



Department
for Work &
Pensions

Universal Credit pathfinder evaluation: interim results from the Universal Credit claimant survey, wave 1

November 2013

Universal Credit Pathfinder Evaluation: Interim Results From The Universal Credit Claimant Survey, Wave 1

A report of research carried out by the Department for Work and Pensions

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First published 2013.

ISBN 978-1-78153-381-9

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Introduction

Universal Credit is a new single payment for people who are looking for work or on a low income. It will help claimants and their families to become more independent and will simplify the benefits system by bringing together a range of working-age benefits into a single payment. Universal Credit was initially introduced from April 2013 in certain areas of the North West, known as Pathfinder sites.

This report provides interim results on the first survey of claimants to experience Universal Credit. It covers:

- Attitudes towards Universal Credit among those with previous experience of JSA;
- Claimant experience of Universal Credit online claims;
- Claimant experience of Universal Credit processes;
- Attitudes towards budgeting and monthly payments;
- Claimant approaches to Jobsearch;
- Understanding of financial incentives

Background

Universal Credit is a new simpler, single monthly benefit which merges together:

- Income related Jobseeker's Allowance;
- Income related Employment and Support Allowance;
- Income Support;
- Child Tax Credits;
- Working Tax Credits; and
- Housing Benefit

Universal Credit is being introduced gradually:

- Ashton-under-Lyne Jobcentre started to accept claims for Universal Credit from 29 April 2013, whilst Wigan, Warrington and Oldham Jobcentres trialled the new Claimant Commitment.
- From 1 July, Wigan started to accept claims with Warrington and Oldham following suit on 29 July.
- Progressive roll out of Universal Credit began in October 2013, starting with Hammersmith Jobcentre and followed by Rugby, Inverness, Harrogate, Bath and Shotton by spring 2014.

This controlled approach means that Jobcentres intensively test the new system as it rolls out.

Evaluation is a key element of testing the approach. DWP published a framework for the evaluation of Universal Credit in December 2012:

<https://www.gov.uk/government/publications/universal-credit-evaluation-framework>. The initial evaluation of Universal Credit Pathfinder includes research with staff, claimants and external delivery partners. This publication sets out some headline interim results from a major survey of Universal Credit claimants.

Methodology

DWP commissioned a claimant telephone survey in Pathfinder sites in the North West to generate quantitative data on those claiming Universal Credit (UC). Based on responses to this survey of new UC claimants, the survey data provides evidence on a broad range of factors, including, attitudes, experiences, behaviours and outcomes of new UC claimants.

The survey is longitudinal which means the same group of individuals are interviewed at successive points in time (in Wave 1, Wave 2 and Wave 3). Claimants are first interviewed as soon as possible after making their claim¹, and then contacted again after approximately 3 months and 6 months.

The longitudinal design allows us to learn about claimant experiences at different stages in their UC claim and subsequent changes in their labour market status. This means at each wave of the survey we will focus on different sets of issues. Wave 1 of the survey focuses more on experience of the initial claim for UC whilst later waves will focus on and start to build up a clearer view of labour market outcomes.

To allow comparisons with the current benefit system, we simultaneously ran two comparator surveys with new Jobseeker Allowance (JSA) claimants. The three surveys are:

- **UC Pathfinder Survey:** People that lived in Pathfinder areas and met the Pathfinder eligibility criteria² and had made a new claim to UC.
- **JSA Comparator Survey:** People that met the Pathfinder eligibility criteria *and* lived in areas that had similar labour market conditions to Pathfinder areas³. As far as possible the sample for the matched comparison survey reflects the UC population in all aspects other than geography (i.e. it includes JSA claimants who, if they were living in the Pathfinder areas, would be eligible for UC⁴).
- **JSA National Survey:** People that met the UC Pathfinder eligibility criteria but drawn from a random national sample of all new JSA

¹ On average, survey interviews took place 25 days after the initial claim for the UC Pathfinder Survey, 35 days after the initial claim for JSA Comparator Survey and at 59 days after the initial claim for the JSA National Survey. Wave 2 of each survey will take place at around the same time after initial claim date.

² See notes section for detailed eligibility criteria.

³ DWP analysts derived comparison areas based on statistical analysis of previous benefit off-flow rates in Jobcentres across the country.

⁴ See notes section for detailed eligibility criteria.

claimants (excluding Northern Ireland). Results from this survey also help contextualise the results of the JSA Comparator survey.

In total, 2,701 interviews were achieved in Wave 1⁵. By achieving 900 interviews at Wave 1 for each survey, we can be confident that we will be able to make robust comparisons between the 3 surveys.

Results

This report covers:

- Attitudes towards UC among those with previous experience of JSA;
- Claimant experience of UC online claims;
- Claimant experience of UC processes;
- Attitudes towards budgeting and monthly payments;
- Claimant approaches to Jobsearch;
- Understanding financial incentives.

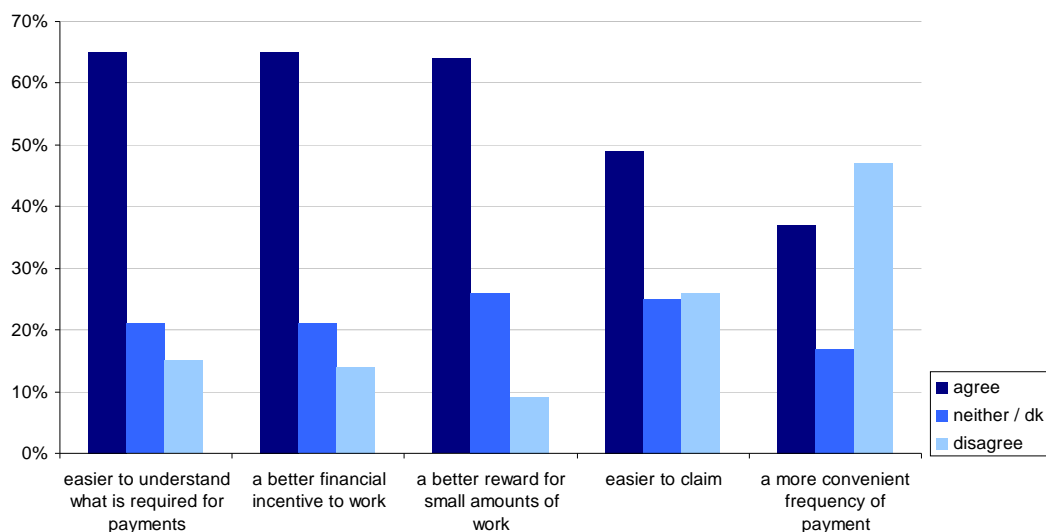
Unless otherwise stated, all results refer to the UC claimant survey results.

Attitudes Towards UC Amongst Claimants Who Recall Receiving JSA During The Last 2 Years

The following section explores the attitudes of the 373 respondents who are now claiming UC and who recall having claimed JSA at some point during the last 2 years. They are an important group to focus on because they have experienced claiming both types of benefit.

⁵ See notes section for detailed sample information

Figure 1: UC Claimants who recalled having claimed JSA in the last 2 years thought that, compared to JSA, UC was...



1: Agree includes “strongly agree” and “agree”; Disagree included “strongly disagree” and “disagree”

Source: UC Pathfinder Claimants Survey (Wave 1)

Figure 1 shows that, on the whole, the experience of claiming UC was more positive for claimants than they recalled under JSA. Over 60% of claimants agreed that: it was easier to understand what was required for payments under UC than JSA; UC provided a better financial incentive to work; and offered a better reward for small amounts of work.

This group of claimants were also asked whether UC was easier to claim or offered a more convenient frequency of payment compared to JSA:

- 49% of claimants agreed and 26% of claimants disagreed that UC was easier to claim than JSA;
- 47% of claimants disagreed and 37% of claimants agreed that UC was a more convenient frequency of payment compared to JSA.

Claimant Experience Of Online Claims

The following section focuses on the claimant experience of making a claim to UC online and, in particular, focuses on any issues encountered and any support claimants received to make their online claim.

The vast majority of UC claimants reported making their claim online (90%) with a small percentage making telephone claims (7%) or in person at a Jobcentre (3%). We asked these claimants why they did not claim online:

- 7% of claimants first tried to claim online but gave up and instead used another method because of problems they encountered.
- 2% reported they knew it was possible to claim online but chose not to because: they did not have access to the internet; they preferred to talk to someone face to face; or other reasons.
- 1% of claimants said they did not know it was possible to claim online.

Among those who said they made their claim online, some reported problems including: the website crashing (13%); instructions on how to complete the application were confusing (9%); had difficulty getting some or all of the information required (9%) and it was taking too long (10%). However, the majority of claimants (73%) managed to complete their online application to UC on the first attempt.

Of the claimants who completed their claim online, 17% received help to submit their claim. When help was received, in 81% of cases it was received from a spouse, partner, friend or relative. In 10% of cases it was received from a Jobcentre Plus adviser, whilst in 4% of cases from a UC telephone helpline adviser. In 5% of cases, help came from elsewhere.

And nearly all claimants (92%) thought it was clear what would happen next after submitting their claim.

Claimant Experience Of UC Processes

This section focuses on the claimant experience of UC processes, which includes: their attitudes towards the Initial UC Interview, the Claimant Commitment⁶, what circumstances might lead to sanctions being applied, the process for reporting a change in circumstances and the payment of UC.

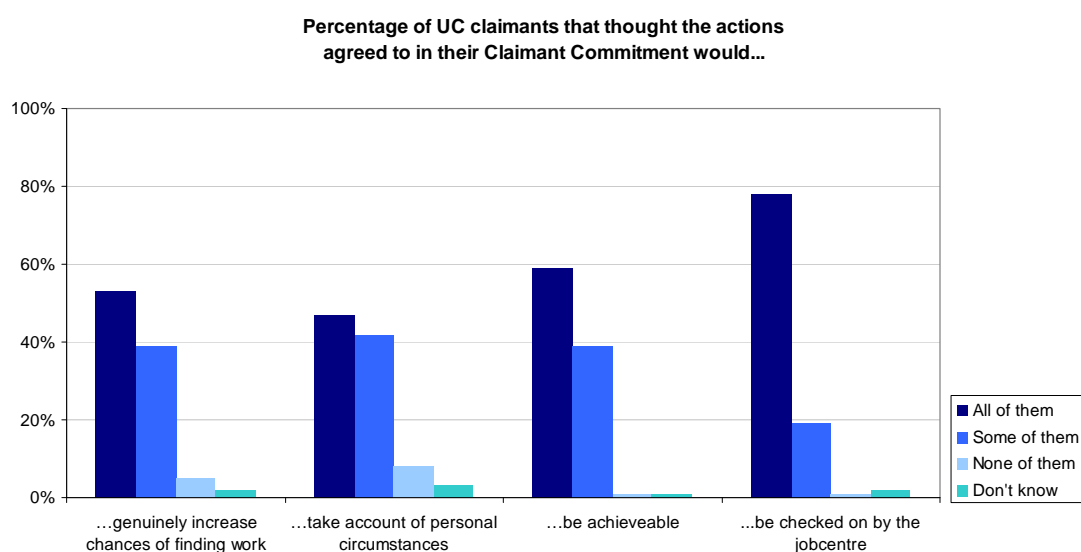
During the Initial UC Interview, 94% of claimants felt that Jobcentre Plus advisers explained the conditions of claiming UC either “Very Well” or “Quite Well”. Furthermore, in general, claimants agreed that:

- The advice and support they were offered by their adviser match/matched their personal needs and circumstances (85%).
- They are being encouraged to find work/increase the amount they are working (92%).
- UC staff had the necessary skills and knowledge (85%).

97% of UC claimants remembered signing a Claimant Commitment. Figure 2 focuses on this group of claimants and illustrates their attitudes towards the Claimant Commitment.

⁶ The claimant commitment is a two way agreement between the claimant and government setting out what claimants will do to find work in return for receipt of benefit.

Figure 2: Claimant Attitudes Towards The Claimant Commitment



Source: UC Pathfinder Claimants Survey (Wave 1)

In general, claimant attitudes towards the Claimant Commitment were positive, with many claimants thinking that *all of the actions* agreed to in their Claimant Commitment would genuinely increase their chances of finding work (53%), took account of their personal circumstances (47%), were achievable (59%) and would be checked on by the Jobcentre (78%). However, a substantial proportion of claimants felt that *only some of the actions* would achieve these outcomes and 5% thought *none of them* would increase chances of finding work and 8% of claimants thought *none of the actions* took account of personal circumstances.

Receipt of the full amount of UC depends on claimants undertaking certain actions otherwise they may receive a sanction. Only 4% of UC claimants did not remember being told that UC might be reduced or stopped if certain conditions were not agreed. Table 1 shows that, in general, the vast majority of UC claimants were able to identify conditions that may lead to UC being reduced or stopped.

Table 1: Which Conditions Claimants Remembered Would Lead to their UC Being Either Reduced or Stopped (Percent)

Condition that leads to sanction	%
Not taking all reasonable action to look for work	96%
Not attending a meeting with an adviser that I was told I had to attend	93%
Not doing something that's set out in my claimant commitment	92%
Not doing a particular action/activity that I was told to do	92%
Not turning up / being late to a Work Search Review (to 'sign on')	90%
Failing to apply for a job I have been told to apply for by an adviser	86%

Source: UC Pathfinder Claimants Survey (Wave 1)

Claimants were asked how they responded to knowing that their UC would be reduced or stopped if they did not meet certain conditions. They reported that this made them: more likely to meet these requirements (78% said it would; 20% thought it made no difference); and, more likely to either look for work or to take steps to prepare for work (76% said it would; 23% said it made no difference).

Table 2 shows that, in general, it has been clear to claimants which changes to circumstances they need to report and how they do this. They are also clear which appointments they need to attend. However, there were some aspects of the process that UC claimants were less clear about than others, most notably, when their benefit would be paid (17%) and how much benefit they would be entitled to (15%). Where UC claimants were not clear, this was generally because they felt they had not been given the necessary information.

Table 2: How Clear Are Claimants About Particular Aspects Of UC (Percent)

	Clear	Not Clear	Don't know
Which changes in circumstances to report	95	4	1
How to report a change of circumstances	95	4	1
Which appointments you needed to attend	96	4	0
When benefit would be paid	82	17	1
How much benefit you would be entitled to	84	15	2

1: Clear is "Very clear" or "Fairly clear", not clear is "Not very clear" or "Not at all clear"

Source: UC Pathfinder Claimants Survey (Wave 1)

Attitudes To Budgeting And Monthly Payments

The move towards monthly benefit payments is a unique feature of Universal Credit. The claimant survey explored attitudes towards budgeting and monthly payments. It found that, at the time of the initial survey interview⁷, 78% of all UC claimants receiving a monthly payment were confident about their ability to budget with monthly payments.

Among those claimants still in receipt of their benefit, a larger percentage of UC claimants (34%) than JSA claimants (19% JSA Comparison, 26% JSA National) had obtained additional funds in addition to their benefit payment. Table 3 shows where claimants went to for these extra funds.

⁷ Many would not have received their first monthly payments at the time of interview

Table 3: Claimant's Sources of Additional Funds (Percent)

	UC	JSA Comparison	JSA National
Friends and family	25	17	20
Bank Overdraft	4	3	5
Payday Loan Company	2	1	2
Doorstep Lending	*	*	1
Charity	*	*	0
An Advance from DWP	8	1	1
Credit Union	1	0	0
Social Fund	n/a	*	1
Other	*	*	*

1: * = less than 1%

2: n/a = not applicable

3: Asked to all respondents that were still in receipt of either UC or JSA

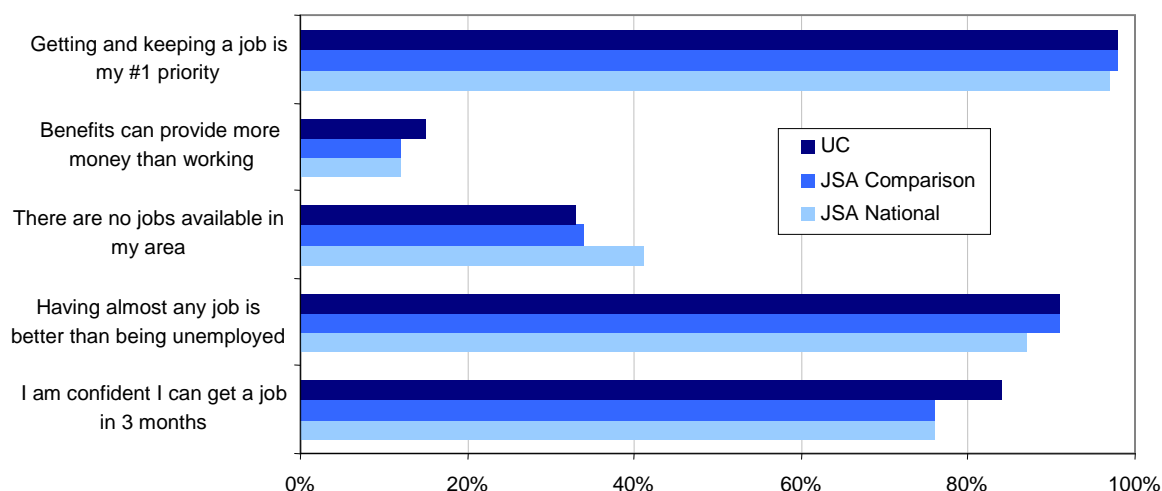
4: Claimants can use more than one source so individual columns do not add to 100%

Source: UC Pathfinder Claimants Survey (Wave 1)

Claimant Approach To Jobsearch

Overall, a larger percentage of UC claimants (78%) compared to those in the JSA comparator group (71%) or those in the JSA National Survey (66%) think that the benefit system is effective at encouraging people to work. However, across a range of measures related to attitudes to jobsearch, the general attitudes of UC claimants and JSA claimants are similar (Figure 3).

Figure 3: Claimant Attitudes Towards Jobsearch



Source: UC Pathfinder Claimants Survey (Wave 1)

Although attitudes are similar between the groups, Figure 3 does highlight that 84% of UC claimants are confident they will get a job within 3 months of making their claim, compared to 76% of JSA claimants.

Focussing on the types of work claimants would accept, both UC (93%) and JSA claimants (92% JSA comparator and 91% JSA national) were equally likely to accept short term or temporary work. Also, in general, the types of job that UC and JSA claimants would accept are similar: although the percentage

of claimants saying they would accept any type of job (as opposed to only particular types of job) was slightly higher among UC claimants (69%) compared to JSA Comparison (66%) and JSA National (65%).

Encouraging claimants to look more intensively for work is an important aspect of UC. The survey evidence suggests there are differences between UC and JSA claimant behaviours in terms of their actual job search activity.

Table 4 shows that, at the time of the telephone survey, UC claimants reported spending longer either looking or preparing for work compared to JSA claimants during the previous week. On average, UC claimants reported spending 27.1 hours looking for or preparing for work compared to 13.6 hours for the JSA comparator group and 15.3 hours for the JSA national group.

Table 4: Hours Spent Looking For Work During The Last Week (Percent)

	UC	JSA Comparison	JSA National
0-10	13	48	44
11 to 25	29	38	39
26-35	39	7	9
36 or more	18	3	5
DK	1	3	2
Mean (hours)	27.1	13.6	15.3
Median (hours)	30	11	12

1: All respondents not currently in paid work or employment
Source: UC Pathfinder Claimants Survey (Wave 1)

Table 5 shows that UC claimants had applied for more jobs compared to JSA claimants during the previous week. On average, UC claimants had applied for 16.3 jobs, compared with 10.8 jobs for the JSA comparator group and 13.4 for the JSA national group.

Table 5: Number Of Jobs Applied For During The Last Week (Percent)

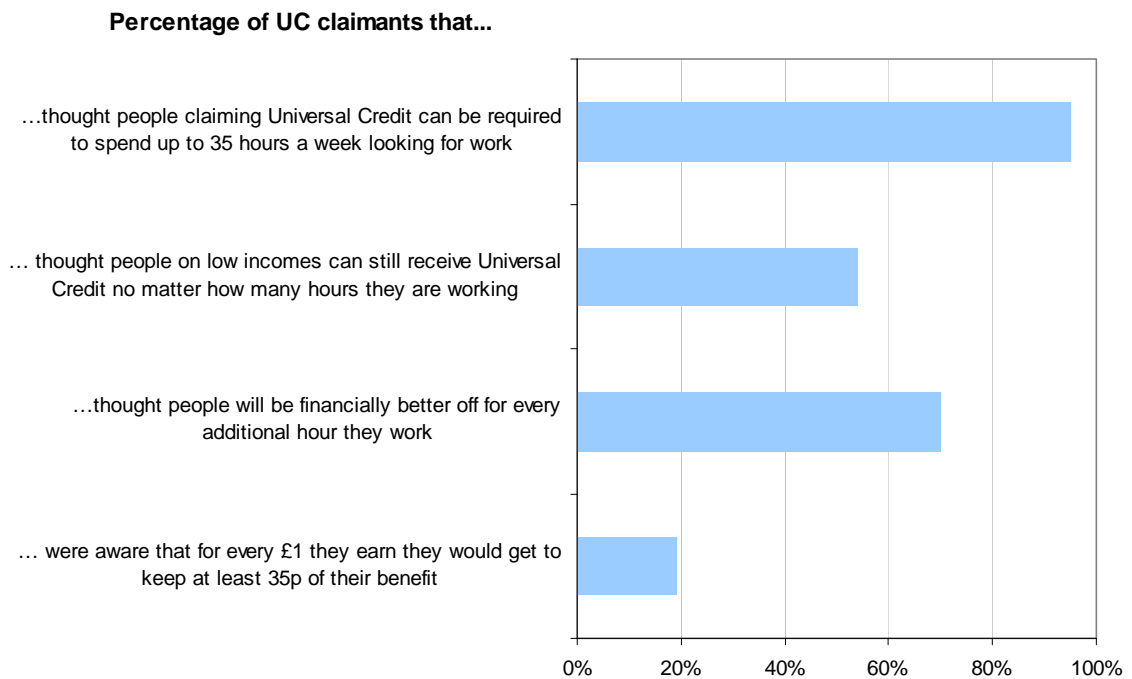
	UC	JSA Comparison	JSA National
0	6	6	6
1 to 5	26	35	31
6 to 10	21	29	30
11 to 15	12	10	13
16 or more	29	19	19
DK	5	2	2
Mean (no. of jobs)	16.3	10.8	13.4
Median (no. of jobs)	9	7	7

1: All respondents not currently in paid work or employment
Source: UC Pathfinder Claimants Survey (Wave 1)

Attitudes toward financial incentives

Initial evidence shows some of the messages around being better off in work are recognised (figure 4), however, this is not as well understood as the requirement to look for work.

Figure 4: UC Claimants Understanding Of Key Messages About the Financial Incentives Of UC



Source: UC Pathfinder Claimants Survey (Wave 1)

Conclusion

This report has set out some of the interim results from the first survey of UC claimants. It gives us a valuable insight into their experiences of claiming a new benefit in the first few months after UC began. Work is already underway on the next wave of the survey. Results from this research will enrich our understanding of both the later stages in the UC claim process and how claimants are progressing in terms of their labour market behaviour and outcomes. We will report on the results of that work early next year.

Notes

About the research

An independent research company, IFF, carried out the fieldwork for all three claimant surveys. IFF were selected to do the research following a competitive tendering exercise.

There are 2 further waves of the claimant survey. These will take place around 16 weeks and 26 weeks after claim start date. Department for Work and Pensions will publish interim results from wave 2 and 3 next year.

Overview of the samples used

	UC	JSA Comparison	JSA National
Claimant type	UC Pathfinder	JSA	JSA
Sample delivered	2,231	4,590	5,400
Achieved sample size	901	900	900
Refused during interview	257	422	516
Opt outs (before interview started)	52	70	85
Not available during fieldwork	10	0	0
No direct contact made	511	1484	1758
Other ¹	457	1623	2042

1: "Other" includes the telephone number supplied not being valid, duplicate records, and people that screened out on filtering questions. People screened out on filtering questions usually because their claim was unsuccessful or they were still awaiting an outcome (UC Sample) or because they didn't meet Pathfinder eligibility criteria (JSA Samples).

2: The samples were each drawn from DWP administrative records.

Eligibility criteria for claimants that would receive UC in Pathfinder areas

A claimant is eligible for UC if they live in a Pathfinder area and:

- Do not own their property outright or have a mortgage
- Is not homeless
- Do not live in supported accommodation
- Does not live with a partner
- Does not have any dependent children
- Is not required to pay maintenance for a child by the CSA
- Is a British citizen living in England, Wales or Scotland
- Has lived in the UK continuously for the last 2 years
- Is aged between 18 and 60 years and 6 months
- Has a UK national insurance number
- Does not receive and/or receive DLA or PIP
- Does not have a fit note or is in a period of self-certification for sickness
- Is not self-employed
- Is not in education or training and is not due to start education or training in the next month
- Is not represented by a PAB/CAB
- Is not a carer for an adult with disabilities or health problems
- Is not pregnant and hasn't given birth in the last 15 weeks
- Does not have savings, shares or capital worth over £6,000
- Has a bank, building society or post office card account
- Do not have take home pay of over £270 a month if aged under 25
- Do not have take home pay of £330 a month or over if aged 25 or over
- Is not currently claiming ESA, JSA, IS, WTC, IB, HB, SDA
- Is not appealing against a decision not to pay ESA, JSA, IS, WTC, IB, HB, SDA
- Is not waiting for a decision on ESA, JSA, IS, WTC, HB
- Have not received JSA in the last 2 weeks
- Have not received ESA in the last 2 weeks