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Evidence Brief

Barriers to employment and interventions that may help clients into employment

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Barriers to employment and interventions that may help clients into employment

This document outlines barriers to employment and interventions that may help 'Jobseekers', 'Sole Parents', 'Supported Living' and 'Youth' clients into work. The points have mostly been synthesised from existing Centre for Social Research and Evaluation (CSRE) evidence briefs, although additional evidence has been included to support more recent understandings.

Note:

1. The programmes and interventions mentioned in this document as helping clients into work are mainly based on international experience, sometimes with 'thin' evidence of effectiveness. It is therefore important to trial and evaluate programmes and interventions that are offered to Work and Income clients, to determine the effectiveness in a New Zealand context.
2. Many of the evidence briefs referenced in this document have not been published and therefore cannot be cited in any publications without approval from CSRE.

Jobseekers

Work-ready client segments with children aged 14-plus (current Domestic Purposes Benefit clients)

Barriers to employment for work-ready clients with children aged 14-plus

- Some work-ready Domestic Purposes Benefit (DPB) recipients face no barriers to employment, are highly motivated to work and have support in place that will enable them to work. Some are already working part-time hours (CSRE 2010a).
- For other DPB recipients, barriers to employment may include difficulties finding suitable jobs with sufficient pay, hours and employment conditions that allow them to meet parenting responsibilities, difficulties finding affordable and/or reliable childcare that they and their children feel comfortable using, or difficulties with transport (CSRE 2010a).¹
- Life shocks² and accumulated adversity³ increase the need for additional support for sole parent benefit recipients (CSRE 2010d).
- Newly full-time work tested sole parents will have school-aged children only. For this group, barriers to employment related to childcare will relate to the availability, suitability and affordability of care out of school hours, in school holidays, and on days when children are unable to attend school because of illness (CSRE 2010a).⁴
- Sole parents receiving social assistance benefits have elevated rates of mental health difficulties. Young mothers have particularly high rates,⁵ as do Māori women. Both of these population groups have high rates of parenting alone. Mental health problems can present a significant barrier to both gaining and retaining employment (CSRE 2010d).

Interventions that help work-ready clients with children aged 14-plus into employment

- **Targeting the right assistance** to the right clients requires a face-to-face assessment of each client's individual circumstances. Some clients will require only job search services. Other clients may require more advice and guidance, or 'staircased' employment or training interventions, before they are ready to search for work (CSRE 2010a).⁶

¹ This also applies to the 'sole parent' segmentation with youngest child 5–13 years because they have part-time work obligations.

² For example, recent separation or divorce, domestic violence, the occurrence of ill-health and/or disability within a family.

³ For example, living on a low income, parenting alone, dealing with custody disputes.

⁴ This also applies to the 'sole parent' segmentation with youngest child 5–13 years because they have part-time work obligations.

⁵ This also applies to the 'young parent' segmentation and may apply to the 'sole parent' segmentation with children aged 0–4 years.

⁶ This also applies to the 'young parent' and 'sole parent' segmentation with children aged 0–4 years with work preparation obligations, and 'sole parent' with children aged 5–13 years with part-time work obligations.

- **Providing specialist, work-focused advice and guidance** to work ready and motivated sole parents can help them move into employment more quickly (CSRE 2010a).⁷
- **Funding for participation in tertiary study** has a positive effect in helping sole parents obtain employment in the long term (CSRE 2009b).⁸
- **Formal education or training** programmes have a smaller impact on sole parents' employment than employment programmes in the short term. However, these programmes may have larger long-term employment impacts (CSRE 2010c).
- **Short-term, work-focused training** is effective in increasing employment when it provides job-specific training linked to employment opportunities (CSRE 2010c).
- **Mental health treatment services integrated with supported employment**⁹ are effective at improving employment outcomes for sole parents with mental health difficulties (CSRE 2010d).
- **Financial incentives**¹⁰ can be effective at 'making work pay' by creating an appreciable income gap between benefit and paid employment, taking into account the costs of working, for example, childcare and transport to work. In-work benefits, for example, in-work tax credits, are most effective when targeted at groups with labour market challenges (CSRE 2009c).

Work-ready client segments with health or disability conditions (current Sickness Benefit or Invalid's Benefit clients who are not in 'Supported Living')

Barriers to employment for work-ready clients with health or disability conditions

- The circumstances and needs are greatly diverse within this population. Medical diagnosis is not a reliable indicator of when someone can work – especially for those with mild-to-moderate conditions. The causes of long-term sick leave are individual and often complex, involving biological, psychological and social factors (Waddell & Burton 2006).
- The barriers the person has that currently prevent them from working need to be addressed. This includes health barriers.
- Education and age are important – studies consistently show that people with more education and/or who are younger are more likely to be employed, particularly in full-time jobs. Disability is often associated with low level skills at older age (Hasluck & Green 2007).

⁷ For example, the COMPASS programme in New Zealand increased participants' probability of cancelling benefit for employment, and the New Deal for Lone Parents (NDLP) in the United Kingdom has had a substantial significant positive impact in moving clients off benefit. The NDLP is a voluntary programme.

⁸ This also applies to the 'young parent' and 'sole parent' segmentations with children aged 0–13 years.

⁹ Supported employment includes integrated personal and vocational assistance.

¹⁰ Financial incentives are mechanisms such as in-work benefits, minimum wages and wage subsidies.

- Many benefit recipients face multiple disadvantages and barriers to (return to) work. The likelihood of work declines as the number of barriers increases (Waddell et al 2008; Bloom et al 2011).
- Accommodating workplaces are important for returning or moving someone into work. Adjustments to the work environment, for example, flexible work arrangements and/or physical workplace modifications, may be needed to enable people with health conditions or impairments to access employment. This needs to co-ordinate with work-focused health care (CSRE 2010f; Waddell et al 2008).
- A combination of prejudice and discrimination, low expectations, and failure to provide the necessary support deny many people with health conditions or impairments the opportunity to work. This is especially the case for those with mental health conditions (CSRE 2010f).¹¹
- The complexity of cases and case managers with a lack of experience in the field threatens the effectiveness of vocational rehabilitation (CSRE 2009d).

Interventions and activation measures that help work-ready clients with health or disability issues into employment

Whatever measures are used need to be seen within a **vocational rehabilitation** framework. Vocational rehabilitation may be defined as a process that enables a person with a health condition or impairment to secure, retain and advance in suitable employment (International Labour Office 2008).

The main principles are:

- listen to and understand the person in their context
- work with the person to plan and deliver an agreed rehabilitation pathway
- mobilise support and services to help the person to achieve an everyday life.

Within this context, several tools or interventions are available that can help people with health conditions or impairments to move into work. A stepped-care approach is recommended by some, which starts with simple, low-intensity, low-cost interventions that will be adequate for most sick or injured workers, and provides progressively more intensive and structured interventions for those who need additional help to return to work (Waddell & Aylward 2010).

- **Active case management** with an individualised approach is extremely important for this diverse population. For example, the needs of someone with a disability may require quite a different response to the needs of someone with ill-health. Interventions are more likely to be effective if they tackle the multiple barriers to employment that individual clients face (CSRE 2010f).¹²

¹¹ Most countries have anti-discrimination legislation and/or quotas. There is no evidence that they have addressed labour market disadvantage associated with disability. While protecting those in employment, they may act as a barrier to employers taking on people with disabilities (Mavromaras & Polidano 2011; OECD 2010).

¹² Active case management also works for 'youth (18 years and younger)' segmentation and 'young parent (19 years and older)' segmentation.

For case managers to be effective in working with clients with health problems or disabilities, research suggests they need (Donaldson 2012):

- knowledge of health and disability issues
 - confidence discussing employment with people who have health and disability problems
 - skills in building trust and rapport with individuals, listening to their needs, probing and questioning to identify issues
 - consistent case management processes in place to build up the trust of the individual
 - flexibility in the support they can offer and the conditions they apply – to allow timely and appropriate intervention. There is no one-size-fits-all approach
 - an environment where the individual feels able to disclose
 - access to timely specialist advice and support – this may be in the third sector and other public sector providers.
- **Intensive case management approaches** that provide intensive services, such as employability assessments, individual employment plans, job placements and ongoing monitoring after placements, can be effective in increasing short-term earnings and employment for some clients. For intensive case management approaches to be effective, specialised services (such as individual therapy, individual needs-based counselling) need to be readily available (CSRE 2010b). However, even the most effective strategies may not result in employment for hard to place participants (Bloom et al 2011).
 - **Vocational interventions**, such as cognitive approaches,¹³ supported employment, job search support, job support, training in interview skills, preparing CVs, job placement assistance and work-based education (for people with educational and language barriers to work), are particularly effective for low income sole mothers with disabilities and people with cognitive disabilities (CSRE, 2010b).¹⁴ Cognitive approaches, along with physical activities, enhance return to work in individuals with musculoskeletal or psychological problems (Haugli et al 2011; Hoffman et al 2007).
 - **Financial incentives**¹⁵ can be effective at ‘making work pay’ by creating an appreciable income gap between benefit and paid employment, taking into account the costs of working, for example, transport to work (CSRE 2009c). Financial incentives appear to be more effective for younger disability benefit recipients (Kostøl & Mogstad 2012).

¹³ For example, improving self-awareness, coping strategies and increased mindfulness.

¹⁴ This also applies to the other ‘work-ready’ segmentations, that is, current Domestic Purposes Benefit, Unemployment Benefit and Emergency Benefit, if they have cognitive issues or where English is not their first language.

¹⁵ Financial incentives are mechanisms such as in-work benefits, minimum wages and wage subsidies.

- **Wage subsidies**^{16, 17} are most effective when targeted at those with labour market disadvantages, such as the long-term unemployed (CSRE, 2009c).¹⁸ However, they are one of the most expensive forms of employment assistance and, if not run well, can result in unintended effects. For this reason, wage subsidies should be tightly targeted to disadvantaged job seekers and closely monitored to reduce abuse by employers (CSRE 2009a).
- **Work experience approaches**, including on-the-job-training, job placements and unpaid work placements, can be effective for younger people with health and disability issues. Work experience does not need to be paid, employment gains are seen amongst incapacity benefit recipients who receive unpaid work experience (CSRE 2010b).
- **Self-employment assistance** can be helpful, for example, providing services such as business plan development, business mentoring, training in business management and access to loans. Internationally, people with disabilities are twice as likely to be self-employed as those in the rest of the population (CSRE 2010b). However, take-up rates of self-employment assistance are typically low.
- **Tackling stigma, prejudice and discrimination** is important for enabling people with mental ill-health to find and stay in work (CSRE 2010f).¹⁹
- **Early intervention**, including delivery of appropriate treatment, positive advice about activity and work, and workplace accommodation, is effective, particularly for those suffering from musculoskeletal disorders (CSRE 2009d).
- **Collaborative pathways to recovery** tailored to the individual's needs and encompassing all factors of their environment effectively support incapacity benefit recipients into paid work. Such programmes use a combination of one-on-one support, formal training, practical support (including disease management and case management) and strong links to the labour market (CSRE 2009d).

¹⁶ Wage subsidies are payments made to employers to top up the wages of low-productivity workers. They do not increase the income gap between benefit and work but increase the likelihood of a low-skilled worker gaining employment.

¹⁷ Wage subsidies involve paying employers to take on a person they would otherwise not hire. Wage subsidies differ from job creation subsidies in that they are temporary and aim to encourage an employer to take on a more disadvantaged jobseeker over a less disadvantaged jobseeker. In general, job creation subsidies aim to create additional jobs in an economy by subsidising a firm's labour costs. Job creation subsidies are more likely to result in deadweight loss because a certain proportion of firms using the subsidy would have created the position anyway, in other words, they did not need the subsidy.

¹⁸ This also applies to 'work ready' current Unemployment Benefit clients and 'Youth (younger than 18 years)' clients.

¹⁹ Most countries have anti-discrimination legislation and/or quotas. There is no evidence that they have addressed labour market disadvantage associated with disability. While protecting those in employment, they may act as a barrier to employers taking on people with disabilities (Mavromaras & Polidano 2011; OECD 2010).

Work-ready segments for clients with no children, health or disability issues (current Unemployment Benefit or Emergency Benefit clients)

Barriers to employment for current Emergency Benefit clients

- Many Emergency Benefit clients are refugees or migrants and do not speak English as their first language.²⁰

Interventions and activation measures that help work-ready clients with no children, health or disability issues into employment

- **Job search assistance and employment-related training** are effective for jobseekers in a favourable labour market but are unlikely to help jobseekers who lack the skills needed by the employers (CSRE 2010c).²¹
- **Training programmes** can have positive impacts on employment outcomes when measured over a longer time frame (over two years) (CSRE 2009a).

For training programmes to be effective, they must (CSRE 2009b):

- be tightly targeted at groups shown to benefit from the particular programme
 - be relatively small in scale
 - be tightly targeted to the needs of participants who gain recognised and valued qualifications
 - have an on-the-job component with strong links with local employers.
- **Job search assistance** aimed at helping speed matches with potential employers works best when it is 'high-intensity', targeted at groups most at risk of long-term unemployment and reinforced with sanctions for non-compliance (CSRE, 2009a).²²

Work-ready, 1-plus year on benefit

Barriers to employment for long-term unemployed clients

- Long spells of unemployment can impact negatively on workers' skills, work habits, motivation and general employability, making the long-term unemployed less employable (CSRE 2009a).
- Some current DPB recipients who have had long periods out of work may lack confidence, motivation, up-to-date skills or knowledge about available childcare and in-work financial assistance (CSRE 2010a).²³

²⁰ Figures not available at short notice – further work is required.

²¹ This also applies to work-ready clients with health or disability issues.

²² This also applies to 'Youth (younger than 18 years)' clients.

²³ This raises the question of whether these clients are actually 'work ready'.

- Life shocks²⁴ and accumulated adversity²⁵ increase the need for additional support for sole parent benefit recipients (CSRE 2010d).
- The circumstances and needs are greatly diverse within the current Sickness Benefit population. The causes of long-term sick leave are individual and complex, and involve biological, psychological and social factors (Waddell & Burton 2006).

Interventions that help long-term unemployed work-ready clients into employment

- **Activation measures** are effective in promoting employment among long-term unemployed, but an overemphasis on getting work can lead to poor initial job matches and rapid returns to benefit. Compliance effects (people leaving benefit to avoid participation) can be maximised if the requirement to participate is signalled early (CSRE 2009a).

²⁴ For example, recent separation or divorce, domestic violence, the occurrence of ill-health and/or disability within a family.

²⁵ For example, living on a low income, parenting alone, dealing with custody disputes.

Sole parents

Interventions that help clients with a youngest child 0–4 years into employment

- There is strong international evidence that **direct funding to expand early childhood education supply and childcare subsidies** increases maternal employment, including that of sole parents receiving benefits. In addition, subsidies are more effective in increasing the employment of sole parents receiving benefits where they cover a greater portion of childcare costs (CSRE 2010a; CSRE 2010e).²⁶

Interventions that help clients with a youngest child 5–13 years into employment

- **Work confidence** programmes can be effective at moving sole parents into part-time paid employment but have no impact on off-benefit outcomes (CSRE 2010c).

²⁶ This also applies to the 'young parent' segmentation.

Supported Living

Barriers to employment for Supported Living carer clients (current Domestic Purposes Benefit: Care of Sick and Infirm (DPB-CSI))

- These clients do not have time to work because they are full-time caring for a sick or infirm person (MAP 2012a).

Barriers to employment for Supported Living current Invalid's Benefit clients

- This is a complex group with a great diversity of circumstances and needs. These people usually have serious health conditions or disabilities and are, by definition, "not able to work because they are permanently and severely restricted in their capacity for work" (MAP 2012b).

Youth

Youth (younger than 18 years)

Barriers to employment for Youth (younger than 18 years) clients

- Some clients may need 'staircasing' to become work ready, for example, to help improve a lack of self-confidence, work confidence and life skills (CSRE 2011a).

Interventions that help prevent Youth (younger than 18 years) clients from entering long-term unemployment

- Programmes that involve a phased combination of tailored assistance to meet the individual development needs of the young person (CSRE 2011a).
- Residential-based programmes that teach life skills with an employment focus (CSRE 2011a).
- Engagement with industry and local community.
- Hiring subsidies, provided they are well targeted and monitored (CSRE 2011a).
- Active case management and intensive job search assistance (CSRE 2011a).

Young Parents (older than 19 years)

Barriers to employment for Young Parent (older than 19 years) clients

- Very early parenting is associated with an increased risk of negative outcomes including poor mental health, low educational achievement, social isolation, relationship conflict, sole parenthood, poverty, benefit receipt and poor child outcomes both in early childhood and into adulthood (CSRE 2011b).
- Associations between early parenthood and poor outcomes are, to a significant degree, symptomatic of earlier disadvantage (CSRE 2011b).

Interventions that support resilience²⁷ in Young Parent (older than 19 years) clients

- Supporting the development of resilience in teen mothers, and reducing benefit dependency, may be achieved through intensive early intervention, providing effective support, focusing on the wellbeing of children, supporting access to education and training, and helping them focus on their future (MSD 2010).
- Those with complex needs are best supported by multi-component programmes that provide or link to a range of services, for example, good antenatal care, home visiting providing parenting and psychological support, individual and group-based

²⁷ Resilience describes positive outcomes in the presence of adversity (MSD 2010).

parenting programmes, improved housing, education and career development programmes (CSRE 2011b).

- High-quality early childhood education for disadvantaged children has been shown to improve outcomes for the children in later life, and can support parental training or employment (CSRE 2011b).

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