



GETTING FAMILIES READY FOR WORK

BREAKING THE CYCLE OF INTERGENERATIONAL WORKLESSNESS

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FOREWORD BY PROFESSOR ROY SAINSBURY

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The last 15 years or so have seen a massive transformation in the way the State responds to unemployed people. In the mid 1990s the amount of help available to a person out of work was fairly minimal and for people out of work due to long-term disability or sickness it was virtually non-existent.

In the last year of this decade, however, that picture is barely recognisable. In the intervening years there have been New Deal schemes for every type of claimant, from young people, lone parents, disabled people and the over-50s. Help for disabled people has been consolidated in Pathways to Work and employment services are now being delivered by a mix of government agencies and private and third sector organisations. There has been no lack of initiative and resource and employment rates, until the recent economic downturn, have steadily improved.

And yet, ... despite all this, some groups within the unemployed population have not fared well. From their long experience of working with unemployed people to help them back to work, Tomorrow's People has identified that people living in workless households, where two and sometimes three generations of the same family are long-term unemployed, face perhaps some of the greatest obstacles to finding work. This insight has been confirmed by what research and official statistics tell us. Tomorrow's People has spent a number of months investigating the problem and one of the most striking findings can be simply put: "...household worklessness has increased steadily over the last three decades even as employment levels have risen recently to historic highs".

So, what is to be done to reverse this position? The facts speak for themselves – existing solutions have not been working for workless households. New, fresh thinking and action is needed and in this document Tomorrow's People has set out a way forward - a new approach to tackling worklessness based on recognising that challenges and opportunities lie within the family, not only with individuals. What Tomorrow's People is proposing is not prescriptive – there is no off-the-shelf solution waiting – it is exploratory, open, flexible. It takes help to the heart of families and communities. We have to admit that we cannot be sure that this innovative approach will work, but it is based on a wealth of experience and the strengths of the staff working on the ground delivering Tomorrow's People's services.

I have been delighted to work with Tomorrow's People as they have prepared this paper and wish them well in the next phase of the enterprise – breaking the cycle of intergenerational worklessness.



ENDORSEMENT BY THE PEARS FOUNDATION

It is one of those hard-to-believe facts that over the past thirty years the number of families that have slipped into intergenerational unemployment in Britain has been steadily rising.

The financial cost to the State is quantifiable; the cost to society and our country's wellbeing is less quantifiable, but clearly substantial.

Our Family Foundation is very pleased to have worked in partnership with Tomorrow's People to conduct research into this issue. Their methodical and consultative approach has, I believe, resulted in a much needed and practical report.

The reasons for intergenerational unemployment are multiple; as are the consequences. Every family member becomes reliant on social security, social services and housing and ironically, in some cases, the benefits system itself can act as a disincentive to seeking work.

There is no doubt, that given the opportunity to move forward with their lives, the majority of long-term unemployed people want to work and contribute to their local community. We believe that with the focused and specialist support an organisation like Tomorrow's People can provide, these people could move into the labour market, providing positive role models to other family members, friends and neighbours. The potential effects of this transformation on family stability, child wellbeing and local neighbourhoods are significant.

We hope that this report's findings will lead to the piloting of a new bespoke service, to be delivered by Tomorrow's People, and a debate within the sector about the challenges of getting workless families into work. We also hope that this research will heighten awareness of the issues and difficulties facing workless families in twenty-first century Britain.

My thanks and appreciation to everyone who has been involved in and contributed to this report.

Trevor Pears

Executive Chair

The Pears Foundation

I. A FAMILY AFFAIR

Intergenerational worklessness – families where no one is in work and most are on benefits – is a very serious problem. At the heart of it is a culture that sees not working and living on benefits as a valid alternative to work. This report shows how a radical solution - at the heart of which is a focus on working with families - can reach people who have fallen out of the world of work and put them back on the path to sustainable employment.

Unemployment is a terrible curse for individuals and families alike. Losing one's job often fuels feelings of shame, anger, guilt and shock, while the failure to get even onto the bottom of the employment ladder can lead to despair and hopelessness. How much worse it is when whole families – grandparents, parents and children – all find themselves without work and with few prospects? Yet for many of these families living on state benefits, with little drive to find a job or to retrain, has simply become a way of life. This is the hidden world of the intergenerational workless family and the focus of this report, which aims to highlight the causes and challenges of intergenerational worklessness, as well as offering a practical strategy to address them.

Who are the intergenerational workless?

Worklessness is different from unemployment. It is as much a state of mind as a physical situation. Worklessness is defined, for the purposes of this review, as people who are unemployed long-term (more than six months, but most likely for a number of years); economically inactive, or working exclusively in the informal economy (and who may or may not be also claiming benefits). Intergenerational worklessness describes a family of at least two generations whose members are not in work and are in receipt of a range of State benefits. They will often live in the same property or may live in the same locality, but see themselves as part of a family unit.

There are many possible causes for families falling into worklessness, including the collapse of local industries, once-valued skills becoming obsolete, ill-health, poor education and transport and mobility problems. However, barriers to employment can also be cultural – the benefits system was never intended to offer an alternative lifestyle to the world of sustainable work, but in some communities benefit dependency has become a way of life. For some families, payments from the State provide the family's entire income, giving them a 'safe place' in what seems to be an insecure world - which is why any change in lifestyle that might affect those benefits is fiercely resisted. Furthermore, where older members of workless families once had skilled jobs that have since vanished, there can be a mentality that no one in the family should accept work that is considered to be low status.

Whatever the cause of their predicament, there are common factors that unify the workless. Despite numerous, often successful interventions,¹ these families have fallen through the social security safety net that was meant to help them. They have also fallen below the radar of politicians and officials tasked with reducing poverty. There are three key reasons for this failure. Firstly, families who have been unemployed through several generations are not easily identified as a separate group within the official unemployment figures. Secondly, they are some of the hardest groups to reach, primarily because many do not see themselves as being part of a 'workless family'. Lastly, any strategy to break this cycle requires costly and labour-intensive solutions.

While politicians and officials might be accused of not focusing on the issue of workless families, there is no shortage of academic research. Charities such as the Joseph Rowntree Foundation (JRF), think tanks such as the Institute for Public Policy Research (IPPR) and the Work Foundation, as well as academics at the UK's leading universities, have done extensive research into the scale of the problem, its impact and possible causes. So the problem is not one of lack of awareness, but the lack of a tested solution that will get people back into work, education or training and thereby break the culture of worklessness being passed down the generations.

However, there is evidence that the Government has begun to realise that it needs to deal with difficulties faced by disadvantaged families in a systematic way. In 2007² the Cabinet Office clearly expressed this shift of opinion in a report that advocated a whole families approach to working with families at risk. In a keynote report, *Reaching Out: Think Family*, it stressed the "importance of looking at the family as a unit and focusing on positive interdependency and supportive relationships". In a strongly worded statement referring to decades of policy and practice, it added: "Services have for too long treated people as individuals with support provided by many agencies each working in its silo."

There are further grounds for optimism. Local authorities, care agencies and charities across the country are adopting a family-centre approach. However, most of the approaches adopted to date have tended to focus on either the family issues or the worklessness issues – but not the two elements together. For example, the Family Intervention Projects³, borne out of the Respect agenda, are proving effective at addressing antisocial behaviour, although they do not see employment as part of the solution. Similarly, local projects such as the Westminster Family Recovery Programme⁴ target families that are heavily dependent on benefits, but again without work being a central tenet. However, Haringey Council's 'Families into Work in Northumberland Park' initiative does focus primarily on reducing worklessness, but also adopts a multi-agency approach to support the family on a number of different levels.

Tomorrow's People, with its long experience on the frontline of unemployment support services, has recognised for some time that this difficult issue needs to be resolved. The solution that the charity proposes is unique, because it combines a family-based intervention programme with a clear target of supporting individuals into employment. Tomorrow's People recognises that there are no easy answers, but believes that taking a flexible approach will allow it to change and adapt as it learns. To break the entrenched cycle of intergenerational worklessness that has trapped so many people requires an innovative approach such as this. This is not a top-down intervention to be 'imposed' on families, but one that includes tools to both cure existing problems and prevent new ones developing.

1 At a national level this includes *New Deals, Welfare Reform, Pathways to Work and tax credits*.

2 Social Exclusion Task Force, June 2007 http://www.cabinetoffice.gov.uk/media/cabinetoffice/social_exclusion_task_force/assets/think_families/think_families.pdf

3 <http://www.respect.gov.uk/members/article.aspx?id=8846>

4 <http://www.westminster.gov.uk/councilgovernmentanddemocracy/councils/pressoffice/news/pr-4464.cfm>



This report maps out the rationale behind the Tomorrow's People approach:

- Chapter 2 looks at the symptoms and causes of the problem;
- Chapter 3 examines the barriers that – whether real or perceived – prevent people from these families entering, or even wanting to enter the workplace;
- Chapter 4 presents a solution; and
- Chapter 5 examines the costs versus the benefits of the Tomorrow's People approach.

I.1 BRIDGING THE GAP – A PRACTICAL SOLUTION

This report is the culmination of an extended process of enquiry and consultation by Tomorrow's People. The charity carried out an extensive review of the literature relating to intergenerational worklessness and some face-to-face research with frontline workers and workless families. It then established a working group of external experts including academics, policy-makers and frontline workers. The role of the Working Group has been to deliver the aims of the project, namely:

- to develop practical solutions to tackle intergenerational worklessness;
- to raise awareness and influence policy at both national and local level.

The Working Group advised on the development of a model for a pilot programme and this has been widely consulted upon. In addition, the charity commissioned The Poverty Site to carry out statistical analysis of data on unemployed families and Oxford Economics was commissioned to calculate the social return on investment of finding a solution to intergenerational worklessness.

It is intended that the next stage of work will be to test a new delivery model which deals with the specific needs of family groups who are workless. The principles of this model are set out in Chapter 5.

The Working Group was initially led by independent chair Dr Samantha Callan, Research and Policy Consultant and Chair of the Family Breakdown Working Group of the Social Justice Commission. Latterly, Professor Roy Sainsbury, Research Director, Social Policy Research Unit at the University of York, joined as a Consultant Adviser to the project. The Working Group met on four occasions. Its members are listed in Appendix 2.

The 'Jones' family

This is an example of the type of family Tomorrow's People aims to reach with its pilot programme – three generations living as a unit, none of whom sees work as an option, despite job opportunities within relatively easy reach. It highlights the cultural dependency on benefits and a reluctance to move into work, especially low-paid employment.

Terry Jones had spent his working life in the shipbuilding industry in Kent when he was made redundant 25 years ago at the age of 35. He is unqualified for other jobs and has an issue with any job that he sees as 'beneath him'. His wife Debbie has never worked and now has been diagnosed with Type Two Diabetes, which means she cannot work. Terry's children, Mike, 40 and Elaine, 38, are also out of work. Elaine, now divorced, says she needs to look after her one school age child. She also has two working age children. Mike has been out of work as a builder since his arthritis put him on incapacity benefit some 13 years ago. Terry's oldest grandchild, Martin, 20, does not have any work aspirations and seems reluctant to work as most of his peer group do not work either. Martin's grandfather has often told him that he should only work if he can get a 'decent' job - he doesn't see why any of us should 'work for nothing' and Martin is better than many of the low skilled jobs that are available within a short bus ride. Martin is also conscious that if he gets a job his earnings will be deducted from the family's benefits, which provide the family's entire income and that they would resent him if he took his earnings for himself; moreover he won't be earning enough to obtain his own housing. Martin's sister Yvonne, 18, has recently had a baby, but is estranged from the father. She has not had a job since she left school two years ago. She would have liked to have become a beautician, but has abandoned that hope now that she is a single mum.

1.2 A TWO-YEAR PILOT

Tomorrow's People is seeking funding to launch a two-year programme in April 2010 to test their new delivery model, which is predicated on the assumption that a family-centred approach to worklessness is more successful than working with individuals in isolation. The programme will be voluntary and there will be a number of innovative recruitment practices aimed at targeting the true intergenerational workless family. In working with the whole family, both as individuals and as a family unit, the pilot will test a variety of approaches. Accordingly, it will not be formulaic and will look to a frontline team of Family Employment Advisers to identify the best way to work with a particular family to overcome their barriers to work. The Advisers will challenge the situation that these families find themselves in and the factors that encourage them to maintain the status quo. Together with the participants, they will draw up an action plan for each member and for the family unit as a whole. Advisers will have a range of tools at their disposal and success will be measured in terms of positive outcomes achieved for each member of the family, with the ultimate goal being a job for as many of the family as possible. However, progress will be measured across a much broader spectrum than is usual for welfare-to-work programmes, so that voluntary and community work, education and training will also register as a positive outcome.

1.3 AIMING HIGH FOR WORKLESS FAMILIES

Tomorrow's People acknowledges that breaking the cycle of intergenerational worklessness is a huge challenge. However, the charity believes that families trapped in this situation can be helped to see employment as the solution. Here are two examples that illustrate the potential success of a family-based intervention.

Recognising the issue

As part of this project, Tomorrow's People carried out a number of 'informal' interviews with mothers of a similar age from workless families. These interviews were initially separate and then the mothers came together for a group discussion. At the end of a long day of talking together, the Employment Advisers observed a major shift in the mothers' perceptions of themselves. From an initial assessment of 'we're doing all right', they increasingly became aware of the fact that they had brought up their children without working role models and that this had had a knock on effect on their education and employment prospects. This was a painful and emotional discovery for these mothers, but it clearly demonstrated the power of talking and encouraging families to open up.

A family approach

Tanya Baker and her daughter Anna had no experience of work. The father, to whom Tanya was married for 20 years, did not work before he emigrated to Spain, where he survives on a hand-to-mouth basis. Anna has a younger brother, Kevin, who is also unemployed. The family was not functioning as a unit. Anna was made homeless by her mother at one stage, while Tanya herself was living in very inadequate accommodation. Kevin was in a private sector rented bedsit. Anna was known well to Tomorrow's People staff as a client who had a lot of personal issues in addition to unemployment. A programme of intervention by Tomorrow's People brought Tanya and Anna together and addressed many of their shared problems, such as housing. As a result, they became interested in the charity's employment support service - as long as they had help to make phone calls, arrange meetings, complete applications, etc. Staff went as far as supporting them to register with doctors and dentists in the local area. Three months after moving into a new flat, their Employment Adviser felt that Tanya and Anna were ready to begin dealing with their barriers to work. Confidence was their biggest issue. Both agreed to a work placement in a factory, but as much as Tomorrow's People staff tried to separate them for work purposes, it was clear that their strength lay in doing things together. As soon as they were split up, their personal appearance, hygiene and confidence became affected. They were taken by staff to a food factory a train ride away from their home. They both did very well at work trial and placement achieving 100% attendance. After six weeks of placement, the employer offered them both full time, permanent jobs. This is clearly an example where, if these two had continued to be supported as individuals, they would never have moved forward into work. Success was achieved by dealing with them together throughout the whole process. They both remain in their jobs today.

**This is a real example but the names have been changed to maintain confidentiality.*



2. THE RISE OF WORKLESS FAMILIES ACROSS GENERATIONS

The long-term increase in workless families has been a little-noticed but steadily worsening problem. Intergenerational worklessness has risen steadily over the last three decades even as unemployment has risen and fallen.

2.1 THE SCALE OF THE PROBLEM

Unfortunately, there are no official figures that capture workless families. Official figures from the Office for National Statistics⁵ (ONS) only show that there are more than 3.1 million households where no one aged 16 or over is in employment⁶.

In an attempt to fill the data gap, Tomorrow's People commissioned The Poverty Site, a website that monitors poverty and social exclusion in the UK, to analyse the detailed results of the ONS's Labour Force Survey. By breaking down the data it identified that 8.54m people are workless; of these a quarter (2.16m) live with their parents; and 22% (483,190) of the individuals living with their parents are living in a household where the whole household is workless. These statistics suggest that intergenerational worklessness is a major issue despite the lack of accurate data.

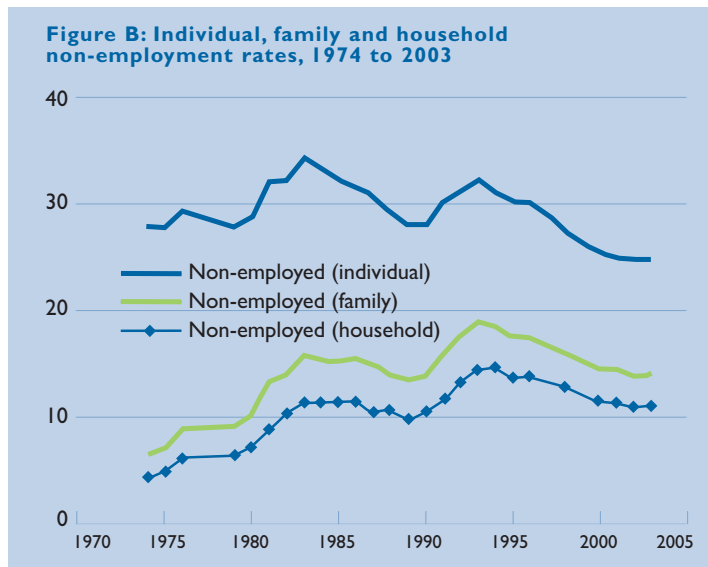
Whatever definition is used, experts agree that household worklessness has increased steadily over the last three decades even as employment levels have risen recently to historic highs. While there is a clear decade-on-decade trend towards more jobs and lower unemployment even through the ups and downs of cycles, the trend in family non-employment has been upwards. A March 2007 report, entitled 'Work-Rich, Work-Poor' by Richard Berthoud at the Institute for Social and Economic Research for the JRF, found that in 2003, the non-employment rate among individuals was 3 percentage points lower than it had been in 1974, but the family non-employment rate was 7 percentage points higher (see Figure 1).

Berthoud says that much of the increase in personal employment rates has accrued to members of families that already included a worker: "Men and women with the advantage of a job for themselves have the further advantage that if they have a partner they will form a work-rich two-earner family; while those with the disadvantage of non-employment face the further disadvantage that any partner will be out of work too," he writes. Another way of looking at it is that between 1975 and 2001 the share of households where no adult works increased by more than 250 per cent and the proportion of working age adults in workless households tripled, according to economists at the London School of Economics.

⁵ The definition of household is a group of people living at the same address who share common housekeeping or a living room. In other words, everyone who lives behind the same 'front door'. The standard definition of a family is a 'benefit unit' ie an adult plus his or her spouse and any dependent children they live with. Within a household there may be more than one family.

⁶ This includes people such as lone parents, couples with no children and those with very young children or children who have moved out – groups that fall outside the scope of this report.

Figure I. Workless households have risen despite growth in jobs



Note: See note to figure A. Members of non-employed families are a subset of non-employed individuals. Members of non-employed households are a subset of non-employed families

Source: Berthoud, R; Joseph Rowntree Foundation

There is much anecdotal data which confirms the issue.

“After 20 years of working in the sector, I am now seeing clients who are the grandchildren of the clients I used to sign on in the Job Centre. For me this highlights the fact that these families are hidden from view. It is only from our close and trusted relationship with individual family members that we have begun to understand the true extent of intergenerational worklessness in the local area.”

Theresa Pollard, Lead Local Operations Manager, Tomorrow's People

It is also worth noting that there is an intense concentration of workless households in particular areas. A quarter of concentrations of worklessness cluster into 3 percent of England's 8,005 wards. Often the zones of worklessness cover only very small areas - a few streets or even a block of flats - surrounded by housing where the problem does not exist or is far less obvious.



3. FAMILY WORKLESSNESS: A CHALLENGING SET OF PROBLEMS

3.1 MORE THAN HAVING NO JOB – THE COST TO FAMILIES AND SOCIETY

Family worklessness has many negative costs to both families and the State. It brings many issues in its wake – financial, social and psychological – whose impact is magnified when spread across a whole family.

The cost of intergenerational worklessness is high, both in terms of the cost to individuals, but also its impact on the surrounding community and on society as a whole. Taxpayers must ultimately foot the bill for benefits payments. According to the Department for Work & Pensions (DWP) Quarterly Statistical Summary of May 2009, as at November 2008 there were 2.6 million working age people claiming Incapacity Benefit. It is estimated that this costs the State around £6.8bn each year. On top of that come other incidental benefits, such as free school meals and free NHS prescriptions, to which those on benefits are entitled.

Members of a household where three generations are out of work and have little hope of finding work without some form of intervention, are far more likely to suffer from problems of ill-health, debt, poor education and shorter life expectancy. These associated symptoms of worklessness, all lead to costs that must be borne by wider society

For example, six out of 10 children in workless households live in poverty, compared with fewer than one in 10 in households where all adults work, according to a detailed study by the Cabinet Office. Being out of work can have a negative impact upon parental physical and mental health and wellbeing, as well as on adult skills, motivation and confidence. It can also have a long-term 'scarring effect' Children who grow up in workless households are themselves much more likely to be poor and out of work in adulthood.

What difference does the recession make?

The UK economy has entered a profound recession, with unemployment predicted to rise to 3 million and perhaps even higher. This makes the challenge of getting workless families ready for work and into jobs even more difficult - given that even as unemployment decreased during the boom years earlier this decade, worklessness increased.

The immediate prospects for workless households will not be directly affected by the cyclical upswing in unemployment – however large it is. What it will do is to present two connected

challenges. The first is that it will be even harder to entice employers to take on people who have been unemployed for some time when there is an ever-increasing pool of surplus and skilled labour. The second challenge is to those approaching the labour market for the first time. Will Hutton, the economist and Observer newspaper commentator, estimated that 600,000 young people will leave school and college and be looking for a job in July 2009, of whom as many as half may not find work.

Earlier recessions have been breeding grounds for intergenerational worklessness. While in a 'normal' year, 8 percent of people who lose their jobs never find another one, evidence from previous recessions is that as many as 25 percent of those who lose their jobs in a recession never return to work. If, as expected, this pattern is repeated in the current economic crisis, there is the risk of a whole new set of families starting on the road to intergenerational workless.

Tomorrow's People believes that these factors make now the ideal time to establish a work-focused intervention for helping workless families get ready for work.

It is important to understand the scale of these costs in order to appreciate why it is so urgent that policymakers tackle this issue. Although widely acknowledged, intergenerational worklessness has remained under the radar for too long. Tomorrow's People believes that, as a result of its proposed programme, the State will receive a net social and economic return on any investment in the form of reduced benefits, higher tax revenues and lower costs in a range of areas, including health and support services. A full analysis of the benefits of the proposed pilot can be found in Chapter 5.

3.2 BARRIERS TO WORK, REAL AND PERCEIVED

There are many factors that have contributed to the rise in the number of workless families. Some factors are well documented, easier to identify and technically more straightforward to deal with by government and other organisations – such as low basic skills, access to transport, childcare, etc. While others, such as the cultural barriers associated with worklessness, pose a much greater problem, requiring additional time and investment to resolve and are much harder to measure using traditional methods. Long-term unemployment tends to be the result of a combination of inter-connected factors, making the transition into work even harder to achieve for those affected. Some of these factors are outlined below.

3.2.1 PHYSICAL BARRIERS TO WORK

Often barriers to work are physical obstacles or personal problems that make it hard for someone to see work as a viable option.

- **Poor health and disability** can be major barriers to entry into the workforce and affect employability.
- **Lack of qualifications and skills.** People living in concentrations of worklessness are almost twice as likely to have no qualifications than the population as a whole. Lack of appropriate and current skills, including literacy and numeracy, is a major issue amongst those who experience long-term unemployment.
- **Caring responsibilities.** In areas where there are concentrations of worklessness almost half of all households have a person with a limiting long-term illness and almost a third of carers (32 per cent) provide more than 50 hours of unpaid care each week – equivalent to working eight hours a day for six days a week. Looking after children is a barrier for single parents and where a family includes small children and an older ill or disabled person, then the opportunity for them to work will be extremely limited.
- **Transport and mobility.** For many people who work, travelling is just a fact of life and on occasion, working families are prepared to move house for a new job. However, for workless households neither option is feasible and the inability to travel or to move house can be an extra barrier: Poor public transport links and the high cost of car ownership mean that those people in disadvantaged areas wanting to find work will have to pick from job opportunities that are within walking distance. The cost of moving to another town in order for one member to take up a job offer can often seem excessively high, as are the risks to the family's benefit income if that person then loses their job. For those in social housing, it may mean giving up a home that they had waited years to be given – assuming they can find another household to swap with.

3.2.2 OTHER BARRIERS TO WORK

- **A reluctance to engage.** There are a variety of reasons why it can be hard to engage workless families. They may not feel that they need help, they may not be confident enough to seek help, or they may already feel let down by the system.
- **Benefits as of right.** The nature of worklessness means that families must claim benefits simply to exist from day to day. Whatever the rights and wrongs of benefits policy, it has left many families highly dependent, which in turn has created an attitude that it is 'less of a risk' to claim benefit than look for a job. According to the research by Richard Berthoud for JRF, three quarters of workless families are dependent for at least half of their income on benefits. For workless households with children, that rises to 95 per cent.

Figure 2 : Source and level of income, by family employment (percent)

	Any work in family	No work (all)	No work (with kids)
Dependent on benefits (more than half the family's income)	5	78	95
Claims Income Support or income-related JSA	1	46	73
Poor household (less than 60% of median income)	8	45	54

Source: Berthoud, R; Joseph Rowntree Foundation

This situation means that there is a choice to be made – if the job search process goes wrong, families risk the loss of upfront payments such as Incapacity Benefit and also the incidental benefits that come with it such as free school meals and free prescriptions.

While the loss of benefits primarily impacts on the individual, for a workless family one member of the household going into work and off benefits might mean that other members lose benefit payments as well.

- **The benefit myth.** Many people find it hard to understand that a National Minimum Wage job that pays a little over £10,000 before tax could possibly replace an income from benefits income of double that. This is because it is not always made clear that allowances and tax credits will top up income.

Benefits as a barrier to work

Reliance on benefits can discourage people from looking for work, especially if they believe they will be worse off if they get a job.

Danielle, 21*, is a single mother living in a council flat in Birkenhead, with few qualifications and no history of work other than some informal babysitting before she had her daughter, Anna, who is now five years old, and her son Mikey who is two and a half years old. As well as receiving Child Benefit, Income Support and tax credits, she has the costs of her rent and Council Tax met by the State and has free prescriptions for herself and her children and free school meals for her daughter. As with the majority of benefits claimants, Danielle was unaware of the total amount she receives from the State. Tomorrow's People worked out for her that she is in receipt of a total effective income of £18,500 a year. While she was taken aback by the size of her benefits it makes her even more reluctant to find a job. Even without childcare costs she would need a pre-tax salary of almost £25,000 to match the lost benefits. At the National Minimum Wage of £5.73 an hour on a 35-hour week she would earn £10,428 a year gross. Working Families Tax Credit would step in to top up her income while she would qualify for help with housing benefit and Council Tax relief. While Danielle would be no worse off - and, we believe, with appropriate skills training and a job progression plan, better off in the long run - what she sees is a low wage alongside the complexity and stress of working with two small children - considerable barriers to work in themselves. Danielle is one of five, none of her four brothers are working in the formal economy and her father lost his job in the steel industry in the early 1990s and hasn't had a permanent or full time job since. Her mother is waiting for a hip replacement operation and is receiving Incapacity Benefit. Danielle has no immediate role models of people who are working and who might encourage her to look at how she might do things differently.

*This is a real example but the names have been changed to maintain confidentiality.

- **Fear of change – the financial risk.** Many will still argue that they will be worse off by taking a job because of the gap between the end of benefit payments and the first pay cheque, and because of the complexity and bureaucracy of the benefits system. For families who have become used to the State ensuring they have their basic needs covered getting a job may be perceived as too much of a risk.

"Additionally, the benefit system may act as a perverse incentive for workless households to avoid entering employment. This is particularly true for workless individuals with high benefit receipts, and who expect to receive a low income from employment, given that below certain income thresholds, the marginal deduction rates for benefits can be as high as 90% (e.g., for every additional £1 earned, the benefit reduction amounts to £0.90)"

Oxford Economics, Report into the 'Economic Benefits of Tackling Intergenerational Worklessness, August 2009

- **Family pride and prejudices.** Someone's decision to stay out of work and on benefit is based on much more than simply income. For families where worklessness was borne out of deindustrialisation, older members often bear feelings of anger, betrayal and low self-esteem that are passed down the generations. Not only do the older members of the family reject jobs that they perceive as beneath their status, but maintain that their children and grandchildren should not take such jobs.
- **Lack of role models.** When unemployment affects two or three generations of the same family, children do not have working role models and an idea that employment, rather than benefit dependency, is the norm – a situation that can damage children's aspirations for both education and work. At its most extreme, it can turn into a culture of dependency that regards living on benefits as a right and the only option.

4. SOLUTION TO A COMPLEX PROBLEM

4.1 BACKGROUND

Breaking the cycle of intergenerational worklessness is much more than finding jobs for people. It is about helping individuals within their family context to address the issues that have stopped them all from looking for work.

Tomorrow's People will be testing a new delivery model for a national scheme that will look at whether a family-centred approach to worklessness is more successful than working with individuals in isolation. The fact is that despite many initiatives, the issue of intergenerational worklessness has yet to be solved, which is why the pilot programme will trial new interventions, based on a deep understanding of the attitudes and problems

common to workless households. This is why the model will be structured around a set of overarching principles, rather than a prescriptive format and is based on the notion that each solution will, to some extent, be unique to a particular family.

The programme will use dedicated Family Employment Advisers to work with the whole family, both as individuals and as a family unit. They will draw on a number of existing tools, including individual action plans that set aims and goals, identify and tackle barriers to work, provide skills assessments, and find training and work placements to get participants 'job ready'. The ultimate aim is to move as many family members as possible towards the final outcome of a job, but where this is not possible, to achieve some other positive outcome, such as community or voluntary work.

Tomorrow's People is seeking funding to launch a 2-year pilot programme in Maidstone, Kent in April 2010. The project will be run on one estate, recruiting 20-25 families at the outset, of which it is envisaged 12-15 would see the project through. Tomorrow's People will engage only with families that have volunteered to take part, working closely with members of a family, from initial recruitment through to the end of the programme. We have designed a full delivery model, the detail of which is not discussed in this report.

Why Maidstone?

Maidstone in Kent has seen its economy change over the years, from being involved in heavy industry, towards light industry and the service sector. Many of the areas in and around Maidstone are relatively affluent and its population is comparatively highly skilled. The pilot programme will run on the Coombe Farm Estate, which is made up of around 400 houses recently taken over by Maidstone Housing Trust. Coombe Farm is one of the pockets of deprivation within the Borough and the area is among the 20% per cent most deprived wards in the country. Although the estate is within walking distance of the town, has easy access to two light industrial estates and many local employers, High Street ward, which includes Coombe Farm, has the second highest rate of Jobseekers' Allowance claimants in Maidstone. In other words, this is a location where worklessness is endemic, but which is readily accessible to a wide variety of job opportunities, making it an ideal place to show how Tomorrow's People can make a difference. Coombe Farm includes large numbers of inter-related family groups and it is not uncommon for families in several houses in the same street to be related. Virtually all of the households are workless, although some individuals have had work in the past and a few are currently employed part-time.

4.2 GUIDING PRINCIPLES

Tomorrow's People believes that any solution to intergenerational worklessness must:

- **Work with the family both as individuals and as a unit - rather than trying to impose a top-down solution on each individual one at a time.** As the Cabinet Office's 2007 report *Reaching Out: Think Family* says: "All individual family members – not just parents – can have an impact on one

another. Extended families and wider social networks are also important influences on family outcomes. Research suggests that programmes to support families would achieve better outcomes if they placed greater emphasis on building community networks and wider parental support. Informal support can act as a strong protective factor in times of difficulty. For example, grandparents frequently take on caring responsibilities for their grandchildren as a result of parental substance misuse and other difficulties.”

- **Measure success on distance travelled rather than simply getting a job.** Tomorrow’s People believes that for the families participating in the programme, the transition into work will require mutual support and encouragement with many small steps, each of which should be recognised. A crucial part of the process will be helping families understand that even small changes in behaviour can have a huge knock-on effect on other members.
- **Take an open and direct approach with the families.** At the heart of the pilot will be the Family Employment Advisers who will play a definitive role at every stage of the process. They will develop a long-term relationship with the family, but they will also be prepared to challenge perceptions and behaviours and encourage a change in approach.

Attributes of Family Employment Advisers

The Advisers working on the Tomorrow’s People pilot will operate differently from traditional government programmes. Advisers will be working with families in their homes or wider social environs, rather than in a formal office setting and they will take a very informal approach to begin with in order to build trust, avoiding fixed timetables or specific goals. As the relationship develops, advisers will challenge attitudes and strongly encourage families to look at what changes they could make to move forward.

Family Employment Advisers will have a number of key attributes that will be essential for working with the families:

- In-depth knowledge of the day-to-day experiences of workless people;
- Excellent interpersonal skills;
- Advocacy skills;
- Proven ability to build mutual trust; and
- Readiness to challenge and be honest

- **Test and adapt the approach.** One of the distinctive features of the pilot programme is that it will allow Tomorrow’s People to test its approach as the programme moves through its various stages.
- **Show how work can offer real benefit to families.** One of the central messages Advisers will seek to get across is that a job can be the first step on an employment journey that leads to higher rewards over the long term, both financially and emotionally, as people progress on a career path.

Benefit income, on the other hand, only rises in line with inflation and may even be cut by future governments.

- **Be creative in recruiting families.** The families that we want to volunteer for this programme do not usually engage with any official or quasi-official bodies and are highly unlikely to put themselves forward. We do not believe that traditional recruitment methods such as leafleting or advertising will be successful. The Family Employment Advisers will therefore go into the heart of the community and use their own experience and contacts to engage directly with the families in the target group.
- **Establish peer groups across families.** Some development work will be done in peer groups, where members of each family will meet their 'opposite number' from other families to help build a sense of community and break down negative attitudes that will be common across the participants. The aim is to exploit the dynamics of family and use those with the most influence to change perceptions and facilitate engagement across the generations.

4.3 A WIDE RANGE OF INTERVENTIONS

Family Employment Advisers will draw on a range of interventions to help individuals and families look at the changes that they need to make to support them on their journey into work. These will include:

- Self-assessment tools
- Identification of barriers
- Action plans
- Supported signposting – not just recommending an organisation for specialist help, but supporting participants to make contact, attend, be honest and act on the advice given
- Engagement with employers and work experience opportunities
- Mentoring
- Combination of individual, family and peer group work

4.4 WHAT SUCCESS MIGHT LOOK LIKE

To visualise what a successful outcome for the project might look like, we return to the Jones family who featured in Chapter 1 – a household including grandparents, parents and two working-age children, none of whom worked or had much interest in joining the labour market. A successful outcome for the family would involve everyone, not just the successful job applicants. Successful outcome scenarios might include:

- Debbie, the grandmother, agreeing to take responsibility for walking the family dog - a task that had previously fallen to Martin, the oldest grandchild and which was cited as a barrier to looking for a job.

- Terry, the grandfather, agreeing to work as a volunteer with a local pensioners' group. He also agrees that the shipbuilding industry will not return to the town and that Martin should look for a job in other sectors.
- Mike, the father, agreeing to share household duties with Elaine his wife, to free up time for her to take on other responsibilities, as he still believes his arthritis is too severe to secure a job. However, he is intrigued by the idea that the local council needs building site foremen.
- Elaine, using the time that she now has to look after her grandchild so that Yvonne, the single mother can start a part-time beautician's course.
- With the help of the Family Employment Adviser, Yvonne has been offered a place on a beautician's' course at a college. She is very enthusiastic about the course.
- The Tomorrow's People Employment Co-ordinator has arranged a work placement at a call centre in the town for Martin. After eight weeks, there have been a few teething problems on both sides, but with the support of his Family Employment Adviser these have been resolved and the Employment Co-ordinator believes he will be offered a paid job at the company.
- While Martin is the only one likely to get a full-time job at this stage, every member of the family has made changes as a result of being on the project. The Family Employment Advisers have worked closely with the family to help them understand how their income would change at each stage in the process and Tomorrow's People will continue to meet with them to ensure that Martin, Yvonne and the rest of the family are fully supported in their respective roles. They will also explore the possibility of Mike finding a job that matches his building skills.

The effectiveness of the Maidstone pilot will be subject to independent evaluation throughout the life of the project. The evaluation will seek to establish whether the model is viable; what has been successful; and areas that require further development. Finding work will not be the only measure of success. There will be a combination of 'hard' and 'soft' measures to assess the extent to which individual and family targets have been achieved. Other positive outcomes might include voluntary or community work, returning to education and acquiring new skills.

As well as traditional methods of data collection, the evaluation will use a more creative approach, including self-assessments and video diaries. Tomorrow's People will also seek to collaborate with a research organisation to assess the wider social and community impact of the pilot.

5. COST VERSUS VALUE VERSUS SOCIAL RETURN ON INVESTMENT

Rather than simply looking at the cost per person of running this programme, we believe it is essential to look at the continued cost to society of a failure to intervene with families experiencing intergenerational worklessness in terms of the benefits bill, lost tax revenues and costs for such areas as the health service and criminal justice system.

Working with 12-15 families/45-60 individuals, the Maidstone pilot programme will have an estimated cost of around £0.5 million, split over three years to include a recruitment and evaluation period. Year 1 will be devoted to personal development, confidence-building and skills training; Year 2 will focus on work experience, preparation for employment and job search; and Year 3 is intended for evaluation and evidence collection.

5.1 ECONOMIC BENEFITS

The economic benefits of the scheme will accrue principally from three sources:

- **Increased output through participants entering the labour market. The magnitude of this will depend on how many participants enter the labour market and how long they will remain in employment.**
- **Government savings from reduced benefit payments**
- **Increased benefits to the community through voluntary work conducted by members of the household who do not enter paid employment, but who support those who do and/or contribute to additional voluntary activities.**

There may also be other social and cultural benefits that are derived from the pilot (such as reduced health costs or higher school achievement), but the linkages between such factors are complex and they have not been factored in.

5.2 MEASURING SUCCESS

Success will be measured against stated targets for the scheme:

- The target of the scheme is to bring one member of each family into employment (eg 12-15 individuals). Considering the (minimum) case where 12 individuals gain employment, modelling indicates that it would only be necessary for these people to work full time for 2.5 years for the scheme to break even (i.e. achieve a benefit cost ratio of 1.0). This modelling allows for the effects of both increased output and reduced benefit payments (though no allowance is made for household welfare effects).

- Every additional year that one or more of these individuals worked after that time (i.e. the 2.5 year threshold) would constitute a net economic benefit. These benefits would grow significantly over time.
- An alternative measure of the pilot's success was also estimated using long - term employment assumptions to model output and government savings effects.
- Using this alternative approach and discounting these benefits using a "Green Book" discount rate of 3.5%, the benefit-cost ratio of the project is approximately 2. **This means that every £1 invested in the scheme generates economic benefits to a value of £2.**
- This may be a conservative estimate as it makes no allowance for factors such as:
 - The value of any additional household/community benefits.
 - Changes in the real value of wages over time both due to real wage growth and job progression
 - Those working part-time and those who do not succeed in keeping their jobs for one year (and who may return to the labour market again in the future).
- Sensitivity tests have been carried out (on the alternative approach) to gauge the effects of these and other changes to the modelled assumptions. These include some illustrative allowances for the value of voluntary work.
- The sensitivity tests indicate that, even assuming lower success rates or a lower duration of employment than estimated, the scheme could still deliver a positive net benefit (i.e. a benefit-cost ratio greater than 1). In addition, including the value of voluntary work increases scheme returns.
- Full study results are provided in a separate report by Oxford Economics, entitled 'Economic Benefits of Tackling Intergenerational Worklessness', August 2009.

6 CONCLUSION

Intergenerational worklessness is a corrosive social problem that imposes huge costs on individuals, families, local communities and the State. The fact that it has continued to grow in the face of rising levels of employment shows that government initiatives aimed at getting such individuals back into work have largely failed. With its family-focused approach Tomorrow's People is proposing a unique way of tackling the problem - a tailor-made solution to intergenerational worklessness, that is needed even more urgently now that unemployment is rising again. The intervention is based on a deep understanding of the concerns of the long-term unemployed people towards benefits and work and the barriers and prejudices they face in moving forward with their lives into work.

As a delivery organisation which over the last 25 years has helped more than 400,000 long-term unemployed people on their journey back to work, Tomorrow's People is well qualified to both design and implement a family-focused solution to intergenerational worklessness. The charity believes that it has designed a model which is a unique combination of tried and tested tools and strategies. However, it is an innovative approach which will engage family groups and help them to make changes even when worklessness is deeply entrenched and where there are multiple and complex barriers – both real and perceived.

Tomorrow's People Family Employment Advisers are highly skilled at building trust with people who trust no one outside of their immediate family and friends and who avoid all contact with official bodies. The charity is in a unique position to use these skills to work with families directly in those communities where not working is the norm, where 'non-contribution' is a way of life and where the stigma is in working, rather the other way round.

This report has identified the issues that make it hard for workless families to enter the labour market. The Maidstone pilot has been designed specifically to take account of these issues, and as such, will be very different from the mandatory government schemes that 'our' families will have participated in over the years.

What makes the programme unique includes:

- The way families will be recruited;
- The fact that we will be working with individuals as part of their extended family unit;
- The use of peer groups for mutual support and learning;
- The focus on work as the primary outcome;
- Building a tailor-made approach that responds to the barriers specific to individuals and their family group; and
- Seeing opportunities such as education, training, community and voluntary work as positive outcomes and indications that the family and individuals have moved forward.

APPENDIX I: TOMORROW'S PEOPLE

TOMORROW'S PEOPLE – EXPERIENCE FOR TODAY'S PROBLEM

Tomorrow's People is a national employment charity with a long track-record of success in helping people out of long-term unemployment, homelessness and welfare dependency, and into jobs and self-sufficiency. The charity believes that breaking the cycle of unemployment is the key to enabling disadvantaged people to take positive control of their lives and build a future for themselves and their families. Rather than create new jobs, Tomorrow's People supports its clients into jobs that exist and saves employers time and money by finding them the right people for the job.

The charity works with the hardest-to-reach groups directly in their communities, including the homeless, lone parents, ex-offenders, the long-term sick, socially-excluded young people, the disabled, and refugees. The charity offers training and advice, confidence building, job search support, CV writing, and interview skills. Most importantly, once someone gets a job, Tomorrow's People continues to support them and their employers to make sure that success is permanent.

Tomorrow's People believes that to successfully tackle intergenerational worklessness we must work with families as a unit rather than each member individually, because different members of a family share many of the same issues and can also provide a positive influence on each other's behaviour.

Tomorrow's People was founded in 1984 and in that time has helped more than 400,000 long-term unemployed people on their journeys back to work. Prior to the economic downturn at the end of 2008, 90% percent of the people the charity helped find a job were still in employment three months later and 76% percent were still working 12 months later.

Tomorrow's People currently runs operations in 17 localities around the UK including 6 centres in London and other major cities such as Liverpool, Glasgow, Plymouth, Bristol, Newcastle and Brighton. With a staff of just under 200, the turnover in the 2008/9 financial year was approximately £8m. Service delivery covers four key areas: Welfare-to-Work employment support programmes; Young People Services; Health and Work programmes; and The Junction, a residential and business enterprise centre for ex-offenders.

APPENDIX 2: CONTRIBUTORS TO THE REPORT

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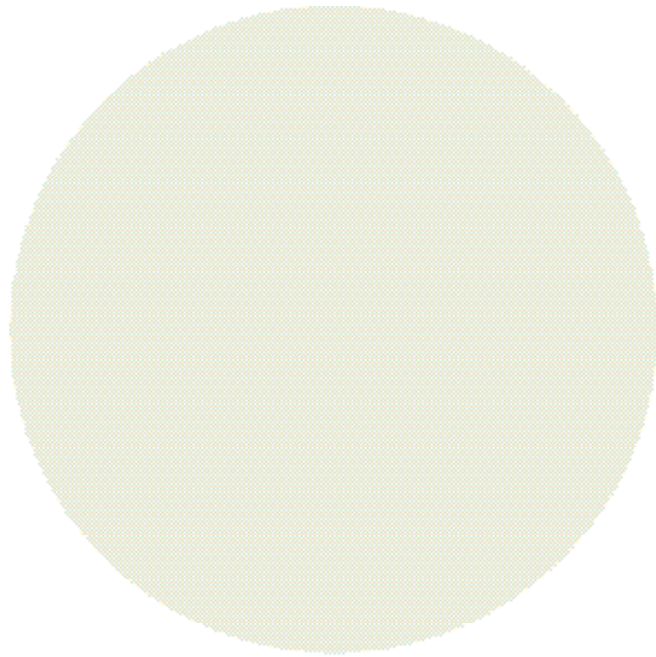
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