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Evaluation of Communities for Work and Communities for Work Plus: Counterfactual Impact Evaluation

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Evaluation of Communities for Work and Communities for Work Plus: Counterfactual Impact Evaluation

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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Glossary

Acronym/Key word	Definition
ALMP	Active Labour Market Policies
APS	Annual Population Survey
CIA	Counterfactual Impact Assessment
EC	European Commission
ESF	European Social Fund
CCG	Children and Communities Grant
CfW	Communities for Work
CfW+	Communities for Work Plus
ILO	International Labour Organisation
LFS	Labour Force Survey
NEET	Not in Employment, Education or Training
ONS	Office for National Statistics
PSM	Propensity Score Matching

Executive Summary

This report examines the effectiveness of the European Social Funded programme (ESF) Communities for Work (CfW) and the Welsh Government (WG) funded Communities for Work Plus (CfW+) programme in supporting people to find work. The analysis uses data from the ESF Participants Survey and a dedicated survey of CfW+ participants. Data from the Office for National Statistics (ONS) Annual Population Survey (APS) is also used to derive control groups so that the outcomes of CfW/CfW+ participants can be compared.

Analysis reveals that:

- participation in CfW or CfW+ is associated with an increase in employment of 10 percentage points, with 47 per cent of CfW/CfW+ participants being employed at 12 months following participation in these programmes compared to 37 per cent among a comparable group of unemployed and economically inactive people from the APS
- participation in CfW is associated with an improvement in employment outcomes of nine percentage points, with 44 per cent being in employment at 12 months compared to 35 per cent among a comparable group of people from the APS
- participation in CfW+ is associated with an improvement in employment outcomes of 16 percentage points, with 60 per cent being in employment at 12 months compared to 44 per cent among a comparable group of people from the APS.

In terms of inequities in employment outcomes associated with participation in CfW/CfW+, the results are mixed.

- Whilst participation in these schemes is associated with a 13-percentage point increase in employment outcomes among men, the estimated impact upon women is a far more modest three percentage point increase in participation in employment. Evidence of the positive effect of these schemes is therefore being primarily driven by the improved employment outcomes observed for men.
- The improvements in employment outcomes associated with participation in CfW/CfW+ are estimated to be relatively uniform with respect to age and work limiting health status. However, there is evidence to suggest that the employment impacts of these schemes are larger among those with low levels of qualifications and those who have been out of paid work for longer.

1. Introduction

- 1.1. In September 2022, the Welsh Government appointed OB3 Research, in collaboration with People and Work, IFF Research, Cardiff University and Dateb, to undertake an evaluation of Communities for Work (CfW) and Communities for Work Plus (CfW+). The aim of the evaluation is to provide the Welsh Government with robust evidence about the impact of the CfW and CfW+ programmes. The evaluation is also required to fulfil European Commission conditions of funding. This is one of four evaluation reports that addresses these objectives¹.
- 1.2. The broad aim of the CfW and CfW+ programmes is to increase the employability (and employment) of adults with complex barriers to employment and reduce the number of 16–24-year-olds who are not in education, employment, or training (NEET). The delivery, funding, and targets for the two programmes are described in more detail in the process evaluation and theory of change report ([Holtom et al., 2023](#)). In summary, support from the programmes is centred upon advisers in the case of CfW and mentors in the case of CfW+². They aim to support participants by meeting regularly, either in person, by phone and/or video call, to build rapport and trust. The advisors support clients by:
- providing intensive mentoring and specialist employment advice
 - facilitating access to training, work placements and/or volunteering opportunities
 - signposting to support services, to help strengthen participants' self-confidence and motivation and help them overcome barriers to employment (such as ineffective job search, low or no vocational and/or soft skills).

¹ The other reports focus upon the programme's theory of change and the process evaluation; programme performance and value for money; participant experiences and programme impact. An overarching summary report is also available.

² Community Employment Advisers are experienced employment advisers seconded from DWP to work with those who were assessed as needing the least support. Youth and Adult Mentors are seconded from local authorities and third sector organisations to work with participants assessed as further than 12 months from employment, requiring more intensive support than that provided by advisers.

1.3. CfW supports people who are economically inactive and long-term unemployed³, focusing on two separate groups:

- those aged 25 and over; and
- those 16–24-year-olds who are Not in Employment, Education or Training (NEET).

1.4. CfW is funded by the European Social Fund (ESF) and came into being on 1 May 2015 with delivery taking place to 31 March 2023. CfW+ is Welsh Government funded with a delivery model that broadly mirrors the CfW programme⁴. CfW+ provides support to people in non-ESF areas or people who are not eligible for CfW within ESF areas who are in or at risk of poverty due to a lack of employment⁵. Despite the separate funding streams, CfW and CfW+ delivery teams often work together as single combined teams.

This report

1.5. The impact of Active Labour Market Policies (ALMPs)⁶ on the labour market outcomes of their participants has been studied extensively given the expense of these schemes and the need to demonstrate their effectiveness. In Wales, the evaluation of ESF supported ALMPs has generally focused upon conducting telephone surveys of participants (see Davies et al, 2017). These surveys provide valuable information about the background of participants, their reasons for participating and what has happened to them subsequently. In addition to simply exploring employment outcomes, surveys of participants can also provide information on the wider benefits associated with participation, such as gaining confidence, developing new skills, obtaining new experiences relating to training or volunteering

³ The International Labour Organisation (ILO) defines unemployed people as being without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks or are out of work, have found a job and are waiting to start it in the next two weeks. The long term unemployed have been unemployed for longer than 12 months. Economically inactive people are those without a job who have not actively sought work in the last four weeks, and/or are not available to start work in the next two weeks.

⁴ In 2018 CfW+ was introduced.

⁵ Some people may have received support from both schemes if their circumstances had changed over time.

⁶ Active Labour Market Policies is a term used to describe a range of measures to help individuals enter the labour market or to prevent already employed individuals from losing their jobs. Measures can include employment subsidies and direct job creation programs, vocational training and education programs, and job search assistance and counselling.

opportunities or dealing with social settings. Such information is particularly valuable for schemes that engage with the long term unemployed or economically inactive.

- 1.6. Conducting more detailed qualitative in-depth interviews can also provide important additional insights, particularly in seeking the views of vulnerable or hard to reach groups who may have otherwise not have participated in large scale telephone surveys (see Bryer, 2019). An examination of the wider benefits of CfW and CfW+ derived from both analyses of survey data and participant interviews is presented in the accompanying participant characteristics and experiences report (Holtom et al 2023b).
- 1.7. One of the main limitations of these approaches is, however, that they are only directed at the participants of these schemes. As such they provide no assessment of what participants would have done and what their outcomes would have been in the absence of these schemes. To address such issues, evaluations of ALMPs sometimes employ Counterfactual Impact Assessment (CIA) techniques to compare the employment outcomes of participants in these schemes with the experiences of similar groups of people in the wider labour market. By generating control groups of programme participants via matched 'like for like' comparisons, the effectiveness of these schemes can be assessed.
- 1.8. This report examines the effectiveness of the ESF supported CfW and the Welsh Government (WG) funded CfW+ programmes in supporting people to find work via the application of CIA techniques.
- 1.9. The analysis primarily uses data collected from the:
 - ESF Participants Survey (2014-2020 Programme) and
 - a dedicated survey of CfW+ participants conducted in 2023.
- 1.10. Each of these surveys included an employment history section which asked respondents to provide a dated account of the main activities they had engaged in since they exited the support of CfW/CfW+. The report uses data on CfW/CfW+ participants from these surveys for whom it is possible to determine their labour market status at a point exactly 12 months following the date that they were first in receipt of support from these programmes. For the purposes of the CIA analysis,

data from the Office for National Statistics (ONS) Annual Population Survey (APS) is used to derive control groups against which the 12-month employment outcomes of CfW/CfW+ participants can be compared. These methods have been previously employed by Davies, Munday and Roche (2017) in the evaluation of the impacts of 2007-13 ESF programme in Wales.

1.11. The remainder of this report is structured as follows:

- section two provides an overview of the surveys conducted with CfW and CfW+ participants
- section three describes the transitions into employment made by CfW/CfW+ participants using the employment history data collected from the surveys of ESF and CfW+ participants
- section four compares the transitions into employment made by CfW/CfW+ participants over a 12-month period with those made by others in the wider labour market based upon data from the APS
- section five applies CIA techniques to attempt to quantify the effect of participation in CfW/CfW+ on employment outcomes using statistical matching techniques
- section six provides concluding comments.

2. Methodology

2.1. The data used in this report is primarily drawn from three surveys. Firstly, data is used from information provided by CfW participants who responded to two rounds of the ESF Participant Survey. The ESF Participants Survey is conducted to provide timely and robust information on the effectiveness of approved ESF projects to fulfil reporting requirements of the European Commission (EC). The surveys aim to increase understanding of what types of interventions are most effective in supporting labour market progression and are used to support project and programme level evaluation. The analysis uses data from two rounds of the ESF Participants Survey.

- The first relates to interviews conducted between February 2018 and July 2019. Referred to as the 2015/18 ESF Participants Survey, this study involved telephone interviews with approximately 12 thousand people who had been supported by ESF provision and who had left that provision at least 12 months prior to interview (see IFF (2019) for further details of the survey). This survey conducted interviews with those who were recorded as first being in receipt of support from CfW from May 2015 to March 2018.
- A further survey of some 12 thousand ESF participants was conducted between October 2022 and April 2023. Referred to as the 2019/23 Participants Survey, this survey largely replicated the methodology used in the previous round so that data from the two surveys could be combined (see IFF (2023) for further details of the survey). This survey also conducted interviews with those who were recorded as first being in receipt of support from CfW from as early as May 2015. However, most respondents first started receiving support from September 2017 to September 2021.
- Among those supported by CfW, 921 people responded to the 2015/18 ESF Participants Survey and a further 571 people responded to the 2019/23 ESF Participants Survey.

2.2. As a non-ESF funded programme, those participating in CfW+ would not be within scope of the ESF Participants Survey. To provide data on the experiences of this group, a further dedicated survey of CfW+ participants was conducted during

January and February 2023. Given the similarities of the CfW and CfW+ programmes, the design and methodology of the CfW+ survey mirrored that of the ESF Participants Survey so that the data collected from CfW and CfW+ participants could be combined and analysed in a consistent way. This survey:

- conducted interviews with those who were recorded as first being in receipt of support from CfW+ from January 2018 to March 2022.
- achieved telephone interviews with 451 people who had been supported by CfW+ and who had left that provision at least 12 months prior to the interview (see IFF (2024) for further details).

2.3. To compare the labour market transitions of CfW/CfW+ participants to those exhibited by unemployed and economically inactive people⁷ in the wider labour market, data from the Annual Population Survey (APS)⁸ has been used to derive a longitudinal database containing detailed information on demographic characteristics and participation in the labour market. The APS provides the opportunity to track individuals in participating households at 12-month intervals, some of whom can be followed up for a period of up to four years⁹. Data from the January-December versions of the annual APS from 2015 to 2021 have been pooled to provide a source of concurrent data on employment transitions measured over a period of 12 months against which the experiences of CfW/CfW+ participants can be compared over a similar time period.

⁷ Subsequently referred to collectively as the 'non-employed'.

⁸ For the purpose of this analysis, the Annual Population Survey data was supplied by the Welsh Government following approval from the Welsh Government's Statistics and Research Data Access Panel.

⁹ See [LFS Userguide Volume 1 – LFS Background and Methodology](#) and [Annual population survey \(APS\) QMI - Office for National Statistics](#) for further details of the LFS and APS sampling structures.

3. Transitions into employment among CfW/CfW+ participants

- 3.1. To examine the effect of CfW and CfW+ in supporting people into employment, the analysis which follows is based upon those participants who were recorded by the surveys as being either unemployed or economically inactive prior to their participation in CfW/CfW+. Both the surveys of ESF (CfW) and CfW+ participants identify prior economic activity status with respect to what respondents were mainly doing in the week before starting with the programmes.
- 3.2. Within these surveys, unemployment is defined as those who state that they are ‘unemployed and looking for work.’ The economically inactive are defined as those who were ‘not in or looking for paid work.’ It should be noted that the definition of unemployment used in these surveys is less restrictive than the International Labour Organisation (ILO) definition typically used in government surveys (see footnote 3) and in the collection of programme data about CfW programme participants¹⁰. This may, in part, help to explain the much higher share of non-employed CfW participants who are classified as unemployed in these surveys (82 per cent) compared to the CfW programme data that use ILO based definitions (59 per cent, see Annex A.1).
- 3.3. Both the ESF (CfW) Participants Surveys, and the 2023 survey of CfW+ participants included an employment history section which asked respondents to provide a dated account of the main activities they had engaged in since they exited the support of CfW/CfW+. However, in examining how participation in these programmes supports entry into employment, it is also necessary to account for time spent by participants on these schemes. Tracking the activities of respondents since they were first supported by the CfW/CfW+ programmes therefore require responses to the employment history sections of the respective surveys to be combined with

¹⁰ ESF programme data collects information on participants to fulfil EC requirements to report on the management and impact of grants received (see WEFO, 2017). CfW programme definitions of unemployment and economic inactivity status are as follows. Unemployed: not in work and available for work in the next 2 weeks and actively seeking work within the last 4 weeks. Economically Inactive: not part of the labour force and without work but not available for work within the next 2 weeks and has not actively sought work within the last 4 weeks. In other words, not “employed” nor “unemployed”. Those in full time education or training are not “economically inactive” for the purposes of ESF eligibility. Prior activity status was not available within the participant records provisioned for this report.

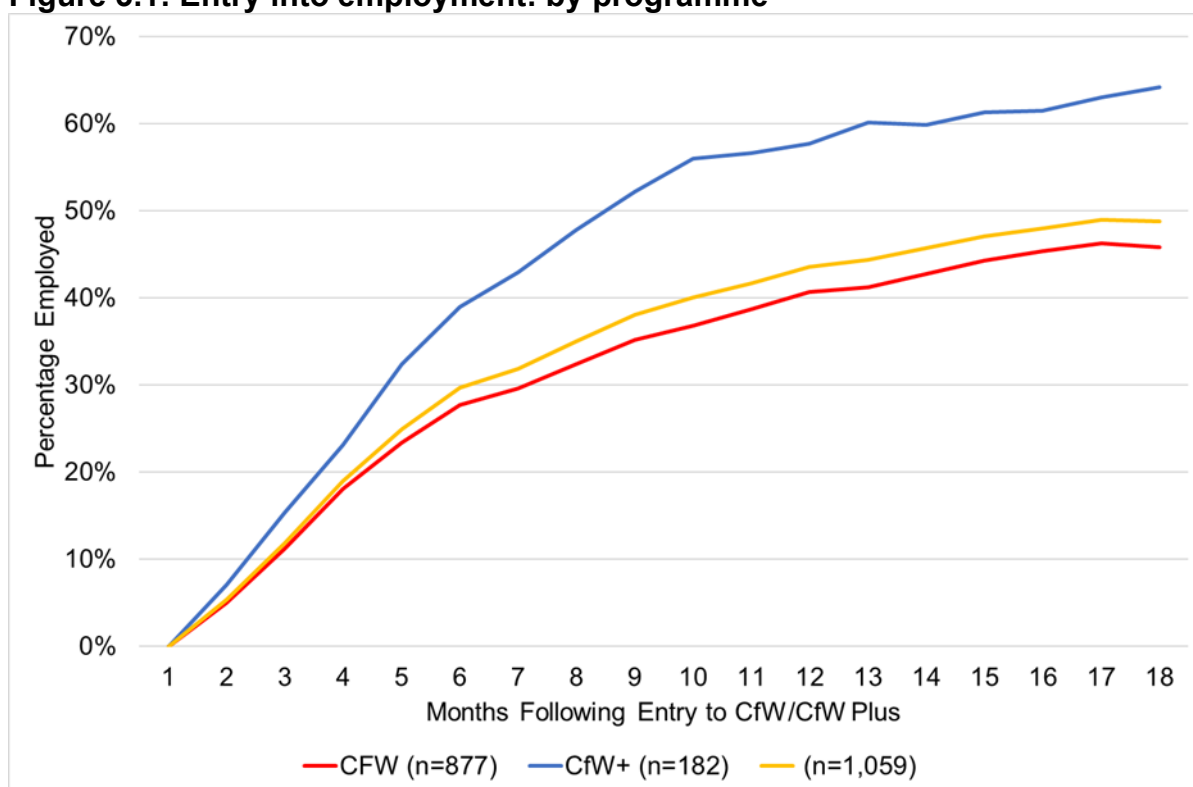
information from administrative records regarding the start and end dates that respondents were receiving support from CfW/CfW+.

- 3.4. Across the three surveys, a complete dated account of activities undertaken by participants since they were first supported by CfW/CfW+ could be derived for 1,059 respondents, of whom:
- 877 were participants in CfW and
 - 182 were participants in CfW+.
- 3.5. Eligibility for inclusion into each of the surveys specified that participants should have exited their provision at least a year prior to interview. This means that the employment histories of each respondent cover a minimum period of 12 months. However, for many the durations covered by these employment histories are much longer. Including time being supported by CfW/CfW+ and after exiting the programme, the activities of respondents are tracked for an average duration of 28 months (see Annex A.2).
- 3.6. Figure 3.1 shows the transitions into employment made by previously non-employed CfW/CfW+ participants. The graph shows the average rate of employment among participants according to the length of time that elapsed since their participation in CfW/CfW+ began. Results are presented for CfW and CfW+ respondents separately and for both groups combined. The analyses reveal the parabolic¹¹ trajectory of participation in employment during the period when respondents first received support from CfW/CfW+. It is worth noting that:
- employment initially increases steeply, reaching 30 per cent within six months of first being supported by CfW/CfW+
 - participation in employment continues to grow thereafter, although at a diminishing rate
 - by 12 months following entry to CfW/CfW+, the rate of employment has increased further to 44 per cent

¹¹ Having a type of curve like that made by an object that is thrown up in the air.

- by 18 months, almost half of CfW/CfW+ participants (49 per cent) are recorded as being in paid employment
- the percentage of participants entering employment is higher among CfW+ participants (64 per cent at 18 months) compared to CfW participants (46 per cent at 18 months). These differences are likely to reflect the relative characteristics of these groups, with CfW+ participants for example having higher levels of educational attainment and being less likely to be carers or disabled (see Holtom et al, 2024).

Figure 3.1: Entry into employment: by programme



Source: ESF Participants Surveys, Survey of CfW+ Participants

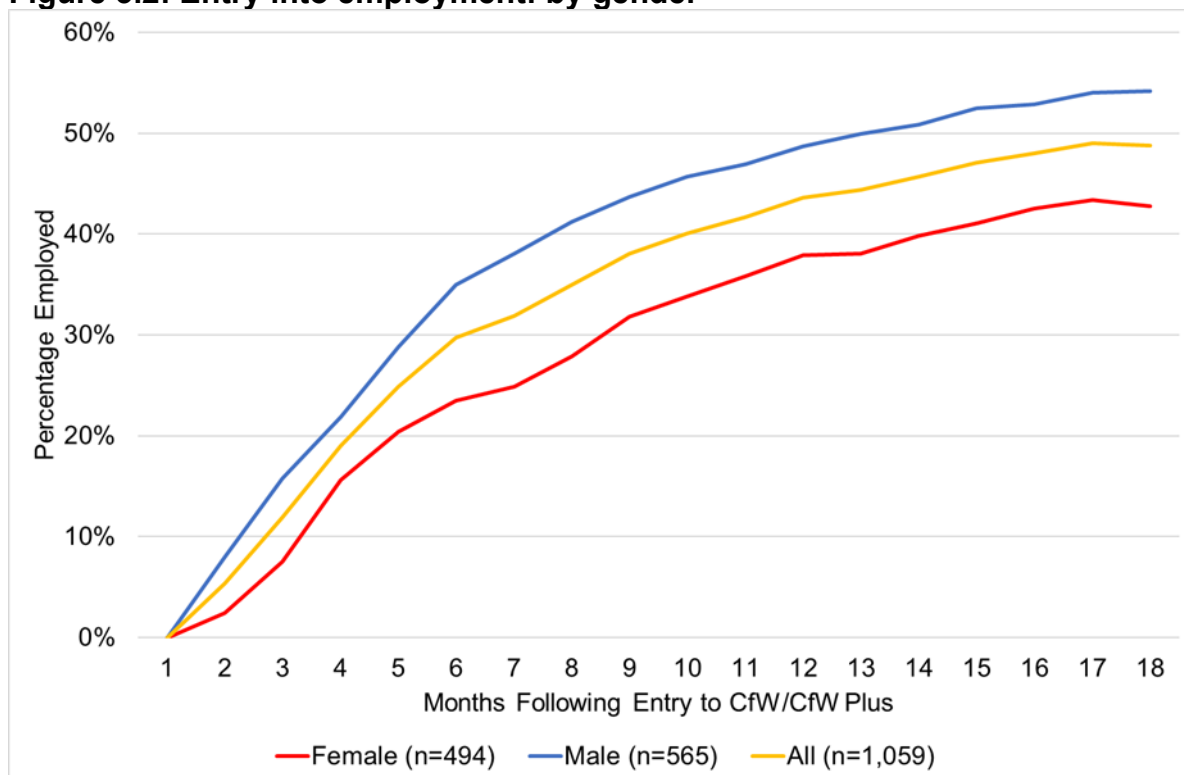
3.7. Where sample sizes allow, it is possible to compare employment trajectories for different sub-groups of survey respondents. Such comparisons shed light on both differences in the levels of employment following the receipt of support from CfW/CfW+ but also differences in the speed with which different groups enter employment. Due to the relatively small sample of CfW+ participants (n=182) along

with the relatively small number of cases that are available for some groups of respondents, these analyses are based on combined data for CfW and CfW+ participants. Figure 3.2 reveals that employment growth following the receipt of support from CfW/CfW+ is stronger for men compared to women.

- The differential in employment outcomes that emerges between men and women within six months of first participating in CfW/CfW+ (approximately 11 percentage points), appears to persist over the remainder of the period covered by the employment history data.

3.8. These lower rates of entry into employment among women are consistent with employment outcome data captured by participant records. These differences could reflect the particular barriers to employment faced by women, such as caring for dependents and the affordability of childcare.

Figure 3.2: Entry into employment: by gender



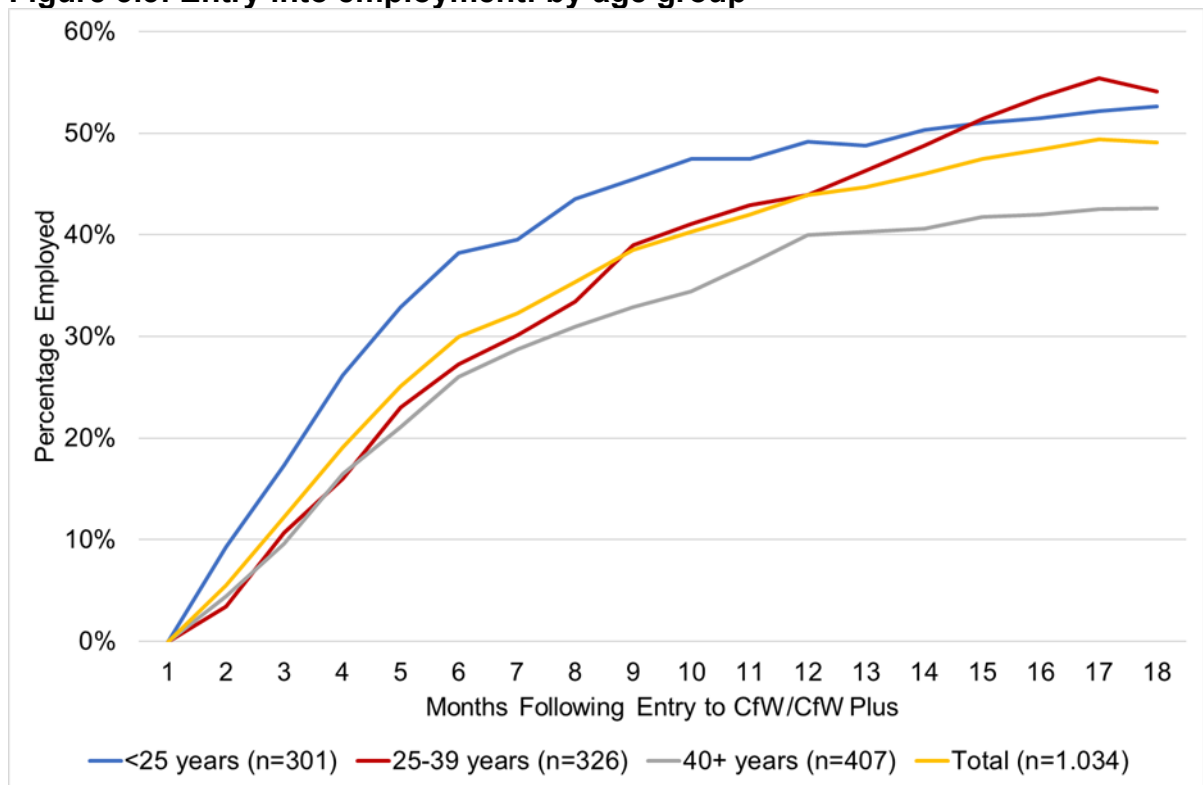
Source: ESF Participants Surveys, Survey of CfW+ Participants

3.9. Figure 3.3 shows transitions into employment for different age groups of CfW/CfW+ participants. The age ranges used have been chosen to ensure a relatively even

distribution of sample sizes across the three selected groupings. The analysis reveals that:

- employment growth is stronger among younger CfW/CfW+ participants, with employment among those aged under 25 reaching 38 per cent within six months following their first receipt of support from CfW/CfW+
- although the rate of growth in employment among those aged 25-39 is initially lower, it is noted that by 18 months following CfW/CfW+ the rate of employment among this group is comparable to the younger age group
- employment growth among those aged 40+ appears to be relatively flat beyond 12 months following their receipt of support from CfW/CfW+.

Figure 3.3: Entry into employment: by age group



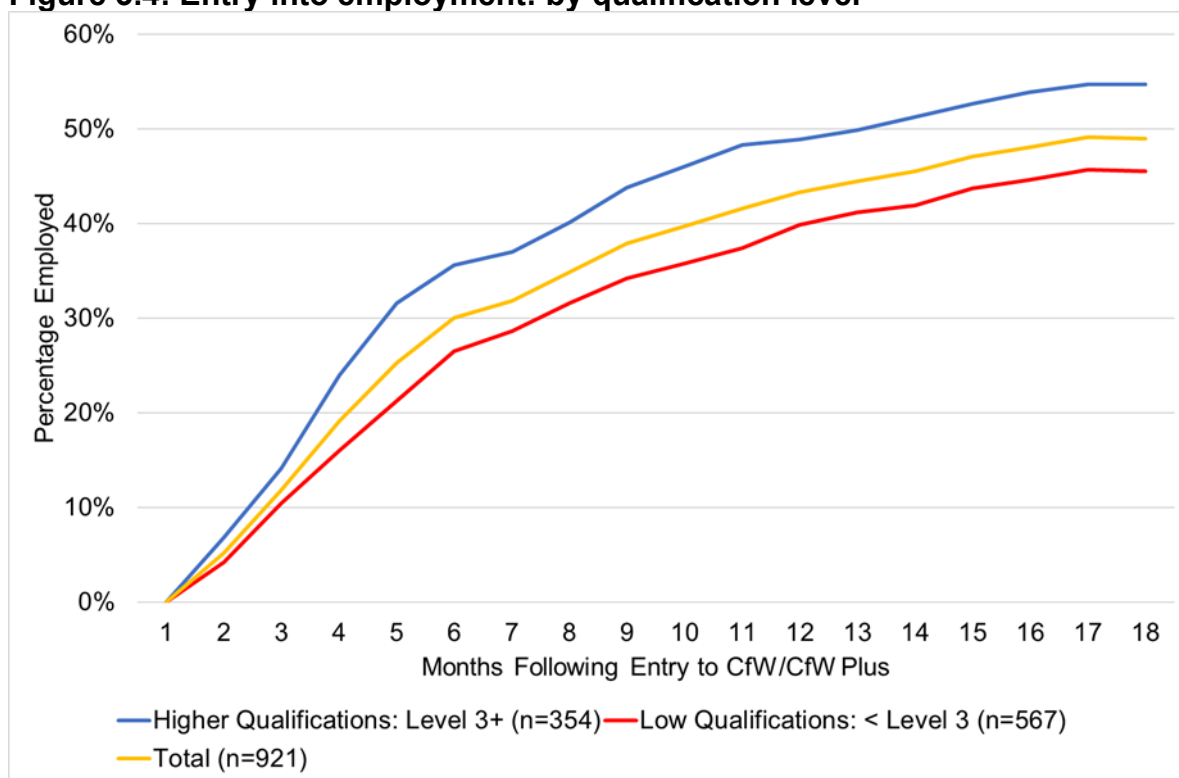
Source: ESF Participants Surveys, Survey of CfW+ Participants

3.10. Figure 3.4 examines the employment trajectories of CfW/CfW+ participants according to the levels of qualification that they possessed prior to participating on the programmes. For this analysis, we define low levels of attainment as someone who has qualifications not exceeding Level 2 (equivalent to GCSEs at grades A*-C). This definition of low qualifications is largely driven by sample size considerations so that

reliable comparisons can be made between different groups of respondents, although this threshold is incidentally used as one of the eligibility criteria for CfW¹². By six months following participation in CfW/CfW+:

- employment among those with low qualifications (27 per cent) is lower than that observed among those with higher levels of qualifications (36 per cent)
- whilst employment among both groups continues to increase, a 10-percentage point differential in the rate of employment persists.

Figure 3.4: Entry into employment: by qualification level



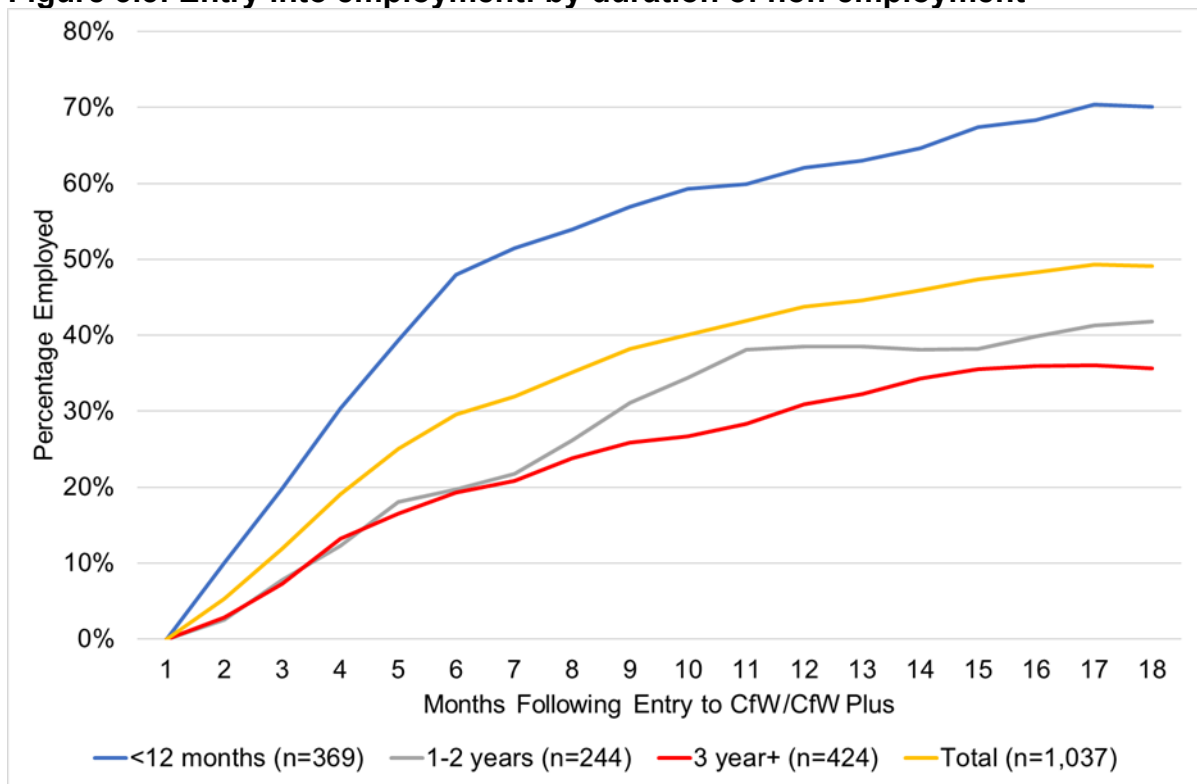
Source: ESF Participants Surveys, Survey of CfW+ Participants

3.11. In terms of the duration of non-employment (Figure 3.5), both the surveys of ESF and CfW+ participants asked all those who were not in work prior to their intervention how long they had been out of paid work. The analysis reveals that:

¹² Those with higher level of qualifications can also be supported by the scheme if they meet other eligibility criteria and have complex barriers to employment.

- those who were out of work for less than 12 months prior to their participation in CfW/CfW+ entered employment quicker than those who had been out of paid work for longer
- at six months following support from CfW/CfW+, almost half (48 per cent) of those who had been out of work for less than 12 months were in employment, more than twice the rate exhibited by those who had been out of paid work for longer (approximately 20 per cent).

Figure 3.5: Entry into employment: by duration of non-employment

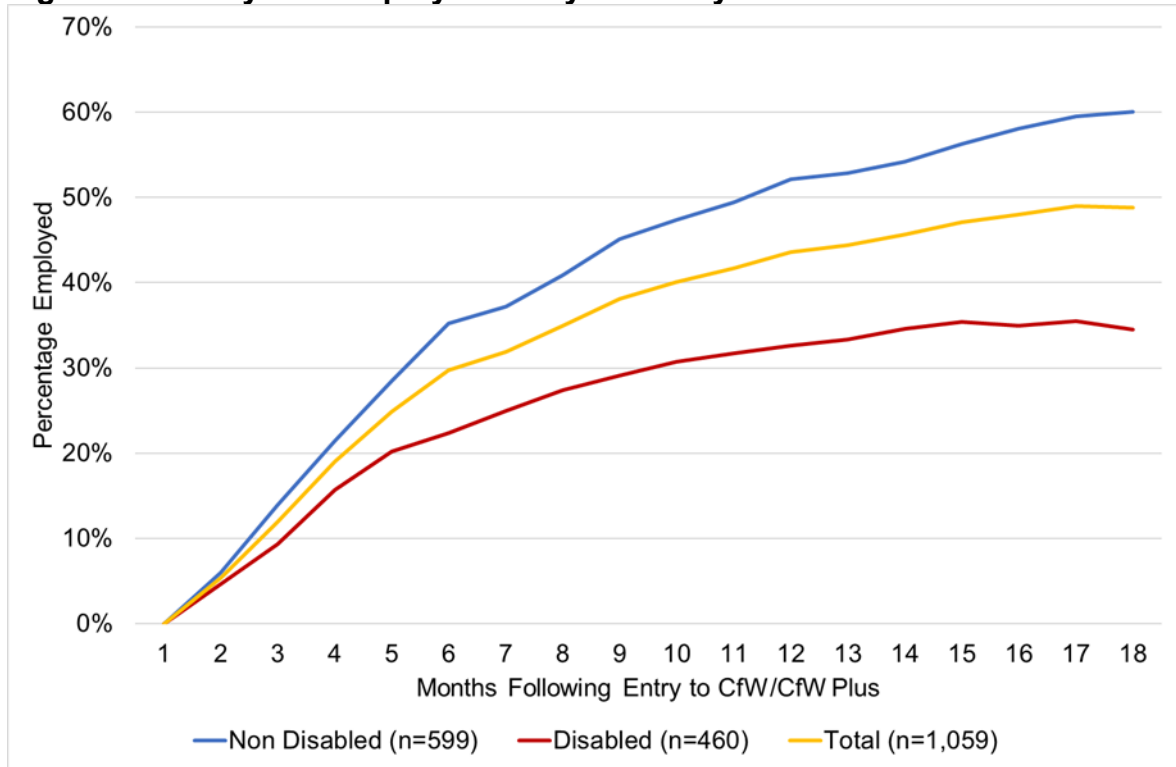


Source: ESF Participants Surveys, Survey of CfW+ Participants

- 3.12. Figures 3.6 and 3.7 demonstrate the lower rates of transition into employment among disabled participants (Figure 3.6) and those with work limiting ill-health conditions¹³ (Figure 3.7) respectively. Within the surveys, disability is defined with respect to the presence of a long-term health problem, illness or disability that can be expected to last for more than one year. Those who reported that they had such a condition were then asked whether that illness or disability affected the amount or type of work that they could do. Those who responded yes to both of these questions are classified as having a work limiting ill-health condition.
- 3.13. Overall, approximately a third of respondents reported that they had a work limiting ill-health condition, a figure that aligns closely with programme participant data. Intuitively, the detrimental impact of having a work limiting ill-health condition on employment is greater than the effect of having a disability that does not affect the amount or type of work that respondents could do.
- At 12 months following first receipt of support from CfW/CfW+, participation in employment among disabled respondents is estimated to be 33 per cent.
 - For those with a work limiting ill-health condition, this figure falls to 27 per cent.
- 3.14. It is also observed that where other groups appear to exhibit a continuing increase in employment following receipt of support from CfW/CfW+, albeit at a declining rate, participation in employment appears to plateau beyond eight months among those with work limiting ill-health conditions. It is also of interest to note that the higher rates of employment that are generally exhibited by men are not apparent among those with work limiting health conditions (see Annex A.3). These findings suggest that work limiting ill-health conditions may have a greater impact on employment outcomes compared to other characteristics. This highlights the detrimental effect that societal barriers have in terms of enabling those with such conditions to enter employment. For these reasons, work limiting ill-health condition will be used as the preferred measure of disability for the remainder of this report.

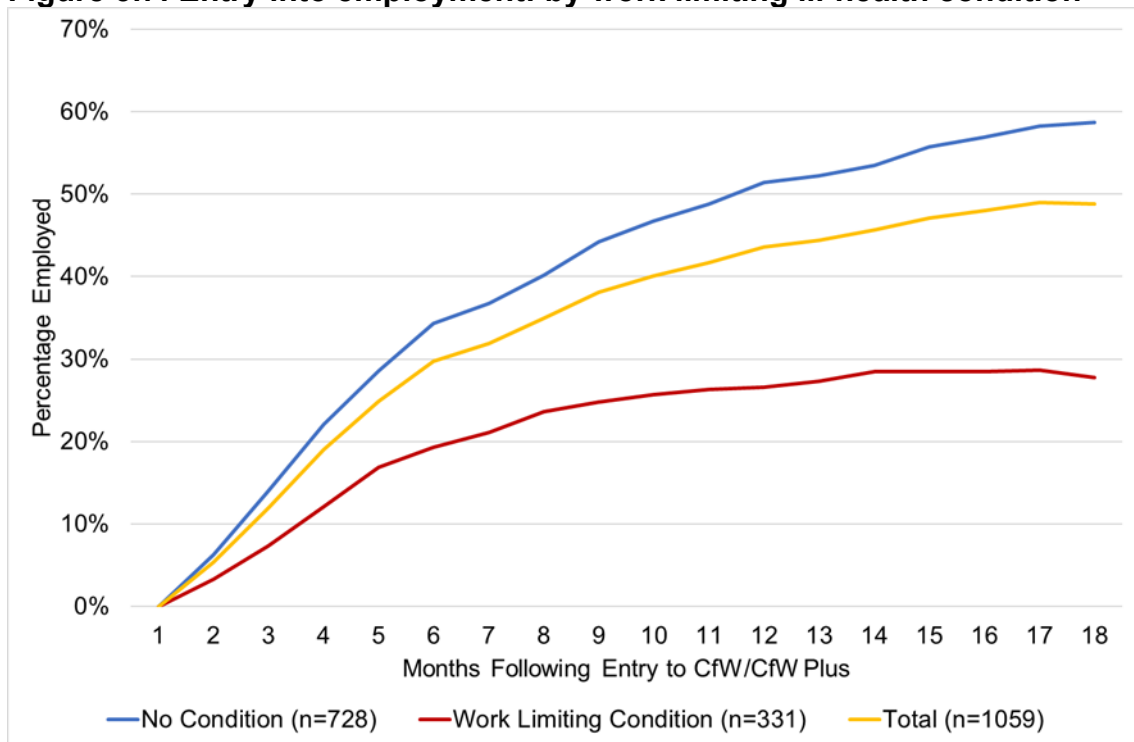
¹³ Health conditions that limit the amount or type of work an individual can carry out.

Figure 3.6: Entry into employment: by disability



Source: ESF Participants Surveys, Survey of CfW+ Participants

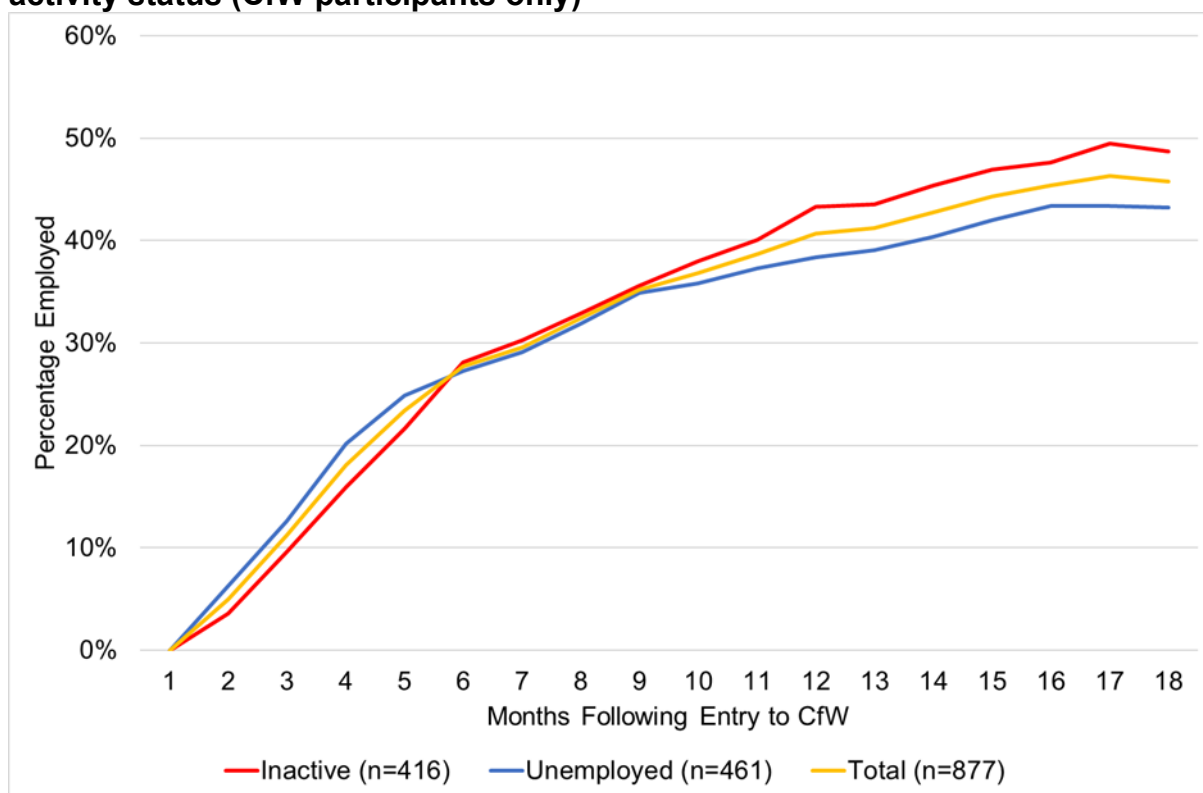
Figure 3.7: Entry into employment: by work limiting ill-health condition



Source: ESF Participants Surveys, Survey of CfW+ Participants

- 3.15. Figures 3.8 and 3.9 examine trajectories of employment outcomes according to prior labour market status as recorded by programme data collected from participants upon enrolment and the surveys of CfW/CfW+ respondents, respectively. As discussed in section 3, information collected on prior activity status from CfW participant records is based upon ILO definitions of unemployment and economic inactivity. The ILO definition of unemployment encompasses both recent job search activity and an availability to start work as additional eligibility criteria for being defined as unemployed; specifically:
- the availability to start work in the next two weeks
 - and that job search activity took place during the previous four weeks.
- 3.16. The surveys of ESF (CfW) and CfW+ participants define unemployment as those who state that they are 'unemployed and looking for work'. The economically inactive are defined as those who were 'not in or looking for paid work. As a result, many CfW participants who are classified as unemployed by participant surveys do not meet the more restrictive criteria used in the ILO definition of unemployment and are therefore classified as economically inactive within the participant records (see Annex A.4).
- 3.17. Figure 3.8 firstly compares employment outcomes based upon definitions of prior activity status derived from participant records. Firstly, it is important to note that the sample sizes of these two groups are relatively even, with 416 CfW participants being classified as economically inactive, and 461 participants being classified as unemployed. In terms of their respective employment outcomes, rates of employment are similar for the economically inactive and the unemployed during the first 10 months following receipt of support from CfW. Beyond this time, employment is actually higher among those who were previously defined as economically inactive.

Figure 3.8: Entry into employment: by programme data definition of prior activity status (CfW participants only)



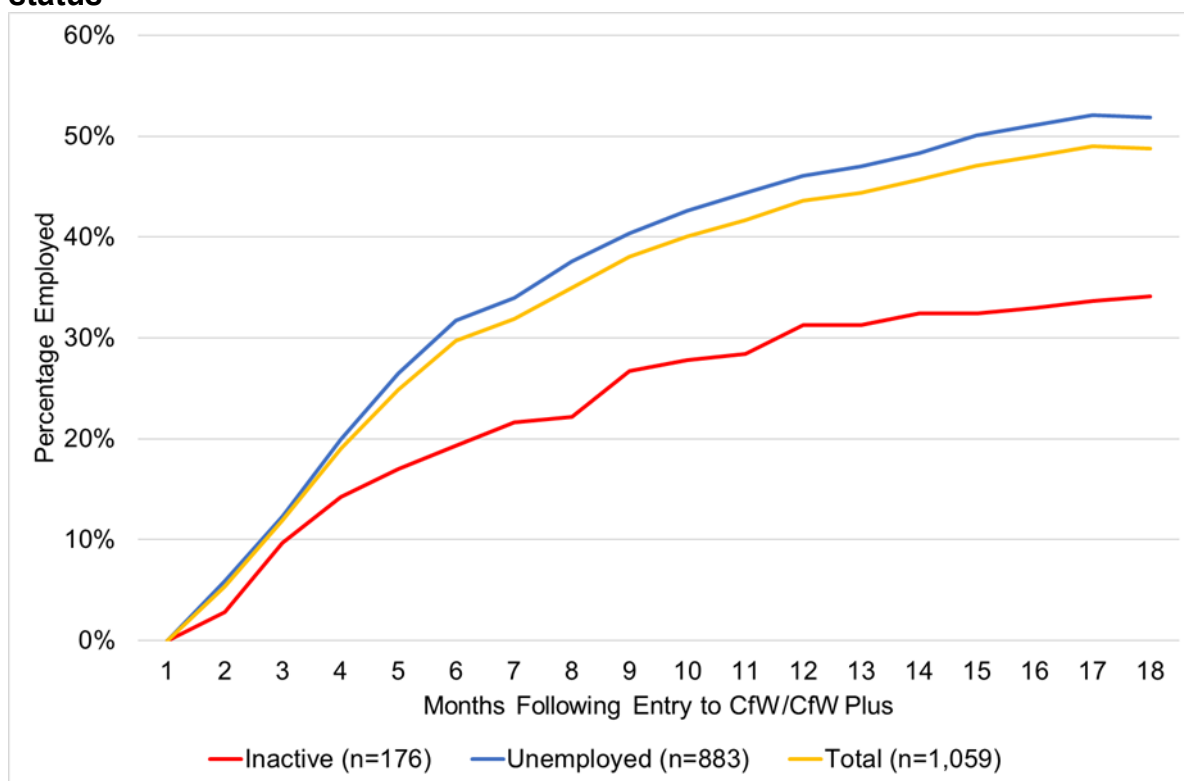
Source: ESF Participants Surveys, Survey of CfW+ Participants

3.18. Figure 3.9 compares employment outcomes based upon definitions of prior activity status derived from the participant surveys for both CfW and CfW+ participants. In this analysis, the number of participants classified as unemployed (n=883) is much greater than the number classified as economically inactive (n=176). Based upon this survey definition of prior economic activity, participation in employment following CfW/CfW+ is higher among the unemployed compared to the economically inactive. At 12 months following the first receipt of support from CfW/CfW+:

- 46 per cent of previously unemployed participants are in employment compared to 31 per cent of those who were previously economically inactive

3.19. Those identified as economically inactive by the surveys appear to have lower levels of attachment to the labour market than the much larger group of unemployed respondents.

Figure 3.9: Entry into employment: by ESF Survey definition of prior activity status



Source: ESF Participants Surveys, Survey of CfW+ Participants

3.20. The analysis suggests that, based upon the ILO definitions of activity status used within participant database records, the economically inactive who are being supported by CfW¹⁴ exhibit levels of employability that appear comparable to the unemployed. This arguably counterintuitive finding can potentially be explained by the concept of the ‘potential labour force’ (ILO, 2019). Taken as a whole, the economically inactive vary considerably in terms of their degree of attachment to the labour market. However, among the economically inactive, some groups will have stronger attachments to the labour market. Referred to as the ‘potential labour force,’ these groups include potential job seekers and unavailable job seekers¹⁵.

3.21. Over three quarters of CfW participants who are classified as economically inactive within the participant database records of the programme record themselves as being

¹⁴ Only relates to CFW because it is only CFW where we have prior activity status in the participant records.

¹⁵ Potential jobseekers are defined as those who are not actively looking for employment but would be available to take up an opportunity. Unavailable job seekers are defined as those who are looking for work even though they are not currently available to start.

unemployed within their responses to the survey (see Annex A.4). Taken together, these observations suggest that a majority of survey respondents who were classified as economically inactive by the CfW programme exhibit an attachment to the labour market that is comparable in strength to those who are classified as unemployed.

4. Comparing transitions into employment

- 4.1. This section makes simple comparisons of the labour market transitions of CfW/CfW+ participants compared to those exhibited by non-employed people in the wider labour market. The analysis focuses upon the transitions into paid employment made by previously non-employed¹⁶ CfW/CfW+ participants measured at a point 12 months after they were first supported by CfW/CfW+.
- 4.2. These transitions are compared to those made by non-employed people in the APS, also observed over a period of 12 months. The APS sample is restricted to those classified as either unemployed or those in the non-student population of working age (those aged 16-65) who are economically inactive but state that they would like to work. Due to the limited sample sizes provided by the ESF (CfW) Participant Surveys and the survey of CfW+ participants, it is not possible to simultaneously distinguish between the unemployed and economically inactive or to undertake separate analyses of CfW and CfW+ participants for these sub-groups.
- 4.3. Table 4.1 shows that, overall, 44 per cent of CfW/CfW+ participants are employed at a point 12 months since they first received support from CfW/CfW+. Within the APS, it is estimated that only 26 per cent of non-employed people enter employment over a period of 12 months. Data from the APS reveal that rates of transition into employment are relatively low among those with:
- qualifications at Level 1 or below (21%),
 - those with work limiting health conditions (12 per cent),
 - and those who have been out of work for longer than 3 years (11 per cent).
- 4.4. Within group comparisons reveal that the lower rates of employment among APS respondents compared to those derived for CfW/CfW+ participants persist across the board. The overall differences observed in rates of transition into employment derived for APS respondents and CfW/CfW+ participants can therefore not be attributed simply to differences in the composition of the two groups.

¹⁶ Those defined as either unemployed and economically inactive by the surveys of ESF and CfW+ participants.

Table 4.1: Transition rates into employment among the non-employed (%)

	12 Month Employment Transition Rates	
	APS	CfW/CfW+
Gender		
Female	24.7	37.9
Male	26.9	48.7
Age Band		
16-24 years	43.9	49.2
25-39 years	29.7	43.9
40-65 years	20.7	40.0
Highest Qualification		
<=Level 1	20.5	40.4
Level 2	26.0	39.4
Level 3+	32.2	48.9
Ethnicity		
Non-White	29.4	40.2
White	25.2	44.0
Work Limiting Health Condition		
No	36.4	51.4
Yes	12.3	26.6
Family Status (CfW only)		
Couple	26.7	42.6
Single	24.8	37.7
Parental Status (CfW only)		
No Children	24.1	41.0
Children	28.4	40.3
Duration of Non-employment		
< 3 months	63.4	73.2
3-6 months	50.0	58.6
6-12 months	43.1	53.5
1-2 years	28.9	41.4
2-3 years	20.4	34.3
3+ years	11.2	32.1
Never Had a Job	25.3	25.6
Economic Activity		
Unemployed	44.0	46.1
Economically Inactive	12.3	31.3
Total	25.7	43.6
Sample	21,060	1,059

Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

- 4.5. A problem with these comparisons is that, in contrast to the respondents of the ESF (CfW) and CfW+ participant surveys, the economically inactive represent approximately three quarters of the non-employed sample derived from APS. Although the APS sample is restricted to those who state that they would like to work, their attachment to the labour market may vary considerably.
- 4.6. The base of Table 4.1 compares rates of entry to employment by prior activity status. It can be seen that rates of entry into employment among previously unemployed CfW/CfW+ participants (46 per cent) are similar to those who are unemployed within the APS (44 per cent). The survey definition of unemployment (defined as those who simply state that they are 'unemployed and looking for work') appears to identify a majority of CfW/CfW+ participants who are either unemployed or part of the potential labour force. These groups are demonstrated to have similar employment outcomes to each other (Figure 3.9) and taken together, exhibit rates of transition into employment that appear broadly comparable to APS respondents who are classified as ILO unemployed.
- 4.7. By contrast, rates of entry into employment among economically inactive CfW/CfW+ participants (31 per cent) are still much higher than those who are economically inactive within the APS (12 per cent). This does call into question the comparability of economically inactive CfW/CfW+ and APS samples in terms of their labour market attachment.
- 4.8. The small difference in the overall rate of transition into paid employment among the unemployed APS and CfW/CfW+ samples (a two percentage point differential) could however disguise differences that exists among population sub-groups. Although it is not possible to undertake detailed subgroup analysis for economically inactive CfW/CfW+ participants, it is possible to examine the much larger group of CfW/CfW+ survey respondents who are recorded as being unemployed within these surveys.
- 4.9. The analysis presented in Table 4.2 reveals that rates of entry into employment among previously unemployed CfW/CfW+ participants are generally comparable to those observed among unemployed respondents to the APS and follow broadly similar patterns. This is exemplified in the analysis of employment transition rates by duration of non-employment which yields similar figures for APS respondents and

CfW/CfW+ participants. There are some notable exceptions where rates of entry into employment among CfW/CfW+ participants are higher than those observed within the APS sample. These groups include:

- males (51 per cent compared to 43 per cent)
- those with qualifications at or below Level 1 (43 per cent compared to 35 per cent) and
- those who have been out of paid work for over three years (33 per cent compared to 25 per cent).

4.10. The corollary to the higher rates of employment exhibited by male participants is however the lower rates of entry into employment observed among female participants (40 per cent compared to 45 per cent). However, overall, the rates of entry into employment observed among previously unemployed CfW/CfW+ participants generally reflect those among the wider population of unemployed people.

Table 4.2: Transition rates into employment among the unemployed

	12 Month Employment Transition Rates	
	APS	CfW/CfW+
Gender		
Female	45.0	40.2
Male	43.2	50.7
Age Band		
16-24 years	52.3	51.3
25-39 years	46.2	47.2
40-65 years	39.8	41.8
Highest Qualification		
<=Level 1	35.1	42.6
Level 2	44.7	43.1
Level 3+	52.3	51.8
Don't know, Other	29.8	44.0
Ethnicity		
Non-White	42.6	44.0
White	44.3	46.3
Work Limiting Health Condition		
No	49.3	53.1
Yes	29.9	28.4
Family Status (CfW only)		
Couple	48.2	45.3
Single	41.0	39.3
Parental Status (CfW only)		
No Children	43.1	42.3
Children	45.6	44.6
Duration of Unemployment		
< 3 months	69.7	73.9
3-6 months	58.7	59.3
6-12 months	52.0	55.5
1-2 years	41.8	43.0
2-3 years	32.8	33.7
3+ years	24.8	32.9
Never Had a Job	39.2	33.3
Total	44.0	46.1
Sample	8,911	883

Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

5. Effect of CfW/CfW+ on increasing participation in employment

Developing like for like comparisons

- 5.1. Simple comparisons of transition rates into employment between data collected from CfW/CfW+ participants and APS respondents can be confounded by differences in the composition of the CfW/CfW+ and APS samples. The analysis in Section 4 addresses this to a certain degree by making comparisons for different population subgroups, such as by gender, age group or length of time since last paid job. However, these comparisons are limited insofar that they can only account for one characteristic at a time. The relatively small sample sizes available from the ESF (CfW) and CfW+ participant surveys limit the extent to which such comparisons can take account of multiple attributes at the same time.
- 5.2. To overcome these difficulties, this section presents the results of 'like for like' comparisons derived from statistical matching techniques which can simultaneously account for a variety of differences that may emerge between the CfW/CfW+ and APS samples. Using Propensity Score Matching (PSM) techniques, CfW/CfW+ participants who responded to the three participant surveys are matched based on their *combined* characteristics with respondents to the APS. PSM techniques support the development of control groups where sample sizes preclude exact matching based on multiple characteristics¹⁷. By extracting those people from the APS who share similar characteristics to CfW/CfW+ participants, the transitions into work that are made by CfW/CfW+ participants can be compared with those made by otherwise comparable people identified in the APS (see Figure 5.1). These matched APS respondents act as a counterfactual control group so that an assessment of the potential impact of CfW/CfW+ on employment outcomes can be made.
- 5.3. The matching models include individual level controls for (each defined by the categories used in Table 4.1):

¹⁷ For example, exact matching on gender (2 categories), age group (3 categories), ethnicity (2 categories), qualification (4 categories), work limiting health condition (2 groups), family status (2 categories), parental status (2 categories) and duration of non-employment (8 categories) would require sufficient data to populate a table 3,072 unique categories among both the intervention and control groups. This is not feasible with most data sets and far exceeds the sample sizes available from the surveys of ESF and CfW+ participants. This problem is commonly referred to as the 'curse of dimensionality'.

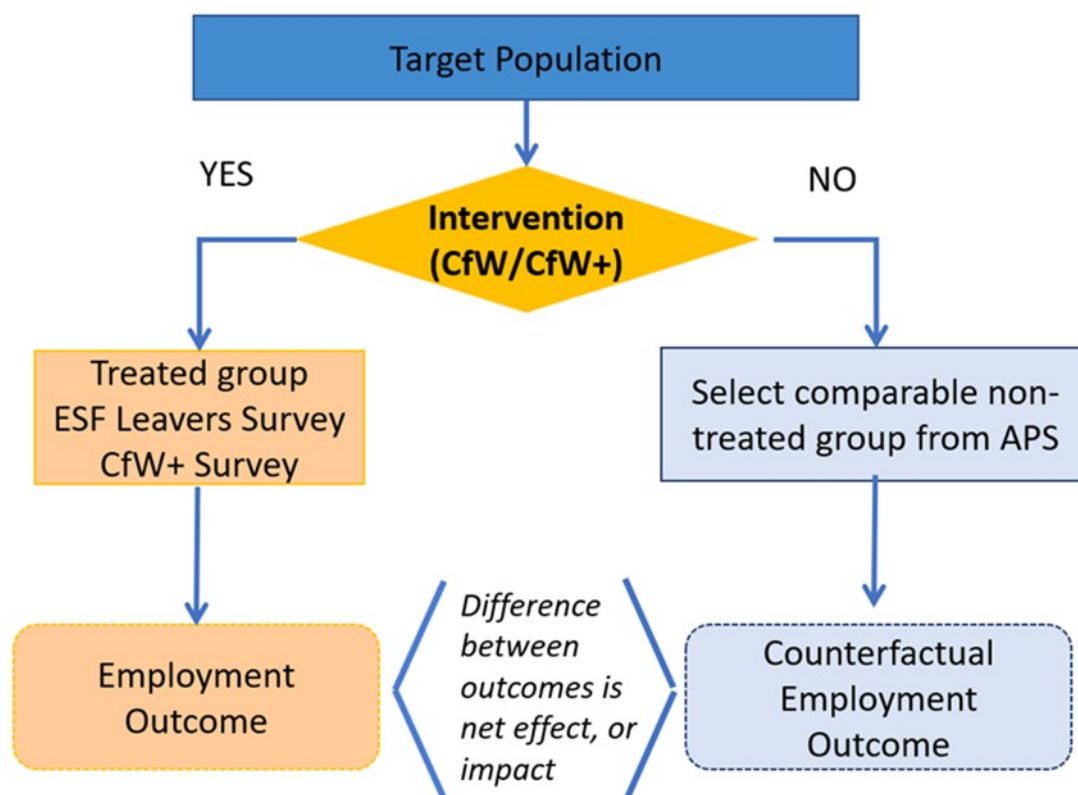
- gender
- ethnicity
- age
- highest qualification
- work limiting ill-health condition
- length of time out of paid employment and
- prior activity status.

- 5.4. The analysis of CfW participants can also benefit from the availability of additional information held within the participant records on family status and parental status. The year in which CfW/CfW+ participants were first supported by these schemes is also included as a matching variable to account for the significant changes that have occurred within the labour market during the period covered by the analysis, particularly in relation to the COVID-19 pandemic.
- 5.5. To account for geographical differences in labour market conditions, the rate of non-employment (unemployment plus economic inactivity) among the non-student population of working age is also included as a matching variable. This is derived at local authority level using APS data covering the period 2015-2021. Whilst CfW/CfW+ participants will not necessarily be matched to those residing in the same local authority, the inclusion of this measure should assist in matching CfW/CfW+ participants to people who reside in areas where labour conditions are similar. Likewise, those CfW/CfW+ participants who face multiple barriers to employment (for example, those who have low levels of educational attainment *and* have a work limiting health condition *and* have been out of work for a long period of time *and* reside in an area characterised by high levels of non-employment) will be matched to APS respondents who face similar difficulties, insofar as these barriers can be captured by the observable characteristics included within these surveys.
- 5.6. There are several different PSM techniques that can be applied and so the analyses use several different techniques to consider the sensitivity of results, including nearest neighbour and radius matching techniques. The nearest neighbour technique

takes one individual from the comparison group that is closest in terms of their propensity score to function as a matching partner. Radius matching compares the outcome for the treated observation with the average outcome from a group of untreated observations that have propensity scores within a specified range of the propensity score of the treated observation. Results have been tested for their sensitivity with respect to assumptions regarding replacement (replacement allows each member of the control group to potentially be matched to more than one treated observation) and the sizes of callipers imposed (a calliper specifies a maximum acceptable difference between the two propensity scores). Based on these variations, eight specifications of matching models are estimated for each stage of the analysis¹⁸.

¹⁸ Nearest neighbour techniques estimated both with and without replacement and for three different assumptions regarding the application of callipers. Radius matching techniques also applied with two different assumptions regarding the application of callipers.

Figure 5.1: Illustration of counterfactual impact assessment techniques



Adjusting for the underreporting of part time work

5.7. One area of inconsistency between the APS and the surveys of CfW/CfW+ participants relate to the different definitions of employment used. The LFS/APS defines employment as working for just an hour per week or longer. Within the ESF (CfW) surveys, people are asked about their main activity, with no reference to how long they should be engaged in that activity. The difficulty here is that respondents to the surveys of CfW/CfW+ participants who work very short hours may not regard these jobs as constituting their main activity. Comparisons of the hours worked by those who enter employment confirm that fewer CfW/CfW+ participants report that they work less than 10 hours per week (see Annex A.5), suggesting that jobs with short hours are being underreported by CfW/CfW+ respondents. This would have the effect of underestimating the transitions into employment made CfW/CfW+ participants compared to those observed among respondents to the APS.

- 5.8. To make consistent comparisons, it would be desirable to exclude jobs with short hours from the definition of employment for *both* APS and CfW/CfW+ respondents. However, the employment history sections of the ESF (CfW) Participant Surveys and the survey of CfW+ participants do not collect information on hours worked. Instead, an adjustment is made to the rate of employment exhibited among CfW/CfW+ participants to correct for the underreporting of employment among those working 10 hours or less.
- 5.9. The uprated employment figure ensures that those CfW/CfW+ participants who gain employment and work for more than 10 hours per week end up representing the same share of those entering employment as derived from the APS data. These adjustment factors are applied following the estimation of results derived from the application of CIA techniques. Adjustment factors are derived separately for a) the non-employed and b) the unemployed. In the absence of being able to derive separate adjustment factors for the economically inactive, adjustment factors derived for the entire non-employed population are applied (see Annex A.5).

Results

- 5.10. The results derived from the different methods are similar. The figures that follow therefore simply present the average effect derived from eight specifications estimated for each stage of the analysis (see Annex A.6). The results presented in the figures include the adjustments made for the underreporting of short hours working among CfW/CfW+ participants. Figure 5.2 demonstrates that across the entire non-employed sample (i.e., the unemployed and economically inactive combined), participation in CfW or CfW+ is associated with the following average improvement in employment:
- among CfW/CfW+ participants, 47 per cent are estimated to be employed at 12 months following participation in these programmes
 - among a comparable group of non-employed people extracted from the APS, 37 per cent are estimated to enter employment over a period of 12 months

- this 10 percentage point increase in the share of those entering employment represents a relative increase in the rate of employment of 28 per cent compared to the control group.

5.11. Examining the unemployed separately, participation in CfW or CfW+ is associated with the following improvement in employment:

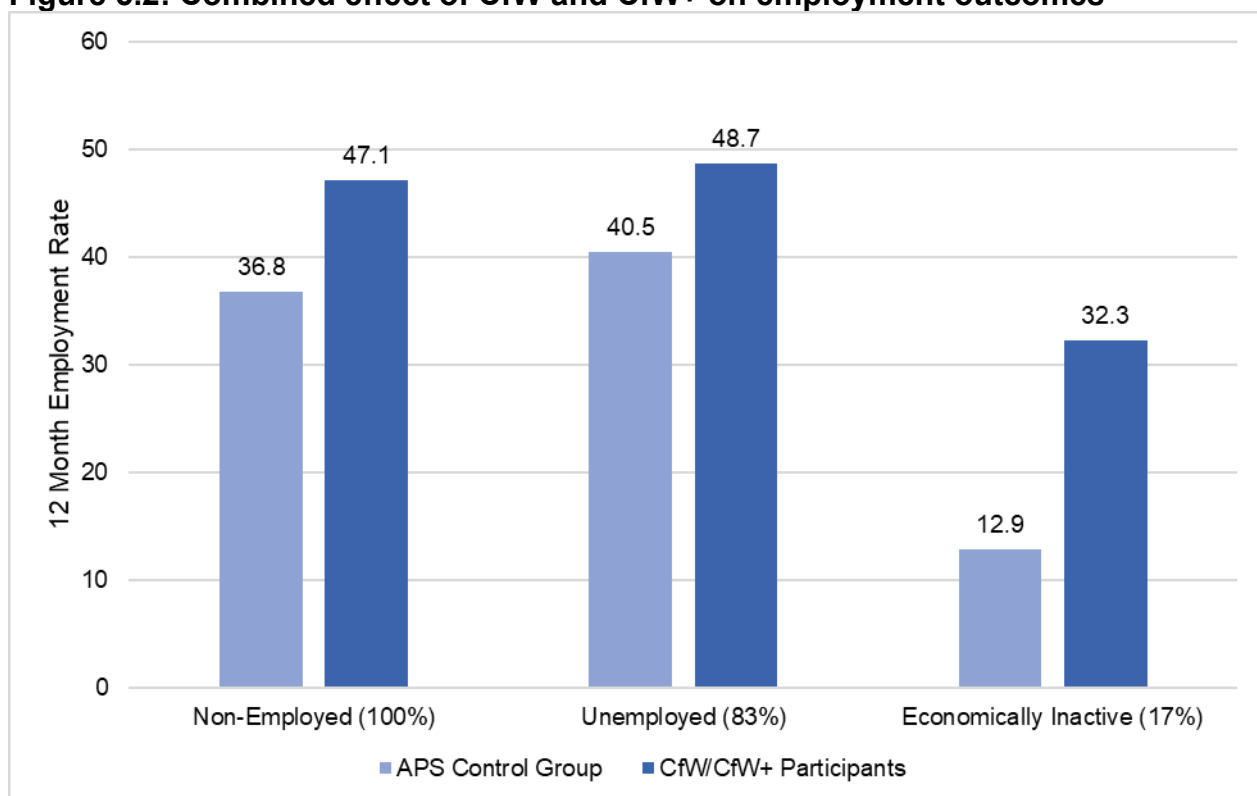
- among CfW/CfW+ participants, 49 per cent are estimated to be employed at 12 months following participation in these programmes
- among a comparable group of non-employed people extracted from the APS, 41 per cent are estimated to enter employment over a period of 12 months
- this eight percentage point increase in the share of those entering employment represents a relative increase in the rate of employment of 20 per cent compared to the control group.

5.12. Finally, participation in CfW/CfW+ is estimated to be associated with larger increases in employment outcomes for the economically inactive:

- among CfW/CfW+ participants who were previously economically inactive, it is estimated that 32 per cent are in employment at 12 months after the point when they first received support from these programmes
- this is compared to an employment rate of 13 per cent among a matched sample of economically inactive people drawn from the APS
- among the economically inactive, participation in CfW/CfW+ is therefore estimated to be associated with an improvement in employment outcomes of 19 percentage points.

5.13. The estimation of larger effects for the economically inactive is consistent with previous studies. For example, Ainsworth and Marlow (2011) estimated that participation within an ESF supported programme in England increased the 12-month employment rate among Job Seekers Allowance claimants (the unemployed) by five percentage points and among Incapacity and Employment and Support Allowance claimants (the economically inactive) by 11 percentage points.

Figure 5.2: Combined effect of CfW and CfW+ on employment outcomes



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

5.14. The results however do also potentially call into question the comparability of the matched control group. To help to ensure comparability, the economically inactive APS sample has been restricted to those who state that they would like to work (see paragraph 4.1), a characteristic that would reasonably be expected to be shared by economically inactive CfW/CfW+ participants. Nonetheless, almost 4 out of 10 (37 per cent) of economically inactive CfW participants as defined by the survey are classified as ILO unemployed within the participant records (see Annex A.2).

Therefore, there remain concerns that the underlying employability of economically inactive CfW/CfW+ participants is greater than that of the inactive APS respondents to whom they are matched against.

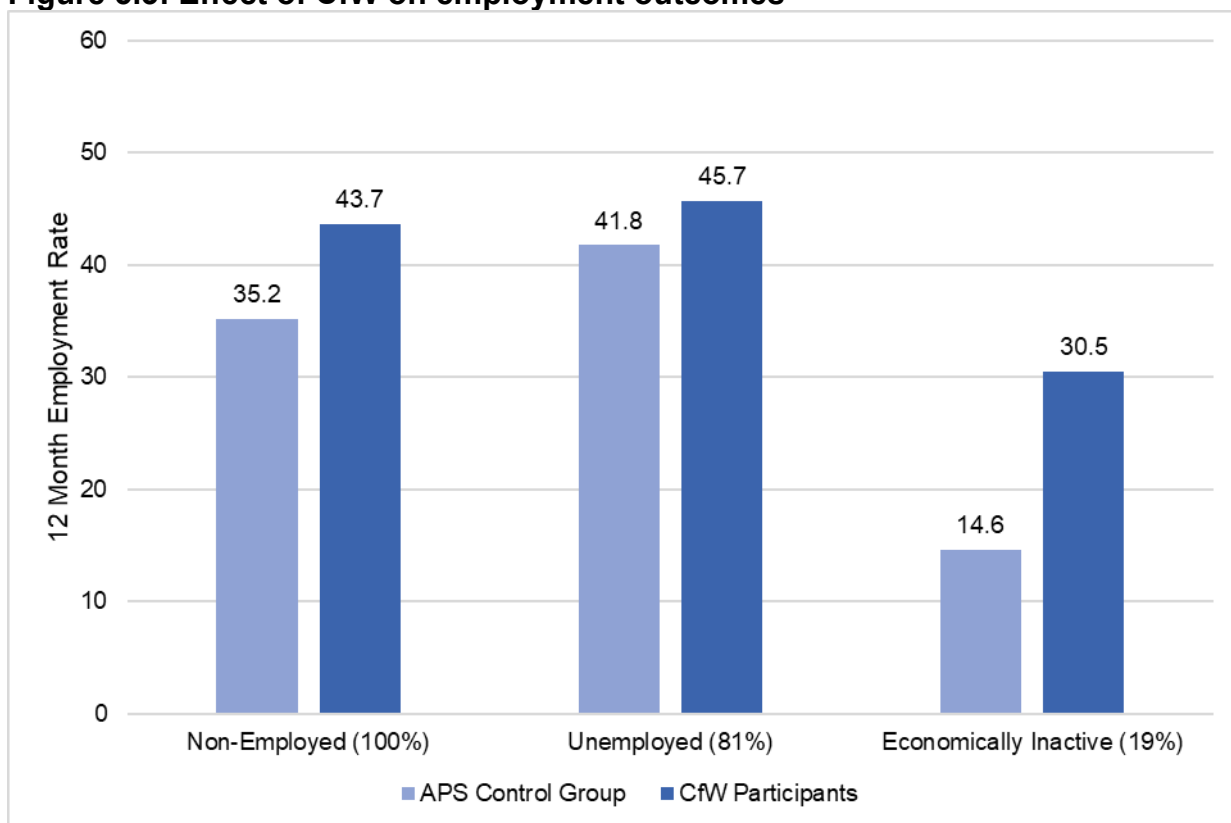
5.15. Figure 5.3 restricts the analysis to those supported by CfW only. Participation in CfW is associated with an improvement in employment outcomes of:

- nine percentage points for the entire non-employed sample, with 44 per cent being in employment at 12 months compared to a matched sample (from APS)

among whom 35 per cent are estimated to enter employment. This represents a relative increase in the rate of employment of 24 per cent

- among the unemployed, participation in CfW is associated with an improvement in employment outcomes of four percentage points, with 46 per cent of CfW participants being in employment at 12 months compared to 42 per cent among a matched sample (from APS)
- larger results are again estimated among the economically inactive, where participation in CfW is associated with an improvement in employment outcomes of 16 percentage points, with 31 per cent of CfW participants being in employment at 12 months compared to 15 per cent among a matched sample (from APS).

Figure 5.3: Effect of CfW on employment outcomes



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

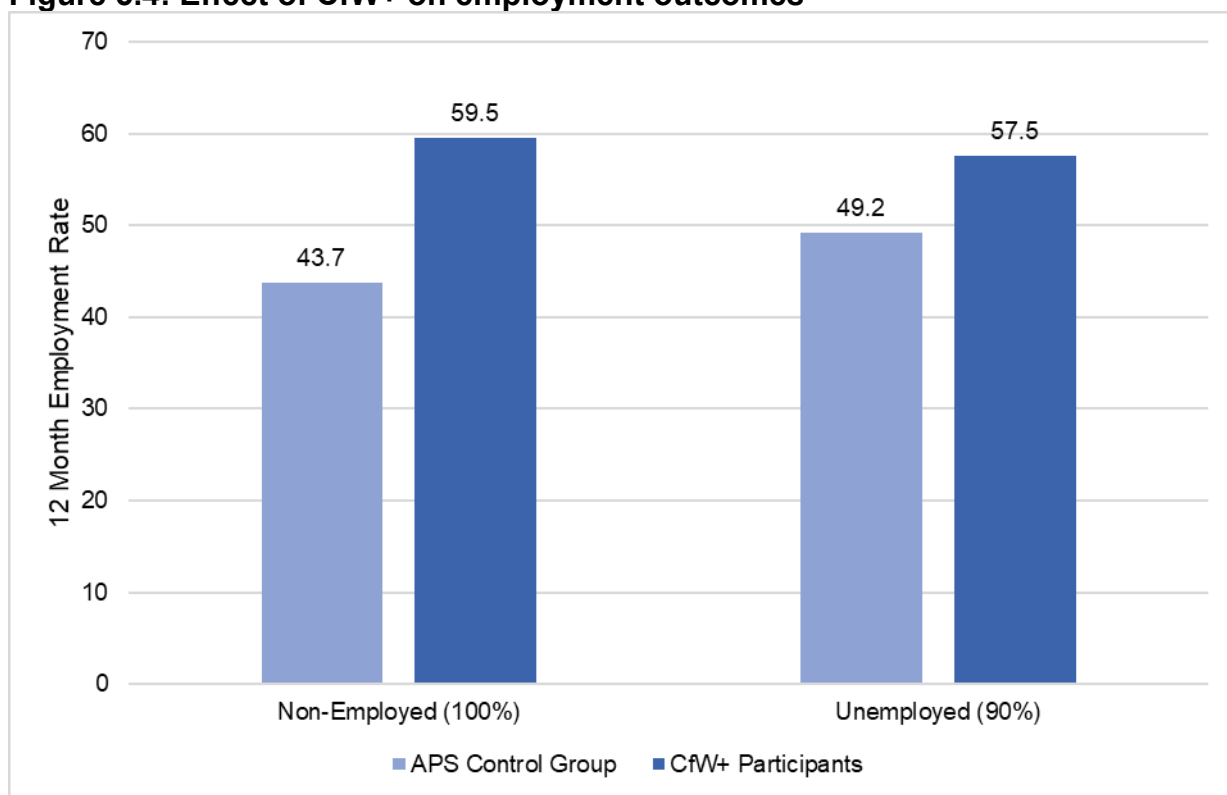
5.16. Finally, Figure 5.4 restricts the analysis to those supported by CfW+ only. Due to the small numbers of survey respondents who are classified as economically inactive

and the relatively small size of the survey of CfW+ participants, it is not possible to derive results for the economically inactive people supported by this programme.

5.17. Participation in CfW+ is associated with:

- an improvement in employment outcomes of 16 percentage points for the entire non-employed sample, with 60 per cent being in employment at 12 months compared to a matched sample (from APS) among whom 44 per cent are estimated to enter employment. This represents a relative increase in the rate of employment of 36 per cent
- among the unemployed, participation in CfW+ is associated with an improvement in employment outcomes of nine percentage points, with 58 per cent of CfW participants being in employment at 12 months compared to 49 per cent among a matched sample (from APS).

Figure 5.4: Effect of CfW+ on employment outcomes



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

Population Sub-Groups

- 5.18. A limitation of the estimates presented above is that they represent the average estimated increase in employment outcomes across all population sub-groups. However, it is conceivable that the impact of these programmes is not uniform. For example, the employment effects associated with participation in CfW+ have been demonstrated to be larger than those estimated for CfW. Comparisons of CfW and CfW+ participants (see Holtom et al, 2024) also reveal that those supported by CfW+ hold higher levels of qualification and are less likely to be carers, disabled or long term unemployed. The implication of these observations is that the employment effects of these programmes may be larger for those who face fewer barriers to employment.
- 5.19. To investigate these issues more formally, this section presents results of CIA techniques that are run separately for different population sub-groups. Separate analyses are produced by:
- gender
 - age group
 - work limiting health status
 - qualification level
 - duration of non-employment
- 5.20. Due to the relatively small sample sizes associated with economically inactive participants and participants within CfW+ more generally, these sub-group analyses are undertaken for the entire non-employed sample (i.e., the unemployed and economically inactive combined) and combine data from across both programmes.
- 5.21. Adjustments are again made for the underreporting of short hours working among CfW/CfW+ participants via the uniform application of the uprating factor detailed in paragraphs in 5.7 to 5.9. A limitation of this approach is that it may be those CfW/CfW+ participants who face the greatest barriers to employment, such as women or those with work limiting ill-health conditions, are those who rely most on part time employment as route into work. However, due to the small sample sizes

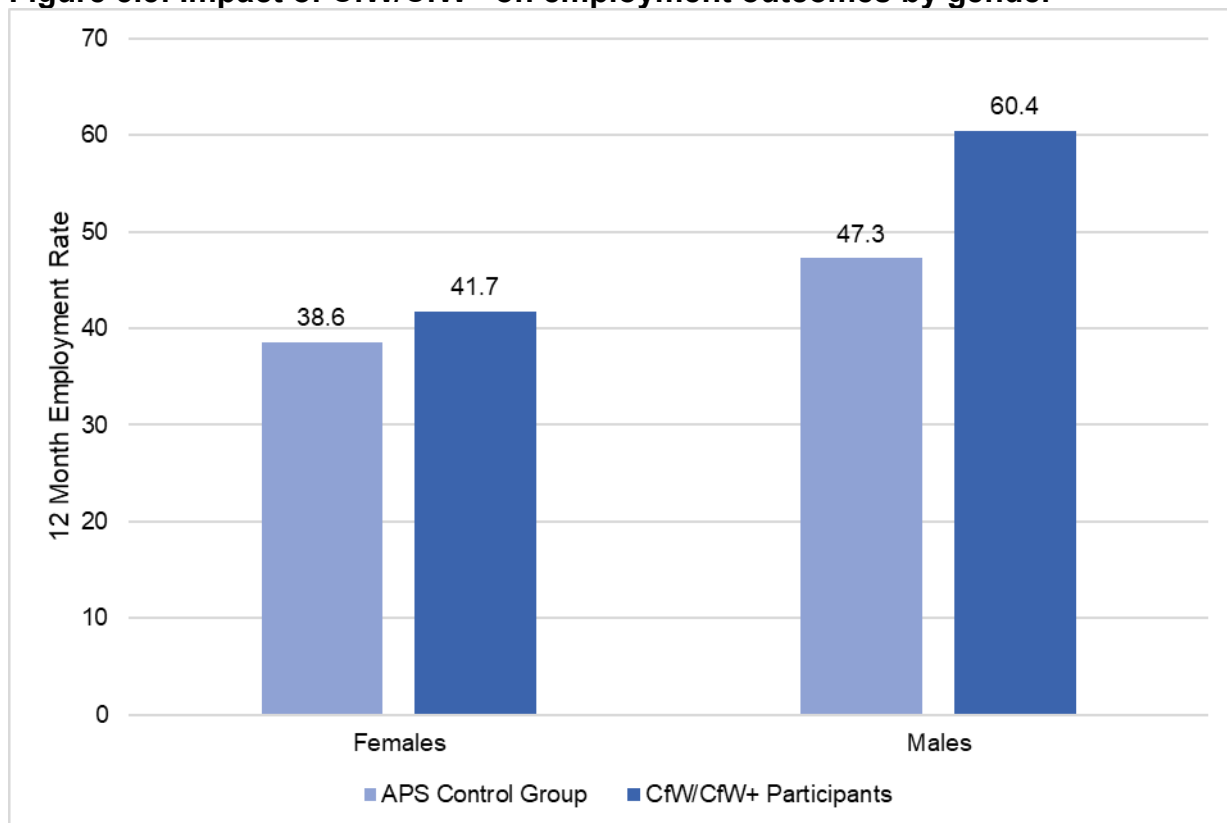
often associated with entry into employment across population subgroups, it is not possible to produce group specific adjustment factors for short hours working.

5.22. Full results of these analysis are presented Annex A.6. In terms of gender, Figure 5.5 demonstrates that participation in CfW or CfW+ is associated with a greater impact on the employment outcomes of men compared to women:

- among male CfW/CfW+ participants, 60 per cent are estimated to be employed at 12 months following participation in these programmes
- among a comparable group of male non-employed people extracted from the APS, 47 per cent are estimated to enter employment over a period of 12 months
- among female CfW/CfW+ participants, 42 per cent are estimated to be employed at 12 months following participation in these programmes. This figure is just three percentage points higher than that observed among the comparable group of female non-employed people extracted from the APS.

5.23. The application of CIA techniques therefore confirms the patterns presented by the descriptive analysis in Table 4.2 which also demonstrated that males exhibit stronger rates of entry into employment compared to females following their participation in CfW/CfW+.

Figure 5.5: Impact of CfW/CfW+ on employment outcomes by gender



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

5.24. Figure 5.6 examines the differential impact of participation in CfW or CfW+ on employment outcomes with respect to age. Among participants aged 16 to 39:

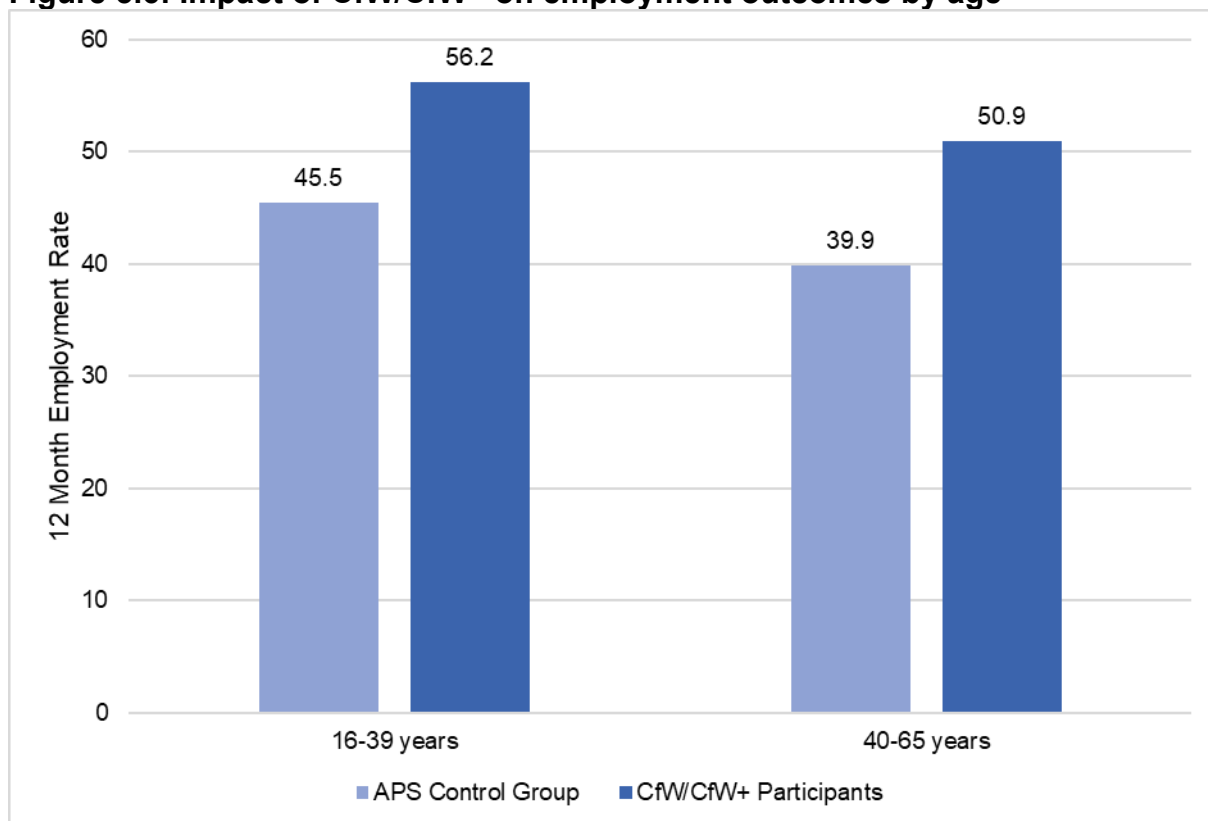
- 56 per cent are estimated to be employed at 12 months following participation in these programmes
- among a comparable group of non-employed people extracted from the APS, 46 per cent are estimated to enter employment over a period of 12 months.

5.25. Among CfW/CfW+ participants aged 40 to 65:

- 51 per cent are estimated to be employed at 12 months following participation in these programmes
- among a comparable group of non-employed people extracted from the APS, 40 per cent are estimated to enter employment over a period of 12 months.

5.26. The impact of these schemes on employment outcomes therefore appears to be relatively uniform with respect to the age of participants.

Figure 5.6: Impact of CfW/CfW+ on employment outcomes by age



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

5.27. Figure 5.7 demonstrates that participation in CfW/CfW+ is associated with a differential impact on the employment outcomes according to work limiting health status:

- among CfW/CfW+ participants with a work limiting ill-health condition, 31 per cent are estimated to be employed at 12 months following participation in these programmes
- among a comparable group of people extracted from the APS, 26 per cent are estimated to enter employment over a period of 12 months.

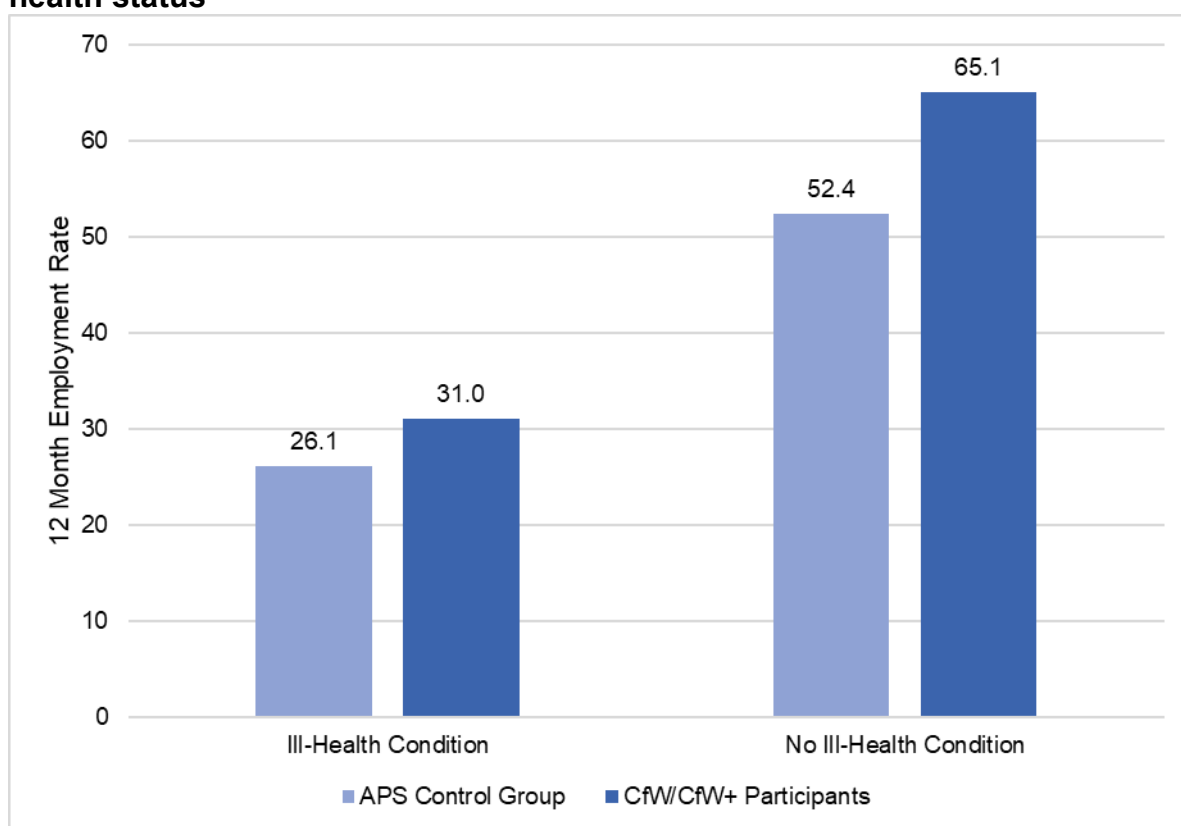
5.28. Among those with no such health conditions:

- 65 per cent of CfW/CfW+ participants are estimated to be employed at 12 months following participation in these programmes

- among a comparable group of non-employed people extracted from the APS, the share who enter employment over a 12 month period is estimated to be less at 52 per cent
- CfW/CfW+ participants who report having a work limiting ill-health condition exhibit an increase in employment of five percentage points. Among those with no such conditions, the increase in employment is greater at 13 percentage points.

5.29. It is important to note that the improvements in employment exhibited by those with work limiting ill-health conditions are starting from a lower base and that, in comparable terms, the increase in employment is estimated to be similar among both groups (19 per cent among those with work limiting ill-health conditions compared to 24 per cent among those with no such conditions).

Figure 5.7: Impact of CfW/CfW+ on employment outcomes by work limiting health status



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

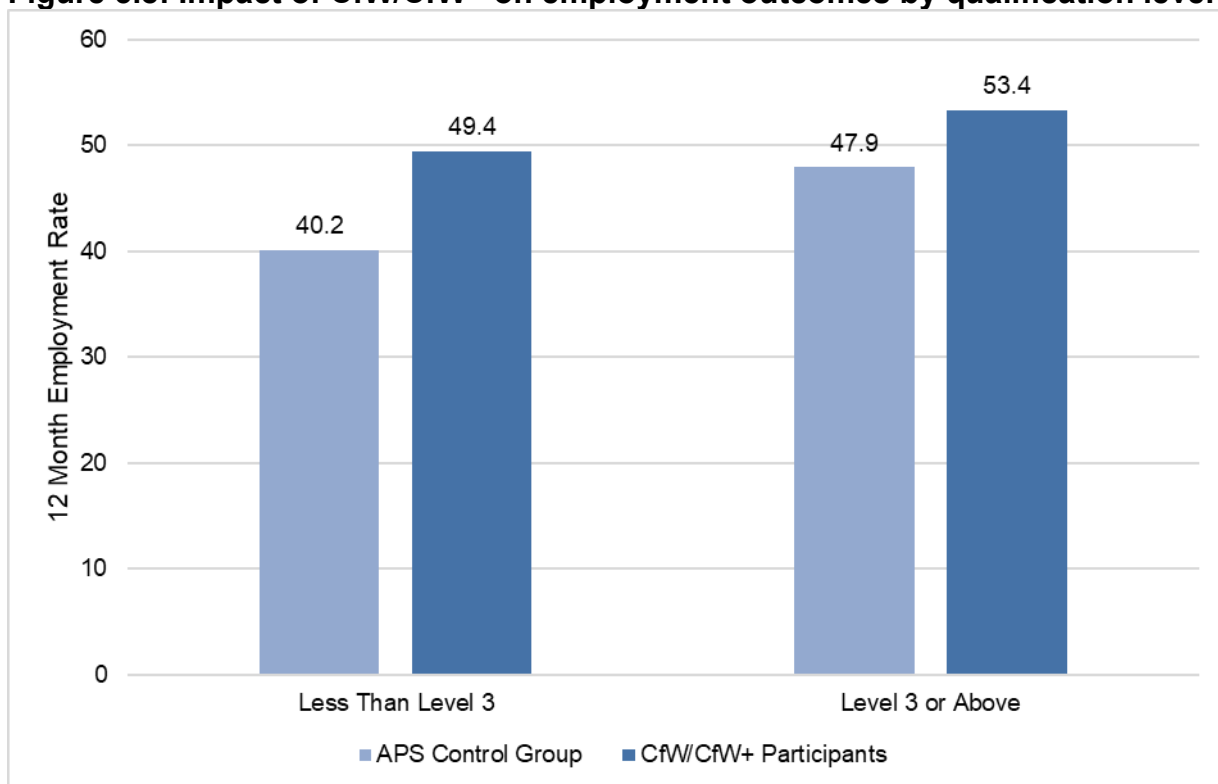
5.30. Figure 5.8 demonstrates that the impact of CfW/CfW+ on employment outcomes is greater among those with lower levels of qualifications:

- among participants who previously held qualifications at Level 2 or below, 49 per cent are estimated to be employed at 12 months. This is compared to 40 per cent among a comparable group of people extracted from the APS
- among those with qualifications at Level 3 or higher, 53 per cent of CfW/CfW+ participants are estimated to be employed at 12 months following participation in these programmes, a figure similar to that observed among comparably qualified people from the APS (48 per cent)
- those with lower qualifications therefore exhibit a larger absolute increase in employment (nine percentage points compared to five percentage points)

despite starting from a lower employment base (40 per cent compared to 48 per cent)

- in relative terms, the improvement in employment among those with lower qualifications (23 per cent) is over twice that observed among those with qualifications at Level 3 or above (11 per cent).

Figure 5.8: Impact of CfW/CfW+ on employment outcomes by qualification level



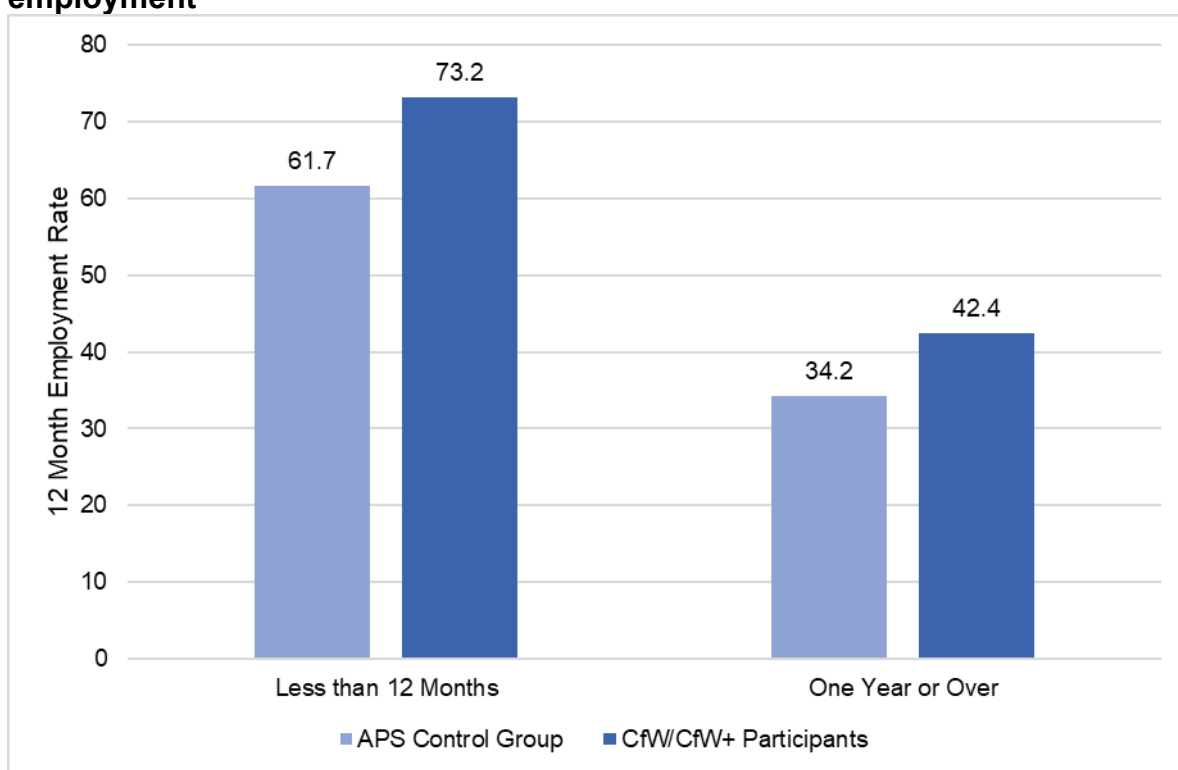
Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

5.31. Finally, Figure 5.9 examines whether employment outcomes vary according to duration of non-employment prior to participation in CfW/CfW+:

- among CfW/CfW+ participants who have been without a job for more than 1 year, 42 per cent are estimated to be employed at 12 months following participation in these programmes. Among a comparable group of people extracted from the APS, this figure is 34 per cent
- among those who have had a job within the previous 12 months, 74 per cent and 62 per cent are employed at 12 months respectively.

5.32. Whilst the impact of participation in CfW/CfW+ is estimated to be larger among those who have been out of work for less time (11 compared to eight percentage points), those who have been out of work for longer are starting from a lower employment base. In relative terms, the increase in employment share is actually larger among those who have been out of work for longer than 12 months (24 per cent) compared to those who have been out of work for less than a year (19 per cent).

Figure 5.9: Impact of CfW/CfW+ on employment outcomes by duration of non-employment



Source: ESF Participants Surveys, Survey of CfW+ Participants, Annual Population Survey

6. Concluding comments

6.1. Through the collection of employment history information from programme participants, the ESF (CfW) Participants Surveys, and the 2023 survey of CfW+ participants a detailed dynamic account of the transitions that are made into employment among those who have received support from CfW and CfW+ can be made. This information is important in two key respects:

- firstly, it reveals the parabolic trajectory of employment among those supported by these programmes. Employment initially increases steeply within the first six months of being supported by these programmes. Participation in employment continues to grow thereafter, although at a diminishing rate
- secondly, the employment history data allows consistent comparisons of employment outcomes to be made, irrespective of the length of time that participants were supported by these programmes or of variations in the timing of fieldwork. It also facilitates comparisons with information on employment transitions collected by other labour market surveys.

Estimates of Impact

6.2. The application of CIA techniques to the surveys of CfW and CfW+ participants has demonstrated that participation in these programmes is associated with improved employment outcomes.

- Participation in CfW or CfW+ is associated with an improvement in employment outcomes of 9 and 16 percentage points respectively among previously non-employed respondents.
- Taken together, participation in these schemes is associated with a 10 percentage point increase in employment.

6.3. The results are broadly consistent with those typically derived from the application of such techniques. For example, a recent review of evidence of the effectiveness of schemes that support participation in employment for young people, IES (2020) conclude that changes in net employment outcomes are rarely estimated to be higher than 10 percentage points and are often less.

- 6.4. The estimation of larger effects for the economically inactive is also consistent with previous studies. However, there are concerns regarding the ability to make truly 'like for like' comparisons among economically inactive participants.
- Firstly, 37% of those who are classified as economically inactive within ESF (CfW) Participants Surveys are recorded as unemployed within the programme data.
 - Secondly, there is little difference in the employment outcomes of the unemployed and economically inactive participants in CfW as defined by their prior activity status collected upon enrolment.
- 6.5. These observations suggest that economically inactive CfW participants could exhibit a relatively strong attachment to the labour market. The estimated effect of these programmes for economically inactive participants may therefore be upwardly inflated if their employment outcomes are compared to the wider economically inactive population.
- 6.6. Results derived from the application of CIA techniques that are restricted to the unemployed may therefore provide a more accurate assessment of the effect of these schemes.
- Amongst the unemployed, participation in CfW or CfW+ is associated with an improvement in employment outcomes of four and nine percentage points.
 - Taken together, participation in these schemes is associated with an eight percentage point increase in employment among those who were previously unemployed.

Estimates of Impact Among Population Sub-Groups

- 6.7. In terms of inequities in employment outcomes associated with participation in CfW/CfW+, the results are mixed. In absolute terms (referred to as percentage point increases in the presentation of analytical results), improvements in employment outcomes are often estimated to be smaller among those who are regarded as facing the greatest barriers to participation in the labour market.

- 6.8. However, it is important to note that levels of employability among such groups will generally be starting off from a lower baseline position. In relative terms, the improvements in employment outcomes associated with participation in CfW/CfW+ are estimated to be fairly uniform with respect to age and work limiting health status whilst there is evidence to suggest that the employment impacts of these schemes are larger among those with low levels of qualifications and those who have been out of paid work for longer.
- 6.9. One area of concern however is the differential impact that participation in CfW/CfW+ has on the employment outcomes of men and women. Analysis of both survey and participant data has consistently pointed to stronger employment outcomes of men following participation in these programmes. Comparisons with control groups derived from the APS confirm that these results do not appear to be driven by observable differences in the characteristics of men and women.
- Whilst participation in these schemes is associated with a 13 percentage point increase in employment outcomes among men, the estimated impact upon women is a far more modest three percentage point increase in participation in employment.
- 6.10. Evidence of the positive effect of these schemes is therefore being primarily driven by the improved employment outcomes observed for men. This could be indicative of the more complex barriers to employment faced by women and the inability of statistical analysis to adequately account for these. Such barriers could include discrimination, caring responsibilities that disproportionately fall upon women, the affordability of childcare or only wanting to work part time in order to manage the conflicting pressures of work and family life.

Limitations of Analysis

- 6.11. There are however several limitations to the CIA presented in this report.
- Short telephone surveys do not collect the same quality of information as the APS*
- 6.12. Firstly, whilst both the ESF Participants Surveys and the survey of CfW+ participants have been designed to collect data in a way that is broadly consistent with the APS, it must be acknowledged that these relatively short telephone surveys are not able to

collect information from respondents that is of the same quality as that collected by the APS. Issues surrounding the ability to accurately identify unemployed versus economically inactive respondents have been discussed (see paragraph 3.2).

- 6.13. Within the ESF and CfW+ Participant Surveys, economic activity status prior to participation is established through a single question. In the APS, economic activity status is itself derived from 20 other variables. The APS similarly collects extensive information on qualifications held by people to accurately identify their highest qualification. Such levels of detail are beyond the resources of the ESF Participants Survey and the survey of CfW+ participants.

Limited ESF Participant Surveys demographic information

- 6.14. From the perspective of statistical matching, demographic information included in the ESF Participants Surveys is relatively limited. No information is contained on household composition, the number of dependent children and the age of dependent children and were all included to support statistical matching to the LFS and the APS. In the absence of these variables, the analysis of employment outcomes associated with CfW has been supported by information on family and partnership status contained within participant records. However, participant records on family status neither identify the age or number of any dependent children. Information on family and partnership status was not available from participant records for CfW+ participants.
- 6.15. The absence of this richer information will have had a detrimental effect on the quality of the statistical matching, although the impact of this on estimated employment outcomes is indeterminate. More accurate matches could produce larger or smaller estimates of employment effects depending how this additional information is related to participation in CfW/CfW+ and how these characteristics are associated with employment outcomes.

Statistical matching does not account for complex barriers which are not captured

- 6.16. Related to the omission of information, it is not possible for statistical matching techniques to control for otherwise unobserved effects associated with the selection/referral of participants onto these schemes. If these complex barriers are

not captured by questions that are included in both the surveys of ESF/CfW+ participants and the APS, then they cannot be accounted for within statistical matching.

- 6.17. There are a variety of characteristics associated with likelihood of gaining employment that are not covered by the information collected by either the ESF/CfW+ surveys or the APS. Examples are many, varied and could include factors such as social class background, having a criminal record or suffering issues with addiction. It is therefore possible that the barriers to work being faced by respondents to the ESF/CfW+ surveys are potentially greater than those experienced by the people from the APS that they are matched against. As such, employment outcomes associated with participating in these schemes could be underestimated.

Comparison of the effect of intervention is limited to a single point 12 months following participation

- 6.18. In terms of measuring employment outcomes, the estimation of employment effects is also limited to comparisons being made at a point 12 months following participation in CfW/CfW+. It is conceivable that participation within CfW/CfW+ could accelerate the speed at which people enter sustained employment rather increasing the employment share at 12 months. It is not possible to investigate these issues using the APS data. The underestimation of short hours working in the surveys of ESF/CfW+ participants was addressed by the uniform application of an uprating factor to the estimated employment outcomes derived from PSM techniques (see paragraphs 5.7-5.9). It may be those participants who face the greatest barriers to employment who rely most on short-term working.

Comparable group may also have accessed employment support

- 6.19. It is not possible to identify whether non-employed respondents in the APS have themselves received support in relation to searching for employment in the previous 12 months. The estimated effect of CfW/CfW+ is therefore being evaluated in comparison to a group of otherwise comparable people from the wider population who may themselves have received some other form of support that may have assisted them to find employment. An extreme example is that some respondents to

the APS living in Wales may themselves have received support via CfW/CfW+. However, more broadly, APS respondents living across the UK may have benefitted from other regional support programmes that represent above baseline levels of support provided by Jobcentre Plus.

- 6.20. There are no variables included within the APS data that support the identification and exclusion of people who have received support from other labour market interventions such as those supported by ESF. This again could reduce the estimated effect on employment outcomes associated with participation in CfW/CfW+, although it should be noted that CfW/CfW+ participants may also have participated in other interventions themselves.

The effects of different elements of the programmes cannot be identified

- 6.21. Finally, it should be acknowledged that participation in CfW/CfW+ may encompass a range of elements, including basic skills training, confidence building, vocational training, careers advice, support with CV writing etc. The separate effects of these measures on employment outcomes may vary and be disguised by the estimate of an overall effect associated with participation in CfW/CfW+ where some elements have stronger effects on employment outcomes than others.
- 6.22. In the context of these limitations, the subjective assessments of participants regarding the efficacy of the scheme should also be considered. Respondents to the surveys who gain employment are also asked to provide an assessment of whether they felt their course helped them in achieving this:
- two thirds of CfW respondents and 61 per cent of CfW+ respondents report that their participation in these programmes helped them to gain their jobs
 - overall, 11 per cent report that they felt they got their jobs directly because their participation in CfW or CfW+.
- 6.23. These assessments are explored in further detail within the accompanying Participant Experiences report.

7. References

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Annex A: Data tables

Annex A.1: Prior economic activity status of CfW and CfW+ participants

	CfW Participant Data			ESF Participant Surveys			CfW+ Survey Data
	P1	P3	Total	P1	P3	Total	
Inactive	53.1	20.9	40.6	21.5	14.3	19.3	9.6
Long Term Unemployed	46.9	19.5	36.2	56.4	43.0	52.3	29.5
Short Term Unemployed	0.0	59.6	23.2	22.2	42.7	28.4	60.9
Total	100	100	100	100	100	100	100
Population	23,090	14,708	37,798	898	390	1,288	353

Annex A.2: Availability of course duration and employment history data

	Source of Data			All
	2015/18 ESF Participants Survey	2019/23 ESF Participants Survey	Survey of CfW+ Participants	
Duration of Programme (Derived from Programme Data)				
25 th Percentile	3 months	3 months	2 months	3 months
Median	5 months	7 months	4 months	5 months
75 th Percentile	9 months	13 months	8 months	10 months
Mean	6.6 months	9.4 months	6.2 Months	7.5 Months
Sample	575	432	238	1,245
Time Elapsed Since Beginning of Course (Derived from Combined Programme and Employment History Data)				
25 th Percentile	20 months	34 months	23 months	21 months
Median	23 months	43 months	31 months	28 months
75 th Percentile	27 months	53 months	44 months	41 months
Mean	24 months	43.9 months	33.1 months	32.5 months
Sample	509	368	182	1,059

Annex A.3: Transitions into employment by gender and work limiting health condition

Months following CfW/CfW +	No Ill-Health			Work Limiting Ill Health Condition			All		
	Female	Male	All	Female	Male	All	Female	Male	All
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	3.1	8.9	6.3	2.4	5.6	3.3	2.4	8.0	5.4
3	8.6	18.4	14.0	5.3	9.3	7.3	7.5	15.8	11.9
4	17.8	25.6	22.1	11.2	13.0	12.1	15.6	21.9	19.0
5	22.5	33.5	28.6	16.6	17.3	16.9	20.4	28.8	24.9
6	26.2	40.9	34.3	18.3	20.4	19.3	23.5	35.0	29.7
7	27.7	44.2	36.8	19.5	22.8	21.1	24.9	38.1	31.9
8	31.1	47.6	40.2	21.9	25.3	23.6	27.9	41.2	35.0
9	35.1	51.6	44.2	25.4	24.1	24.8	31.8	43.7	38.1
10	37.5	54.1	46.7	26.6	24.7	25.7	33.8	45.7	40.1
11	40.3	55.6	48.8	27.2	25.3	26.3	35.8	46.9	41.7
12	43.4	57.8	51.4	27.2	25.9	26.6	37.9	48.7	43.6
13	43.2	59.5	52.2	28.4	26.1	27.3	38.1	49.9	44.4
14	44.4	60.9	53.5	30.8	26.1	28.5	39.8	50.9	45.7
15	47.1	62.8	55.7	29.6	27.3	28.5	41.1	52.5	47.1
16	49.2	63.3	56.9	29.5	27.5	28.5	42.5	52.9	48.0
17	50.6	64.8	58.3	29.5	27.8	28.7	43.4	54.0	49.0
18	50.6	65.3	58.7	28.0	27.6	27.8	42.8	54.2	48.8
Sample	325	403	728	169	162	331	494	565	1059

Annex A.4: Comparing survey and administrative definitions of economic activity among CfW participants

Survey Definition of Economic Activity ²	Participant Data Definition of Economic Activity ¹		
	Economically inactive	Unemployed	Total
Economically inactive	11.5	7.4	19.0
Unemployed	36.0	45.1	81.0
Total	47.5	52.5	100
			n = 1,318

Notes:

1. CfW guidance programme definitions of unemployment and economic inactivity status are as follows. Unemployed: not in work and available for work in the next 2 weeks and actively seeking work within the last 4 weeks. Economically Inactive: not part of the labour force and without work but not available for work within the next 2 weeks and has not actively sought work within the last 4 weeks. In other words, not “employed” nor “unemployed.” Those in full time education or training are not “economically inactive” for the purposes of ESF eligibility.
2. The surveys identify prior economic activity status with respect to what respondents were mainly doing in the week before starting with the programmes. Unemployment is defined as those who state that they are ‘unemployed and looking for work.’ The economically inactive are defined as those who were ‘not in or looking for paid work.’

Annex A.5 Adjustment for underreporting of short hours working among CfW/CfW+ participants.

	All Non-Employed		Unemployed Only	
	APS	CfW/ CfW +	APS	CfW/ CfW+
Hours Worked (col %)				
0-10 hrs	10.8	4.5	8.2	4.6
10-15 hrs	7.4	4.8	5.8	4.7
15-20 hrs	14.8	16.2	13.8	16.4
20-25 hrs	9.3	7.4	8.9	7.3
25-30 hrs	7.3	8.8	7.3	8.5
30-35 hrs	7.4	8.6	8.1	8.1
35-40 hrs	27.9	34.0	31.4	33.8
45+ hrs	15.2	15.8	16.5	16.6
Total	100	100	100	100
Under-reporting Adjustment				
1. Employment Rate	25.7	43.6 ^a	44.0	46.1 ^a
2. % Working 10+hrs	89.2 ^d	95.5 ^b	91.8 ^d	95.4 ^b
3. Employment Rate 10+hrs (a x b)		41.7 ^c		44.0 ^c
4. Adjusted Employment Rate (c / d)		46.7 ^e		47.9 ^e
5. Uprating Factor (e / a)		1.071		1.039

Annex A.6: Counterfactual Impact Assessment of the employment effects of CfW/CfW+

	Non-Employed				Unemployed Sample				Economically Inactive				
	Calliper	Baseline	Difference	Sample	T-stat	Baseline	Difference	Sample	T-stat	Baseline	Difference	Sample	T-stat
Communities for Work and Communities for Work Plus – Combined Analysis													
Nearest Neighbour: No Replace.	None 0.001 0.0005	0.3667 0.3630 0.3607	0.0739 0.0774 0.0754	1,028 956 915	3.42 3.46 3.30	0.4098 0.4036 0.4022	0.0570 0.0673 0.0661	859 773 741	2.39 2.67 2.57	0.1420 0.1235 0.1210	0.1657 0.1790 0.1720	169 162 157	3.71 4.02 3.84
Nearest Neighbour: with Replace.	None 0.001 0.0005	0.3813 0.3728 0.3630	0.0593 0.0689 0.0762	1,028 987 945	2.48 2.92 3.19	0.4016 0.4027 0.4000	0.0652 0.0653 0.0697	859 812 775	2.43 2.44 2.57	0.1361 0.1220 0.1258	0.1716 0.1829 0.1698	169 164 159	3.77 4.04 3.72
Radius	0.001 0.0005	0.3731 0.3638	0.0686 0.0753	987 945	3.85 4.09	0.4151 0.4078	0.0528 0.0619	812 775	2.52 2.86	0.1295 0.1317	0.1754 0.1639	164 159	4.64 4.29
Communities for Work Only - Controls for Single and Dependent Children													
Nearest Neighbour: No Replace.	None 0.001 0.0005	0.3719 0.3619 0.3564	0.0401 0.0428 0.0427	847 724 679	1.69 1.68 1.62	0.4265 0.4144 0.4131	0.0115 0.0216 0.0309	694 555 518	0.43 0.73 1.00	0.1634 0.1460 0.1481	0.1307 0.1314 0.1333	153 137 135	2.75 2.69 2.69
Nearest Neighbour: with Replace.	None 0.001 0.0005	0.3353 0.3462 0.3452	0.0767 0.0666 0.0599	847 751 701	2.70 2.51 2.22	0.4135 0.4273 0.4283	0.0245 0.0087 0.0165	694 578 544	0.73 0.28 0.52	0.1569 0.1522 0.1556	0.1373 0.1304 0.1259	153 138 135	2.81 2.62 2.50
Radius	0.001 0.0005	0.3545 0.3448	0.0583 0.0604	751 701	2.88 2.89	0.4060 0.4114	0.0299 0.0335	578 544	1.23 1.30	0.1221 0.1272	0.1605 0.1543	138 135	4.03 3.81

Annex A.6: Counterfactual Impact Assessment of the employment effects of CfW/CfW+

Communities for Work Only - No Controls for Single and Dependent Children

Nearest Neighbour:	None	0.3613	0.0508	847	2.15	0.3761	0.0620	694	2.35	0.1503	0.1438	153	3.06
No Replace.	0.001	0.3562	0.0585	786	2.39	0.3734	0.0737	624	2.65	0.1458	0.1458	144	3.03
	0.0005	0.3522	0.0605	744	2.40	0.3725	0.0721	596	2.54	0.1429	0.1500	140	3.08
Nearest Neighbour: with	None	0.3636	0.0484	847	1.87	0.3876	0.0504	694	1.75	0.1503	0.1438	153	2.99
Replace.	0.001	0.3645	0.0517	812	2.00	0.3820	0.0578	657	1.99	0.1370	0.1575	146	3.24
	0.0005	0.3563	0.0611	769	2.35	0.3732	0.0711	619	2.41	0.1348	0.1560	141	3.19
Radius	0.001	0.3599	0.0564	812	2.87	0.4194	0.0204	657	0.88	0.1326	0.1619	146	4.13
	0.0005	0.3523	0.0651	769	3.25	0.4082	0.0360	619	1.51	0.1304	0.1604	141	4.01

Communities for Work+

Nearest Neighbour: No	None	0.5000	0.0976	164	1.78	0.5273	0.0606	165	1.11				
Replace.	0.001	0.4552	0.1269	134	2.09	0.4926	0.0735	136	1.21				
	0.0005	0.4274	0.1452	124	2.30	0.4797	0.0813	123	1.28				
Nearest Neighbour: with	None	0.4756	0.1220	164	2.02	0.5091	0.0788	165	1.32				
Replace.	0.001	0.4173	0.1727	139	2.76	0.4861	0.0903	144	1.45				
	0.0005	0.3858	0.1890	127	2.92	0.4773	0.0833	132	1.30				
Radius	0.001	0.4365	0.1535	139	3.21	0.4864	0.0900	144	1.81				
	0.0005	0.4019	0.1729	127	3.43	0.4766	0.0840	132	1.60				

Annex A.7: Counterfactual Impact Assessment of the employment effects of CfW/CfW+: By Selected Characteristics

By Gender	Females					Males			
	Caliper	Baseline	Diff	T-stat	Samp.	Baseline	Diff.	T-stat	Samp.
Nearest Neighbour: No Replace.	None	0.3824	-0.0021	-0.07	476	0.4909	0.0888	2.98	552
	0.001	0.3884	0.0047	0.14	430	0.4607	0.0785	2.48	484
	0.0005	0.3839	0.0024	0.07	409	0.4523	0.0710	2.16	451
Nearest Neighbour: With Replace.	None	0.3824	-0.0189	-0.53	476	0.4909	0.1141	3.39	552
	0.001	0.3872	0.0000	0.00	439	0.4795	0.0955	2.85	513
	0.0005	0.3863	-0.0024	-0.07	422	0.4632	0.0926	2.72	475
Radius	0.001	0.3872	0.0319	1.22	439	0.4795	0.0995	3.82	513
	0.0005	0.3863	0.0141	0.52	422	0.4632	0.0943	3.52	475
Age	Less than 40 years					40 years and over			
	Caliper	Baseline	Diff.	T-stat	Samp.	Baseline	Diff.	T-stat	Samp.
Nearest Neighbour: No Replace.	None	0.4615	0.0644	2.32	637	0.4066	0.0972	2.85	391
	0.001	0.4524	0.0714	2.40	546	0.3945	0.0822	2.33	365
	0.0005	0.4425	0.0585	1.90	513	0.3909	0.0793	2.21	353
Nearest Neighbour: With Replace.	None	0.4615	0.0895	2.77	637	0.4066	0.0742	2.04	391
	0.001	0.4572	0.0788	2.52	584	0.3989	0.0665	1.80	376
	0.0005	0.4532	0.0716	2.24	545	0.3984	0.0742	2.00	364

Annex A.7: Counterfactual Impact Assessment of the employment effects of CfW/CfW+: By Selected Characteristics

Radius	0.001	0.4572	0.0678	2.70	584	0.3989	0.0689	2.50	376
	0.0005	0.4532	0.0586	2.25	545	0.3984	0.0677	2.36	364
Work Limiting III-Health Status		III-Health Condition				No III-Health Condition			
	Caliper	Baseline	Diff.	T-stat	Samp.	Baseline	Diff.	T-stat	Samp.
Nearest Neighbour: No Replace.	None	0.2679	0.0374	1.09	321	0.5191	0.0750	2.83	707
	0.001	0.2613	0.0348	0.97	287	0.5231	0.0781	2.78	627
	0.0005	0.2566	0.0377	1.02	265	0.5161	0.0798	2.75	589
Nearest Neighbour: With Replace.	None	0.2679	0.0374	1.02	321	0.5191	0.0693	2.35	707
	0.001	0.2625	0.0299	0.82	301	0.5283	0.0827	2.79	653
	0.0005	0.2536	0.0290	0.77	276	0.5278	0.0850	2.81	612
Radius	0.001	0.2625	0.0210	0.74	301	0.5283	0.1014	4.44	653
	0.0005	0.2536	0.0056	0.19	276	0.5278	0.1007	4.24	612
Qualification Level		Less Than Level 3				Level 3 or Above			
	Caliper	Baseline	Diff.	T-stat	Samp.	Baseline	Diff.	T-stat	Samp.
Nearest Neighbour: No Replace.	None	0.4036	0.0436	1.49	550	0.4957	0.0317	0.84	347
	0.001	0.4020	0.0525	1.71	495	0.4708	0.0227	0.57	308
	0.0005	0.3895	0.0438	1.37	457	0.4599	0.0209	0.50	287

Annex A.7: Counterfactual Impact Assessment of the employment effects of CfW/CfW+: By Selected Characteristics

Nearest	None	0.4036	0.0618	1.86	550	0.4957	0.0058	0.14	347
Neighbour: With Replace.	0.001	0.4046	0.0520	1.59	519	0.4831	0.0154	0.37	325
	0.0005	0.4021	0.0536	1.61	485	0.4730	0.0270	0.63	296
Radius	0.001	0.4046	0.0879	3.50	519	0.4831	0.0061	0.18	325
	0.0005	0.4021	0.0859	3.25	485	0.4730	0.0221	0.66	296
Duration of Non-Employment		Less than 12 Months				One Year or Over			
	Caliper	Baseline	Diff.	T-stat	Samp.	Baseline	Diff.	T-stat	Samp.
Nearest Neighbour: No Replace.	None	0.6260	0.0803	2.20	361	0.3473	0.0419	1.51	573
	0.001	0.6060	0.0563	1.40	302	0.3411	0.0429	1.47	513
	0.0005	0.6092	0.0493	1.00	284	0.3326	0.0439	1.47	478
Nearest Neighbour: With Replace.	None	0.6260	0.0859	2.07	361	0.3473	0.0454	1.50	573
	0.001	0.6204	0.0741	1.78	324	0.3453	0.0491	1.62	530
	0.0005	0.6141	0.0738	1.73	298	0.3394	0.0462	1.50	498
Radius	0.001	0.6204	0.0511	1.49	324	0.3453	0.0840	3.68	530
	0.0005	0.6141	0.0579	1.63	298	0.3394	0.0763	3.21	498