

# Routes onto Employment and Support Allowance

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## About this report

This report presents the findings of a two-wave survey of people who claimed Employment and Support Allowance (ESA) between April and June 2009. It was carried out by the Institute for Employment Studies (IES) and Ipsos MORI. The baseline survey involved face-to-face interviews with 3,650 people and was conducted between December 2009 and February 2010. A follow-up telephone survey was conducted with 1,842 participants who had consented to be re-contacted and took place between July and September 2010.

The aim of this research was to examine the characteristics of ESA claimants and to explore their employment trajectories over a period of approximately 18 months in order to provide information about the flow of claimants onto and off ESA.

## Characteristics of recent ESA claimants

ESA claimants tended to be slightly older than the general population of working age and were more likely to be male. The most commonly reported main health conditions among ESA claimants were musculoskeletal conditions (37 per cent) and mental health conditions (32 per cent). The prevalence of these conditions varied considerably by demographic characteristics with mental health conditions more common among women and younger people, and musculoskeletal conditions more common among men and older people. Many ESA claimants reported multiple health conditions (66 per cent) or fluctuating conditions (53 per cent).

## Routes onto ESA

Half (51 per cent) of ESA claimants were in paid work immediately before their claim: 22 per cent of all claimants had experienced a period of paid or unpaid sickness absence and 29 per cent had not. The remaining 49 per cent of survey respondents were from a non-work background. These two groups of claimants were found to differ in important ways, which are outlined below.

## Demographic and social characteristics

ESA claimants who were in work before their claim were older, more likely to be living as a couple and to have a partner who was in work than claimants who were previously out of work. Claimants from work backgrounds were twice as likely as those from non-work backgrounds to own their own home; more likely to have an uninterrupted employment record; and the vast majority (85 per cent) had been in employment for most of their working lives.

ESA claimants who had not been in paid work prior to claiming had a particularly disadvantaged socio-economic profile. Relatively high proportions had no qualifications or reported literacy problems. Almost one-third (29 per cent) of claimants from non-work backgrounds had never worked or were long-term unemployed and they were much less likely to be owner occupiers (23 per cent) than the general population of working age (67 per cent).

## Health

Almost three-quarters (72 per cent) of claimants who were in work prior to claiming ESA had a physical health condition; musculoskeletal conditions were the most common main condition. Half (49 per cent) of people claiming ESA from work had a health

condition which was of recent (2008/09) onset and over one-quarter (27 per cent) of conditions were attributed to work, particularly by men.

Mental health conditions were the most common main health condition among ESA claimants who were not working before their claim to ESA, accounting for almost two in five (38 per cent) of this group. One-third of people from non-work backgrounds (32 per cent) had a condition that started in 2003 or earlier and only a minority (11 per cent) identified their condition as work-related. The prevalence of birth defects or hereditary conditions was higher among claimants from non-work backgrounds.

### Work history

People who had been in work before claiming had mainly worked in the private sector on a permanent contract in lower paid jobs earning less than £20,000 a year. Over one-third (36 per cent) had worked in unskilled or semi-skilled occupations and one-quarter (25 per cent) in skilled trades. Fewer than one in five (19 per cent) had worked in managerial or professional occupations. Women were more likely than men to have held managerial or professional posts and six times as likely to have worked in administrative or service occupations, while men were over-represented in skilled trades, unskilled and semi-skilled occupations.

In their most recent employment, people who had claimed ESA from non-work backgrounds were more likely to have worked in lower skilled occupations and temporary, seasonal or casual contracts and were less likely to have earned high salaries than claimants who had been in work immediately before claiming ESA. Claimants from non-work backgrounds were also less likely to have previously worked in the public sector than those from work backgrounds.

### Sickness absence prior to claiming ESA

Thirty per cent of people claiming ESA from work had an intervening period of paid sickness absence before making their claim and 13 per cent had a period of unpaid sickness absence. Having a

period of sickness absence prior to an ESA claim appeared to be associated with certain employment characteristics. It was more common among public sector workers, employees in large organisations and employees on permanent contracts. People working in skilled trade occupations were the least likely to have had a period of sickness absence, perhaps because many were self employed.

### Reason for employment ending

Over half (55 per cent) of people who had been in work before claiming ESA had left their last job for health reasons, and 25 per cent because of redundancy. A higher proportion of women and public sector workers reported ill health as their reason for leaving and a higher proportion of men and private sector workers reported redundancy. A substantial minority of men (13 per cent) had left work because their temporary job had ended.

### The role of employers in helping people remain in work

Just under one-quarter (24 per cent) of people who had been in employment prior to their claim reported that they had access to Occupational Health (OH) at work. This was most common for people working in the public sector. Within the private sector, people working in larger firms were more likely to have access to OH. More than three-quarters of people who had access to OH had used it (77 per cent), and a fifth (21 per cent) had changes made to their work as a result. Almost three-quarters (72 per cent) of people who had made changes believed they had helped them to stay in work for longer.

Overall, 63 per cent of people who were in work before their ESA claim had discussed their condition with their line manager, and 27 per cent had discussed it with their Human Resources (HR) manager. This was most common among women and public sector workers. Mental health conditions were discussed less frequently than other conditions. People who had spoken to their employer about their health condition had generally found this helpful and approval ratings were highest in the public sector.

## Changes in health and health expectations

At the follow-up survey, all respondents were asked to reflect on how their health had changed since the baseline survey. Overall, 25 per cent of respondents said that their health had been getting better in the six months since the baseline survey; 25 per cent said that it was getting worse; and nearly half (49 per cent) reported stable or changeable health.

People who were in work before claiming ESA were more likely to report improved health in the six months between the baseline and follow-up surveys (29 per cent) than those from non-work origins. This differed by age with younger people in this group more likely to report improvement and older people deterioration in health. People aged over 50 also had more negative expectations about how their health would progress in the following six months.

Despite the younger age profile of people who were not in work before their ESA claim, a higher proportion of this group reported that their health had deteriorated (25 per cent) rather than improved (21 per cent) between the baseline and follow-up surveys. People from non-work backgrounds were also more likely than those from work to report that their health was changeable over time. There were no notable differences in health expectations between claimants from work and non-work backgrounds.

## Movements to work and policy implications

### *Relatively few claimants had entered work by the follow-up survey*

Overall, one-quarter (25 per cent) of all survey respondents were in work and working at the time of the follow-up survey.

### *Previous employment is important*

Just over one-quarter (26 per cent) of claimants in work prior to their claim who were allowed ESA (in

the Work-Related Activity Group (WRAG) or Support Group) had returned to work by the time of the follow-up survey. The highest employment entry rates were among people flowing onto ESA from non-manual occupations. In comparison, only nine per cent of people from non-work backgrounds who were allowed ESA had returned to work by the time of the follow-up survey. People least likely to have moved into employment were from non-work backgrounds with a fragmented longer-term work history. Avoiding long-term unemployment and inactivity, especially among younger age groups, should, therefore, be a policy priority.

### *Health and health beliefs are central to a return to work*

Work entry rates were highest among claimants whose claim was closed or withdrawn suggesting that recovery from short-term health conditions is a key trigger to moving into employment among this group. Considering the general survey population, early recovery (not having a health condition at the time of the baseline survey) and improvement or stability in health were central to work entry. Given the importance of health status in influencing a return to work, measures to facilitate access to treatment, and prevent deterioration in health and the development of secondary conditions are likely to improve return to work rates. The belief that work improves health also positively influenced work entry rates; as such, encouraging people in this belief may also play a role in promoting return to work

### *Qualifications also play a role*

Qualifications had a positive effect on employment entry rates for claimants who had been in work before claiming and for men in general. Therefore, assisting people without qualifications to obtain them may be of value.

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You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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