Who claims ESA?

Helen Barnes and Helen Stevens
13\textsuperscript{th} March 2011
Overview

- Claimant characteristics
- Before the ESA claim
- Claim results
- Trajectories - successful & unsuccessful claims
- Drivers of return to work
Policy context - prior to ESA

- Growing IB population over past 25 years
- Buoyant labour market
- Pathways to Work
- ESA aimed to:
  - reduce entry onto benefit, given that improving exit rates had proved challenging
  - improve exit rates by a stronger emphasis on work-focused activity throughout
Key features of ESA

- Replaced IB for new claimants in Oct 2008
- Rolled out to existing IB claimants from April 2011

**Work Capability Assessment (WCA) by week 14**

- **Support Group** (most severe conditions, no mandatory work activity)
- **Work-Related Activity Group (WRAG)**
  6 work focused interviews
- **Fit for Work (FFW)**
  Claim disallowed
About the survey

- Representative survey of ESA claimants
- Same cohort interviewed twice
  - 1st survey: Face-to-face, Dec 09 to Feb 10 - 3,650 respondents
  - 2nd survey: Telephone, 6 months after - 1,842 respondents
Section 1

Claimant Characteristics
Demographics

- Older on average than working age population (29% aged 50+)
- Almost two-thirds (65%) are men
- Strong evidence of economic disadvantage
  - more likely to live in social housing (35% owner occupies vs. 68% for UK)
  - more likely to be a lone parent
  - one-third (36%) have no qualifications (vs. 11% for UK as a whole)
  - more than 1 in 5 in a group facing severe disadvantage
Health conditions

- Most common conditions: musculoskeletal (37%) & mental health (32%)
  - Mental health conditions more prevalent among women & younger cohorts
  - Musculoskeletal conditions more common among men & older people
- Two-thirds of claimants report multiple conditions
- Over half (53%) have fluctuating conditions
- Most conditions are not work-related
Section 2

Before the Claim
Employment status before claim

- 51% in work
- 29 in work
- 22 Off sick from job
- 26 Unemployed (seeking work)
- 5 Temporarily sick/injured (no job)
- 8 permanent sickness or disability
- 4 Looking after home/family/care-giving
- 6 Other

In work
- Off sick from job
- Unemployed (seeking work)
- Temporarily sick/injured (no job)
- permanent sickness or disability
- Looking after home/family/care-giving
- Other
The majority of ESA claimants had spent most of their life in steady jobs

- **Spent most of working life as an employee in steady jobs (inc self emp)**: 85%
- **Spent a lot of time out of work because of sickness/injury**: 52%
- **Spent more time unemployed than in work**
- **Never really had paid employment**
- **Other (inc looking after family & home)**

Base: 1,852

<table>
<thead>
<tr>
<th>In work (inc off sick)</th>
<th>Not in work</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>52</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other (inc looking after family &amp; home)</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,786</td>
</tr>
</tbody>
</table>
### Who comes from work?

<table>
<thead>
<tr>
<th>More likely to be in work before claim:</th>
<th>Less likely to be in work before claim:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• older</td>
<td>• younger</td>
</tr>
<tr>
<td>• couples</td>
<td>• lone parents</td>
</tr>
<tr>
<td>• white</td>
<td>• non-white</td>
</tr>
<tr>
<td>• physical health problem</td>
<td>• mental health problem</td>
</tr>
<tr>
<td>• not disadvantaged</td>
<td>• in disadvantaged group</td>
</tr>
<tr>
<td>• owner-occupiers</td>
<td>• private renters</td>
</tr>
</tbody>
</table>
Initial Claim Results

- Closed or Withdrawn: 36%
- FFW: 38%
- WRAG: 17%
- Support Group: 7%
- Unsuccessful Claims: 74%
- Successful Claims: 24%
- In Progress: 2%
Overall Rate of Appeal - 41%

Characteristics associated with appealing

- WRAG: 12
- FFW: 60
- First Claim: 37
- Claimed Sickness Benefit Previously: 57
- Physical Health Conditions: 43
- Mental Health Conditions: 44
Appeal Success Rate - 46%

- Over half received help with their appeal
  - most commonly from CAB
  - friend/relative
  - doctor
- Help is key determinant of success
  - 71% who received help were successful
  - compared to 40% who did not receive help
Section 4

Successful Claimants
## Trajectories of successful claimants

<table>
<thead>
<tr>
<th>Employment status 12-16 months after initial claim</th>
<th>SG</th>
<th>WRAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>In employment or self-employed</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Temporarily sick</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Permanently off work due to sickness/disability</td>
<td>43</td>
<td>55</td>
</tr>
<tr>
<td>Unemployed &amp; looking for work</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
Work focused activity?

- Overall 70% WRAG found WFI helpful in thinking about work
  - for those closer to the labour market WFI can maintain labour market attachment and help claimants consider alternative occupations
- People in WRAG have significant health problems
  - for those further from the labour market, advisers and claimants reported sometimes ‘going through the motions’ at WFIs
## How long people expect to stay on ESA

<table>
<thead>
<tr>
<th></th>
<th>Support Group</th>
<th>WRAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 months</td>
<td>2</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>3 months but less than 6</td>
<td>2</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>6 months but less than 12</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>1-2 years</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>2 or more years</td>
<td>7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Indefinitely</td>
<td>42</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>Don’t know</td>
<td>32</td>
<td>47</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Base**
When WRAG expect to look for work

- A third (34%) expected to be either working or looking for work in 6 months
- Those most likely to view themselves as permanently unable to work:
  - those with no qualifications
  - those not working prior to claim
  - older claimants
  - women
Section 5

Unsuccessful Claimants
## What happens to unsuccessful claimants?

<table>
<thead>
<tr>
<th>Immediate post claim activity</th>
<th>FFW</th>
<th>Closed/Withdrawn</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claimed another benefit</td>
<td>48</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Returned to work:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Went back to my old job</td>
<td>10</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>Got a job/became self-employed</td>
<td>18</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Base (N)</td>
<td>(500)</td>
<td>(452)</td>
<td>(952)</td>
</tr>
</tbody>
</table>
Section 6

Drivers of Return to Work
Return to work - all claim outcomes

- 31% were back in work 12-16 months on

Main drivers
- health improvements
- availability of work
Changes in health

Only one in four reported improvements in health between 12-16 months after their claim.

- Getting Better: 25%
- Getting Worse: 25%
- Staying the Same: 32%
- Changeable: 17%
- Don’t know: 0%
Those claiming directly from work were more than twice as likely as ‘non-work’ to go straight back into employment

- most of those who were working had returned to the same job (39%) or a similar post (26%)

16-24s most likely to be unemployed and claiming JSA 12-16 months on

Over 40% of JSA claimants wanted additional advice on managing health and work
Conclusions and Policy Implications
Conclusions and policy implications

- ESA has a very high threshold for eligibility - impact as it rolls out to existing IB claimants
  - spending cuts/proposed removal of legal aid funding reduce access to representation for appeals
  - universal Credit - should reduce existing churn between ESA and JSA, though mechanisms unclear

- Work history and health are both important influences on return to work
  - low rates of return to work after 12 months (less than 10% for WRAG)
  - impact of Work Programme?
IES Research Reports on ESA

... thank you