



Department
for Work &
Pensions



Government
Social Research

Universal Credit Self Employed Tax Credit Claimants Research

Phase 2 Message Testing Qualitative Research Findings

Andrew Shaw, Tom Cooper and Holly Shutter – Ipsos UK

October 2024

The date above is the publication date and therefore does not reflect the date when the research was complete.

Today's presentation

1

Research aims and method

2

**Context:
The self-employed**

3

**Universal Credit:
Baseline perceptions**

4

**Universal Credit:
Reactions to
prompted messages**

5

**Universal Credit:
Impact of messages
on perceptions and
willingness to move**

6

Key take-outs

Research Aims and Methodology

Background and research objectives

Background: Recent research indicates differences between UC claimants and legacy benefit claimants in their understanding, perceptions, motivations and willingness to engage with messaging from DWP.

Ahead of the planned migration of all existing legacy benefit claimants to Universal Credit by 2024, research is required to guide and inform DWP's messaging and communications strategy to ensure that legacy claimants are effectively engaged and well informed about the transition.

The key focus for this research is **Self-employed Tax Credit (TC) claimants**, the specific needs and experiences of whom are expected to differ to other Universal Credit Claimants and for whom the Universal Credit policy and support offer is significantly different.

Research objectives: To help the department shape communications around the Move to UC for Self-employed Tax Credit claimants, ensuring the claimants transitioning from Tax Credits to Universal Credit are prepared, motivated and well informed.

The motivations and drivers to self-employment and the role that current legacy benefits play in this

How self employed legacy Tax Credit claimants think and feel about UC support in contrast to their existing financial support

Awareness, understanding and perceptions of Universal Credit and attitudes towards the transition

Messaging areas/communication needs to motivate or change perceptions and support the consideration of a voluntary move to UC

Method and sample

A 2-stage approach:

Phase 1 - [October-December 2021]

Exploratory qualitative interviews with self-employed Tax Credit claimants

75 x one to one depth interviews with quotas set on:

- Age and gender
- Location
- Length of claim
- Type of claim (WTC/CTC/WTC and CTC)*

Findings used to guide and inform a subsequent message testing phase in early 2022:

Phase 2 - [Jan-April 2022]

Qualitative message testing with self-employed Tax Credit claimants

2 x 'mini' focus groups (1 x 3 participants, 1 x 4 participants)

23 x one-to-one depth interviews with quotas set on:

- Age and gender
- Location
- Length of claim
- Type of claim (WTC/CTC/WTC and CTC)*

* Working Tax Credit (WTC), Child Tax Credit (CTC)

Context: The self-employed

The experience of being self-employed is not universal

There is a lot of variation in ways of working, goals for the future and, as a result, what kinds of messages about UC are likely to resonate

Those who run their own business

Hours and income can vary a lot

Dedicated and committed to keep the business going

Time-poor and feel that work sucks up all their spare time, particularly with 'un-chargeable' hours, e.g. promoting the business, expenses

Most feel they are just managing to keep afloat, rather than able to grow the business

Gig economy workers

Less flexibility in their hours than other self-employed claimants

Less prospect to grow and expand

Messages about profitability do not resonate or feel relevant, as their earnings are fixed by their employer

Nor do calls to expand their business

Often do not immediately identify as self-employed

Freelancers / providing a service but not through their own business

Most likely to be happy with how many hours they work and how it fits with the rest of their responsibilities

Unwilling to expand and work more hours. Would risk upsetting their work-life balance, that has often taken many years to achieve

Although flexibility is widely noted as one of the main draws to self-employment

Phase 1 recap

The **flexibility of self-employment** is a significant motivator, particularly those with other responsibilities, e.g.

- Caring responsibilities
- Childcare commitments
- Long term health conditions

While Tax Credits had not necessarily been the key driver or motivator to self-employment, it was clear to see that it was **highly valued as an enabler**.

Self-employment is regularly coupled with high levels of **passion, dedication and commitment for both *what they are doing* and *how they are doing it***. For many it is hard to imagine getting the same sense of fulfilment from doing something different and/or working as an employee.

"I hope to continue doing what I am doing... I love it!"

Child Tax Credit claimant

"I like being self-employed, it can work around my kids and their holidays and I can manage my own time"

Working & Child Tax Credit claimant

"I see it as a buffer. Gardening is really seasonal. So January, February, March, there is no work and money. We need Tax Credits to live on."

Child Tax Credit claimant

Few currently aiming to grow their business

Many on Tax Credits have been **claiming** for a **number of years** and their **working situation** has largely remained **unchanged** (otherwise they would have already been moved to UC). They feel they have achieved a carefully managed equilibrium between work and other responsibilities.

Plans for the immediate future of their self-employment therefore **rarely involve growing** their existing business

- A requirement to work more hours would risk making self-employment unmanageable

It is therefore much more common for claimants to want to **sustain**, rather than grow, their business

- Particularly given the current economic climate, cost of living etc.

"I set up my own business, which was doing really well, and then I had an operation that went horribly wrong and I ended up disabled, 10 years ago. As a result of that, I ended up as a single parent because my husband didn't want a disabled wife, or children, it would seem. I had to evolve what I was doing into a business that I could run from my bed because I had to have 24-hour care. I couldn't get out of bed, I couldn't move. Now I'm a business coach. But, I'm in a lot of pain so I'm very limited in the hours that I can work. Also my children have got special needs, so that's another level of complication.. there are other people in similar situations that cannot work for somebody else or cannot work more hours...it's not realistic at all."

Working Tax Credit claimant

Case study – Eleanor, 36-45, 5-12 years claiming Tax Credits

Eleanor currently works as a bookkeeper and is a single parent of two young children. The hours she is able to work are very restricted, as they are contingent on when her children are at home. They can also be quite random – the odd hour in between drop offs or after the kids have gone to bed etc.

She currently feels like she is working the maximum number of hours it is possible for her to do. The suggestion that she needs to grow her business therefore does not feel achievable.

Key takeaway: A requirement to work more hours would risk making self-employment unmanageable, which for some would be required when they move to UC



Universal Credit: Baseline perceptions

Despite varying levels of understanding about Universal Credit, all feel worried to some degree about the prospect of moving to UC

Awareness of Universal Credit is **mixed**, and no one group amongst self-employed claimants stands out as more informed than any other

The most mentioned association with UC when asked was that it is an **umbrella benefit** that rolls several payments in to one

- While the benefit of doing this is understood, there are still some fears around losing out and budgeting being harder

The predominant **emotional** association with UC is one of **worry** and **unease**

- There are a lot of **unknowns** about how it works, and how much money they will receive
- This would require a significant change in how they organise their lives

“The main idea of it seems to be this simplification or rolling up thing, which I guess is double-edged”

Working Tax Credit claimant

“It seems to be that there's a simplification of it but I fear that is going to be used as a tool to reduce things and all of that kind of thing. My experience of benefits is they can be complex and things like this but there are reasons for it being complex.”

Working Tax Credit claimant

More specific concerns about UC involve the delay in first payment, a change in the amount received and questions about eligibility

Less common, but still mentioned by claimants is a worry about the **delay** in their **first payment**

- Payment Advance would help ease fears

Also mentioned are fears that claimants will **not prove eligible** for UC

- These fears are closely related to the worry about UC being an 'umbrella' payment

Stories in the news and from friends and family create the impression that they could well **receive less money** on UC

- The end of the £20 uplift in particular mentioned

“So, for Working Tax Credit and Child Tax Credit, they disregard maintenance and for Universal Credit, they regard maintenance and, so, it will tip me in to being in a too high a bracket so I will become ineligible. So, they need to sort out some transition relief”

Working & Child Tax Credit claimant

“Some people that I know that have transitioned across- [...] I know that their benefit entitlement reduced significantly”

Working & Child Tax Credit claimant

“I've heard that there's a delay in people getting payments and they've got to seek out loans and things. I don't know. I really just don't fancy having to move”

Working Tax Credit claimant

Little to push claimants away from legacy benefits or to pull towards UC

Phase 1 recap

- × **Status quo bias** - comfort and familiarity with current legacy benefits creates little motivation or perceived *need* for change – ‘If it’s not broke, don’t fix it’ mentality
- × **Loss aversion/fear of the unknown** - potential to be worse off (in the short and/or longer term), to lose benefits or to experience delays in payments



“I don’t see what the pull factor would be to switching at this point because the system is working fine and there’s no incentives to switching of my own accord.”

Working Tax Credit claimant

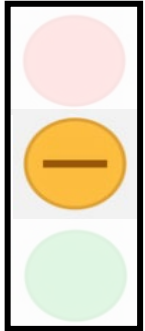
- × **Little/no advantage** perceived to moving
- × **Lack of perceived relevance/benefit/added value** to work incentives or UC support offering (especially if not actively looking to change current working behaviours)
- × **Lack of awareness of positive experiences and outcomes**
- × **Worries about the transition process over to UC**
- × **Expectation that their award will reduce in value**



“Universal Credit is putting more and more families in food banks, it’s making more and more kids go without food on a daily basis and I think it’s absolutely disgusting.”

Working & Child Tax Credit claimant

Lack of detailed information about how UC will impact their situation puts the majority of claimants in **amber**



Claimants were **not confident** on the main **differences** between what they were receiving through Tax Credits, and what UC would offer, they did not know:

- How much they would receive
- How and when they would receive it
- Whether it changed over time, or stayed the same if their situation remained the same

Concerns about **eligibility** made some unsure whether they would be able to receive UC. Therefore they felt they would need more information before they could confidently say they would be happy to move earlier than they had to

Negative stories about UC have largely come from the **press** or anecdotally through friends and family. Most wanted to research UC more thoroughly before making a decision

Amber/orange = I am uncertain about moving to Universal Credit. I would like more information about it first. I do not know enough about the move and feel nervous about the idea of it.

"I wouldn't jump off a cliff and say, 'Yes, I'd definitely go without looking into it.' Because I think that would be foolish, but I wouldn't rule it out [...] I would just probably investigate and take a view and then see"

Working & Child Tax Credit claimant

"Orange because I don't know enough, I'd have to research it"

Messages

Claimants are reluctant to spend any time away from work or other responsibilities. Monthly reporting and work coach appointments are therefore off-putting

Tax Credits valued as a passive benefit, not requiring much engagement or time:

- It works quietly in the background
- Allows claimants to get on with work and other responsibilities (e.g. childcare)

A notable point of difference between Tax Credits and Universal Credit is the amount of **engagement** and **time it requires**, particularly through:

- Monthly reporting of income and expenses
- The gateway interview and quarterly meetings

Time away from work and other responsibilities like childcare is very unappealing to this audience

- They are acutely aware of how **valuable their time is**

"It's time that you are not working, so then your £100.00 that you've earned has got to be divided by hours that you haven't actually gained income even if that's half an hour travel each way and a half an hour meeting that's you know, an hour and half you have not earned."

Working & Child Tax Credit claimant

"It takes me all my time to do my tax return every year, never mind every month. That would be difficult for me"

Working & Child Tax Credit claimant

Case study – Mary, 46-55, under 5 years claiming Child and Working Tax Credits

Mary lives in the Scottish Highlands with her young family. She runs a sports therapy business and also sells beeswax with her husband. Both businesses require a lot of time and energy.

If she was required to go in to a JCP, it would be a 4 hour round trip. She is therefore very anxious to know whether she could conduct her meetings with JCP staff online. She is also very wary of how long it will take her every month to calculate the income and expenses of both businesses.

Key takeaway: Claimants want to feel like they can have a say over how, where and when they are required to dedicate time to meeting UC requirements, e.g. setting the time and place of meetings with work coaches



The way that UC works for the self-employed is well understood, but there are some sensitivities around language used

Message testing

Universal Credit and the self-employed

Universal Credit seeks to support the self-employment where it is the best route for someone to become more financially independent and less reliant on benefits.

We expect claimants to take steps to grow their earnings. This may include accessing external advice or support, undertaking activities to raise the profile of their business, or even combining self-employment and employment.

"I'm not sure that any of us on benefits would particularly wish to be there. For me, it was a safety net when I became, overnight, a single mum."

Working & Child Tax Credit claimant

Claimants easily **understood** the underlying **difference between Tax Credits and UC support**

- UC support expects a certain amount of growth, and does not promise to support them forever

However, the suggestion that SE claimants are currently reliant on benefits was received negatively

- They see **benefits** as a **safety net**

Those who felt they were already taking steps to **grow their business** were **frustrated** by the **lack of acknowledgement** of this

- This raised concerns for if they would meet UC criteria

The recommendation to grow their earnings did not feel relevant to **gig economy workers**

Recommendation: Tweaks to language of being reliant on benefits and more widely relevant steps to grow earnings would increase appeal

Monthly reporting feels daunting and feels like a big ask of their time

Message testing

Monthly reporting of income and expenses

As a self-employed person, you will need to report your income and expenses once a month, even if you have not earned any money.

This is used to calculate your payment.

“My expenses and things are really complicated because I've got a lot of expenses. It's like the whole cost of the building, the staff, and everything, it's just really complicated.”

Working & Child Tax Credit claimant

Claimants raised a number of **concerns**:

The move from **annual** to **monthly reporting** feels like a big **change**, particularly for those who already struggle with annual reporting

- Expected to mean more time away from working / growing the business / generating income

For those with **lots of outgoings**, this feels even more **daunting** as there are so many moving parts to stay on top of

Although some did see some **benefits**:

A small minority recognised this could be an effective **time-saving** exercise – little and often rather than one big annual submission

A minority also recognised that it could get them in to **better habits** in terms of **accounting** and **finance**

“I think it would probably teach people to do their accounts on time more, and not leave it until the last minute.”

Child Tax Credit claimant

Recommendation: Reassurance that support will be available to help claimants get to grips with monthly reporting will help ease fears

Moving to monthly payments is not a major concern or stress for this group

Message testing

Receive payments monthly

Universal Credit is assessed and paid on a monthly basis and in a single payment.

After the first payment, you'll be paid on the same date of every month.

"I would imagine the first month could be tricky for some people, but I think if you know it's coming you can budget or make arrangements, or contingency, or whatever it is you need to do."

Working & Child Tax Credit claimant

Most feel **confident** about moving to monthly payments...

- Some are already on four-weekly payments for their tax credits
- It is felt that in some ways monthly payments would be **easier to manage**, as other **outgoings** are normally **monthly**

Amongst the minority who were **concerned** about moving the monthly, their main worry is around **budgeting**

- Would need reassurance / signposting to support with budgeting

This messaging also prompted questions about a transfer period; would there be a time when they had to go without payment?

Recommendation: Signposting to budgeting support would reassure those who are concerned about the move to monthly

Fluctuating earnings also does not present a serious concern, it is even seen as a fairer system by some

Message testing

Fluctuating earnings

The amount you earn from self-employment can increase and decrease from month to month.

Universal Credit claimants need to budget and plan for this, as any self-employed person must do.

This message did not present a serious concern:

- Recognition that **earnings** through self-employment **can vary** month to month was **welcomed**
- Claimants all felt they already **budgeted** and **planned** for fluctuating earnings

If a claimant's income varies a lot year to year, this system felt **fairer** and **preferable** to annual calculations. There is no chance of being overpaid as there is with Tax Credits

"I'm generally pretty good with budgeting anyway. I can try and make money last if I get large amounts, and like I say, I've been on a fairly low income, but I've managed to make it last. I've managed to get everything I need; food, toiletries, that sort of thing."

Working Tax Credit claimant

Messaging makes it clear how gainful self-employment is worked out. Few concerns exist about not being classified as such

Message testing

Understanding your self-employment

Self-employed claimants attend an interview with a work coach, who considers if they are **gainfully self-employed**.

This means self-employment is your **main job** or **main source of income**, you get regular work from self-employment, your work is organised – this means you have invoices and receipts, or accounts – and you expect to make a profit.

“I think it is also dependent on whether the work coach is sector specific. You can be self employed as an accountant, that's very different from being self employed as either a quilter or a metal fabricator.”

Working & Child Tax Credit claimant

The language is **easy to understand**, and claimants were able to work out if they would be considered gainfully self-employed

Although a **small minority** were **unsure** about what would happen if their **‘main job’** was as an **employee** rather than self-employed

The ‘interview’ with the work coach can feel **daunting**

- Who are they? Are they qualified to understand my business?
- Can invoke back memories of older legacy benefits when the work coach figure was more challenging

Attending the interview can also be seen as yet more time away from working; **‘one more thing to worry about’**

Recommendation: Avoiding the term ‘interview’ might make it feel less daunting, and more clarity for those who are SE and employed will help

The conditions of gainful self-employment do not come as a surprise to claimants

Message testing

Gainfully self-employed

Claimants who are found gainfully self-employed during the gateway interview are exempt from job search requirements so they can focus on growing their self-employment

“You hope to make a profit, you hope your business is going to be successful, but sometimes it's not because you're either not well enough to work or you don't get paid. Or, your outlay for running your business, the costs of those things suddenly go up, or something unexpected comes up that you then have to pay out for. So, there's lots of reasons why you may not make a profit in a particular period of time”

Working Tax Credit claimant

For the most part, what is expected of them is what they would have expected

However, there is **concern** amongst those who do not feel able to grow their self-employed work

- **Limitations** often caused by **childcare** or **caring responsibilities**
- **Unpredictable/unexpected costs affecting ability to successfully ‘grow’ their business**
- What if their **preference** is to **sustain** rather than grow?

Similarly, the conditions of non-gainful self-employment are understood and unsurprising

Message testing

Not gainfully self-employed

Claimants who are found not gainfully self-employed are required to meet work-search conditions, where applicable.

They must still report any self-employed earnings each month, even if they are zero.

The **language** is **clear** and well understood

It is seen as **fair** that someone who is not gainfully self-employed would need to find other means of income

- Unrealistic to expect otherwise of the government

There are still some **questions about** what the **requirements** would be if they are mainly employed and self-employed on the side

“When they say, ‘Are you self-employed when you’re a gig economy worker?’ You’re not trying to build a business in a sense, but you are self-employed. There’s maybe another distinction in there.”

Working Tax Credit claimant

Recommendation: Avoiding the term ‘interview’ might make it feel less daunting, and more clarity for those who are SE and employed will help

The purpose of the quarterly meetings is easily misunderstood and can be off-putting

Message testing

Start-up period

If you are gainfully self-employed, in your first year you will be required to attend quarterly meetings with your work coach.

You will discuss the steps you are taking to grow your earnings from your self-employment.

During this year, the amount of Universal Credit you receive is based on your actual earnings, and may go up and down.

“Three months, you might have only managed to fulfil a couple of jobs, if they were big or whatever, and not really evolved in any way. You might just be saying hello to your coach.”

Working Tax Credit claimant

The purpose is **unclear**:

- Claimants thought quarterly work coach meetings would be with someone who will try to give **business advice**
 - The **usefulness** of this sort of meeting is widely **questioned**; doubted that anyone could fully understand their unique situation that quickly
- It is not clear that the meeting will be used to check that they are taking steps to grow

It is seen as **off-putting**:

- A meeting every three months is off-putting; time away from work and does not feel very long
- The term **Start-up period** can be **confusing**. It does not feel relevant to this audience who are already self-employed
 - Its relevance however becomes clearer once MIF has been understood

Recommendation: More clarity on the purpose of the quarterly meetings will avoid cynicism its usefulness

There is confusion and uncertainty around how the Minimum Income Floor is calculated – both of which are stressful for claimants

Message testing

Minimum Income Floor

Once your start-up period has ended, it will be assumed you are earning at least the same amount as someone like you who is in paid work.

This will usually be the number of hours that you are expected to work or look for work multiplied by the National Minimum Wage.

This amount is called the minimum income floor.

If you earn less than the minimum income floor, Universal Credit will not make up the difference.

We will use the minimum income floor to work out your Universal Credit payment instead of your actual earnings.

“It can take a few years before your business is actually thriving and you just don't know. I don't know how much Universal Credit would be giving [to support that].”

Working Tax Credit claimant

The wording is **unclear**:

‘Someone like you’ is frequently misunderstood as someone in the same profession rather than similar life situation, i.e. another house-cleaner rather than another single parent

This causes serious concerns about whether they will be able to meet the MIF after one year

Once what is meant by ‘someone like you’ is explained, there is still a lot of uncertainty and worry

- Want to know the specific amount to get a sense of where they currently stand / how achievable reaching it is

One year does not feel long enough to see a marked increase in income

Recommendation: Making it clear that ‘someone like you’ means someone in a similar life situation to you will make this less daunting

Claimants want clarity on how these appointments will take place

Message testing

Attending appointments

It's important you attend your appointments. You will be given details of your appointment before it is due to take place.

If you are unable to attend, you must tell us as soon as possible.

"I think it would be a terrible idea if you would have to physically go somewhere. Especially if it's a job where you have to clear up tools, and set everything down and then come back and set everything back up again, because sometimes it's the set up and set down, clear down that takes the time."

Working Tax Credit claimant

Requirement to attend appointments expected amongst claimants

Main concern around **how appointments will fit around work and other commitments** (i.e. online, over the phone, or in person at a Job Centre)

- In person is the least desirable, as it will take the longest, particularly for those who live far from a JCP

Questions raised over **how flexible** the appointments are:

- Are they able to choose the time and date of the appointments?
- Are they able to change the time once it is booked if something comes up, e.g. childcare or work

Recommendation: Claimants want to feel able to have a say on how and when these appointments take place

Receiving payments on time and reporting changes is the same as Tax Credits and so did not feel noteworthy to

Message testing

Receiving your payment on time

It is important to report your self-employed income and expenses correctly and on time each month.

If you report late, your Universal Credit payment may be delayed.

Reporting changes in your circumstances

You'll need to report any change in circumstances, for example if you close your business, start a different kind of business, take a permanent job, or are no longer able to work.

You can report these changes in your online account.

Both of these elements of Universal Credit is what is **expected**. It is how Tax Credits work, so **no one felt worried** or stressed by these messages.

The implication of a period without payment is stressful, and more clarity is wanted on how repayment will work

Message testing

Advances are available

If you are new to Universal Credit and unable to manage until your first scheduled payment, you may be able to get an Advance to see you through

“The media would imply that not everybody has had success in getting that advance and that it has actually taken some time to set up Universal Credit and that would be why the Food Bank queues have been particularly bad”

Working & Child Tax Credit claimant

Although the **advances** are **appreciated**, it is concerning to claimants is the implication that they will need an advance

Debt aversion is **common** amongst this audience. There is therefore **uncertainty** about how willing they would be to accept an advance without more details about how it works:

- How long would you be repaying it back for?
- How much would DWP take out of monthly payments?

Recommendation: Claimants need more information about the terms of the advance before this offer can resonate

Online and telephone support is appreciated, but past experiences and scepticism still colour expectations of effectiveness

Message testing

Online, telephone and in person support

Universal Credit is an online service. Once you have applied, you can manage your account, complete tasks, view journal messages and message your work coach at a time to suit you and your work.*

If you would prefer to speak to someone, you can contact the Universal Credit helpline, Monday to Friday, 8am to 6pm. Alternatively, you can visit your local jobcentre.

*Messages will be picked up by work coaches during office hours

“For me, virtual support would be better because I don't get out very often and it's difficult for me to get anywhere without help, so I tend to do most things online.”

Working & Child Tax Credit claimant

Options for both online and telephone support are welcomed, particularly **online as this is more flexible** and does not involve long waiting times

- A suggestion of typical reply times for online support would be welcomed
- All felt confident completing tasks online

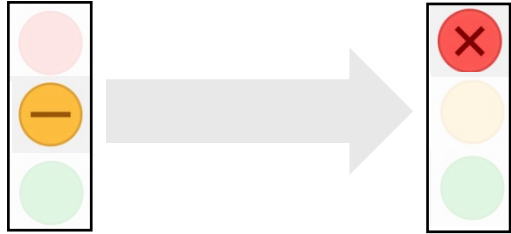
However there are **some reservations**:

A strong *‘I'll believe it when I see it’* attitude amongst claimants

This is created by past experiences of seeking support from HMRC for Tax Credits; long waiting times, being passed around different teams

Universal Credit: Impact of messages on perception and willingness to move

Greater awareness of how UC works for self-employed claimants increased reluctance to move to UC



I am uncertain about moving to Universal Credit. I would like more information about it first. I do not know enough about the move and feel nervous about the idea of it.

I definitely would not consider moving to Universal Credit.



More time required from UC than Tax Credits through monthly reporting of income and expenses and more work coach meetings
Means time away from generating an income and from other responsibilities like childcare



Misunderstanding and scepticism about the usefulness of work coach meetings



Worries about the introduction of the MIF after one year of claiming UC, particularly given uncertainty about what the amount it is set at



Feeling unable to grow their business or increase their existing income
They are used to the status quo

“I think it is just the additional layers of reporting when you are trying to run a business”

Working Tax Credits claimant

“It’s scary, it’s a case of knowing what you’ve got, what you’re getting and whether you meet the criteria”

Working and Child Tax Credits claimant

Messaging about the MIF stands out as the most likely to impact impressions of UC negatively

Main areas of concern around the MIF

It will not be calculated fairly

‘Someone like you’ misinterpreted; based on someone else in their industry, not their life situation

They don’t know exactly what the amount is

Uncertainty about what the amount creates a lot of anxiety

A year will not be long enough to reach the amount

A year can feel like a very short period of time, especially after the disruption of Covid and in the current economic climate

Minimum Income Floor

Once your start-up period has ended, it will be assumed you are earning at least the same amount as someone like you who is in paid work.

This will usually be the number of hours that you are expected to work or look for work multiplied by the National Minimum Wage.

This amount is called the minimum income floor.

If you earn less than the minimum income floor, Universal Credit will not make up the difference.

We will use the minimum income floor to work out your Universal Credit payment instead of your actual earnings.

More clarity around how the MIF will be calculated and what it is likely to be set at. Case studies of different types of claimants’ first year on UC

Followed by monthly reporting of income and expenses

Main areas of concern around monthly reporting of income and expenses

This is a big change from how Tax Credits works

This then raises the questions about why the change is needed – *'If it's not broken why fix it?'*

It will involve the stress associated with annual reporting, on a monthly basis

Hard to imagine monthly being easier. Expected to be just a difficult as annual can be

This means more time not working

Time away from making money, growing business, childcare responsibilities etc.

Monthly reporting of income and expenses

As a self-employed person, you will need to report your income and expenses once a month, even if you have not earned any money.

This is used to calculate your payment.

Signposting to support with reporting. Drawing out any similarities between Tax Credits and UC will also provide some reassurances.

Key takeouts

Conclusions / Key take-outs

1

- As seen across both phases, current perceptions around UC are negative or, at best, indifferent (driven by a lack of knowledge and low awareness)

2

- Ingrained behaviours and attitudes towards claiming and self-employment, can mean that any form of change is inherently seen as negative

3

- Experiences of being self-employed are not universal which can have a significant effect on how messages are received and their impact on shifting perceptions

4

- None of the messages tested were perceived to be highly motivating or reassuring. Conversely, a number of messages served to compound already held negative perceptions and concerns

Thank you

Andrew Shaw

Andrew.Shaw@ipsos.com

Tom Cooper

Tom.Cooper@ipsos.com

Holly Shutter

Holly.Shutter@ipsos.com