Increasing employment participation amongst welfare recipients facing personal barriers

Daniel Perkins

5 October 2006

www.bsl.org.au
Overview

1. Personal barriers and employment
2. Preferences for activity
3. Policy responses and gaps
4. Is work realistic/beneficial?
5. What works
6. Conclusion
Background

About the research

- Partners: BSL, Hanover, Melbourne Citymission, Melbourne University
- Aims: To assess the effectiveness of PSP in assisting people with multiple non-vocational barriers
- Sample: 135 participants, 15 providers, Centrelink and DEWR staff
The Personal Support Programme

- Objective: assist people with multiple non-vocational barriers to achieve economic and/or social outcomes (holistic model)
- Case management model emphasising strong connections with, and referral to, appropriate local services.
- Two year duration, aimed at those not ready for employment assistance
- Exempt from normal activity testing
Personal barriers and employment

- Recognition regular welfare to work programs struggle to assist most disadvantaged
  - Often face personal barriers such as mental health problems, physical health problems, drug and alcohol abuse, family breakdown, homelessness and social isolation
- Personal barriers associated with increased time on welfare, reduced likelihood of gaining work & faster returns to welfare
- Number of barriers negatively related to likelihood of gaining work
Mental health problems

- One of most common barriers for welfare recipients
  - US: 35%-45% have clinically diagnosable disorder
  - Australia: 57% of long-term unemployed suffer from depression; PSP 78% had a mental health problem
  - France: mental disorders and psychoses 5x more common amongst welfare recipients

- People with mental health problems:
  - More likely to receive welfare and for a longer time, lower likelihood of gaining work, lower earnings & reduced work hours, & more rapid returns to welfare

- But, many people with MH problems do work
Desire for activity

- Large proportion of individuals with personal barriers want to be working or in work related activities
  - PSP: 73% identified work or study as the activity they would most like to be doing now
  - UK: 77% of homeless people wanted to be in work now (Singh 2005)
  - Mental health: evidence from surveys & case studies that a large proportion of people want to work (Evans 2000; Bond 2004; Waghorn 2005)
- Many want ongoing support after moving into employment
- However, some do feel unable to work or have other preferred activities
Policy responses

- Recognition of failure of work first approach and need for alternative programs
- Recognition of the need for additional personal support
- Initiatives range from adding screening and referral systems to developing new programs/employment initiatives
- Some approaches move people out of the welfare to work system
- Differences in emphasis on employment, provision of vocational assistance (concurrent or sequential), activation requirements
Policy responses (cont)

- US: ‘Work first’ approach for all but most disabled
  - Supplemented with some additional support services/referrals
- Australia: PSP aims to address barriers before individuals gain employment
- UK: Progress2Work provides integrated support to address barriers and achieve vocational outcomes
- EU: *Equal* projects combine expertise & services to address barriers and achieve vocational outcomes
Gaps

- Not a large amount of evidence about what models/interventions are most effective
- Enhanced work first unable to provide appropriate support or vocational assistance
  - Individuals facing barriers less able to meet activation requirements, greater risk of sanctioning
- Barrier specific programs can fail to recognise significance of work, focus on impairments, lack of labour market awareness
- Cultural differences and staff attitudes a further barrier
Is work realistic?

- Range of evidence that work is realistic for many people facing personal barriers even SMI
- Not detrimental (on balance) even for those with mental health problems
  - Gaining work is dependent on appropriate support
  - Needs to match individual capacities and preferences
  - Ongoing support is required
- Marrone and Golowka (1999) argue should be viewed as a right and responsibility
  - But, not deny real barriers, or advocate get tough approach
Benefits of work

- Work can provide: income, status, social interactions and means of participation in society
- Qualitative studies documented high value participants place on moving into work:
  - Source of pride and accomplishment, place to form new friendships, help feeling ‘normal’ again, antidote to problems (boredom, depression etc), means to help reorganise lives, improves self esteem/confidence, sense of purpose, independence, assisting breaking the dependency culture
- Some negative effects also reported:
  - Stress, difficulties adjusting to the routine, negative social experiences
Benefits of work (cont)

- Quantitative research has reported a range of benefits in groups including homeless, recovering drug users, and people with mental health problems
  - increased self-esteem, improved psychological and social functioning, reduced depression, more optimistic appraisals of the future, reduced clinical symptoms
  - Other benefits include increasing motivation for recovery, reduced drug use and better health outcomes
  - Atkinson & Montoya (2003) found employment could start a positive cycle of reduced drug use and reduced distress
Negative impacts of unemployment

- Unemployment is associated with negative effects including financial deprivation and poorer mental health
  - Unemployment has been found to result in poorer mental health, reduced well-being and life satisfaction
  - In Australia Flatau et al. (2000) found unemployment was causally linked to a 50% increase in psychological disturbance

- Longer durations of unemployment also increase the likelihood of poverty which can affect housing, health, mental health
### Financial deprivation

**Experienced in last 12 months because of a shortage of money**

<table>
<thead>
<tr>
<th></th>
<th>PSP %</th>
<th>Unemp. %</th>
<th>Broader pop %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asked for financial help from friends/family</td>
<td>65</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Asked for help from a welfare/community organisation</td>
<td>58</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Could not pay electricity, gas or telephone bills on time</td>
<td>55</td>
<td>27</td>
<td>15</td>
</tr>
<tr>
<td>Went without meals</td>
<td>53</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Could not pay the mortgage or rent on time</td>
<td>37</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Was unable to heat home</td>
<td>24</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Pawned or sold something</td>
<td>43</td>
<td>14</td>
<td>5</td>
</tr>
</tbody>
</table>
# Social isolation

How often get together socially with friends or relatives not living with you? | PSP | Unemployed | Broader pop. | Percentage |
--- | --- | --- | --- | --- |
Everyday | 5 | 9 | 4 |
Several times a week | 18 | 21 | 24 |
About once a week | 26 | 28 | 29 |
2 or 3 times a month | 10 | 9 | 15 |
About once a month | 11 | 8 | 9 |
Once or twice every 3 months | 11 | 5 | 5 |
Less than every 3 months | 20 | 5 | 4 |
Missing | 1 | 15 | 10 |
What works?

- Integrated vocational and personal support
  - When uncoordinated can be detrimental
- Flexible ongoing support
- Emphasis on individual preferences and strengths
- Work seen as part of the broader recovery process
- Organisational culture encouraging participants to find work
- Focus on rapid movement into employment
- Provision of developmental work opportunities
- Employment specialists being out of the office
- Small case loads (25:1)
Models

- Supported work/Individual Placement and Support (IPS) (Bond, Becker, Drake)
  - services focused on competitive employment
  - consumer choice so no-one is excluded
  - rapid job search, not lengthy pre-employment programs
  - integration of rehabilitation and mental health professionals (who still retain their identity as separate practitioners)
  - attention to consumer preferences in type of work
  - time unlimited and individualised follow-up
  - benefits counselling
Research

- Obtain competitive employment faster, have a greater number of months in employment, work more total hours and earn higher wages than those in comparison programs
- Review of 12 studies found employment rates of 66% compared to less than half that for comparison programs (Bond et al. 2005)
- Little variation in participant outcomes according to symptoms, age or level of education
- Uncertain applicability to other groups
Transitional employment models

- Place participants in temporary jobs, in a structured work environment
- Offer on-site support for adjusting to work
- Can offer additional support during and after placement or include pre-employment training
- Often use external support services
- Based on stepping stone approach
- Obtained high employment rates (40%-50%)
- Can have significant attrition
- Well equipped to develop work skills but can struggle addressing personal barriers
- Rely on employers providing jobs
- Less choice for participants
Progress2Work (UK)

- Works with recovering drug users on JSA and IB
- Recognises employment, education & training as an important factor in supporting/sustaining recovery
- Intensive case mgt (1:25), assistance with personal and vocational barriers, referrals to appropriate support services, high degree of flexibility, extensive outreach, referrals from other services (GPs, prisons, probations service etc.)
- Coordinator in each JC+ (link to JC+, prisons/probations etc, monitoring/educating JC+ staff, links with all local support services)
- Clients expected to be able to be job ready in 26 weeks, but no limit on time in program
Can be on New Deals and p2w, work concurrently

Specialist provider for groups including women, street workers, ethnic groups

Funding based on number of clients (75%) and outcomes (25%)

Provided by agencies with employment or drug backgrounds

- Need to have drug treatment, employment/training skills opportunities, and knowledge of the local LM

Cultural differences in drug treatment agencies have been a significant barrier
P2W outcomes

- Must have min 20% employment outcomes, 50% sustained over 13 weeks
- Actual outcomes: 28% into full-time employment (>16 hours/week)
  - P2W Link-Up (offenders/homeless/alcohol) 29% into full-time employment
- 13 weeks post-employment support
- Cost is approximately £2000 per employment outcome
Conclusion

- Personal barriers significantly reduce likelihood of employment
- Regular welfare to work programs not effective
- Many participants have a desire to work
- Work is feasible for most & can have a range of benefits
- Need for intensive programs that: integrate personal and vocational support, have a strong emphasis on employment, focus on jobs matching individual needs and capacities and provide long-term support
- Question about transferability and need for barrier specific or generic programs