



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Future Focus Evidence Brief

Training and employment programmes for moving work-ready sole parents into paid employment

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FUTURE FOCUS EVIDENCE BRIEF: TRAINING AND EMPLOYMENT PROGRAMMES FOR MOVING WORK READY SOLE PARENTS INTO PAID EMPLOYMENT

Key points

- Work-ready sole parents have more relevant skills or work histories, and fewer complex life circumstances that can limit their ability to find and sustain employment.
- Employment rates of New Zealand sole parents are comparatively low but there is a sizeable group who are actively looking for paid employment.
- Most of the international evidence on the effectiveness of training and employment programmes relates to jobseekers on unemployment benefits.
- **Training and education** programmes have a smaller impact on sole parents' employment than **employment programmes** in the short term. However, training and education programmes may have larger long-term employment impacts.
- International and New Zealand evidence suggests short-term work-focused training is effective and formal **education or training** shows promise in the long term. Training programmes in New Zealand and the United Kingdom were most effective in increasing employment when they provided job-specific training linked to employment opportunities. Foundation education that is not job-specific is not effective in improving sole parents' employment.
- In the United States, **employment programmes** increased employment, but there is little evidence to suggest that once in employment sole parents eventually move into higher quality jobs.
- **Work confidence** programmes run in New Zealand in the 1990s' increased sole parents' part-time employment but had no impact on off-benefit outcomes.
- In the United Kingdom **work experience** was effective in rebuilding the confidence of sole parents who had been away from the workplace for some time.
- **Job search assistance** is effective for jobseekers in a favourable labour market, but there is a lack of evidence on the impact on sole parents.

Key documents

CSRE, (2009). *Sustainable Employment Annual Report 2009*. Centre for Social Research and Evaluation, Ministry of Social Development, Wellington.

Millar, J. and Evans, M. (2003) Lone parents and employment: International comparisons of what works. Department for Work and Pensions, London.
http://research.dwp.gov.uk/asd/asd5/working_age/wa2003/181rep.pdf

The population of sole parents is diverse where some are work ready and others are some distance from work. Assistance needs to be tailored to address different types of sole parents.

Work-ready sole parents have more relevant skills or work histories and fewer complex life circumstances that can limit their ability to find and sustain employment. Training and employment programmes can help work-ready sole parents move into paid employment if other barriers, such as affordable and quality childcare, transport and suitable employment, are addressed.¹

Most of the national and international evidence on the effectiveness of training and employment programmes relates to jobseekers. There is comparatively little evidence on the effectiveness of these programmes for sole parents (Immervol, 2010).

Current situation

There is a sizeable group of sole parents in **New Zealand** actively looking for paid employment:

- Ten percent of sole mothers with dependent children in September 2009 were not in work, but actively searching for employment (17 percent unemployment rate), compared to only two percent of partnered mothers with dependent children (three per cent unemployment rate).

Employment rates of sole parents in **New Zealand** remain low compared to partnered parents and sole parents in other OECD countries

- Forty-eight percent of **New Zealand** sole mothers with dependent children were in paid employment in September 2009 compared to²:
 - 69 percent of partnered mothers with dependent children
 - the OECD average of 69 percent of sole parents with dependent children in paid employment.³

What works?

The most effective Work and Income training and employment programmes for sole parents are formal training courses

Training Incentive Allowance was effective at increasing the time participants' spend off benefit but it takes five to eight years before training programmes have an overall positive impact on sole parents' off-benefit outcomes (Table 1). Work confidence programmes are effective at moving sole parents into part-time paid employment, but have no impact on off-benefit outcomes.

¹ For further details on the barriers to employment and interventions for sole parents, see the evidence brief: *Future Focus: Barriers and interventions for newly work tested sole parent benefit recipients who are work ready*.

² Household Labour Force Survey, Customised Series.

³ Unweighted average from OECD Family Database, 2009, Table LMF3.1

Table 1: Training and employment programmes that sole parents may be required to participate in as part of their personal development and employment plan

Programme Type	Programmes offered	Effectiveness for sole parents
Preparation for employment	Work confidence Outward Bound Limited Service Volunteers Work confidence seminars	Effective at increasing part-time work whilst on benefit. Hikoi ki pae-rangi seminar (no longer running) did not increase the time participants were off benefit.
	Training and education Training Incentive Allowance Training Opportunities Targeted Training	Training Incentive Allowance was effective at increasing the time participants spend off benefit but it takes five to eight years before training programmes have an overall positive impact on sole parents' off-benefit outcomes
Job acquisition	Training for predetermined employment Straight 2 work	
	Job search assistance Seminar and group-based programmes to teach job search skills and provide peer support	
	Hiring wage subsidies Skill Investment Subsidy	
	Self-employment assistance Enterprise Allowance	

Source: CSRE (2009).

Employment programmes are cheaper than education programmes and have a larger impact on employment outcomes for sole parents in the short term

- Sole parents participating in employment programmes in the **United States** had higher employment rates after five years than those participating in programmes that emphasised basic educational outcomes (Hamilton et al., 2001).
- The employment programmes, which combined work expectations with job search assistance, were also less expensive than the foundation education programmes (Hamilton et al., 2001).

Education programmes may have a larger impact on employment outcomes than employment programmes in the long term

- Participants in the **Californian** GAIN programme attended either employment programmes (such as training in interview skills or CV preparation) or education programmes (foundation education that is not job-specific and job-specific training). Education programmes had a much larger impact on employment rates than employment training five to six years after first enrolment. The relative advantage of education programmes over the employment programmes grew with time (Hotz et al., 2006).

Job-focused training is effective in the short term

Short-term job-focused training and on-the-job training are effective at helping work-ready clients gain the necessary skills to move into employment.

- The Course Participation Grant in **New Zealand** provides non-taxable, non-recoverable financial assistance to help with the extra costs incurred by clients participating in short-term (generally less than 12 weeks long) employment related training courses or programmes. Early evidence suggests the Course Participation Grant may lead to small increases in participants' part-time work and benefit independence in the short term (CSRE, 2009).
- Skills Training programme in **New Zealand** addresses employment barriers by providing specific skills, eg English as a second language and training for call centre operations (CSRE, 2009). The Skills Training programme shows a positive impact on participant outcomes, with both increased time independent of Work and Income assistance and through 'stair-casing'⁴ onto further employment and training programmes.
- Short-term job-focused training resulted in modestly higher employment rates for the long-term unemployed in the **United Kingdom** and **Australia** (Speckesser & Bewley, 2006).

Formal education or training shows promise in the long term

Canadian research suggests that compared with employment or job-specific training, formal education results in fewer short-term employment outcomes. Formal training can have a greater impact on long-term outcomes (Hansen & Jorgen, 2006).

- Training Incentive Allowance in **New Zealand** provides financial assistance to DPB recipients to undertake employment-related training to improve their work skills and increase their prospects of employment. Training Incentive Allowance shows a positive impact (five to eight years) on the time participants spend off benefit. Training Incentive Allowance is costly compared to other programmes with similar impacts (CSRE, 2009).

Training programmes are most effective when they provide a job-specific training with employment opportunities

Employment outcomes for sole parents are increased by offering integrated work and training programmes, which support the attainment of qualifications for occupations where there is a clear demand for recruits.

- Straight 2 Work in **New Zealand** addresses industry skills shortage and supports beneficiaries to gain skills specific to industry sector requirements. Up skilled clients are matched to local employers. Post placement career support is provided to help the client sustain employment. Straight 2 Work has had a positive impact

⁴ Stair-casing refers to further participation in programmes that indicate progression towards sustainable employment beyond the current programme type (eg participation in a wage subsidy after finishing a training programme).

on the employment of participants (primarily job-seekers). To date there is no evidence on the impact of Straight 2 Work for sole parents (CSRE, 2009).

Work confidence programmes run in New Zealand in the 1990s increased sole parents' part-time employment but had no impact on off-benefit outcomes

Work Confidence programmes do not move participants off benefit but participation increases the number of sole parents in part-time work while in receipt of a benefit.

- Work Confidence Seminars in **New Zealand** are shown to increase participants' part-time work while on benefit. They also increase time in other Work and Income employment programmes, which may indicate 'stair-casing' closer to work. They appear to have little effect on increasing the time participants are independent of Work and Income assistance or in education (CSRE, 2009).
- Hikoi ki pae-rangi / New Horizons Programme (1995 & 1996) was a two-week seminar designed to take a facilitative approach in helping sole parent beneficiaries into employment, education or training. Hikoi ki pae-rangi adequately addressed participants' foundational skill needs and boosted their confidence, but it lacked a component dedicated to employment preparation and job search (New Zealand Employment Service, 1997).
- Wahine Ahuru / Turning Point (1991-2000) was a seminar run for women who were thinking of returning to paid work. The objectives were to raise women's confidence and awareness of employment options. Forty-seven percent of participants reported being in paid employment after attending the course (Stallinger, 1997).

Work experience can be effective in rebuilding the confidence of sole parents who have been away from the work place for some time

The mixed programmes of **United Kingdom's** New Deal for Lone Parents offered training, work experience in the voluntary sector and work placement services to sole parents who had not worked for a long period. Work experience was effective in "rebuilding confidence; providing experience of the workplace and its requirements; providing opportunity to consolidate and improve on previous training; and improving the content of CVs" (Millar & Evans, 2003). There is no evidence available on whether the work experience improved participants' employment outcomes.

What doesn't work and why?

Sole parents who are some distance from employment face the most constraints and are more likely to have multiple barriers: some will require more specialist services than training and employment programmes to address their complex needs.

Foundation education that is not job-specific is not always effective in improving sole parents' employment outcomes

International and New Zealand evidence concludes training programmes that are not work-focused are typically not effective, though there are cases where international programmes do show benefits.

- Training Opportunities in **New Zealand** provided remedial programmes to improve foundational skills (eg basic literacy and numeracy) or vocational or industry-focused training for people lacking relevant labour market skills. Though participants unanimously reported positive benefits for them in the labour market in the short-term, Training Opportunities led to longer periods of benefit receipt (CSRE, 2009). The off-benefit rates of female participants were larger six years after first enrolling in the programme, though this impact was small and not statistically significant (CSRE, 2009).
- Participants in the Californian GAIN programme showed improved employment outcomes after attending foundation educational programmes that were not job specific, eg secondary school equivalency qualifications and English for Speakers of Other Languages programmes (Hotz et al., 2006).

Employment programmes increased employment, but there is little evidence to suggest that once in employment sole parents eventually move into higher quality jobs

Though the work-first approach in employment programmes in the **United States** increased employment, it has not helped families move into more sustainable higher-quality jobs. There is little evidence from the US that supports the theory that once in work, sole parents would move to higher quality jobs though increased experience and opportunities (Millar & Evans, 2003).

As employment programmes do not eventually lead to more sustainable employment, financial incentives that raise take-home incomes of families need to accompany work-first programmes for work-first programmes to be effective in reducing poverty.⁵

⁵ For further details on the impact of financial incentives see the evidence brief: *The effectiveness of financial incentives (as a mechanism to help beneficiaries into paid employment)*.

What don't we know?

Job search assistance and employment-related training are effective for jobseekers in a favourable labour market, but there is a lack of evidence on the impact on sole parents

Job search assistance is designed to improve the job search skills of participants and is often used as a compulsory measure to ensure jobseekers are active in looking for work. Internationally, job search assistance has low fiscal costs and produces positive impacts comparable to other more expensive alternatives.

Effectiveness of job search assistance is largely dependent on labour market demand and is unlikely to help jobseekers who lack the skills needed by the employers (Millar & Evans, 2003). There are also doubts on the effectiveness of job search assistance in gaining higher quality jobs (Immervol, 2010).

- The **New Zealand** Job Search Seminar is the only individual job search programme to increase time spent independent of Work and Income assistance (CSRE, 2009).
- Job Search Training in **Australia** increased the probability of entering employment by approximately 25 percent. Job Search Training provided intensive job search support and assistance for 15 full days and was found to very effective at moving sole parents who are work-ready into employment (Department of Employment and Workplace Relations, 2003).

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