



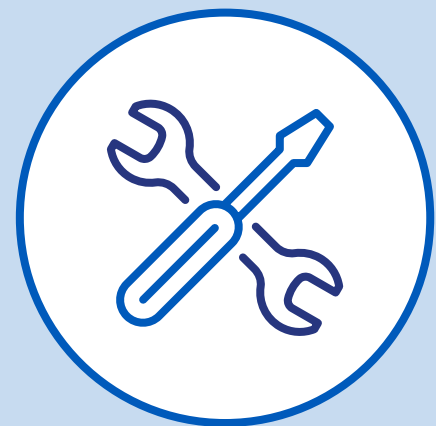
# Universal Credit Evaluation 2015 – 2017



Department for Work & Pensions

## Universal Credit:

- £2-billion a year is invested in Universal Credit.
- Aims to reform the benefits system to help reduce poverty by having financial incentives to find work.
- The programme intends to replace other benefit schemes e.g. income-based Jobseeker’s Allowance.
- By offering a single benefit that does not distinguish between being in or out of work, Universal Credit aims to provide a smoother transition into work.
- It has gradually been rolled out across the country, with 100 job centres accepting Universal Credit claims by January 2015.
- As of 2022 Universal Credit is available across the UK.



## Methodology



An impact evaluation was used to assess Universal Credit, followed by later studies in 2015 and 2017 to build on first findings.



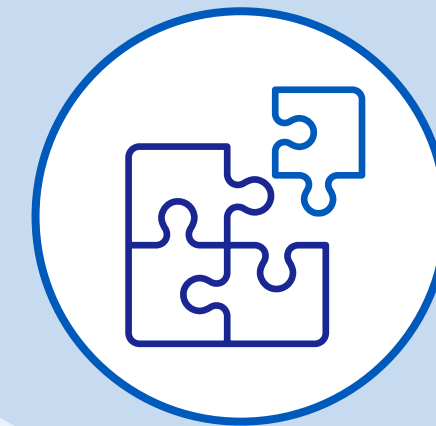
The gradual rollout of Universal Credit created a natural experiment - comparison could be made of locations where it was and wasn't implemented.



A comparison group was matched using Propensity Score Matching (PSN), this paired those on Universal Credit with similar people on Job Seeker’s Allowance.



Nearly 6,000 Universal Credit claimants were considered in the first study.



## Findings



The first study showed Universal Credit claimants spent an average of **4 more days** in work 4 months after their claim, and earned **£50 more**.



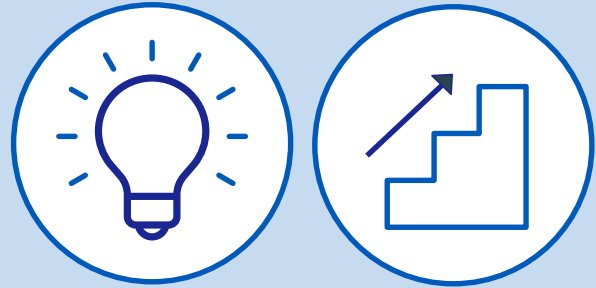
Within the first 6-months of receiving Universal Credit, these individuals were 4 percentage points (**63%**) more likely to be in work than those on Job Seeker’s Allowance (**59%**)

Differences in likelihood of being in work between those on Universal Credit, compared to those on Job Seeker’s Allowance, within 6-months of claim:

Time period since making claim	Difference in likelihood of being in work between Universal Credit and Job Seeker’s Allowance
Within 2 months	4%
Within 3 months	5%
Within 4 months	5%
Within 5 months	4%
Within 6 months	4%



This difference was maintained as Universal Credit claimants were 3 percentage points (**56%**) more likely to be working 6 months **after** their claim than those claiming Job Seekers Allowance (**53%**).



## Impacts and Next steps



**Conducting multiple evaluations** at different stages of the programme allowed for evidence to be built on the effectiveness of Universal Credit compared to the older Job Seeker's Allowance programme.



**Ensure each stage of Universal Credit rollout** is based on strong evidence.



## Links



**Read the early evaluation report**



**Read the updated analysis 2015**



**Read the updated analysis 2017**

