benefits of ESF***per cent employed respondents*

	Vital in gaining current job	Improvements in jobs directly related to ESF	Would do the course again
Gender:			
Male	25.9	7.7	82.2
Female	14.3	7.0	80.1
Age:			
16 -18 yrs	25.0	10.0	75.0
19 - 21 yrs	29.9	7.4	86.0
22 - 24 yrs	21.2	8.7	76.9
16 -24 yrs	25.1	8.3	80.6
25 - 30 yrs	22.8	5.9	80.3
31 - 40 yrs	14.6	7.3	81.2
41 - 54 yrs	10.3	7.7	82.4
55+ yrs	15.0	6.0	78.0
Work limiting illness:			
Yes	20.8	11.4	69.7
No	20.0	7.1	81.6
Pre ESF educational attainment:			
None	*	6.1	73.1
NQF Level 1	30.2	8.3	78.6
NQF Level 2	25.8	9.0	81.9
NQF Level 3	21.1	7.2	79.1
NQF Level 4+	18.7	6.9	82.9
Unspecified	15.7	7.2	81.4
Qualifications achieved through ESF:			
None	13.4	4.2	74.7
NQF Level 1	12.5	3.7	79.8
NQF Level 2	13.9	6.7	77.9
NQF Level 3	34.5	10.1	83.9
NQF Level 4+	19.4	11.4	89.6
Unspecified	24.8	7.8	85.1
Total	20.1	7.3	81.1
Sample	613	1998	2472

Given the apparent importance of attaining additional qualifications from ESF to the assessments of respondents regarding additionality, Table 7.5 considers how these three self reported measures vary among different groups of respondents (classified according to the transitions in education attainment gained as a result of their participation). In common with the analysis of those who undertook projects aimed at supporting participation in the labour market (see Table 5.3), it can be seen that the perceived benefits of ESF are lowest among those who do not gain a qualification

and are highest among those who gain a higher level qualification than held prior to their participation. However, unlike the analysis of participants in projects aimed at supporting participation, among participants in projects aimed at supporting progression the attainment of lower level qualifications was associated with low levels of perceived additionality. Building upon existing levels of qualifications appears to be of greater importance to respondents who participate in ESF interventions aimed at supporting *progression* in employment than it does for participants in projects aimed at improving *participation* in employment.

**Table 7.5: Perceived Benefits of ESF by Educational Attainment**  
*per cent employed respondents*

	Vital in gaining current job	Improvements in jobs directly related to ESF	Would do the course again
	All those in a job that was not held prior to participation in ESF	Those employed at time of survey	All
Qualification transition			
Lower Level	13.3	6.4	78.5
No qualification	13.4	4.2	74.7
Same Level	23.0	8.4	85.4
Higher Level	33.8	12.1	82.4
Not determined	23.4	7.9	85.0
Total	20.1	7.3	81.1
Sample	613	1998	2472

## Chapter 8: Conclusions and Recommendations

The results of the 2011 ESF Leavers Survey build on the evidence base developed through the earlier 2009 and 2010 surveys, though allowance must clearly be made for the different composition of the sample. In this Survey, we have been able to draw on the records of a larger number and wider range of the 'live' ESF projects, though in the case of Priority 2 of the Competitiveness Programme, the respondents were overwhelmingly drawn from one redundancy training project.

As in previous years, the Survey highlights some very positive findings about:

- the strong satisfaction of ESF participants with the support which they have received, with three quarters saying they would do the same course again
- the conviction of participants that the provision has enhanced a wide range of skills (above all, job-specific occupational skills – with 72% reporting these effects)
- the impact of ESF interventions on confidence (with 86% reporting that it had impacted positively in this way), feelings about oneself (83%), enthusiasm for learning (74%) and softer skills.

In addition, an increased proportion of respondents this year (69%) recognised that ESF had funded the intervention.

At the same time, the proportion of the population selected for interviewing who did not recall the training (12%) was significantly higher than in previous years, which does not appear to be strongly related to the fact that the Survey was carried out later in the year, after more time had elapsed from the completion of participation. Relatively low rates of recall may well reflect the fact that many interventions are of relatively short duration (with almost 50% of those participating in interventions targeting the out of work participating for less than a month). Even for those not in work, interventions are often quite 'light touch'. The extent to which low rates of recall are associated with specific interventions might merit further investigation, as this might inform judgements on the value for money of these projects. It would also seem appropriate to agree on the preferred date for commencing the ESF fieldwork and to maintain consistency in the timing of the fieldwork across successive surveys.

Turning to outcomes, the evidence of the survey suggests participants on provision funded under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme (i.e. interventions targeted at participants who are not in work) generally show positive transitions after ESF intervention. Two-thirds of those who were unemployed and 30% of those who were inactive (using the Labour Force Survey definition, rather than the Benefits-related definition used for Programme management) had moved into work at the time of the Survey. As with previous Surveys, the evidence suggests most transitions occur immediately on completion of the intervention, but that employment rates do increase steadily over the 12 months after leaving.

These are clearly positive findings, as is the fact that a fairly large proportion (41%) of those who identify themselves as 'early leavers' left the provision to enter employment. While the very different views of the administrative records and Survey responses as to who is an 'early leaver' clouds this issue somewhat, this finding raises issues about using completion rates as a success measure for interventions targeting the unemployed or inactive and conversely for counting 'early leavers' as failures.

In terms of perceptions, as with previous Surveys, unemployed and inactive participants are significantly more likely to attribute actual and potential positive employment outcomes (in terms of finding work and being likely to find work for those still unemployed) and to say that they would have undertaken the same course again where they have gained qualifications. This is true even where those qualifications are at a lower level than ones they previously held, though the most positive results are associated with participants who have gained qualifications at a higher level. This key finding flags up the importance *for participants* of achieving qualifications, something which has not always been strongly recognised. However, these perceptions do not appear to translate in to differential employment outcomes among these groups.

We have once again undertaken a Counterfactual Impact Evaluation (CIE) to compare the employment transitions of previously unemployed or inactive

participants with the from a comparable group of people drawn from the broader population of individuals in the labour market. The results of this CIE – in line with last year’s analysis – suggest that the impact of ESF interventions on the unemployed (defined in the LFS’ terms) is relatively modest. Excluding Redundancy Training, participation appears to increase transitions to employment from approximately 36% to 42%. In other words, around 6% of those who participate in these interventions find work who would not have been expected to in the absence of ESF. This represents an increase in the proportion who gain employment of 17%. Comparing those participating in Redundancy Training, more than three quarters (76%) find employment. This compares with 64% of the matched participants in the APS. Therefore, around 12% of those who participate in Redundancy Training find work who would not have been expected to in the absence of ESF. This represents an increase in the proportion who gain employment of 19%.

For formerly inactive participants, the CIE suggests higher levels of additionality, albeit that the overall proportion of participants making successful transitions is much lower. Thus 17% of inactive ESF participants found work compared with 8% of the matched group, suggesting that more than 50% of the job-entries achieved by formerly inactive ESF participants might be in addition to what would otherwise have been achieved. Caution is needed, given the scale of the samples, but this is in line with the findings of DWP research that greater net impact is associated with interventions supporting those least attached to the labour market. However, there are important caveats associated with the CIE analysis that are particularly pertinent to the analysis of the economically inactive. Most significantly, the CIE analysis is not able to control for otherwise unobservable characteristics that might be associated with selection on to the scheme (e.g. motivation). The CIE results should be regarded as the potential ‘maximum’ effect associated with participation in ESF. Using alternative sources of data for CIE analysis should also be explored, such as administrative DWP/HMRC data to validate the present results and to possibly facilitate analysis for different population sub-groups, such as those with different employment histories.

Consideration of the pattern of training recorded in the APS for the unemployed also throws up some interesting findings. Those undertaking occupational training in the

previous three months (training which the respondent considers might be related to a future job) show significantly higher rates of transition to employment. The data also suggest that the overall proportion of the unemployed and economically inactive undertaking occupational training is no higher in Wales than in other parts of the UK, despite the greater intensity of ESF funding (as a result of Convergence funding for an area where two-thirds of the population live). Subject to caveats surrounding the ability of the APS data to cover all types of ESF interventions, there are several possible interpretations of this finding. Firstly, whilst ESF does add value in terms of the coverage of occupational training in Wales, the investment is only sufficient to ensure that levels of occupational training in Wales 'keep up' with levels observed elsewhere in the UK economy. Alternatively, ESF may be adding value in terms of the depth or intensity of the support received by those individuals with a propensity to undertake such training, but is not reaching beyond those groups who would in any case find ways of accessing support. These issues merit further research.

This finding might also tie in to the picture of labour market characteristics provided by the Survey evidence which confirms – probably with more force than in earlier Surveys – that the intended targeting of the majority of ESF interventions on those most distant from the labour market has not been carried through. Undoubtedly this is in part an effect of the economic climate, with more individuals closer to the labour market requiring support. It is important to stress that the Survey definition of 'inactive' is not the same as that used in the Programming documents. However, the fact that around three quarters of those engaged in the Priorities targeted at the unemployed and inactive, reported that they had either been continuously (around 40%) or mostly (around a third) in employment during their careers to date is food for thought.

The impact of current and recent economic circumstances (and possibly also the relatively job-ready nature of participants) is also reflected in the fact that those who had previously been unemployed were most likely to cite a lack of available jobs as the main reason why they had not been able to find work (40%). A further 6% cited the economic climate, rather than issues related to their own qualifications or skills (13%) or lack of work experience (11%). This suggests the need for Structural Fund interventions to address demand as well as supply side issues.



The survey also considers the experience and outcomes of those employed participants in interventions funded under Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme; i.e. those aimed at supporting progression in employment. The Survey findings suggest that although many leavers report positive changes in their work – in terms of job satisfaction, the prospect of pay or promotion, more opportunities for training, and just under half reporting pay increases - only around 7% of participants attribute progression in employment directly to their ESF intervention. Again, those achieving qualifications are more likely to do so than those who do not, while those moving jobs after ESF support are also more likely to attribute this to the ESF intervention than those who stay within the same job.

In this context, while over 80% of in-work participants say they would do the same course again - around a quarter of those undertaking training supported by these Priorities report that the main reason for them doing so was because their employer requested or required them to do so (with more than half saying that this was one reason). This highlights the fact that any rounded assessment of outcomes for those in employment need to take into account outcomes from the employers' perspective (such as improvements in productivity and competitiveness) which, inevitably, are not part of this Leavers Survey.

Finally, it is noted that it has not been possible to undertake CIE for this group. The transitions associated with participation in the labour market are more easily measured and more readily available within data sets that can usefully serve as sources of counterfactual data. Progression in employment is more subtle and therefore more problematic to measure. Earnings and earnings growth would be an obvious measure to examine. However, it would be very difficult to establish from a retrospective telephone survey the earnings of ESF respondents either prior to their participation in ESF or exactly 12 months following the beginning of their training course. However, as with the analysis of occupational training, the APS could be analysed to examine the wage returns associated with gaining a qualification at a particular level or undertaking a certain type of training, and how these returns vary in Wales compared to other parts of the UK. WEFO should give greater consideration

to how existing sources of secondary data can be used to provide evidence on which types of interventions may be expected to provide the largest returns. This may reduce the need to conduct surveys or enable surveys to focus more on providing evidence that cannot be gathered from existing data sources. We make a small number of recommendations relating in part to policy issues and in part to further research. In addressing policy issues, we are mindful of the fact that planning is now underway for the next round of Structural Funds interventions (2014-2020).

### *Policy Recommendations*

**Recommendation 1:** WEFO needs to consider whether the profile of participants, particularly in Convergence Priority 2 and Competitiveness Priority 1 is appropriate and consult with project sponsors on how more vulnerable groups within the labour market can be supported through ESF. In planning future Programmes, WEFO needs to give very serious consideration to increasing the emphasis on working with those with weaker labour market attachment, given the evidence that net impact is largest for these groups.

**Recommendation 2:** WEFO needs to continue to emphasise the importance of Structural Fund interventions which address the demand side of the labour market, in particular ERDF interventions which focus on assisting employers to invest in ways which create more employment opportunities.

**Recommendation 3:** WEFO should discuss with the European Commission and raise in the context of the negotiation of any future Programmes the question of whether completion rates are a suitable indicator of the success or failure of an ESF project.

**Recommendation 4:** WEFO should continue to emphasise the achievement of qualifications as a goal of ESF interventions, with a particular focus on achieving qualifications at a higher level than those which a participant already possesses.

### *Further research and investigation*

**Recommendation 5:** WEFO should investigate further the significance of the fact that the proportion of APS respondents undertaking occupational training is no higher in Wales than elsewhere in the UK, including clarifying whether ESF funded training is likely to be included in these figures.

**Recommendation 6:** WEFO should investigate further whether there is a clear link between certain types of intervention and low rates of recall of ESF-funded training, and consider whether this can and should inform judgements of the success and value for money of different interventions.

**Recommendation 7:** WEFO should consider what research can be commissioned to explore further the differential impact of ESF interventions on participants with different types of labour market history and how existing sources of secondary data could contribute to this programme.

**Recommendation 8:** WEFO should consider how the employer perspective on the impact of ESF interventions supporting the employed workforce can be brought together with the participant perspective captured by the Leavers Survey. This would most likely involve working with project-level evaluations with an employer survey dimension.

## **Annex 1: Survey methodology**

### **A1.1 Defining the sample population**

A file containing the details of 28,029 individuals who left ESF funded courses or learning during 2011 was provided to the research team by WEFO. This file contained the contact details of project participants, details of the course undertaken, the labour market position of project participants and information related to a variety of personal characteristics, including age, gender, educational attainment, disability, ethnicity, migrant status. The initial sample covered 38 ESF projects. Following guidance from WEFO, four projects were withdrawn from the sample file prior to the fieldwork commencing. Checks were undertaken on the database to remove records that did not have a valid telephone number. A small number of records from one project were also excluded as there was found to be an overlap with a concurrent evaluation survey being undertaken by IFF research. A further two projects were withdrawn during the very early stages of the fieldwork due to issues surrounding the nature of contact details that were provided. The total number of records loaded for the main stage of fieldwork was 21,580. The aim of the survey was to achieve interviews with 6,500 participants, whilst at the same time ensuring that the quality of the data was maintained through the achievement of a response rate of 50%.

### **A1.2 Survey methodology**

The ESF Leavers Survey was conducted via telephone interview. The design of the survey instrument for 2011 remained largely unchanged from that used for the 2010 study, although additional questions were included to improve the quality of the data in certain areas including more detailed response categories for the duration of non-employment and the last occupation held among those respondents who were not in work prior to ESF. Telephone interviews were conducted over a period of approximately eight weeks. The fieldwork ran from the 27<sup>th</sup> September to 21<sup>st</sup> November 2012. All respondents were offered the opportunity to be interviewed in Welsh. All interviewers working on the study received a face-to-face briefing, and were provided with accompanying interviewer notes. A member of the WEFO team participated in the briefing on the first evening of interviewing. All fieldwork took place from IFF's telephone centre in London.

A1.3 Survey outcomes and response rates

At the end of the fieldwork, a total of 6,016 completed interviews had been achieved. The complete breakdown of sample outcomes is shown in Table A1.1. In total 1,160 people refused or were unwilling to participate. A further 1,066 did not recall their course. There is no single objective estimate of response rates, estimates of which will vary depending upon chosen population base. Expressed as a percentage of all records that the research team attempted to contact, the response rate for the survey is estimated to be 34%. Excluding those participants with no telephone numbers or where the number supplied was found to be incorrect or where it was not possible to contact the participant, the response rate increases to 47%. Excluding those who had no recall of participating in the project or who were still on the project, the estimated response rate increases to 50%. There were 6,303 respondents who were happy for their data to be linked to other data sets (84%).

**Table A1.1: Developing a sample of leavers from ESF projects**

<b>Sample used (i.e. an initial telephone number)</b>	21,587
<b>Of which:</b>	
Unobtainable / wrong number	6,462
Called 9 or more times and no definite outcome	3,478
Refusals	3,095
No recall of learning, still on course, don't know if completed/left early	2,536
<b>Completed interviews</b>	<b>6,016</b>
<b>Response rates (population base in parentheses)</b>	
Sample loaded i.e. with an initial telephone number	28%
Sample with a correct telephone number - i.e. excluding unobtainable numbers or wrong numbers	40%
Sample with the correct telephone number and an eligible learner i.e. excluding 'unobtainable / wrong numbers', 'no recall of learning' and 'still on course / don't know if completed or left early'	48%

A1.4 Survey data and response bias

'Response bias' is the term used to describe the fact that people who display a certain characteristic (e.g. age, gender) may be more or less likely to respond to the survey. If this characteristic is also related to the factors we are studying in the survey, this creates potential bias in our interpretation of the survey results. For example, if women are more likely to respond than men, and if women have different reasons to men for participating in ESF training, then analysis of the reasons for

participation will be biased by the fact that the gender structure of the survey results will be skewed towards women. An obvious solution in this instance is to present separate results for men and women. Table A1.2 shows response rates to the survey presented by selected characteristics for which information was available within the administrative records supplied to the research team. Response rates are presented as a percentage of the total number of records supplied to the research team. This is because both (a) the ability of the interviewers to establish contact with a project participant and (b) the propensity of the contacted participant to agree to participate in the survey may be expected to vary between different groups.

The descriptive analysis of Table A1.2 reveals that response rates to the survey are lower among those under the age of 30 (particularly those aged under 21), lone parents, the disabled, those with lower levels of educational attainment and those who were identified as not completing their ESF intervention. There is also some indication to suggest that response rates are lower among those who completed their ESF intervention during the first quarter of 2011, although these differences are not large and no consistent pattern in response rates emerges among those who completed their interventions later during the year. It is acknowledged that the reasons for non-response among different groups cannot be determined. For example, the lower rates of response among those who did not complete their ESF project may reflect a lower willingness to participate in voluntary activities generally. Alternatively, non-completion may be related to other factors that also reduce their likelihood of responding to the survey, such as moving home. Differences in response rates between different groups of participants may themselves also reflect other differences in the characteristics of different groups. For example, lower rates of response among lone parents may reflect lower levels of educational attainment among this group rather than lone parenthood per se.

**Table A1.2: Response rates and survey population**

	Response Rates					Sample Size				
	Con P2	Con P3	Comp P1	Comp P2	Total	Con P2	Con P3	Comp P1	Comp P2	Total
<b>Gender:</b>										
Female	21.5	34.7	39.6	35.0	28.5	968	1097	305	184	2554
Male	23.3	34.4	35.9	33.0	27.4	1825	914	446	277	3462
<b>Age:</b>										
16-18 yrs	13.7	28.8	8.0	18.8	15.7	53	23	2	3	81
19-21 yrs	15.2	31.6	17.0	24.2	20.0	250	221	29	8	508
22-24 yrs	14.8	33.3	22.2	38.5	22.7	187	278	34	25	524
25-30 yrs	17.0	31.0	30.9	26.1	22.3	371	320	81	50	822
31-40 yrs	23.5	34.9	32.8	35.8	28.4	572	426	143	127	1268
41-54 yrs	30.2	38.7	47.5	32.9	34.6	983	629	326	188	2126
55+ yrs	33.0	36.1	48.9	45.7	36.7	376	114	136	59	685
<b>Family Status:</b>										
Single/Couple	23.3	34.8	38.1	34.1	28.6	2524	1916	705	452	5597
Lone Parents	18.0	30.3	28.6	24.3	20.9	269	95	46	9	419
<b>Disability:</b>										
Non-disabled	23.1	34.7	38.0	33.9	28.5	2485	1965	735	457	5642
Disabled	19.5	31.5	20.3	28.6	20.5	308	46	16	4	374
<b>Educational Attainment:</b>										
NQF < 2	20.9	35.2	36.7	35.4	24.4	350	77	91	39	557
NQF 2	21.8	29.3	33.3	35.1	25.6	666	448	170	97	1381
NQF 3	27.6	35.1	39.2	29.8	31.6	439	445	135	86	1105
NQF 4-8	24.0	38.9	39.1	34.6	31.3	879	950	350	237	2416
Don't Know	19.7	24.6	33.3	100.0	20.4	459	91	5	2	557
<b>Completion Status:</b>										
Completer	23.8	35.4	38.9	33.8	29.1	2548	1929	673	460	5610
Early Leaver	15.0	22.2	27.8	33.3	17.7	245	82	78	1	406
<b>Month of Completion:</b>										
January	20.1	34.7	30.2	33.3	25.4	253	206	38	38	535
February	19.9	30.7	34.6	30.0	24.7	206	178	47	19	450
March	22.3	28.0	31.9	34.5	25.7	230	194	60	39	523
April	25.4	28.5	42.2	32.9	28.4	249	152	78	25	504
May	26.9	33.3	34.8	35.2	30.3	239	202	72	31	544
June	24.0	31.1	38.9	30.5	28.6	213	259	65	40	577
July	24.1	35.1	34.7	33.0	29.4	201	202	61	37	501
August	23.9	42.7	42.6	20.4	30.4	171	125	63	11	370
September	23.2	49.0	44.1	31.3	31.5	198	154	67	37	456
October	21.2	38.6	36.9	40.1	25.2	396	102	52	66	616
November	20.2	45.5	40.2	38.5	29.0	198	133	70	87	488
December	24.0	42.0	36.6	30.7	29.1	239	104	78	31	452
<b>Total</b>	<b>22.7</b>	<b>34.6</b>	<b>37.3</b>	<b>33.8</b>	<b>27.9</b>	<b>2793</b>	<b>2011</b>	<b>751</b>	<b>461</b>	<b>6016</b>

To assess further the factors influencing survey response, we undertook a multivariate analysis of the response record for each potential respondent using logistic regression. This allowed us to measure the separate statistical significance of a variety of factors that could affect response. The analysis revealed that the associations between response rates and the personal characteristics described above are strong, separate and statistically significant effects. It was estimated that the young, the less educated, lone parents and those who withdrew early from an ESF project are less likely to respond to the survey. Additionally, the analysis revealed that participants in projects from Priority 2 of the Convergence Programme were least likely to respond than participants from other Priorities. This is likely to reflect a number of factors, such as the current economic activity of the respondents (more likely to be unemployed both prior to ESF and at the time of the survey) and the nature of interventions that these groups undertake. No consistent findings emerge in terms of the relationship between month of completion and response. Those who completed their interventions in August or September were most likely to respond to the survey, indicating some possible increased propensity to respond among those participants who completed their interventions at the end of an academic year.

#### A1.5 Development of sample weights

As noted above, the presence of response bias in the sample of respondents to the ESF survey could bias our interpretation of responses from the survey. To consider the extent of these problems, sample weights were derived from the logistic regression model based upon the inverse of the estimated predicted probability of response. Analysis of the data revealed that the utilisation of weights did not have a significant effect on the results of the descriptive analysis contained in the report. Much of the analysis in the report presents estimates for different groups of respondents which in itself will counteract the effects of response bias if these groups have different response characteristics. Whilst the survey weights have been retained on the data set, they have not been used for the purpose of this report



## Annex 2: Summary of Propensity Score Matching Results

### Table A2.1: Entering Employment

Calliper	Pooled 2009-2011 ESF Data		
	None	0.001	0.0001
<b>Non Redundancy Training - Unemployed</b>			
One to One	<b>0.069</b>	<b>0.064</b>	<b>0.057</b>
No replacement	2,263	1,693	1,226
One to One	<b>0.077</b>	<b>0.074</b>	<b>0.057</b>
With replacement	2,263	2,188	1,628
		<b>0.060</b>	<b>0.043</b>
Radius		2,188	1,628
<b>Redundancy Training - Unemployed</b>			
One to One	<b>0.117</b>	<b>0.123</b>	<b>0.143</b>
No replacement	478	219	126
One to One	<b>0.110</b>	<b>0.109</b>	<b>0.123</b>
With replacement	882	608	252
		<b>0.088</b>	<b>0.105</b>
Radius		608	252
<b>Economically Inactive – All Interventions</b>			
One to One	<b>0.080</b>	<b>0.090</b>	<b>0.118</b>
No replacement	387	288	203
One to One	<b>0.080</b>	<b>0.064</b>	<b>0.097</b>
With replacement	387	327	227
Radius		<b>0.064</b>	<b>0.107</b>
		327	227

**Bold** – significant at 5% level  
**Bold** - significant at 10% level

### Table A2.2: Entry in to Low Paid Work Among the Previously Unemployed

Calliper	Pooled 2009-2011 ESF Data		
	None	0.001	0.0001
<b>Non Redundancy Training</b>			
One to One	-0.003	0.000	-0.005
No replacement	678	467	199
One to One	-0.027	0.004	-0.022
With replacement	678	569	225
		0.009	-0.011
Radius		569	225
<b>Redundancy Training</b>			
One to One	<b>-0.133</b>	<b>-0.134</b>	<b>-0.122</b>
No replacement	210	149	115
One to One	<b>-0.046</b>	<b>-0.091</b>	<b>-0.088</b>
With replacement	676	361	228
		<b>-0.103</b>	<b>-0.090</b>
Radius		361	228