

Research report

# Work and the welfare system: a survey of benefits and tax credits recipients

by Trinh Tu and Steven Ginnis

Department for Work and Pensions

Research Report No 800

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Trinh Tu and Steven Ginnis

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# Abbreviations and glossary of terms

Benefit unit	An adult plus their spouse (if applicable) plus any dependent children living in the household.
Carer's Allowance	A state benefit intended to acknowledge the role of carers whose incomes have been affected by significant caring responsibilities and contribute to their financial support.
CTC	Child Tax Credit is a payment made by the government for bringing up children. Families with children will normally be eligible if their annual household income is £58,000 or less.
Council Tax Benefit	Council Tax Benefit is a benefit for people on a low income to help them pay Council Tax. It is paid by the local authority.
DLA	Disability Living Allowance is a tax-free benefit for disabled children and adults to help with extra costs they may have because they are disabled. There are two components to DLA: the care component which has three rates of payment; and the mobility component which has two rates of payment.
DWP	Department for Work and Pensions.
Full-time employment	A job of 30 hours or more per week, as defined by responses to the survey.
Part-time employment	A job of fewer than 30 hours per week, as defined by responses to the survey.
ESA	Employment and Support Allowance provides financial help to people who are unable to work because of illness or disability. It also provides personalised support to those who are able to work. ESA replaced Incapacity Benefit and Income Support paid on the grounds of incapacity for new claims from 27 October 2008.
ESA WRAG	Work Related Activity Group. ESA recipients can be placed either in the WRAG or Support Group. Recipients in WRAG will be expected to take part in work-focused interviews with a Personal Adviser and receive support to help them prepare for suitable work.
ESA Support Group	ESA recipients in the Support Group are not expected to work but can choose to work on a voluntary basis.
HB	Housing Benefit is a benefit for people on a low income to help them pay their rent. It is available to people in work as well as those out of work.

HMRC	HM Revenue & Customs.
IB	Incapacity Benefit is a weekly payment for people under State Pension age who are incapable of work because of illness or disability. From 31 January 2011, no new claims for IB have been accepted.
IS	Income Support is a top-up payment available to those on a low income and do not have to sign on as unemployed. Eligibility for IS depends on an individual's circumstances.
JSA	Jobseeker's Allowance is the main benefit for people of working age who are out of work or work less than 16 hours a week on average.
Lone parent	Parent or guardian with a dependent child under 16 who is not in a co-habiting relationship.
LSI	Long-standing illness, disability or impairment.
Main claimant	The predominant claimant of benefits or tax credits within a benefit unit, as prescribed by the survey screening process (see Section 1.2). Where a benefit unit comprised two adults, the main claimant was selected based on a hierarchy of benefits.
Partner	The partner or spouse of a main claimant.
SDA	Severe Disablement Allowance is a benefit for people who are unable to work as a result of a long-term severe illness or disability and who have not paid sufficient National Insurance contributions to qualify for Incapacity Benefit.
Self-employed	Those who work on their own account, irrespective of whether or not they have employees, in their main job.
Universal Credit	A new benefit to replace six income-related work-based benefits. Income-related Jobseeker's Allowance, Housing Benefit, Child Tax Credit, Working Tax Credit, Income Support and income-related Employment Support Allowance will be merged into a single universal payment.
WTC	Working Tax Credit provides financial support on top of earnings for people who usually work 16 hours or more per week. The amount paid is dependent on annual household income.

# Summary

This report contains the findings from a quantitative survey of benefit units receiving working age benefits and tax credits. The main aim of this research was to provide detailed information on views and attitudes to work among a representative sample of claimants who would be impacted by the transition to Universal Credit. The specific objectives of the survey were to:

- understand claimants' levels of commitment to finding work or increasing their hours, and the motivations and disincentives associated with varying levels of commitment;
- understand the relative impact of obligations and incentives in encouraging recipients to move into work/increase hours worked;
- understand claimants' current channel use and preferences and potential support required to use an online system; and
- obtain quantitative information on budgeting skills and behaviours.

The report provides statistical analysis of the characteristics, circumstances, behaviour and attitudes of benefit recipients including partners/spouses. The survey allows analysis of these issues by a broad range of personal and household characteristics (e.g. household structure, health condition, etc.). The research was commissioned to help the Department for Work and Pensions (DWP) implement Universal Credit.

The sample was randomly selected from the DWP and HM Revenue & Customs (HMRC) claimant databases and covered Great Britain.<sup>1</sup>

Interviews were conducted with the main claimant (defined using a benefit hierarchy) and, where relevant and possible, with the partner/spouse. A total of 4,315 households took part in the survey: 4,280 interviews with the main claimants and 1,249 additional interviews with the partners of main claimants.

## Characteristics of benefit units

The benefit units in this survey comprised:

- working households (either a couple with both in work, or a single claimant in work): 32 per cent;
- couple with one in work: 17 per cent;
- households out of work, with at least one of the main claimant or partner out of work for less than 18 months: 11 per cent;
- households out of work, with neither the main claimant or partner in work for at least 18 months: 40 per cent.

Around half of benefit units (49 per cent) had a child aged under 16 in the household, and these were equally divided between those with a youngest child under five and those with a youngest child aged five or over. Just four per cent had a child aged under one year old.

Just over half of benefit units (55 per cent) were single claimants, while 27 per cent were married and 18 per cent were cohabiting. The majority (60 per cent) were in long-term relationships (more than ten years).

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<sup>1</sup> Further information about the methodology can be found in Section 1.2 of this report, or in the Technical Report.

More than half of benefit units (55 per cent) were claiming tax credits, and 40 per cent were claiming Housing Benefit (HB) or Council Tax Benefit.

Four in five (80 per cent) benefit units contained at least one person who is not in full-time work; in 69 per cent of benefit units, no one worked full-time.

### Employment history

The majority of respondents had worked at some point; 47 per cent had worked solidly for most of their working lives. However, 11 per cent had never worked<sup>2</sup>.

There was considerable variation in terms of when non-working respondents had last worked and how long jobs had typically lasted. One in four (23 per cent) last worked in 2010 or 2011, but a similar proportion (25 per cent) had not worked in the last ten years. Meanwhile, 17 per cent said that their spells in work typically lasted less than 12 months, or that there had been too much variation to give an average, while 21 per cent said that they had tended to stay in work for more than ten years.

The reasons for stopping work fell into three broad categories: family or caring responsibilities, health, and redundancy/end of contract.

One in four respondents (26 per cent) was working part-time at the time of the survey. These respondents can be divided into those choosing to work a particular number of hours (e.g. because of family/caring responsibilities) and those who were unable to find a job with their preferred hours (e.g. full-time work).

Across the sample as a whole, it is possible to identify three broad groups of respondents:

- Younger (under 25), single respondents, often claiming Jobseeker's Allowance (JSA), who had either never worked or had a background of temporary or short-term work, often carried out quite recently.
- Older respondents, many claiming Incapacity Benefit (IB) because of a long-standing illness, disability or impairment (LSI), often in a couple without children, with a history of steady full-time work which stopped (in many cases because of health problems or disability), some time ago. Both this and the previous group were predominantly male.
- Female respondents, working part-time at the time of the survey or with a history of part-time work, but often with a less stable working background/with shorter working spells, with ability to work more, depending on children or family. This group was often claiming tax credits or Income Support (IS).

### Attitudes to work

Many non-working respondents expressed positive attitudes towards work. For example, 67 per cent agreed that they would be a happier, more fulfilled person if they were in work. At the same time, respondents often acknowledged that it would be difficult for them to start paid work.

There was a split in attitudes towards the financial implications of work, with equal numbers agreeing and disagreeing that the types of jobs they could get would pay enough to make it worthwhile working. A majority (74 per cent) agreed that 'there just aren't enough vacancies for everyone at the moment'.

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<sup>2</sup> All percentages quoted in this report are based on weighted survey data.

Respondents were twice as likely to agree as disagree that they would try a job that may not be ideal for them, if they didn't have to reapply for benefits if the job didn't work out.

Respondents in part-time work also expressed positive attitudes towards working, but were divided in their views of full-time work, both in terms of whether they would be happier in full-time work and in whether it would be easy or difficult for them to increase their hours. Opinions were also divided on the financial implications of full-time work, with equal numbers agreeing and disagreeing on whether they would be better-off working more hours.

Cluster analysis was carried out to divide respondents into distinct groups based on their attitudes to work. A total of six groups emerged, summarised as follows:

- Group 1: This group were less likely to feel the need to work full-time (among those currently working part-time) or at all (among those currently not doing any work). They perceived their role at home to be important and were happy with their current work status. Around half were working part-time (49 per cent); 75 per cent were female; and 59 per cent had a child aged under 16 living at home.
- Group 2: This group did not believe work/full-time hours to be a possibility for them, usually because of health problems or disability. They could imagine themselves as happier in full-time work, but were nervous about the prospect of working. The vast majority (94 per cent) were not working; 38 per cent were aged over 54 years; and 86 per cent had a LSI.
- Group 3: This group were settled into a life focused on their family at home, with no plan to increase their working hours (or work at all). (Full-time) work had some attractions but this group was nervous about the thought of work and felt it is not financially worthwhile. Twenty-one per cent were working part-time; 61 per cent had a child aged 16 or under living at home, with 31 per cent lone parents.
- Group 4: This group wanted to work (full-time) though they were slightly daunted by the prospect. They were unsure whether they would be better-off in (full-time) work and felt unsupported in making the transition. Four in five (82 per cent) were out of work; 42 per cent in receipt of JSA; with a high profile of young claimants (21 per cent aged 16-24).
- Group 5: This group were not looking for full-time work: they would like to be better-off but were not convinced that they would be happier in full-time work/any hours of work. A third (36 per cent) were working part-time and, consequently, members of this group were most likely to be in receipt of Child Tax Credits (49 per cent).
- Group 6: This group comprises active and positive jobseekers, confident and committed to finding full-time work (despite a tough job market). Most had been out of work only for a short time. Two-thirds (64 per cent) were receiving JSA; 59 per cent were single without a child; and 63 per cent were male.

## Attitudes and behaviour to finding work

The majority of respondents were not in work, with 23 per cent overall not in work and looking for work, while 52 per cent were out of work and not looking for work. Only a minority of those in part-time work were looking to work longer hours (five per cent of the total sample).

One in ten out-of-work respondents who were currently not looking for work said that they planned to look for paid work within the next year. The main reason offered for not looking for work was long-term sickness or disability, followed by wanting to look after children.

Where respondents were looking for work, the types of work they were aiming for generally matched the work they had done in the past, although the jobs they were looking for were less likely to be in



managerial or professional occupations, compared with what they had done previously. The type of occupation and the number of hours per week were the two factors considered most important by people searching for a job.

Among those not working but looking for work, the main barriers cited were a lack of suitable vacancies, along with lack of jobs in the local area and health issues. Respondents who were not in work mentioned a number of areas that they thought would help them to move into work: employers allowing some flexibility; help with travel costs; help with childcare costs or with finding good quality childcare; support from their family; and having a mentor at work.

### Budgeting behaviour

About two-thirds of respondents (68 per cent) said that they regularly work out how much money they get from work, benefits and tax credits and how much they are spending. This happens either at least weekly (49 per cent), fortnightly (17 per cent), monthly (29 per cent) or less often (four per cent).

There was an equal split between those who said they run out of money before the end of the week/month always or most of the time (34 per cent), those who run out of money more often than not or sometimes (33 per cent) and those who said they run out of money hardly ever or never (31 per cent).

Respondents said that, when they ran out of money, the two most common ways of borrowing were loans from a friend, a relative or a bank overdraft.

Respondents were asked about the potential impact of three different aspects of the budgeting proposals for Universal Credit. Most (75 per cent) said that the payment of all benefits or tax credits into one account would make no difference to them/their household or that this had already happened. Similarly, the majority said that it would make no difference if benefits and tax credits were paid as a single payment (63 per cent). However, 42 per cent said that it would make it harder for them to budget if payments were made monthly. Just ten per cent said this would make it easier for them, while 47 per cent said it would make no difference or that this already happened.

Where respondents thought that a change to monthly payments would make it harder for them to budget, the main concern was running out of money before the end of the month.

### Online behaviour

In total, 78 per cent of respondents said that they use the internet, including 48 per cent who said they use it every day. Internet access was most commonly from home, and the majority (74 per cent) said that they had a home broadband connection.

Around half of respondents (53 per cent) had searched for a new job online, while 43 per cent had found out about government services online and 14 per cent had put in a new claim for a benefit online.

The majority of respondents (62 per cent) said they would be willing to make an application for a benefit or tax credit online. Where respondents were not willing to apply online, this was either because of their own lack of skills, concerns about making a mistake, perceived cost, concerns about privacy or security, or a general lack of interest.

Just under half (45 per cent) said that they would need help or support to use the benefits and tax credit service online. The most popular type of support was a telephone helpline to answer queries if people get stuck online.

# 1 Introduction and methodology

This report details the findings for a survey of Benefits and Tax Credits recipients conducted in 2011.

The Welfare Reform Act of 2012 introduces a wide range of reforms with the aim of making the benefits and tax credits systems fairer and simpler. A key component is the introduction of Universal Credit, replacing a set of in and out-of-work benefits with a single benefit, intended to provide a streamlined welfare system and make the financial advantages of taking work or increasing hours clear to claimants.

Between October 2013 and the end of 2017, all existing claims to income based Jobseekers Allowance (JSA), Income Support (IS), income based Employment Support Allowance (ESA), Housing Benefit (HB), Working Tax Credit (WTC) and Child Tax Credit (CTC) will gradually move to Universal Credit.

Under Universal Credit, claims will be made individually by single people or jointly by both members of a couple. Universal Credit will be paid as a single, monthly household payment and the service will be 'digital by default', with the majority of claims expected to be made online.

Work-related requirements will be extended under Universal Credit, but will depend on the particular circumstances of individual claimants. For example, people with regular and substantial caring responsibilities, limited capability for work and work-related activity will not have any work related conditions placed upon them. All claimants will be required to accept a 'claimant commitment', setting out what is expected of them.

## 1.1 Objectives

The main aim of this research was to provide detailed information on views and attitudes to work, internet use and budgeting skills among a representative sample of claimants who would be impacted by the transition to Universal Credit. The specific objectives of the survey were to:

- understand claimants' levels of commitment to finding work or increasing their hours, and the motivations and disincentives associated with varying levels of commitment;
- understand the relative impact of obligations and incentives in encouraging recipients to move into work/increase hours worked;
- understand claimants' current channel use and preferences and potential support required to use an online system; and
- obtain quantitative information on budgeting skills and behaviours.

## 1.2 Methodology

The survey population was households in receipt of at least one qualifying benefit or tax credit<sup>3</sup> within the last six months<sup>4</sup>. The sample was randomly selected from Department for Work and Pensions (DWP) and HM Revenue & Customs (HMRC) claimant databases and covered Great Britain.

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<sup>3</sup> The qualifying benefits were defined as follows: JSA, WTCs, IB, ESA, Income Support (IS), Severe Disablement Allowance (SDA), Child Tax Credits, and HB.

<sup>4</sup> The DWP sample was based on benefit status information as of mid-February 2011; the HMRC database was more up-to-date and was based on benefit status information as of May 2011.

Interviews were attempted with a main claimant (established using a screener questionnaire) and their spouse/partner (where one existed).

The survey fieldwork was conducted between 27 June and 7 August 2011. Interviews were conducted face-to-face by Computer-Assisted Personal Interviewing (CAPI). In total, 5,529 individuals in 4,315 households took part in the survey (this includes 1,249 interviews with the partners of main claimants). The overall adjusted response rate was 51 per cent; the co-operation rate was 74 per cent<sup>5</sup>. The average interview length was 45 minutes for individuals and 75 minutes for couples.

The data have been weighted to correct for unequal selection probabilities and non-response. More detail about the methodology can be found in the technical report.

### 1.3 Introduction to the report

The report provides statistical analysis of the characteristics, circumstances, behaviour and attitudes of benefit units. The survey allows analysis of these issues by a broad range of personal and household characteristics (e.g. household structure, health condition, etc.). The main body of the report comprises six chapters:

- **Chapter 2. Understanding benefit units:** an analysis of the composition of benefit units, in terms of engagement with the labour market, presence of children, marital and partner status and benefit type.
- **Chapter 3. Employment history:** an analysis of work history, previous employment and information on claimants in part-time work.
- **Chapter 4. Attitudes to finding work:** a review of attitudes to finding work among those not working, and also the attitudes to full-time work among those currently working part-time. Cluster analysis was conducted which identified six different groups of respondents based on their attitudes.
- **Chapter 5. Attitudes and behaviour to finding work:** an examination of who is looking for work and whether those in part-time work are aiming to increase their hours, as well as information on jobsearch activities, barriers to work, and claimants' views on help and support that Jobcentre Plus can provide.
- **Chapter 6. Budgeting behaviour:** an analysis of current budgeting behaviour, claimants' perceptions of the potential impact of changes to how payments are made and the help and support required.
- **Chapter 7. Online behaviour:** an examination of current use of the internet and other technologies in everyday life, attitudes to applying for benefits online, and the types of support needed for online transactions.

Several terms are used throughout the report. The term 'benefit unit' refers to an adult and their spouse/partner (if applicable) plus any dependent children in the household. The term 'Main Claimant' refers to the predominant claimant of benefits or tax credits within a benefit unit, as prescribed by the survey screening process. Where a benefit unit comprised two adults, the main

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<sup>5</sup> The cooperation rate is the proportion of achieved household interviews out of households at which contact was made (at a household containing a named respondent). Please refer to Chapter 4 of the Technical Report for further information.

claimant was selected based on a hierarchy of benefits and whether or not the claim was made in their name.<sup>6</sup> A 'Partner' refers to the partner or spouse of a main claimant respondent.

It should be noted that the base size for statistical analysis differs by chapter:

- Chapter 2 reports on the benefit unit.
- Chapters 3-5 consider the behaviour and attitudes of all adults who are not in full-time work. This includes adults within the same benefit unit if they are both not in full-time work.
- Chapters 6 and 7 are based on interviews with main claimant respondents (including those in full-time work) to understand the impact of changes to the benefit and tax credit system at the wider household level.

It should be noted that where figures presented in charts and tables add to over 100 per cent, this may be due to rounding or because the question is multicoded and therefore allows for more than one answer.

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<sup>6</sup> The hierarchy of benefits used in the screening process was as follows: i) JSA; ii) Working Tax Credits; iii) IB; iv) ESA; v) IS; vi) SDA; vii) Child Tax Credits; viii) HB; ix) Council Tax Benefit; x) Carer's Allowance; and xi) Disability Living Allowance (DLA). More information about the screening process can be found in the Technical Report.

## 2 Exploring benefit units

This chapter explores the composition of the benefit units included in the survey, in terms of engagement with the labour market, children, marital/partner status, and benefit type.

### 2.1 Engagement with the labour market

The survey covered a sample of 4,280 benefit units – where a main claimant interview was successful – across all working-age benefits and tax credits.<sup>7</sup>

Overall there was an even split between benefit units where at least one person was in work and those where all adults – both the main claimant and their partner/spouse (if there is one present) – were not in work. Table 2.1 shows a more detailed breakdown.

**Table 2.1 Summary of benefit units and work**

Group	% of total sample
Working households (includes couples where both are in work and single claimants in work)	32
Couples: one works (includes couple where only one adult is in work)	17
Households out of work for less than 18 months (includes couples where both are not in work and single claimants not in work)	11
Households out of work for at least 18 months (includes couples where both are not in work and single claimants not in work)	40

We now look at the characteristics of these four groups.

#### 2.1.1 Working households

Benefit units in this group comprised couples where both adults were in work (47 per cent of ‘couples’ benefit units), as well as single claimants who were in work (53 per cent of ‘single’ benefit units).

This group consisted mainly of tax credit recipients, although 20 per cent of households claiming Jobseeker’s Allowance (JSA) were also present.<sup>8</sup> Those with children were more likely than those without to be residing in a working household. There is an incidence of benefit units with older children (58 per cent of those with a youngest child aged 13-16 compared with 19 per cent of benefit units with a youngest child under one).

#### 2.1.2 Couples: one adult works

This group was spread across different benefits, although again a large proportion were tax credit claimants. The proportion in this group was higher among those with young children (37 per cent of

<sup>7</sup> 4,315 households were interviewed; however, in 35 instances successful interviews were achieved with partners only and not main claimants.

<sup>8</sup> It is important to note that interviews were conducted with claimants who had been in receipt of benefits within the last six months. As noted in Section 1.2, the Department for Work and Pensions (DWP) portion of the sample was up to date as of mid-February 2011 with fieldwork starting in late June; it therefore follows that a number of those identified as having claimed JSA within the last six months had since found employment.

those with a child under one were in this group) than those with older children (16 per cent with a youngest child aged 13-16). This group had a relatively high proportion of full-time workers: 30 per cent of those working 30 or more hours per week were in this group.

### 2.1.3 Households out of work for less than 18 months

Only 11 per cent of benefit units were in this group, which was largely made up of single claimants (72 per cent). Linked to this, the most significant benefit type in this group was JSA; 38 per cent of those on JSA were in this group.

### 2.1.4 Households out of work for 18 months or more

This was the largest of the four groups, and a large proportion of Income Support (IS) claimants (84 per cent) were in this group. Single claimants and those without children were more likely than average to be in this group.

**Table 2.2 Household work history by household benefit, household composition and age of child**

All benefit units	Household work history			
	Household working	Couple: one works	Household out of work at least one under 18 months	Household out of work for 18+ months
	32	17	11	40
<b>Household benefit</b>				
JSA	20	8	38	34
Incapacity Benefit	2	17	3	78
Income Support	4	3	10	84
ESA/SDA/DLA	9	12	8	71
Child Tax Credit	43	25	8	24
Working Tax Credit	63	33	2	3
Housing Benefit	19	10	14	57
Council Tax Benefit	19	10	13	58
Carer's Allowance	10	14	8	69
<b>Household composition</b>				
No child, single	26	–	17	58
No child, couple	18	32	7	42
Child under 16, couple	40	40	7	13
Child under 16, single	42	–	9	50
Child under 16, other	42	–	14	44
<b>Age of child</b>				
No child under 16	23	9	14	53
Youngest child under 1	19	37	17	28
Youngest child 1-4	35	28	9	28
Youngest child 5-12	46	22	5	26
Youngest child 13-16	58	16	7	20

## 2.2 Children at home

Almost half of benefit units (49 per cent) had a child aged under 16 in the household, and these were equally divided between those with a youngest child under five and those with a youngest child aged five or over. Four per cent had a child aged under one year old.

Most benefit units with children were claiming tax credits (91 per cent of those receiving Child Tax Credit (CTC) and 75 per cent of those receiving Working Tax Credit (WTC)), while only 13 per cent of Incapacity Benefit (IB) claimants had a child under 16 in the household. A third of single claimants had a child under 16 (34 per cent), compared with 68 per cent of couples. In terms of housing tenure, those buying with a mortgage or with shared ownership were most likely to have a child under 16.

**Table 2.3 Age of child by household benefit, marital status and tenure**

All benefit units	Age of child				
	No child under 16	Youngest child under 1	Youngest child 1-4	Youngest child 5-12	Youngest child 13-16
	51	4	20	20	6
<b>Household benefit</b>					
JSA	72	2	9	13	4
Incapacity Benefit	87	1	2	8	3
Income Support	54	4	25	15	2
ESA/SDA/DLA	76	1	6	12	5
Child Tax Credit	9	7	39	36	9
Working Tax Credit	25	5	28	32	11
Housing Benefit	50	5	20	20	4
Council Tax Benefit	50	4	20	22	4
Carer's Allowance	55	3	18	20	4
<b>Marital status</b>					
Living with spouse	33	4	29	27	8
Living with partner	31	8	30	23	7
Single	66	2	13	15	4
<b>Tenure</b>					
Own outright	74	2	7	10	7
Buying with mortgage/ shared ownership	31	3	25	30	11
Private rent	44	6	28	19	3
Social rent	55	3	18	18	5
Rent free	79	2	11	7	1

*All benefit units (4,280)*

## 2.3 Marital and partner status

Just over half of benefit units (55 per cent) were single claimants, while 27 per cent were married and 18 per cent were cohabiting.

There were high proportions of single claimants for the following benefits: JSA, IS, Housing Benefit (HB) and Council Tax Benefit. A relatively high proportion of IB claimants and tax credit claimants were married and living with their spouse.

Single claimants tended to be younger than those who were married or living with a partner. A third of single claimants (34 per cent) had children under 16, compared with 67 per cent of those living with a spouse and 69 per cent living with a partner. Couples were more likely than single claimants to be owner-occupiers.

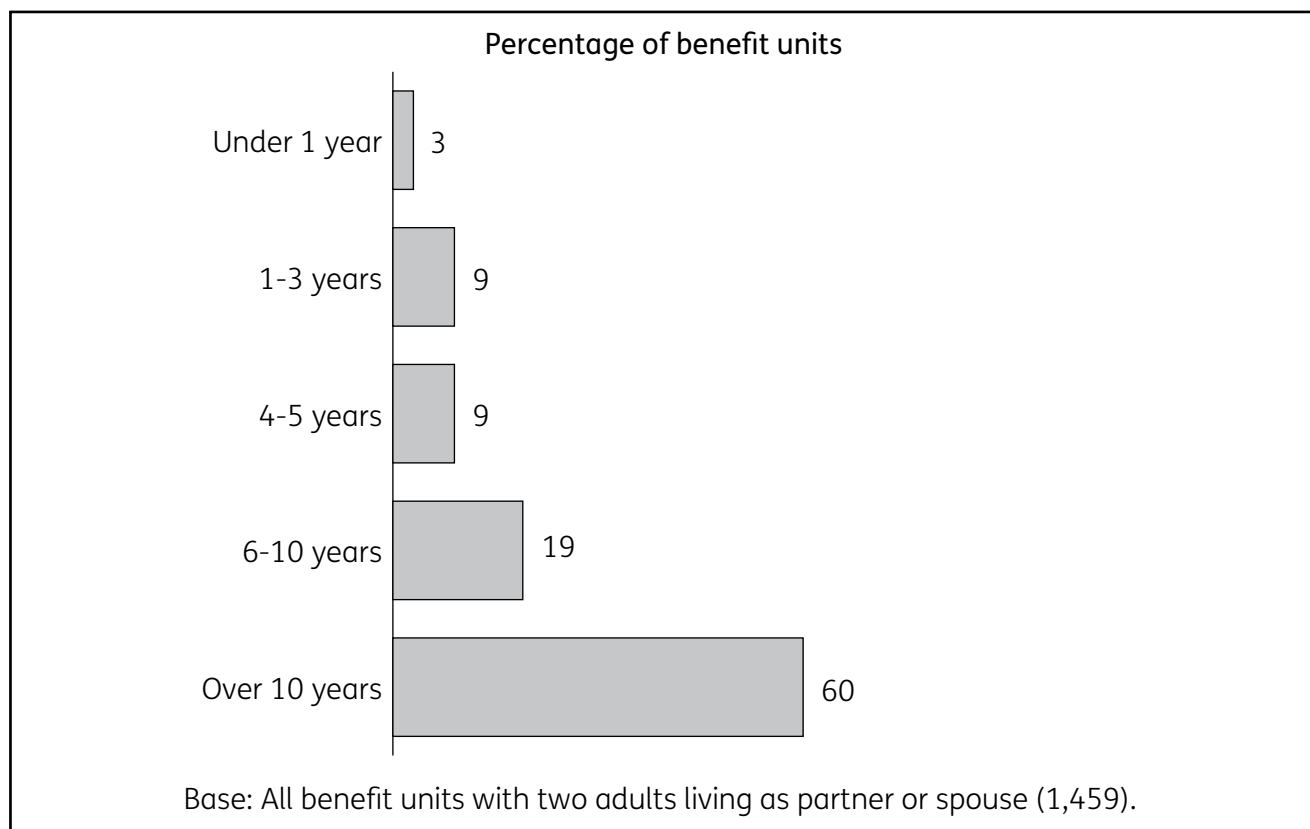
Single claimants were mostly out of work, while benefit units consisting of couples were likely to have at least one of the main claimant or partner in work.

**Table 2.4 Marital status by household benefit and household work history**

All benefit units	Marital status		
	Living with spouse	Living with partner	Single
	27	18	55
<b>Household benefit</b>			
JSA	12	15	73
Incapacity Benefit	35	16	49
Income Support	12	10	79
ESA/SDA/DLA	28	16	56
Child Tax Credit	36	25	38
Working Tax Credit	37	29	34
Housing Benefit	16	14	70
Council Tax Benefit	18	14	68
Carer's Allowance	31	25	44
<b>Household work history</b>			
Household working	29	18	53
Couple: one works	62	38	-
Household out of work less than 18 months	13	15	72
Household out of work for 18 months or more	15	10	75

The majority (60 per cent) of main claimants said they had been living with their spouse or partner for more than ten years (see Figure 2.1). Claimants of IB, IS, Employment and Support Allowance (ESA), DLA and Severe Disablement Allowance (SDA) were most likely to have been living with their spouse or partner for more than ten years, and long relationships were also more common among owner-occupiers than renters or those living rent free.



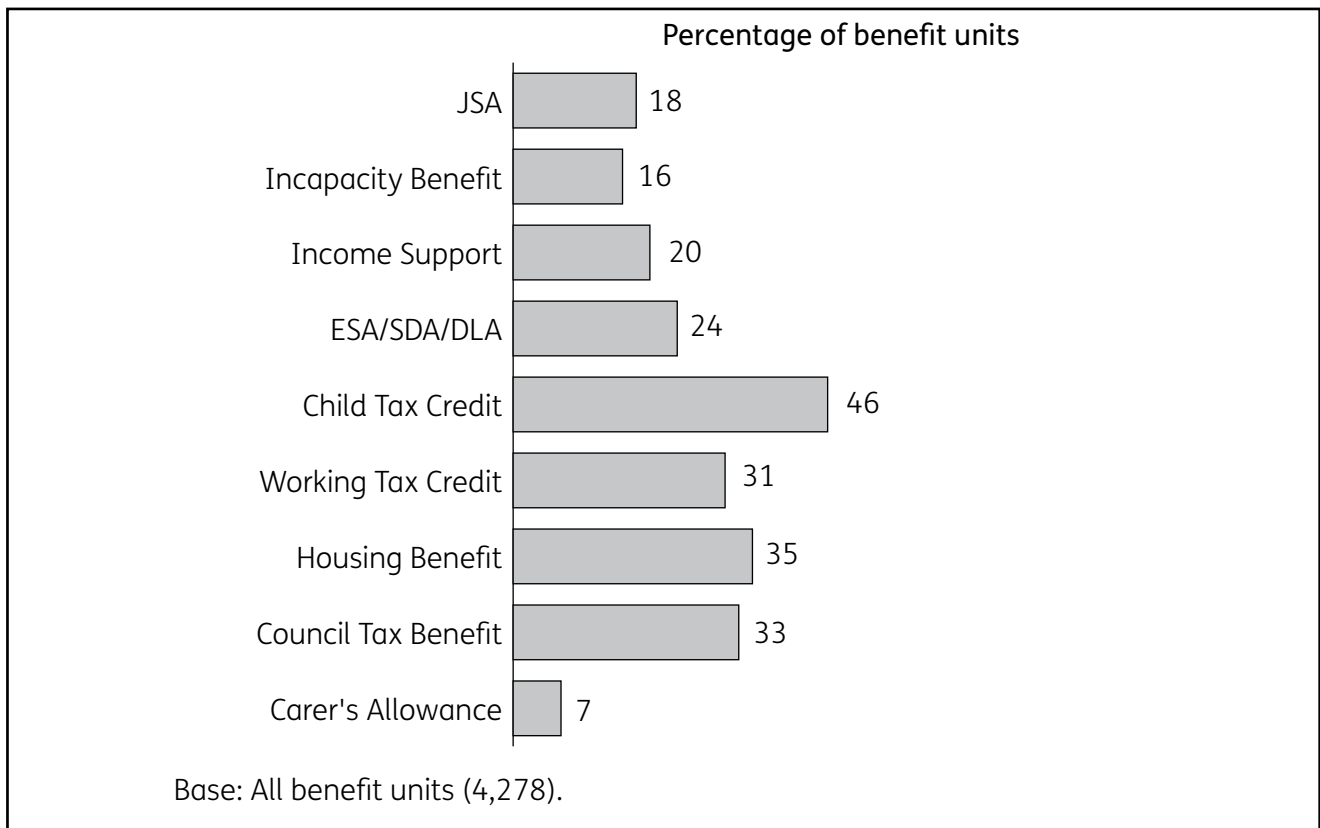
**Figure 2.1 Length of relationship**

## 2.4 Benefit type

Figure 2.2 shows the breakdown of benefit units by type of benefit; listing all of the benefits claimed for within an individual benefit unit – either by the main claimant or partner. More than half of benefit units (55 per cent) were claiming tax credits, and 40 per cent were claiming HB or Council Tax Benefit (CTB).

Analysing benefit type by household composition, a relatively large proportion of benefit units that contained one single person without children were claiming JSA (31 per cent), while a relatively large proportion of benefit units consisting of lone parents were claiming IS (41 per cent), HB (63 per cent) or Council Tax Benefit (61 per cent).

In relation to housing tenure, many of those benefit units living rent free were claiming JSA (50 per cent), while a relatively high proportion of those buying with a mortgage or with shared ownership were claiming tax credits (64 per cent CTC, 46 per cent WTC), and many of those who owned their home outright were on IB (43 per cent) or ESA, Severe Disablement Allowance (SDA) or DLA (35 per cent).

**Figure 2.2 Benefit type**

## 2.5 Benefit units with at least one person not in full-time work

Aside from changes to the way benefits credits are paid and applied for, the transition to Universal Credit will have the most significant impact on benefit units where at least one person is not in full-time work. Four in five (80 per cent) of benefit units contained at least one person who is not in full-time work; in 69 per cent of benefit units, no one worked full-time.

Among benefit units that contained a couple, more than half (56 per cent) had at least one person who is not in full-time work; 86 per cent of single adults are not in full-time work.

Chapters 3-5 of the report consider the employment history, attitudes and jobseeking behaviour of all individuals who are not in full-time work.

## 2.6 Chapter summary

The benefit units in this survey comprised:

- Working households (either a couple with both in work, or a single claimant in work): 32 per cent.
- Couple with one in work: 17 per cent.
- Households out of work, with at least one of the main claimant or partner out of work for less than 18 months: 11 per cent.
- Households out of work, with neither the main claimant or partner in work for at least 18 months: 40 per cent.

## 14 Exploring benefit units

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Around half of benefit units (49 per cent) had a child aged under 16 in the household, and these were equally divided between those with a youngest child under five and those with a youngest child aged five or over. Just four per cent had a child aged under one year old.

Just over half of benefit units (55 per cent) were single claimants, while 27 per cent were married and 18 per cent were cohabiting. The majority (60 per cent) were in long-term relationships (more than ten years).

More than half of benefit units (55 per cent) were claiming tax credits, and 40 per cent were claiming HB or CTB.

Four in five (80 per cent) benefit units contained at least one person who is not in full-time work; in 69 per cent of benefit units, no one worked full-time.

## 3 Employment and work history

This chapter reviews the work history of all respondents included in the survey who are not already in full-time work. All findings in this chapter are based on individual respondents, rather than benefit units.

### 3.1 Working background

All individual respondents who were not in full-time work – both main claimants and partners – were asked about their working background. Overall, 89 per cent said they had worked at some point, including 47 per cent who said they had ‘worked solidly’ (without a break or with only one or two breaks) since leaving full-time education. The remaining 11 per cent had never worked.

**Table 3.1 Work history by benefit type, age and ethnicity**

<i>Percentage of individuals not in full-time work (4,483)</i>			
<b>All individuals</b>	<b>Work history</b>		
	<b>Has worked</b>	<b>Worked solidly</b>	<b>Never worked</b>
	89	47	11
<b>Individual benefit</b>			
JSA	87	38	12
Incapacity Benefit	92	55	8
Income Support	82	30	18
ESA/SDA/DLA	84	43	15
Child Tax Credit	92	47	8
Working Tax Credit	95	58	5
Housing Benefit	89	43	11
Council Tax Benefit	92	45	8
Carer’s Allowance	88	41	11
<b>Age of individual</b>			
16-19	61	12	39
20-24	74	27	26
25-29	90	44	10
30-34	89	38	10
35-44	90	46	10
45-54	91	49	9
55-59	96	58	4
60+	96	78	4
<b>Ethnicity of individual</b>			
White	93	49	7
BME	72	37	28

As shown in Table 3.1, claimants of Working Tax Credit (WTC) and Incapacity Benefit (IB) were more likely than other respondents to have worked solidly since leaving education. By contrast, people receiving IS and those receiving Employment and Support Allowance (ESA), Severe Disablement Allowance (SDA) or Disability Living Allowance (DLA) were more likely never to have worked.

The main demographic differences were by age and ethnicity. Older respondents were more likely than younger respondents to have worked, and to have worked solidly; the proportion that had never worked was considerably higher amongst those aged 16-24 than older age groups. Related to this, single respondents (who tend to be younger) were less likely than respondents in a couple to have worked.

The proportion that had never worked was considerably higher among Black and Minority Ethnic (BME) respondents than white respondents.

In addition, men were more likely than women to have worked, and to have worked solidly (56 per cent of men had worked solidly, compared with 41 per cent of women). The proportion that had never worked was also higher among respondents with mental health problems (20 per cent) and those without any formal qualifications (21 per cent).

Among respondents who were in work (part-time), those working more hours per week were more likely to have worked solidly since leaving education. This applied to 72 per cent of those working more than 16 hours per week, compared with 59 per cent of those working no more than 16 hours per week.

### 3.2 Length of time out of work

Respondents who had worked in the past but were not working at the time of the survey were asked when they left their last job. There was a wide variation in response: around one in four (23 per cent) said they last worked in 2010 or 2011, but a similar proportion (25 per cent) had not worked in the last ten years.

**Table 3.2 Length of time out of work by benefit type, age of individual and age of child**

<i>Percentage of individuals who have ever worked but not currently working (3,033)</i>				
<b>All individuals</b>	<b>Year in which they left their most recent job</b>			
	<b>2011-2010</b>	<b>2009-2006</b>	<b>2005-2001</b>	<b>2000 or before</b>
	23	31	18	25
<b>Individual benefit</b>				
JSA	59	25	7	7
Incapacity Benefit	3	28	24	43
Income Support	12	26	25	33
ESA/SDA/DLA	10	27	21	39
Child Tax Credit	24	38	21	15
Working Tax Credit	32	32	20	14
Housing Benefit	21	32	20	23
Council Tax Benefit	19	31	20	26
Carer's Allowance	10	28	27	33
<b>Age of individual</b>				
16-19	86	12	–	–
20-24	52	41	5	–
25-29	35	40	19	3
30-34	27	32	27	10
35-44	22	27	21	28
45-54	15	26	17	38
55-59	10	30	20	37
60+	6	35	16	41
<b>Age of child</b>				
No child under 16	21	28	17	30
Youngest child under 1	39	36	12	5
Youngest child 1-4	28	42	20	8
Youngest child 5-12	20	24	27	26
Youngest child 13-16	22	32	8	36

The main variation was between JSA claimants and respondents claiming other out-of-work benefits. Most JSA claimants had worked since 2010, but the corresponding proportion was much lower for other benefits, particularly IB (three per cent). Related to this, there was a large difference in relation to disability: just four per cent of respondents with a long-standing illness or disability (LSI) had worked since 2010, compared with 37 per cent of other respondents.

There was also a strong pattern by age group. Younger respondents were likely to have worked recently, whereas older respondents had often not worked for several years. This pattern is partly related to the findings by benefit type, as JSA has a younger profile than other benefits.

Respondents with young children tended to have worked more recently than those with older children.

### 3.3 Average length of time in work

Respondents who had ever worked were asked how long they had tended to stay working at any one time. This question was limited to main claimants only (i.e. excludes partners).

There was considerable variation in responses, with some saying that they had typically spent less than 12 months in work, or that it had been too varied to give an average (17 per cent). At the other end of the scale, 21 per cent said that they had tended to stay in work for more than ten years at a time (see Table 3.3).

**Table 3.3 Average time in work by benefit type, age of individual, gender and disability**

<i>Percentage of individuals who have ever worked - main claimants only (3,203)</i>				
	<b>Average length of time in one job<sup>1</sup></b>			
	<b>Less than 12 months/too varied to say</b>	<b>1-4 years</b>	<b>5-10 years</b>	<b>More than 10 years</b>
<b>All main claimants</b>	17	34	27	21
<b>Individual benefit</b>				
JSA	34	34	21	11
Incapacity Benefit	12	21	26	40
Income Support	25	41	21	11
ESA/SDA/DLA	16	30	22	30
Child Tax Credit	13	41	30	15
Working Tax Credit	7	37	36	18
Housing Benefit	20	37	25	16
Council Tax Benefit	19	36	25	18
Carer's Allowance	17	42	17	22
<b>Age of individual</b>				
16-19	75	18	7	-
20-24	40	48	10	1
25-29	21	52	22	5
30-34	19	51	23	6
35-44	14	34	33	17
45-54	14	24	35	25
55-59	8	25	25	39
60+	3	7	24	66
<b>Gender</b>				
Male	19	29	22	29
Female	16	37	30	15
<b>Disability</b>				
Yes, mental	28	37	18	16
Yes, both	15	26	30	26
No	18	39	27	15

<sup>1</sup> The question asked: On average, how long have you tended to stay in one job/have you tended to stay working at any one time, or how long have your contracts tended to last?

The main variation was by age, with younger people tending to have had much shorter spells in work than older people. The pattern by type of benefit reflects this variation by age group (benefits with a younger age profile showing shorter spells in work): spells in work were typically shortest for Jobseeker’s Allowance (JSA) claimants, then increasingly longer for IS and ESA claimants, and longest for IB claimants. Recipients of Child Tax Credit and Working Tax Credit were more likely to be in the middle of the range (spells of work lasting one to four years or five to ten years).

Other demographic variations also reflect the pattern by age. Shorter spells in work were seen among single respondents (who are typically younger), with longer spells among couples without children under 16 (typically older).

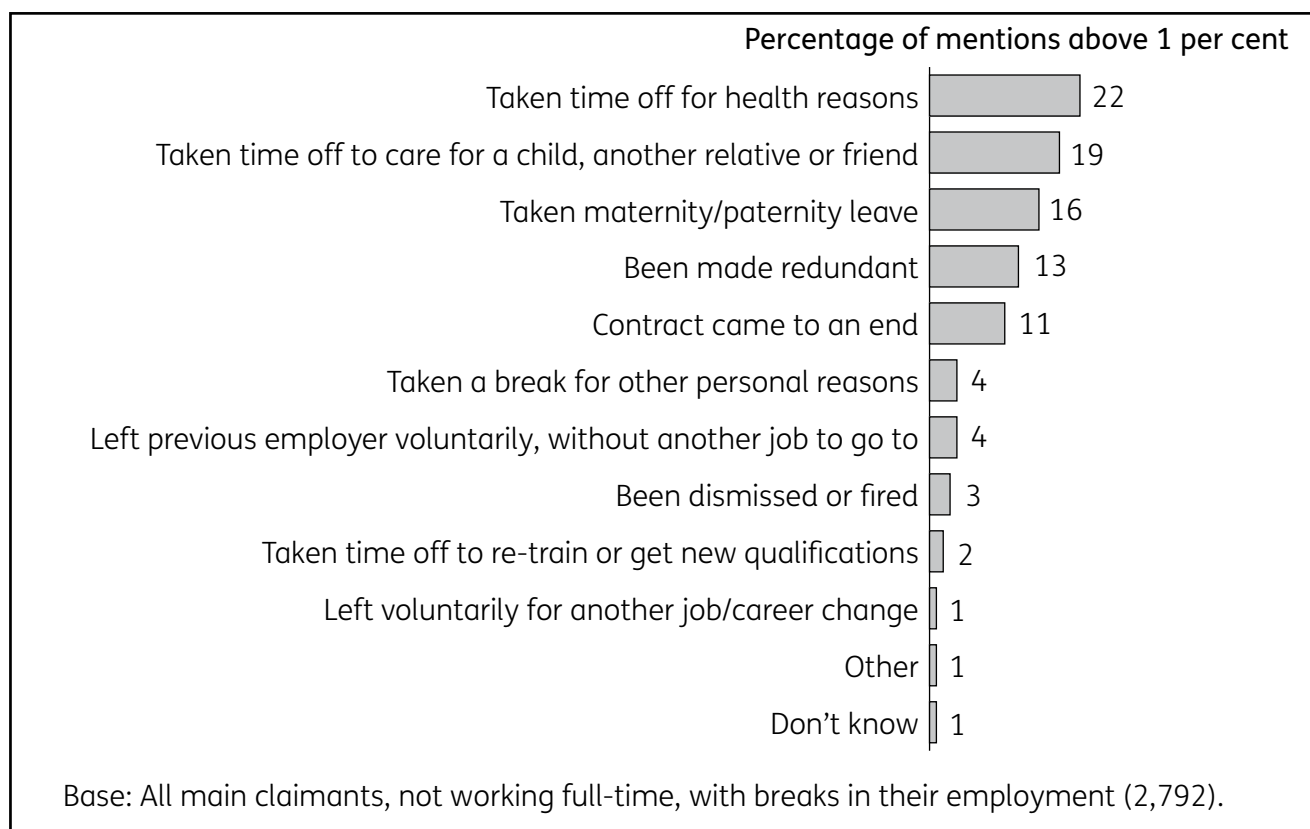
Respondents with a physical LSI had typically had longer spells in work (linked again to their older age profile), while claimants with a mental health condition tended to have had shorter spells in work. In addition, spells in work tended to be longer among men than women.

### 3.4 Reasons for leaving last job

Main claimants with experience of work but who had breaks in their employment were asked for the main reason for leaving their last job (choosing their answer from a list).

The most common reasons related to individual circumstances: health reasons, caring for a child or adult and maternity/paternity leave. In addition, some respondents left their last job because they were made redundant or because the job came to an end.

**Figure 3.1 Main reason for leaving last job**





Sub-group patterns can be grouped according to three types of reasons for leaving work. Firstly, those who left their last job for health reasons tended to be older people claiming IB or ESA. They were more likely to be male than female, and (at the time of the survey) were either not working or working a small number of hours (up to 16 hours per week).

Those leaving their last job either for maternity or paternity leave, or to care for a child or adult, tended to be female and in the middle age bands. People leaving work for these reasons were more likely than average to be receiving CTC or WTC, and in the case of leaving work because of caring responsibilities were more likely to be receiving Carer's Allowance. A relatively high proportion of those leaving their last job for maternity/paternity leave were (at the time of the survey) working part-time but were not looking to increase their hours. The group stating that they left their last job because of caring responsibilities contained a relatively high proportion of lone parents.

Finally, those who were made redundant or whose contract came to an end were typically male JSA claimants. The group stating they were made redundant contained a relatively high proportion of people aged 60 or over, while those whose contract came to an end had a young age profile, with a relatively high proportion of 16-24 year olds.

### 3.5 Type of previous employment

Respondents who had ever worked were asked what types of paid work they had spent most of their working life doing. This question includes both main claimants and partners.

The majority of respondents said they had done mainly full-time work (66 per cent), while one in four had mainly done part-time work or job shares (24 per cent). A minority had mainly done temporary/casual work (nine per cent) or had been self-employed (six per cent).

**Table 3.4 Type of employment by benefit type, age, gender and household composition**

<i>Percentage of individuals who have ever worked (3,924)</i>				
All individuals	Types of paid work done most often <sup>1</sup>			
	Mainly temporary/ casual work	Mainly part time work or job shares	Mainly full time work	Mainly self- employed
	9	24	66	6
<b>Individual benefit</b>				
JSA	17	19	64	4
Incapacity Benefit	5	10	84	5
Income Support	13	22	66	4
ESA/SDA/DLA	9	18	72	6
Child Tax Credit	9	33	60	4
Working Tax Credit	7	38	54	6
Housing Benefit	10	26	63	5
Council Tax Benefit	9	25	67	4
Carer's Allowance	10	20	64	9
<b>Age of individual</b>				
16-19	35	26	38	1
20-24	21	32	49	1
25-29	13	32	58	3
30-34	12	25	64	4
35-44	8	30	63	6
45-54	7	22	68	8
55-59	4	15	80	7
60+	1	10	82	11
<b>Gender</b>				
Male	10	10	74	11
Female	9	34	60	3
<b>Household composition</b>				
No child single	13	20	65	7
No child couple	2	11	84	7
Child under 16 couple	8	28	63	6
Child under 16 single	12	33	58	2
Child under 16 other	11	44	48	2

<sup>1</sup> The question asked read: Which of the following types of paid work have you spent most of your working life doing? The question was multicoded and so responses add up to more than 100 per cent.

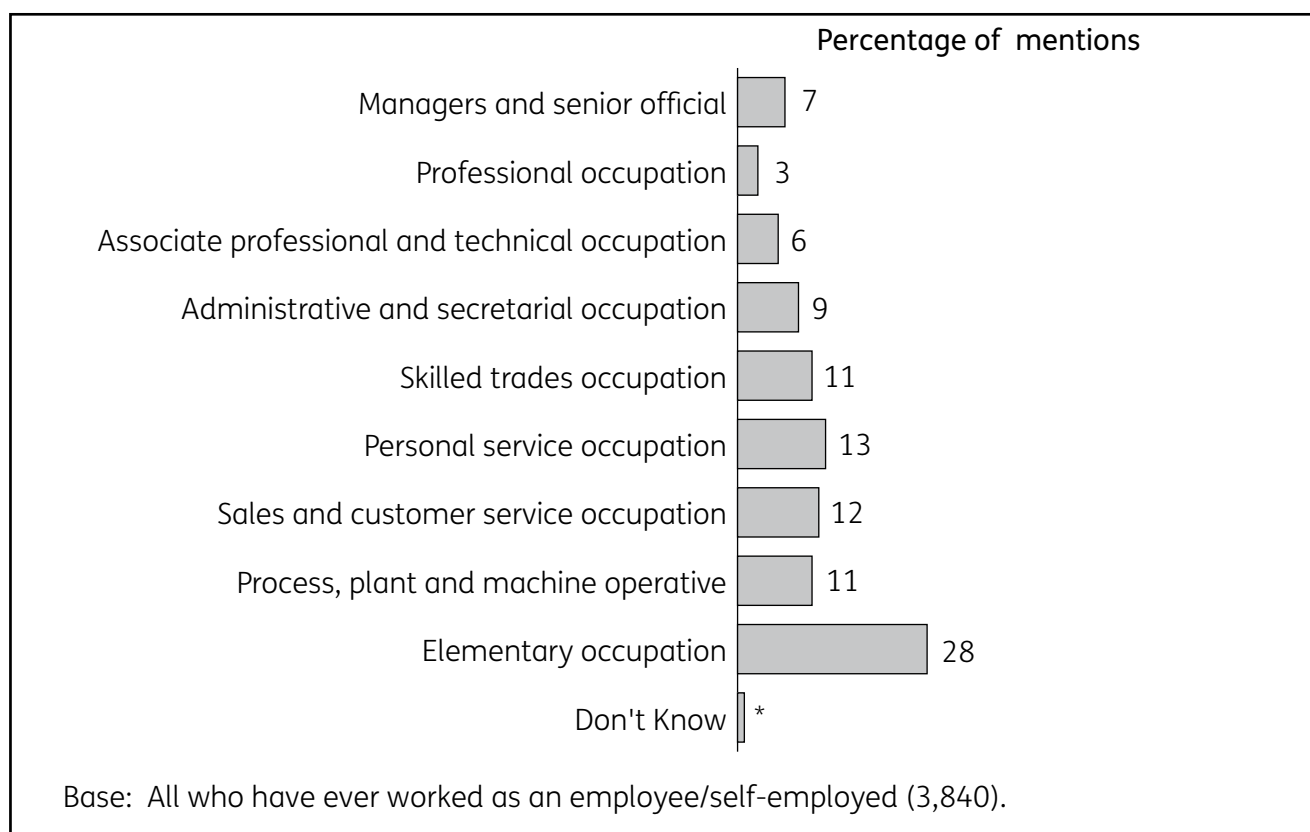
Respondents who had spent most of their life in full-time work were more likely than average to be claiming IB, male and in older age groups. They were also more likely to be highly qualified (e.g. to NVQ level 4 or above). By contrast, those who had mainly worked part-time were predominantly female, in the middle age bands, and were more likely than average to claim WTC or CTC. In addition, respondents with children were more likely than those without children to have mainly worked part-time, and this applied particularly to those with older children (42 per cent of those with a youngest child aged 13-16 had mainly worked part-time). JSA claimants, single respondents and those in the younger age groups (16-24) were most likely to have spent their working life mainly in temporary or casual work.

BME respondents were more likely than white respondents to have worked mainly in part-time work (29 per cent compared with 24 per cent) and in temporary/casual work (15 per cent compared with eight per cent).

Figure 3.2 shows respondents' occupation in their current or last job. Again, this question is based on all respondents (main claimants and partners) who had ever worked.

This shows that respondents were most likely to have worked in elementary occupations. Comparing these figures with the working age population as a whole (based on LFS data for April-June 2011), the largest differences are the much lower proportion of respondents in professional occupations among benefit respondents in this survey (three per cent compared with 19 per cent in the working population), and the higher proportion in elementary occupations (28 per cent compared with 11 per cent in the working population).

**Figure 3.2 Types of current (part-time) or most recent job**



Elementary occupations were more prevalent among JSA and IS claimants, younger respondents (aged under 25) and single respondents without children. IB claimants and those with higher qualifications were less likely to have worked in elementary occupations.

There were also differences by gender, reflecting workforce patterns in the general population. For example, men were more likely than women to work in skilled trades and process/plant/machine work, while women were more likely than men to work in administrative/secretarial occupations, personal service occupations and sales/customer service.

### 3.6 Part-time work

This section examines part-time work, with analysis including both main claimants and partners.

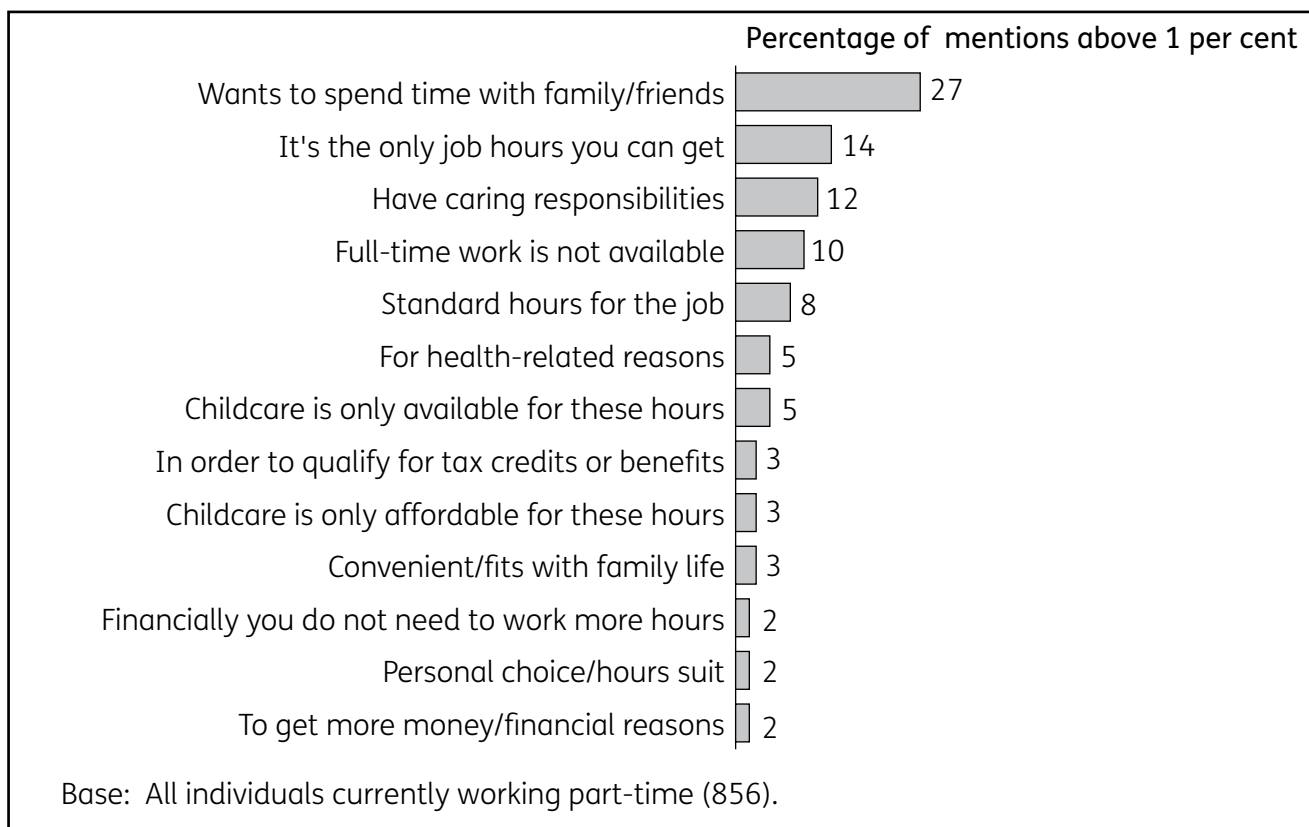
One in four respondents (26 per cent) were working part-time at the time of the survey, with the remainder not working. Many of those working part-time were claiming WTC or CTC. The group of respondents who were working part-time contained a relatively high proportion of women, as well as respondents in the middle age bands. Respondents with children were more likely than those without children to be working part-time, particularly those with older children and those in a couple. In terms of housing tenure, those buying their home with a mortgage/in shared ownership and those in private rented accommodation were most likely to be working part-time. Respondents with a LSI were less likely than other respondents to be working part-time.

**Table 3.5 Proportion working part-time by benefit type, age of individual, gender, household composition and age of child**

<i>Percentage of individuals not in full-time work (4,483)</i>	
<b>All individuals</b>	<b>Working part-time including self-employment (under 30 hours)</b>
	26
<b>Individual benefit</b>	
JSA	10
Incapacity Benefit	2
Income Support	3
ESA/SDA/DLA	7
Child Tax Credit	41
Working Tax Credit	74
Housing Benefit	19
Council Tax Benefit	17
Carer's Allowance	7
<b>Age of individual</b>	
16-24	15
25-34	32
35-44	37
45-54	25
55+	10
<b>Gender</b>	
Male	18
Female	31
<b>Household composition</b>	
No child single	13
No child couple	13
Child under 16 couple	49
Child under 16 single	33
Child under 16 other	34
<b>Age of child</b>	
No child under 16	14
Youngest child under 1	27
Youngest child 1-4	38
Youngest child 5-12	48
Youngest child 13-16	50

Respondents who were working part-time at the time of the survey were asked why they worked that number of hours. There was a broad distinction between those choosing to work a particular number of hours and those who were unable to find a job with their preferred hours (e.g. full-time work). In the former category were respondents who wanted to spend time with family or friends or who had caring responsibilities. The latter includes those who could only get a job with those particular hours or who said that full-time work was not available.

**Figure 3.3 Most important reasons for working part-time hours**



The main differences in reasons for working part-time were by gender. Women were more likely than men to be working part-time hours because of family or caring responsibilities, while men were more likely than women to say that they couldn't get full-time work or a job with their preferred hours.

Respondents who were working part-time because they couldn't get full-time work/the hours they wanted were more likely to be in a couple where one partner is in work, rather than in other working households.

There were no consistent patterns by number of hours worked. This indicates that the reasons for working a certain number of hours were similar, irrespective of whether respondents were just working a small number of hours (e.g. one to eight hours per week) or a greater number (e.g. more than 16 hours per week).

### 3.7 Chapter summary

The majority of respondents had worked at some point; 47 per cent had worked solidly for most of their working lives. However, 11 per cent had never worked<sup>9</sup>.

There was considerable variation in terms of when non-working respondents had last worked and how long jobs had typically lasted. One in four (23 per cent) last worked in 2010 or 2011, but a similar proportion (25 per cent) had not worked in the last ten years. Meanwhile, 17 per cent said that their spells in work typically lasted less than 12 months, or that there had been too much variation to give an average, while 21 per cent said that they had tended to stay in work for more than ten years.

The reasons for stopping work fell into three broad categories: family or caring responsibilities, health, and redundancy/end of contract.

One in four respondents (26 per cent) was working part-time at the time of the survey. These respondents can be divided into those choosing to work a particular number of hours (e.g. because of family/caring responsibilities) and those who were unable to find a job with their preferred hours (e.g. full-time work).

Across the sample as a whole, it is possible to identify three broad groups of respondents:

- Younger (under 25), single respondents, often claiming JSA, who had either never worked or had a background of temporary or short-term work, often carried out quite recently.
- Older respondents, many claiming IB because of a long-standing illness, disability or impairment (LSI), often in a couple without children, with a history of steady full-time work which stopped (in many cases because of health problems or disability), some time ago. Both this and the previous group were predominantly male.
- Female respondents, working part-time at the time of the survey or with a history of part-time work, but often with a less stable working background/with shorter working spells, with ability to work more, depending on children or family. This group was often claiming tax credits or IS.

In addition, there were three groups who were less likely to have ever worked, and/or to have had a history of stable/full-time work: BME respondents, those with mental health conditions, and those with low/no qualifications.

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<sup>9</sup> All percentages quoted in this report are based on weighted survey data.

# 4 Attitudes to finding work

This chapter reviews the attitudes to finding work among those not working, and also the attitudes to full-time work among those currently working part-time. Findings are based on individual respondents – both main claimants and partners. Those in the Employment and Support Allowance (ESA) support group are excluded, but otherwise findings cover all respondents not working or working part-time.

## 4.1 Introduction

Respondents were presented with either 29 statements (if not in work) or 22 statements (if working part-time), reflecting various attitudes to work. They were asked how strongly they agreed or disagreed with each statement. The individual statements were grouped into seven broad headings, representing distinctive types of attitudes: the perceived importance of work; norms; financial needs; response efficacy; jobseeking behaviour; attitudes towards risk; and attitudes towards change.

Cluster analysis was carried out on the findings to these questions (discussed in Section 3.3). The cluster analysis used a sub-set of statements (12 out of the 29 statements presented to those not working, and 12 out of 22 presented to those working part-time), which best represented and summarised the full range of attitudes. This report includes the findings for this reduced set of statements, grouped into the seven headings<sup>10</sup>.

Under each heading, findings are shown separately for those out of work and those working part-time.

## 4.2 Perceived importance of work

This section covers the first of the seven groups of attitudes, the perceived importance of work.

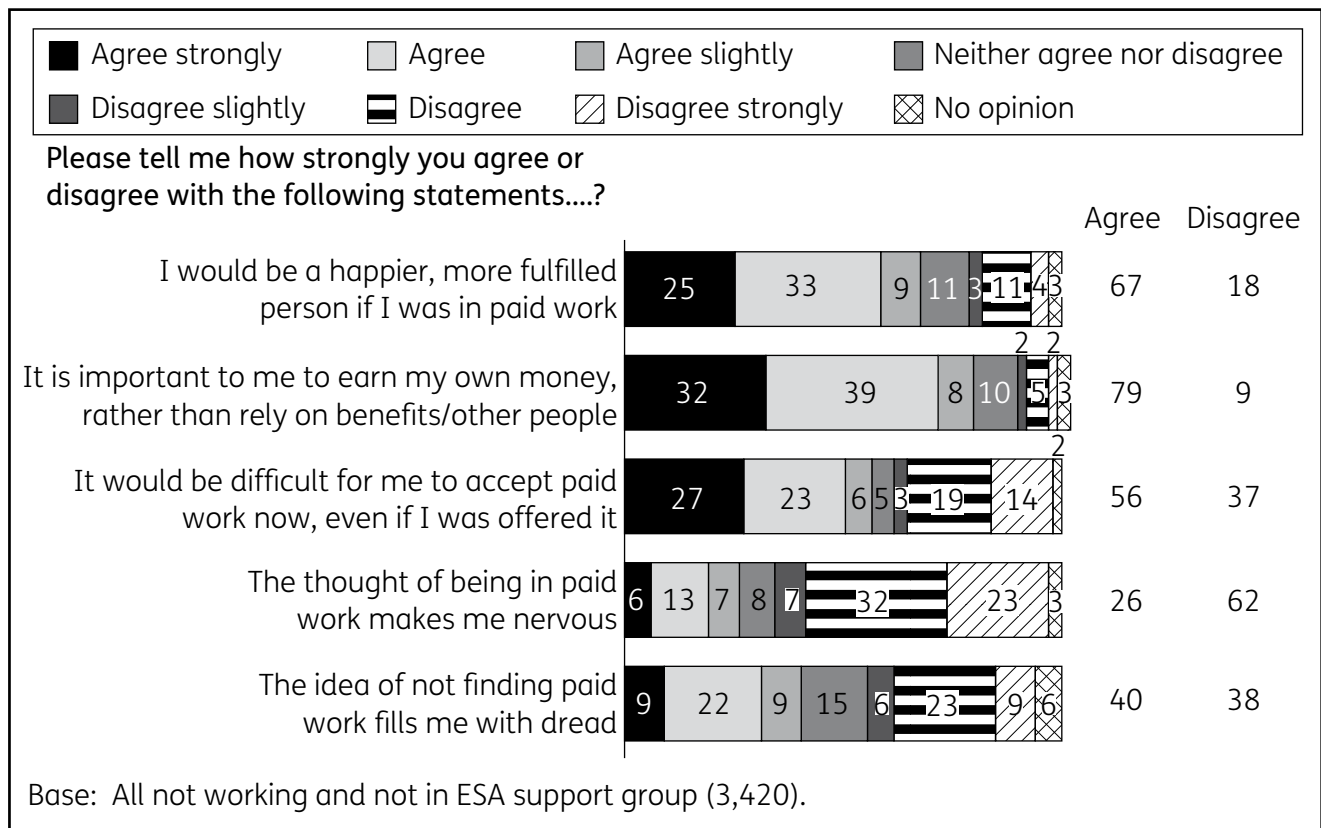
### 4.2.1 Out-of-work respondents

Many respondents who were not working at the time of the survey expressed positive attitudes towards work. Two-thirds (67 per cent) agreed that they would be a happier, more fulfilled person if they were in work, while 79 per cent agreed that it is important for them to earn their own money, rather than rely on benefits or other people. In addition, the majority of respondents (62 per cent) disagreed that the idea of being in paid work made them nervous. Despite these positive attitudes, respondents acknowledged that moving into work may be difficult: 56 per cent agreed that it would be difficult for them to accept paid work now even if they were offered it.

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<sup>10</sup> The cluster analysis did not use either of the two statements under the heading ‘Attitudes towards change’. We have included the findings for one of these statements, for the sake of completeness.

**Figure 4.1 Perceived importance of work: out-of-work respondents**



Some sub-group patterns applied consistently across the various statements. As one might expect, those who were looking for work, especially those looking more intensively (e.g. those that had applied for jobs recently) were more positive in their attitudes towards work, compared with those not looking for work. Reflecting this general pattern, attitudes were also more positive amongst Jobseeker’s Allowance (JSA) claimants, men, younger respondents, black respondents and those who were single (all of these sub-groups were more likely than average to be looking for work).

Similarly, those with less positive attitudes towards work were those who were less likely to be looking for work: recipients of Incapacity Benefit (IB), Employment and Support Allowance (ESA), Severe Disablement Allowance (SDA), Disability Living Allowance (DLA) or Carer’s Allowance, those with a Long-standing illness (LSI) and those without any formal qualifications.

In addition to these general patterns:

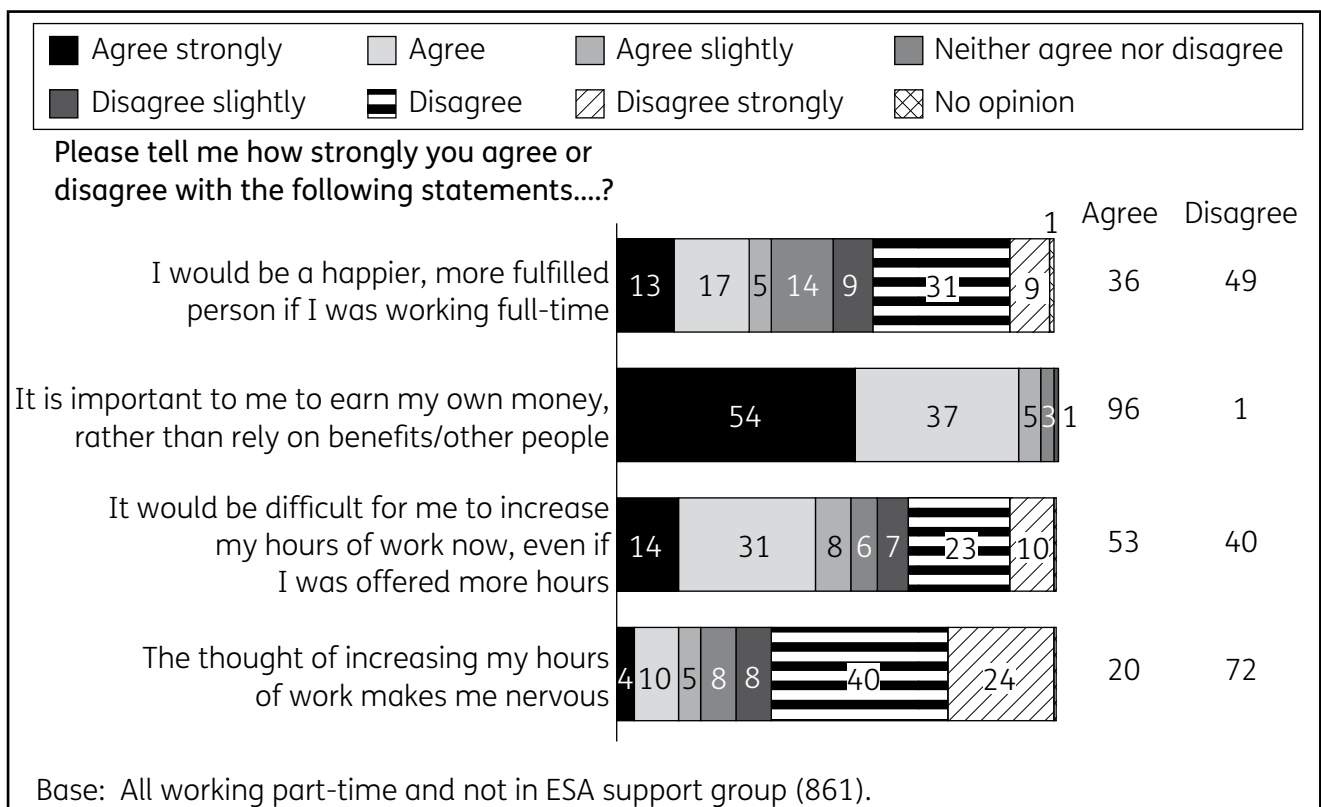
- Main claimants were more likely than partners to say that they would be happier and more fulfilled in work, and that it is important for them to earn their own money.
- Those with mental health conditions were less likely than other respondents to say that they would be happier and more fulfilled in work, and that it is important for them to earn their own money.
- Lone parents were particularly likely to agree that it is important for them to earn their own money.
- In terms of barriers to work, those that had barriers relating to ill health were most likely to agree that it would be difficult for them to accept paid work now, even if they were offered it, and that the thought of work makes them nervous.



### 4.2.2 Respondents working part-time

Respondents in part-time work also expressed positive attitudes towards working. Nearly all (96 per cent) agreed that it is important for them to earn their own money, and the majority disagreed that the thought of increasing their hours made them nervous. However, there was less strong agreement as to whether they would be happier and more fulfilled in full-time work (36 per cent agreed and 49 per cent disagreed) and whether it would be difficult for them to increase their hours (53 per cent agreed and 40 per cent disagreed).

**Figure 4.2 Perceived importance of work: respondents working part-time**



Across the various statements, attitudes to working full-time were most positive amongst sub-groups that were looking to increase their hours; specifically JSA claimants, men and single respondents without children. Attitudes to full-time work were less positive amongst those with a LSI or with barriers to work related to ill health, as well as those with barriers relating to childcare.

## 4.3 Norms

This section examines attitudes related to social norms.

### 4.3.1 Out-of-work respondents

The vast majority of respondents (95 per cent) agreed that they respect people who try hard to get paid work, including 43 per cent who agreed strongly. Just one per cent disagreed. The findings were consistent across the various sub-groups, although the proportion that strongly agreed was slightly higher among those with young children (aged under five), as well as those who were looking for work more intensively themselves (those that had applied for jobs recently).

### 4.3.2 Respondents working part-time

Respondents in part-time work were divided in their views on whether people who work full-time gain more respect. Almost half (46 per cent) agreed, while 37 per cent disagreed.

The main difference was by gender: men mostly agreed with the statement (64 per cent), but women were as likely to agree (39 per cent) as disagree (43 per cent). In addition, respondents who were looking to increase their working hours themselves were more likely than other respondents to agree that people who work full-time gain more respect. Related to this, JSA claimants, single respondents without children and Black and Minority Ethnic (BME) respondents were all more likely than average to agree (all of these sub-groups were also more likely to be looking to increase their working hours).

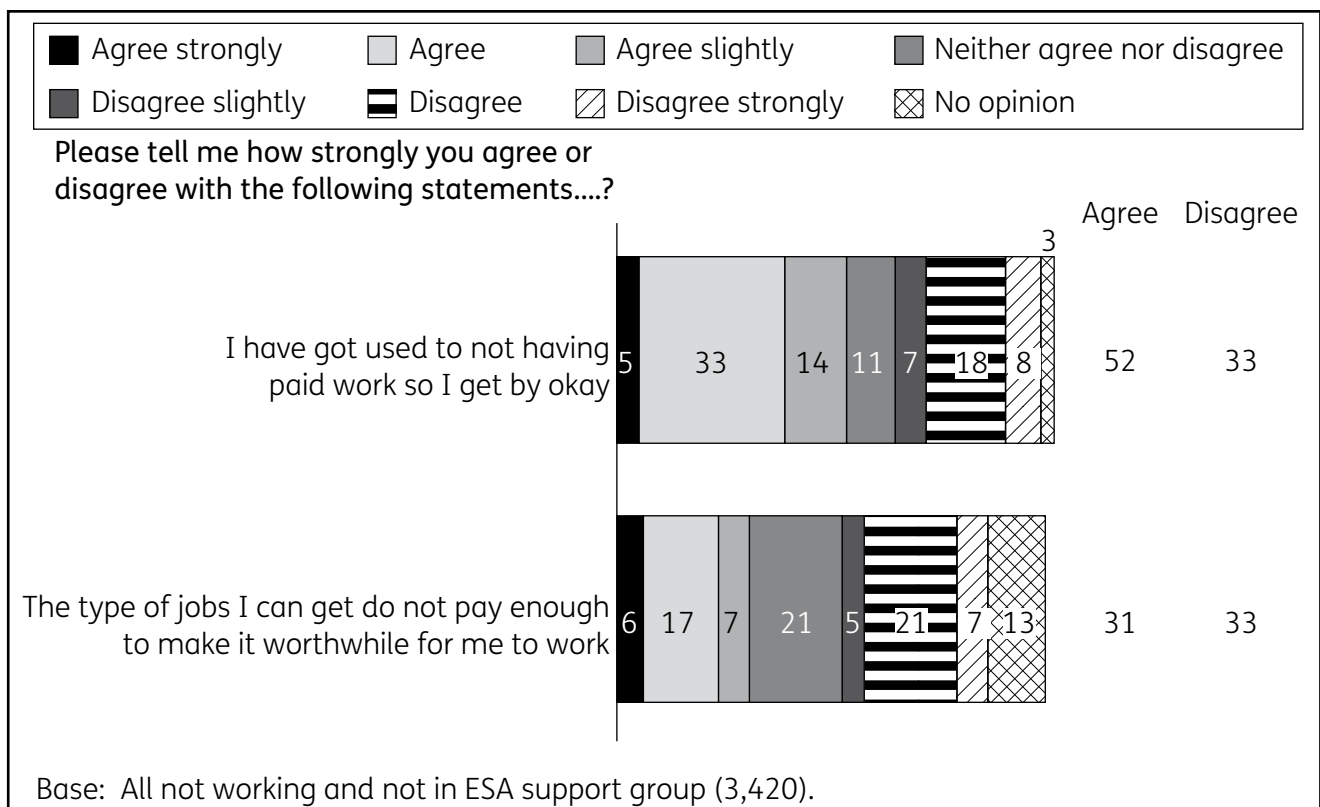
## 4.4 Financial needs

This section examines attitudes towards the financial implications of not working (if not in work) or not working full-time (if working part-time).

### 4.4.1 Out-of-work respondents

Around half of respondents (52 per cent) agreed that they ‘had got used to not having paid work and so get by okay’, while a third (33 per cent) disagreed. Equal numbers agreed (31 per cent) as disagreed (33 per cent) that ‘the types of jobs I can get do not pay enough to make it worthwhile for me to work.’

**Figure 4.3 Financial needs: out-of-work respondents**



Older respondents (aged 45 or over) and those with a LSI were more likely than other respondents to agree that they had ‘got used to not having paid work and got by okay’. Respondents were less

likely to agree if they were looking for work, especially if they had applied for jobs recently. JSA claimants, men and black respondents were all less likely to agree (these groups were all more likely to be looking for work), as were those without formal qualifications.

IS claimants and those with children, especially lone parents, were more likely than other respondents to agree that ‘the types of jobs I can get do not pay enough to make it worthwhile for me to work’. Related to this, respondents were also more likely to agree if their barriers to work included not being able to afford childcare.

JSA claimants were less likely to agree than those claiming other benefits.

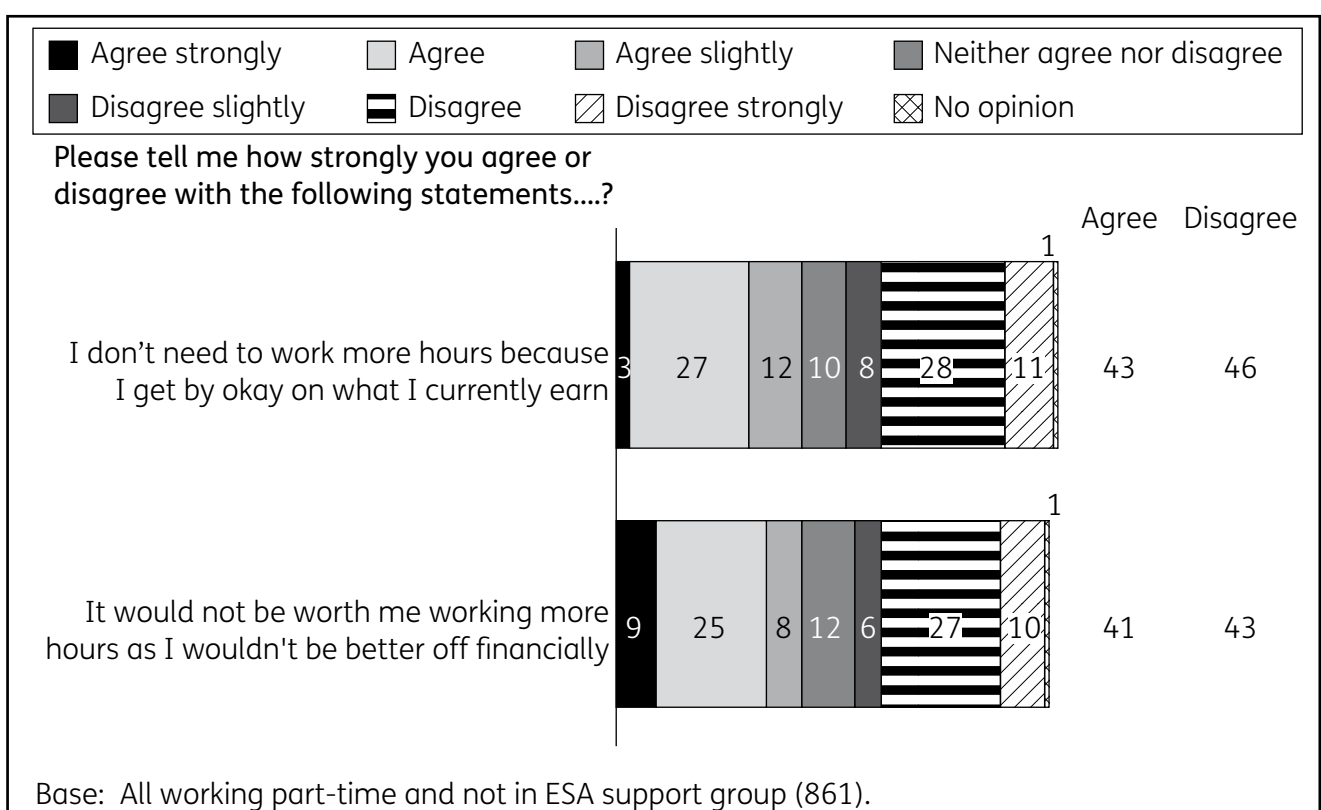
#### 4.4.2 Respondents working part-time

When asked about their attitudes towards the financial implications of not working full-time, respondents were divided between those who agreed and those who disagreed. Specifically, 43 per cent agreed that ‘I don’t need to work more hours because I get by okay on what I currently earn’, while 46 per cent disagreed. Similarly, 41 per cent agreed that ‘it would not be worth me working more hours as I wouldn’t be better off financially’, while 43 per cent disagreed.

Respondents who were looking to increase their working hours themselves were less likely than other respondents to agree that they ‘didn’t need to work more hours because they got by okay on what they earned’. The proportion that agreed with the statement was also lower amongst men, JSA claimants and single respondents without children. Those working less than nine hours per week were also less likely to agree than those working more hours.

The same groups of respondents were also less likely to agree that it would not be worth them working more hours as they wouldn’t be better off financially: those looking to increase their working hours, and specifically JSA claimants, men and single respondents without children. Lone parents were most likely to agree with the statement.

**Figure 4.4 Financial needs: respondents working part-time**



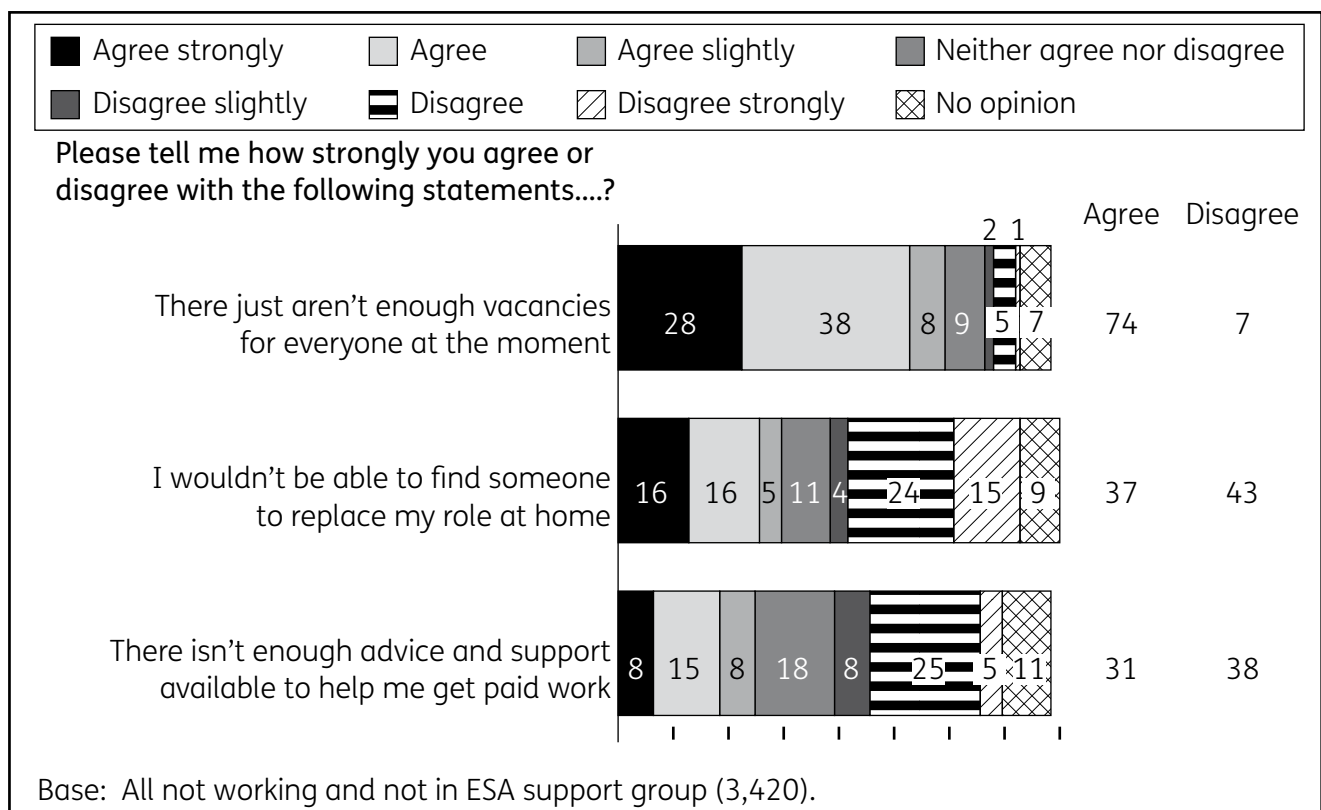
## 4.5 Perceived barriers to finding (full-time) work

This section examines attitudes towards practical barriers to being offered a job or full-time job.

### 4.5.1 Out-of-work respondents

Most respondents (74 per cent) agreed that ‘there just aren’t enough vacancies for everyone at the moment’. However, there was more disagreement on other issues. More than a third (37 per cent) agreed that they wouldn’t be able to find someone to replace their role at home, while 43 per cent disagreed. Around a third (31 per cent) agreed that ‘there isn’t enough advice and support available to help me get paid work’, while 38 per cent disagreed.

**Figure 4.5 Response efficacy: out-of-work respondents**



Respondents who were looking for work, especially those that had attended job interviews recently, were most likely to agree that there weren't enough vacancies for everyone. Reflecting this pattern, JSA claimants and younger respondents (aged under 30) were also more likely than other respondents to agree.

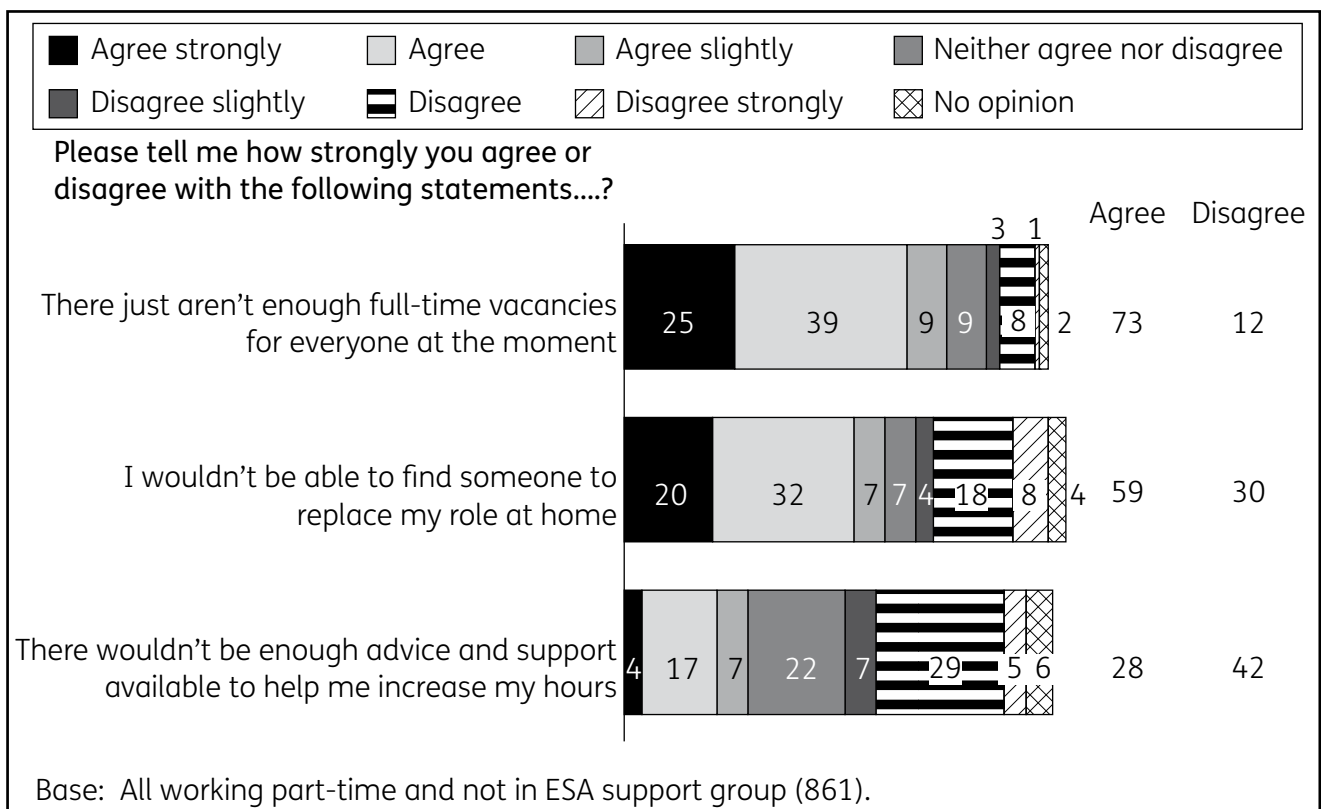
Respondents who agreed that they wouldn't be able to find someone to replace their role at home were mostly women with children. The proportion that agreed was particularly high amongst lone parents and those with children aged under five. It was also higher among those receiving Carer's Allowance.

Those who were looking for work were more likely than those not looking for work to agree that 'there isn't enough advice and support available to help me get paid work.' However, views on this issue were otherwise very consistent across different sub-groups.

### 4.5.2 Respondents working part-time

Attitudes towards the availability of vacancies were similar among part-time workers as among respondents who were out of work. The majority of respondents (73 per cent) agreed that ‘there just aren’t enough full-time vacancies for everyone at the moment’. The majority (59 per cent) also agreed that they wouldn’t be able to find someone to replace their role at home, while 30 per cent disagreed. Respondents were more likely to disagree (42 per cent) than agree (28 per cent) that ‘there wouldn’t be enough advice and support available to help me increase my hours’.

**Figure 4.6 Response efficacy: respondents working part-time**



JSA claimants and those without children were most likely to agree that ‘there just aren’t enough full-time vacancies for everyone at the moment’.

As was the case with non-working respondents, those who agreed that they wouldn’t be able to find someone to replace their role at home were mostly women with children. Again, the proportion that agreed was particularly high amongst lone parents. Respondents who were working 25 or more hours per week were less likely to agree with the statement, but otherwise there was no variation in terms of hours worked.

Views were very consistent in terms of whether there is enough advice and support available to help people increase their hours.

## 4.6 Jobseeking behaviour

This section looks at how people approach looking for work.

### 4.6.1 Out-of-work respondents

Most respondents (58 per cent) disagreed that they had made a commitment to themselves ‘to find a job by a certain date’. A quarter (26 per cent) agreed with the statement.

As with other types of attitudes, respondents who were looking for work, especially those who had attended job interviews recently, were most likely to say they had made a commitment to find a job by a certain date. Related to this, the proportion that agreed with the statement was also higher among main claimants (rather than partners), JSA claimants and black respondents. The level of agreement decreased dramatically with age, from 54 per cent among 16-19 year olds to six per cent of those aged 60 or over. The level of agreement was also higher than average amongst lone parents.

Respondents with a LSI were less likely to agree, as were claimants of sickness/disability benefits: IB, ESA, SDA or DLA.

### 4.6.2 Respondents working part-time

The overall findings for respondents working part-time were similar to those out of work. One in four (25 per cent) agreed that they had made a commitment to themselves to find full-time work by a certain date, whereas 57 per cent disagreed.

JSA claimants<sup>11</sup>, men and single respondents (either with or without children) were most likely to agree that they had made a commitment of this kind. These differences are part of a broader pattern where those looking to increase their hours were more likely to agree than those who were not looking to increase their hours, a similar pattern as observed on other questions.

## 4.7 Attitudes towards risk

This section looks at attitudes towards risk, specifically the effect of the benefit re-application process on people’s willingness to work.

### 4.7.1 Out-of-work respondents

Half of respondents (49 per cent) agreed that they would try a job that may not be ideal for them, if they didn’t have to reapply for benefits if the job didn’t work out. One in four (24 per cent) disagreed.

As with previous questions, respondents who were looking for work were more likely to agree with the statement, specifically JSA claimants and younger people. On this question, private renters and those with children, especially lone parents, were also more likely to agree that they would try a job if they didn’t have to reapply for benefits.

Those with a LSI and those receiving IB, ESA, SDA or DLA were less likely to agree with the statement.

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<sup>11</sup> For clarification, it is possible to work fewer than 16 hours per week and claim JSA; furthermore, eligibility for the survey considered benefits and tax credits that had been claimed within six months prior to interview.

### 4.7.2 Respondents working part-time

Respondents were more likely to disagree (41 per cent) than agree (33 per cent) that they would work full-time if they didn't have to reapply for benefits (in the event of the job not working out).

JSA claimants, BME respondents and those without formal qualifications were all more likely to agree that they would be more likely to work under this scenario.

## 4.8 Attitudes towards change

This section looks at respondents' perceptions of their ability to cope with change.

### 4.8.1 Out-of-work respondents

Most respondents (61 per cent) agreed that they generally cope well when things don't go to plan, while 30 per cent disagreed.

Respondents who were looking for work and JSA claimants were more likely than other respondents to agree that they cope well when things don't go to plan. The level of agreement was also higher amongst partners (rather than main claimants), and those with children, especially those with a youngest child aged under five.

The proportion that agreed that they cope well when things don't go to plan was lower than average amongst those with a LSI, especially those with mental health conditions, and those receiving sickness/disability benefits (IB, ESA, SDA or DLA). It was also lower among those without any formal qualifications.

### 4.8.2 Respondents working part-time

In most cases (79 per cent), respondents agreed that they generally cope well when things don't go to plan, while 15 per cent disagreed. This overall level of agreement was higher than among non-working respondents.

The level of agreement increased with the number of hours worked: 68 per cent of those working less than nine hours per week agreed, rising to 87 per cent of those working more than 24 hours per week.

## 4.9 Cluster analysis

Cluster analysis was carried out on the attitude statements described in this chapter. The aim was to identify different groups of respondents based on their attitudes. Six groups were identified as part of the cluster analysis, all of which covered both respondents not in work and those working part-time. The six groups are described below.<sup>12</sup>

### *Group 1 (23 per cent of all respondents)*

Respondents in this group were generally happy with their current work status (either not working or working part-time). This was because they felt it would be difficult to replace their role at home, rather than being nervous about the thought of finding work/working longer hours - they had got used to their current situation and got by financially. They generally did not want to use childcare (as opposed to not being able to afford it).

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<sup>12</sup> More information about the cluster analysis can be found in the technical report. Please note that the cluster analysis was performed on all main claimants who were either out-of-work or working part-time. Those working full-time or designated as ESA support group members from the sample were excluded.

As a result, they were unlikely to be looking for work (if out of work) or to be looking to increase their hours (if working part-time).

This group contained a large proportion of women with children who were living as a couple. See Table 4.1 for details.

### **Table 4.1 Key characteristics of Group 1**

---

High proportion working part-time (49 per cent). High proportion of working households (46 per cent)  
 High proportion receiving Tax Credits (52 per cent CTC, 36 per cent WTC)  
 75 per cent female  
 High proportion in a couple (52 per cent); 17 per cent lone parents  
 High proportion with a child aged under 16 (58 per cent)

---

#### *Group 2 (21 per cent of all respondents)*

Respondents in this group typically said that work would probably make them happier, but that it was difficult for them to contemplate work because of their poor health/disability. Many had got used to not working and said they would struggle with a change to this routine. They were often nervous about the thought of working.

They had a low awareness, and general lack of interest, in job opportunities and the advice and support on offer. The vast majority were out of work with no intention of looking for work (see Table 4.2 for more details on characteristics).

### **Table 4.2 Key characteristics of Group 2**

---

Most (94 per cent) out of work. 17 per cent retired and claiming benefits; 33 per cent had been out of work since 2000  
 High percentage of people aged 55 or over (38 per cent)  
 86 per cent with a LSI. High proportion receiving disability-related benefits (49 per cent IB, 44 per cent DLA)  
 69 per cent living in long-term workless households  
 High proportion with no qualifications (40 per cent)

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#### *Group 3 (15 per cent of all respondents)*

Work was important to this group, and they believed that they would be happier working (or working full-time). They said they would be willing to give work a try if they didn't have to reapply for benefits, and help with the costs of childcare would increase their chances of moving into (full-time) work. Flexible working was seen as the most important thing when looking for a job.

At the same time, many felt it was their responsibility to stay at home and care for their children, and so did not feel any immediate pressure to find work. As a result, respondents in this group were almost exclusively not looking for work and had no plans to do so in the next 12 months. In addition, they did not believe there were enough jobs available that make working (full-time) financially worthwhile.

This group contained a high proportion of women with children, including a high proportion of lone parents (see Table 4.3).



**Table 4.3 Key characteristics of Group 3**

---

21 per cent working part-time; 79 per cent out of work  
High proportion claiming IS (43 per cent) and/or CTC (53 per cent)  
31 per cent lone parents; 61 per cent with a child at home  
70 per cent female  
16 per cent BME

---

*Group 4 (11 per cent of all respondents)*

Respondents in this group were among the highest advocates of work; all were looking for work, and they were generally willing to risk leaving benefits to try a job. A high proportion (57 per cent) had applied for a job and/or attended an interview (19 per cent) in the last month.

However, they were often nervous at the prospect of working. They felt that there were limited jobs available and that there was little help or support.

**Table 4.4 Key characteristics of Group 4**

---

18 per cent working part-time; 82 per cent out of work  
42 per cent receiving JSA, 50 per cent Child Tax Credits, 50 per cent HB, 43 per cent Council Tax Benefit  
53 per cent living in socially rented accommodation  
Young age profile (21 per cent aged 16-24)  
Most likely to have had short-term jobs

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*Group 5 (11 per cent of all respondents)*

A widespread view in this group was that it's important to earn one's own money. Few respondents had a LSI or children at home, and they were the most positive about the support and advice available to find work.

However, few had made a commitment to find work, with concerns about the availability of jobs and a limited willingness to risk leaving benefits. As a result, no respondents in this group were looking for work, and a significant number had no plans to do so over the next 12 months. Those planning to look for work said they would like help with training and the most important factor in their jobsearch was the number of hours available.

**Table 4.5 Key characteristics of Group 5**

---

High proportion working part-time (35 per cent); 65 per cent not working  
Most likely to be in receipt of Child Tax Credits (49 per cent), HB (43 per cent), IS (24 per cent) and Council Tax Benefit (42 per cent)  
62 per cent female

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*Group 6 (19 per cent of all respondents)*

This group generally did not enjoy being out of work, feeling a respect for those in work and believing it's important not to rely on benefits. Many had made a commitment to find work, and were not nervous about moving into work. They were also willing to take a risk and try a job that isn't ideal.

The majority in this group were active jobseekers, with a high proportion applying for work and attending interviews (28 per cent). They were generally willing to compromise on job conditions in order to get work. The main barrier to work among this group was a perceived lack of job vacancies.

**Table 4.6 Key characteristics of Group 6**


---

19 per cent working part-time, 81 per cent not working; most had been out of work only for a short amount of time
64 per cent receiving JSA
59 per cent single and without a child under 16 at home
63 per cent male; 54 per cent aged under 35
Most likely to have ended work due to redundancy or finished contracts.

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## 4.10 Chapter summary

### 4.10.1 Out-of-work respondents

Many non-working respondents expressed positive attitudes towards work. For example, 67 per cent agreed that they would be a happier, more fulfilled person if they were in work. At the same time, respondents often acknowledged that it would be difficult for them to start paid work.

There was a split in attitudes towards the financial implications of work, with equal numbers agreeing and disagreeing that the types of jobs they could get would pay enough to make it worthwhile working.

The majority (74 per cent) agreed that 'there just aren't enough vacancies for everyone at the moment'. In addition, some respondents (37 per cent) felt that they wouldn't be able to find someone to replace their role at home, and 31 per cent agreed that 'there isn't enough advice and support available to help me get paid work'.

Respondents were twice as likely to agree as disagree that they would try a job that may not be ideal for them, if they didn't have to reapply for benefits if the job didn't work out. A quarter (26 per cent) said that they had made a commitment to themselves 'to find a job by a certain date'.

Most respondents (61 per cent) agreed that they generally cope well when things don't go to plan.

Respondents that were looking for work, especially those looking more intensively (e.g. those that had applied for jobs recently), were more positive in their attitudes towards work compared with those not looking for work. Reflecting this general pattern, attitudes were also more positive amongst sub-groups that were more likely to be looking for work, such as JSA claimants, men, younger respondents, black respondents and those who were single.

### 4.10.2 Respondents working part-time

Respondents in part-time work also expressed positive attitudes towards working, but were divided in their views of full-time work, both in terms of whether they would be happier in full-time work and in whether it would be easy or difficult for them to increase their hours. Opinions were also divided as to the financial implications of full-time work, with equal numbers agreeing and disagreeing on whether they would be better off financially by working more hours.

Most respondents (73 per cent) agreed that 'there just aren't enough full-time vacancies for everyone at the moment', while the majority (59 per cent) also agreed that they wouldn't be able to find someone to replace their role at home. However, just 28 per cent agreed that 'there wouldn't be enough advice and support available to help me increase my hours'.

One in four (25 per cent) agreed that they had made a commitment to themselves to find full-time work by a certain date. In most cases (79 per cent), respondents agreed that they generally cope well when things don't go to plan.

Attitudes to working full-time were most positive amongst sub-groups that were looking to increase their hours; specifically JSA claimants, men and single respondents without children.

# 5 Attitudes and behaviours to finding work

This chapter examines who is looking for work and whether those in part-time work are aiming to increase their hours. It also examines jobsearch activities and barriers to work, as well as the help and support that Jobcentre Plus can provide. All questions cover individual respondents, both main claimants and partners.

## 5.1 Who is looking for work

This section breaks down the total sample of claimants who were either not in work or working part-time into four groups, according to whether they were looking for work. These groups are summarised in Table 5.1.

A large proportion of claimants (52 per cent) were out of work and not looking for work, while 23 per cent were out of work and looking for work. Where respondents were in part-time work, only a small proportion (five per cent overall) were looking to increase their hours.

**Table 5.1 Summary of whether looking for work**

Group	% of total sample
Out of work, looking for work	23
Out of work, not looking for work	52
Working part-time, looking to increase hours	5
Working part-time, not looking to increase hours	20

We now look at the characteristics of these four groups.

### 5.1.1 Out of work and looking for work

In total, 23 per cent of respondents said they were out of work but looking for work. This includes those describing this as their main working status ('not working but actively looking for work'), as well as other non-working respondents (e.g. students and retired people) who were looking for work at the time of the survey.

As expected, most Jobseeker's Allowance (JSA) claimants were out of work and looking for work. The proportions looking for work among claimants of other benefits were much lower, particularly in the case of Incapacity Benefit (IB), Employment and Support Allowance (ESA), Disability Living Allowance (DLA) and Severe Disablement Allowance (SDA).

Other demographic variations reflect the profile of JSA claimants. Men, younger respondents, respondents in black and mixed/other ethnic groups, single respondents (both with and without children) and those living rent free were all more likely to be out of work and looking for work.

**Table 5.2 Characteristics of those out of work and looking for work**

<i>Percentage of all individuals not working full-time (4,445)</i>	
<b>All individuals</b>	<b>Out of work and looking for work</b>
	23
<b>Individual benefit</b>	
JSA	80
Incapacity Benefit	8
Income Support	20
ESA/SDA/DLA	9
Child Tax Credit	21
Working Tax Credit	8
Housing Benefit	29
Council Tax Benefit	26
Carer's Allowance	15
<b>Gender</b>	
Male	33
Female	17
<b>Age of individual</b>	
16-19	60
20-24	45
25-29	31
30-34	21
35-44	21
45-54	19
55-59	18
60+	5
<b>Ethnicity</b>	
White	22
Asian	21
Black	39
Mixed/other	38
BME	28
<b>Household composition</b>	
No child, single	34
No child, couple	12
Child under 16, couple	17
Child under 16, single	27
Child under 16, other	25
<b>Tenure</b>	
Own outright	10
Buying with mortgage/ shared ownership	15
Private rent	29
Social rent	25
Rent free	45

### 5.1.2 Out of work and not looking for work

In total, 52 per cent of respondents said they were out of work and not looking for work.

The proportion in this category was higher than average among claimants of IS, IB, ESA/DLA/SDA and Carer’s Allowance. It was also higher among partners than main claimants (60 per cent compared with 49 per cent). Older respondents, those in a couple without children under 16, people owning their own home outright, and those in white and Asian ethnic groups were all more likely than other respondents to be not working and not looking for work. Again, these demographic patterns are linked to the profile of benefit claimants (e.g. IB claimants tend to be older and to own their home outright).

**Table 5.3 Characteristics of those out of work and not looking for work**

<i>Percentage of all individuals not working full-time (4,445)</i>	
All individuals	<b>Out of work and not looking for work</b>
	52
<b>Individual benefit</b>	
JSA	9
Incapacity Benefit	91
Income Support	76
ESA/SDA/DLA	84
Child Tax Credit	39
Working Tax Credit	18
Housing Benefit	53
Council Tax Benefit	58
Carer’s Allowance	79
<b>Gender</b>	
Male	50
Female	53
<b>Age of individual</b>	
16-19	29
20-24	40
25-29	39
30-34	47
35-44	43
45-54	56
55-59	72
60+	87
<b>Ethnicity</b>	
White	53
Asian	51
Black	39
Mixed/other	37
BME	46

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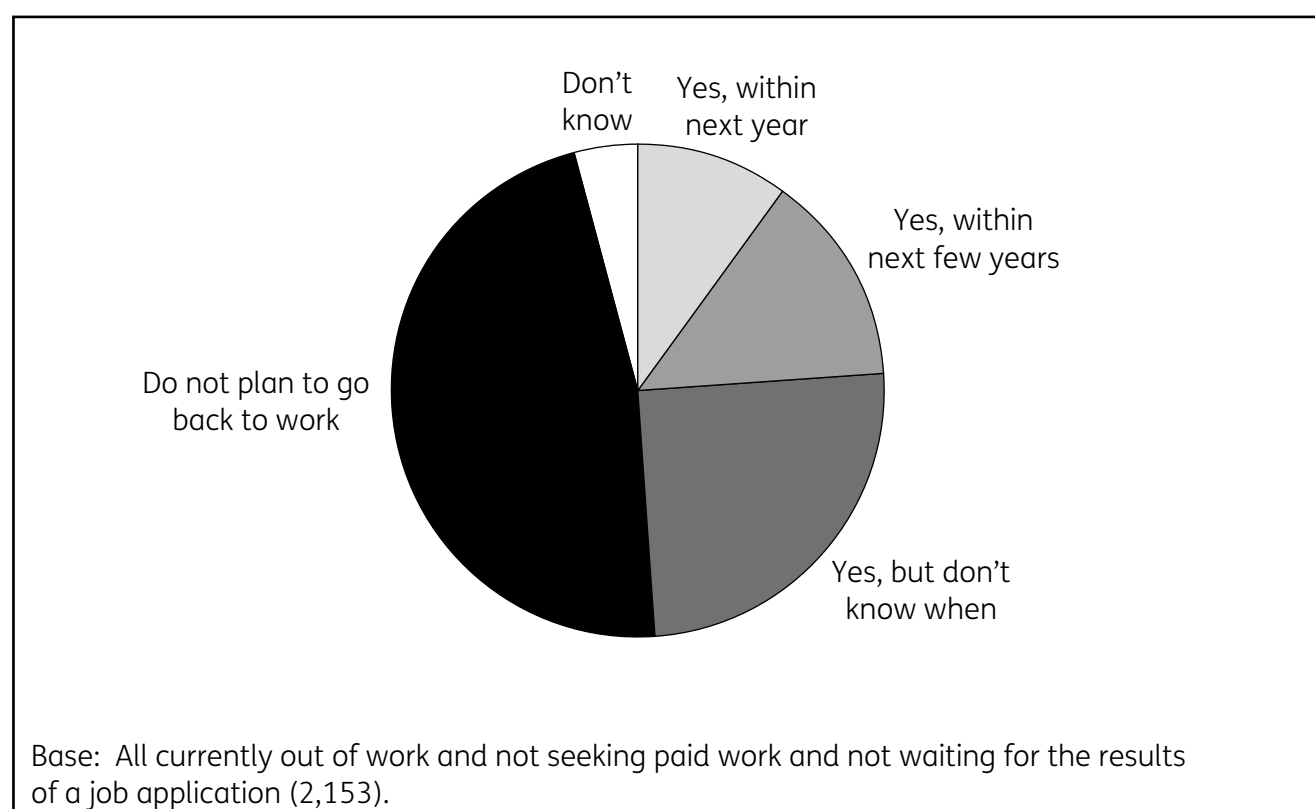
**Table 5.3 Continued**

<i>Percentage of all individuals not working full-time (4,445)</i>	
All individuals	<b>Out of work and not looking for work</b>
<b>Household composition</b>	
No child, single	52
No child, couple	75
Child under 16, couple	35
Child under 16, single	41
Child under 16, other	42
<b>Tenure</b>	
Own outright	71
Buying with mortgage/ Shared ownership	43
Private rent	44
Social rent	57
Rent free	40

Respondents who were not working and not looking for work were asked if they intended to look for paid work in the future – and if so, when that would be. Around half (49 per cent) said they were intending to look for paid work in the future, although only a minority (ten per cent overall) said this would be within the next year.

The respondents who were most likely to say that they intended to look within the next year were JSA claimants, younger respondents (under 35), lone parents and parents of young children.

**Figure 5.1 Intentions to look for paid work in the future**<sup>13</sup>



<sup>13</sup> The question read: Do you intend to look for paid work in the future? If yes, would that be in the next...?

**5.1.3 Working part-time and looking to increase hours/not looking to increase hours**

The total of 25 per cent of respondents in part-time work comprises five per cent who were looking to increase their hours (ether in the same job or in a different job) and 20 per cent who were not looking to increase their hours.

A large proportion of tax credit claimants were in work, and they tended not to be looking to increase their hours. Similarly, women and those with children were more likely than average to be in part-time work, but were unlikely to want to increase their hours; this applied particularly to lone parents. By contrast, JSA claimants and men – although much less likely to be in work overall – were more likely to be looking to increase their hours when they were in work.

There were no significant differences in relation to hours worked, i.e. those working only a small number of hours were no more likely than those working more hours per week to want to increase their hours.

**Table 5.4 Working part-time and looking to increase hours**

<i>Percentage of all individuals not in full-time work (4,445)</i>		
<b>All individuals</b>	<b>In work and looking to increase hours</b>	<b>In work and not looking to increase hours</b>
	5	20
<b>Individual benefit</b>		
JSA	5	6
Incapacity Benefit	*	1
Income Support	*	3
ESA/SDA/DLA	*	6
Child Tax Credit	7	33
Working Tax Credit	14	60
Housing Benefit	5	14
Council Tax Benefit	4	12
Carer’s Allowance	*	6
<b>Gender</b>		
Male	6	11
Female	4	25
<b>Age of individual</b>		
16-19	2	9
20-24	4	11
25-29	6	23
30-34	6	25
35-44	7	28
45-54	5	19
55-59	2	8
60+	1	8

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**Table 5.4 Continued**

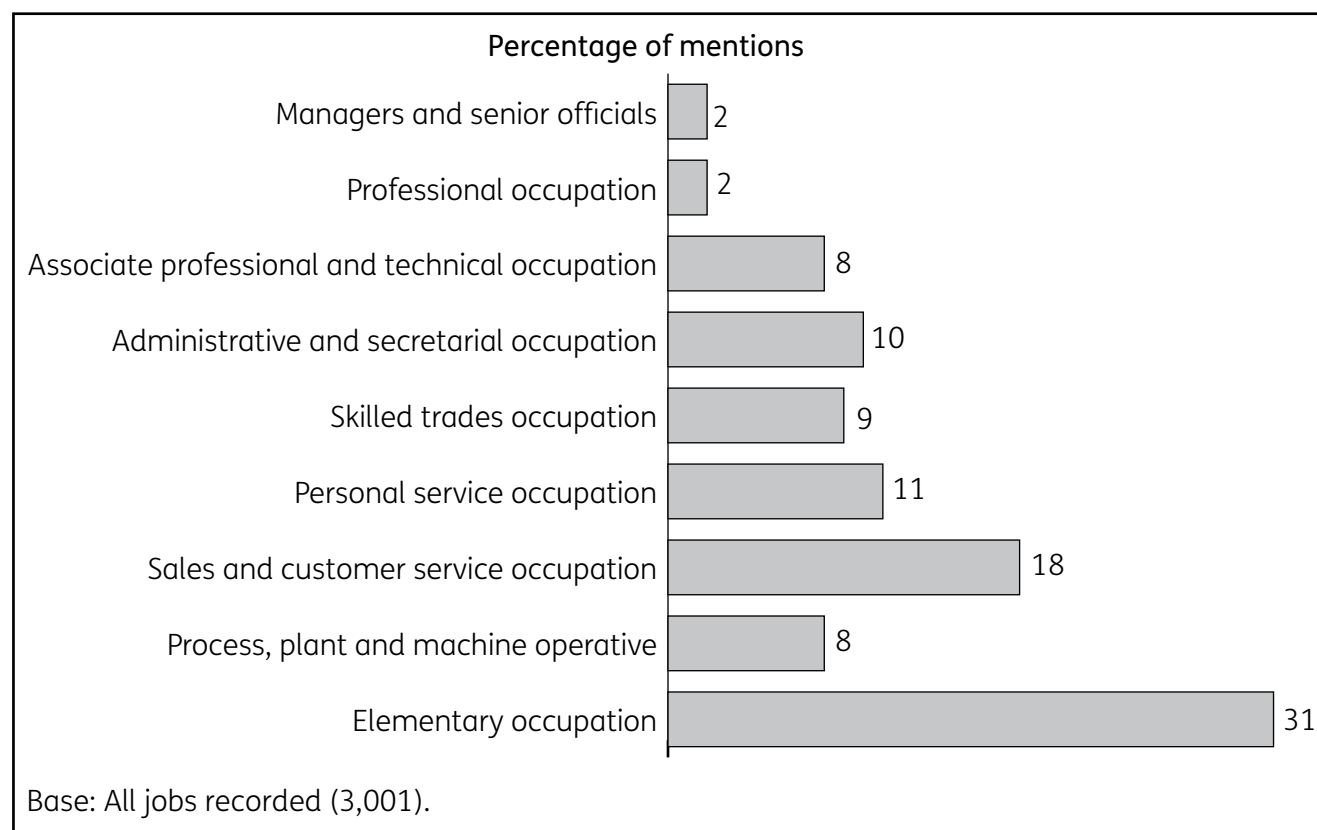
<i>Percentage of all individuals not in full-time work (4,445)</i>		
<b>All individuals</b>	<b>In work and looking to increase hours</b>	<b>In work and not looking to increase hours</b>
<b>Household composition</b>		
No child, single	4	9
No child, couple	4	9
Child under 16, couple	10	38
Child under 16, single	4	27
Child under 16, other	7	27

## 5.2 Types of jobs

Respondents were asked about the types of work they had applied for or searched for. They were able to specify up to four different types of job; this analysis covers all of the job types recorded.

Figure 5.2 shows the types of work that respondents had been applying for and searching for; this includes those in part-time who were looking for another job, those out of work and looking for work, and also those intending to start looking for work in the next 12 months.

**Figure 5.2 Types of jobs**





The types of job shown in Figure 5.2 are similar to those seen in Section 3.5 in relation to current/previous jobs. This indicates that the types of work respondents were looking for were broadly similar to jobs they were doing or had done in the past. The one difference was the proportion of managerial or professional occupations. Only a small proportion (five per cent) of respondents had been applying for or searching for managerial or professional jobs; this is smaller than the proportion of jobs that the same respondents had done previously (12 per cent).

### 5.3 Applications and interviews

Respondents who said they were looking for work at the time of the survey were asked whether they had applied for any jobs in the past month. This included both those out of work and looking for work, as well as those in part-time work who were looking for a different job.

In total, 62 per cent of those looking for work had applied for a job in the past month. This comprises 31 per cent who had applied for up to five jobs, ten per cent who had applied for between six and ten jobs, and 21 per cent would have applied for more than ten jobs.

Among those looking for work or a new job, one in four main claimants (24 per cent) had attended a job interview in the last month (partners were not asked about job interviews).

The following groups were more likely to have applied for jobs and/or had job interviews:

- Main claimants were more likely than partners to have applied for jobs (66 per cent compared with 45 per cent).
- In terms of benefit type, JSA claimants were more likely both to have applied for a job and had a job interview, compared with other benefit recipients.
- Younger respondents were more likely than older respondents to have applied for a job, and men were more likely than women to have applied for a job (71 per cent compared with 53 per cent). However, there were no differences by age or gender in the proportion attending job interviews.
- Single people without children were more likely to have both applied for a job and had a job interview.
- Those without any formal qualifications were less likely to have applied for a job (49 per cent) or attended a job interview (17 per cent).
- Those not in work were more likely than those working part-time to have applied for a job and attended an interview.

**Table 5.5 Applications and interviews by individual benefit, work status, household composition and age of individual**

	<i>Percentage of all looking for work (1,643)</i>	<i>Percentage of all main claimants looking for work (1,465)</i>
<b>All individuals</b>	<b>Jobs applied for in last month</b>	<b>Interviews attended in last month</b>
	62	24
<b>Individual benefit</b>		
JSA	84	31
Incapacity Benefit	35	13
Income Support	43	17
ESA/SDA/DLA	39	15
Child Tax Credit	52	20
Working Tax Credit	43	15
Housing Benefit	63	24
Council Tax Benefit	61	21
Carer's Allowance	40	26
<b>Individual work status</b>		
Not working	67	26
Working 1-8 hours	67	18
Working 9-16 hours	45	14
Working 17-24 hours	46	18
Working 25-32 hours	30	15
Working 33+ hours	na	na
<b>Household composition</b>		
No child single	74	28
No child couple	63	22
Child under 16 couple	63	24
Child under 16 single	50	15
Child under 16 other	51	17
<b>Age of individual</b>		
16-19	80	25
20-24	77	29
25-29	69	28
30-34	67	24
35-44	54	23
45-54	56	23
55-59	52	10
60+	28	10

## 5.4 Willingness to compromise

Respondents who said they were looking for a job at the time of the survey (both those in work and out of work) were asked about their willingness to compromise on conditions of employment or routes into work in the next three months, assuming that they hadn't found a job by then.

Two-thirds of respondents or more said that they would be willing to compromise in each of a number of ways, with the highest figure for training to refresh or get new qualifications (83 per cent would be willing to do this). The proportion that said they would be willing to become self-employed was lower (56 per cent), and lower still was the proportion who said they would be willing to arrange for someone else to take their place at home (35 per cent).

**Table 5.6 Willingness to compromise**

<i>Percentage of all working part time and looking for work or out of work and seeking paid work (1,645)</i>		
<b>All individuals</b>	<b>Willingness to compromise</b>	
	<b>Willing</b>	<b>Unwilling</b>
Compromise on the level of pay	67	18
Compromise on the level of responsibility	76	10
Compromise on the flexibility of the working hours	75	15
Compromise by taking an interim job until you were able to find something else	76	14
Consider an industry sector you haven't worked in before/aren't trained for	77	14
Train to refresh or get new skills or qualifications	83	10
Arrange for someone else to take your place at home	35	26
Compromise on the time taken to travel to work	67	18
Do voluntary work or work experience	64	26
Work for yourself/become self-employed	56	31

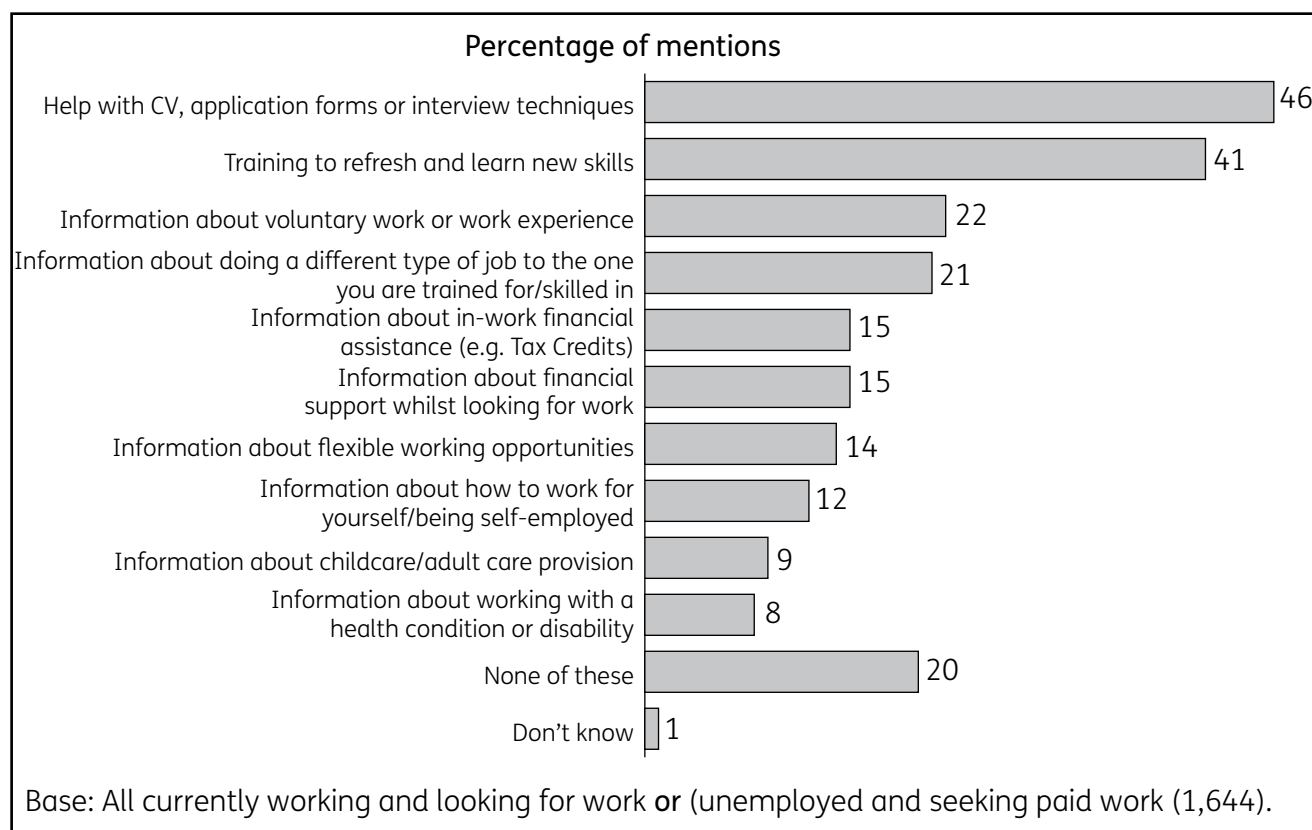
A number of sub-group patterns run across the various items. JSA claimants and those who were more actively looking for work (e.g. made job applications recently) were more likely than other respondents to be willing to compromise on the various issues, while those with a LSI and those claiming IB were less likely to be willing to compromise. In addition, women and those with children were less willing to compromise on issues such as pay, flexibility of working hours and travel time.

Respondents who were in part-time work (and looking for another job) were more willing than those out of work to compromise on the level of responsibility, flexible working hours and training, but were less willing than those out of work to compromise on doing voluntary work/work experience or arranging for someone else to take their place at home.

## 5.5 Help and support received

Respondents who said they were looking for work at the time of the survey were asked about the types of support they had accessed to help them find work or get ready to look for work. The question covered those out of work and looking for work, as well as those in part-time work who were looking for a different job.

The two types of support that were most frequently used were help with CV, application forms or interview techniques; and training to refresh and learn new skills. One in five (20 per cent) had not used any of the types of support shown in Figure 5.3.

**Figure 5.3 Help and support received**<sup>14</sup>

A number of overlapping groups were more likely to have accessed at least one of the types of support: JSA claimants, younger respondents, single respondents and main claimants (rather than partners). These groups were also more likely to have applied for a job recently (see Section 5.3 above). In general, more active job seekers (i.e. those who had applied for a job or had a job interview recently) were more likely than less active job seekers to have accessed a number of types of help: specifically, help with CV, application forms or interview techniques; information about voluntary work or work experience; and information about doing a different type of job to what they were trained or skilled in.

Those not in work were more likely to have accessed help with their CV, application forms or interview techniques compared with those in work. Otherwise, however, the types of support used were similar for those in work and out of work.

Respondents without a child in the household were more likely than those with children to say they had accessed information about voluntary work or work experience. Information about childcare was accessed by more respondents with children under five than those with older children (27 per cent with youngest child between one and five, compared with 16 per cent with youngest child between five and 12 and eight per cent with youngest child aged 13-16).

## 5.6 Important features in a job

The type of occupation and the number of hours per week were the two factors considered most important by people when searching for a job. This question was asked of those in work and looking for a new job, those out of work and looking for work, and also those not looking for work but planning to do so in the next 12 months. Respondents selected the factor that was most important to them from a list of seven items.

<sup>14</sup> The question wording read: Which, if any, of these types of support have you already accessed in order to help you find paid work or get ready to look for paid work?

The other factors considered important were salary, availability of flexible working and the type of contract (see Table 5.7).

**Table 5.7 Important features when searching for a job**

*Percentage of all working and looking for work, out of work and seeking paid work, or out of work but intending to start in the next 12 months (1,946)*

All individuals	Job features						Salary
	Type of occupation	Type of contract	Number of hours worked per week	Availability of flexible working	Time required to travel to and from work	Cost of travelling to and from work	
	25	10	22	13	5	4	17
<b>Individual benefit</b>							
JSA	28	13	21	6	7	5	17
Incapacity Benefit	17	18	24	5	1	-	19
Income Support	19	6	29	22	3	2	15
ESA/SDA/DLA	23	13	25	11	4	3	13
Child Tax Credit	20	8	25	23	4	3	14
Working Tax Credit	27	11	21	14	5	1	17
Housing Benefit	25	10	24	13	5	4	16
Council Tax Benefit	24	8	26	14	6	3	16
Carer's Allowance	11	19	15	33	3	3	15
<b>Gender</b>							
Male	32	13	17	6	5	4	20
Female	19	7	26	20	6	3	14
<b>Household composition</b>							
No child single	30	11	21	4	7	6	18
No child couple	38	11	15	3	8	2	21
Child under 16 couple	28	11	22	16	4	3	14
Child under 16 single	16	8	30	27	6	2	11
Child under 16 other	17	9	33	20	4	1	12
<b>Job searching behaviour</b>							
Out of work and not looking	23	8	23	26	3	3	14
Out of work and looking	24	11	20	12	5	5	18
In work and not looking to increase hours	-	-	-	-	-	-	-
In work and looking to increase hours	34	10	21	5	8	2	17

As noted above, three groups of respondents were asked this question, and the priorities of these groups differ. For those in work and looking for another job, the type of occupation was particularly important. For those not yet looking for work but intending to do so, the availability of flexible working was relatively important.

There were also differences by benefit type. The type of occupation was particularly important for JSA claimants, while for claimants of other benefits the number of hours was the most important factor. In addition, the type of contract was relatively important for IB claimants, while the availability of flexible working was relatively important for claimants of IS and Working Tax Credit (WTC).

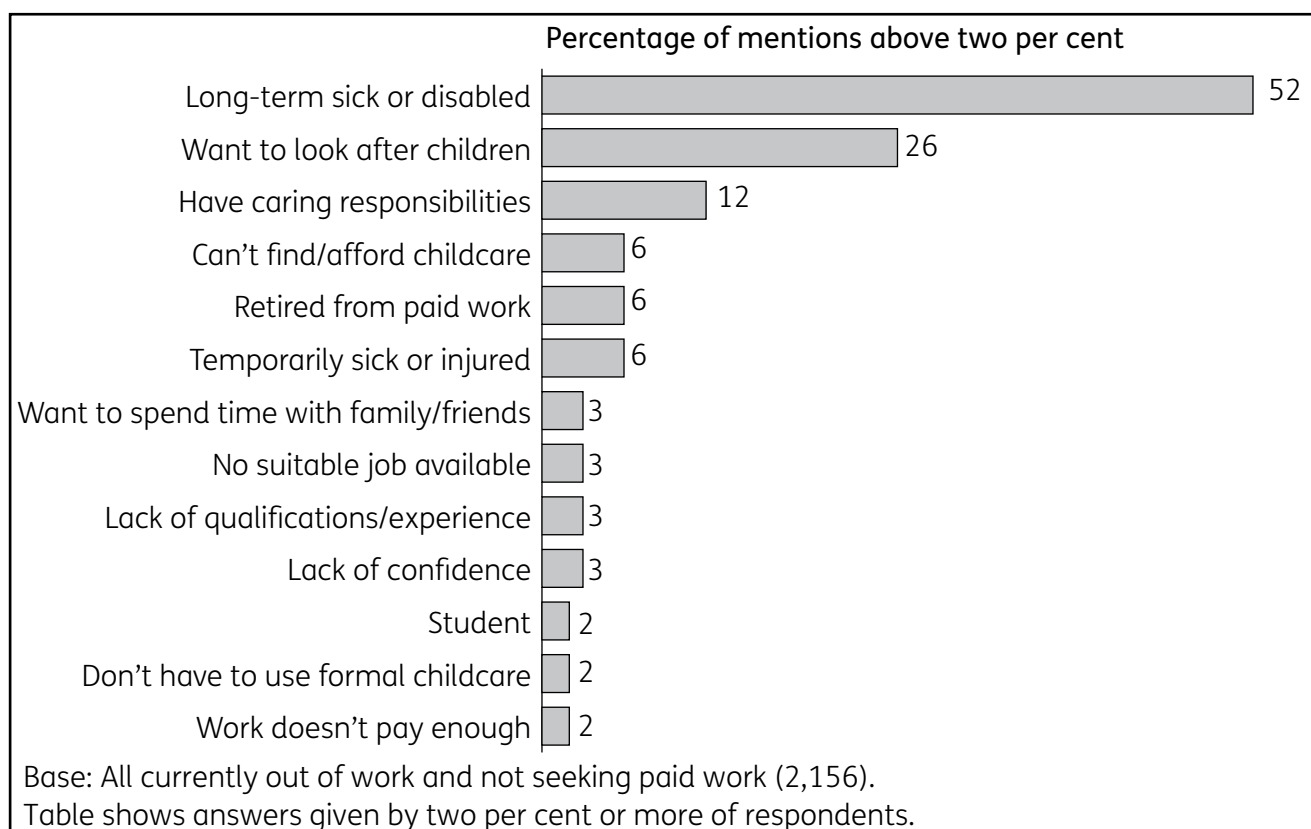
The findings show gender differences, with men more likely than women to see the type of occupation, salary and contract type as important, while women were more likely than men to say that hours and the availability of flexible working were important. Related to this, the findings varied by household type. Those without children (predominantly male) placed a high priority on the type of occupation, while parents and in particular lone parents (mostly female) placed a high value on hours and the availability of flexible working.

The importance of the type of occupation also increased with the level of qualification, from no more than 21 per cent for those with no or lower level qualifications, to 29 per cent of those with either A level, NVQ level 3, HNC or HND qualifications, and 40 per cent of those with NVQ level 4 qualifications or higher.

## 5.7 Reasons for not looking for work

Respondents who were not working and not looking for work at the time of the survey were asked why they were not looking for work. The main reason why respondents say they were not looking for work was long-term sickness or disability. The other main reason was wanting to look after children.

**Figure 5.4 Reasons for not looking for work**



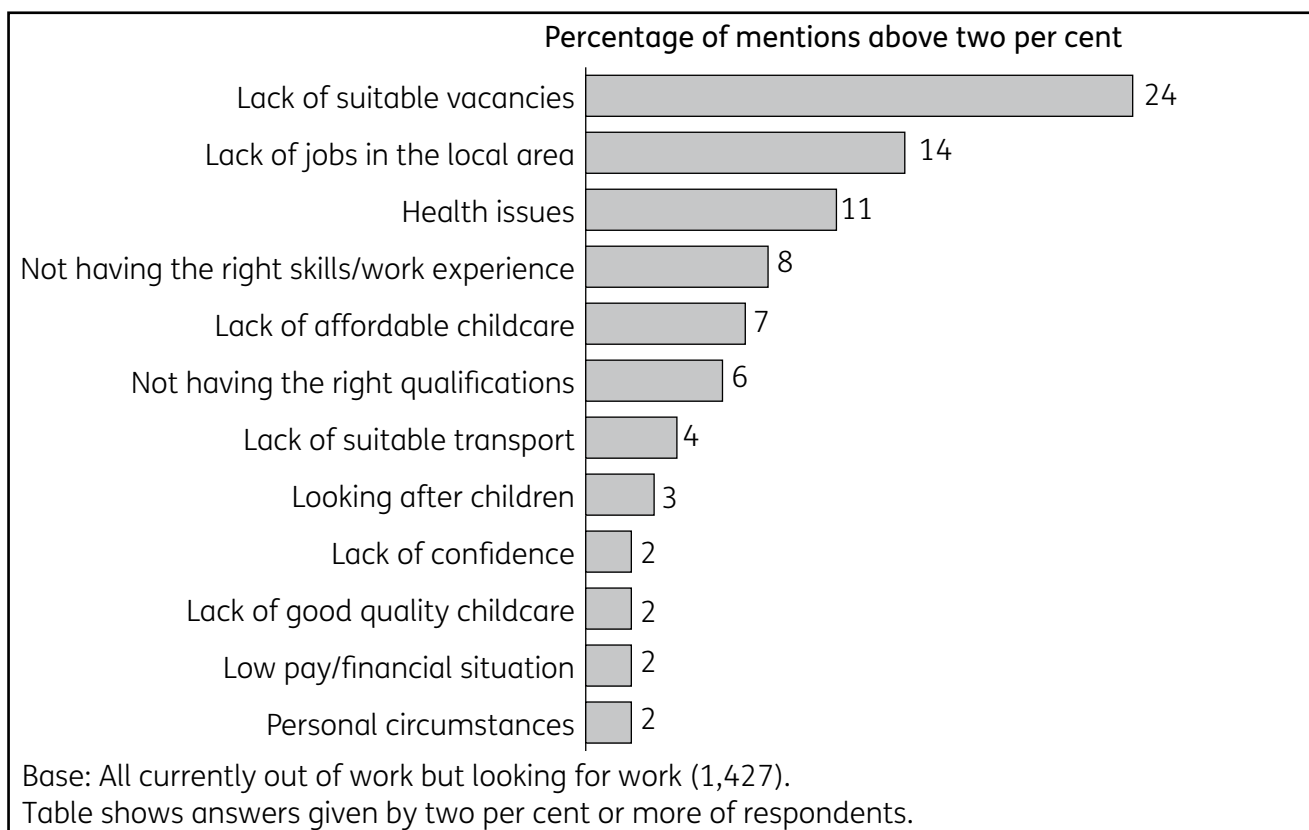
Long-term sickness or disability was the reason given by the vast majority of IB, ESA, SDA and DLA claimants. It was also mentioned by 59 per cent of IS claimants, although IS claimants also mentioned wanting to look after children (23 per cent). Looking after children was the main reason given by CTC claimants (61 per cent).

Demographic variations reflect these differences by benefit type: men, older respondents and those without children were particularly likely to mention long-term sickness or disability (reflecting the profile of IB and ESA claimants), while a relatively high proportion of women and those with children said they wanted to look after children (reflecting the profile of IS and Child Tax Credit (CTC) claimants). The desire to look after children was particularly strong among lone parents and those with children under five; these respondents also mentioned issues relating to childcare much more than other respondents.

### 5.8 Barriers to finding work

Among those not working but looking for work, the main barriers to work were seen as a lack of suitable vacancies, along with lack of jobs in the local area and health issues.

**Figure 5.5 Barriers to finding work**



JSA claimants mainly focused on issues relating to availability of jobs, as well as their own lack of skills, qualifications and experience. For other respondents, health (particularly for ESA, IB, SDA and DLA claimants) and childcare (for IS and CTC claimants) featured more prominently.

Demographic variations reflect the profile of different benefits, with men mentioning the availability of jobs more than women, and older people more likely to say that health is a barrier. Childcare barriers were mentioned most frequently by those with a youngest child aged under five.

More active jobseekers (i.e. those that had applied for a job or had an interview in the previous month) were more likely to say that the availability of jobs was a barrier, compared with less active jobseekers who were more likely to mention health or childcare issues. Again, this reflects the pattern by benefit type, as JSA claimants tend to be more active in their jobsearch than other benefit claimants that are looking for work.

An additional question was asked specifically about childcare. Respondents with a child under 16 (either living in the household or elsewhere) were asked to what extent the lack of good quality and affordable childcare was a barrier for them to get back into work (if not working) or to work more hours (if working part-time).

One in three respondents said that this was a barrier to a large extent or to some extent (33 per cent), while 28 per cent said it was only a barrier to a small extent and 32 per cent not at all.

**Table 5.8 Childcare as a barrier to work<sup>15</sup>**

<i>Percentage of all with children under 16 living at home or elsewhere and not working full-time (2,597)</i>					
<b>Extent to which childcare is a barrier</b>					
<b>All individuals</b>	<b>To a large extent</b>	<b>To some extent</b>	<b>To a small extent</b>	<b>Not at all</b>	<b>Don't know</b>
	22	11	28	32	8
<b>Individual benefit</b>					
JSA	21	9	28	34	8
Incapacity Benefit	9	3	28	49	11
Income Support	26	12	18	32	12
ESA/SDA/DLA	15	6	35	32	13
Child Tax Credit	24	13	26	30	7
Working Tax Credit	19	12	32	31	6
Housing Benefit	24	11	24	31	10
Council Tax Benefit	24	11	24	32	10
Carer's Allowance	22	10	27	28	13
<b>Gender</b>					
Male	14	7	33	39	7
Female	24	12	26	29	8
<b>Age of child</b>					
No child under 16	5	5	38	46	7
Youngest child under 1	27	7	23	33	10
Youngest child 1-4	29	12	23	29	7
Youngest child 5-12	22	13	28	29	9
Youngest child 13-16	5	4	42	38	12

Women were more likely than men to see the lack of good quality and affordable childcare as a significant barrier, and lone parents were particularly likely to see it as a barrier (42 per cent said it was a barrier to a large extent or to some extent). IB and ESA claimants tended to rate this as less of a barrier than those claiming other benefits.

<sup>15</sup> The question read: To what extent would you say the lack of good quality and affordable childcare is a barrier for you to get back into work/work more hours?



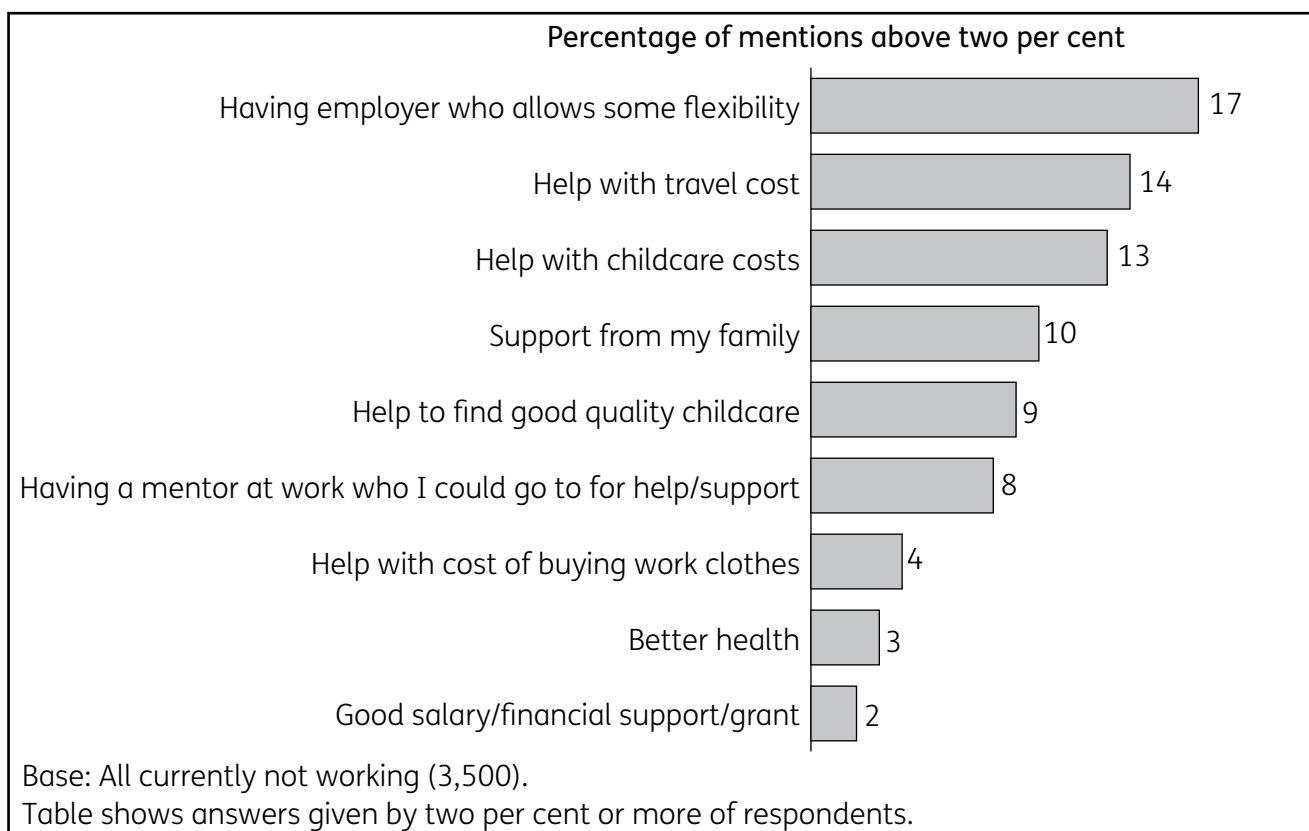
In terms of the age of youngest child, those with a youngest child aged under five were more likely than other respondents to say this was a barrier ‘to a large extent’, but otherwise findings were similar for parents of children up to the age of 12. It was then less likely to be seen as a significant barrier by those with a youngest child aged 13-16.

Findings were similar for those not working (in relation to getting back to work) and those who are working part-time (in relation to increasing their hours).

### 5.9 Useful types of help and support

Respondents not currently in work were asked what, if anything, would help them to move into work. While 36 per cent said that nothing would help, the factors most frequently mentioned were employers that allow some flexibility, help with travel costs, help with childcare costs or with finding good quality childcare, support from their family, and having a mentor at work who could provide support.

**Figure 5.6 Useful types of help and support<sup>16</sup>**



The findings vary by benefit type. JSA customers were most likely to mention travel costs, while a relatively high proportion of CTC recipients said that support from their family would help. CTC recipients were also more likely than other respondents to mention help with finding childcare and childcare costs, as well as having employers that allow flexibility. Recipients of IB, ESA, SDA, DLA and Carer’s Allowance were more likely than other respondents to say that nothing would help.

Those with a physical Long-standing illness (LSI) were also more likely than other respondents to say that nothing would help, while a relatively large proportion of people with mental health conditions mentioned the availability of a mentor at work (23 per cent).

<sup>16</sup> The question read: Some people find it hard to make the move from not working. If you were to find work what, if anything, would help you move into work?

There were also differences by age, gender and family structure. Help with childcare and flexible employers were mentioned more by women and those with children, while help with the cost of travel and work clothes was mentioned most frequently by younger respondents. Support from the family was also mentioned by a relatively high proportion of young people aged 16-19. Older people were more likely than younger people to say that nothing would help.

Help with childcare and flexible employers were the factors mentioned most frequently by all parents with a youngest child aged up to 12 (these issues were less important to those with a youngest child aged 13-16). Help with childcare was particularly likely to be mentioned by those with a youngest child under five and by lone parents.

Respondents who were actively looking for work (i.e. those who had applied for jobs and/or had job interviews) tended to mention the cost of travel and work clothes, as well as the availability of a mentor at work, as things that would help them, while those looking less actively were more likely to focus on help with childcare and flexible employers.

## 5.10 Chapter summary

The majority of respondents were not in work, with 23 per cent overall not in work and looking for work, while 52 per cent were out of work and not looking for work. Only a minority of those in part-time work were looking to work longer hours (five per cent of the total sample, compared with 20 per cent who were in work and not looking to increase their hours).

Only a small proportion of respondents that were out of work and not looking for work said that they planned to look for paid work within the next year (ten per cent). The main reason for not looking for work was long-term sickness or disability, followed by wanting to look after children.

Where respondents were looking for work, the types of work they were aiming for generally matched the work they had done in the past, although the jobs they were looking for were less likely to be in managerial or professional occupations, compared with what they had done previously.

In total, 62 per cent of those looking for work or a new job had applied for a job in the past month, and 24 per cent had attended a job interview in the last month. The type of occupation and the number of hours per week were the two factors considered most important by people when searching for a job.

The majority of respondents who were looking for work said that they would be willing to compromise in various ways in the type of work they would accept. Most frequently, respondents said they would take on training to refresh or get new qualifications to improve their chances of getting a job (83 per cent).

When asked about the types of support they had received, those looking for work were most likely to say that had received help with their CV, application forms or interview techniques; and training to refresh and learn new skills.

Among those not working but looking for work, the main barriers to work were seen as a lack of suitable vacancies, along with lack of jobs in the local area and health issues. Where respondents were not in work, the things that they thought would help them to move into work were employers that allow some flexibility, help with travel costs, help with childcare costs or with finding good quality childcare, support from their family, and having a mentor at work who could provide support.

## 6 Budgeting behaviour

This chapter examines current budgeting behaviour and financial problems that benefit claimants have. It also looks at the potential impact of Universal Credit on claimants, as well as the help and support that would help people to manage their finances better.

All questions in this chapter were answered by main claimant respondents in representation of individual benefit units. The findings cover all main claimant respondents: those in full-time work, those working part-time and those out of work.

### 6.1 Current budgeting

#### 6.1.1 Who budgets?

All main claimants were asked whether they regularly work out how much money they get from work, benefits and tax credits and how much they are spending. Two-thirds (68 per cent) said that they regularly budget in this way.

**Table 6.1 Who budgets regularly**

<i>Percentage of all main claimants (4,276)</i>	
<b>All main claimants</b>	<b>Yes, budgets regularly</b>
	68
<b>Individual benefit</b>	
Jobseekers' Allowance (JSA)	65
Incapacity Benefit (IB)	62
Income Support (IS)	63
Employment and Support Allowance (ESA)/Severe Disablement Allowance (SDA)/Disability Living Allowance (DLA)	60
Child Tax Credit (CTC)	72
Working Tax Credit (WTC)	70
Housing Benefit	70
Council Tax Benefit	70
Carer's Allowance	68
<b>Age of child</b>	
No child under 16	65
Youngest child under 1	66
Youngest child 1-4	72
Youngest 5-12	70
Youngest child 13-16	64
<b>Individual work status</b>	
Not working	65
Working 1-8 hours	65
Working 9-16 hours	69
Working 17-24 hours	77
Working 25-32 hours	73
Working 33+ hours	70

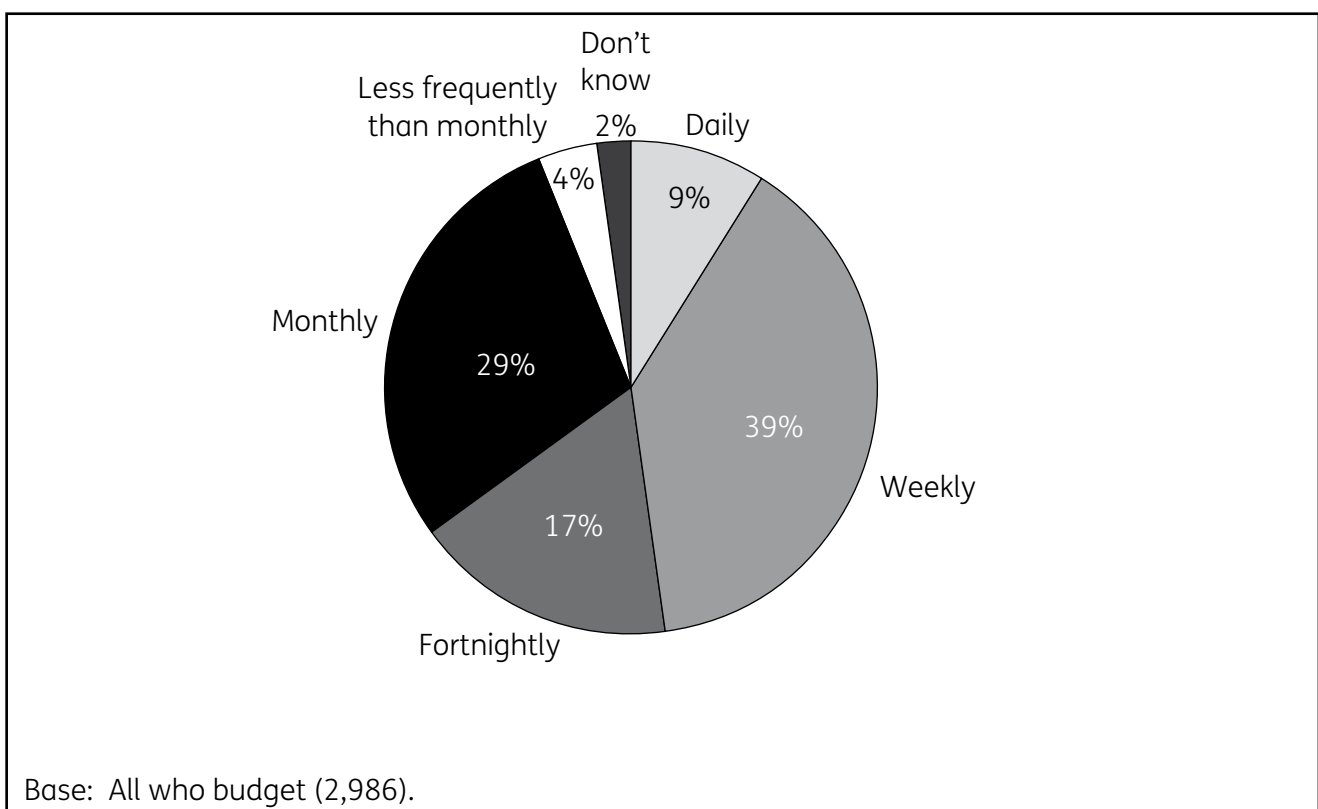
The proportion that budgets regularly was fairly consistent across different sub-groups, although there were some differences. CTC recipients were more likely than other respondents to say they budget regularly (72 per cent). The lowest figures were for recipients of ESA, SDA or DLA (60 per cent).

Respondents with children – especially lone parents and those with a youngest child between one and 12 – were more likely to budget regularly, compared with those without children.

Regular budgeting was less prevalent among Black and Minority Ethnic (BME) respondents (61 per cent), people with no formal qualifications (58 per cent) and those living rent free (also 58 per cent). Those in work were more likely to say they budget regularly than those not in work; the figure was highest for those working 17-24 hours per week.

Amongst respondents that budget regularly, 49 per cent said they do so at least weekly, while 17 per cent budget fortnightly and 29 per cent monthly. Four per cent said they budget less than once a month. Two per cent said they don't know.

**Figure 6.1 How regularly budgeting is done**



Monthly budgeting was more common among people in work, while fortnightly budgeting was most common among JSA recipients, younger people without children and those living rent free (these groups overlap). Daily or weekly budgeting was most prevalent among lone parents and those with a youngest child aged between one and four.

### 6.1.2 Running out of money

Around one in three main claimants (34 per cent) said they run out of money before the end of the week/month always or most of the time, while 33 per cent said this happens more often than not or sometimes. A similar proportion (31 per cent) said this happens hardly ever or never.

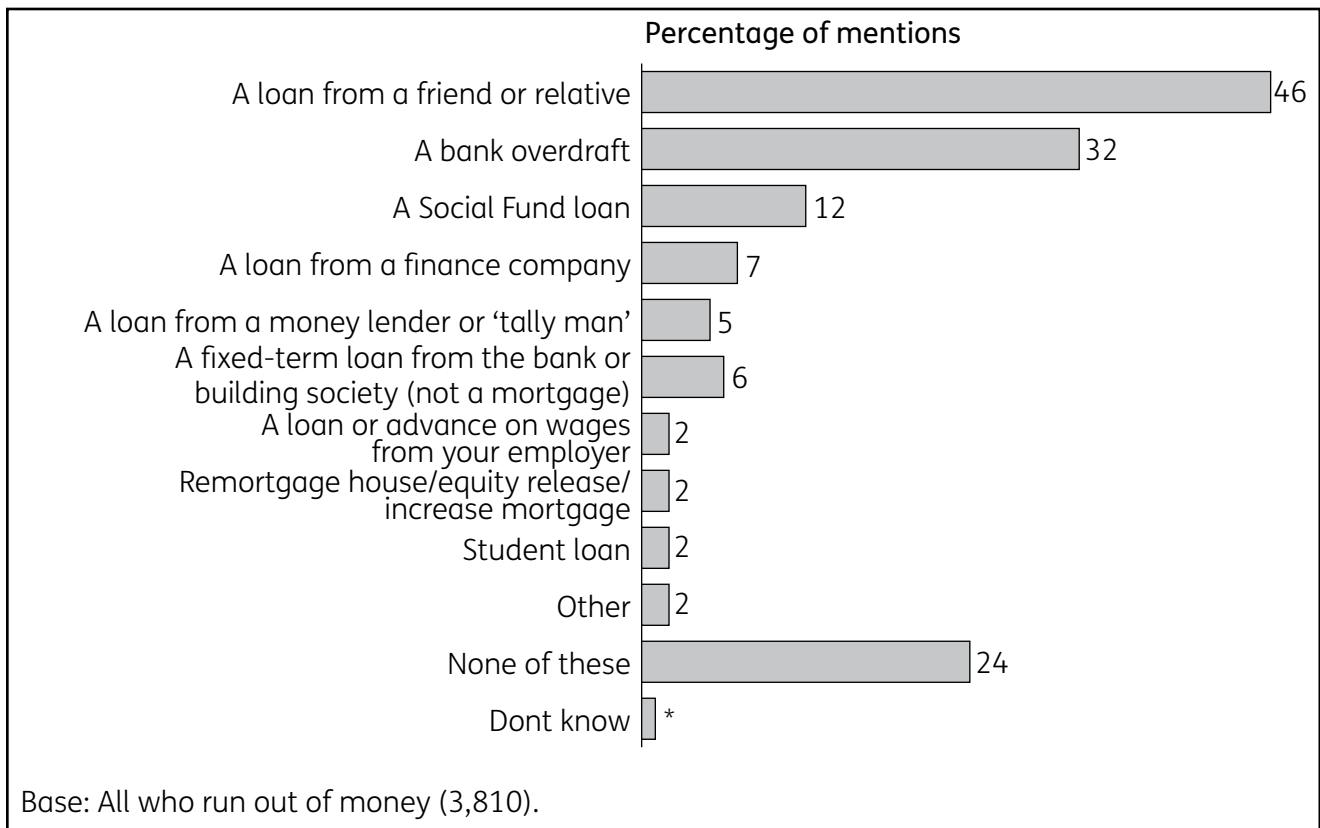
**Table 6.2 How often claimants run out of money**

<i>Percentage of all main claimants (4,273)</i>					
All main claimants	How often claimants run out of money				
	Always/most times	More often than not/sometimes	Hardly ever	Never	Don't know
	34	33	14	17	1
<b>Individual benefit</b>					
JSA	48	32	10	10	1
Incapacity Benefit	32	24	11	30	3
Income Support	39	32	13	14	1
ESA/SDA/DLA	32	28	11	26	3
Child Tax Credit	32	36	16	15	*
Working Tax Credit	28	38	17	17	*
Housing Benefit	43	33	12	11	1
Council Tax Benefit	42	31	13	13	1
Carer's Allowance	37	32	14	15	1
<b>Tenure</b>					
Own outright	17	25	11	46	1
Buying with mortgage/ shared	28	33	19	20	1
Private rent	37	36	13	13	1
Social rent	42	33	12	12	1
Rent free	31	39	12	17	1
<b>Individual work status</b>					
Not working	39	31	11	17	2
Working 1-8 hours	34	33	12	22	4
Working 9-16 hours	30	39	20	12	0
Working 17-24 hours	32	37	18	12	1
Working 25-32 hours	31	33	18	18	0
Working 33+ hours	23	36	17	23	*

The proportion that runs out of money always or most of the time was highest among JSA claimants (48 per cent), black respondents (60 per cent) and those without formal qualifications (39 per cent). By age group, it was highest in the youngest age band (16-19) and lowest in the oldest (60+). It was also higher among those renting their home, while lowest among those who own their home outright. Running out of money was also more common among those out of work than those in work.

### 6.1.3 Borrowing money

Main claimants who said that they ever run out of money were asked about ways of borrowing. Around one in four (24 per cent) said they had not used any of the ways of borrowing shown in Figure 6.2. The most common ways of borrowing were loans from a friend or relative or a bank overdraft.

**Figure 6.2 Ways of borrowing money<sup>17</sup>**

IB claimants were less likely than other respondents to use any of the possible ways of borrowing. Similarly, those aged 60 or over and those owning their home outright were also less likely to use the various ways of borrowing (these groups overlap).

The use of a loan from a friend or relative was more common among respondents who run out of money more of the time, whereas the use of a bank overdraft was similar between those who run out of money all/most of the time and those who do so very rarely. Partly as a result of this general pattern, the use of a loan from a friend or relative was more prevalent among a number of sub-groups: JSA and IS claimants, those aged under 35, lone parents and those renting their home/living rent free.

The use of a social fund loan was also higher among IS claimants and lone parents, as well as those not in work.

## 6.2 Perceived impact of Universal Credit budgeting proposals

### 6.2.1 Who is most likely to be affected?

Main claimants were asked about the potential impact of three different aspects of the budgeting proposals for Universal Credit.

Firstly, when asked how it would affect them if all benefits and tax credits for the whole household were paid into one account, most respondents said that it would make no difference to them (55 per cent) or that this happens already (20 per cent). In total, nine per cent said this would make it harder for them to budget, while 14 per cent said that it would be easier.

<sup>17</sup> Question read: Have you used any of these ways to borrow money when you run out of money?

Those claiming Carer's Allowance were more likely than claimants of other benefits to say that this change would make it harder for them to budget. Those receiving tax credits and those in working households were more likely to say it would be easier for them.

Looking at household composition, those with children living in the household – both couples and lone parents – were more likely than those without children to say it would be easier for them if payments were made into a single account. However, other claimants with children (those with children living outside the household) were more likely to say this would be harder. Claimants who were living rent free were more likely than average to say it would make it harder for them.

In addition, respondents that said they often run out of money were also more likely to say that this change would be difficult for them.

**Table 6.3 Impact of payment into one account by benefit type, and household composition<sup>18</sup>**

<i>Percentage of main claimants (4,276)</i>					
<b>Impact of payment into one account</b>					
<b>All main claimants</b>	<b>Harder</b>	<b>Easier</b>	<b>No difference</b>	<b>All benefits/tax credits already being paid into one account</b>	<b>Don't know</b>
	9	14	55	20	1
<b>Individual benefit</b>					
JSA	14	15	54	15	2
Incapacity Benefit	8	9	53	26	3
Income Support	11	11	56	19	2
ESA/SDA/DLA	11	12	55	20	2
Child Tax Credit	7	16	55	21	*
Working Tax Credit	6	16	54	24	*
Housing Benefit	9	15	52	22	2
Council Tax Benefit	9	16	52	22	1
Carer's Allowance	17	14	52	14	2
<b>Household composition</b>					
No child single	11	13	55	18	2
No child couple	8	11	56	24	1
Child under 16 couple	6	16	59	19	*
Child under 16 single	7	17	50	26	*
Child under 16 other	22	11	48	18	1

Similarly, most respondents said that it would make no difference if benefits and tax credits were paid as a single payment (63 per cent). Approximately equal numbers said that this would make it easier (18 per cent) and more difficult to budget (17 per cent in each case).

<sup>18</sup> Question read: If the Government were to pay all benefits and tax credits for the whole household into one account, would you find it easier or harder to budget, or would it make no difference at all?

Once again, those receiving Carer's Allowance were more likely than claimants of other benefits to say this change would make it harder for them. People out of work (and those in non-working households) were more likely than those in work to say it would make it harder.

Lone parents were more likely than other household types to say that this change would make a difference to them, but they were equally split on whether it would make it harder or easier. Otherwise, there was no clear pattern in terms of household composition.

Private renters were more likely than those in other tenures to say that a single payment would be easier for them (24 per cent).

**Table 6.4 Impact of single payment by benefit type and work status**<sup>19</sup>

All main claimants	Impact of single payment			
	Harder	Easier	No difference	Don't know
	17	18	63	2
<b>Individual benefit</b>				
JSA	16	21	61	2
Incapacity Benefit	17	11	68	4
Income Support	22	20	55	3
ESA/SDA/DLA	22	17	58	3
Child Tax Credit	19	22	59	1
Working Tax Credit	14	19	66	1
Housing Benefit	21	21	55	2
Council Tax Benefit (CTB)	21	21	55	2
Carer's Allowance	30	18	49	2
<b>Individual work status</b>				
Not working	19	17	61	3
Working 1-8 hours	13	16	72	0
Working 9-16 hours	15	16	67	2
Working 17-24 hours	14	20	64	1
Working 25-32 hours	11	20	69	*
Working 33+ hours	12	23	64	1

Compared with the other two questions, a much larger proportion of respondents (42 per cent) said that it would make it harder for them to budget if payments were made monthly. Just ten per cent said this would make it easier for them, while 47 per cent said it would make no difference or that they already receive benefits or tax credits monthly.

A number of groups were particularly likely to say this would make it harder for them. In terms of type of benefit, those receiving JSA, IS, HB, CTB and Carer's Allowance were more likely than average to say it would make it harder for them to budget. The same applies to younger age groups, those with lower qualifications, single respondents (especially single parents) and social renters.

<sup>19</sup> Question read: If the Government were to pay all benefits and tax credits as a single payment, would you find it easier or harder to budget, or would it make no difference at all?



Single claimants were more likely than couples to say that this would make it harder for them, and this applied especially to lone parents, as well as other claimants with children (those with children living outside the household). Overall, however, there was no difference between benefit units with children and those without children.

Social renters and those living rent free were more likely than those in other tenures to say monthly payments would be harder for them, while this was seen as less of a problem among owner-occupiers.

Younger age groups and those with lower qualifications were also more likely than average to say monthly payments would be harder.

Once again, those out of work and in non-working households were more likely than those in work to say it would make it harder, and those who run out of money at least sometimes were more likely to say it would be harder than those who run out of money less often.

**Table 6.5 Impact of monthly payment**<sup>20</sup>

<i>Percentage of main claimants (4,279)</i>					
<b>All main claimants</b>	<b>Impact of monthly payment</b>				
	<b>Harder</b>	<b>Easier</b>	<b>No difference</b>	<b>Tax credits/benefits already being paid monthly</b>	<b>Don't know</b>
	42	10	40	7	1
Individual benefit					
JSA	53	11	34	1	1
Incapacity Benefit	44	8	42	4	2
Income Support	60	7	30	1	2
ESA/SDA/DLA	44	10	41	3	2
Child Tax Credit	42	11	37	9	*
Working Tax Credit	36	10	43	11	*
Housing Benefit	54	11	31	3	1
Council Tax Benefit	55	10	32	2	1
Carer's Allowance	60	12	25	2	2

Continued

<sup>20</sup> Question read: If payments of benefits and tax credits are made monthly, would you find it easier or harder to budget, or would it make no difference at all?

Table 6.5 Continued

	Impact of monthly payment continued				
	Harder	Easier	No difference	Tax credits/benefits already being paid monthly	Don't know
<b>Age</b>					
16-19	53	16	28	*	2
20-24	57	11	31	1	1
25-29	50	11	34	3	1
30-34	43	11	38	7	*
35-44	41	10	40	8	1
45-54	36	11	42	9	1
55-59	40	9	45	6	*
60+	34	7	52	7	1
<b>Household composition</b>					
No child single	46	10	39	3	2
No child couple	33	10	48	8	*
Child under 16 couple	34	11	43	12	1
Child under 16 single	55	11	28	5	*
Child under 16 other	61	8	27	3	1
<b>Tenure</b>					
Own outright	27	13	49	11	*
Buying with mortgage/Shared ownership	25	11	51	12	*
Private rent	43	15	37	4	1
Social rent	55	8	32	4	1
Rent free	49	6	40	2	2
<b>Individual work status</b>					
Not working	51	9	35	4	1
Working 1-8 hours	35	15	39	11	0
Working 9-16 hours	36	14	43	6	2
Working 17-24 hours	34	13	40	12	*
Working 25-32 hours	33	13	44	10	0
Working 33+ hours	23	11	52	13	1

We can summarise the findings for the three questions as follows:

- Four per cent of respondents said that all three of the changes would make it harder for them;
- 11 per cent said that two of the three changes would make it harder;
- 32 per cent said that one of the three changes would make it harder;
- 52 per cent said that none of the changes would make it harder; all three would either make it easier for them or would make no difference.

### 6.2.2 Why would it be harder to budget?

This section examines the reasons why respondents think the changes to payments proposed under Universal Credit would make it more difficult for them to budget.

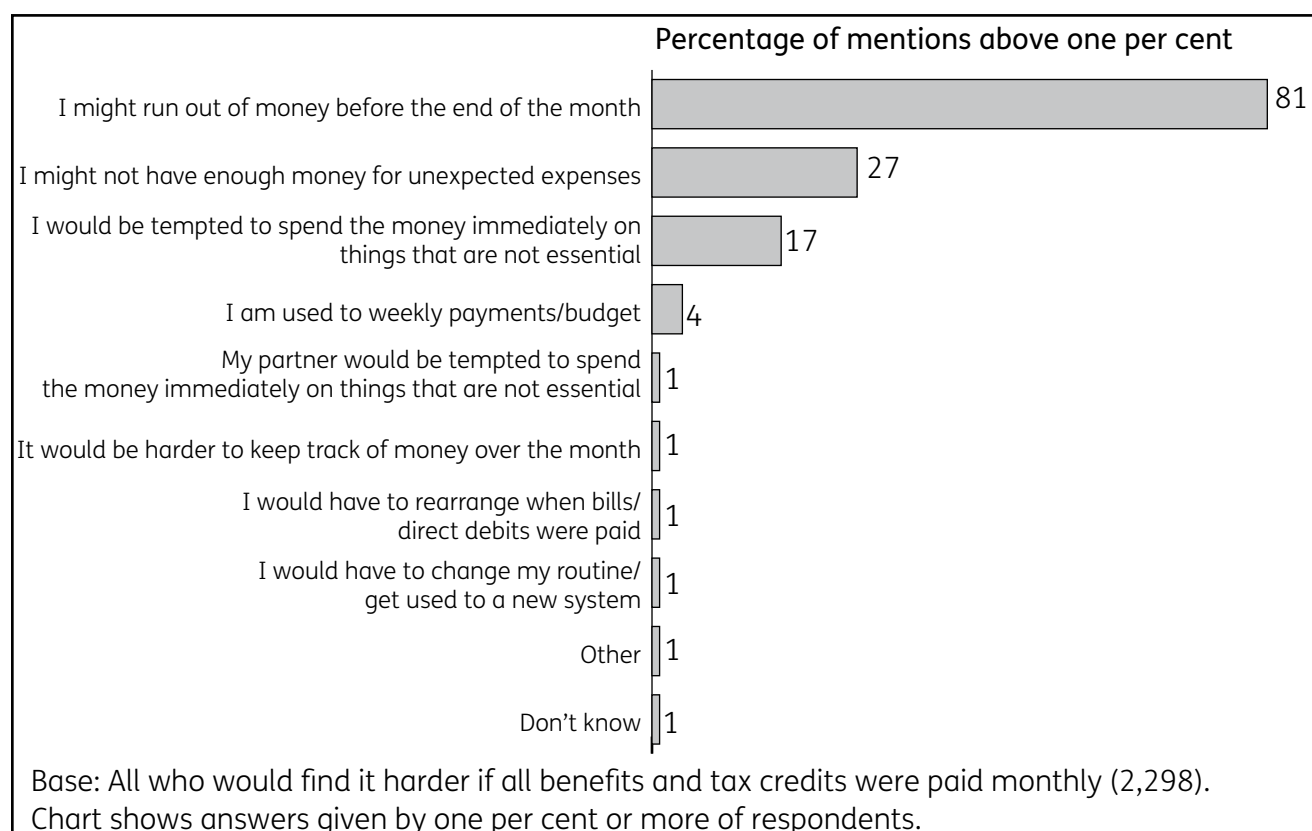
Firstly, Figure 6.3 shows the reasons given by respondents who said it would be more difficult for them to budget, if either benefits/tax credits were paid into one account or if they were paid as a single payment. The most common reason was that this would give them less control over how payments are spent (47 per cent). Other reasons were that respondents might run out of money before the end of the month (37 per cent), that they would need to re-arrange when certain bills were paid (30 per cent) and that they would have to re-organise when they buy essentials (17 per cent).

The main differences by benefit type were that claimants of IB, ESA, SDA or DLA were more likely than other claimants to say that they would need to re-arrange payment of bills, while those claiming HB and CTB were more likely than other claimants to say that they might run out of money before the end of the month. Lone parents were also more likely to say that they might run out of money before the end of the month, and this was the only difference by household type.

As noted above, this question was asked of respondents who said it would be harder for them if benefits/tax credit were paid into one account, as well as those who said it would be harder if they were paid as a single payment. Running out of money before the end of the month was more likely to be mentioned by those whose concern was over a single payment, rather than payment into a single account. Otherwise, answers were similar in relation to the two initial questions.

Additional analysis shows that concerns over running out of money before the end of the month were greater among respondents who do not budget regularly. By contrast, having less control over how payments are spent was a greater concern for those that budget at least monthly, rather than those that budget less often or not at all.

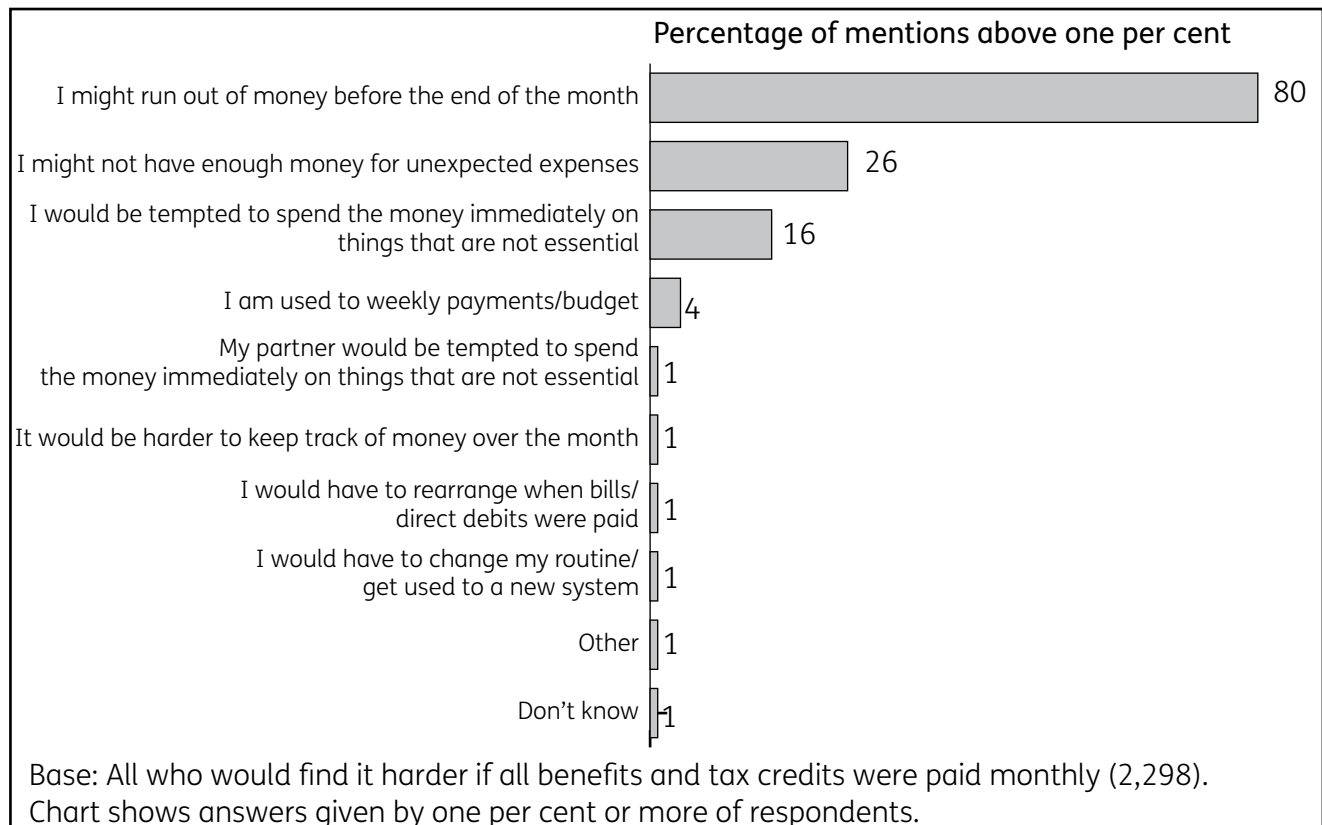
**Figure 6.3 Reasons why single payment/payment into one account would be harder**



Where respondents thought that a change to monthly payments would make it harder for them to budget, the overwhelming concern was running out of money before the end of the month. Other reasons were similar to this general concern – that respondents might not have enough money for unexpected expenses, and that they might be tempted to spend the money immediately on inessential things (see Figure 6.4).

Findings were consistent across the various sub-groups, including by household type.

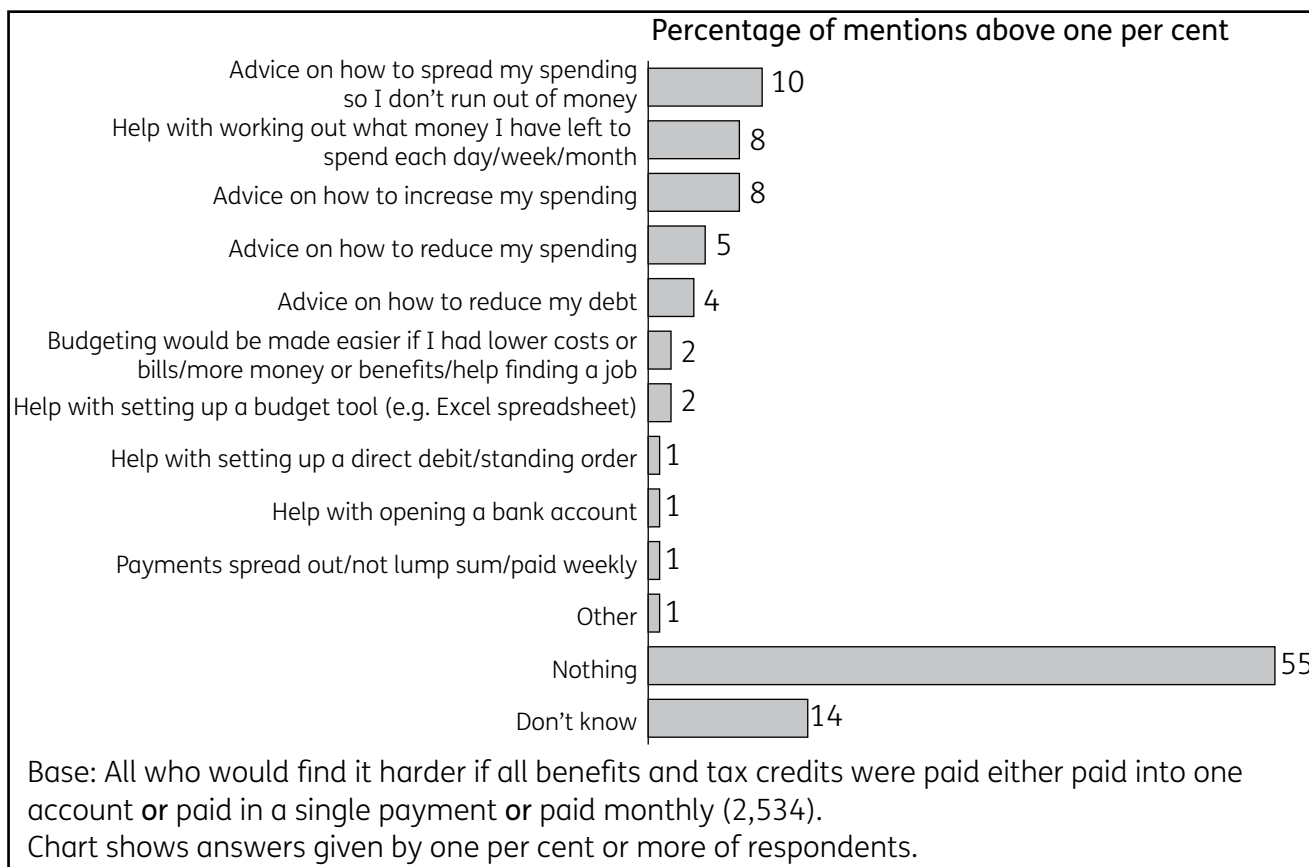
**Figure 6.4 Reasons why a monthly payment would be harder**



### 6.2.3 Help and support in budgeting

Respondents who said that any of the three changes would make it harder for them were asked what types of help or support they would find useful in managing their budget.

Most respondents were unable to specify anything that would help them, although a range of suggestions were made, including: advice on spreading out spending to prevent them from running out of money; help with working out what money is left to spend each day/week/month; advice on how to increase their income; and advice on how to reduce spending (see Figure 6.5).

**Figure 6.5 Types of support that would be useful to manage budgets**

Findings were generally consistent across the various claimant sub-groups, including by type of household. The one variation was in the proportion saying that advice on how to spread out spending to avoid running out of money would be useful. This was higher among HB and CTB claimants, as well as among women.

#### 6.2.4 Chapter summary

Two-thirds of respondents (68 per cent) said that they regularly work out how much money they get from work, benefits and tax credits and how much they are spending. This happens either at least weekly (49 per cent), fortnightly (17 per cent) monthly (29 per cent) or less often (four per cent).

There was an approximately equal split between those who said they run out of money before the end of the week/month always or most of the time (34 per cent), those who run out of money more often than not or sometimes (33 per cent) and those who said they run out of money hardly ever or never (31 per cent).

Respondents said that, when they ran out of money, the two most common ways of borrowing were loans from a friend or relative or a bank overdraft.

When asked about the potential impact of three different aspects of the budgeting proposals for Universal Credit:

- Most respondents (75 per cent) said that the payment of all benefits or tax credits into one account would make no difference to them or that this was what already happened. Nine per cent said this would make it harder for them to budget, while 14 per cent said that it would be easier.

- Similarly, the majority said that it would make no difference if benefits and tax credits were paid as a single payment (63 per cent). Similar proportions said that this would make it easier to budget (18 per cent) as said that it would be more difficult (17 per cent).
- In contrast, 42 per cent said that it would make it harder for them to budget if payments were made monthly. Ten per cent said this would make it easier for them, while 47 per cent said it would make no difference or that this already happened.

Where respondents thought that a change to monthly payments would make it harder for them to budget, the overwhelming concern was running out of money before the end of the month.

Most respondents were unable to specify anything that would help them to manage their budget, although some suggestions were made for the following types of advice or support: advice on spreading out spending; help with working out what money is left to spend each day/week/month; advice on how to increase income; and advice on how to reduce spending.

Non-working households were more likely than those with someone in work to say that the proposed changes to payments under Universal Credit would make it harder for them to budget. Those claiming Carer's Allowance were also more likely than other claimants to say that the changes would make it harder for them to budget. There was no consistent pattern in relation to household composition.

# 7 Online behaviour

This chapter examines current use of the internet and other technologies in everyday life. It also looks at attitudes to applying for benefits online, and the types of support needed for claimants using online services.

All questions in this chapter were answered by main claimant respondents in representation of individual benefit units. The findings are given for all main claimants: those in full-time work, those working part-time and those out of work.

## 7.1 Use of the internet

### 7.1.1 Who uses the internet?

In total, 78 per cent of main claimants said that they use the internet, including 48 per cent who said they use it every day.

The main demographic pattern was that use of the internet (and regular, daily use) decreased with age. Linked to the higher use among younger people, internet use was also higher among Jobseeker's Allowance (JSA) claimants and those looking for work. It was also higher among respondents with children aged under 16. People in work were more likely than those out of work to use the internet, and to use it daily (see Table 7.1).

Respondents with a LSI (64 per cent) and those receiving Incapacity Benefit (IB), Income Support (IS), Employment and Support Allowance (ESA), Severe Disablement Allowance (SDA) or Disability Living Allowance (DLA) were less likely to use the internet, as were those without any formal qualifications (48 per cent).

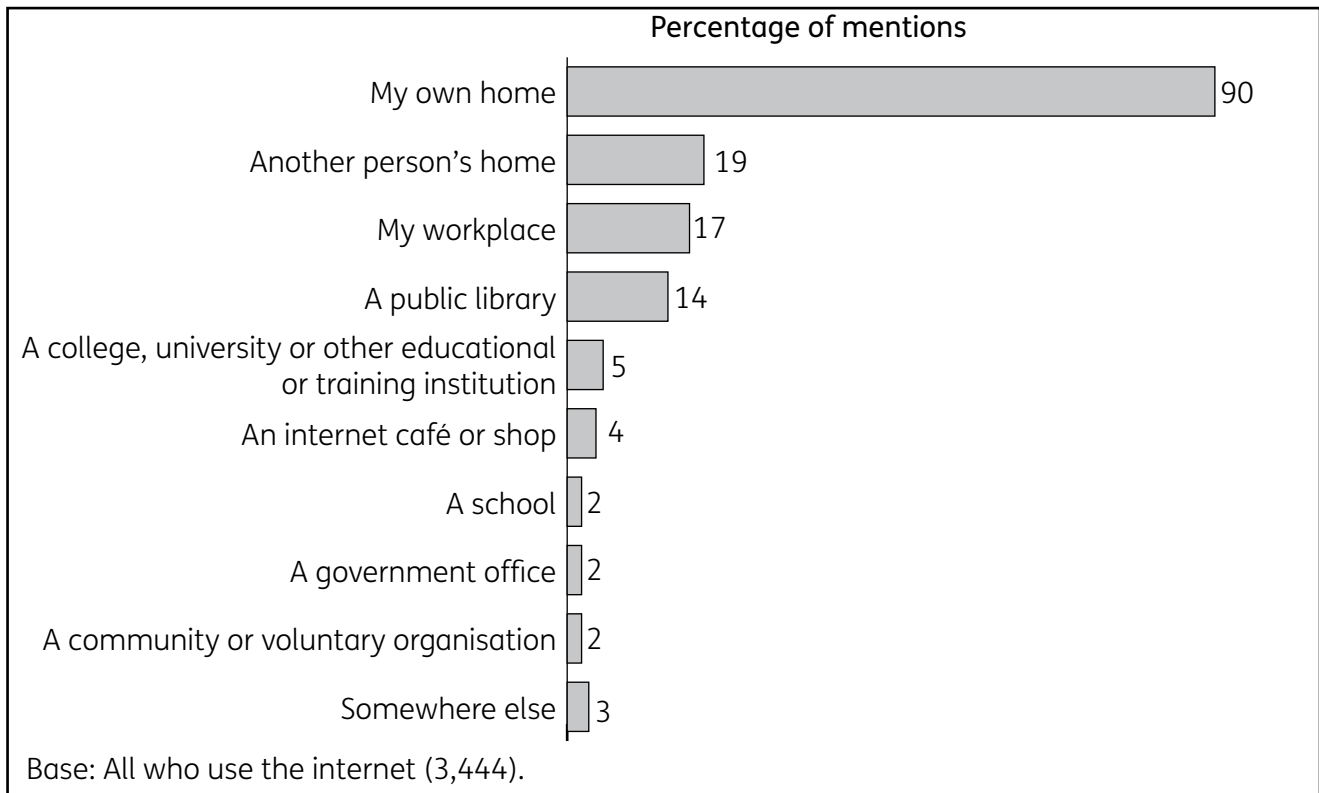
### 7.1.2 Where the internet is used

Most internet users said that they access the internet from their own home (90 per cent). Some respondents said they use the internet at another person's home (19 per cent), their workplace (17 per cent) or a public library (14 per cent).

**Table 7.1 Internet use by benefit type, age, age of child and individual work status**

<i>Percentage of all main claimants (4,278)</i>		
<b>Internet use</b>		
<b>All main claimants</b>	<b>Use the internet</b>	<b>Use every day</b>
	<b>78</b>	<b>48</b>
<b>Individual benefit</b>		
JSA	88	57
IB	60	31
IS	65	31
Employment and Support Allowance (ESA)/Severe Disablement Allowance (SDA)/Disability Living Allowance (DLA)	64	33
Child Tax Credit (CTB)	89	56
Working Tax Credit (WTC)	86	58
Housing Benefit (HB)	71	41
Council Tax Benefit (CTB)	72	42
Carer's Allowance	72	40
<b>Age</b>		
16-19	96	60
20-24	95	66
25-29	93	61
30-34	90	54
35-44	82	50
45-54	69	42
55-59	53	30
60+	49	28
<b>Age of child</b>		
No child under 16	69	42
Youngest child under 1	90	56
Youngest child 1-4	90	59
Youngest child 5-12	85	53
Youngest child 13-16	84	48
<b>Individual work status</b>		
Not working	72	41
Working 1-8 hours	88	60
Working 9-16 hours	81	51
Working 17-24 hours	88	56
Working 25-32 hours	86	60
Working 33+ hours	90	65



**Figure 7.1 Where the internet is used**

Older respondents, those in a couple and owner-occupiers were more likely than other respondents to say that they accessed the internet from home, while access from another person's home was greater among people renting/living rent free, younger people, and people claiming IS or JSA. JSA claimants were also more likely than other respondents to access the internet from a library, internet cafe or shop.

Single respondents were more likely than those in a couple to access the internet from a library, while those aged 16-19 were more likely than older age groups to use a library or a college/university.

Around a third of those in work (35 per cent) said they accessed the internet from work, and this proportion was higher among those working more hours per week: 18 per cent working no more than 16 hours per week, rising to 33 per cent of those working 17-24 hours per week, 37 per cent working 25-32 hours per week, and 44 per cent working 33 or more hours per week.

In general, use of the internet at home and in the workplace was more common among daily internet users, while access from another person's home was more common among less frequent users.

### 7.1.3 Broadband connections

The majority of main claimant respondents (74 per cent) said that they had a broadband connection at home.

**Table 7.2 Broadband connection by benefit type, gender, age, household composition, household work history and internet use**

	<i>Percentage of main claimants (4,279)</i>
	<b>Yes, have a broadband connection</b>
All main claimants	74
<b>Individual benefit</b>	
JSA	68
IB	66
IS	58
ESA/SDA/DLA	65
CTC	84
WTC	86
HB	62
CTB	63
Carer's Allowance	75
<b>Gender</b>	
Male	71
Female	77
<b>Age</b>	
16-19	71
20-24	76
25-29	78
30-34	76
35-44	81
45-54	71
55-59	62
60+	60
<b>Household composition</b>	
No child, couple	57
No child, couple	82
Child under 16, couple	91
Child under 16, single	72
Child under 16, other	80
<b>Household work history</b>	
Household working	86
Couple: one works	89
Household out of work, at least one under 18 months	70
Household out of work for 18+ months	59
<b>Current internet use</b>	
Use internet at home	94
Use internet outside home only	10
Do not use internet	32

People claiming tax credits were more likely than other respondents to have a broadband connection at home. The proportion with a broadband connection at home was also higher among women, those in a couple and those with children, as well as those in households where someone was in work. Those claiming IS, social renters, those without formal qualifications and people aged 55 or over were less likely to have a broadband connection at home.

Those with a home broadband connection were mostly the same respondents that used the internet at home. However, a proportion of respondents who only accessed the internet outside their home (ten per cent) said they had a home broadband connection, as did 32 per cent of those that did not use the internet at all.

## 7.2 Use of technology in everyday life

All main claimants were asked about their use of technology in their everyday life. More than half of respondents (61 per cent) said they had used a self-service till in a supermarket or shop and said that they would be happy to do this again/more, while around half said the same about searching for a new job online (51 per cent) and using social network sites (50 per cent). Less than half of respondents had used internet or online shopping, online banking, or had found out about government services online. Just 14 per cent had put in a new claim for a benefit online, but a further 29 per cent said that they had not done this but would like to do it. One in six (16 per cent) said that they had not found out about government services online but would like to do so, while ten per cent said the same about searching for a new job online.

**Table 7.3 Use of technology in everyday life**

<i>Percentage of main claimants (4,280)</i>				
<b>Use of technology in everyday life</b>				
	<b>Already do it/ done it and would like to do more</b>	<b>I have done this but am not interested in doing it again</b>	<b>I have never done this but would like to do it</b>	<b>Never done and not interested/ doesn't apply to me/never use service</b>
<b>All main claimants</b>				
Communicate with friends or family through social network site like Twitter, Facebook or Bebo	50	4	3	43
Internet or online shopping (for example, grocery shopping, travel tickets)	48	4	5	43
Use a self-service till in a supermarket or shop	61	8	3	28
Use online banking	41	2	6	49
Find out about government services online (e.g. which benefits you might be entitled to)	40	3	16	40
Put in a new claim for any benefits online	12	2	29	56
Search for a new job online	51	2	10	36

The main demographic difference was by age. Younger people were more likely to have done the various activities, with figures tending to decrease among those aged 45 or over. This pattern also applied to claiming a benefit online, but was less pronounced (only varying from 16 per cent of those aged under 45 who had done this to nine per cent of those aged 45 or over).

Related to this pattern by age, the proportion that had done the various activities tended to be higher among JSA and tax credit claimants, women and those with children; it was also higher among those in work (all of these groups have a relatively young age profile). The proportions were lower for claimants of IS, IB, ESA, SDA and DLA, those with a LSI and those without any formal qualifications.

There were also differences in the proportion that had not used services but were interested in doing so. Lone parents and those aged 16-24 were most interested in finding out about government services online, while women, those with children, and those aged under 55 were most likely to be interested in making a new claim online.

## 7.3 Applying online

### 7.3.1 Willingness to apply online

Respondents were asked whether they would be willing to make an application for a benefit or Tax Credit online. The majority (62 per cent) said that they would; 36 per cent reported they would not be willing.

As might be expected, willingness to apply online was higher among regular internet users, and other sub-group patterns reflected levels of internet use. Specifically, younger respondents, claimants of JSA and tax credits, women, and households in work were more likely to be willing to apply online, while willingness was lower among claimants of IB, ESA, SDA and DLA, those with a LSI and those without formal qualifications.

In terms of household composition, those with children were more likely than those without children to be willing to apply online, with willingness particularly low among single claimants without children.

**Table 7.4 Willingness to apply online**<sup>21</sup>

	<i>Percentage of main claimants (4,278)</i>
All main claimants	<b>Willing to apply on line</b> <b>62</b>
<b>Individual benefit</b>	
JSA	68
IB	42
IS	48
ESA/SDA/DLA	42
CTC	72
WTC	73
HB	55
CTB	55
Carer's Allowance	48
<b>Gender</b>	
Male	57
Female	65
<b>Age</b>	
16-19	75
20-24	70
25-29	79
30-34	69
35-44	55
45-54	41
55-59	37
60+	
<b>Household work history</b>	
Household working	74
Couple: one works	72
Household out of work at least one under 18 months	73
Household out of work for 18+ months	44
<b>Frequency of internet use</b>	
Use internet everyday	83
Use internet once a week (but not every day)	64
Use internet less than once a week	42
Does not use the internet	18

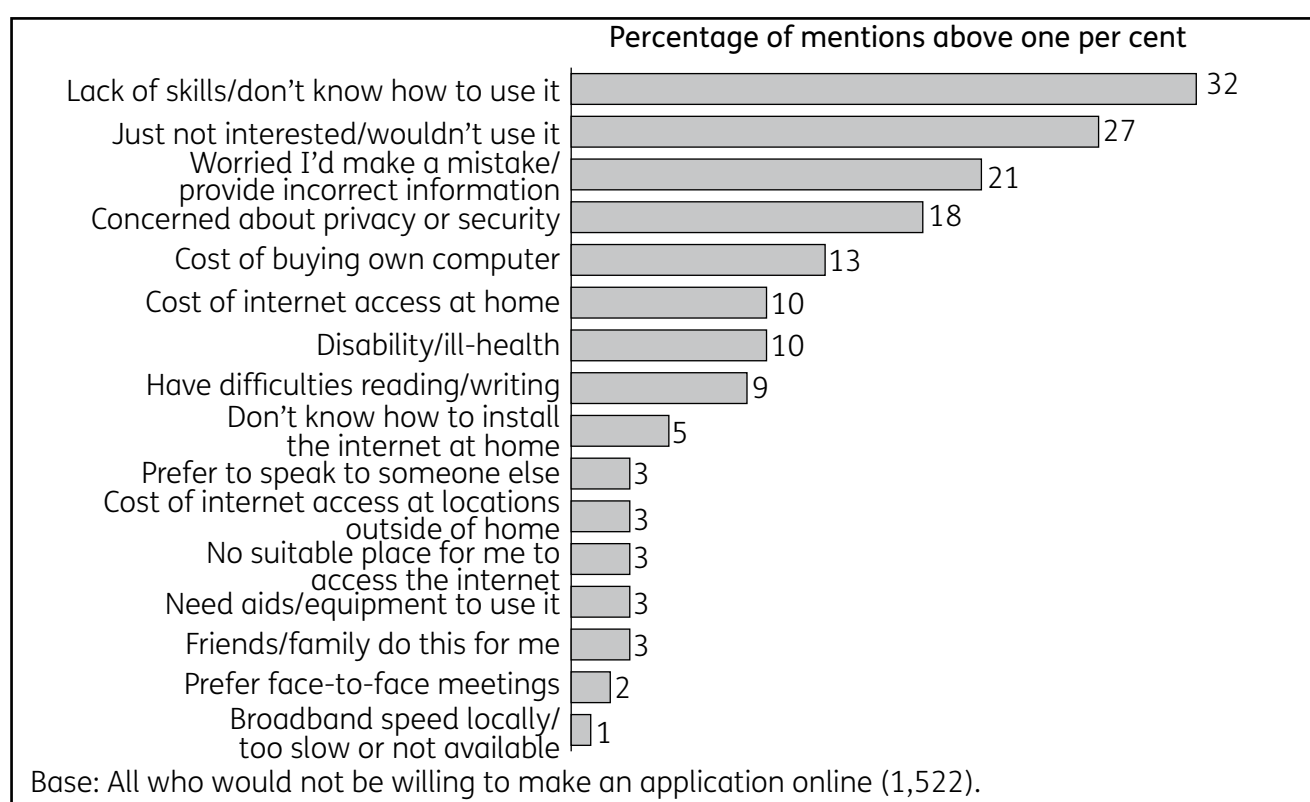
<sup>21</sup> Question read: The Government is planning to simplify benefits and tax credits into a new service to help people back into work and provide a single payment for all working age benefits and tax credits. The main way in which people will use the new service will be online. Would you be willing to make an application for a benefit or Tax Credit Online?

Respondents who were not willing to apply online were asked for their reasons. A number of the reasons related to respondents' lack of proficiency. The most common reason was that respondents didn't know how to use it or didn't have the skills (32 per cent), while 21 per cent were worried they would make a mistake. In addition, five per cent said they didn't know how to install the internet at home, while nine per cent referred to general problems with literacy.

Some respondents mentioned cost: either the cost of buying a computer or getting internet access at home, or of accessing the internet outside of home.

Around a quarter (27 per cent) of respondents said that they were just not interested and wouldn't use it, while 18 per cent had concerns about privacy or security.

**Figure 7.2 Reasons for not being willing to apply online**



Reasons differed between regular internet users and less frequent or non-users. Non-users were most likely to say that they just weren't interested, while non-users and less regular users were more likely to mention lack of skills and cost issues. Current internet users were more likely than non-users to mention privacy or security and to say they would be worried about making mistakes.

### 7.3.2 Support for online services

All respondents were asked whether they would need help or support to use the benefits and tax credit service online. Just under half (45 per cent) said that they would need help or support.

Respondents who said they would need help or support were generally those who were less regular internet users or non-users. As a result, claimants of IS, IB, SDA or DLA were more likely than other claimants to say they would need help or support. Men, those aged 45 or over, those without formal qualifications, and those in non-working households were also more likely to say they would need support.

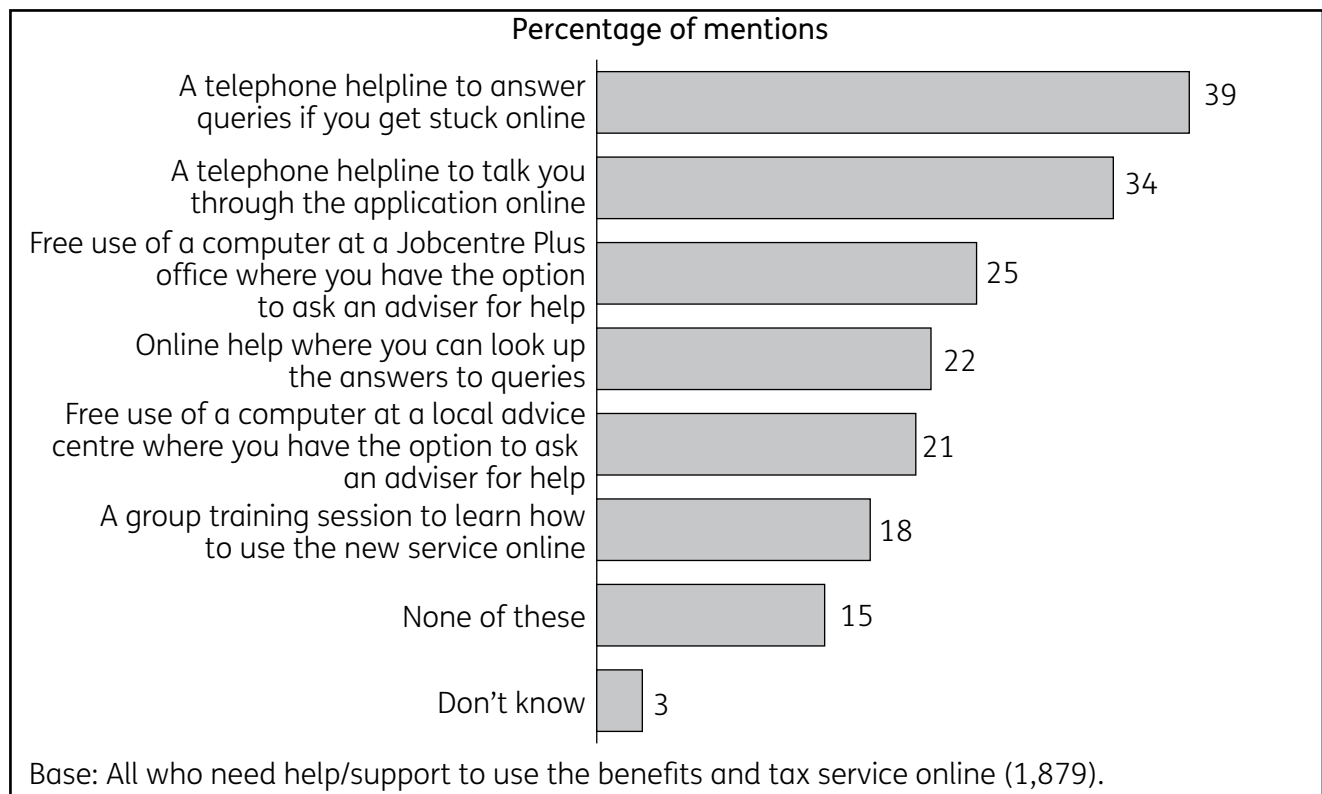
In terms of household composition, those without children, especially single claimants without children, were more likely than those with children to say they would need support.

**Table 7.5 Support for online services by benefit type, gender, age, household composition, household work history and internet use**

<i>Percentage of main claimants (4,273)</i>	
<b>All main claimants</b>	<b>Would need support to use an online service</b>
	45
<b>Individual benefit</b>	
JSA	38
IB	65
IS	57
ESA/SDA/DLA	64
CTC	36
WTC	38
HB	51
CTB	50
Carer's Allowance	56
<b>Gender</b>	
Male	49
Female	42
<b>Age</b>	
16-19	41
20-24	36
25-29	28
30-34	37
35-44	44
45-54	52
55-59	62
60+	60
<b>Household composition</b>	
No child, single	55
No child, couple	50
Child under 16, couple	35
Child under 16, single	38
Child under 16, other	39
<b>Household work history</b>	
Household working	34
Couple: one works	41
Household out of work, at least one under 18 months	35
Household out of work for 18+ months	58
<b>Frequency of internet use</b>	
Use internet everyday	28
Use internet once a week (but not every day)	47
Use internet less than once a week	52
Does not use the internet	78

Respondents who said they would need support to use the online service were shown six types of support and asked which would help them to use the service. There was some interest in all of the types of support; the most popular was a telephone helpline to answer queries if people get stuck online (39 per cent).

**Figure 7.3 Preferred types of support for online service**



In general, the telephone helplines and online help were more likely to be chosen by regular internet users and those who said they would be willing to use the online service. The free use of a computer was more popular among less regular internet users (less than once a week).

The two telephone helpline options were chosen by a relatively high proportion of those in working households, tax credit claimants and women, while free use of a computer and online help were more popular among JSA claimants than other claimants. Analysis by household type shows that those with children were more likely than those without children to choose the telephone helpline options, while free use of a computer was particularly popular among lone parents.

### 7.3.3 Chapter summary

In total, 78 per cent of respondents said that they use the internet, including 48 per cent who said they use it every day. Internet access was most commonly from home, and the majority (74 per cent) said that they had a home broadband connection.

Around half of respondents (53 per cent) had searched for a new job online, while 43 per cent had found out about government services online, and 14 per cent had put in a new claim for a benefit online.



The majority of respondents (62 per cent) said they would be willing to make an application for a benefit or Tax Credit online. Willingness was higher among sub-groups containing large proportions of regular internet users, such as younger respondents, claimants of JSA and tax credits, women, those with children and those in working households.

Where respondents were not willing to apply online, this was either because of their own lack of skills, concerns about making a mistake, perceived cost, concerns about privacy or security, or a general lack of interest.

Just under half (45 per cent) said that they would need help or support to use the benefits and tax credit service online. The most popular type of support was a telephone helpline to answer queries if people get stuck online.

This report summarises the key findings from a quantitative survey providing statistical analysis of the characteristics, circumstances, behaviour and attitudes of working age benefits and tax credits recipients including partners/spouses. The research was commissioned to help the Department for Work and Pensions (DWP) implement Universal Credit by providing information on views and attitudes to work among a representative sample of claimants who would be impacted by the transition to Universal Credit.

A total of 4,315 households or 'benefit units' took part in the survey between June and August 2011: 4,315 interviews with the main claimants and 1,216 additional interviews with the partners of main claimants. The sample was randomly selected from the DWP and HM Revenue & Customs (HMRC) claimant databases and covered Great Britain.

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