

# Better off working?

## Work, poverty and benefit cycling

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### **A study of the work experiences of a group of low-skilled workers over five years.**

Concern has been growing about the extent to which paid work is an effective route out of poverty and the extent of churning between work and benefits that can result in recurrent poverty. Using both interview and survey data, this report examines work pathways, experiences of retention and progression, and feelings of financial strain among a group of lone parents and former long-term unemployed people who have entered work.

The report covers:

- people's perceptions of poverty and financial strain and how this relates to their movements in and out of work;
- people's trajectories in work and the factors facilitating or constraining work retention;
- the relationship between work trajectories and moving into 'better work';
- what enables or constrains people in their attempts to progress in work; and
- tensions and trade-offs between retention and progression.

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## Introduction

The report focuses on the work experiences of a group of low-skilled workers. Concern has been growing recently about the extent to which paid work is an effective route out of poverty. The literature shows that both household composition and the nature of work are important in this. A key factor is the sustainability of work. Churning between low-paid work and unemployment – termed ‘the low-pay no-pay cycle’ – is thought to contribute to *recurrent poverty*: repeated movements above and below the poverty line. Research suggests that such movements are usually ‘short range’, which raises the question whether they should be seen as movements out of poverty at all.

The research contributes to these debates in three ways. First, it examines perceptions of poverty among workers, and considers whether ‘recurrent poverty’ resonates with their lived experiences. Second, it explores the relationship between retention and progression for these workers. While previous literature documents the difficulties low-paid workers face both retaining work and progressing, there is limited evidence on the *processes* by which this may occur and on how work retention and progression may reinforce or counteract one another. Finally, a thread running through the research is the focus on how people respond to their situation and to policy messages in the light of their individual circumstances and aspirations.

The research draws on data from an ongoing evaluation of a recent government programme to promote work sustainability: the Employment Retention and Advancement (ERA) demonstration. This programme offered a mix of financial incentives and adviser support to help participants retain work and progress. Eligible groups included lone parents looking for work who joined the New Deal for Lone Parents (NDLP group), lone parents working part time and in receipt of tax credits (WTC group), and long-term unemployed people

(aged over 25) who were mandated to join the New Deal 25+ (ND25+ group). The current study is not part of the evaluation of ERA, although its findings hold implications for similar policy initiatives. Research methods comprised:

- secondary quantitative analysis of a low-skilled sub-sample of ERA survey respondents, to examine their work trajectories over a two-year period;
- secondary qualitative analysis of a longitudinal dataset of ERA participants, examining the dynamics of their work trajectories over four–five years; and
- primary qualitative analysis of new in-depth interviews with low-skilled participants, who had either remained in or moved in and out of work.

## Experiences of poverty and work decision-making

Respondents in qualitative interviews were questioned about how they defined poverty, and whether and when they might have experienced this. A number of households were estimated to be below the poverty line at the time of the interview.<sup>1</sup> Given this, it was striking that respondents, in general, disassociated themselves from what they perceived to be the negative connotations of ‘being poor’. They did not see themselves as being in poverty, although many described situations of financial strain, where they were “struggling to get by” or “just keeping their head above the water”. This often entailed careful budget management and going without ‘extras’, such as clothes, furniture and household goods, home improvements, family trips and adult socialising.

For many of the respondents, moving into work did not mean the disappearance of financial strain. Mediating factors included the nature of the job, household composition, and expenses such as

housing and debt. Participants in low-paid (often minimum wage) jobs felt financial strain when additional expenditures were taken on when in work (e.g. running a car). This was exacerbated for lone parents who were working only part-time hours. While men in the study were generally working full time, some were in unstable work and ‘cycling’ between work and benefits. They found it especially difficult to “get on an even keel” financially once they were in work, due to debt and delays in benefit payments. Household composition also interplayed with feelings of poverty; surviving on a minimum wage while supporting a family was especially hard. For lone parents, re-partnering and the economic activity of older children was important. Those with a mortgage or renting privately could find it difficult because of accumulated mortgage debt or because housing costs took a large part of their income.

Financial considerations were not the only factor that people took into account when assessing whether they felt ‘better off in work’. Work brought other, non-monetary benefits (social interaction, self-esteem, confidence, independence) and people were willing to forgo the possibility of greater earnings for the sake of other things that were important to them, such as spending time with family. Moreover, conscious trade-offs, and pride in an ability to ‘get by’ on a low income, had implications for people’s willingness to take steps to improve their income.

Together these experiences suggest that the notion of recurrent poverty as mirroring movements in and out of work does not necessarily resonate with the experiences of this group of low-skilled workers.

## Trajectories through low-paid work

Analysis of longitudinal survey data covering two years showed that around half of the sub-sample with low qualifications remained in work while the rest were split between those who did not enter work at all and those who entered work but subsequently left it again (some of whom went on to re-enter work). Low qualifications, being single, living in social housing and having a child under the age of five rendered people more vulnerable to a job exit. There was considerable variation among

those with broken work trajectories however, in terms of the number of jobs and the length of time in work, indicating differences in the ‘quality’ of these experiences. Some spent longer periods in work, which allowed work experience and earnings to accumulate with potential future benefits.

Qualitative longitudinal analysis identified four interrelated factors that constrained or enabled stability in work trajectories:

**Labour market insecurity**, which led to involuntary job exits. These were due to temporary work, businesses failing, redundancies or workers being laid off following an illness or injury.

**Employee flexibility** to reconcile their paid work with life circumstances. Lone parents required jobs that were compatible with caring arrangements. Employer-driven flexibility was more prevalent than flexibility determined by employees, and many people were using informal childcare that could adjust to erratic and/or anti-social hours. A job exit could occur when these arrangements broke down, particularly if other factors conspired to make parents feel the job was not worth sustaining.

**Social and financial resources** were important to work retention. Respondents relied on informal networks for childcare or reduced living costs (for example housing, meals). More formal sources of help, such as financial support through government tax credits and professional advisory support, were also important enablers of retention. Income Support could smooth longer-term transitions back to work by providing a ‘safety net’ for lone parents who needed to leave work temporarily.

**Individual responses** and attitudes to work insecurity. Some people were more willing and able to withstand job instability than others. Younger men without family responsibilities often accepted insecure work as a fact of life, provided they earned enough to ‘get by’. The responses of women with children to unstable work could shift across the life course. Intermittent work was tolerated or even chosen (for example when living with a partner) to fit around the priorities of raising children, although this was exacerbated by insecure jobs. Mothers returning to the labour market could also become

stuck in a cycle of intermittent work when they wished to prioritise more sustained employment.

## Moving on from poverty

The quantitative analysis confirmed the association between unstable work and poor job quality. Results from the two-year survey showed that those with a break in their employment lagged behind those with stable work on all measures of job quality: permanency, paid holidays, sick pay, pension, supervisory role, autonomy over work, perceived promotion or training opportunities, and satisfaction with job and work–life balance. However, albeit starting from a much lower base, substantially more people with broken employment reported improvements in their work circumstances over the two-year period. This suggested that some people were able to move into better quality work by leaving a job, even if they spent some time out of work.

Qualitative analysis illuminated the processes by which work progression occurred for people with different trajectories.

Examples of **progression within a job** included increasing hours from part time to full time, moving into more senior positions, taking up training towards these positions or gradually increasing responsibilities. Being in a workplace that had structured opportunities for progression, such as in-work training, was key to such progression. For lone parents, being able to organise childcare around the additional time for work or training was also important. Individuals also utilised outside support to access training (for example through the ERA programme) and subsequently used this to progress. The support of employers was also important here.

**Progression through changing employers** could result in better pay, fringe benefits, prospects for progression, job satisfaction or hours that suited care arrangements. While some people were strategic about moving to a better job, others landed one by accident as a result of ‘a lucky break’. Their stories highlight the importance of support and encouragement, both formal and informal, in taking up progression opportunities.

The qualitative research found that **progression for those with ‘broken’ employment** was

more difficult. Progression was difficult for those in temporary work who were less likely to have structured opportunities in the workplace, although in some cases, the gradual accumulation of ‘better quality’ jobs was observed over time. A common strategy was to acquire temporary work with a ‘good employer’ in order to be ‘first in line’ for permanent jobs that became available.

There were people who were unable or unwilling to engage with the agenda of improving their income through progressing at work. Some expressed fatalism about their prospects and, combined with a pride in their ability to ‘get by’ on a low income, were unable to envision themselves in any other type of work. Some people aspired to improved income but were ambivalent about training or taking on more job responsibilities. Others made conscious trade-offs between improving their income and important priorities like family, leisure time or staying in a job they enjoyed.

## Conclusions and policy and practice implications

The evidence from this research suggests that ‘work as the best route out of poverty’ does not always resonate with people’s lived experiences and that more needs to be done to ‘make work pay’. Helping people to ‘move on’ from low-paid, low-skilled jobs has become a key theme in government policy; however, we have shown that achieving better quality employment is not easy. It is facilitated or constrained by an interaction of personal characteristics and circumstances and social structures. Labour market insecurity sets the broader context, shaping people’s work trajectories, but the ways in which people develop strategies to respond to this are important to the outcomes. Three important sub-themes run through the research findings:

- 1 Flexible and insecure employment.** ‘Poor quality’ jobs, often associated with temporary positions and part-time work, offer limited security and lack means for progression.
- 2 Tensions and trade-offs between stability and progression.** This research suggests the relationship between retention and progression

is complex. On the one hand, it is possible (although not easy) to progress despite not retaining work; on the other, stability will not necessarily lead to progression. Capitalising on progression opportunities, such as training or changing employers, entails risk and low-paid, low-skilled workers are often unable or unwilling to take such risk.

**3 Lack of engagement with the progression agenda.** The notion of being proactive and taking individual responsibility for work progression, for example through training, had little resonance for many people in the study, who lacked confidence, feared moving outside their ‘comfort zone’ or were trading off financial improvement for other things important to them (such as family time). While attitudes can be changed, innovative approaches to engaging people are necessary and the emphasis on individual progression is unlikely to be realistic for everyone.

- There is an urgent need to develop more progression routes for part-time workers and to open up opportunities for part-time and flexible working arrangements in both senior and mid-level positions.
- Careers advice for low-skilled workers, based on local labour market intelligence, is crucial.
- Innovative approaches are needed to engage people who are unlikely to proactively contact an advancement and careers service.
- The findings suggest that progression through human capital development is not a realistic option for everyone. Changes to remuneration systems, such as aligning the minimum wage with the ‘living wage’, could help to address financial hardship among people in lower skilled occupations.

## Policy implications for promoting sustainable employment

- Information and guidance support for job re-entry is important in supporting employment retention.
- Income Support can provide a temporary ‘cushion’ for lone parents who are struggling to (re)establish themselves in the labour market.
- Job quality is paramount. Some agencies and employers have a better record than others in constituting stepping stones towards sustainable employment, so guidance on job selection is essential.
- The rights and employment protections of agency workers need to be further strengthened.
- More emphasis needs to be placed on the development of internal career ladders within sectors that allow people to progress out of low-paid work in a supported and incremental way.

# 1 Introduction

This report focuses on the work experiences of a group of low-skilled workers, exploring in detail their work trajectories for up to five years. While government policy since 1997 has focused on entry into paid work as the best route out of poverty, concern has been growing about the extent of ‘churning’ – that is people moving back and forth between work and benefits – as well as the prospects for progression among low-paid workers (Johnson, 2002; Kellard *et al.*, 2001; Lawton, 2009; Mulheirn *et al.*, 2009; National Audit Office, 2007; Yeo, 2007). These concerns raise questions about the extent to which paid work is an effective route out of poverty and present challenges for the government’s target of halving child poverty by 2010 and eradicating it by 2020. The current research raises issues that need to be considered if the policy prescription that ‘work is the best route out of poverty’ (Child Poverty Unit, 2009) is to reflect the real life experiences of those who are disadvantaged in the labour market.

## Recurrent poverty

Poverty dynamics research shows that poverty affects a larger group of people than point-in-time studies suggest. Smith and Middleton’s (2007) review of the literature reported that over a six- to eight-year period, about a third of the population in Britain experienced poverty at least once, twice as much as the average point-in-time poverty rate. Moreover, while persistent poverty is fairly rare, about 30 per cent of those leaving poverty between 1991 and 1996 became poor again within a year. This phenomenon of repeated occurrences of income rising above and falling below the poverty threshold over time has been termed *recurrent poverty*. The trends suggest that these movements are largely ‘short-range’, with people moving not very far above the poverty line, and then soon falling below it again (Kemp *et al.*, 2004; Smith and Middleton, 2007). This prompts the question of whether they should be seen as movements out of poverty at all: if people are not

moving very far out of poverty, and not for very long, this limits the extent to which they can build up material resources to influence their well-being (Smith and Middleton, 2007). This is supported by studies which show that measures of poverty based on ‘hardship’ lag behind those of income measures; i.e. a movement out of income poverty does not necessarily result in a move out of hardship in the short term (Barnes *et al.*, 2008).

## In-work poverty

Reviews of poverty dynamics show that, in general, movements into paid work are the most common route out of poverty for households in Britain. Nonetheless, paid work does not necessarily protect people from poverty. In 2005–6, almost six in ten poor households contained someone in work (Lawton, 2009). Barnes *et al.* (2008), looking at movements into work among families with children (2001–5), also show that for lone parent families, over a quarter of movements into work did *not* result in a move out of poverty for the household.

In-work poverty can be the consequence of a number of factors. Household composition is important, since poverty is measured at the household level. The two most common forms of household change that trigger poverty are an increase in the number of children in the household and a transition from a two- to a one-parent household (Jenkins and Rigg, 2001). Jenkins (2009) shows that marital splits are more financially deleterious, and much more likely to cause movements into poverty, for women than for men. For lone parents (usually women), movement from a one- to a two-parent household and the presence of adult children in paid work are also more significant for poverty exits than for other households (Millar and Gardiner, 2004).

The nature of the job also has an important bearing on whether work constitutes a route out of poverty. In-work poverty is associated with low pay,<sup>2</sup> the extent of which has increased over the past 25 years, so that in 2006 a fifth of the workforce were low paid (Lawton, 2009).<sup>3</sup>

Low pay is connected to jobs in lower-level occupational groups and part-time work, both of which are populated disproportionately by women, thus contributing to the gender pay gap (Kemp *et al.*, 2004; Millar *et al.*, 2006). Those households with one earner working part time are at the highest risk of experiencing in-work poverty; for example in 2005–6, 30 per cent of lone parents working part time were in poverty, compared with 15 per cent of those working full time (Lawton, 2009).

## Work sustainability: retention and progression

The sustainability of work is also important for whether it constitutes a route out of poverty. Recurrent poverty is associated with repeated movements between low-paid work and benefits, which has become termed ‘the low-pay no-pay cycle’. Indeed, analysis by Adelman *et al.* (2003) suggested that moving in and out of work could result in a *greater* risk of household poverty than staying out of work. Research shows that the chances of becoming low-paid are higher for unemployed people, and vice versa. This places substantial groups of people ‘churning’ between unemployment and low-paid work, with little chance of climbing up the pay ladder (Cappellari and Jenkins, 2008). Evans *et al.* (2004) report a similar finding for lone parents, albeit noting that there is a greater (though still small) probability of progression from non-employment to higher paid employment for this group. This suggests that low-paid jobs often operate as ‘dead ends’ rather than ‘stepping stones’ to something better (Kemp *et al.*, 2004).

Evidence shows that employment retention amongst some groups of benefit leavers is low. Recent analysis (National Audit Office, 2007) demonstrates that more than a fifth of Jobseeker’s Allowance (JSA) claimants entering work reclaimed benefit within 13 weeks and 40 per cent reclaimed within six months. Yeo (2007) also showed that of lone parents’ job exits to benefits between 2004 and 2005, just over a third of the jobs had lasted less than four months and half lasted for less than a year. In addition to problems with retention, low-paid jobs often have few prospects for progression. Stewart (2008) showed that movement out of low

pay was uncommon for lone parents over an approximate 10-year period following the birth of their youngest child: almost 80 per cent of those with an unstable work trajectory remained in low pay<sup>4</sup> over the whole period, compared with just under half of stable workers.<sup>5</sup> However, overall, more people moved into low pay than left it. Other analysis by Lawton (2009), looking at all employees between 2002 and 2005, shows that of those starting out in low pay, two-fifths remained in low pay while 14 per cent became unemployed or inactive. While two-fifths escaped low pay, the majority of them remained below median earnings. This leads her to conclude that:

*the pattern for many low-wage workers is of fluctuating earnings around a relatively low average, rather than permanent moves out of low pay.* (Lawton, 2009: 23)

Prospects for work retention and progression are found to be related both to the nature of the labour market as well as to the personal characteristics of the workers themselves. On the demand side, transformations in the global economy have resulted in a restructuring of labour markets, with consequences for employment stability and job security (Golsch, 2006). Deregulation by governments to enable employers to be more competitive has allowed risks to be passed on to employees through ‘flexible’ employment relationships, such as part-time, temporary and agency work. Carpenter’s (2006) study of repeat JSA claimants showed that temporary work was a key factor in repeated spells on benefits: a third of repeat claimants left their last job because it was temporary and almost half (45 per cent) said their current or most recent job was not permanent. In comparison, just six per cent of the workforce as a whole were temporary workers. Occupation and industrial sector are also important. Stewart (2008) showed that lone parents with unstable work were more likely to be in catering or manual work and less likely to be in professional, managerial or clerical jobs. Administrative and, to a lesser extent, personal service workers have been shown to have relatively good chances of leaving low pay, compared with sales and customer services and manual occupations. Workers in sectors such

as manufacturing and transport also have better chances of moving out of low pay compared with those in hotels and restaurants, retail and construction (Lawton, 2009). Part-time work – dominated by women – is associated with fewer chances for progression, for example low-paid and part-time workers are less likely to receive training (Miller *et al.*, 2006; Yeo, 2007).

In terms of personal characteristics, repeat JSA claimants face work barriers such as health problems, lack of qualifications and basic skills, housing instability, problems with drugs or alcohol, or criminal records, which are likely to disrupt stable patterns of employment (Carpenter, 2006). Research on lone parents has shown that difficulties retaining employment often centre on childcare responsibilities and the breakdown of care arrangements, as well as dissatisfaction with working conditions, hours that make it hard to balance work and family life, and the cost and distance of travel to work (Hoggart *et al.*, 2006). Stewart (2008) found that lone parents with unstable work trajectories had lower qualifications, were less likely to have re-partnered and were more likely to have a child with a health problem compared with lone parents with steady work. Lawton (2009) shows that women, older workers (age 50+) and people with health conditions or disabilities are less likely to leave low pay than other workers. Research also suggests that personal characteristics and job characteristics interact; for example, family commitments or health problems are more difficult to manage in jobs that do not have sick pay or allow an element of employee flexibility for family responsibilities (Dean, 2007; Bell *et al.*, 2005; Hoggart *et al.*, 2006; Millar, 2006; Ray *et al.*, 2007). A study by Tomlinson (2006) of five organisations in the ‘hospitality industry’ (including retail, catering and hotels), for example, showed that the organisation of work and work hours in such industries largely inhibited career progression for women with children, since there was almost no flexibility in supervisory posts, which usually required full-time hours and set shift patterns.

## Policy responses

Work sustainability has recently risen up the political agenda and a range of policy initiatives has been

introduced. The government’s approach, as with employment policy in general, is primarily focused on supply-side measures designed to raise the employability of jobseekers, rather than seeking to intervene in employment demand (McQuaid and Lindsay, 2002). Initiatives within the remit of the Department for Work and Pensions (DWP) have focused on in-work financial support, enhancing human capital through training, and retention support from personal advisers. For example, new forms of financial support include a time delimited wage top-up of £40 a week for twelve months for lone parents and people with a health condition entering work. In-work advisory support is now available for lone parents for their first six months in work through Jobcentre Plus, together with an in-work emergency fund for helping people through financial crises that might threaten work. An adult careers service for skills and advancement support is also promised, but not due to become operational until 2010–11. Investing in human capital is also a key element of current government agendas, with skills acquisition seen as the ‘key to sustainable employment’ (DIUS and DWP, 2007). A number of initiatives have been introduced in an attempt to ‘join up’ skills and employment services, and to increase the involvement of employers in training provision so that it better meets the requirements of local labour markets. Nonetheless, there is still a lack of robust evidence on what works best in terms of the provision of training and education for disadvantaged workers (Dench *et al.*, 2006; DFES and DWP, 2007).

While the government’s approach is primarily supply-side focused, some policy initiatives from other government departments have aimed to improve the quality of available jobs, with greater responsibility placed on employers. For example, in 1999 the government introduced a national minimum wage, which has raised the living standards of the lowest paid, while initiatives have also been introduced to aid flexible and family friendly working, such as the right to request flexible working for people with children aged under 16.

Thus there have been a number of recent initiatives around work sustainability, but as yet there is relatively little understanding of what works most effectively. One initiative that has sought to measure the impact of a range of different types of

intervention on retention and progression in work is the Employment Retention and Advancement (ERA) demonstration project, a UK government scheme that ran in Jobcentre Plus offices between 2003 and 2007. As described below, this research study draws on data from the evaluation of ERA.

## Research scope, aims and methods

This study focuses on the employment experiences of low-skilled workers. It examines the interplay between people's work trajectories and their experiences of poverty and financial hardship. This is done by exploring whether and when respondents have 'felt poor' and/or experienced financial strain and hardship, and how this relates to periods in or out of work. We also examine what they understand 'poverty' to mean and to what extent they see paid work as an escape route from poverty. Thus we explore the extent to which the notion of 'recurrent poverty' reflects the experiences of people who have moved in and out of, primarily, low-paid work. The analysis complements quantitative studies of poverty dynamics, by focusing on people's subjective feelings of poverty, financial strain and hardship.

The report also examines people's ability to move on from poverty and low-paid work. While, as discussed above, there is a wealth of evidence on poor retention and progression outcomes for low-paid workers, there is relatively little research on what helps people in low-paid jobs to sustain work and to move on. How people with few prospects, on the face of it, do manage to move into more secure and/or better paid work, and what facilitates or constrains this, is a crucial gap in the literature that this study aims to address.

We also examine the relationship between retention and progression, which has hitherto been little explored. It is recognised that the best strategy of escaping low-paid work may be through job mobility, i.e. by moving to a better employer; however, job mobility can be detrimental if interspersed with unemployment (Andersson *et al.*, 2005; Lawton, 2009). Qualitative research also suggests that there may be tensions and trade-offs between job retention and progression for individuals in low-paid work (Hoggart *et al.*, 2006). The report focuses on this issue, exploring in detail

low-paid workers' experiences and strategies for retention and progression and how they relate to feelings about poverty and financial strain.

Finally, a key theme running through this study is how individuals understand the messages embodied in policy programmes and how they respond to them in the light of their individual circumstances, experiences, understandings and aspirations. Paying attention to this subjective dimension, of how people interpret their life situations and policy messages, and make choices in response to this, is a recurrent thread in this study.

The aims of the research were:

- to develop a fuller and deeper understanding of the factors that influence both movements between benefits and work, and staying in work, for the low paid and low skilled;
- to provide an understanding of the supports that help to sustain low-paid and low-skilled workers through varied trajectories; and
- to understand what helps low-paid and low-skilled workers break out of recurrent poverty in a sustainable way.

To meet these aims, the research drew on existing data from the ERA demonstration project. Box A.1, in Appendix A, gives further details about the programme and presents key findings from the evaluation so far. It should be noted that this study is not part of the evaluation of ERA, but uses the ERA data to explore experiences of work among disadvantaged groups. The two groups of people eligible for the programme were lone parents (who were almost exclusively women) and long-term unemployed people (most of whom were men), both of which are at a high risk of experiencing poverty, as well as the low-pay no-pay cycle.

The ERA evaluation provides rich quantitative and qualitative longitudinal data. The data sources used in this study include:

**Quantitative longitudinal data:** We draw on a two-wave survey, conducted at 12 and 24 months after entry to the ERA programme (between autumn 2003 and spring 2005), combined with

administrative data on respondents' work experiences three years prior to the study. Secondary analysis of the dataset for this study combined treatment and control groups,<sup>6</sup> since we are not examining the effects of the programme, and restricted the analysis to a low-skilled subgroup of participants. This was because the literature suggests that skills are a key factor in labour market disadvantage and we wanted to explore what helps and hinders retention and progression for these most disadvantaged workers. 'Low-skilled' was defined as those with educational qualifications at level 2 or below, which mirrors current government definitions.<sup>7</sup> (It should be noted, then, that the findings would not necessarily be replicated for the whole of the ERA study population, which also includes higher skilled participants.) We acknowledge that the sample is not representative of the low-skilled population of Britain as a whole, but nonetheless it provides a useful case example for studying the work trajectories and experiences that can occur for low-skilled workers.

**Qualitative longitudinal data:** We draw on an existing qualitative longitudinal dataset of people who were interviewed for the ERA evaluation. This comprises 58 respondents, 34 of whom had two interviews and 24 of whom had three interviews, separated by about a year in each case. The sample was purposively selected for the purposes of the ERA evaluation. It included only programme group participants who had entered work, and participants who had taken steps towards progression (at wave 1) were over-sampled in subsequent waves in order to explore their experiences. This dataset was re-analysed for this study to examine the factors influencing work trajectories over time and people's subjective experiences of these.

**Qualitative cross-sectional data:** New in-depth interviews with 27 individuals were conducted for this research study in 2008 and 2009. These were with ERA participants, most of whom had been previously interviewed as part of ERA (but were not part of the longitudinal dataset). This new sample was restricted to the low-skilled and was purposively selected to examine differences

between those with 'broken' and 'steady' work trajectories while on ERA (approximately half of each type were selected). These new interviews enabled us to extend the observation period (to four–five years since programme entry), gain more detailed information on the interconnectedness of work histories and life events, and to probe individuals' reflections about 'feeling poor'.

Demographic characteristics on the existing and new qualitative samples are provided in Table A.1 in Appendix A.<sup>8</sup>

## Report outline

In chapter 2 of this report, we use new qualitative data collected for this project to explore people's perceptions of poverty, financial strain and material deprivation and how this relates to their movements in and out of work. We suggest that paid work as a route out of poverty is too simple a notion and outline the factors that impinge on whether or not people feel 'better off' when they are working. Chapter 3 looks at people's trajectories through work, drawing on both the quantitative data, which tracks work experiences for individuals over two years, and the qualitative data, which provide a longer time frame and deeper insights into the factors facilitating or constraining work stability. We examine what enables and constrains work retention, and how people are able to move on from the low-pay no-pay cycle.

Chapter 4 turns to progression in work as a means of moving out of poverty. Again using both quantitative and qualitative data, we examine the relationship between work trajectories and progression, the forms that progression can take and what enables or constrains people in their attempts to move out of poverty in this way. We also explore tensions and trade-offs between retention and progression, and examine the extent to which the current policy message that individuals should take responsibility for their work progression through re- or upskilling matches people's experiences, expectations and aspirations.

Finally, in chapter 5, we draw some conclusions and suggest the implications for policy and practice.

## 2 Experiences of poverty and work decision-making

This chapter examines the relationship between experiences and perceptions of poverty and being in or out of work, drawing on data from the new qualitative sample (which comprised people with low qualifications).<sup>9</sup> The chapter begins with a discussion of how people conceptualise poverty and how they assess their own financial position, as this is an important part of the context for their employment decision-making. We show that while most people did not see themselves as 'poor', they often felt they were 'just managing to get by'. This is akin to the concept of financial strain (see Tomlinson and Walker, forthcoming), which is based on how respondents perceive their financial situation. Respondents were far more likely to acknowledge financial strain than poverty, even if they were in poverty as defined by a household income measure.

Our analysis suggests that there are links between how people perceive their financial situation and the extent to which they are motivated to take steps to improve their income, something which we explore in later chapters. We also demonstrate how financial commitments, particularly debt, are important when considering people's feelings of financial strain when in work, and can contribute to the mismatch between changes in income and changes in feelings of strain. Only the people who had moved substantially above the poverty line, either through securing well-paid full-time work, or through the addition of a second earner, no longer felt financial strain. Finally, we also show that finances are not the only factor considered by low-paid workers in their assessments of whether they are 'better off in work', and that this also has implications for their work decisions.

### Financial status of the sample

The respondents who provided the data we draw on in this chapter had all experienced periods out of work in the past but had all worked recently, and

most were also in work at the time of the interview. Around half had worked steadily for the last four to five years, while the rest had experienced periods out of work. Some were continually 'cycling' between short-term jobs and benefits, while others spent some time on benefits in between longer spells of work. Detailed income information was not a focus in the qualitative interviews but some financial data was needed to estimate income status relative to the national poverty threshold. The McClement's method for equivalising household income was applied to this data along with the most recent Households Below Average Income (2007/8) figures on the poverty threshold. Table A.2 in Appendix A reports the work status, household composition, weekly household income (banded) and equivalised income for the respondents. Although imperfect, the exercise places the discussions about subjective feelings of poverty among respondents in a broader context, by showing where their households are positioned in relation to the poverty line. The data shows that a number of households in the study were below the poverty line at the time of the interview, and some of these were in work. This is unsurprising, given the prevalence of low-paid and often part-time work and the incidence of 'cycling' between jobs and benefits among the sample.

### Experiences and understandings of poverty

Reflecting the findings of other research (see e.g. Castell and Thompson, 2007), one of the most striking features of respondents' discussions of poverty – given their household income levels – was that there was a marked reluctance to engage with the idea of poverty as being relevant to their circumstances. Instead, respondents sought to disassociate themselves from poverty, and the negative connotations that they associated with this 'highly stigmatised social position' (Ridge, 2009). The disassociation from poverty

took two forms: to define poverty or being poor in such extreme terms that it could not be applied to themselves; and also to suggest that it resulted from an “inability to manage”.

In the main, being poor was defined in an absolute way with a very low threshold. It meant not being able to afford ‘the essentials’ and not being able ‘to get by’. One respondent, talked about being poor as having “nothing in your cupboards or not being able to pay your bills”. With this type of definition, most of the respondents did not describe themselves as being in poverty. They did, however, describe financial strain. When they were asked about their finances, the majority of respondents were – in their own words – “just managing” or “just keeping my head above the water”. Although they had enough to pay for what they had defined as essentials (housing costs and food), they had to be careful with their money, and were not able to afford what they defined as ‘extras’.

The main coping strategy used was to budget very carefully: “If I can’t afford it, I don’t have it, to be honest.” For parents, this often meant personally going without, so that their children would not suffer. Items that were considered as ‘extras’ or ‘treats’ and that could not generally be afforded included clothes, furniture and household goods, home improvements, family trips and adult socialising. When asked what they would like to do that they could not afford, most people mentioned family holidays. This was mirrored by those who were no longer struggling, who spontaneously referred to being able to go on holiday as an indicator that they were doing better. An absence of such extras has been identified in previous research as being an indicator of material deprivation and therefore relative poverty (Marsh and Vegeris, 2004; Vegeris and Perry, 2003).

Moral judgements about people’s ability, or inability, to live within their means were also a sub-theme in respondents’ discussions about poverty. People tended to compare their own coping strategies, and efficient budget management, with those who might not be managing so well. They also expressed self-pride in their own ability to manage on a low income, comparing themselves favourably against others who spent money unwisely. Yet managing on

a low income also competed with pressures to avoid appearing poor. For example, parents wished to protect their children from the stigma of poverty. One mother, Patricia,<sup>10</sup> talked about the importance of providing her daughter with a new school uniform each September: “I wouldn’t have her going out looking scruffy or anything like that.” Another, Dorothy, explained why spending on the children was important to her:

*but then if the kids need anything they don’t have rubbish. If they need anything, I pay £70 for their trainers, you know, they have everything. They wouldn’t have a clue because it’s not to affect them is it?*

Thus one person’s ‘unwise spending’ was another’s attempt to protect their children from the stigma of poverty. In different ways, then, respondents were articulating an individual responsibility to manage within limited means and explaining that difficult decisions have to be made.

## Feeling ‘better off’ in work?

Many of those people interviewed did not feel ‘better off’ financially when they were working, but instead began a new phase of ‘managing to get by’. Whether or not work alleviated financial strain depended largely upon the characteristics of the jobs. However, household composition, housing tenure and the extent to which different income sources were ‘pooled’ for the household were also important. Household circumstances also changed during the course of the research, the most obvious being that a number of respondents started the observation period as lone parents but had re-partnered by the time of the interview. Finally, financial burdens caused by debt and/or unexpected expenses also affected whether people felt better off when they were in work.

### Men in full-time work

The men in the sample who had been receiving Jobseeker’s Allowance (JSA) while out of work were more likely to say that they had felt significantly poorer when they were unemployed and, consequently, better off when they were in work. This is primarily because these men

entered full-time work, and – even at the minimum wage – this compared favourably with JSA. As one man, Tom, noted, “it’s better working when you’re single because unemployment benefits are not sufficient to get by on”.

Although work earnings positioned these men above the poverty threshold they still often experienced financial strain. One man, Kieran, who earned just over £6 an hour, estimated he was £40 a week better off in work than he would be on benefits, but said he didn’t *feel* better off. He had decided to purchase a car for work but found the extra expense was “crippling us basically, money wise”. Higher expectations of what people could afford while working thus contributed towards continuing financial difficulties in work. Moreover, while Kieran lived alone, he also had a partner and young child who stayed with him regularly, which also affected his financial well-being:

*if the bairn needs presents or clothes, you’ve got to do it at the end of the day ... I have to go through a catalogue at the moment because I’ve not got cash to go to the shop and buy things.*

Similarly, Tim’s case also illustrates the significance of family circumstances to feeling better off. He was in his 30s with a non-working wife and three young children. He described his “lowest point” as when he had been unable to provide for his family while earning the minimum wage, and felt the family had been better off on benefits. Not only did he feel that the job was below his capabilities, but found the wage “a real struggle” to manage on: “[for] somebody like me with a family, it’s impossible to live on”.

These examples show how household and family circumstances interact with the nature of employment in influencing whether people feel ‘better off’ in work. They also show how household poverty calculations may miss important financial commitments (and support) across households, as with Kieran paying for his child part of the time even though they do not share a household.

### **Men in intermittent work**

Another key factor influencing feelings of financial hardship among the men in the sample was the permanency of the work obtained.

The examples of two men in the sample who were in intermittent work illustrate this and also show how debt interacts with this cycle. Debt built up while out of work made it very difficult for them to feel better off when they found work. Both of the men were unemployed and claiming JSA when interviewed. Stan, who had worked all his life (intermittently) in unskilled construction work, had been unemployed for two years after suffering an injury at work. Although he generally felt better off when he was working, he struggled to pay the interest on the debt that had built up during periods out of work. Similarly, Tom, with rent arrears and other debts to repay, felt he had insufficient funds to live on. His financial difficulties were intensified by alcohol dependency and he sometimes relied on his family or on charitable organisations for food. It is significant that these two men, who were the worst off in the sample and identified themselves as being in poverty, had been unemployed for a lengthy period when interviewed. Nonetheless, they also spoke about difficulties getting by when *in work* because their work was usually intermittent. This could be exacerbated by administrative problems in reclaiming benefits after short-term work. Their experiences suggest that the patterning of work-benefit spells within the low-pay no-pay cycle is important to experiences of poverty. We explore these patterns in more detail in the next chapter.

### **Lone parents and working hours**

While for the men, in-work poverty was often associated with insecure agency work, for the lone parents it was often associated with part-time work. The difficulties that low-skilled female workers experience in finding well-paid part-time work have been noted elsewhere (Millar, 2006). In this study, those in part-time work were generally low paid and struggled to feel better off in work. One lone parent, Patricia, had recently reduced her working hours in a clothes shop from 39 to 20 for health reasons. While her income (plus disability benefits) placed her (just) above the poverty line, she struggled to adjust. She reported difficulties with paying bills, had no money for ‘treats’, such as holidays or nights out, and has to stretch her food longer, only shopping once a fortnight.

While full-time work was not necessarily sufficient to lift lone parents out of poverty, all

of those who had moved significantly beyond the poverty line and felt that they were no longer experiencing financial strain were working full time, and were also in better paid jobs. Gail, for example, was working full time as a school technician. She earned “a good wage”, and her child, now 19, had recently started to work full time and contribute to household expenses. They can afford to run a car and take holidays abroad. Similarly, Carmel felt better off entering a full-time job she acquired after a period of retraining. However, unlike Gail, her teenage child has not yet started to earn a ‘proper wage’ and contribute to the household income and so was causing a squeeze on her income: “if he wasn’t there I wouldn’t have to buy so much food and he wouldn’t use that much electric”. Despite working, she was “finding it a bit tight” and relied on her parents for additional help.

This indicates the importance of household composition – particularly the economic activity of older children – for working lone parents to feel financially better off.

### **Lone parents and re-partnering**

There were also some lone parents who had re-partnered and consequently eased their financial circumstances. However, the effects of re-partnering on finances were not straightforward and, despite the assumptions of household poverty calculations, income was not necessarily pooled.<sup>11</sup> While some did not pool their resources, others who had partners living elsewhere *did* rely on their partner’s income. Thus, as we suggested earlier, living arrangements did not necessarily reflect the way that resources were managed. For example, one respondent, Helen, reported an on-and-off relationship with the father of her three children. At the time of the interview they were living together but she had not noticed a great amount of difference, financially, since he moved in, especially given that she was no longer eligible for working tax credit. She continues to pay all of the bills out of her part-time wages, and he gives her money for food and day-to-day expenses. She says that they are “getting by”, but she does not have enough for extras, and has to save up for large expenditures.

Thus, while surveys show that re-partnering is an important factor in alleviating financial poverty

among lone parents (see Smith and Middleton, 2007), the effects of partnering on the experience of financial well-being are not necessarily as straightforward as this data might suggest.

### **Housing costs and debt**

Housing tenure was also important when assessing whether people felt better off in work. In contrast to social housing tenants, those respondents paying a mortgage or in privately rented accommodation often found it more difficult financially after starting work. Some had accumulated mortgage debt while they were out of work, or, in other cases, their housing costs took a large part of their income. For example, one homeowner, Adam, a male lone parent with earnings above the poverty threshold, had built up debt while out of work when his Housing Benefit paid only the mortgage interest. He still felt poor in work because he was struggling to meet payments. Similarly, another lone parent, Yvette, who was a private tenant, was one of the few respondents who openly acknowledged that she felt poor while working. Her £130 weekly rent made it very difficult for her and her family to manage on a minimum wage job.

Although there was an evident dislike of personal debt, many of the respondents experienced this, and it was often connected to movements in and out of work. Some had accumulated debt when they had been out of work but were able to keep their creditors at bay at the time. Upon entering work they faced the added expense of debt repayments. In other cases, the accumulation of debt started when they were working and able to take on additional expenditures such as using a credit card or catalogue accounts. Debt can exacerbate the ‘lag’ between changes in income and changes in experiences of financial well-being (see Barnes *et al.*, 2008). It is likely to be particularly problematic for those people making repeated short-term movements in and out of work.

Although difficulties making ends meet span the lone parents (mostly women) and the long-term unemployed (mostly men), lone parents were more likely to be struggling because they were in low-paid, part-time work. The long-term unemployed men were more likely to

be struggling financially because of low pay, insecure work and debt repayments. All of these issues mean that it is not immediately obvious whether someone on a low income feels better off financially when they are in work.

## Feeling better off and work decisions

Our analysis of people's views about being 'better off in work' also shows that financial considerations were often only a part of the equation. When considering the advantages and disadvantages of working – or of working full time as opposed to part time – people weighed up a number of different factors that were important to them. These included the quality (pay and conditions) of the job that was available, whether they enjoyed or disliked the work, and how to achieve a work–life balance that they were comfortable with. As this suggests, people choose particular courses of action for emotional and moral reasons as well as material ones (Rustin and Chamberlayne, 2002). For lone parents, sustaining relationships within the family was an important factor entering into their decision-making about work, as earlier research has shown (Hoggart and Vegeris, 2008; Ridge and Millar, 2008).

Many of the lone parents made a conscious decision to work part time. This was generally in order to spend time with their children, but other trade-offs were also involved. Patricia, for example, describes working part time as a 'trade-off' that she has had to make for the sake of her health:

*When I was full time ... it was nice to have that little bit of extra money, but then my health suffered so then I had to decide.*

Such trade-offs had implications for people's willingness to take steps to improve their income, and we return to this theme in later chapters.

In addition, respondents talked about being 'better off' in work in ways that were not reducible to finances. Many, including those who questioned whether they were better off financially after they started work, talked about other, non-monetary, benefits of work:

*I am very independent and I want to go there and do it myself and earn my money. Like I said before, I don't know if I am better off, I really don't know. But in my own head I am better off, you know, I can pay my own way.*

## Revisiting 'recurrent poverty'

The notion of recurrent poverty, and in particular the assumption that this mirrors movements in and out of work, does not resonate with the experiences and views of a substantial number of those we interviewed. The lived experiences of most of these low-paid, low-skilled workers appears to have more in common with what might be described as persistent poverty, despite movements into work. In some cases, their wages were too low to move them above the poverty line, while in other instances their household income had the potential to lift them out of poverty, but other expenses – especially debt payments – reduced their disposable income and caused them to continue to feel financial strain. We have also shown that those who were 'cycling' between work and benefits faced additional financial difficulties, particularly where periods in work were very short term. Together these experiences suggest that repeated movements above and below the poverty line are likely to have different implications for people's experience of poverty, depending upon factors like the frequency and range of the movements and a range of household circumstances and sources of support which may either intensify or ameliorate experiences of hardship.

Also striking was the acceptance or fatalistic view of financial difficulties. In other words, many people appeared to acknowledge levels of struggle and hardship that – in our assessment – amounted to relative poverty, and yet were not striving to change their situation by searching for better paid work. We explore this theme further, and what it means for current retention and progression policy, in subsequent chapters.

# 3 Trajectories through low-paid work

In this chapter we look in detail at movements in and out of work, drawing on both quantitative and qualitative data. Using quantitative data we look at the extent and nature of movements in and out of work and the characteristics that distinguished ‘steady’ workers from those whose trajectories were ‘broken’. These themes are then elaborated further with the qualitative data, which explores work dynamics in more detail and looks at what facilitates or constrains work retention.

## Work patterns

We start by using the survey data to examine work trajectories over a two-year period, focusing on the prevalence and nature of movements in and out of

work. The analysis combines ERA treatment and control groups, since this study does not examine the effects of the programme, and is restricted to a sub-sample of low-skilled respondents (level 2 qualification or below) in order to explore work patterns for these most disadvantaged workers. A breakdown of the characteristics of this sample (restricted to those that entered work) is supplied in Table B.1 (Appendix B). From this, we can see that the sample is dominated by females (91 per cent), reflecting the high proportion of lone parents in the ERA programme, as well as the fact that proportionately fewer male participants (as part of ND25+) entered work during the study period (for more information, see Miller *et al.*, 2008). Other characteristics of the sample

Table 1: Types of work trajectories – pre- and post-study period

	Percentages
<i>Work experience 3 years prior to study</i>	
No work in last 3 years	31
Working up to 6 mos	12
Working 7 to 12 mos	9
Working 13 to 24 mos	13
Working 25 to 36 mos	35
<i>Number of jobs in 3 years prior to study (among those who worked)</i>	
1	62
2	28
3+	10
<i>Work trajectory during 2-year study period*</i>	
Never entered work	22
Steady employed <i>(one employment spell of at least 6 months, no work exits during 2-year follow-up)</i>	55
Broken trajectory <i>(at least one work entry and one work exit during 2-year follow-up)</i>	23
Base	3,156

\* Excludes respondents who entered their first job during the last six months of the study period since it cannot be ascertained if those people remained in steady employment or not.

are indicative of employment disadvantage: educational attainment was generally low – even within a sample restricted to the low-qualified, over a quarter of respondents had no qualifications; about two-thirds were social tenants or lived with relatives; 90 per cent were single parents and half had children under the age of ten.

Table 1 displays different work patterns for the three years prior to the survey and during the two-year survey period. Previous work experience was polarised between those who had worked for most of the three years leading up to the study and those who had not worked at all. This reflects the design of the ERA programme, which recruited individuals from two New Deal programmes (NDLP and ND25+) as well as from lone parents in part-time work. The latter make up the bulk of those with more complete work histories in the three years prior to the survey (see Table B.2, Appendix B). The number of jobs people held during the same three-year period ranged from zero to ten; while most reported only one job, a substantial minority (10 per cent) had three or more.

Table 1 shows that just over half (55 per cent) remained in ‘steady’ employment during their time on ERA. The remainder divided equally between those who did not enter work

at all and those who entered work but then exited it within the two-year follow-up period.

Focusing just on those respondents who entered work during the survey period, Table 2 further subdivides the ‘steady’ and ‘broken’ work trajectories into those who moved jobs and those who stayed in one job, for the ‘steady’ participants, and those who maintained at least some sustained employment (of more than six months) and those who did not, for the ‘broken’ trajectories.<sup>12</sup> This shows that 71 per cent of workers retained employment once they entered work. Of these steady workers, most remained in that same job (69 per cent), while just under a third (31 per cent) moved jobs (without experiencing a break in their employment). Table B.2 in Appendix B breaks these figures down by customer group. Again we see that the WTC lone parents who were working prior to ERA have the most stable work journeys, while the NDLP and ND25+ groups are more unstable.

While most workers retained their employment, a notable proportion left a job (29 per cent). Table 2 further distinguishes these ‘broken work trajectories’ by the duration of work spells. This is important since longer work spells can result in accumulated work experience and earnings, placing those with shorter spells in work at a

Table 2: Working study participants

	Percentages
<i>Employment patterns during 2-year study period – those who entered work*</i>	
Steady Trajectory	71
Broken Trajectory	29
Base	2,382
<i>Among those with a steady trajectory</i>	
Steady employment, 1 job	69
Steady employment, >1 job	31
Base	1,685
<i>Among those with a broken trajectory</i>	
Broken employment, any spell > 6 mos	64
Broken employment, all spells ≤ 6 mos	36
Base	697

\* Excludes respondents who entered their first job during the last six months of the study period since it cannot be ascertained if those people remained in steady employment or not.

disadvantage. Over a third of those who experienced a broken work trajectory worked for no longer than six months in any one period, while 64 per cent sustained work for at least six months at a time.

Looking further at the duration of work for those who experienced a break in employment (Table 3), the data shows considerable variation in employment patterns among them. For example, the total time accumulated in work was quite variable. Over a quarter (28 per cent) spent less than six months in work, but at the other end of the spectrum, just over two-fifths (21 per cent) spent more than 18 months in work. Employment spells tended to last, on average, for fewer than 12 months, balanced between the one to six and seven to 12 month ranges, and with only 14 per cent lasting longer than this. The number of work spells in the two-year period ranged from one to four, but only a very small number had three or more spells, while over half (53 per cent) had just one spell and two-fifths experienced two spells.

The association between work history and work patterns during the study period is displayed in Table 4. The figures show higher work retention rates among individuals with the most extensive prior work experience (25 to 36 months). Similarly, higher numbers of those with no work in the three years prior to the study remained out of work. The

data also suggests that prior work experience shapes the ‘quality’ of broken trajectories; for example, a higher proportion of those without prior work experience had only short spells in work during the study period, while a greater proportion of those with more work experience (25 to 36 months) had longer spells in work.

## Factors associated with broken work trajectories

Table 5 displays other characteristics of the employed respondents, subdivided by work trajectories during the two-year study period.<sup>13</sup> Some contrasts are again evident between individuals who retained steady work and those who did not. People who did not retain employment for more than 6 months, compared with the whole sample, are characterised by having no educational qualifications, being single (never married), having young children (under five years) and living in social housing. These trends were confirmed to be statistically significant in multivariate (probit) analyses. The results support previous research on employment disadvantage (see e.g. Blekesaune *et al.*, 2008; Carpenter, 2006; Evans *et al.*, 2004) and contribute to growing knowledge on work retention, which shows that barriers to employment can recur as

Table 3: Characteristics of broken work trajectories

	Percentages
<i>Total time employed (all employment spells)</i>	
1 to 6 mos	28
7 to 12 mos	28
13 to 18 mos	23
19 to 23 mos	21
<i>Average length of employment spells</i>	
1 to 6 mos	44
7 to 12 mos	42
13 to 18 mos	8
19 to 23 mos	6
<i>Number of employment spells</i>	
1	53
2	42
3 or more	5
<i>Base</i>	696

Table 4: Combined work patterns – three years prior and two years post ERA

<i>Percentages</i>						
Work trajectory 3 years prior to study	Work trajectory during 2-year study*					
	Steady 1 job	Steady > 1 job	Broken, with work spell > 6 mos	Broken, with all work spells ≤ 6 mos	No work	ALL
No work in last 3 years	21	17	23	37	65	31
Working up to 6 mos	10	6	15	23	13	12
Working 7 to 24 mos	18	24	33	31	16	22
Working 25 to 36 mos	52	54	30	9	6	35
Total	38	17	15	8	22	100

*Base: Those who entered work during the 24-month survey period.*

\*Excludes respondents who entered their first job during the last six months of the study period since it cannot be ascertained if those people remained in steady employment or not.

threats to work retention (Hoggart *et al.*, 2006). In particular, for lone parent families, the findings indicate that parents with young children are more susceptible to problems with work retention.

The analysis also identified males as more likely to experience a broken work trajectory. This finding should be viewed in light of the characteristics of the men who were included in the analyses. Over three-quarters of the men in the sample were part of the ND25+ programme, a group characterised by severe employment disadvantage.<sup>14</sup> Due to the nature of the sample, an analysis of work trajectories by household composition and gender of the respondent is not tenable. Only a handful of the men, including lone parent men, had young children and very few respondents were living with partners. Therefore, these sample limitations need to be borne in mind when interpreting these findings.

## Experiences of work stability and instability

We have shown so far that moving in and out of work was not uncommon among low-skilled workers, even within the two-year time frame of the survey data. We also showed that there was variation within ‘broken’ work trajectories. In the remainder of the chapter, we use the qualitative analysis to explore in further detail people’s experiences of moving in and out of work and what enabled or prevented work stability.

In this section, we discuss four sets of (interrelated) factors shaping the stability or instability of work trajectories:

- labour market insecurity;
- employee flexibility to reconcile their paid work with life circumstances;
- the importance of social and financial resources and support networks; and
- individual responses and attitudes to work insecurity.

In practice, these elements interact in shaping work trajectories. While labour market insecurity sets the broader context constraining stability, the way in which people respond to this is also important, and their ability to respond is enabled or constrained by a wealth of factors, including their prior experiences, resources and current needs and circumstances.

### **Labour market insecurity: temporary contracts and ‘hire and fire’**

Our analysis reiterates what other research has also shown (e.g. Carpenter, 2006) about the significance of insecure and short-term work in structuring movements in and out of work at the bottom end of the labour market. By far the most common reason for job exits, particularly for the men in the sample, was that jobs were

Table 5: Work trajectories during the study period – employed respondents

	<i>Percentages</i>				
	<b>Steady 1 job</b>	<b>Steady &gt;1 job</b>	<b>Work spell &gt; 6 mos</b>	<b>Work spell ≤ 6 mos</b>	<b>ALL</b>
<i>Gender</i>					
Female	92	94	88	84	91
Male	8	6	12	16	9
<i>Qualifications</i>					
None	25	25	30	38	27
Level 1	42	39	40	37	40
Level 2	33	36	30	26	33
<i>Marital status</i>					
Married/partnered	3	3	4	3	3
Divorced/separated	43	42	31	17	38
Single	52	53	66	78	58
Widowed	3	1	0	2	2
<i>Age of youngest child</i>					
Under 5	18	18	26	38	21
5 to 9	30	30	28	28	29
10 to 15	34	35	24	15	30
No children under 16	19	17	22	20	19
<i>Living arrangements</i>					
Lives with relatives	7	9	13	13	9
Social housing	49	48	65	71	54
Private tenant	11	11	9	10	11
Owner occupier	33	32	12	5	26
Other	1	1	–	1	1
<i>Work experience 3 years prior to study</i>					
No work in last 3 yrs	21	17	23	37	22
Working up to 6 mos	10	6	15	23	11
Working 7 to 24 mos	18	24	33	31	23
Working 25 to 36 mos	52	54	30	9	44
<i>Study group</i>					
ERA Treatment	51	57	55	53	53
ERA Control	49	43	45	47	47
<i>Base</i>	<i>1,172</i>	<i>523</i>	<i>448</i>	<i>249</i>	<i>2,392</i>

temporary. Sometimes this was short-term work arranged through an agency, for example in factories, labouring or construction, which could vary in duration from a few weeks to a few months. Other jobs were seasonal, where employers were taking on additional staff to cover peak demand, for example in gardening, landscaping, tourism, fishing, etc. In some cases, respondents returned to the same employer each year, but did not gain the same employment rights as permanent staff. Temporary contracts were also significant for women working in clerical and administrative posts.

Labour market insecurity was also reflected in people losing jobs when companies closed down or reduced the size of their workforce. Similarly, when respondents set up their own businesses, utilising New Deal support for example, these could fail after the financial support ended. Conversely, steady work trajectories were enabled when respondents acquired jobs in companies that were relatively stable. Often these were public sector jobs, for example in local authorities, hospitals, schools or colleges.

The relative ease of terminating contracts for employers was also reflected in some respondents being fired, for example for misconduct or unauthorised absence. In addition, a number of respondents reported losing a job after an accident or injury. For example, one man was laid off from a job on an assembly line after developing an injury in his arm, another lost his (agency) job after taking three weeks off to convalesce following an operation. That such problems can be accommodated by 'good' employers is indicated by one lone parent's experience. She worked full time for a large transport company and was able to maintain her job during six months on long-term sick pay.

### **Employee flexibility to reconcile work and 'life'**

Many of the jobs taken by respondents posed difficulties in retention due to the lack of flexibility in accommodating their other commitments. As the research literature suggests, jobs at the lower end of the occupational hierarchy are more likely to be characterised by *employer-flexibility*, for example jobs with no set hours or schedules that give the employer flexibility to utilise labour according

to demand, rather than *employee-flexibility* where the worker has more control over their working schedule (Dean, 2007; Millar *et al.*, 2006; Tomlinson, 2006). Given our sample, this was most often reflected in difficulties reconciling paid work with childcare. As we saw in the quantitative findings, having a child aged under five years was associated with less employment stability for lone parents. Qualitative analysis of those with 'broken' work trajectories suggests that caring responsibilities were not usually a primary trigger for a job exit alone but, alongside dissatisfaction with other aspects of the job, could conspire to make parents feel that the job was not worth sustaining.

Many of those with the most stable work trajectories were those with set part-time or term-time hours that they could fit around the school day. (This did not mean, however, that such households had necessarily moved out of poverty, and stable part-time trajectories could also pose disincentives to work progression – as we discuss in the next chapter.) Nonetheless, this was often the preferred scheduling of hours for lone parents while their children were at school. It was not only the number of hours that was important to lone parents, but also the way that they were scheduled. For example, in customer service jobs where employers required flexibility to meet customer demand, full-time hours often required shift working, which posed difficulties for childcare arrangements.

Flexibility to take time off to deal with emergency or unexpected childcare issues was also important. In this, the attitudes of direct line managers were crucial (see also Dean, 2007; Ridge and Millar, 2008). In small companies where workers had developed close relationships with their employers or managers, flexibility was often facilitated. For example, Helen, who works as a part-time bookkeeper for a small company, states:

*the boss I work for, she's become a really good friend. She's got a child and I just feel comfortable like, I try never to let her down, but if anything's wrong with the children I feel like she just understands.*

Again, lack of flexibility alone did not necessarily trigger a job exit for lone parents but it could do

in combination with other factors. This is seen in the example of June, who had a pre-school age child and was working full-time hours in a petrol station. A combination of anti-social hours (including early morning and weekend shifts) and a growing dissatisfaction with her pay and working conditions resulted in her eventually leaving the job.

### **Social and financial resources and support**

The supports available to individuals, both social and financial, were important enablers of stable work trajectories. Most importantly, support for childcare was key. Several lone parent respondents showed reluctance to use formal childcare (reflecting the findings of other research: Bell *et al.*, 2005; Ridge and Miller, 2008; Woodland *et al.*, 2002), while others were unable to afford or to find suitable formal childcare, especially if they were working anti-social hours. Grandparents and other family members were the prime source for flexible childcare, enabling some of the respondents to remain in full-time shift work. Bonnie, for example, who returned to full-time work in a clothes shop when her youngest daughter was nine, found that she was expected to work different shifts, including early mornings and late nights. She relied on her older child to pick up the younger one from the after-school club, but when her elder child could no longer do this, she had to reduce her hours.

As other research has shown (Millar and Gardiner, 2004), sources of financial support, such as tax credits and maintenance payments from ex-partners, are a key enabler for lone parents to work in part-time, low-paid work by topping up their income. Where regular maintenance payments from ex-partners were not received, other transfers were important such as buying clothes for the children, or in one case paying housing costs. Threats to this income stability could prompt a movement out of work, especially in combination with other factors.

Regular financial support, either from a partner or from the benefits system, was also important in enabling a gradual build up to longer work hours. Amy, for example, claimed benefits when she separated from her husband. She started to work when her youngest child started school, initially for four hours a week and gradually, over eight years, building up to 16 hours. Out-of-work benefits are

also important to help smooth a work transition for lone parents. Another lone parent, Kate, returned to work part time in a shop after spending a long period raising three children. Despite liking the job, she felt she had to leave when one child developed a chronic illness. After a few years on Income Support, she returned to stable employment.

Social supports were also evident in some of the accounts of the male ND25+ respondents, enabling them to remain predominantly in work, despite temporary and insecure jobs. For example, living expenses could be greatly reduced by sharing accommodation with family or friends. Hence for both the lone parents and the ND25+ respondents, social resources could support both low-paying stable jobs and labour market attachment, despite job instability.

Finally, while it was support from informal social networks that figured most prominently in respondents' accounts, some cited the benefits of formal sources of support, for example through the ERA programme. This included ongoing advisory support to encourage work motivation or support following a job exit to facilitate rapid re-entry to work.

### **Individual responses to work instability**

Finally, individual attitudes and responses to work instability were also important. By and large most people in the sample were seeking stable and continuous employment. Nonetheless, there were some differences in the extent to which individuals were able and willing to withstand irregular and intermittent employment, and this also varied for individuals over time.

Among the men, different responses to labour market insecurity and flexibility were evident, largely patterned by age, resources (education, skills, employment histories) and current family circumstances that shaped needs and aspirations.<sup>15</sup> A group of, primarily, younger men who had repeatedly cycled between low-paid work and benefits were resigned (even relatively content) to experiencing intermittent work spells. They tended to be distinguished both by a lack of resources – most had low levels of educational attainment – and a history of low-paid, unskilled contract work; as well as a lack of pressure for economic improvement,

they were often single or separated/divorced, some had children but all were non-resident, and several were living with family members to reduce costs. These men took their work insecurity for granted, viewing it as a fact of life.

One example of this is Rory, a 30-year-old man with a partner and no children. He has been moving between intermittent work and benefits since leaving school. In the past, he has been content to work intermittently, and says that he has not been driven by money, only needing enough “to get by”. This has been supported by his social networks; he divides his time between his parents’ and in-laws’ houses. Another example is Stan, who has also worked in irregular labouring jobs for most of his working life and has managed periods of financial difficulty by living with friends. He speaks of being content to work in this way: “I was happy enough, I earned enough money to live.”

Likewise, for the lone parents, responses to insecurity varied. Their work decisions entailed balancing commitments to paid work against family commitments, although how they aspired to achieve this balance varied between individuals, and was modified and altered over time in response to changing circumstances (Hoggart *et al.*, 2006). To some extent, attitudes to instability were dependent upon stage in the life course. One common pattern for mothers was to move in and out of short, part-time jobs while children were young, prioritising family responsibilities and organising any paid work around this. Over time, lone parents described making a transition from trying to construct their work lives to accommodate their caring responsibilities, to placing a greater priority on sustained paid work participation and organising care arrangements to suit the needs of their working lives (see Bell *et al.*, 2005; Riccio *et al.*, 2008, Ch. 7). This shift reflected life cycle changes such as children becoming older and more independent. However, change was not always gradual and linear in this way; life courses were differentiated and heterogeneous and individuals could pass through these ‘phases’ multiple times due to family change (Dewilde, 2003).

Thus, intermittent work was sometimes experienced as a positive choice for lone parents, in particular during periods where they were prioritising raising their children, for example

fitting jobs around a partner’s working pattern. For others, the movements were driven by a combination of insecure unstable jobs and childcare arrangements breaking down. One lone parent, Dorothy, for example, went through a period of cycling in and out of part-time jobs after having her second child. While she was not ‘choosing’ to move in and out of work, her patterns were shaped by an overriding commitment to “being there” while her children were young: “my first job is being a mum and I need to be here for them”.

This suggests that for some lone parents, caring commitments and orientations to providing care for children themselves, in part, shaped their patterns of cycling in and out of work, although the insecurity of poor quality jobs was also a key factor. However, when lone parents attempted to make a transition into more stable and sustained work, they could also face difficulties attaining this.

## Moving on or stuck in the cycle?

Finally in this chapter, we consider the challenges involved in moving on from the low-pay no-pay cycle. As we have shown, the long-term unemployed and lone parents were both susceptible to problems with work retention. Broken work trajectories were seen among younger men, who had experienced intermittent unskilled work and unemployment throughout their working lives, and older men who had seen earlier periods of stability in skilled manual work replaced with greater instability as industries declined. Lone parent ‘returners’, attempting to make a transition back into more sustained labour market participation as children got older, could also suffer broken work trajectories (see also Graham *et al.*, 2005; Ray *et al.*, 2007). This is reflected in the survey data discussed above, which showed that a quarter of NDLP lone parents (who were on benefits prior to the study) exhibited a ‘broken’ work trajectory over the two years, compared with only 15 per cent of the WTC lone parents (who were already established in part-time work at the start of the study).

Exploring differences between broken work trajectories can provide further insights into whether people are able to move into more sustained work over time. As we saw with the survey data, some of those who did not retain their employment

nonetheless spent most of the two-year follow-up period in work, while others spent most of it unemployed. This was also seen in the qualitative data. Some of the male ND25+ respondents managed to stay in near continuous employment despite being employed primarily on temporary contracts, while others spent longer periods on benefits interspersed with shorter periods in work. What differentiated them was a combination of factors that included their former work experience and skills, attitude and motivation, other personal circumstances that rendered work difficult (for example health conditions) and the patterning of their work spells itself, as more continuous employment, even if temporary, could accumulate to influence future stability. The two examples in Boxes 1 and 2 illustrate these differences.

These two examples show the differences between types of broken work trajectory and the combination of personal circumstances and the characteristics and nature of the jobs and industries concerned that shape these trajectories. Kevin was open to the idea of adapting to flexibility in labour market conditions; he had undertaken some retraining and had taken on temporary work with the hope of this leading to sustained employment in the longer term. His work trajectory was characterised by lengthy periods in work and it is likely that this also contributed to his further work retention. He also worked for what he perceived to be a 'good employer', and although he did not receive the benefits of this as a temporary labourer, he was hoping that his temporary job would eventually act as a stepping stone onto the permanent staff. Tom is less able to develop a positive response to his situation. He is resistant to the idea of reskilling, as well as to the idea of temporary work – although this was all he could achieve. In addition to a lack of qualifications and intermittent work history, he also suffers from alcoholism, and has had

periods of depression in the past. He talks of confrontations and of difficulties getting on with work colleagues. Thus he lacks the 'soft skills' (such as interpersonal and communication skills) that many employers are looking for (Newton *et al.*, 2005). Rather than cumulative work experience leading to potentially more stability, he is stuck in the low-pay no-pay cycle.

### Box 1 Kevin

Kevin had worked in a succession of temporary jobs during the study, but still maintained near continuous employment. Earlier in his life he had worked in printing, until he was made redundant and then spent a long period out of work. When we first met him, he expressed a strong commitment to paid work, both to 'pay the bills' and for his 'self-respect': "not having anyone looking down at me". His main goal was employment stability that would enable him to "settle down properly", but he was only able to secure a job through an agency, doing labouring work for a local authority. Nonetheless, he was kept on for over a year of employment, until being laid off after taking time off work to convalesce following an operation. Following this setback, he quickly found new work for another local authority, again through an agency. This work was seasonal but he maintained year-round employment by alternating between a summer and a winter job. Seeking improvements to his pay, he left the agency briefly to take a higher paid job, subcontracted to a utility company, but was made redundant from that, and so returned to the agency work. At the time of the last interview he was still employed by the agency, hoping to eventually gain a permanent job with the local authority.

## Box 2 Tom

Tom experienced intermittent periods in work, punctuated by lengthy unemployment spells during the study. He left school with no qualifications and had a history of unskilled work, as well as a long period of unemployment. Through the ND25+ programme he had secured a six-month work placement as a labourer, but following this was unemployed again. He was then laid off from an assembly line job after only six weeks because he developed an injury in his arm. He then tried labouring work through an agency. One job was only a few weeks in duration, another he left because he didn't like the work or the colleagues: "it were ... all women gaffers and they boss you about like nothing". Finally, he worked in a scrap yard for almost a year but was sacked due to taking time off work, although he also suspected his line manager wanted to replace him. At the last interview he was out of work and, while talking about wanting to get a job to get himself "straightened out", pay off debts and help provide for his grandson, was pessimistic about his prospects of finding work.

The examples show how it is easy for people to become stuck in a cycle of intermittent work, even when they want to move into something more stable. The nature of the labour market for those with low skills and qualifications is an overwhelming influence, although combinations of individual strategies and social and financial resources can, in certain circumstances, and perhaps with some luck, enable people to either move into more stable work or at least to accumulate more continuous work experience with the potential for a positive transition into something more stable. In the next chapter, we look in greater detail at whether people were able to 'progress' into better work by the end of the study follow-up period and further explore the relationship between work retention and progression.

## 4 Moving on from poverty through work progression

We have shown how low-skilled workers often struggle to retain stable work and that even once in work – whether this is stable or unstable – people do not necessarily feel that they have ceased to struggle financially. In this chapter, we look in more detail at work progression as a possible way that low-paid, low-skilled workers can move out of poverty, and what facilitates or constrains this. Previous evidence suggests that low-paid jobs can be ‘dead ends’ rather than ‘stepping stones’ to better work, and that movement (particularly ‘long-range’ movement) out of low pay is limited. We know less about the processes by which people can progress from low-paid, low-skilled work. In this chapter we aim to shed light on this by examining both quantitative and qualitative data on work progression.

There are various ways of defining progression (or advancement) in work. Often this is defined in terms of improvements in pay (e.g. Andersson *et al.*, 2005; Lawton, 2009). However, there are also various ways of defining the *quality* of a job, involving other aspects that may be important to employees. For example, Millar *et al.* (2006), in a discussion of the quality of part-time jobs, use ten indicators of job quality.<sup>16</sup> In our discussion, we use indicators of job quality that are available in the ERA survey, namely employment benefits, security, access to progression opportunities and job autonomy, as well as subjective measures such as perceived work–life balance and job satisfaction. We look at how these have changed over time for respondents as a measure of progression. We also use direct measures of progression such as pay rises and promotions. In the discussion of the qualitative interviews, we look at individuals’ subjective understandings of progression (for more detail, see Hoggart *et al.*, 2006), including whether some of these measures are in tension with one another, for example improved work–life balance versus greater earnings. It should be borne in mind that the ERA evaluation did not

measure household poverty; hence, we are not able to examine whether different progression strategies lifted people out of household poverty.

We begin the chapter by examining patterns of job quality within the two-year time frame of the survey, using the quantitative data. Then we move on to look at experiences of progression within the qualitative samples. We analyse what facilitated progression for those who were able to move on, and consider some of the challenges faced by those who did not. We also consider the relationship between retention and progression: whether stable work is a necessary precursor to progression, or, conversely, whether stable work may sometimes constitute a dead end, limiting opportunities for progression.

### Job quality, retention and progression

We begin by reporting on the quality of jobs among the survey respondents (again using the low-qualified sub-sample), how this relates to the different work trajectories that were identified in chapter 3, and how this changed over time. This provides insights into the relationship between retention, job quality and progression.

Table 6 shows the characteristics of the current or most recent job for those in the sample who worked during the time period covered by the wave 1 and 2 surveys. These figures suggest that jobs were generally of low quality, although this was not universally so. At wave 1, almost three-quarters of the workers (72 per cent) had acquired a permanent job, and two-thirds received paid holidays, although fewer said that they received sick pay (52 per cent) or a pension (40 per cent). Few were in positions of responsibility: only 8 per cent of workers had a supervisory role and 11 per cent felt they had autonomy over their work. A quarter reported they had received a pay rise and a tenth a

Table 6: Change in job characteristics – cross-sectional analysis

<i>Cell percentages</i>						
<i>Respondent has ...</i>	<b>Wave 1<sup>^</sup></b>			<b>Wave 2</b>		
	All	Steady	Broken	All	Steady	Broken
Permanent job	72	91	35	81	93	41
Paid holidays	67	85	32	75	86	38
Sick pay	52	67	23	59	70	24
Pension	40	52	16	47	55	21
Supervisory role	8	11	3	11	14	4
Further opportunities for promotion	34	44	16	37	43	20
Employer offers training	29	37	13	32	37	16
Likes job 'a great deal'	56	71	27	60	67	32
Has say over work s/he does	11	14	6	12	14	5
Work–life balance	72	74	67	75	77	68
<i>Measures of work progression</i>						
Received promotion	10	13	4	13	15	6
Received pay rise	23	30	9	24	30	8
<i>Base*</i>	<i>1,887</i>	<i>1,249</i>	<i>621</i>	<i>2,288</i>	<i>1,682</i>	<i>495</i>

<sup>^</sup> The wave 1 survey was administered approximately one year post random assignment; the wave 2 survey was administered approximately two years post random assignment.

\* Those who entered work during the study. Responses correspond to current or most recent job.

promotion, while around a third felt there were further opportunities for promotion in the workplace. On the more subjective measures, nearly three-quarters were satisfied with their work–life balance, although only slightly more than half said that they liked their job ‘a great deal’.

Unsurprisingly, results varied by ERA customer group (data not shown). The highest proportion in a permanent job (87 per cent) were those lone parents who were in work at the start of the study (the WTC group). The incidence was lower for those participants with less recent work experience: 64 per cent for the NDLP group and 53 per cent for the ND25+. Likewise, the WTC group reported better work conditions and a higher incidence of perceived promotion opportunities, compared with lone parents who had entered work as part of the NDLP. In general, ND25+ participants lagged behind on measures of job quality, reflecting the more severe employment disadvantage of this group.

A notable finding from Table 6 is the difference in job quality indicators as reported by those characterised as having steady work trajectories and those who had broken trajectories (see chapter 3 for definitions). This confirms previous evidence that work-benefit cycling is associated with poor quality jobs.<sup>17</sup> Looking at the figures for wave 1, the disparity in the proportions with a permanent job is particularly striking (91 compared with 35 per cent), again confirming the importance of temporary contracts for structuring movements in and out of work at the lower reaches of the labour market. Progression opportunities were also more limited for those with broken employment: far fewer received a pay rise or a promotion, and far fewer felt that they had opportunities for promotion or that their employer offered training. Disparities in job satisfaction (liking their job ‘a great deal’) were also very high, although broken trajectories were not unduly associated with a poor work–life balance.<sup>18</sup>

A comparison across the two waves shows that job quality did rise over time for all the measures recorded here, suggesting some improvement in job quality as individuals were in work for a longer period of time, although for most measures it did not rise by a very large amount. For example, progression opportunities like promotion prospects and training, improved little over the two waves. Moreover, while a third of the sample at wave 1 felt they had further opportunities for promotion, only 13 per cent said that they had been promoted by the time of the wave 2 survey. There were small improvements on most of the measures for both broken and steady groups. It should be noted, however, that those characterised by a broken trajectory were starting from a much lower base and therefore had more room for improvement.

Table 6 provided cross-sectional data on job quality at two points in time. Table 7 looks at whether the situation had changed for individuals: it shows the percentages of people who experienced a *positive change* in each measure of job quality, to provide some indication of work progression. Looking first at changes for all respondents in a panel analysis, this confirms what Table 6

suggested: that while there was some improvement in individuals' positions over time, it was rather limited. Only 16 per cent of the sample improved on any of the measures reported here. The most likely areas for improvement were receipt of a pay rise, improved perceptions of work–life balance and perceived opportunities for promotion. There was little improvement in actual promotions gained, in supervisory responsibilities or work autonomy.

However, Table 7 does show some dramatic differences between the groups with different work trajectories. The figures show that a higher proportion of those who experienced a break in their employment reported improvements in the quality of their work by wave 2. However, as we can see from Table 6, this degree of change must be considered in the context of the poorer quality jobs these people entered into at the outset. Higher proportions of those with steady work reported the various positive job qualities at wave 1, thus fewer can report a change. Nonetheless, Table 7 shows that for those who experienced a spell out of work and had two or more jobs during the study period, repeat work spells are not necessarily associated with a decline in job

Table 7: Change in job characteristics by work trajectory – longitudinal analysis

<i>Cell percentages</i>						
		Steady employment		Broken employment		
<i>Positive change in ...</i>	All	1 job	> 1 job	1 job	2 jobs	3+ jobs
Permanent job	11	5	8	2	34	29
Supervisory role	6	7	6	0	5	3
Pension	10	8	10	2	19	19
Paid holidays	11	6	9	3	29	29
Further opportunities for promotion	14	12	15	0	23	24
Has say over work s/he does	8	9	8	0	7	3
Likes job 'a great deal'	13	8	13	3	33	23
Employer offers training	13	12	15	0	19	21
Work–life balance	15	14	16	12	19	23
<i>Measures of work progression</i>						
Received promotion	8	8	11	0	7	16
Received pay rise	16	18	21	1	8	16
Base*	1683	828	419	129	257	31

^ The wave 1 survey was administered approximately one year post random assignment; the wave 2 survey was administered approximately two years post random assignment.

\* Those who entered work during the study. Responses correspond to current or most recent job.

prospects. Rather, they *can* result in a better quality job. One-third moved into permanent work and substantial minorities gained paid holidays, a pension scheme and training opportunities. There were also improvements in subjective measures of progression; a third reported improvements in job satisfaction, almost a quarter saw improved opportunities for progression and a fifth reported improvement in work–life balance.

One exception to this trend relates to the direct measures of work progression: higher proportions in the steady, compared with the broken, employment group reported improvements on receiving a pay rise or a promotion (i.e. they did not receive these things in wave 1 but did in wave 2). It could be speculated, then, that certain aspects of work progression are linked to job retention (promotions, pay rises), although other aspects of job quality may be improved by moving employers, even if this means experiencing a break in employment.

Interestingly, comparing the two columns under the steady employment group also shows that those who moved jobs *without* a break in their employment were more likely to improve on most of the measures of job quality than their counterparts who stayed in the same job, although the differences between the two groups are small. That fewer of these people who moved jobs *without* a break progressed, compared with those who moved jobs with a break, again reflects the fact that the former were starting from a higher base in terms of job quality.

Together, these findings suggest that some people ended up in a better position despite, or perhaps because of, leaving a job and then finding better work. Indeed, poorer work conditions may serve as a catalyst to seek out a better quality job or to avoid previous undesirable work experiences. However, the figures show that the majority of those with broken trajectories did *not* improve on the various measures of job quality. Moreover, as Table 6 indicated, those with broken trajectories also remained in jobs of lower quality at wave 2, based on a number of measures of job quality. These exploratory findings provide insights into the issue of job mobility versus job retention in facilitating work progression and merit further investigation in future research.

## Progression routes: job retention or mobility

Analysis of qualitative data<sup>19</sup> revealed examples of progression within each of the different work trajectory types discussed above: those who stayed within their job and progressed, those who progressed by moving jobs without a break, and those who moved in and out of work. However, there were fewer examples of progression among the latter. Moreover, the majority of those who progressed in any way were from the WTC group of lone parents, i.e. those who already had stable (part-time) work at the beginning of the study. Hence this further qualifies the findings about the possibility of advancing while moving in and out of work. While this was possible, it was not very likely, and such progress often required considerable amounts of support. Here we consider the ways in which people progressed and the challenges they faced.

In general, findings from the qualitative research suggest that the same set of factors were important for work progression as for work retention: notably the type of jobs that people were in and the opportunities that these afforded for progression; caring responsibilities that could pose limits on progression through limiting work hours or the take-up of training; sources of support, either from informal networks (family, friends, colleagues) or formal resources (teachers, supervisors, managers, professional advisers); and individual orientations towards the idea of work progression and the strategies that people developed to achieve this. We begin by discussing experiences of progression within different work pathways, and then consider the barriers to progression, including potential trade-offs between retention and progression.

### Progression within a job

Progression through steady employment was achieved in a number of ways. Some people increased their hours at work from part time to full time.<sup>20</sup> As previous research shows, full-time work is more likely to lift households out of poverty, although as we suggested in chapter 2, those who were no longer struggling financially were usually people who had moved into *better-paid* full-time work. Lone parents who were able to

increase their hours were generally those who had the opportunity of taking on extra hours in their workplace and were able to take advantage of this by relying on flexible childcare. For example, Sharon was able to increase her work hours because her eldest child looked after the younger children after school. While it was generally easier for people to increase their hours if that was possible at their workplace, some deployed considerable ingenuity in order to build up their hours: Fiona was working part time as a community nurse and was not able to increase her hours in that job but instead worked additional hours in a dispensing clinic.

As well as increasing hours, some people were able to move into more senior positions, either by a promotion or by taking steps towards this through relevant training. The role of the workplaces people were in, and whether they afforded such opportunities, is crucial here in enabling people to progress in this way, as other research suggests (Minoff *et al.*, 2006). Some workplaces, often larger employers, offered structured opportunities to progress. One lone parent, Natasha, for example, increased her hours to full time and took advantage of in-house training to progress to deputy manager level. While she was not limited by care commitments, since her daughter was older, others had to struggle to arrange their care commitments in order to take advantage of opportunities.

Another respondent, Kimberley, who worked in a supermarket, moved to full-time hours and also took up the opportunity for supervisory training. However, care arrangements for her two children were complicated, drawing on support from her ex-husband, her father and her current partner, as well as a childminder, in order to cover the anti-social hours that she was required to work. As we describe later, the organisation of hours in more senior positions sometimes prohibited those with caring responsibilities from progressing in work.

In some cases, respondents in smaller companies were able to take advantage of the ERA supports in order to progress. This was the case for Janet who changed vocations after a back injury. She took a computing course and then obtained full-time work as a receptionist. Although the company was small, and did not provide in-house training, with the support of her employer she utilised the financial

support through ERA to undertake further computer training and eventually took on more responsibility for the company's accounts.

### **Progressing through job mobility**

Another way in which people progressed was by moving jobs (without a break in employment) to a workplace which they considered to be better in some way. People had different definitions of 'a better job', including better pay, fringe benefits (such as pension entitlement, leave arrangements), prospects for progression, job satisfaction or hours that suited them. Sometimes these different elements came together, whereas at other times they were in conflict and there were trade-offs to be made. This was primarily true for the lone parents, who were reconciling their paid work with childcare. One example of making trade-offs was Dawn, a lone parent with a young child who took a full-time retail job, but had problems co-ordinating her childcare with irregular shifts. She switched to a part-time job in catering which was more flexible, but she still wanted to eventually move to a 'better job'. So while working part time, she completed IT training outside of work and by the last interview had moved to a full-time office job, which she found more interesting and which also suited her care arrangements.

These trade-offs between hours and pay reflect the issues we raised in chapter 2, namely that people were often prepared to forgo the possibility of greater earnings when considering their work-life balance. This was particularly important for lone parents; however, it was also true for other people. Matthew, a young man in his 20s, was working as a gym instructor and felt that he had improved his position by moving employers. This meant a reduction in his hours, but the new job was nearer to his home and so resulted in an improvement in his work-life balance, since he could spend more time with his partner.

There were also examples where the different aspects of job quality came together in one job. Opportunities for training or promotion often go hand in hand with better pay, as well as with fringe benefits, such as pension entitlements, sick pay and leave arrangements that make it easier to reconcile work and care arrangements (see also Andersson *et al.*, 2005; Millar *et al.*, 2006).

These elements came together in the case of Abigail, a lone parent with older children, who firstly increased her hours in her supermarket job and subsequently acquired a better job with a transport company. Its benefits included better pay, pension entitlement, training and promotion opportunities and job satisfaction: “it was nice to be able to have a secure job which pays well, knowing I got a pension”. The fringe benefits also enabled her to stay in the job with long-term sick leave when she developed a health condition.

Other respondents moved into better quality jobs almost by accident or ‘a lucky break’. For example, Charlotte moved from her job in a supermarket to the canteen of a call centre, and then found that there were further opportunities that she could take advantage of. She subsequently moved into a customer service position and then trained as a supervisor. However, she says that she was only able to do this after being ‘spotted’ in the canteen by a senior manager and encouraged to apply for a promotion. Otherwise, she would not have had the confidence to do so:

*You see when that woman came up to me and she said that to me ... ‘Oh you’re so bubbly you’d be great upstairs on them phones you’, and I just thought, well maybe I will, and I just did!*

Again, the nature of the workplace was crucial in opening opportunities for progression, thus enabling a move to a better quality job, which, as Andersson *et al.* (2005) show, could be a successful strategy for progression. The example also shows the importance of the support and encouragement of others for taking up progression opportunities, particularly for people who lacked confidence. Agencies that offer advice and guidance are important here, both in providing encouragement and building confidence, as well as in identifying the ‘right kinds’ of job openings that have opportunities for progression.

### **Progression despite work instability**

There were examples of people in the qualitative samples with broken trajectories who managed to progress into better work, although these were relatively few and far between. As discussed in the last chapter, there were, however, a number

of people who accumulated relatively long periods of time in work over the study period, despite being in temporary employment and having some breaks from work. The accumulation of lengthier periods in work could, in itself, be said to be a progression, since it is likely to facilitate future work retention, although it did not necessarily result in a direct improvement in job quality, such as a move from a temporary to a permanent job. The example of one ND25+ respondent, described in Box 3, provides an example of someone in this position.

This example suggests the difficulties in advancement faced by those in temporary work. Often, the structured opportunities for progression in the workplace that facilitated the progression of those in stable work were not available to those working on a temporary basis. Nonetheless, there were some people with broken trajectories who managed to progress by taking advantage of the training opportunities provided through ERA. An example of this is given in Box 4 on page 35.

These examples show the way in which financial and social support, such as that provided through the ERA programme, can enable progression for those with broken work trajectories who are not able to secure these opportunities through the workplace. However, as June’s case shows, intensive support was often necessary in order for this to be successful. In her case, without adviser support she would not have had the confidence to take up training opportunities.

## **Barriers to work progression**

In this section, we identify the principal barriers to work progression experienced by respondents in the study. Key issues here were people’s orientations and attitudes towards progression, the social support available and the nature of the labour market.

### **Limited progression opportunities in the workplace**

Many people in the study were stuck in a cycle of temporary jobs which offered little opportunity for progression. This was particularly

### Box 3 Sally

Sally was a woman in her 20s, single without dependants, who had been working in a series of administrative jobs since leaving school. She wanted to have a 'career' but felt that she was thwarted by the lack of permanent and well-paid job opportunities:

*[I've been] trying to feel out what would be a good career move for us, try and get a permanent job. [I] kind of end up getting temporary work a lot, and end up thinking, it's work, but obviously would be better permanent ... I never seem to get any further forward on what I want to actually achieve.*

While on ERA, she had worked in two government agencies on temporary contracts, in a permanent job in the office of a small distribution company, from where she was made redundant, and in the office of a larger company through an agency, where she was given work on a week-by-week basis with no longer-term commitment by the employer. At the last interview, however, she had moved (without a break) to what she hoped was more of a 'stepping stone' to better work: an administrative post covering maternity leave in a local authority. She saw her best opportunity for a permanent job to be a strategy of building up tenure in a good company, in her case a local authority, in order to stand a better chance of obtaining any permanent posts that became available. Over the follow-up period she had gradually reduced the amount of time spent out of work between jobs and improved her job satisfaction with her most recent post. However, she had not yet attained permanency.

true of some of the male ND25+ respondents working in unskilled manual work. In other cases there were progression opportunities, but people were not able to take them up. One lone parent, Lizzie, for example, worked part time in a care home that offered structured opportunities for

### Box 4 June

June was a lone parent with a pre-school child. While working full time in a petrol station, she undertook training in English, maths and IT through Learn Direct, encouraged and supported by her ERA adviser. She left the job after six months, frustrated by the anti-social hours, which she found difficult to reconcile with her childcare, and the lack of flexibility the employer gave her. She spent time out of work before taking a cleaning job, but was then made redundant after a couple of months when the company lost business. However, with the support of her adviser, and the confidence she felt after successfully completing the training, she applied for a better job as a care worker, where there were opportunities for further in-house training and structured routes for progression.

progression. However, she felt that the more senior positions restricted opportunities for part-time workers because of the way that the jobs were organised. Only when her children were older would she consider working full time. Thus, while finding work with structured opportunities for promotion could open doors for people and encourage them to think more positively about progression, the organisation of more senior posts could limit the take-up of these opportunities to those who could devote more hours, including out-of-work time.

#### **Difficulties with training as a route to progression**

Support provided through programmes such as ERA is designed to enable people to take up training where it is not provided by their employer, in order to move into better quality work. While, as we noted earlier, some people were able to take up such support and use it to progress, either within their existing workplace or to move to a better job elsewhere, there were also examples where training did not easily 'convert' to work progression.

Sometimes the demands of the training did not match a person's aptitudes or abilities. Kevin, who works as an unskilled labourer, struggled with basic numeracy and literacy skills. He was positive about training as a way to "get another step up the ladder" and was able to use ERA support to pursue a training course outside of work. However, he failed the course and lost a week's pay for taking time off for the course. In retrospect, he wished that he had pursued a series of smaller and easier courses that would have represented a more gradual progression for him.

Another issue was that once training was completed it did not necessarily lead straightforwardly to a better job. Annabel, who pursued courses in beauty treatments while working part time in a hairdresser's, felt "stuck in a rut" at the last interview and needed further guidance on how to translate her training into better quality work. While her employer suggested that she might offer beauty treatments in the salon on a self-employed basis, this had not come to fruition, and she did not know where to turn for careers advice.

This example illustrates a tension faced by some respondents who undertook training outside of the workplace. Capitalising on the training might require the person to leave an existing job to move into a new field, but this could be a risky proposition without appropriate guidance and support in place, and some were unwilling to take that step. This was seen in the examples of two ND25+ respondents who took training but had subsequently found that putting their new skills into practice meant moving into potentially more insecure work. One man, Jonathon, who retrained as a plant machinery operative through the New Deal, found that the work he could secure with his new skills was well-paid but predominantly short-term agency work. While it might lead on to more permanent work in the future, he chose instead to take a lower-paid job with greater stability. Similarly, Kieran hoped to move out of insecure factory work by gaining 'a trade' and had retrained as an electrician. However he struggled to get a job in this field, as the majority of jobs on offer were short-term work through

agencies. He was unwilling to leave the security of his permanent job – a low-paid job without prospects – for short-term work, particularly given that he had recently become a father.

These examples reveal the importance of services that can effectively match customers to courses and the necessary intelligence on local labour markets to direct individuals towards training that can lead towards sustainable employment outcomes.

### **Lack of engagement with the progression agenda**

Finally, there were a number of people in the study who were unable or unwilling to engage with the agenda of improving their income through advancing at work. This could be for different reasons, which were sometimes interrelated, including low confidence, fatalism, and trade-offs with other aspirations and motivations.

Some people, especially those with lower, or no, qualifications, expressed a lack of confidence in their ability to progress through formal channels such as taking a promotion, particularly if this involved a position with management or supervisory responsibilities. For example, Stan, who had always worked in unskilled labouring, when asked if he would consider a supervisor post, said:

*I'm not skilled enough for that ... I honestly don't have the knowledge to do that.*

Given a lack of opportunities for training because he worked through agencies, this effectively blocked any prospects of promotion for him. Similarly, Amy, a lone parent who worked part-time in a café, said "I don't want to go in and tell someone, 'You do that, You do this, You do that' ...". She says she would not like "the brain work" of a supervisory post, and would rather be "halfway up the ladder" than at the top.

For other people, it was specifically the thought of classroom-based training that put them off. For example, Tom, when asked if his adviser had talked to him about training, replied "She tries to, but I'm not on for it!" Later on in the interview, he says that he

would be willing to train if it was ‘on the job’ rather than in a classroom situation:

*I’ve got grey cells, you know what I mean, but I’m not bright, bright ... But if I ... can get into a job and up a ladder, I would do, with training at a place where I’ve got a job ... But [not] if you said it [was] in a classroom ...*

Given his pattern of cycling between very short-term jobs and unemployment, however, such training opportunities were not available to him.

Attitudes to progression could also change. It was sometimes the case that respondents who had not previously been concerned about work progression began to think positively about it once the opportunities became available to them. Lizzie, when asked if it is important to her to be in a job with progression opportunities, stated:

*I never thought it would be, but now that I’m with [organisation] it’s nice to know that if I wanted to [progress] I could.*

In some cases, encouragement from others could change people’s attitudes to progression. Diana, who retrained as a teaching assistant while working in a school kitchen, stresses that she would not have been able to undertake the course without the encouragement of her friends and colleagues working in the school:

*I knew some of the other ladies, girls, that worked there and they were teaching assistants and they said, ‘Oh you should be one’, I went, ‘No’ – because I was never brilliant at school at maths – and I said, ‘No, I wouldn’t be able to do it’, but they said, ‘You can, you can.’*

Some lone parents also consciously chose to prioritise time outside of work, for example with family, over potential progression. In some cases, this meant deferring work progression until children were older, as was the case with Lizzie, mentioned earlier, who did not want to take advantage of progression opportunities until her children were older. Other people expressed vague aspirations to retrain to attain their ‘dream job’ in the future. However, it was apparent that

even when support for this was available, the prospect of a more extensive period of training (for example, completing a degree course) was sometimes considered too daunting.

In some cases, a range of factors limited people’s willingness to act upon opportunities. This can be seen in the example given in Box 5 below.

These examples illustrate the range of interlocking circumstances that make it difficult for some people on low incomes to envisage taking steps to improve their pay. This links to an issue raised in chapter 2, whereby people

### Box 5 Amy

Amy is a lone parent who had been working part time in a café for twelve years, gradually building up her hours to her current 16. Her lack of confidence in her abilities to do more highly skilled work, alongside the positive aspects of her current job, and her ability to manage on a very low income, mean that she is unwilling to move out of her ‘comfort zone’. While she is feeling worse off since her tax credits stopped once her son turned 18, she also confessed to being comfortable enough to get by on her meagre income:

*I’m very comfortable in my life at the moment, even though, yes, extra money would be lovely, don’t get me wrong, yeah that would be smashing, but I am quite OK.*

She is also unwilling to trade in a convenient job that she enjoys and which gives her a good balance between work and leisure time, for the uncertain returns of a move into a higher paid job, especially since she has a heart condition which is exacerbated by stress:

*I enjoy my job too much. I would rather be comfortable in the job I love than in a higher paid job that I might not enjoy, and I don’t want to get somewhere and think, Oh heck, I wish I’d stayed [where I was] because I might not be able to go back, then I’m stuck, then me stress level gets high.*

expressed a pride in their ability to manage and get by on a low income. Combined with a lack of confidence in their abilities, and a fatalism about future prospects, this could result in an ambivalence towards the idea of improving their income through taking progression steps.

This discussion highlights an important theme, that work progression could represent a considerable risk to people in low-paid, low-skilled work. Unless people were already in a workplace that facilitated progression, progressing meant taking a step into the unknown, either through leaving a job that they were comfortable in, or taking up services such as training that they were unconfident about. People's lack of confidence and lack of ability to see themselves doing something different, alongside trade-offs with other things that were important to them, such as leisure or family time outside of work, interacted to limit people's willingness to take such risky progression steps. Thus stability in work, even in low-paid jobs, was often prioritised over progression. While sometimes the two went hand in hand – particularly if people were in jobs with progression routes – at other times retention and progression were in tension and worked against one another.

## 5 Conclusions and policy and practice implications

This report focused on the work experiences of two groups of low-skilled and disadvantaged workers – lone parents and long-term unemployed people – exploring in detail their employment experiences for up to five years. Our findings reinforce the growing understanding that entry into paid work, while the most common route out of poverty for households in Britain, is not a *sufficient* condition to achieve this desired outcome. For the people interviewed for this study, work was typically low paid and in some cases did not lift people above the poverty line. Moreover, even where it did, people often continued to feel considerable financial strain. Some who had been cycling between work and benefits constantly struggled to ‘get on top’ of their finances. In a number of cases, accumulated debt meant their disposable income did not increase significantly after finding work. Others remained in poorly paid work and would have been in poverty if they were not living with other earners. Although difficulties making ends meet applied to both groups in the study, experiences were also gendered: it was more likely that the women (mostly lone parents) were struggling because they were in low-paid, part-time work, while the men (mostly formerly long-term unemployed) struggled financially because of low pay and insecure work that could be compounded by debt. The evidence therefore suggests that the policy message that ‘work is the best route out of poverty’ does not always resonate with people’s lived experiences, and that more needs to be done to ‘make work pay’.

It has been argued that low-paid and/or insecure work is only (or especially) problematic if it constitutes a ‘dead end’ rather than a ‘stepping stone’ to something better (Mulheirn *et al.*, 2009). Thus helping people to ‘move on’ from low-paid, low-skilled jobs has become a key theme in government policy, and there has been a shift, at least in policy language, away from a focus on ‘work-first’ policies towards an emphasis on ‘jobs

that pay and offer opportunities for progression’ (DWP, 2007). This also reflects the dominant model within European Union economic and social policy which emphasises a combination of flexibility and security (‘flexicurity’), through promoting *employment* security rather than *individual job* security (Lewis and Plomien, 2009).

Our analysis has shown that for low-skilled people, however, achieving employment sustainability (retention and progression) is no easy undertaking. It is facilitated or constrained by an interaction of personal characteristics and circumstances and social structures. Three important sub-themes run through our analyses:

- the ‘poor quality’ of jobs at the bottom end of the labour market in terms of security and progression opportunities;
- tensions and trade-offs between retention (or stability) and progression; and
- a lack of congruence between policy messages about progression and the understandings, aspirations and attitudes of some of the low-paid, low-skilled workers at whom these policies are targeted.

### Insecure and poor quality employment

This research has added to the growing body of findings about the ‘poor quality’ of jobs at the bottom end of the labour market, particularly in terms of their lack of security and means for progression. The survey analysis showed that almost a third of the low-qualified workers in the sample lost their jobs and spent some time out of employment within the two-year time frame. This was much more likely among those who were entering work from benefits (the NDLP and ND25+ groups) than those already settled in (part-time)

work. Of those who lost their jobs, two-thirds had a job that was not permanent at wave 1, and while there was some improvement over time, only two-fifths had permanent work by wave 2. As other research has shown, low-skilled benefit leavers were thus liable to become trapped in a cycle of 'flexible employment – unemployment – flexible employment' (Golsch, 2006).

Such employment, particularly temporary work through agencies, offered few employment benefits, for example fewer than a quarter of those in the sample with broken employment received sick pay. This further threatened job security, as can be seen from the examples of people losing their jobs through ill-health or injury. There were also few prospects for training or promotion to more senior positions. Fewer than a fifth of those with a break in employment said they had opportunities for promotion or training at work and only a handful (4 per cent) had actually achieved promotion since starting work.

While many of those in such insecure work were formerly long-term unemployed men, lone parents were also liable to become stuck in low-pay no-pay cycles. Two-fifths of the lone parents entering work from benefits left work within the two-year survey follow-up, and those with young children (under five years) were identified as particularly vulnerable. Qualitative analysis showed that work-benefit cycling was patterned across the life course, reflecting the influence of caring responsibilities. While some mothers chose intermittent work when children were young, others were cycling in and out of work in response to instability and flux in both jobs and care arrangements. While choices made to organise paid work around family responsibilities partly shaped unstable work patterns, the insecurity of jobs was also key, for example temporary jobs or jobs without flexibility to reconcile work hours with care needs. Moreover, their choices and priorities must be understood within the context of gendered responsibilities for care, with inequitable labour market outcomes. Mothers returning to the labour market after child raising could also become stuck in a cycle of intermittent work when they wished to prioritise more sustained employment participation.

## Tensions and trade-offs between stability and progression

Given the poor quality and lack of prospects in many 'entry level' jobs for low-skilled workers, this suggests that a better strategy for progression may be to move jobs to a better employer (Andersson *et al.*, 2005). This raises the issue of the relationship between retention and progression, which has hitherto been little explored. The policy message thus far has been to *progress* into better work, generally after having achieved work stability. However, this research suggests that the relationship is more complex. On the one hand, it is possible to *progress* into better work even while experiencing breaks in employment; on the other, it is by no means self-evident that work retention will necessarily lead to progression.

While, in general, broken employment trajectories were associated with poor quality jobs and also with those people at most employment disadvantage, the analysis showed that repeat work spells could result in progression to a better job, in terms of qualities such as permanency, paid holidays, pension scheme or training opportunities. Thus in some cases, moving jobs, even with a break in employment, could be a route to work progression. However, it was still the case that those with broken employment remained in jobs of lower quality at wave 2, compared with those who had stayed in work throughout, and qualitative data suggested that such improvements in employment position often required considerable amounts of support to be in place. Nonetheless, more research is needed to illuminate further the issue of who is able to achieve this and in what contexts.

While the analysis suggested that it was more common to progress after a relatively longer period in work, this was not automatic. The analysis showed that opportunities for progression may, in fact, require taking a risk that can jeopardise stable employment. People were more able to take steps towards progression in a working environment that offered structured support towards this end, by in-house training, for example. Where this was not the case, and people had to move work places in order to progress into better work, this could be a risky proposition. Having achieved a stable job – even when poorly paid – there was a marked reluctance

among respondents to contemplate moving to what might be less secure employment. Some people were reluctant to engage with the very idea of progression – as we discuss below – while others had engaged with the agenda, for example by completing training, but then found that to ‘convert’ that into better work might require a move into self-employment or into temporary work, as a first step in a completely new field. For those who were already in stable and secure employment, particularly if they had family responsibilities, this was a trade-off many were unwilling to make.

## **Lack of engagement with the progression agenda**

A final theme is the lack of engagement with the idea of work progression among many of the low-skilled people in this study. Current policy agendas on skills expect job seekers to be proactive and take responsibility for their own training trajectories (DWP and DIUS, 2008). However, this had little resonance for many people. Some expressed fatalism about their prospects for work improvement and were unable to envision themselves in any other type of job than the low-paid, low-skilled ones that they had always known. This was also linked to people’s ability to ‘manage’ and ‘get by’ on a low income. Consequently, these people were ambivalent towards opportunities to progress in work. In other cases, people did not see the possible progression routes open to them, such as taking up training or promotions, as a realistic possibility. For example, some people expressed a lack of confidence about training in ‘classroom situations’ or wished to avoid the extra responsibilities of supervisory positions.

People also made conscious trade-offs between improving their income and other things that were important to them, such as spending time with their family members, having sufficient leisure time, or staying in a job that they enjoyed. People generally wished to avoid disrupting the stability of their lives. In some cases, this meant deferring work progression until children were older; later in life, health concerns or providing care for grandchildren could restrict progression.

There was also evidence that, over time, people can become more receptive to the idea of

progressing at work. Support mechanisms were key in this transition. Informal supports through family, friends and colleagues could help to boost people’s confidence to take up progression opportunities as well as enabling this in other ways, such as by providing childcare or financial support. Organisations offering formal advice and guidance were also important, especially for people who lacked informal networks.

Thus, for a variety of reasons, progressing in work through moving to a better job was a risky step for low-paid, low-skilled workers, and this could only be enabled when sufficient support was in place, either through the workplace or outside of it.

## **What helps people move out of the low-pay no-pay cycle, retain work and progress?**

- Information and guidance for job re-entry is an important component of current approaches to supporting employment retention. There were examples in the study where this had worked effectively and ongoing adviser support had enabled participants to make the transition from ‘cycling’ into more stable work.
- Income Support could sometimes provide a cushion for lone parents to temporarily withdraw onto benefits in order to find work that suited them better, enabling more stable transitions over the longer run. It is therefore important that with the new lone parent obligations, where those with older children are mandated to move onto JSA, such support is retained and enhanced.
- The quality of initial job placement is important. Even within employment characterised by temporary contracts, there may be some agencies/employers that have a better record than others in providing a route towards more sustainable employment. More research is needed on when and how this happens effectively.
- The rights and employment protections of agency workers need to be strengthened.

The UK government is currently consulting on the implementation of the EU Agency Workers Directive, but this is unlikely to result in any greater protections around notice periods, redundancy entitlements or flexibility/leave for caring responsibilities. These issues need to be addressed.

- People were able to progress where structured and supported opportunities were available in the workplace. More emphasis needs to be placed on the development of internal career ladders within sectors that allow people to progress out of low-paid work in a supported and incremental way. It is also important that professional job brokers and advisers, including Jobcentre Plus advisers, have knowledge about such opportunities and can promote job placement in such sectors.
- It was also clear that in some workplaces there were opportunities for progression, but lone parents, in particular, were not able to take advantage of them because the amount or scheduling of hours that was required at the next 'rung' of the ladder was incompatible with their care arrangements. There is an urgent need to develop more progression routes for part-time workers and to open up opportunities for part-time and flexible working arrangements, both in more senior and high-paid positions, as called for by the Women and Work Commission (2009), but also, crucially, in middle-ranking (e.g. supervisory) positions to enable incremental progression.
- Provision of high quality advice and guidance must be available to enable people to capitalise on any reskilling and training that they undertake, particularly if they wish to move into a different field of work. High quality careers advice based on excellent labour market intelligence that can point people in the direction of, and support them through, good quality training that can lead on to sustainable employment outcomes is crucial. Given that people may take a lengthy period of time to complete training, such support and guidance must be available on

an open-ended rather than time-delimited basis to enable support to be accessed when it is appropriate for the individual.

- The ambivalence about progression expressed by many respondents suggests a need to think about creative ways to engage people, and deliver advice and guidance for those who would be unlikely to proactively contact an advancement and careers service. The difficulties faced by ERA advisers in providing progression support in the context of a service that formerly concentrated only on job entry (see Riccio *et al.*, 2008, for a discussion of this) show that the barriers are formidable and highlight the importance of good quality and proactive advice services.
- Finally, while it has been argued that low pay can be tolerated providing it offers a temporary stepping stone rather than a dead end, this research suggests a need to address low pay directly. Intensive human capital development is not necessarily a realistic option for people who do not wish to or can not be enabled to progress to 'better work'. Such people have become invisible in much recent policy rhetoric, particularly if they do not have responsibility for dependant children. However (relative) low pay also itself raises issues of social justice in terms of a fair distribution of resources in society. To address the issues of financial hardship for people doing low-paid, low-skilled work would require attention to be paid to the minimum wage level and to the promotion of 'living wage' campaigns among employers.

# Notes

- 1 We collected information from respondents about their finances and used McClement's method for equivalising household income.
- 2 Not all low-paid workers are in poverty, partly due to the fact that poverty is measured at the household level. Low-paid workers may avoid (household) poverty through working long hours, living with other people who work or receiving other sources of income such as in-work benefits (Millar and Gardiner, 2004).
- 3 Defined as earning less than 60 per cent of median full-time hourly earnings.
- 4 Defined as 60 per cent of the male hourly median.
- 5 Stable works are defined as those who returned to employment of over 16 hours within 3.5 years of having their last child and remained there throughout the study period.
- 6 See Box A.1 for details on the ERA evaluation design, which was experimental and used random assignment of participants to treatment and control groups.
- 7 The National Qualifications Framework sets out the levels against which a qualification can be recognised in England, Wales and Northern Ireland. Level 2 qualifications are equivalent to GCSE grades A\*–C. The government has a target for 90 per cent of the workforce to be educated to at least Level 2 by 2020.
- 8 As would be expected from the sampling described above, the new qualitative sample is more disadvantaged than the existing longitudinal dataset. This should be borne in mind when interpreting the findings. Attention is drawn to the samples that are being used in later discussions where this is relevant to the interpretation. As noted, both samples were selected purposively and are not intended to provide a representative picture of ERA participants.
- 9 This chapter draws only on data from the new qualitative sample, since income data and data on perceptions of poverty were not collected for the qualitative interviews as part of the ERA evaluation. The nature of this sample should be borne in mind when reading the findings in this chapter, in particular that the sample was restricted to low-qualified individuals.
- 10 Pseudonyms are used throughout the report to protect respondents' identities.
- 11 Millar and Gardiner (2004) note that household financial allocation and management systems vary considerably, reflecting differences in characteristics and circumstances, such as income levels, employment status, age and life course position, among others.
- 12 Sustained work is defined as a six-month period in work, mirroring the current government definition.
- 13 Data on respondent age, ethnicity and health was unavailable for secondary analysis due to data protection concerns.
- 14 ND25+ is a mandatory programme for people who have been claiming Jobseeker's Allowance for 18 months. From previously published material on ERA participant characteristics, a third of ND25+ participants reported no educational qualifications and three-quarters reported no driving licence or car access (Dorsett *et al.*, 2007).
- 15 Responses and strategies for coping with labour market insecurity for long-term unemployed men are discussed in greater detail in Ray *et al.* (forthcoming).
- 16 Encompassing number of hours, work schedules, flexibility (employee and employer-

defined), ability to move from full time to part time, wage level, employment benefits, security, access to training and career progression, employee 'voice', job content and autonomy.

- 17 Unfortunately we are not able to discern where the job in question sits within an individual's broken trajectory. Broken work trajectories are defined using the entire two-year period, whereas data on job quality refers to current or most recent job at each wave. By the time of the survey(s), individuals may have already left and re-entered work. So in some cases these characteristics may correspond to *subsequent* rather than *first* jobs.
- 18 The latter is somewhat counter-intuitive, since we saw previously that those with younger children were more likely to move out of work, suggesting that childcare problems are part of the reason for job exits. One possible explanation is that job exits are being caused by unanticipated breakdown in childcare arrangements, which are not necessarily reflected in high levels of dissatisfaction with work–life balance on an ongoing basis.
- 19 As noted previously, the existing (longitudinal) qualitative sample was purposively selected partly because of advancement experiences, so much of the discussion in the first part of this chapter draws primarily on the experiences of this sample. See Table A.1 on page 49 for the characteristics of this sample.
- 20 This was a form of progression that was specifically encouraged by the ERA programme that offered a work retention bonus payable for sustained work of at least 30 hours a week.
- 21 Data on age, ethnicity and health were unavailable for secondary analysis due to data protection concerns.

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# Appendix A: Data sources and sample

## Box A.1 The ERA Programme and Evaluation

ERA is a demonstration project that ran in six Jobcentre Plus districts across Britain, starting in October 2003. Recruitment to the programme ran for one year and participants then received services for almost three years. ERA finished in October 2007. It was designed to help participants retain work and progress. Three groups of customers were eligible:

- ND25+ customers (those mandated to join the New Deal 25+ programme, who had been unemployed for 18 months and were over 25 years of age);
- NDLP customers (lone parents who volunteered to join New Deal for Lone Parents because they wished to look for work); and
- WTC lone parents (lone parents who were working between 16 and 29 hours a week and were in receipt of working tax credit).

Customers were assigned randomly to a programme group that was offered ERA services, or to a control group that remained entitled only to the services that they were normally eligible for. ERA customers were offered employment-related assistance from an Advancement Support Adviser for 33 months to help them find suitable work, solve work-related problems and progress in their jobs. Contact with an adviser also gave access to a range of other supports:

- a tax-free work retention bonus of £400 every 17 weeks for working 30 hours a week or more, up to a maximum of £2,400 over their time in ERA;
- financial support for training, including payment of training fees up to £1,000, and a bonus payment for the time spent in training, paid at £8 an hour, payable on successful completion of the course; and
- a fund to help with emergencies that might compromise customers' ability to stay in work.

Interim, two-year findings from the evaluation include:

### For lone parents:

- Within the first two years after beginning ERA, lone parents earned substantially more than they would have done without the programme. The positive impact was largely because ERA increased the proportion of lone parents working full time.
- ERA increased the length of time that lone parents worked full time, but more by accelerating entry into such jobs than by improving retention.
- Other than its effects on full-time employment, there is little evidence so far that ERA helped lone parents advance to 'better' jobs.

- ERA induced some lone parents to take steps that might improve their position in the labour market in the future, for example by combining training with work.

**For New Deal 25+:**

- During the second year, ND25+ customers were slightly more likely to work than they would have been without the programme. However, ERA had no effect on their earnings.
- ERA increased employment in year 2 by encouraging job entry during that period, rather than by increasing employment retention.

*Further results on the programme's impact from five years of observation are due in 2011.*

*For more details about the programme and its evaluation, including the implementation, see Dorsett et al., 2007; Hoggart et al., 2006; Miller et al., 2008; and Riccio et al., 2008.*

Table A.1 Existing and new qualitative sample characteristics

	<i>Column percentages</i>	
<i>Customer group</i>	<b>Existing sample</b>	<b>New sample</b>
NDLP	38	63
WTC	25	4
ND25+	22	33
<i>Gender</i>		
Male	36	33
Female	64	67
<i>Age</i>		
16–25	12	7
25–35	33	44
36–45	39	41
46–55	14	4
56–65	2	4
<i>Ethnicity</i>		
White	84	96
Non-white	15	4
Prefer not to say/unknown	2	
<i>Marital status</i>		
Married/cohabitating	4	11
Separated/divorced/widowed	36	22
Single never married	61	67
<i>Dependant children in household</i>		
0	37	30
1	30	33
2	23	26
3	5	11
<i>Highest educational qualification</i>		
None	11	22
Level 1 (NVQ1, GCSEs/O levels grades D–G)	5	15
Level 2 (NVG2, GCSEs/O levels grades A*–C)	42	59
Level 3 (NVQ3, A levels, HNC)	19	4
Level 4+ (diploma, degree)	14	–
Other	9	–
<b>Total sample</b>	<b>58</b>	<b>27</b>

Source: Basic Information Form (BIF) completed at time of random assignment. Percentages may not total 100, due to rounding.

Table A.2 New qualitative sample: household incomes

Alias	Household weekly income (£)	Weekly equivalised income	Household composition	Respondent employment status	Additional earners
Amy	78–115	97	F lives with child (18), (another child & grandchild live nearby)	PT earner	
Sophie	155–192	99*	F lives with 3 children (23, 23, 13) (another child & grandchild live nearby)	unemployed	2 PT earners (adult children) not included in h/hold income
Diana	116–154	101	F lives with child (14) and father	PT earner	Includes father's occupational pension
Tom	< 77	126	M lives alone	unemployed	
Stan	< 77	126	M lives alone (partner lives elsewhere)	unemployed	
Neil	< 77	126	M lives alone	unemployed (on sickness benefit)	
Charlotte	116–154	131	F lives with children (10, 2)	PT earner	
Louise	193–230	133	F lives with partner and 2 children (16, 6)	unemployed	Partner FT earner
Kate	193–230	146*	F lives with 2 children (17, 25) (older child lives nearby)	FT earner	1 FT earner (adult child) not included in h/hold income BUT household income level includes £20 a week 'keep'
Bonnie	193–230	158*	F lives with 2 children (22, 14) (another child & grandchild live nearby)	PT earner	1 FT earner (adult child) not included in h/hold income
Dorothy	231–289	170	F lives with 3 children (13, 14 and 18)	PT earner	
Lizzie	193–230	171	F lives with 2 children (17, 11)	PT earner	
Catherine	193–230	198*	F lives with child (20), (2 other children live elsewhere, partner lives elsewhere)	FT earner	1 PT earner (adult child) not included in h/hold income BUT household income level includes £20 a week 'keep'
Patricia	193–230	258	F lives with child (5)	PT earner	
Emily	290–346	321*	F lives with child (18)	FT earner	1 PT earner (adult child) not included in h/hold income
Kieran	193–230	347	M lives alone. Partner and son (2) stay sometimes. Helps with son's maintenance informally	FT earner	
Kevin	193–230	347	M lives alone	FT earner	
Adam	290–346	370	M lives with child (11)	FT earner	

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Yvette	501–558	456	F lives with 3 children (1, 7, 12), partner lives elsewhere	PT earner	
Natalie	559–615	539	F lives with partner and 2 children (12, 10)	unemployed	Partner FT earner
Alan	386–442	679	M lives alone	FT earner	
Gail	731–845	736	F lives with child (19)	FT earner	Adult child FT earner
Abigail	–		F lives with 3 children (16, 18, 20), partner lives elsewhere	FT earner	Adult child PT earner
Annabel	–		F lives with 2 children (17, 21)	PT earner	
Jason	–		M lives PT with parents and PT with partner and her parents	FT earner	Mother FT earner
Tim	–		M lives with partner and 3 children (8, 6, 3)	FT earner	
Helen	–		F lives with partner and 3 children (3, 8, 13)	PT earner	Partner FT earner

Respondents were asked to indicate their total household income from a listing of income bands on a show-card. We then used McClement's method for equivalising household incomes to compare against the poverty line. Because respondents were asked to indicate their income from bands, rather than actual amounts, we used the midpoint of each band to calculate the equivalised income. Unfortunately, it was not possible to collect income data for all respondents, and there were some inconsistencies in the data gathered (for example, respondents not including adult children's earnings). Cases where there is reason to believe that some household income is not included in the weekly income figure are marked with an asterisk. The income data should therefore be seen as providing a guide to where respondents were positioned at the time of the interview vis-à-vis the poverty line, rather than an accurate calculation.

We use a standard definition of household income poverty as 60 per cent of median income (before housing costs). Using Households Below Average Income data from 2007/8 (National Statistics, 2009), median income before housing costs is £393 per week, and 60 per cent of this is £236 per week. Those shaded in the table above in dark grey are respondents below the poverty line, while those in light grey are above the poverty line but still below median household income. Those in white are either above median income, or their income data was unavailable/unreliable.

# Appendix B: Work trajectory tables

Table B.1 Survey sample characteristics – working participants<sup>21</sup>

		<i>Percentages</i>
<i>Gender</i>		
Female		91
Male		9
<i>Qualifications</i>		
None		27
Level 1		40
Level 2		33
<i>Marital status</i>		
Married/partnered		3
Divorced/separated		38
Single (never married)		58
Widowed		2
<i>Age of youngest child</i>		
Under 5		21
5 to 9		29
10 to 15		30
No children under 16		19
<i>Living arrangements</i>		
Lives with relatives		9
Social housing		54
Private tenant		11
Owner occupier		26
Other		1
<i>Work experience (last 3 yrs)</i>		
No work in last 3 yrs		22
Work up to 6 mos		11
Work 7 to 12 mos		9
Work 13 to 24 mos		14
Work 25 to 36 mos		44
<i>Study group</i>		
ERA Treatment		53
ERA Control		47
<i>Base</i>		2,392

Table B.2 Work trajectories by ERA customer group

	<i>Percentages</i>			
	ND25+	NDLP	WTC lone parents	ALL
<i>Work experience 3 years prior to study</i>				
No work in last 3 years	45	52	–	32
Working up to 6 mos	19	14	6	12
Working 7 to 12 mos	15	10	7	9
Working 13 to 24 mos	16	12	13	13
Working 25 to 36 mos	6	13	74	35
<i>Number of jobs in 3 years prior to study</i>				
0	45	52	1	32
1	34	31	58	42
2	14	13	30	19
3+	7	4	12	7
<i>Work trajectory during 2 year study period*</i>				
Never entered work	48	30	3	22
Steady employed	27	41	83	55
One or more employment spells	25	28	15	23
<i>Base</i>	393	1,586	1,177	3,156
<i>Employment pattern during study period – those who entered work</i>				
Steady employment, 1 job	39	40	59	49
Steady employment, > 1 job	13	19	26	22
Broken employment, ≤ 6 mos	28	25	8	10
Broken employment, > 6 mos	20	16	7	19
<i>Base*</i>	195	1,065	1,132	2,392

\* Excludes respondents who entered their first job during the last six months of the study period since it cannot be ascertained if those people remained employed or not.

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