This paper reports on the main findings of the first phase of a two phase nationally representative survey of entrants to New Deal for Young People (NDYP) in Scotland. Face-to-face interviews took place with 1,147 respondents between February and September 1999. The report describes the characteristics of New Deal participants, their experience and perceptions of the programme and makes some comparisons with participants in England and Wales. The phase 2 survey will follow up on the same respondents around 9 months to one year later and will focus on labour market outcomes.

Main Findings

- 70% of Scottish New Deal entrants were male, 1% were from ethnic minorities and 16% of Scottish respondents live in rural areas.

- Scottish entrants tend to have higher educational and employment capital than their counterparts in England and Wales.

- In Scotland, there was a higher proportion of participants on a subsidised employment placement and fewer in full-time education or training than in England and Wales.

- Spending a relatively long time on Gateway in Scotland was associated with the experience of domestic or financial problems, job access problems, and longer periods of unemployment prior to New Deal.

- 44% of Scottish leavers had left the programme for a job, compared with 41% in England and Wales. 37% of Scottish leavers went into a full time job, 6% into a part time job and 1% into self employment. This compares with 29% of leavers in England and Wales going into a full time job, 11% into a part time job and 2% into self employment.

- Two thirds of participants in Scotland found New Deal useful and half felt that New Deal had improved their chances of getting a good job. Personal adviser interviews and job search assistance were generally seen as the most helpful elements of New Deal.

- New Deal appeared to be providing valuable help to some of the individuals who were less job-ready.
Introduction

This report examines the characteristics and experiences of young people in Scotland who entered the New Deal programme between September 1998 and February 1999, and compares these with the experiences of similar New Deal entrants from England and Wales.

Fewer than half of respondents had completed their time on New Deal when they were interviewed, so it is too early to look at outcomes from the programme.

The next stage of this study will incorporate data from second interviews with the same respondents, 15 months after New Deal entry. Analysis of outcomes will be the key feature of the second stage report.

Characteristics of New Deal entrants

- 70% were male.
- Only 1% of Scottish entrants were from ethnic minorities, compared with 20% of those from England and Wales.
- 16% of Scottish respondents lived in rural areas (defined as a continuous block of localities with fewer than 10,000 residents).
- 16% of Scottish respondents had no academic or vocational qualifications, compared with 25% of respondents from England and Wales.
- 16% of Scottish respondents had literacy or numeracy problems, compared with 23% of those from England and Wales.
- 23% of Scottish respondents had never held a job, compared with 31% of those from England and Wales.
- The proportion of respondents experiencing health problems was similar in Scotland and in England/Wales. 14% assessed their own general health as fair or poor, and 13% had a long-standing illness or disability which affected their work.
- Around 60% would still want to work if they had enough money to live on comfortably for the rest of their lives.

Seven out of ten respondents had faced some specific difficulties in finding or keeping a job in the previous year.

Experience of New Deal

Young people were defined as New Deal entrants if someone from the Employment Service had invited them to participate in New Deal. However, 8% did not recall taking part in any New Deal activities.

Slightly more than half of respondents were still on New Deal when interviewed for the survey. One third of them were still on Gateway, half were on Options and the others had returned to New Deal after leaving an Option.

Spending a relatively long time on Gateway was associated with the experience of domestic or financial problems, job access problems, and longer periods of unemployment prior to New Deal. However, young people with higher level qualifications also had an increased chance of spending a long time on Gateway. They may have been allowed a longer period in which to find work before being submitted to Options.

Young people with better qualifications, those with 12 months or more of unemployment and those with no previous job were most likely to be on Options.

In Scotland, almost half of all Option participants said they were on a subsidised employment placement, and fewer than a third were in full-time education or training. Just over one third of English and Welsh Option participants said they were on a subsidised employment placement, and nearly half were in full-time education or training.

Employment Option participants were more satisfied with their Options than other Option participants, although many of them would have preferred to work in a different job to the one in which they were placed.

New Deal leavers

- 44% of Scottish leavers had left the programme for a job, compared with 41% in England and Wales. 37% of Scottish leavers went into a full time job, 6% into a part time job and 1% into self employment. This compares with 29% of leavers in England and Wales going into a full time job, 11% into a part time job and 2% into self employment.
- 46% of young men left New Deal for a job compared with 39% of young women.
• A quarter of Scottish New Deal entrants who did find jobs had lost or left them again before the survey interview.
• 7% of Scottish leavers were on some sort of education or training course.

Perceptions of New Deal

Perceptions of the usefulness of New Deal were generally similar for Scottish participants and those from England and Wales.
• Most found New Deal useful, but one third said that it was not useful.
• Half felt that New Deal had improved their chances of getting a good job, but more than one quarter felt it had not.
• Nearly half felt that people were pushed into things they didn’t want to do under New Deal.
• Three quarters were satisfied or fairly satisfied with the help provided by their Personal Adviser.
• Personal adviser interviews and job search assistance were generally seen as the most helpful elements of New Deal.
• New Deal leavers tended to make more negative assessments of the programme’s usefulness than participants did, even if they had left to go into a job.
• Options participants made the most positive assessments of the programme.

Conclusions

The analysis suggests that some early leavers did not feel they needed New Deal in order to get back into work.

On the other hand, substantial numbers of relatively well-qualified and confident young people were still on New Deal when they were interviewed for the survey. They tended to feel that their time on New Deal had been useful and had improved their chances of obtaining a good job.

New Deal also appeared to be providing valuable help to some of the individuals who were less job-ready. For example, those who had never held a job had a relatively high chance of being submitted to Options that would allow them to gain work experience. New Deal participants with literacy and numeracy problems were more likely than other participants to feel that the programme had helped them to improve their skills, learn new skills and look for work.

Some New Deal participants clearly felt that the programme was not meeting their needs. In general, there appeared to be no clear association between perceptions of the programme’s overall usefulness, and the characteristics of respondents. However, young people who lacked confidence in their own employability were somewhat more likely than others to say that New Deal had not been useful.

About the evaluation of New Deal for Young People in Scotland

The Employment Service commissioned the Policy Studies Institute (PSI) and British Market Research Bureau (BMRB) to undertake and provide analysis of a national survey of NDYP participants in the UK. Of the 6,010 respondents to this national survey, 653 were from Scotland. This number was considered insufficient for a full analysis of the impact of NDYP in Scotland, so the Scottish Executive and Scottish Enterprise commissioned PSI and BMRB to carry out a booster survey of Scottish New Deal entrants, and to analyse data from the combined national and booster surveys. The booster provides a further 494 interviews, giving a total of 1,147 interviews with Scottish respondents.

A sample of 1,946 participants was selected at random from the New Deal Evaluation Database, specifically September 1998 to February 1999 starts in Scotland (totalling 9,476 cases). Of the 1,946 in the selected sample, 1,147 were interviewed at wave 1, and 728 at wave 2. As a result of the random sampling approach and the relatively high response rates at both fieldwork waves, the survey results can reliably be taken as broadly representative of the total sample universe. That said, the sample attrition across the two fieldwork waves will impact on the sample and as a result, some specific differences will be identified between the interviewed sample and administrative data based on the full sample universe.
Fieldwork for the national survey took place from February to July 1999, and fieldwork for the Scottish booster took place from July to September 1999. This means that the elapsed time from start of New Deal to survey interview tended to be longer for the Scottish booster sample than the national sample.

The timing of the survey interviews means that it is not yet possible to provide comprehensive analysis of the destinations of NDYP participants, after they have finished their time on the programme. Many of the respondents had not completed their New Deal programmes when they were interviewed. Those who had left the programme may be defined as “early leavers”, and we may expect them to be unrepresentative of New Deal participants in general. The next stage of this study will incorporate data from second interviews with the same respondents, 15 months after New Deal entry. Analysis of outcomes will be the key feature of the second stage report, which will use econometric techniques to control for selection into various options within New Deal.