

Indecon Independent Review of the Amendments to the One-parent Family Payment since January 2012

Presented to

**Department of Employment Affairs and Social
Protection**

Prepared by

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An Roinn
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Executive Summary

Introduction

Following a competitive tender, the Department of Employment Affairs and Social Protection (DEASP) commissioned Indecon International Research Economists to complete this independent report on the amendments to the One-parent Family Payment (OFP).

This decision to commission this report was included in the Social Welfare Act 2016, which indicates that “The Minister shall cause to be prepared a report on the financial and social effects of the amendments to One-parent Family Payment since 1 January 2012, taking into account the effects on welfare dependency and the poverty rates of those in receipt of One-parent Family Payment.”

Against this background, the key elements specified in the terms of reference for this preliminary assessment were to examine the following:

- Impact on Welfare Dependency and Employment; and
- Financial and Poverty Effects.

The analysis also considers the social impacts, including factors such as education, self-confidence and overall wellbeing.

Background to the One-Parent Family Policy Reforms

The background to the One-parent Family Payment (OFP) reforms was outlined in the invitation to tender and indicated that the (OFP) scheme has played an important role in providing income support to lone parents since its introduction in 1997. However, in the past, income support for lone parents involved limited engagement between the Department and OFP recipients. The unconditional nature of the OFP payment, coupled with its very long duration, engendered long-term social welfare dependency, and associated poverty, among many lone parents and their children.

Despite significant levels of State spending on lone parents, which exceeded €1 billion per annum from 2008 until 2012, lone parents continue to be significantly more at risk of poverty compared to the population as a whole. The most recent figures from 2015 CSO Survey on Income and Living Conditions (SILC) also show that being at work reduces consistent poverty by three quarters for lone parents.

The need to tackle long-term social welfare dependency, and associated poverty, among one-parent families in Ireland through an active labour market activation policy was addressed in detail in the OECD report, “Babies and Bosses: Reconciling Work and Family Life”.

The policy objective of the One-parent Family Payment scheme reforms introduced in the Social Welfare and Pensions Act, 2012, was to reduce long-term social welfare dependency, and associated poverty, by ending the expectation that lone parents will remain outside of the workforce indefinitely.

In parallel to the implementation of these structural objectives, there were Exchequer-related factors which required savings across all expenditure categories. Separate to the age-related policy reforms, additional measures were introduced to the OFP scheme in order to meet these cost saving requirements.

OFP and Changes to the Scheme

The reforms to the OFP scheme were implemented on a phased basis, beginning from July 2013. The age thresholds at which lone parents become no longer eligible for the payment were reduced every year from 2013 to 2015. By July 2015, the age threshold for the youngest child was seven years of age for OFP recipients, but there were a few exceptions in the case of bereavement of a spouse or partner, or for those in receipt of half-rate carer's allowance. It is also relevant to note that the process of reaching the seven-year age threshold varied for different cohorts of lone parents, depending on when they first began receiving OFP. The table below outlines the changing age thresholds between 2013 and 2015 for the different cohorts of lone parents. The reduction in the maximum age limit of the youngest child for receipt of the OFP was applied to new and existing customers on a phased basis and affected customers from July 2013. The changes were originally planned to be implemented from January each year over the period 2013-2015; however, this was moved to July of each year.

Nature of OFP Policy Reforms - Maximum Age Thresholds From 2013 to 2015			
	Payment of OFP ceases when the youngest child reaches these maximum age thresholds:		
	From 4 July, 2013	From 3 July, 2014	From 2 July, 2015
If OFP payment commenced before 27 April, 2011	17	16	7
If OFP payment commenced between 27 April, 2011, and 2 May, 2012	12	10	7
If OFP payment commenced on or after 3 May, 2012	10	7	

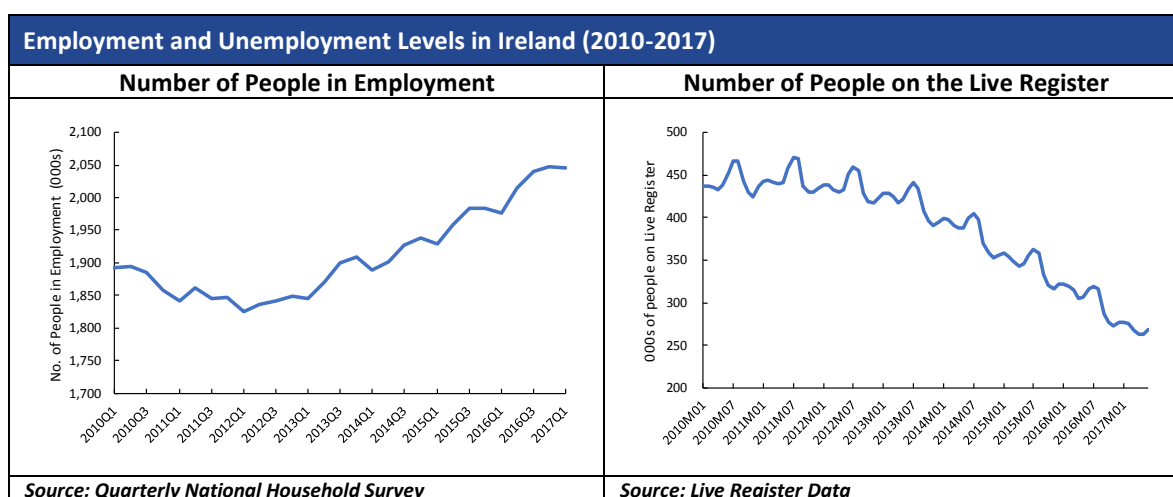
Source: DEASP

Lone parents whose eligibility for the OFP scheme ends as a result of the age changes can transition to other social welfare income support. The majority of customers' transitions were to the Jobseeker's Transitional Payment (JST), Jobseeker's Allowance (JA) and the Family Income Supplement (FIS).

Apart from the changes to the age thresholds outlined above, a number of changes were made to the income disregard for the OFP over the period from 2012 to 2016. In Budget 2012, from 1 January 2012, it was announced that the OFP scheme earnings disregard would be reduced on a phased basis over five years, from €146.50 per week to €130 per week, to €110 per week in 2013, to €90 per week in 2014, to €75 per week in 2015, and to €60 per week in 2016, for new and existing recipients. However, the changes proposed for 2016 and 2017 did not take place and the OFP Scheme Income Disregard was maintained at €90 per week in Budget 2015.

Recent Labour Market Developments

It is useful to place the changes to the OFP scheme in the context of developments in the Irish labour market. This is particularly important in assessing the continued relevance of the changes to the scheme since 2012. The number of people on the Live Register in Ireland has fallen from 470,284 in July 2011 to just over 268,000 in June 2017. This indicates that major changes have occurred in the Irish labour market since the reforms of OFP were first introduced.



Methodological Approach to the Review

As part of this project Indecon has implemented a rigorous evidence-based methodology to independently evaluate the impact of the OFP policy reforms. The analysis includes:

- Quantitative analysis of data sources;
- Major survey of OFP recipients; and
- Econometric methodologies to estimate the marginal impact of the policy reforms.

In addition, Indecon consulted with a number of staff in activation centres of DEASP to understand aspects of the implementation of the policy.

The datasets utilised in our analysis include:

- The Jobseekers Longitudinal Database (JLD);
- Child Benefit data provided by DEASP;
- Data on Carers Allowance, Disability Allowance and Basic Supplementary and Welfare Allowance;
- Activation and Case Management Data from DEASP;
- Data on earnings from employment from the Revenue Commissioners; and
- The EU SILC RMF dataset.

As part of our analysis Indecon felt it was very important to directly obtain inputs from individuals who were impacted by OFP. Indecon decided to undertake a very large-scale survey exercise to capture the views of these individuals. The survey was circulated to 33,000 impacted individuals with a particular focus on those individuals who did not transition to JST, as they were more likely to have seen a material change in their financial circumstances as a result of the policy reforms.

Indecon received 3,684 survey responses from individuals who were impacted by the change in policy. The results represent one of the largest surveys undertaken of one-parent families in Ireland and represents an authoritative source of evidence on the impacts of the policy changes. This information is much more valuable than anecdotal evidence.

Indecon also conducted interviews with a number of staff members in DEASP and in the activation centres around the country who had experience of dealing with OFP recipients and those impacted by the change in OFP policy.

To estimate the marginal impact of the policy reforms on each of the key metrics of interest, Indecon utilised a number of sophisticated econometric techniques. These econometric methodologies attempt to assess the impact of the policy reforms, holding all other factors equal. This is because of the importance of assessing outcomes compared to a counterfactual; in other words, what would have happened in the absence of the policy. Econometric estimation is generally needed to estimate the net impact of labour market policy reforms, because of a number of factors, including: the alternative of what labour market outcomes would have occurred otherwise must be controlled for; outcomes may be correlated with aspects that determine the impacted policy cohort and other socio-demographic variables – e.g., finding a job, age of the youngest child, and education level.

One of the main econometric models used is the Difference-in-Differences (DID) method. In this model, there is a time trend, and a time period after which treatment occurs. The first differencing of the variables will remove the time trend. A second differencing between treated and non-treated groups will control for differences in the means of treated and non-treated groups. The variables can then be used to estimate outcomes with respect to explanatory variables and measure the impact versus a counterfactual scenario.

Welfare Dependency and Employment Impacts

The policy objective of the One-parent Family Payment scheme reforms was to reduce long-term social welfare dependency and associated poverty. It is therefore important as part of our analysis to examine if the OFP policy reforms decreased welfare dependency amongst the population of lone parents and whether the policy resulted in an increase in employment.

As background context to examining the impact of the policy reforms on employment and welfare dependency, it is useful to consider the range of supports provided to OFP recipients to assist individuals to reduce welfare dependence and increase employment. Some of these activation supports are being rolled out over time and so not all of those who lost OFP payments due to the policy change will have had access to these services to date. For those who lost OFP due to the policy change approximately one-fifth had engaged with DEASP. The figures show that one-to-one engagement or individual follow-on engagement accounted for 7,709 engagement activations and there were an additional 3,651 individuals who participated in activation group engagement.

Since the original changes were made in OFP a number of other supporting measures have been introduced including the Back to Work Family Dividend which provided financial support in the period after 5 January 2015 to certain families with children who take up employment or self-employment. Our analysis shows that many individuals who lost OFP were assisted from this initiative. For example, 26.4% of individuals who lost OFP in 2015 obtained this payment.

Individuals who lost OFP provided insights to Indecon on their experiences with the support and advice from the Department following the changes to the OFP. Almost one-third of respondents reported that they received information on employment programmes and training or education opportunities while 18% reported they received advice on preparing a personal development plan.

Indecon also sought the views of one-parent families on their perception of helpfulness of the information and service provided by the Department. 37% of individuals found the information and service helpful/very helpful at the time their OFP ended but 30% indicated they did not find the service to be helpful.

The objective of reducing welfare dependency and employment will be influenced not only by the activation support services provided but also by the engagement of the individual in education and training. As part of this study we asked those who lost OFP what impact, if any, it had on their involvement in training and education and employment. The results show that 39% of one-parent families suggested the changes encouraged them to consider education, training or an employment programme, but for 19% it was suggested that the changes discouraged these options. The results suggest that the changes are likely on balance to have a positive impact in encouraging a percentage of OFP recipients to enhance their skills via education or training.

Indecon sought the views of individuals on what impact education/training had on their family circumstances. The majority of respondents suggested that the education training had positive impacts including acquiring new skills, improving confidence, making friends, encouraging children to want to study and improved overall wellbeing.

In considering welfare dependency it is important to take account of all of the different welfare payments. For example, many individuals who lost OFP are likely to have transitioned to the JST payment or to have obtained Jobseeker's Benefit or Allowance or to have benefited from other supports such as FIS (Family Income Supplement), BTWFD (Back to Work Family Dividend), or CA (Carer's Allowance)/DA (Disability Allowance) or basic Supplementary Welfare Allowance (SWA).

Amongst those who lost OFP due to the policy change, average OFP payments fell sharply between 2013 and 2016, but as lone parents transitioned from OFP onto other social welfare payments, average welfare income from JST, FIS and BTWFD, increased significantly suggesting that some of the OFP reductions were met by other social welfare supports.

An analysis of those who lost OFP shows that welfare dependency rates fell in the year after individuals lost OFP. The evidence also shows that the reduction in welfare dependency declined each year after the OFP was lost. For example, those who lost OFP in 2013 saw a reduction in welfare dependency from 74% in 2013 to 63% in 2014. This declined further to 60% in the following year and 56% in 2015.

The new survey evidence also shows that the changes caused 46% of individuals to look for new employment. 51% reported that as a result of the changes they looked for more hours of work. A key policy objective of OFP changes was to increase employment by one-parent families. The employment position of individuals surveyed when they were in receipt of the OFP, shows that only 15% were in full-time employment and 66% indicated they were in part-time employment. After the OFP, a greater proportion of respondents had secured in full-time employment. The reported experience of individuals to the Indecon survey suggested that after the OFP ended the percentage who had obtained full-time employment increased from 15% to 22%.

The positive impact of employment for the financial and non-financial wellbeing of individuals and their families is evident from the Indecon survey. The majority of individuals indicated that employment helped them make more money, develop new skills, improve their confidence, make new friends and improved their overall wellbeing and the wellbeing of their children. This highlights the appropriateness of policies aimed at supporting one-parent families to obtain employment.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Overall Impact of OFP Payment Changes					
Please give your views on how the changes to the One-Parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Caused me to look for new employment	14%	32%	31%	17%	7%
Caused me to give up my job	3%	5%	28%	39%	24%
Caused me to look for more hours of work	18%	33%	28%	15%	7%
Caused me to reduce my hours of work	3%	6%	32%	36%	23%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Individuals were also asked to indicate how they expect things to change over the next three years in terms of their employment situation. 43% expected that their employment situation would change for the better over the next three years but 13% felt it would get worse.

The next table shows evidence from the JLD based on Revenue Commissioner's data on the rise in the percentage of people who reported earnings from employment amongst those who lost OFP due to the policy change. 60% of those who lost the OFP due to the policy change reported earnings from employment in 2016. This compares with 44% of those who remained on OFP.

Percentage with Earnings from Employment		
Year	Those who Remained on OFP	Those who Lost OFP due to Policy Changes
2013	47%	49%
2014	45%	52%
2015	44%	55%
2016	44%	60%

Source: Indecon analysis of Revenue Commissioner data included in JLD

It is not suggested that the survey results can prove OFP changes on their own explain the differences in employment outcomes. The results, however, suggests that OFP changes are likely to have had a positive impact on employment. This is confirmed by an analysis of employment earnings of individuals who lost OFP. The proportion of those in employment reporting earnings over €5,000 and €10,000 per annum also increased in the years following the loss of OFP. This is likely to reflect the fact that the loss of OFP resulted in individuals working more or finding better paying employment.

Indecon also analysed quantitative evidence on the average earnings from employment of those who kept OFP and those who lost OFP due to the policy change. Individuals who lost OFP due to the policy change had average earnings of €7,576 in 2016 compared to employment earnings of €4,248 for those who kept OFP. The average employment earnings of those who lost OFP due to the policy change increased significantly between 2013 and 2016.

Average Earnings from Employment who Kept or Lost OFP (2013-2016)				
	2013	2014	2015	2016
Kept OFP 2013-2016	€4,586	€4,439	€4,249	€4,248
Lost OFP due to policy change	€4,805	€5,392	€6,230	€7,576

Source: Indecon analysis of Revenue Commissioner data included in JLD

The average employment earnings include those who had no employment as well as those who were employed either full-time or part-time. It is therefore useful to examine the average earnings of only those who had some employment. The next table examines the difference in average earnings amongst this group separated by those who kept OFP between 2013 and 2016 and those who lost it at some stage during those years. Those who lost OFP due to the policy change saw their employment earnings increased by 29.7% over the four-year period.

Average Earnings from Employment of Those who Kept or Lost OFP Who Had Some Employment (2013-2016)				
	2013	2014	2015	2016
Kept OFP 2013-2016	€9,585	€9,417	€9,510	€9,679
Lost OFP due to policy change	€9,775	€10,313	€11,315	€12,680
<i>Source: Indecon analysis of Revenue Commissioner data included in JLD</i>				

In order to estimate the impact of the policy reforms compared to a counterfactual, Indecon utilised a range of econometric methodologies. We estimated models for dependent variables defined both continuously and in terms of a discrete welfare dependency threshold. The results of the estimation are presented in the table below. The ATET is the average treatment effect on the individuals impacted by the changes. The overall (continuous) welfare dependency rate is estimated to be reduced by the policy in both the DID and RDD models. The impact was estimated at between a reduction of 3% and 4% on the overall welfare dependency rate. The DID model suggests an impact of reducing the welfare dependency rate by four percentage points. All of the econometric models find a negative impact on the probability of having a welfare dependency rate of greater than 50% or of 100%. Our main econometric model suggests a 16% reduction in the probability of being more than 50% welfare dependent and a 3% reduction in the probability of being 100% welfare dependent. The results were all statistically significant which is indicated by **bold** type in the tables.

Econometric Evidence on Impact of Policy Reforms on the at Welfare Dependency		
	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
WDR	-4.1%	-3.2%
I.WD_50	-16.1%	-4.7%
I.WD_100	-2.7%	-2.2%
<i>Source: Indecon analysis of JLD</i>		

When looking at the impact of the policy reforms on employment, Indecon also modelled a number of relevant dependent variables, defining a number of discrete outcomes. We examined the impact of the reforms on the probability of the individual being employed in a given year, and the probability of being in employment with earnings of more than €2,500, €5,000, €10,000 and €15,000 per annum. The marginal impact of the policy on the probability of being employed (at all) or employed with earnings over the threshold can then be estimated. The results are presented in the next table. The models suggest that the policy reforms increased the probability of those impacted being employed in subsequent years by between 2% and 3%. The models also suggest that the policy reforms increase the probability of the individuals being in employment, and increase the probability an individual has earnings over all the thresholds, from €2,500 to €15,000 per annum.

Econometric Evidence on Impact of Policy Reforms on the Employment Earnings		
	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
Emp Earnings	3.3%	2.2%
Emp Earnings > 2.5	3.3%	2.3%
Emp Earnings > 5	3.4%	2.6%
Emp Earnings > 10	4.5%	3.5%
Emp Earnings > 15	6.3%	2.8%

Source: Indecon analysis of JLD

Our analysis shows that the OFP reforms have been successful in increasing employment, earnings and in reducing welfare dependency. Despite this finding, and while accepting it is too early to examine the overall long-term impacts, a potential concern is that many of those who lost OFP remain unemployed or are in the low paid or part-time employment. A key challenge for policymakers is to assist lone parents to become more integrated into the Irish labour market.

Financial and Poverty Impacts of Policy Reforms

Over the longer term the positive impacts of the changes on employment, if sustained, offer the potential to enhance the financial position of one-parent families and to reduce the risks of poverty and to have other social benefits. However, it is also important to consider the short term financial and poverty impact on lone parents.

As part of Indecon's survey of individuals affected by the OFP Changes, we obtained their views on the changes in their personal financial circumstances in the period after the OFP changes. Just over half (53%) of respondents indicated that their family's financial situation got a little worse/much worse since the changes to the OFP while 27% said it did not change their financial situation and 20% said their family's financial situation had gotten better. It is important to note that these changes may have been for various reasons and not simply due to OFP reform.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes	
Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents
My family's financial situation...	
Has got much better	5%
Has got a little better	15%
Didn't get better or worse	27%
Has got a little worse	27%
Has got much worse	26%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Respondents were also asked to indicate how they expect things to change over the next three years in terms of their family's financial situation. The results indicated that 41% of individuals believe that their family financial position will improve over the next three years while 30% felt it would not change and the balance percent felt their family position would get worse. The results suggest more positive expectations for their future financial situation compared to what has occurred since the OFP changes were made.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on How they Expect Their Financial Situation to Change Over the Next Three Years	
Please tell us about how you expect things to change over the next three years	% of Respondents
My family's financial situation...	
Will get much better	14%
Will get a little better	27%
Won't get better or worse	30%
Will get a little worse	14%
Will get much worse	16%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>	

Indecon examined empirical evidence on the changes in the incomes of those who have been impacted by OFP. A key issue is whether any increase in employment earnings have as yet been sufficient to compensate for any decline in social welfare incomes. The figures indicate that in 2016, incomes of those who lost OFP due to the policy changes were similar to those who had remained on OFP over the period. However, it should be noted that there are likely to be differences in other characteristics between these groups including parental age and age of children, which impact on incomes.

Average Total Income (2013-2016)				
	2013	2014	2015	2016
Those who remained on OFP	€15,037	€15,842	€16,824	€18,071
Lost OFP due to policy change	€19,147	€19,169	€18,859	€18,720
<i>Source: Indecon analysis</i>				

Our findings demonstrate that the impact of OFP on individuals' financial incomes varied and the results indicate that 52% of individuals who lost OFP in 2015 faced no loss in total incomes, while 48% experienced a loss in income. A particular concern is the percentage of individuals who experienced a decline in incomes. Ways of assisting these more individuals to increase their employment and enhance incomes is something which merits particular attention.

An analysis of the incomes of those who lost OFP compared to those still on OFP by number of children is presented in the table below. Not surprisingly given how social welfare support is structured, the figures show that average incomes for both groups were higher for families with more children. For families with three or fewer children those who had lost OFP had on average higher total incomes when compared to their OFP comparators.

Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Number of Children		
	Still on OFP	Lost OFP
Children	Average Total Income	Average Total Income
1 Child	16,005	17,026
2 Children	17,676	18,639
3 Children	19,665	20,265
4 or more Children	22,791	22,277

Source: Indecon analysis

Having examined the available evidence on the impact of the policy reforms on the financial wellbeing on individuals, we now turn to look at the related issue of impact of the reforms on the risk of poverty. Owing to the fact that persons who qualify for the OFP are means-tested, this group of individuals are likely to have experienced deprivation and risk of poverty prior to any policy change. This is consistent with Indecon's new survey evidence which shows that across the range of categories there was a high proportion of respondents who reported they could not afford basic items of expenditure before the OFP changes. Data on the proportion of respondents to the Indecon survey who were unable to afford each of the items before any OFP changes demonstrates that recipients of the OFP experience relatively high rates of deprivation. This suggests that simply leaving individuals on current OFP payments will not address the risks of poverty for these individuals. The figures also indicate an increase in percentage who were unable to afford the items in the last twelve months.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Experiences of Deprivation before the OFP Changes versus in Last 12 months		
Please tell us if, before the OFP changes since 1st January first affected you, you were able or unable to afford any of the following:	% Unable to Afford	
	Prior to OFP Changes	In last 12 Months
Two pairs of strong shoes	49%	59%
A warm waterproof overcoat	37%	50%
Never had to go without heating	41%	47%
Buy new (not second-hand) clothes	38%	45%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	17%	23%
Have a roast of meat or its equivalent once a week	30%	35%
Keep the home adequately warm	32%	38%
Buy presents for family or friends at least once a year	46%	54%
Replace any worn out furniture	84%	85%
Have family or friends for a drink or meal once a month	74%	76%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	73%	76%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes

A comparison of the responses among the OFP recipients relating to their circumstances before the changes to the OFP compared with that of the last 12 month shows that there was a marginal improvement in the small percentage who were able to afford all of the items listed but the position for those not able to afford three or more items declined.

An individual is defined as being in consistent poverty if they cannot afford at least two of a number of deprivation indicators. Of note is that there has been no change in the reported percentage of those at risk of consistent poverty in the last 12 months compared to the position before OFP changes affected them.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Experiences of Deprivation in the Last 12 Months		
Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford	% of Respondents	
	Before the OFP Changes Affected you	In the Last 12 Months
None	14%	15%
One or more	86%	85%
Two or more	81%	81%
Three or more	75%	77%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

In considering the possible causes of the differential effects on incomes of those who lost OFP, we examined deprivation levels for those in different employment situations. The next table shows the responses of those who were in full-time employment at the time of completing the survey. Relative to the average from all respondents, those in full-time employment show a significant increase in the percentage who are able to afford all of the items of expenditure. This highlights the positive impact in reducing poverty of the percentage who were able to obtain full-time employment. However, a different picture emerges for those with no employment or low part-time employment earnings.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Experiences of Deprivation in the Last 12 Months (in Full-Time Employment)		
Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford	% of Respondents	
	Before the OFP Changes Affected You	In the Last 12 Months
None	16%	27%
One or more	84%	73%
Two or more	79%	68%
Three or more	71%	63%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

As part of our research Indecon obtained the views of individuals impacted by OFP reforms on their perceptions of the overall impact of the OFP changes on their families in terms of overall wellbeing. 23% of individuals affected indicated that the changes improved their sense of wellbeing but 43% indicated that this had worsened. Similarly, 21% suggested the changes had improved their children's wellbeing while 40% suggested this had declined.

Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on the Overall Impact on Wellbeing of OFP Payment Changes					
Please give your views on how the changes to the One-Parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Improved my sense of wellbeing	8%	15%	30%	23%	24%
Worsened my sense of wellbeing	21%	22%	30%	16%	10%
Improved my children's wellbeing	7%	14%	31%	25%	23%
Worsened my children's wellbeing	19%	21%	34%	16%	10%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes

Having examined survey evidence on consistent poverty it is also useful to review changes in median equivalised income of those who lost OFP to examine the percentage of those at risk of poverty. Those who lost OFP saw an increase in the risk of poverty in the following year but the proportion of those at risk of poverty was higher amongst average for all those on OFP than amongst those who lost OFP payments. The risk of poverty is defined as those with less than 60% of the national median (middle) annual incomes.

Percentage with Incomes Less than 60% of the National Median Annual Income (2013-2016)				
	2013	2014	2015	2016
Lost OFP in 2013	57%	69%	73%	71%
Lost OFP in 2014	57%	62%	69%	67%
Lost OFP in 2015	57%	57%	59%	61%
Lost OFP in 2016	64%	63%	64%	62%
Average for all those on OFP	61%	63%	66%	69%

Source: Indecon analysis

In order to estimate the marginal impact of the policy reforms Indecon utilised a range of econometric methodologies. The results of the econometric models on the impact on incomes of the reforms compared to a counterfactual control group are somewhat ambiguous. Our DID model suggests a reduction in incomes of about €1,269 per annum, controlling for other factors, while the results of the Regression Discontinuity model suggested a small increase in incomes. Indecon believes that based on all the evidence it is likely that on average the changes resulted in a small reduction in average incomes compared to what would have been the case although for those in full employment an increase in average income was evident. Further research on a more detailed counterfactual analysis over time is needed to deserve definitive conclusions.

Econometric Evidence on Impact of Policy Reforms on Total Income		
	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
Total Income	-1,269	279

Source: Indecon analysis of JLD

The econometric modelling also attempted to estimate the impact on those at risk of poverty. Both the DID and RDD models suggest that, controlling for other factors, the policy reforms had no statistically significant impact on the probability of affected individuals being classified as at risk of poverty. The coefficients on the key variable for policy impact in both models are statistically insignificant. It should be noted that it was only possible to run this model on the population of all those people on OFP over the period. Caution is therefore advised in interpreting the results of this model. The balance of evidence suggests that the policy reforms is likely to have impacted on the risk of poverty for a percentage of individuals who lost OFP although some individuals experienced enhanced incomes.

Exchequer Impact and Cost-Benefit Analysis

Indecon undertook a retrospective Exchequer impact and cost-benefit analysis of the policy reforms. The key findings from the Exchequer impact analysis for the period from 2013 to 2016 indicates that over the period there were net savings to the Exchequer. It should, however, be noted that the Exchequer savings resulted in a corresponding reduction of payments to OFP recipients and so represents a distributional impact rather than an economic benefit.

Net Exchequer Impact - € Millions				
	2013	2014	2015	2016
Net Welfare Savings	1.8	19.8	77.9	167.4
Income Tax Increases	0.3	0.5	1.5	1.6
System Costs	-5.0	-5.0	-5.0	-5.0
<i>Source: Indecon analysis of JLD</i>				

The changes are, however, likely to have resulted in an economic benefit arising from the shadow price of public funds on the welfare savings as well as an increase in gross value added. A preliminary cost-benefit analysis of the policy reforms suggests a net benefit of €45 million over the period.

CBA Findings - € Millions					
	2013	2014	2015	2016	Total
Benefits					
Welfare Savings	0.5	5.9	23.4	50.2	80.1
Increase in GVA	0.8	1.5	4.6	4.8	11.7
Costs					
System Costs	5.0	5.0	5.0	5.0	20.0
Societal Impacts	0.2	2.0	7.8	16.7	26.7
Net Benefit/Loss	- 3.86	0.46	15.20	33.28	45.08
<i>Source: Indecon analysis of JLD</i>					

Conclusions

Our key conclusions suggest that OFP reforms have been successful in increasing employment and reducing welfare dependency. The evidence indicates that the reform increased the probability of employment and of achieving higher employment incomes. A potential concern, however, is the percentage of those who lost OFP who remain unemployed or are in low paid or part-time employment. A key challenge for policymakers is to assist these lone parents to become more integrated into the Irish labour market.

Average incomes for those who lost OFP due to the policy changes were similar to those who remained on OFP but this may be due to other differences in the characteristics of these two groups of lone parents. The balance of evidence indicates that the policy changes impacted negatively on the risk of poverty although some individuals experienced enhanced incomes. The differential effects on incomes and poverty of those who lost OFP appear to be closely related to the employment situation of those who lost OFP.

Lone parents remain among the most vulnerable groups and demonstrate a high level of risk of poverty and social deprivation. Employment has the potential to enhance incomes and also to achieve other social benefits for lone parents and their children. Assisting lone parents to enhance skills also needs to be seen as a key objective as low paid employment will not, on its own, ensure a reduction in the risk of poverty.

The findings in this report support the rationale and continued relevance of the policy changes. The changes have reduced welfare dependency and increased employment. However, unless accompanied by further increases in employment the objective of reducing poverty will not be met.

Given the importance of securing additional employment in addressing the financial and poverty challenges faced by lone parents, Indecon believes that care is needed in designing welfare programmes to ensure that the structure of any payments do not disincentivise employment. This is particularly the case where there may be an integration of a number of different payments with varying earning thresholds where individuals are likely to access more than one form of payment. There is also a need to ensure that transitional arrangements for those who are losing OFP payments involve detailed activation support. Ways of ensuring that all those who lost OFP receive one-to-one activation services merits attention.

It is too early to make definitive conclusions on the impact of the policy changes over the medium term as the number of years since the measure was undertaken is limited. We recommend a more detailed investigation using counterfactual modelling towards the end of 2018.

Acknowledgements

Indecon would like to acknowledge the valuable assistance and inputs to this evaluation provided by the staff in the Department of Employment Affairs and Social Protection. We would particularly like to express our gratitude to the very large numbers of OFP customers who took the time to complete the surveys and who have provided valuable inputs to the evaluation. This provided the Indecon team with important first-hand evidence on the social, financial and employment impacts of the policy changes.

The usual disclaimer applies and responsibility for the analysis and findings in this independent report remains the sole responsibility of Indecon

1 Introduction and Background

1.1 Introduction

Following a competitive tender, the Department of Employment Affairs and Social Protection (DEASP) commissioned Indecon International Research Economists to complete this independent report on the amendments to the One-parent Family Payment.

This decision to commission this report was included in the Social Welfare Act 2016 which indicated that, “The Minister shall cause to be prepared a report on the financial and social effects of the amendments to One-parent Family Payment since 1 January 2012, taking into account the effects on welfare dependency and the poverty rates of those in receipt of One-parent Family Payment.”

It should be noted that it is very early to assess the full outcome of the policy reforms and separate budgetary changes, because a significant portion of the affected parents are only now commencing education, training and or employment programmes which will take time for them to complete. This is an important constraint on any preliminary findings as the strongest positive employment effects of active labour market programme are only likely to result after a period following completion of a programme. This suggests the need for a more comprehensive subsequent evaluation of the proposed changes.

Against this background the key elements specified in the terms of reference for this preliminary assessment were to examine the following:

- Impact on Welfare Dependency and Employment
- Financial and Poverty Effects for Customers Affected by the Changes.

The analysis also considers the social impacts including factors such as education, self-confidence and overall wellbeing.

Indecon recognises that lone parents even in the absence of any changes to the OFP payments face multiple challenges and it is important to distinguish the impact of the OFP payment changes for other factors. The range of challenges faced by OFP families was recognised in the conclusions of the recent report of the Joint Committee on Social Protection which noted that:

“the main challenges facing lone parents are child poverty, housing costs, childcare costs and availability, child maintenance payments, job activation, education and changes to the One-parent Family Payment”.¹

1.2 Background to the One-Parent Family Policy Reforms

The background to lone-parent family support was outlined in the invitation to tender and indicated that until the early 1970s, the only type of lone-parent families catered for under the social welfare system were widows. Schemes for other types of lone-parent families began to emerge in 1970 when the first scheme was introduced. In 1986 the Report of the Commission on Social Welfare recommended a restructuring of social assistance in line with the income needs of a unified social assistance scheme for lone parents with children was known as the Lone Parent’s Allowance (LPA) was introduced in 1990.

¹ Houses of the Oireachtas, Report of the Joint Committee on Social Protection, Report on the Position of Lone-parents in Ireland, June 2017.

The One-parent Family Payment was introduced on 2nd January 1997. The main difference in the new scheme was One-parent Family Payment was the inclusion of standard earnings disregard of €115.38 (€146.50) per week intended to encompass work expenses, including childcare. The scheme also aimed to ensure that lone parents could more easily assess the implications of returning to work/training.

The (OFP) scheme has played an important role in providing income support to lone-parents since its introduction in 1997. However, in the past, income support for lone parents involved limited engagement by the Department with OFP recipients. The non-conditional nature of the OFP payment, coupled with its very long duration, over time, engendered long-term social welfare dependency, and associated poverty, among many lone parents and their children.

Despite significant levels of State spending on lone parents, which exceeded €1 billion per annum from 2008 until 2012, lone parents continue to be significantly more at risk of poverty compared to the population as a whole. Latest figures from 2015 CSO SILC data also shows that being at work reduces consistent poverty by three quarters for lone parents.

The need to tackle long-term social welfare dependency, and associated poverty, among lone-parent families in Ireland through an active labour market activation policy was addressed in detail in the OECD report, “Babies and Bosses: Reconciling Work and Family Life”. The OECD argued that passive income support policy towards lone parents until their youngest child was aged 18 years (or 22 years if in full-time education), was a significant contributory factor to the low levels of employment, and high levels of poverty.

The Department in its report, “Proposals for Supporting Lone Parents”, published in 2006, highlighted Ireland’s outlier status in terms of the maximum age threshold for the youngest child, as well as the merits of bringing the OFP scheme more in line with international standards – where there was a general movement away from long-term and non-conditional income support towards a more active engagement approach. This analysis formed the basis for the decision to gradually lower the maximum age threshold for the youngest child on the OFP scheme to seven years from 2011 until 2015 and, also, to improve access to educational, training, and employment supports for lone parents through the Department’s Intreo services. This was in part based on evidence from the EU Survey for Living Conditions stated that parental employment was found to be the most important factor related with high rates of child poverty—thus, reiterating the need for an improved strategy for lone-parent activation.

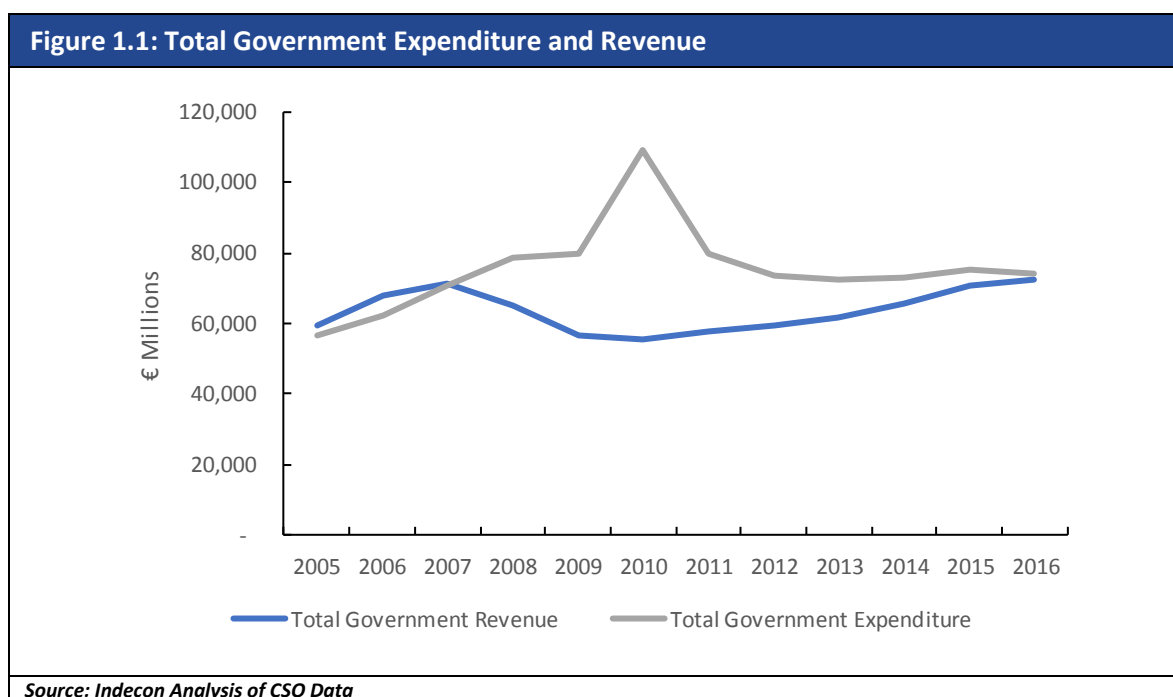
A more general criticism of the OFP scheme outlined in the Department’s policy review concerned the lack of effectiveness as an activation programme. In contrast to benefits received by those classed as unemployed, there is no employment condition attached to the payment. While there are many supports available to those receiving the payment, availing of these services and supports is at the discretion of the OFP recipient. While the earnings disregard is the main incentive to move from welfare to employment, it may also have an unintended effect on the nature of this employment. It may trap lone parents in low-wage and/or part-time employment; recipients are incentivised to keep their earnings below the threshold either by undertaking low-wage employment, working less hours than they otherwise might, or a combination of the two.

The policy objective of the phased One-parent Family Payment scheme reforms introduced in the Social Welfare and Pensions Act, 2012, was to reduce long-term social welfare dependency, and associated poverty, by ending the expectation that lone parents will remain outside of the workforce indefinitely.

A key aspect of the policy reforms to achieve this objective of increasing labour market participation of lone parents was to enhance the opportunities for all OFP recipients by providing them with access to a tailored personal development plan. This process provides improved access for lone parents to education, training, employment programmes and information on other support services which is available through the Department's Intreo case officers. Prior to the reforms this level of support and engagement was only available exclusively to jobseekers on the Live Register.

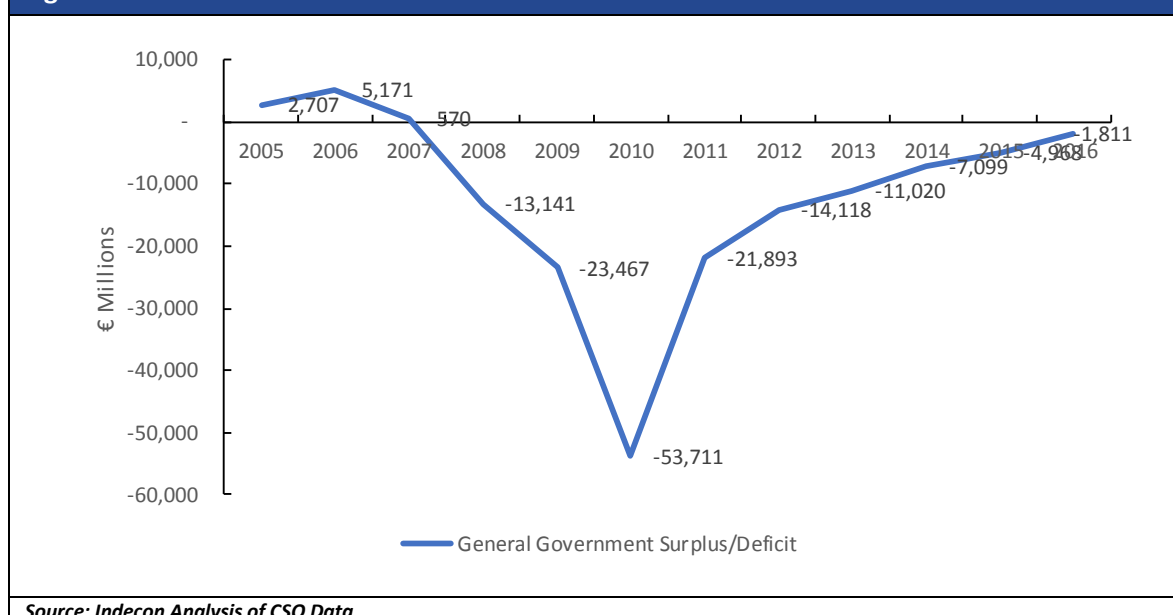
In parallel to the implementation of these structural objectives, there were Exchequer related factors which required savings across all expenditure categories. Separate to the age-related policy reforms, additional measures were introduced to the OFP scheme in order to meet these cost saving requirements.

These budgetary pressures were driven by the deteriorating state of the government finances in the years preceding the policy reforms in 2012. Figure 1.1 shows the increasing gap between total government revenue and total expenditure beginning in 2007 and growing wider in the subsequent years.



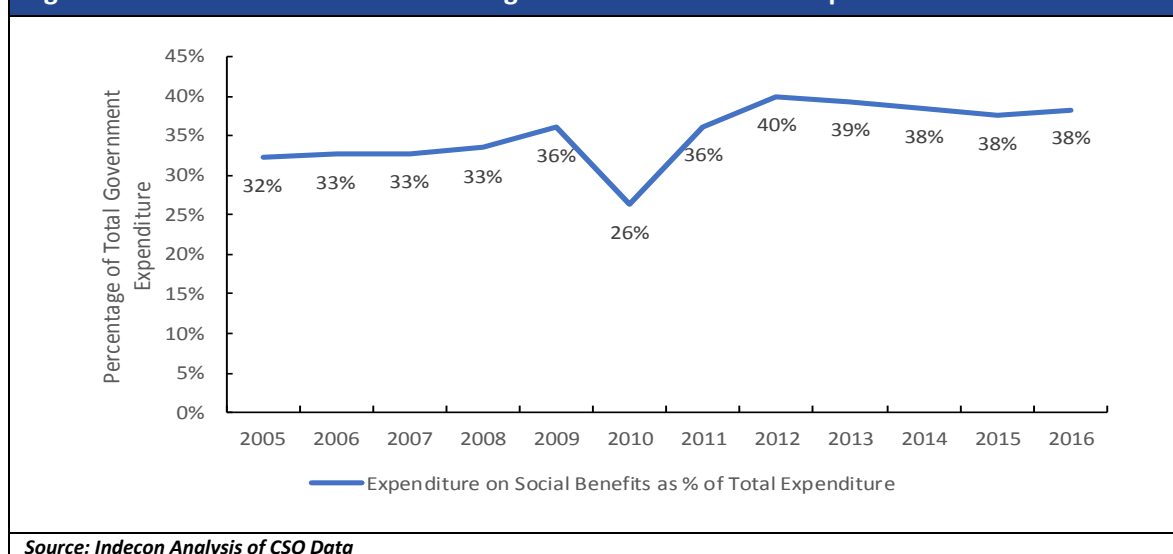
The following figure further emphasises the deterioration of the public finances in the years leading up to the introduction of the policy reforms but outlining the path of the government deficit between 2005 and 2016.

Figure 1.2: Government Deficit 2005-2016



The following figure illustrates the growing contribution of social benefit payments to total government expenditure over period from 2007 until 2012 when social benefits represented 40% of total government expenditure. Spending on social benefits would be expected to rise given the severity of recession over this period and the considerable growth in unemployment. However, as outlined above, the scale of the government deficit over this period was such that, as one of the largest areas of government expenditure, a reduction in social spending was judged necessary as a means of reducing the government's deficit.

Figure 1.3: Social Benefits as a Percentage of Total Government Expenditure



1.3 The Nature of the OFP Policy Reforms

The reforms to the OFP payments were implemented on a phased basis beginning from July 2013. The age thresholds at which lone parents become no longer eligible for the payment were reduced every year from 2013 to 2015. By July 2015 the age threshold for the age of the youngest child was seven years of age for OFP recipients but there were a few exceptions in the case of bereavement of a spouse or partner or for those in receipt of half rate carers allowances. It is also relevant to note that the process of reaching this seven-years-of-age threshold was different for different cohorts of lone parents, depending on when they first began receiving OFP. The table below outlines the changing age thresholds between 2013 and 2015 for the different cohorts of lone parents. The reduction in the maximum age limit of the youngest child for receipt of the OFP was applied to new and existing customers on a phased basis and affected customers from July 2013. The changes were originally planned to be implemented from January each year over the period 2013-2015; however, this was moved to July of each year.

Table 1.1: Nature of OFP Policy Reforms - Maximum Age Thresholds From 2013 to 2015			
	Payment of OFP ceases when the youngest child reaches these maximum age thresholds:		
	From 4 July, 2013	From 3 July, 2014	From 2 July, 2015
If OFP payment commenced before 27 April, 2011	17	16	7
If OFP payment commenced between 27 April, 2011, and 2 May, 2012	12	10	7
If OFP payment commenced on or after 3 May, 2012	10	7	

Source: DEASP

Lone parents whose eligibility for the OFP scheme ends as a result of the age changes can transition to any other social welfare income support. The majority of customer's transition were to the Jobseeker's Transitional Payment (JST), Jobseeker's Allowance (JA) and the Family Income Supplement (FIS). Apart from the changes to the age thresholds outlined above, a number of changes were also made to the income disregards for the OFP over the period from 2012 to 2016. From 1 January, 2012, it was announced that the OFP scheme earnings disregard would be reduced on a phased basis over five years, from €146.50 per week to €130 per week, to €110 per week in 2013, to €90 per week in 2014, to €75 per week in 2015, and to €60 per week in 2016, for new and existing recipients. However, the changes proposed for 2016 and 2017 did not take place and the OFP Scheme Income Disregard was maintained at €90 per week in Budget 2015.

The Jobseeker's Transitional Payment (JST) was introduced in June 2013. This payment exempts these lone parents with youngest child aged seven to 13 years inclusive from certain Jobseeker's Allowance (JA) scheme conditions, including the requirement to be available for, and genuinely seeking full-time work and the JA rule that you must be unemployed for four out of seven days to receive payment.

The important aspect of this payment is that it ensures that a lone parent with a youngest child aged under 14 years is not required to take up employment in order to receive income support from the Department. They can however, choose to move into employment including all types of part-time

employment, and/or into education and still receive payment, subject to a means test. They also gain improved access to the Department's Intreo services.

Access to JST was initially confined to previous OFP recipients but was extended to new lone parents in 2015. When JST was introduced it was based on the JA means test (i.e. an income disregard of €60 per week with the balance assessed at 60%). This was amended in 2016 to align the JST with more generous OFP means tests of an income disregard of €90 with the balance assessed at 50%. Budget 2017 increased the JST and OFP income disregard to €110.

The Back to Work Family Dividend (BTWFD) was introduced in January, 2015, and is available to a range of customers including lone parents who transition from OFP to the Family Income Supplement (FIS) payment or sustainable employment. The dividend allows these customers to retain the qualified child proportion of their former OFP payment, which equals €29.80 per week per child (up to a maximum of €119.20 per week for four children), for two years, with full entitlement (worth €1,550 per child) in the first year and 50% entitlement (worth €775 per child) in the second year.

1.4 Irish Labour Market Developments

It is useful to place the OFP scheme in the context of developments in the Irish labour market. This is particularly important in assessing the continued relevance of the Scheme. Figure 1.4, shows the increase in the number of people in employment since 2011. The number of people in employment reached over two million in each of the last four quarters. At the same time, the number of people on the Live Register in Ireland has fallen from 470,284 in July 2011 to about 268,726 in June 2017. This indicates that major changes have occurred in the Irish labour market since the OFP scheme was introduced.

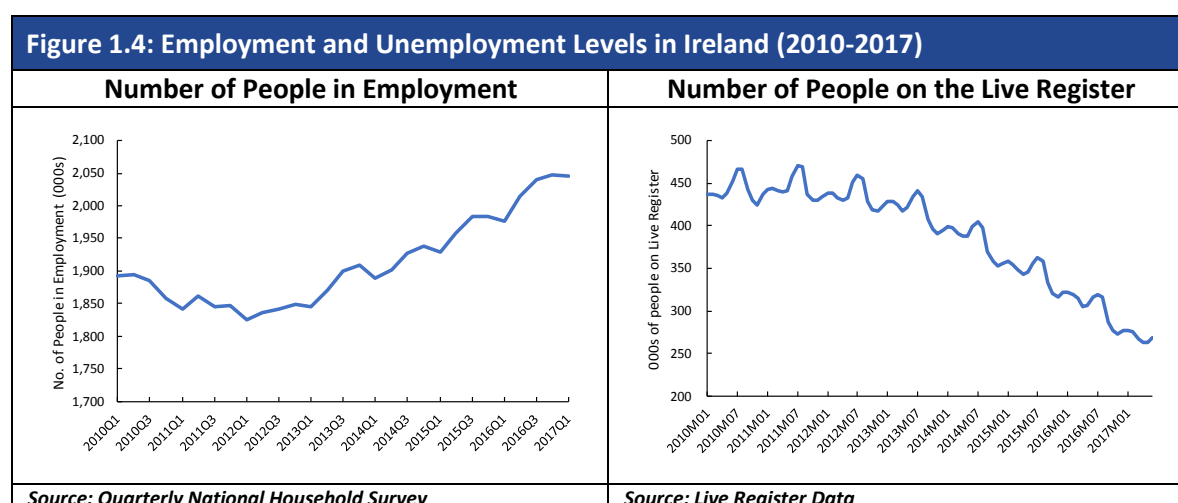


Figure 1.5 shows the changes in the unemployment rate, and highlights the fall from a high of 15.1%. Unemployment has been below 10% in each of the last eight quarters, hitting 6.7% in the first quarter of 2017.

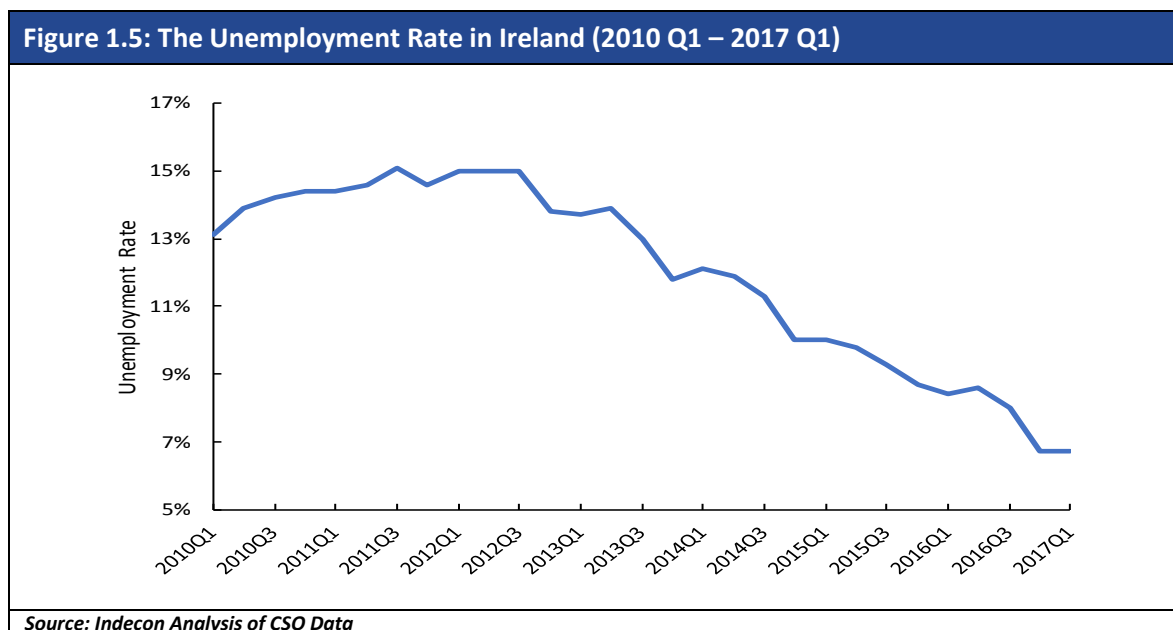
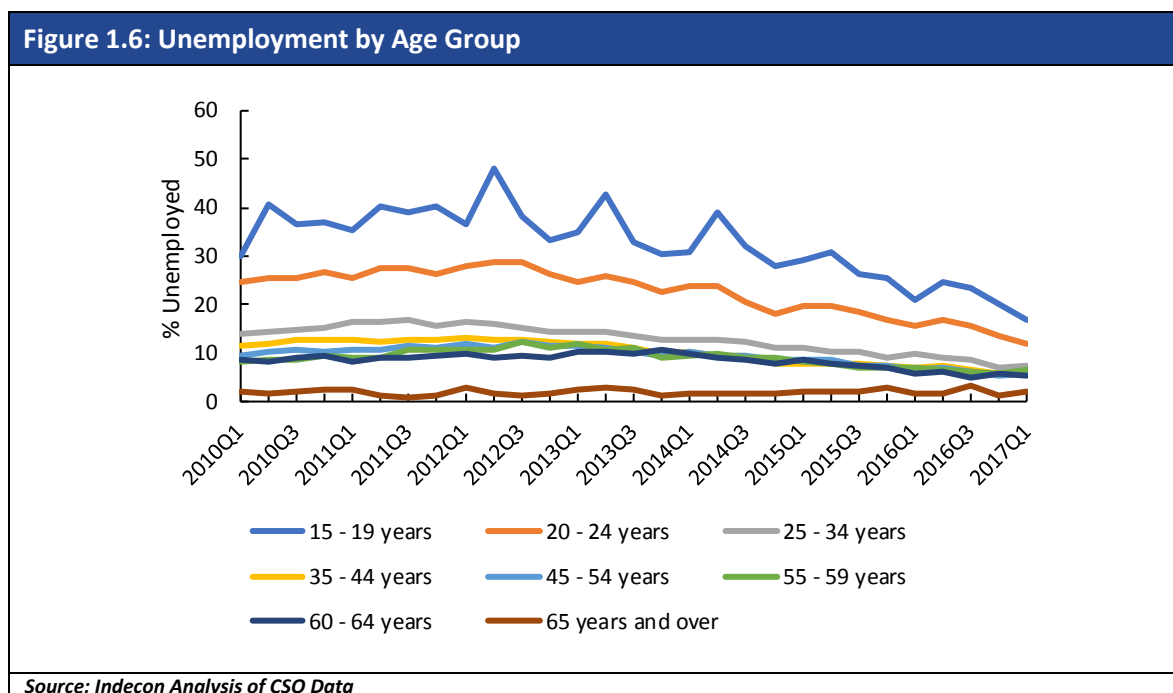
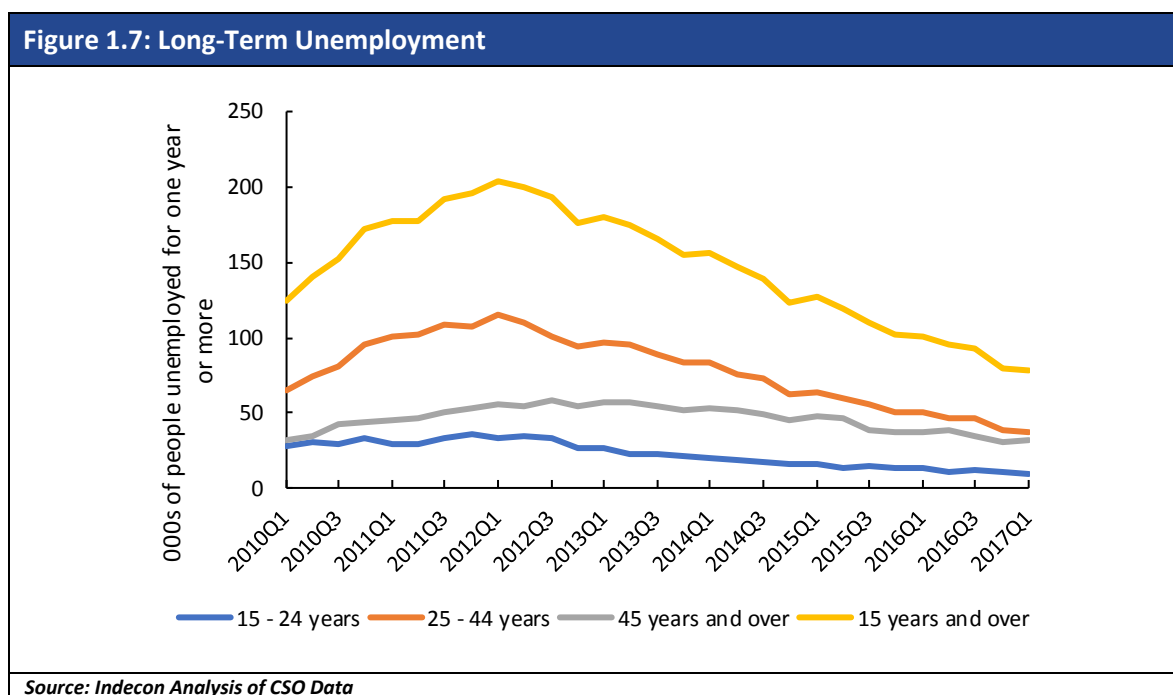


Figure 1.6 shows that unemployment rates are highest amongst 15-19-year-olds and 20-24-year-olds. These two age groups have witnessed a decline in unemployment however, following the general improvement in the Irish labour market. In our analysis of changes in incomes of those who lost OFP we examine how this varied by age category.



Long-term unemployment figures are shown in Figure 1.7. The number of people unemployed for one year or more peaked in late 2011/early 2012 but has since fallen below 2010 levels. Significant number of individuals remain long-term unemployed.



The analysis of labour market developments indicates that over the period in which those impacted by the policy reforms were losing OFP, the labour market as a whole was improving relative to previous years.

1.5 Report Structure

The remainder of this Report is structured as follows:

- Section 2 outlines the methodological approach to the analysis undertaken in this report.
- Section 3 outlines the welfare dependency and employment impacts of the policy reforms.
- Section 4 contains the assessment of the financial impact and poverty impact of the policy reforms.
- Section 5 presents our cost-benefit analysis and Exchequer impact analysis.
- Finally, Section 6 summarises Indecon's independent conclusions.

1.6 Acknowledgements and Disclaimer

Indecon would like to acknowledge the valuable assistance and inputs to this evaluation provided by the staff in the Department of Employment Affairs and Social Protection.

We would particularly like to express our gratitude to the very large numbers of OFP customers who took the time to complete the surveys and who have provided valuable inputs to the evaluation. This provided the Indecon team with important first-hand evidence on the social, financial and employment impacts of the policy changes.

The usual disclaimer applies and responsibility for the analysis and findings in this independent report remains the sole responsibility of Indecon.

2 Methodological Approach to the Review

2.1 Introduction

As part of this project Indecon has implemented a rigorous evidence-based methodology to independently evaluate the impact of the OFP policy reforms. The analysis includes:

- ❑ Quantitative analysis of data sources;
- ❑ Major survey of OFP recipients; and
- ❑ Econometric methodologies to estimate the marginal impact of the policy reforms.

In addition, Indecon consulted with a number of staff in activation centres of DEASP to understand aspects of the implementation of the policy.

2.2 Quantitative Analysis of Data Sources

The datasets utilised in our analysis include:

- ❑ The Jobseekers Longitudinal Database (JLD) which inter alia includes Revenue Commissioner data on earnings;
- ❑ Child Benefit data provided by DEASP;
- ❑ Data on Carers Allowance, Disability Allowance and basic Supplementary Welfare Allowance from DEASP;
- ❑ Activation and Case Management Data from DEASP;
- ❑ Data on earnings from employment from the Revenue Commissioners; and
- ❑ The EU SILC RMF dataset.

Details on each of these data sources is included in Annex 4 of this report. It should be noted that while the Terms of Reference for this study required an analysis of the outcomes for affected lone parents at key milestone days over the period from 2013 to 2016, the nature of the available data restricts the analysis in this report to annualised outcomes. Data on earnings is only available on an annual basis in the data provided by the Revenue Commissioners. This limits the calculation of key variables such as total income, welfare dependency and the risk of poverty rate to annualised values. As such, all quantitative analysis using the available datasets is undertaken on an annual basis.

2.3 Survey Input from Individuals Impacted by OFP

As part of our analysis Indecon felt it was very important to directly obtain inputs from individuals who were impacted by OFP. Indecon decided to undertake a very large-scale survey exercise to capture the views of these individuals. The survey was circulated to 33,000 impacted individuals with a particular focus on those individuals who did not transition to JST, as they were more likely to have seen a material change in their financial circumstances as a result of the policy reforms.

Indecon received 3,684 survey responses from individuals who were impacted by the change in policy. The results represent one of the largest surveys undertaken of one-parent families in Ireland and represents an authoritative source of evidence on the impacts of the policy changes. This information is much more valuable than anecdotal evidence.

Indecon also conducted interviews with a number of staff members in DEASP including officials in activation centres around the country who had experience of dealing with OFP recipients and those impacted by the change in OFP policy. The interviews provided an insight for the Indecon team into the implementation of the policy changes.

2.4 Econometric Methodologies

To estimate the marginal impact of the policy reforms on each of the key metrics of interest, Indecon developed a number of models using sophisticated econometric techniques. These econometric methodologies aim to assess the impact of the policy reforms, holding all other factors equal.

Econometric analysis on the impacts of the changes to OFP began with merging data from and construction of the sample using the JLD, administrative data on OFP and other social payments and Revenue data on earnings from employment. The overall dataset construction and organisation is driven by the JLD, which is the backbone of the complete dataset. The key aspect of the JLD is that it is an individual spells-based dataset – that is, a single observation is a spell of employment or unemployment, or training, etc., for an individual. Spells can be of any time length, overlapping, embedded (e.g., training might take place during employment). Effort must be made to reorganise the dataset so as to make it amenable to estimation, as well as constructing the variables which might be defining outcomes, such as annual income, at-risk-of-poverty, welfare dependency, etc.

Our approach was to create panel data of summary variables by year and by individual identification number. Thus, for example, employment history and current “statuses” or labour market spells, which could be of any length, were converted to annual variables. Previous statuses were calculated as a percentage of the previous years employed, or on the Live Register, or number of weeks employed in the following year, the current year, etc. Many of our policy variables, such as income, at risk of poverty, and welfare dependency rate, are also only calculable on an annual basis. For example, the income variable from Revenue is a total per year, and not linked to employment spells on the JLD (just the year and individual), so it made sense to structure the dataset on an annual basis. Additionally, because many persons on the Live Register are in and out of unemployment/employment/training, and so looking at a month by month basis or something more granular would potentially present problems in that people would be in and out of work and different results, such as seasonal effects may have been present.

The result was a conversion first of the merged spells based JLD and other welfare data and Revenue data: first to a monthly database of variables coded for each month and type (e.g., a variable for LR status at each monthly point in time), and then to an annual panel or long dataset by year and individual (i.e., a variable for employed would be coded as a single variable with observations for each year for each individual).

Econometric methodologies are potentially of use in assessing outcomes compared to a counterfactual; in other words, what would have happened in the absence of the policy. Many labour market policy evaluation studies involve counterfactual estimation. Previous examples of work undertaken by Indecon and other economists involved estimation of the counterfactual to the policy using matching or control methods, such as propensity score matching (PSM) or inverse probability (of treatment) weighting (IPW) and/or regression adjustment (RA) or (IPWRA). These methods are designed to control for differences in treated and control samples and the factors that drive outcomes.

The eligibility of receiving the OFP was changed over time for all participants. The eligibility for OFP was changed based on the age of the youngest child and when the client had started on OFP. There is no self-selection problem per se in this case, and thus matching techniques are not needed (and generally not applicable, as there is strictly no overlap between the control sample and the treated sample based on the eligibility criteria). Moreover, the matching or weighting techniques previously used require that the treatment and control groups have positive probabilities of being treated which overlap, whereas this is not the case strictly for OFP, as based on the covariates of age of the youngest child and the time starting OFP, there will be a zero percent chance of overlap between the two groups.

We thus narrowed the field of potential methodologies to three methods: Difference-in-Differences (DID), the Regression Discontinuity Design (RDD), and a Regression Adjustment (RA) approach. After further testing and estimation of various models, the modelling methods were further narrowed to two: DID and RDD, as the RA models encountered problems with convergence and estimation computations.

The Department's data and statistics team provided an indicator (or dummy) variable as part of the matched dataset as indicator of all those clients who had been impacted by the policy.

An important aspect of any methodology is the selection and definition of dependent variables for analysis. This is guided by aspects such as data availability, the questions for policy, time periods, and terms of reference.

One of the main econometric models used is the Difference-in-Differences (DID) method. In this model there is a time trend, and a time period after which treatment occurs. The first differencing of the variables will remove the time trend. A second differencing between treated and non-treated will control for differences in the means of treated and non-treated groups. The variables can then be used to estimate outcomes with respect to explanatory variables and measure the impact versus a counterfactual scenario. The model can be implemented using dummy variable methods

For the OFP evaluation, we included dummy variables for year or time. We then included a dummy variable for anyone who was ever impacted by the policy (e.g., =1 if had lost OFP due to the policy ever), and then a dummy variable for the time period after which an individual had lost OFP given they had been impacted by the policy (e.g., = 1 for those in years after they had lost OFP). These variables were then included in OLS or logit (for the dichotomous dependent variables) regressions along with a number of standard explanatory variables on demographics and labour market history.

An alternative to the DID method is the regression discontinuity design (RDD). This method is applicable where a 'cut-off' occurs in the treatment based on some variable – such as age of the youngest child. The fundamental idea is that the cut-off, in terms of labour market variables and outcomes is arbitrary, and thus those around the cut-off, controlling for observable factors, are likely to be 'as if' randomly assigned to treatment and non-treatment.

To implement the RDD, a control variable which delineates the policy impact is selected as the cut-off variable. In this case, it is age of the youngest child. We selected age of the youngest child being greater than seven (and converted this to a dummy variable) and interacted this with a time period. While technically, some parents had a transitional time period where the age of their youngest child which would entitle them to OFP was reduced first from say 18, then from 14, this represented a small proportion of overall OFP recipients.

It is then possible to implement the RDD method as a linear dummy variable method, a local linear, and/or non-parametric method. The typical method is to select a bandwidth around the cut-off for which the assumption of being quasi-random might apply. Then the nature of the relationship between the dependent and independent variables before and after the cut-off is selected. We selected locally linear and allowed the slope coefficients to vary before and after the cut-off by interacting slope variables with the cut-off variables. It is possible to allow non-linear relationships by including polynomial terms, but this was not done, mainly because allowing polynomial relationships would allow the intercept to potentially take a wide range of values (and preliminary testing confirmed this – that the estimated impacts were very sensitive to the assumptions about the functional form and bandwidth).

The RDD method involves the assumption that near the ‘cut-off’ point for the discontinuity control variable (in this case age of the youngest child over seven), controlling for covariates, is ‘as if random’. This seems a reasonable assumption here; in other words, one might not have reason to expect that given standard socio-economic variables, that an OFP recipient with a child aged seven would be that different from a parent with a child aged eight. We note that children start school in Ireland at aged four. “Attendance at full-time education is compulsory for all children between six and 16 years of age. Although children in Ireland are not obliged to attend school until the age of six, the majority of children begin school in the September following their fourth birthday.”² The time during the day of schooling increases slightly in their third year (i.e., at age six).

2.5 Summary of Findings

- As part of this project Indecon has implemented a rigorous evidence-based methodology to independently evaluate the impact of the OFP policy reforms. The analysis includes:
 - Quantitative analysis of data sources;
 - Major survey of OFP recipients; and
 - Econometric methodologies to estimate the marginal impact of the policy reforms.

² <http://www.livinginireland.ie/en/education/>.

3 Welfare Dependency and Employment Impacts

3.1 Introduction

The policy objective of the One-parent Family Payment scheme reforms was to reduce long-term social welfare dependency and associated poverty. It is therefore important as part of our analysis to examine if the OFP policy reforms decreased welfare dependency amongst the population of lone parents and whether the policy resulted in an increase in employment.

3.2 Supports to Reduce Welfare Dependency and Increase Employment

As background context to examining the impact of the policy reforms on employment and welfare dependency, it is useful to consider the range of supports provided to OFP recipients to assist individuals to reduce welfare dependence and increase employment. Some of these activation supports are being rolled out over time and so not all of those who lost OFP payments due to the policy change will have had access to these services to date.

Since the original changes were made in OFP a number of other supporting measures have been introduced including the Back to Work Family Dividend which provided financial support in the period after 5 January 2015 to certain families with children who take up employment or self-employment. Our analysis shows that many individuals who lost OFP were assisted from this initiative. For example, 26.4% of individuals who lost OFP in 2015 obtained this payment.

Table 3.1 shows the level of engagement with DEASP as seen in the Activation and Case Management (ACM) database. For those who lost OFP due to the policy change approximately one-fifth had engaged with DEASP.

Year	Number of People Who Lost OFP	Activation Selection	Percentage
2013	6,528	1,146	18%
2014	7,595	1,663	22%
2015	26,984	6,658	25%
2016	4,112	732	18%

Source: Indecon analysis of JLD and ACM datasets

For those who lost the OFP not due to the policy change there was a lower percentage of engagement. This suggests that supports may have been targeted on individuals who lost the payment due to the policy changes.

Table 3.2: Engagement with ACM for those who Lost OFP not due to Policy Change (2013-2016)			
Year	Number of People Who Lost OFP	Activation Selection	Percentage
2013	11,228	1,388	12%
2014	8,963	1,022	11%
2015	5,477	685	13%
2016	6,468	755	12%

Source: Indecon analysis of JLD and ACM datasets

Table 3.3 contains data on the type of engagement with the DEASP. The figures show that one-to-one engagement or individual follow-on engagement accounted for 7,709 engagement activations and there were an additional 3,651 individuals who participated in activation group engagement.

Table 3.3: Type of ACM Engagement Amongst Those Who Lost OFP due to Policy Change		
	Number with at least one engagement attended	Percentage of total who lost OFP
Activation Advisory Follow Up	589	1.3%
Activation Follow On 1:2:1	3,335	7.4%
Activation Group Engagement	3,651	8.1%
Activation LES Walk-in Update Interview	267	0.6%
Activation One 2 One	4,374	9.7%
Activation Review Meeting	3,193	7.1%
Activation Vacancy Interview	-	-
Activation Walk-in 1:2:1	1,672	3.7%
Online Follow On 1:2:1	13	0.0%
Training/Education Course	1,504	3.3%

Source: Indecon analysis of JLD and ACM datasets

Individuals who lost OFP provided insights to Indecon on the support and advice received from the Department following the changes to the OFP. 30% of respondents reported that they received information on employment programmes and a similar percentage obtained information on training or education opportunities. 18% reported they received advice on preparing a personal development plan.

Table 3.4: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Experiences with Receiving Advice/Support from the Department

Thinking about the time after the OFP changes first affected you, have you received any of the following information, advice or supports from the Department's staff?	Yes
Advice on Preparing a Personal Development Plan	18%
Discussion of Possible Options for new or additional Employment	27%
Information on available Employment Programmes e.g. the Community Employment scheme	30%
Information on Training Opportunities or Options for Education	31%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Indecon also sought the views of individuals impacted by the policy on the helpfulness of the information and service provided by the Department. 37% of individuals found the information and service received at the time their OFP ended helpful/very helpful while 30% indicated that they did not find the service to be helpful.

Table 3.5: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Views on the Information and Service Provided by the Department

How would you rate the information and service you have received from the Department?	% of Respondents		
	Before my OFP ended	At the time my OFP ended	After my OFP ended
Very helpful	14%	10%	9%
Helpful	31%	27%	22%
Neither Helpful nor Unhelpful	31%	33%	35%
Unhelpful	12%	15%	17%
Very unhelpful	12%	15%	18%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

3.3 Impact of Policy Changes on Education and Training

The objective of reducing welfare dependency and employment will be influenced not only by the activation support services provided but also by the engagement of one-parent families in education and training. As part of this study we asked individuals who lost OFP on what impact, if any, it had on their involvement in training and education and employment. The results show that 39% of those surveyed suggested the changes encouraged them to consider education, training or an employment programme, but for 19% the changes discouraged this option. The results suggest that the changes are likely on balance to have a positive impact in encouraging a percentage of OFP recipients to enhance their skills via education or training.

Table 3.6: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Overall Impact of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Encouraged me to consider education, training or an employment programme	13%	26%	36%	15%	11%
Discouraged me from considering education, training or an employment programme	8%	11%	40%	26%	15%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

It should be noted that many individuals had started education or training courses while on OFP. 42% of respondents reported they started a training or education course while in receipt of the OFP scheme. Among those who started, 68% said it was a course supported by the Department of Employment Affairs and Social Protection and 36% said they did a course supported by other state funding. Among those who started a course while on the OFP, 90% had completed it at the time of the survey.

Table 3.7: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Experiences with Education and Training while on OFP

Please tell us about your experiences of education or training courses while you were on OFP	% of Respondents	
	Yes	No
I started an education or training course...	42%	58%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	68%	32%
.... that was supported by other State funding e.g. the SUSI grant?	36%	64%
....and I have completed the course.	90%	10%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.
Note: Some respondents answered yes to both options "supported by DEASP" and "supported by other state funding". It is assumed these respondents did more than one education/training course.

In terms of the future employment prospects for those impacted by the policy changes, of note is that 26% of individuals surveyed indicated they started an education or training course after the OFP. Among those who started, 63% said it was a course supported by the Department of Employment Affairs and Social Protection and 26% said it was supported by other state funding. 76% of those who started education or training after the OFP reported they had completed it at the time of the survey.

Table 3.8: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Experiences with Education and Training after OFP		
Please tell us about your experiences of education or training courses after OFP ended	% of Respondents	
	Yes	No
I started an education or training course....	26%	74%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	63%	37%
.... that was supported by other State funding e.g. the SUSI grant?	26%	74%
.... and I have completed the course.	76%	24%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>		
Note: Some respondents answered yes to both options "supported by DEASP" and "supported by other state funding".		

Indecon sought the views of individuals on what impact education/training has had on their family circumstances or the impact they expect it to have when they finish. The majority of respondents suggested that the education training had positive impacts including acquiring new skills, improving confidence, making friends, encouraging children to want to study and improved overall wellbeing.

Table 3.9: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Views on the Impact of Training or Education During/After OFP		
How has this training or education changed things for you and your family? If you have not finished your course please answer these questions based on any changes that you expect to happen when your course ends. My training or education...	% of Respondents	
	Yes	No
Has given me new skills	73%	27%
Improved my confidence	69%	31%
Gave me new friends	63%	37%
Improved my sense of wellbeing	63%	37%
Improved my children's wellbeing	53%	47%
Encouraged my children to study or to want to go to college	60%	40%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>		

3.4 Impact on Welfare Dependency

Table 3.10 examines the welfare dependency rates of individuals who were OFP recipients during the period 2013 – 2016. The objective of the OFP changes to reduce long social dependency appears to have had some impact as the welfare dependency rate fell from 81% to 67% by 2016 for those who had lost OFP due to the policy change. However, welfare dependency rates remain at very high for these individuals indicating the scale of the challenge facing these individuals.

Table 3.10: Welfare Dependency Rate – Within OFP Recipients (2013-2016)

	2013	2014	2015	2016
Lost OFP due to policy change	81%	78%	74%	67%
Other OFP Recipients*	72%	71%	70%	70%

**Includes those remaining on OFP over period and those losing OFP for non-policy related reasons*
Source: Indecon analysis

It is also useful to examine the change in welfare dependency amongst those who lost OFP depending on when they lost the assistance. Table 3.11 shows that for each cohort, the welfare dependency rates fell in the years after individuals lost OFP. For those that lost OFP in 2015 welfare dependency rates fell from 81% in 2014 to 69.8% in 2016. The evidence also shows that the reduction in welfare dependency declined each year after the OFP was lost. For example, those who lost OFP in 2013 saw a welfare dependency reduction of 74% in 2013 and this declined to 63% in 2014, 60% the following year and 56% in 2015.

Table 3.11: Welfare Dependency Rate for those who Lost OFP due to Policy Change - By Year of Losing OFP

	2013	2014	2015	2016
Lost OFP in 2013	74.1%	62.8%	59.5%	55.6%
Lost OFP in 2014	79.4%	75.9%	68.3%	62.0%
Lost OFP in 2015	82.3%	81.0%	77.2%	69.8%
Lost OFP in 2016	83.2%	82.8%	82.4%	78.7%

Source: Indecon analysis

An additional measure of welfare dependency can be obtained by examining the proportion of individuals that receive 100% of their income from welfare and the proportion of those who receive more than 50% of their income from welfare. Those who lost OFP due to the policy change had very high welfare dependency rates in each year between 2013 and 2015 but in 2016 this declined to 67%.

Table 3.12: Welfare Dependency Rate for Everyone who Lost OFP due to Policy Change (2013-2016)

Year	Overall	Percentage with 100% dependence	Percentage with 50% or greater dependence
2013	81%	51%	87%
2014	78%	48%	83%
2015	74%	45%	77%
2016	67%	40%	67%

Source: Indecon analysis

In considering welfare dependency it is important to take account of all of the different welfare payments. For example, some individuals who lost OFP are likely to have transitioned into JST payment or to have obtained Jobseeker's Benefit or Allowance or to have benefited from other supports such as FIS (Family Income Supplement), BTWFD (Back to Work Family Dividend), or CA (Carer's Allowance)/DA (Disability Allowance) or basic Supplementary Welfare Allowance(SWA).

Amongst those who lost OFP due to the policy change, average OFP payments in each year not surprisingly fell sharply between 2013 and 2016, as individuals were no longer eligible for these payments. There is a particularly sharp fall in 2015 and 2016 as the majority of individuals affected by the policy reforms lost OFP over the course of 2015. However, as lone parents transitioned from OFP onto other social welfare payments, average welfare income from JST, FIS and BTWFD, increased significantly suggesting that some of the OFP reductions were met by other social welfare supports.

Table 3.13: Welfare Income who Lost OFP due to Policy Change (2013-2016) – Average Annual Income by Payment Type for Those in Receipt of Each Payment (€)

Year	Welfare Payments							
	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB*, other	CB	CA/DA/BASI
2013	10,375	5,365	4,237	4,374	-	8,073	2,572	6,671
2014	10,149	6,171	6,291	4,869	-	8,192	2,512	7,421
2015	6,346	5,926	6,722	5,266	921	7,215	2,460	8,166
2016	5,446	9,449	7,455	6,048	1,641	7,464	2,496	9,187

Source: Indecon analysis

*Note 1: OFP = One-parent Family Payment, JST = Jobseeker's Transitional Payment, JB/JA = Jobseeker's Benefit/Allowance, FIS = Family Income Support, BTWFD = Back to Work Family Dividend, *Ed = Education, JB – JobBridge, CB = Child Benefit, CA/DA/BASI = Carers Allowance, Disability Allowance, basic Supplementary Welfare Allowance*

Note 2: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table 3.14 shows whilst the numbers on OFP declined significantly over that time, there were increases in people on JST, JB/JA, FIS and BTWFD amongst other schemes. This shows that there was movement from OFP to other forms of welfare payment when OFP was lost. In our evaluation of overall dependency rates and in our estimation of any Exchequer cost savings from OFP Reforms, we take all of these welfare payments into account.

Table 3.14: Number of People on Different Welfare Payments - Everyone who Lost OFP due to Policy Change (2013-2016)

Year	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	43,674	503	4,055	8,958	-	460	-	2,520
2014	38,058	2,130	5,951	10,480	-	563	43,312	3,094
2015	31,053	15,814	9,179	13,296	7,218	872	41,809	4,562
2016	5,027	16,002	9,928	13,286	8,252	1,090	39,665	5,695

Source: Indecon analysis

Note: OFP = One-parent family payment, JST = Jobseeker's Transitional Payment, JB/JA = Jobseeker's Benefit/Allowance, FIS = Family Income Support, BTWFD = Back to Work Family Dividend, *Ed = Education, JB – JobBridge, CB = Child Benefit, CA/DA/BASI = Carers Allowance, Disability Allowance, basic Supplementary Welfare Allowance

The following table shows the average duration of each spell on each payment on an annual basis. This table illustrates that the payments reported above are influenced by the average duration of each payment. On average, individuals are on each individual payment for less than a full year and this will lead to lower average payments than implied if an individual was on an individual payment for an entire year. Individuals may transition on and off different payments or move in and out of the social welfare system entirely due to a number of factors including changing personal circumstances in terms of employment, marriage emigration etc. As such, the figures presented in these tables reflect the impact of range of factors and cannot be entirely attributed to the OFP policy changes.

Table 3.15: Average Duration (Weeks) on Different Welfare Payments - Everyone who Lost OFP due to Policy Change (2013-2016)

Year	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA	DA	BASI
2013	47	21	30	43	-	33	51	48	26	27
2014	46	27	36	44	-	34	51	47	33	35
2015	29	25	36	42	24	27	51	45	37	33
2016	27	40	38	45	44	25	50	47	43	35

Source: Indecon analysis

Note: OFP = One-parent Family Payment, JST = Jobseeker's Transitional Payment, JB/JA = Jobseeker's Benefit/Allowance, FIS = Family Income Support, BTWFD = Back to Work Family Dividend, *Ed = Education, JB – JobBridge, CB = Child Benefit, CA/DA/BASI = Carers Allowance, Disability Allowance, basic Supplementary Welfare Allowance

Table 3.16 shows the difference in average welfare income between those who lost OFP due to the policy change and those that did not lose it due to the policy change. Whilst the average welfare income of those who did not lose OFP due to the policy change increased slightly between 2013 and 2016, those who lost OFP due to the policy change saw a decline in their average welfare income of 22% over the policy period. This, however, may be due to a range of factors and not just the policy changes. For example, changes in an individual's family or other circumstances will impact on the level of welfare payments.

Table 3.16: Average Welfare Income of All those on OFP (2013-2016)				
	2013	2014	2015	2016
Lost OFP due to policy change	€14,343	€13,777	€12,629	€11,144
Other OFP Recipients*	€10,597	€10,469	€10,747	€11,201
<i>*Includes those remaining on OFP over period and those losing OFP for non-policy related reasons</i>				
<i>Source: Indecon analysis</i>				

Table 3.17 shows the change in total welfare income for those that lost OFP due to the policy change, broken down by the year in which the cohort lost OFP. Those who lost OFP due to the policy change in 2013 experienced the largest average decline in the year after they lost OFP, from €11,637 in 2013 to €8,389 in 2014.

Table 3.17: Total Welfare Income of those who Lost OFP due to Policy Change (2013-2016) - By Year of Losing OFP				
	2013	2014	2015	2016
Lost OFP in 2013	€11,637	€8,389	€7,712	€7,229
Lost OFP in 2014	€14,000	€12,635	€10,441	€9,314
Lost OFP in 2015	€15,120	€15,254	€14,019	€12,136
Lost OFP in 2016	€14,201	€14,443	€14,843	€13,813
<i>Source: Indecon analysis</i>				

A detailed analysis of the percentage of individuals with a decrease in welfare income in the year following the loss of OFP shows that 84% of those impacted in 2013 saw a decrease in total welfare income in 2014, 72% of those impacted in 2014 saw a decrease in total welfare income in 2015 and 60% of those impacted in 2015 saw a decrease in total welfare income in 2016. It is, however, of note that only lone parents with earnings had any reduction in their level of entitlements to welfare supports. The figures reflect not only the impact of the OFP policy reforms but also changes in the levels of any other welfare payments received by these families including changes in child benefit. Individuals affected by the policy may lose child benefit payments in subsequent years due to the age of their children and not the impact of the OFP policy reforms.

Similarly, if an individual increases employment earnings or moves off social welfare for a period for any reason then they may receive less welfare income in the year post the changes. As a result, the data does not represent only the impact of the policy changes.

3.5 Impact on Employment

A key policy objective of OFP changes was to increase employment by one-parent families. The survey results show that only 15% were in full-time employment while on OFP 66% indicated they were in part-time employment.

Table 3.18: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Employment Experiences while on OFP		
Please tell us about your employment experience while you were on OFP.	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	28%	72%
Full-Time Job	15%	85%
Part-Time Job	66%	34%
<p><i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i> Note: Some respondents answered yes to more than one option above. It is assumed that respondents were in both full-time and part-time employment over the period.</p>		

After losing OFP, a greater proportion of respondents indicated they were in full-time and a lower proportion in part-time employment. The reported experience of individuals to the Indecon survey suggested that after the OFP ended the percentage in full-time employment increased from 15% to 22%.

Table 3.19: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Employment Experiences after OFP Ended		
Please tell us about your employment experience after OFP ended.	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	13%	87%
Full-Time Job	22%	78%
Part-Time Job	60%	40%
<p><i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i> Note: Some respondents answered yes to more than one option above. It is assumed that respondents were in both full-time and part-time employment over the period.</p>		

The positive impact of employment for individuals and their family is evident from the research. The majority of individuals indicated that employment helped them make more money, develop new skills, improve their confidence, make new friends and improved their overall wellbeing and the wellbeing of their children. This highlights the appropriateness of policies aimed at supporting one-parent families to obtain employment.

Table 3.20: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on the Impact of Employment During/After OFP

How has this employment changed things for you and your family? My employment...	% of Respondents	
	Yes	No
Helped me to make more money	60%	40%
Has given me new skills	67%	33%
Improved my confidence	69%	31%
Gave me new friends	71%	29%
Improved my wellbeing	68%	32%
Improved my children's wellbeing	61%	39%
Has encouraged me to look for more work	65%	35%
Did not improve anything for me	29%	71%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

At the time of the survey 35% reported they were in education or training with a further 9% seeking work.

Table 3.21: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Employment Status

	% of Respondents
Not working outside the home	15%
In Education or Training	35%
Currently Seeking Work	9%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

As part of Indecon's survey of the customers affected by the OFP changes, respondents were asked to provide their views on their employment circumstances since the OFP changes, 29% suggested that their employment situation either had got much or a little better while 20% indicated their employment situation had gotten worse.

Table 3.22: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on the Impact of the Changes to the OFP		
Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents	
	My employment situation...	The economic situation in my area...
Has got much better	10%	3%
Has got a little better	19%	12%
Didn't get better or worse	52%	47%
Has got a little worse	8%	17%
Has got much worse	12%	21%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Individuals were also asked to indicate how they expect things to change over the next three years in terms of their employment situation. 43% expected that their employment situation would change for the better over the next three years but 13% felt it would get worse.

Table 3.23: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on How they Expect Things to Change Over the Next Three Years		
Please tell us about how you expect things to change over the next three years	% of Respondents	
	My employment situation...	The economic situation in my area...
Will get much better	16%	10%
Will get a little better	27%	23%
Won't get better or worse	44%	44%
Will get a little worse	5%	9%
Will get much worse	8%	14%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

The impact of OFP on employment is also evident from the survey results which indicate that 46% of those impacted by the changes indicated that the policy caused them to look for new employment and 51% suggested it caused them to look for more hours of work.

Table 3.24: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Overall Impact of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Caused me to look for new employment	14%	32%	31%	17%	7%
Caused me to give up my job	3%	5%	28%	39%	24%
Caused me to look for more hours of work	18%	33%	28%	15%	7%
Caused me to reduce my hours of work	3%	6%	32%	36%	23%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

The next table shows evidence from the JLD on the rise in the percentage of people who reported earnings from employment amongst those who lost OFP due to the policy change. 60% of those who lost the OFP due to the policy change reported earnings from employment in 2016. This compares with 44% of those who remained on OFP.

The results suggest that the OFP changes are likely to have had a positive impact on employment. This is also consistent with survey evidence which suggested the changes caused individuals to look for new employment or more hours at work. However, there are differences in the age and demographic profile of different cohorts and so the increase cannot be attributed only to the OFP changes.

Table 3.25: Percentage with Earnings from Employment

Year	Those who Remained on OFP	Those who Lost OFP due to Policy Changes
2013	47%	49%
2014	45%	52%
2015	44%	55%
2016	44%	60%

Source: Indecon analysis

This is confirmed by an analysis of employment earnings by year in which individuals lost OFP. The proportion of those in employment reporting earnings over €5,000 and €10,000 per annum also increased in the years following the loss of OFP. This indicates that the loss of OFP resulted in individuals working more or to find better paying employment.

Indecon also analysed quantitative evidence on the average earnings from employment of those who kept OFP and those who lost OFP due to the policy implemented. Individuals who lost OFP due to the policy change had average earnings of €7,576 in 2016 compared to employment earnings of €4,248 for those who kept OFP. The average employment earnings of those who lost OFP due to the policy change increased significantly between 2013 and 2016. Average earnings from employment represent only an element of individuals total earnings as these figures exclude welfare payments which parents continue to have recourse to including JST, FIS and BTWFD.

Table 3.26: Average Earnings from Employment who Kept or Lost OFP (2013-2016)*

	2013	2014	2015	2016
Kept OFP 2013-2016	€4,586	€4,439	€4,249	€4,248
Lost OFP at any stage	€5,360	€6,225	€7,247	€8,655
Lost OFP due to policy change	€4,805	€5,392	€6,230	€7,576

Source: Indecon analysis
**Data only relates to employment earnings and total earnings including welfare earnings are examined in Section 4.*

The average figures for employment include individuals who had no employment as well as those who had secured either part-time or full-time jobs. It is therefore informative to look at the average employment earnings of those who had some employment Table 3.27 examines the difference in average earnings for those with some employment, amongst those who kept OFP between 2013 and 2016 and those who lost it at some stage during those years. Those who lost OFP due to the policy change saw their earnings increased by 29.7% over the four-year period. It should be noted that those individuals losing OFP and reporting earnings from employment would still have access to social welfare supports such as JST, FIS and BTWFD depending on their precise circumstances and income levels.

Table 3.27: Average Earnings from Employment of Those who Kept or Lost OFP Who Had Some Employment (2013-2016)

	2013	2014	2015	2016
Kept OFP 2013-2016	€9,585	€9,417	€9,510	€9,679
Lost OFP at any stage	€10,477	€11,345	€12,578	€13,959
Lost OFP due to policy change	€9,775	€10,313	€11,315	€12,680

Source: Indecon analysis

The following table provides evidence on changes in average earnings from employment for each cohort of individuals losing OFP in from 2013 to 2016. This table suggests that losing OFP generally results in higher earnings in the year following the loss of OFP. The results may also suggest that over time employment earnings increases. This suggests that the policy reforms are encouraging individuals to either seek employment or to increase their hours of existing employment.

Table 3.28: Average Earnings from Employment of those who Lost OFP due to Policy Change (2013-2016) - By Year of Losing OFP

	2013	2014	2015	2016
Lost OFP in 2013	€5,954	€7,258	€8,088	€9,028
Lost OFP in 2014	€5,199	€5,732	€7,051	€8,487
Lost OFP in 2015	€4,544	€5,049	€5,857	€7,343
Lost OFP in 2016	€3,936	€4,161	€4,433	€5,361

Source: Indecon analysis: Excludes Welfare Incomes

3.6 Marginal Impact of Policy Reforms

In order to estimate the marginal impact of the policy reforms Indecon utilised a range of econometric methodologies. The results of the estimation are presented in the table below. The ATET is the average treatment effect on the treated. The analysis finds that both the DID and RDD models predicted the policy led to a lower overall welfare dependency rate. The impact was estimated at between a reduction of 3% and 4% on the overall welfare dependency rate. The DID model suggests an impact of reducing the welfare dependency rate by 4% percentage points. All of the econometric models find a negative impact on the probability of having a welfare dependency rate of greater than 50% or of 100%. Our main econometric model suggests a 16% reduction in the probability of being more than 50% welfare dependent and a 3% reduction in the probability of being 100% welfare dependent. Statistically significant figures are indicated in **bold**.

Table 3.29: Econometric Evidence on Impact of Policy Reforms on Welfare Dependency

	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
WDR	-4.1%	-3.2%
I.WD_50	-16.1%	-4.7%
I.WD_100	-2.7%	-2.2%

Source: Indecon analysis of JLD

We next estimated the same models excluding those who moved to JST. When looking at the cohort who did not move to JST, Indecon's DID model estimates the impact to be a reduction of 6% to 9% of the welfare dependency rate. The model also estimates a 22% reduction in the probability of being more than 50% welfare dependent and a 4% reduction in the probability of being 100% welfare dependent.

Table 3.30: Econometric Evidence on Impact of Policy Reforms on Welfare Dependency (Excluding Those on JST)

	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
WDR	-9.1%	-5.5%
I.WD_50	-21.9%	-7.5%
I.WD_100	-4.2%	-4.1%

Source: Indecon analysis of JLD

Indecon also examined the impact of the reforms on the probability of the individual being employed at all in a given year, and the probability of them being in employment with earnings of more than €2,500, €5,000, €10,000 and €15,000 per annum; a different dependent variable indicating above or below the threshold was defined for each income level and the model rerun for each. The marginal impact of the policy on the probability of being over the threshold can then be estimated. The results are presented in the table below. The models suggest that the policy reforms increased the probability of those impacted being employed in subsequent years by between 2% and 3%. The models also suggest that the policy reforms increase the probability of the affected individuals being in employment and earning over each of the thresholds, from €2,500 to €15,000 per annum.

Table 3.31: Econometric Evidence on Impact of Policy Reforms on Employment

	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
Emp Earnings	3.3%	2.2%
Emp Earnings > 2.5	3.3%	2.3%
Emp Earnings > 5	3.4%	2.6%
Emp Earnings > 10	4.5%	3.5%
Emp Earnings > 15	6.3%	2.8%

Source: Indecon analysis of JLD

The models excluding those transitioning to JST suggest that the policy reforms increased the probability of those impacted being employed in subsequent years by between 4% and 5%. The models estimate larger probabilities of the affected individual making over €10,000 and €15,000 per annum compared to making €2,500 and €5,000.

Table 3.32: Econometric Evidence on Impact of Policy Reforms on Employment (Excluding Those who Transferred to JST)

	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
Emp Earnings	4.8%	4.1%
Emp Earnings > 2.5	3.1%	2.2%
Emp Earnings > 5	3.6%	2.7%
Emp Earnings > 10	7.6%	6.3%
Emp Earnings > 15	8.6%	4.9%

Source: Indecon analysis of JLD

3.7 Summary of Findings

- ❑ The policy objective of the One-parent Family Payment reforms that were introduced in the Social Welfare and Pensions Act, 2012, was to reduce long-term social welfare dependency, and associated poverty, by ending the expectation that lone parents will remain outside of the workforce indefinitely. It is therefore important as part of our analysis to examine if the OFP policy reforms decreased welfare dependency amongst the population of lone parents and whether the policy resulted in an increase in employment.
- ❑ As background context to examining the impact of the policy reforms on employment and welfare dependency, it is useful to consider the range of supports provided to OFP recipients to assist individuals to reduce welfare dependence and increase employment. Some of these activation supports are being rolled out over time and so not all of those who lost OFP payments due to the policy change will have had access to these services to date. It is, however, useful to examine the level of services provided and also customers' experiences with these supports. For those who lost OFP due to the policy change approximately one-fifth had engaged with DEASP. One-to-one engagement or individual follow-on engagement accounted for 7,709 engagement activations and there were an additional 3,651 individuals who participated in activation group engagement.
- ❑ Since the original changes were made to OFP a number of other supporting measures have also been introduced including the Back to Work Family Dividend which provided financial support in the period after 5 January 2015 to certain families with children who take up employment or self-employment. Our analysis shows that many individuals who lost OFP were assisted from this initiative. For example, 26.4% of individuals who lost OFP in 2015 obtained this payment.

- ❑ Almost one-third of respondents to the Indecon survey reported that they received information on employment programmes and training or education opportunities while 18% reported they received advice on preparing a personal development plan.
- ❑ Indecon also asked respondents to the survey for their views on the helpfulness of the information and service provided by the department. 37% of individuals found the information and service helpful/very helpful while 30% suggested that they did not find the service to be helpful.
- ❑ The longer-term objective of reducing welfare dependency and employment will be influenced not only by the activation support services provided but also by the engagement of individuals in education and training. As part of this study we asked those who lost OFP what impact, if any, it had on their involvement in training and education and employment. The results show that 39% of one-parent families suggested the changes encouraged them to consider education, training or an employment programme, but for 19% it was suggested the changes discouraged this option. The results suggest that the changes are likely on balance to have a positive impact on encouraging a percentage of OFP recipients to enhance their skills via education or training.
- ❑ The majority of respondents to the Indecon survey suggested that the education/training had a positive impact in many ways including acquiring new skills, improving confidence, making friends, encouraging children to want to study and improved overall wellbeing.
- ❑ Amongst those who lost OFP due to the policy change, average OFP payments fell sharply between 2013 and 2016, but as lone parents transitioned from OFP onto other social welfare payments, average welfare income from JST, FIS and BTWFD, increased significantly suggesting that some of the OFP reductions were met by other social welfare supports.
- ❑ An analysis of those who lost OFP shows that welfare dependency rates fell in the year after individuals lost OFP. The evidence also shows that the reduction in welfare dependency declined each year after the OFP was lost. For example, those who lost OFP in 2013 saw a welfare dependency reduction of 74% in 2013 and this declined to 63% in 2014. This declined further to 60% in the following year and 56% in 2015.
- ❑ A key policy objective of OFP changes was to increase employment by one-parent families. The employment position of individuals surveyed when they were in receipt of the OFP, shows that only 15% were in full-time employment and 66% indicated they were in part-time employment.
- ❑ After the OFP, a greater proportion of respondents had secured full-time and a lower proportion in part-time employment. The reported experience of individuals to the Indecon survey suggested that after the OFP ended the percentage in full-time employment increased from 15% to 22%.
- ❑ The positive impact of employment for individuals and their family is evident from the Indecon survey. The majority of individuals indicated that employment helped them make more money, develop new skills, improve their confidence, make new friends and improved their overall wellbeing and the wellbeing of their children. This highlights the appropriateness of policies aimed at supporting one-parent families in obtaining employment.

- ❑ 29% of survey respondents suggested that their employment situation had got much better or a little better as a result of the changes while 20% indicated their employment situation had got worse.
- ❑ 43% of respondents expected that their employment situation would change for the better over the next three years but 13% felt it would get worse.
- ❑ The impact of OFP on employment prospects is also evident from the survey results which indicate that 46% of those impacted by the changes indicated that the policy caused them to look for new employment and 51% suggested it caused them to look for more hours of work.
- ❑ The analysis shows the rise in the percentage of people who reported earnings from employment amongst those who lost OFP due to the policy change. 60% of those who lost the OFP due to the policy change reported earnings from employment in 2016. This compares with 44% of those who remained on OFP.
- ❑ The results suggest that the OFP policy changes are likely to have had a positive impact on employment. This is also consistent with survey evidence which suggested changes caused individuals to look for new employment or more hours at work.
- ❑ The proportion of those in employment reporting earnings over €5,000 and €10,000 per annum also increases in the years following the loss of OFP. This indicates that the loss of OFP resulted in individuals working more or to find better paying employment.
- ❑ Indecon also analysed quantitative evidence on the average earnings from employment of those who kept OFP and those who lost OFP due to the policy implemented.
- ❑ Individuals who lost OFP due to the policy change had average earnings of €7,576 in 2016 compared to employment earnings of €4,248 for those who kept OFP. The average employment earnings of those who lost OFP due to the policy change increased significantly between 2013 and 2016.
- ❑ Those who lost OFP due to the policy change saw their earnings increased by 29.7% over the four-year period.
- ❑ The results of the econometrics show that for all models the policy led to a lower welfare dependency rate. The impact was estimated at between a reduction of 3% and 4% on the overall welfare dependency rate. The DID model suggests an impact of reducing the welfare dependency rate by 4% percentage points. Both the DID and RDD econometric models indicate that OFP reforms reduced the probability of having a welfare dependency rate of greater than 50% and also reduced the probability of having a welfare dependency rate of 100%. Our main econometric model suggests a 16% reduction in the probability of being more than 50% welfare dependent and a 3% reduction in the probability of being 100% welfare dependent.
- ❑ Our econometric analysis of the impact of the policy reforms on employment indicate that the marginal impact of the policy increases the probability of those impacted being employed in subsequent years by between 2% and 3%. A higher probability of those impacted being employed in subsequent years of between 4% and 5%, is evident for those who did not transfer on to JST. The models also suggest that the policy reforms increase the probability of the affected individuals being in employment and earning over thresholds of €2,500 to €15,000 per annum.

- Our analysis shows that the OFP reforms have been successful in increasing employment and in reducing welfare dependency. Despite this finding and while accepting it is too early to examine the overall long-term impacts, a potential concern is that many of those who lost OFP remain unemployed or in low paid or part-time employment. A key challenge for policymakers is to assist lone parents to become more integrated into the Irish labour market.

4 Financial and Poverty Impacts of Policy Reforms

4.1 Introduction

The empirical evidence examined suggests that the OFP changes have had positive impacts on reducing welfare dependency and increasing the probability of securing employment. Over the longer term the positive impacts of the changes on employment impacts, if sustained, offer the potential to enhance the financial position of one-parent families and to reduce the risks of poverty. However, it is also important to consider the short-term impact on the financial position and the risks of poverty of those impacted by the policy changes. It is also recognised that increased employment, while having many benefits, does not necessarily improve lone parents' financial wellbeing, particularly in the case of the low paid part-time employment.

4.2 Impact on Families Financial Position

As part of Indecon's survey of individuals affected by the OFP changes, we obtained their views on the changes in their personal financial circumstances in the period after OFP changes. Just over half (53%) of respondents indicated that their family's financial situation got a little worse/much worse since the changes to the OFP, while 27% said it did not change their financial situation and 20% said their family's financial situation had gotten better. It is important to note that these changes may have been for various reasons and not simply due to OFP reform.

Table 4.1: Indecon Survey of Customers Affected by the One-parent Family Payment Changes	
Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents
My family's financial situation...	
Has got much better	5%
Has got a little better	15%
Didn't get better or worse	27%
Has got a little worse	27%
Has got much worse	26%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>	

Indecon also examined, separately, the views of respondents who qualified for Jobseeker's Transitional (JST) payment at the time their OFP ended. For most of these individuals there was change in the levels of payments received under JST compared to what they obtained under OFP. Despite this it is clear that 42% of JST respondents indicated that their family's financial situation had gotten a little worse/much worse since the changes to the OFP while 25% said it had gotten a little better/much better since the changes. This highlights the fact that OFP changes were not the only factors impacting on one-parent families' financial situations.

Table 4.2: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment	
Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents
My family's financial situation...	
Has got much better	6%
Has got a little better	19%
Didn't get better or worse	32%
Has got a little worse	18%
Has got much worse	24%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>	

Respondents were also asked to indicate how they expect things to change over the next three years in terms of their family's financial situation. The results indicated that 41% of individuals believe that their family's financial position will improve over the next three years while 30% felt it would not change and the balance felt their family's financial position would get worse. The results suggest more positive expectations for their future financial situation compared to what has occurred since the OFP changes were made.

Table 4.3: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on How they Expect Their Financial Situation to Change Over the Next Three Years	
Please tell us about how you expect things to change over the next three years	% of Respondents
My family's financial situation...	
Will get much better	14%
Will get a little better	27%
Won't get better or worse	30%
Will get a little worse	14%
Will get much worse	16%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>	

JST respondents were also asked to indicate how they expect things to change over the next three years in terms of their financial situation. Over half of the respondents (52%) reported that expect their family's financial situation will get better while 27% expect it to stay the same and 17% expect it to get worse to some degree.

Table 4.4: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Respondent's Views on How they Expect Things to Change Over the Next Three Years

Please tell us about how you expect things to change over the next three years.	% of Respondents
My family's financial situation...	
Will get much better	17%
Will get a little better	35%
Won't get better or worse	27%
Will get a little worse	9%
Will get much worse	12%
<i>Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.</i>	

4.3 Quantified Impact on Incomes

Indecon also examined empirical evidence on the changes in the incomes of those who have been impacted by OFP. In Section 3 the analysis showed that welfare income and dependency declined for those impacted by OFP but that employment earnings increased. A key issue is whether employment earnings have as yet been sufficient to compensate for any decline in social welfare incomes.

As noted earlier, there are likely to be a range of factors influencing the changes in incomes apart from the policy reforms. Changing circumstances in terms of employment, family size and age of children, can all impact on the incomes. The data on average incomes indicates that in 2016, incomes of those who lost OFP due to the policy changes were similar to those who had remained on OFP over the period. However, it should be noted that there are likely to be differences in other characteristics between these groups including parental age and age of children, which may impact on incomes.

Table 4.5: Average Total Income (2013-2016)

	2013	2014	2015	2016
Those who remained on OFP 2013-2016	€15,037	€15,842	€16,824	€18,071
Lost OFP due to policy change	€19,147	€19,169	€18,859	€18,720
<i>Source: Indecon analysis</i>				

Table 4.6 examines the total income of those who lost OFP due to the change in policy. The evidence shows that there was a decline in income in the year after their loss of OFP. Those who lost OFP in 2013 experienced the largest decline in average income compared to the previous year, possibly due to the fact that this group would have also experienced a loss in child benefit in the subsequent year.

Table 4.6: Total Income of those who Lost OFP due to Policy Change (2013-2016) - By Year of Losing OFP

	2013	2014	2015	2016
Lost OFP in 2013	€17,591	€15,647	€15,800	€16,257
Lost OFP in 2014	€19,200	€18,368	€17,493	€17,801
Lost OFP in 2015	€19,663	€20,303	€19,875	€19,479
Lost OFP in 2016	€18,137	€18,605	€19,276	€19,173

Source: Indecon analysis

The analysis suggests that while the policy reforms resulted in individuals increasing their earnings from employment following the loss of OFP, this increase in earnings has not as yet been sufficient to fully compensate for the loss in welfare income. However, some individuals who lost OFP have experienced either no loss or an increase in income.

While 52% of individuals who lost OFP in 2015 faced no loss in total incomes, a small percentage of individuals experienced a decline in income of over 30%. As noted earlier the welfare component of incomes will be influenced by the average number of weeks of claims made on different welfare programmes. Again, we note that changes in income may be due to various factors including changes in individual circumstances and it would be incorrect to interpret changes as only due to OFP reforms. Ways of assisting these more vulnerable individuals to increase their employment in order to enhance incomes is something which merits particular attention. The figures also show that 19.8% of those who lost OFP in 2015 experienced significant increases in income of over 10%.

Table 4.7: Analysis of Changes in Total Income Post OFP Losses

	2013	2014	2015
No Change	3.4%	9.7%	16.8%
Gain of between 1-10%	7.0%	9.3%	15.3%
Gain of between 10-20%	5.0%	6.2%	6.1%
Gain of between 20-30%	3.2%	4.0%	3.8%
Gain of over 30%	9.5%	10.2%	9.8%
Loss of between 1-10%	16.3%	19.7%	17.0%
Loss of between 10-20%	22.1%	17.5%	14.7%
Loss of between 20-30%	13.8%	10.8%	6.9%
Loss of over 30%	19.8%	12.6%	9.5%

Source: Indecon analysis

The trend in average earnings of those who lost OFP due to policy changes are presented in the figures below. This shows a small average reduction in incomes over the period for these individuals.

Table 4.8: Earnings and Total Income Everyone who Lost OFP due to Policy Change (2013-2016) – (€)	
Year	Total Income
2013	19,148
2014	19,169
2015	18,859
2016	18,720

Source: Indecon analysis of JLD

In addition to considering average incomes it is useful to examine how incomes of those who lost OFP prior to 2016 by age category compared to similar age categories for those who remain on OFP. The figures show that the individuals who lost OFP in age cohort 30-39 have the highest income. Among those over the age of 35 and still on OFP had higher average total incomes. For those between 20 and 35, there were higher level of earnings for those who lost OFP led to them having higher income on average.

Table 4.9: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Age		
	Still on OFP	Lost OFP due to Policy Change
Age Category	Average Total Income	Average Total Income
Under 20	10,617	9,693
20-24	14,687	15,125
25-29	17,100	17,774
30-34	18,593	19,114
35-39	19,829	19,760
40-44	19,949	18,926
45-49	19,241	17,969
50-54	18,627	16,493
55 and older	16,663	14,173

Source: Indecon analysis

An analysis of the incomes of those who lost OFP compared to those still on OFP by number of children is presented in the next table. Not surprisingly given how social welfare support is structured, the figures show that average incomes for both groups were higher for families with more children. For families with three or fewer children those who had lost OFP had higher total incomes when compared to their OFP comparators.

Table 4.10: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Number of Children

	Still on OFP	Lost OFP due to Policy Change
Children	Average Total Income	Average Total Income
1 Child	16,005	17,026
2 Children	17,676	18,639
3 Children	19,665	20,265
4 or more Children	22,791	22,277

Source: Indecon analysis

4.4 Impact on Social Outcomes and Risk of Poverty

Having examined the available evidence on the impact of the policy reforms of the financial wellbeing on individuals, we now turn to look at the related issue of impact of the reforms on the risk of poverty. Owing to the fact that persons who qualify for the OFP are means-tested, this group of individuals are likely to have experienced deprivation and risk of poverty prior to any policy change. This is consistent with Indecon's new survey evidence which shows that across the range of categories there was a high proportion of respondents who reported they could not afford the item before the OFP changes. Table 4.11 presents data on the proportion of respondents to the Indecon survey who were unable to afford each of the items before any OFP changes demonstrates that recipients of the OFP experience relatively high rates of deprivation. The figures also indicate an increase in the percentage who were unable to afford the items in the last two months.

Table 4.11: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Experiences of Deprivation before the OFP Changes versus in Last 12 months

Please tell us if, before the OFP changes since 1 st January first affected you, you were able or unable to afford any of the following:	% Unable to Afford	
	Prior to OFP Changes	In last 12 Months
Two pairs of strong shoes	49%	59%
A warm waterproof overcoat	37%	50%
Never had to go without heating	41%	47%
Buy new (not second-hand) clothes	38%	45%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	17%	23%
Have a roast of meat or its equivalent once a week	30%	35%
Keep the home adequately warm	32%	38%
Buy presents for family or friends at least once a year	46%	54%
Replace any worn out furniture	84%	85%
Have family or friends for a drink or meal once a month	74%	76%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	73%	76%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes

An analysis of JST recipients regarding their experiences of deprivation before the changes to OFP shows that this group experienced slightly higher rates of deprivation than other OFP recipients before the changes to OFP.

Table 4.12: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Experiences of Deprivation before the OFP Changes

Please tell us if, before the OFP changes since 1 st January 2012 first affected you, you were able or unable to afford any of the following:	% Unable to Afford
	Indecon Survey Respondents
Two pairs of strong shoes	54%
A warm waterproof overcoat	44%
Never had to go without heating	45%
Buy new (not second-hand) clothes	42%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	20%
Have a roast of meat or its equivalent once a week	33%
Keep the home adequately warm	36%
Buy presents for family or friends at least once a year	50%
Replace any worn out furniture	86%
Have family or friends for a drink or meal once a month	76%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	77%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

A comparison of the responses among the OFP recipients relating to their circumstances before the changes to the OFP compared with that of the last 12 months shows that there was a marginal improvement in the small percentage who were able to afford all of the items listed but the position for those not able to afford three or more items deteriorated. Of note is that there has been no change in the reported percentage of those at risk of consistent poverty in the last 12 months compared to the position before the OFP changes affected them. Consistent poverty is defined to describe someone who cannot afford at least two of a number of deprivation indicators.

Table 4.13: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Experiences of Deprivation in the Last 12 Months

Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford	% of Respondents	
	Before the OFP Changes Affected you	In the Last 12 Months
None	14%	15%
One or more	86%	85%
Two or more	81%	81%
Three or more	75%	77%
Four or more	66%	70%
Five or more	56%	63%
Six or more	45%	54%
Seven or more	35%	43%
Eight or more	24%	32%
Nine or more	14%	22%
Ten or more	8%	13%
Eleven	5%	8%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

In considering the possible causes of the differential effects on incomes of those who lost OFP, we examined deprivation levels for those in different employment situations. The below table shows the responses of those who were in full-time employment at the time of completing the survey. Relative to the average from all respondents, those in full-time employment show a significant increase in those who are able to afford all of the items of expenditure. This highlights the positive impact in reducing poverty of those who were able to obtain full-time employment. However, a different picture emerges for those with no employment or low part-time employment earnings.

Table 4.14: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Experiences of Deprivation in the Last 12 Months (in Full Time Employment)

Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford	% of Respondents	
	Before the OFP Changes Affected You	In the Last 12 Months
None	16%	27%
One or more	84%	73%
Two or more	79%	68%
Three or more	71%	63%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

As part of our research, Indecon obtained the views of individuals impacted by the OFP reforms on their perceptions of the overall impact of the OFP changes on their families in terms of overall wellbeing. 23% of individuals affected indicated that the changes improved their sense of wellbeing but 43% indicated that this had worsened. Similarly, 21% suggested the changes had improved their children's wellbeing while 40% suggested this had declined.

Table 4.15: Indecon Survey of Customers Affected by the One-parent Family Payment Changes – Views on the Overall Impact on Wellbeing of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Improved my sense of wellbeing	8%	15%	30%	23%	24%
Worsened my sense of wellbeing	21%	22%	30%	16%	10%
Improved my children's wellbeing	7%	14%	31%	25%	23%
Worsened my children's wellbeing	19%	21%	34%	16%	10%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes

In addition to the survey evidence we examine new quantitative data on those at risk of poverty defined as the share of people with an equivalised disposable income (after social transfers) below 60% of the national disposable income. The following table illustrates the average median household income in equivalised terms in Ireland over the period from 2010 to 2015. Data for 2016 is not yet available. Since the introduction of the policy changes it can be observed that nationally, median income has increased from just over €18,000 to €20,000 in 2015. The threshold for poverty risk has also increased.

Table 4.16: Median Equivalised Household Income and at Risk of Poverty Threshold (€)						
	2010	2011	2012	2013	2014	2015
Nominal Median Income - Equivalised total disposable income	18,591	18,148	18,276	18,262	18,864	20,000
60% threshold for at risk of poverty	11,155	10,889	10,966	10,957	11,318	12,000
<i>Source: Indecon analysis of CSO data</i>						

The data in Table 4.17 presents evidence on those who lost OFP in each year and tracks the risk of poverty of that cohort between 2013 and 2016. Those who lost OFP witnessed an increase in the risk of poverty the following year as measured by 60% of equivalent incomes but the proportion of those at risk of poverty was higher for average of all those on OFP than amongst those who lost OFP.

Table 4.17: Percentage with Incomes Less than 60% of the National Median Incomes (2013-2016)				
	2013	2014	2015	2016
Lost OFP in 2013	57%	69%	73%	71%
Lost OFP in 2014	57%	62%	69%	67%
Lost OFP in 2015	57%	57%	59%	61%
Lost OFP in 2016	64%	63%	64%	62%
Average for all those on OFP	61%	63%	66%	69%
<i>Source: Indecon analysis</i>				

As can be seen in Table 4.18, those who were still on the OFP in 2016 and between the ages of 30 and 34 were the least likely to be at risk of poverty, and had the highest equivalised income, €13,170. This was also the group with the lowest risk of poverty amongst those who had lost OFP in the previous years. This age group had the highest total income on average, €20,062. The risk of poverty increased with age amongst both those who were still on OFP and those who had lost this payment. This also increased for the younger individuals below the age of 30.

Table 4.18: Percentage with Incomes Less than 60% of the National Median Incomes for Existing and Former OFP Recipients in 2016 by Age

Previously Lost OFP				
Age Category	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
Under 20	5	100%	14,608	8,906
20-24	184	68%	14,584	10,483
25-29	2,345	55%	17,754	12,938
30-34	5,795	51%	19,347	13,170
35-39	7,805	56%	20,062	12,131
40-44	8,898	65%	19,366	10,939
45-49	8,370	70%	18,428	10,402
50-54	5,191	73%	17,267	9,988
55 and older	2,514	79%	15,115	9,083
Still on OFP				
Age Category	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
Under 20	1,179	95%	10,615	7,892
20-24	8,380	75%	14,696	10,708
25-29	12,690	65%	17,139	11,747
30-34	10,515	64%	18,674	11,661
35-39	7,815	67%	19,930	11,183
40-44	4,653	71%	20,036	10,623
45-49	1,880	73%	19,375	10,360
50-54	478	71%	18,617	10,128
55 and older	106	78%	16,542	9,276

Source: Indecon analysis

Table 4.19 demonstrates that those who had lost OFP prior to 2016 were less likely to be at risk of poverty than the corresponding groups who were still on OFP. The average total incomes increased, and average equivalised incomes declined, as the size of the family increased for both those who are still on OFP and those who had previously lost OFP.

Table 4.19: Percentage with Incomes Less than 60% of the National Median Incomes for Existing and Former OFP Recipients in 2016 by Number of Children

Lost OFP				
Number of Children	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
1 Child	20,261	54%	17,514	12,573
2 Children	13,304	68%	18,963	10,523
3 Children	5,222	78%	20,685	9,312
4 or more Children	2,320	87%	22,840	8,199
Still on OFP				
Number of Children	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
1 Child	21,938	61%	16,012	12,263
2 Children	14,356	70%	17,778	10,881
3 Children	6,751	78%	19,744	9,863
4 or more Children	4,614	88%	22,871	8,840

Source: Indecon analysis

4.5 Marginal Impact of Policy Reforms

In order to estimate the marginal impact to date of the policy reforms Indecon utilised a range of econometric methodologies. The results of the econometric models on the impact on incomes of the reforms compared to a counterfactual control group are somewhat ambiguous. Our DID model suggested a reduction in incomes of about €1,269 per annum, controlling for other factors while the results with the Regression Discontinuity model suggested a small increase in incomes. Indecon believes that based on all the evidence it is likely that on average the changes resulted in a small reduction in average incomes compared to what would have been the case although for those in full employment an increase in average incomes was evident. Further research on a more detailed counterfactual analysis over time is needed to derive definitive conclusions.

Table 4.20: Econometric Evidence on Impact of Policy Reforms on Total Income

	Difference in Difference	Regression Discontinuity
Model Dep Var	ATET/ Marginal impact	ATET/ Marginal impact
Total Income	-1,269	279

Source: Indecon analysis of JLD

The econometric modelling also attempted to estimate the impact on those at risk of poverty compared to the counterfactual position of no policy changes. Both the DID and RDD models suggest that, controlling for other factors, the policy reforms had no statistically significant impact on the probability of affected individuals being classified as at risk of poverty. The coefficients on the key variable for policy impact in both models are statistically insignificant. It should be noted that it was only possible to run this model on the population of all those people on OFP over the period. Thus, the results of this model for those impacted by the policy are relative to those individuals still on OFP and further econometric modelling work on this may be appropriate if additional data sources can be obtained.

4.6 Summary of Findings

- ❑ Over the longer term the positive impacts of the changes on employment, if sustained, offers the potential to enhance the financial position of one-parent families and to reduce the risks of poverty and to have other social benefits. However, it is also important to consider the short term financial and poverty impact on lone parents.
- ❑ Just over half (53%) of respondents to the Indecon survey indicated that their family's financial situation got a little worse/much worse since the changes to the OFP while 27% said it did not change their financial situation and 20% said their family's financial situation had gotten better. It is important to note that these changes may have been for various reasons and not simply due to OFP reform.
- ❑ The results of the survey also indicated that 41% of individuals believed that their family's financial position would improve over the next three years while 30% felt it would not change and the balance felt their family position would get worse. The results suggest more positive expectations for their future financial situations compared to what has occurred since the OFP changes were made.
- ❑ Indecon believes it is also critical to examine empirical evidence on the changes in the incomes of those who have been impacted by OFP. A key issue is whether any increase in employment earnings have as yet been sufficient to compensate for any decline in social welfare incomes.
- ❑ The figures indicate that in 2016 incomes of those who lost OFP due to the policy changes were similar to those who had remained on OFP over the period. However, it should be noted that there are likely to be differences in other characteristics between these groups including parental age and age of children.
- ❑ Our findings demonstrate that the impact of OFP on individuals' financial incomes varied and the results indicate that 52% of individuals who lost OFP in 2015 faced no loss in total incomes, while 48% experienced a loss in income.
- ❑ For families with three or fewer children, those who had lost OFP had on average higher total incomes when compared to their OFP comparators.
- ❑ Owing to the fact that persons who qualify for the OFP are means-tested, this group of individuals are likely to have experienced deprivation and risk of poverty prior to any policy change. This is consistent with Indecon's new survey evidence which shows that across the range of categories there was a high proportion of respondents who reported they could not afford basic items of expenditure before the OFP changes. Data on the proportion of respondents to the Indecon survey who were unable to afford each of the items before any OFP changes were introduced demonstrates that recipients of the OFP, experience relatively high rates of deprivation. This suggests that simply leaving individuals on current OFP payments will not address the risks of poverty for these individuals. The figures also indicate an increase in percentage who were unable to afford the items in the last 12 months.

- ❑ A comparison of the responses among the OFP recipients relating to their circumstances before the changes to the OFP compared with that of the last 12 months shows that there was a marginal improvement in the small percentage who were able to afford all of the items listed but the position for those not able to afford three or more items deteriorated. Of note is that there has been no change in the reported percentage of those at risk of consistent poverty in the last 12 months compared to the position before the OFP changes affected them. Consistent poverty is defined as someone who cannot afford at least two of a number of deprivation indicators.
- ❑ In considering the possible causes of the differential effects on incomes of those who lost OFP, we examined deprivation levels for those in different employment situations. Results show the responses of those who were in full-time employment at the time of completing the survey. Relative to the average from all respondents, those in full-time employment show a significant increase in those who are able to afford all of the items of expenditure. This highlights the positive impact in reducing poverty of those who were able to obtain full-time employment. However, a different picture emerges for those with no employment or low part-time employment earnings.
- ❑ 23% of individuals affected indicated in the survey that the changes improved their sense of wellbeing but 43% indicated that this had worsened. Similarly, 21% suggested the changes had improved their children's wellbeing while 40% suggested this had declined.
- ❑ Indecon analysed changes in median equivalised income of those who lost OFP to examine how the loss of OFP has affected the percentage at risk of poverty over time. Those who lost OFP saw an increase in the risk of poverty in the following year but in the majority of cases the proportion of those at risk of poverty was higher for the average of those on OFP than amongst those who lost OFP payments.
- ❑ In order to estimate the marginal impact to date of the policy reforms, Indecon utilised a range of econometric methodologies. The results of the econometric models on the impact on incomes of the reforms compared to a counterfactual control group are somewhat ambiguous. Our DID model suggested a reduction in incomes of about €1,269 per annum, controlling for other factors while the results with the Regression Discontinuity model suggested a small increase in incomes. Indecon believes that based on all the evidence it is likely that on average the changes resulted in a small reduction in average incomes compared to what would have been the case although for those in full employment an increase in average incomes was evident. Further research on a more detailed counterfactual analysis over time is needed to derive definitive conclusions.
- ❑ The econometric modelling also attempted to estimate the impact on those at risk of poverty. Both the DID and RDD models suggest that, controlling for other factors, the policy reforms had no statistically significant impact on the probability of affected individuals being classified as at risk of poverty. The coefficients on the key variable for policy impact in both models are statistically insignificant. It should be noted that it was only possible to run this model on the population of all those people on OFP over the period. No interpretation of these econometric results should be attempted, and the conclusion is that the balance of evidence from the non-econometric investigations suggests that the policy reforms is likely to have impacted on the risk of poverty for a percentage of individuals who lost OFP although some individuals experienced enhanced incomes.

5 Exchequer Impact and Cost-Benefit Analysis

5.1 Introduction

This chapter utilises the evidence outlined in the previous chapters to assess the impact of the policy reforms on the Exchequer and the wider impact of the reforms. We also consider potential alternative policy reforms that could have been undertaken. These alternative reform scenarios are necessarily less detailed than the analysis of the policies.

5.2 Exchequer Impact Analysis

The Public Spending Code defines an Exchequer cash flow analysis as a specific financial analysis which takes into account direct and indirect flows which impact on the Exchequer. In the context of the OFP policy reforms, there are a range of means through which the policy changes may impact on the Exchequer, including:

- ❑ Lower expenditure on OFP payments;
- ❑ Increased expenditure on other social welfare payments as individuals transition to JST, FIS, BTWFD, Carers Allowance etc.;
- ❑ Potential increase in taxation revenue from increased employment and earnings attributable to the policy reforms; and
- ❑ The administrative costs of undertaking the policy reforms.

The JLD and other matched datasets provided to Indecon by DEASP for this review facilitate an assessment of the impact of policy reforms on the Exchequer in terms of changing levels of welfare payments.

In estimating the likely total social welfare payments to the affected population over the period from 2013 to 2016 should the policy reforms have not taken place, we use the data available in the JLD and other associated matched datasets. We assume that should an individual not have lost their OFP payments due to the policy reforms, their welfare payments would have remained constant in future years over the 2013-2016 period, with the exception of changes in the rates for specific welfare payments such as child benefit over the period. We also adjust the payments should an individual become ineligible for child benefit at any point over the period. The following table illustrates the estimated counterfactual total welfare expenditure required for the individuals affected by the policy over the period 2013-2016.

An additional adjustment is made with regard to those who would have lost OFP over the period without the policy reforms in terms of the welfare payments which they would likely have transitioned to. We assume that in the counterfactual scenario in which the policy reforms do not take place that those individuals who would have lost OFP anyway would, on average, transition to other sources of welfare that would provide 68% of the welfare income they were eligible for while receiving OFP. This assumption is based on evidence from the JLD which suggests that, on average, weekly payment rates for those on JA/JB are 68% of the weekly payment rates for those at the end of an episode of OFP. This does not take account of the impact of any individuals who may gain employment and no longer claim JA/JB after losing OFP. Table 5.1 presents data on what social welfare payments would have been for individuals impacted in the absence of the policy reforms under the assumptions specified.

For the purposes of this analysis, we also include an assumption on scheme costs of implementing the policy reforms of €5 million per annum. This is meant to be a very indicative costing of the wider system administration costs of changing the payment systems, working with those assisted, designing additional transition measures and other costs. Further research to evaluate such costs would be needed but is outside the scope of this preliminary study.

Table 5.1: Estimated Total Welfare Payments 2013-2016 – Counterfactual Scenario - € Millions				
	2013	2014	2015	2016
Total Welfare Payments - Counterfactual	646	638	642	658
<i>Source: Indecon analysis of JLD</i>				

The following table illustrates the actual spending on welfare payments for the affected population over the period from 2013 to 2016.

Table 5.2: Actual Total Welfare Payments 2013-2016 - € Millions				
	2013	2014	2015	2016
Total Welfare Payments - Actual	644	619	564	491
<i>Source: Indecon analysis of JLD</i>				

Table 5.3 outlines the estimated savings in the welfare payments bill to the affected population over the period from 2013 to 2016. The policy reforms were associated with savings to the Exchequer, in particular in 2015 and 2016.

Table 5.3: Estimated Welfare Savings 2013-2016 - € Millions				
	2013	2014	2015	2016
Total Welfare Payment Savings	2	20	78	167
<i>Source: Indecon analysis of JLD</i>				

In addition to the savings on welfare payments outlined above, any additional income tax revenue from increased earnings from employment attributable to the policy reforms can also be considered a benefit to the Exchequer of the policy reforms. Analysis of the data in the JLD and matched revenue data on earnings allows us to observe the trends in earnings from employment for those individuals affected by the policy reforms.

The findings from the econometric analysis suggest that, holding other factors constant, individuals who lose OFP due to the policy reforms have annual earnings from income that are €633 higher than otherwise would be the case. This estimate controls for other factors such as age, gender, number of children and employment history and is thus an estimate of the marginal effect of losing OFP over the period 2013-2016.

It should however be noted that while these Exchequer savings were associated with the reforms under the assumptions specified, some of these savings may have been due to individuals not claiming benefits for other reasons and so caution should be exercised in interpreting the figures.

We estimate the total increase in employment earnings attributable to the policy reforms using this econometric evidence and information on the number of individuals impacted by the policy reforms in each year. We also adjust these estimates for those individuals who would have lost OFP over the period from 2013 to 2016 without the policy reforms.

The following table illustrates the total additional earnings attributable to the policy change on an annual basis from 2013 to 2016 and estimates the increased income tax receipts from this employment. These estimates of income tax receipts are based on an assumed income tax rate of 20% for all those in full-time employment. We assume however that those in part-time employment pay no income tax. Using evidence from the Indecon survey, this suggests a weighted average income tax rate on additional earnings from employment of 5%. Our estimates suggest that taxation resulting from the increased earnings associated with the policy reforms are estimated to have contributed €3.9 million to the Exchequer between 2013 and 2016.

Table 5.4: Increased Earnings From Employment and Associated Income Tax revenue - € Millions				
	2013	2014	2015	2016
Increased Earnings from Employment	3.9	7.5	23.1	24.0
Income Tax	0.3	0.5	1.5	1.6
<i>Source: Indecon analysis of JLD</i>				

Combing the estimates of the net impact on the Exchequer in terms of reduced welfare payments and the increase in income tax receipts provides an estimate of the overall impact of the policy reforms on the Exchequer. Table 5.5 shows the estimated total impact of the policy reforms on the Exchequer relative to the counterfactual scenario. This analysis suggests that over the period there were net savings to the Exchequer.

Table 5.5: Net Exchequer Impact - € Millions				
	2013	2014	2015	2016
Net Welfare Savings	1.8	19.8	77.9	167.4
Income Tax Increases	0.3	0.5	1.5	1.6
System Costs Increases	5.0	5.0	5.0	5.0
<i>Source: Indecon analysis of JLD</i>				

Indecon has also undertaken an Exchequer impact analysis for two alternative policy reform scenarios in order to assess how different policy changes may have impacted on the Exchequer finances over the same period. These two scenarios are:

- Scenario 1: The Jobseeker's Transitional Payment (JST) was not made available to those losing OFP; and
- Scenario 2: Additional investment is made in labour market supports for those impacted by the policy reforms.

Scenario 1 – No JST Payment

In modelling the likely impact of the policy reforms should the JST payment have not been available as a transition option for individuals affected by the policy, we assume that those who transitioned

to JST would instead have experienced a loss of welfare income of a similar scale as those who lost OFP but did not transition to JST. However, given that those transitioning to JST in reality, by design, have younger children and are thus somewhat less likely to be able to pursue additional employment opportunities, we assume that they only experience 50% of the loss of welfare income incurred by those not transitioning to JST. This accounts for the fact that a significant loss of welfare for those not transitioning to JST is attributable to these individuals gaining increased employment earnings exceeding earnings thresholds for welfare payments. Similarly, we assume that the additional earnings accruing to those transitioning to JST in a scenario in which JST is not available will be only 50% of those earnings increases seen by those who did not transition to JST in reality.

These assumptions yield the following findings for Scenario 1. Under these assumptions, removing the ability to transition to JST would have resulted in an additional savings to the Exchequer of around €26 million over the period from 2013 to 2016, relative to the baseline estimate. However, Indecon believes that such a policy would have impacted very negatively on lone parents with young families and would have increased poverty for this vulnerable group. Indecon believes such a position without the transitional assistance provided by JST would not have been appropriate given the policy objectives.

Table 5.6: Net Exchequer Impact – Scenario 1 - € Millions				
	2013	2014	2015	2016
Net Welfare Savings	3.0	22.9	83.8	182.6
Income Tax increases	0.3	0.6	1.8	2.0
Systems Costs Increases	5.0	5.0	5.0	5.0
<i>Source: Indecon analysis of JLD</i>				

Scenario 2 – Increased Activation Spending

Given the evidence on the levels of individuals who have engaged with the labour market activation process, our second scenario assumes that additional funding is given to labour market supports for individuals losing OFP as a result of the policy reforms. We assume that an additional €50 million is allocated to these supports over the period from 2013 to 2016 in this scenario. The precise impact of such additional supports on the affected individuals is difficult to ascertain and a detailed analysis of the impact of such supports is beyond the scope of this study. However, we can model the impact of a range of impacts.

For the purposes of this exercise, we assume that the additional spending on labour market supports may lead to an increase in the numbers of affected individuals reporting employment of some form in the years following the loss of OFP of between 5% and 10%. We assume that those in employment will earn the average amount annually of those who are in employment following the loss of OFP. We also assume this group will experience a commensurate fall in welfare income in line with the average welfare income of affected individuals who were employed between 2013 and 2016.

The following table illustrates the increased numbers of affected individuals that we anticipate being employed on an annual basis under these assumptions, the annual average income earned and the average annual welfare payments savings expected as a result. This table shows the differing levels of expected increased annual employment under the range of assumed impacts of the additional spending on labour market supports.

Table 5.7: Scenario 2 - Underlying Assumptions				
		2014	2015	2016
Additional Annual Employment	5% Increase	189	401	1200
	10% Increase	377	801	2399
Average Annual Earnings from Employment		€12,077	€12,731	€12,896
Average Annual Welfare Savings		€4,063	€3,977	€3,522
<i>Source: Indecon analysis of JLD</i>				

Based on the above assumptions, the following table outlines the findings of the Exchequer impact analysis when an additional €50 million is spent on labour market supports for affected individuals. A 5% increase in employment will lead to an increased net benefit of €9 million over the period from 2013 to 2016 relative to the baseline model while impact on employment of 10 % results in greater net benefits relative to the baseline analysis of €18.3m.

Table 5.8: Net Exchequer Impact – Scenario 2 - € Millions				
5% Increase in Employment				
	2013	2014	2015	2016
Net Welfare Savings	1.8	20.6	78.5	170.4
Income Tax Increases	0.3	1.1	2.4	5.0
Admin Costs	5.0	5.0	5.0	5.0
10% Increase in Employment				
	2013	2014	2015	2016
Net Welfare Savings	1.8	21.3	79.1	173.5
Income Tax Increases	0.3	1.6	3.2	8.3
System Costs Increases	5.0	5.0	5.0	5.0
<i>Source: Indecon analysis of JLD</i>				

5.3 Cost-Benefit Analysis

The cost-benefit analysis (CBA) differs from the Exchequer impact analysis as it takes into account the impact of the policy reforms on the wider economy and society and is not limited to assessing the impact on the Exchequer finances. We conduct this ex-post CBA of the OFP policy reforms in line with the latest relevant guidance in the public spending code. The next sub-section outlines the key elements of the public spending code guidance for CBAs. What follows this is an outline of the costs and benefits included in this CBA before these costs and benefits are quantified and the CBA findings calculated.

The public spending code outlines a number of key guidelines and values that must be used in any CBA. The CBA undertaken for this policy impact assessment has been undertaken in line with the latest guidance where possible. The key aspects of the public spending code guidance on cost-benefit analyses are:

- ❑ The discount rate;
- ❑ The shadow cost of public funds; and
- ❑ The shadow price of labour.

The discount rate specified in the public spending code is 5%. The discount rate is used to reflect time preferences and to calculate the net present value (NPV) of costs and benefits of a given project. Given that the CBA carried out in this review is an ex-post exercise which aims to assess the impact of the policy reforms to data since their introduction in 2013, we do not utilise the discount rate in our CBA as we are not assessing the likely net present value of benefits over a defined time period into the future but are retrospectively assessing how the policy reforms have impacted on society to date.

The shadow cost of public funds aims to reflect the distortionary impact of taxation on economic activity. As per the public spending code, a premium must be attached to the nominal costs of the project in order to make private cash flows commensurate with public cash flows and account for the deadweight loss of taxation. The latest guidance requires the use of a shadow price of public funds of 130% in CBAs.

The shadow price of labour aims to reflect the opportunity cost of labour and ensure that additional employment attributed to a project is not overstated. The inclusion of a shadow price of labour aims to reflect the fact that individuals employed on a project or as a result of the result would not necessarily have been unemployed should the project not have taken place. The shadow price of labour can depend on the overall labour market conditions as well as the nature of the project and the skill sets and socio-economic profile of the affected labour force.

The latest guidance on the shadow price of labour in the public spending code recommends a shadow price of labour of 80-100%. A shadow price of labour of 80% implies that only 20% of the benefits of additional employment from a given project should be included in the CBA.

Given the employment profiles of the individuals affected by the OFP policy reforms, there is a case to be made for a lower shadow price of labour in this context. The evidence suggests that the policy reforms had a significant impact in increasing weeks employed and earnings from employment for those impacted by the reforms. Without the reforms, the employment rate of the affected population would have been significantly lower.

A key aspect of the public spending code that is relevant for this CBA is the guidance in relation to transfer payments. The public spending code states:

“In general, transfer payments should be excluded because from society’s perspective such payments have no effect on real resources and benefits are merely transferred from one part of society to another e.g. unemployment benefits.... However, to the extent that the economic activity arising from the project will be additional (i.e. not displaced), the tax revenues arising, including PRSI, should be included as a benefit.”

As the OFP policy reforms main impact is on the change in transfer payments to OFP recipients, the treatment of transfer payments is challenging in considering the ex-post CBA.

In our analysis we assume a benefit in terms of Exchequer savings plus the additional benefit arising from the shadow price of public funds. However, we recognise that the Exchequer savings also imply reduced payments to beneficiaries and this is treated as a cost of the reforms. As a result, the net benefit of the Exchequer savings in the CBA is simply the shadow price of the public funds and so differences from the estimated figures included in the Exchequer analysis.

In addition to assumed system wide costs we include as a cost in our CBA is the potential negative societal impacts arising from the reduction in lone-parent incomes. These impacts are difficult to quantify but could include impacts on health care spending and other social supports. For the purposes of this analysis, we assume a cost of 10% of the welfare savings as a proxy for unquantifiable societal impacts.

Indecon accepts that there may be other benefits which we have not included in our analysis including the wider benefits to individuals and their families of the increased employment. We, however, include an estimate of the increase in gross value-added equal to the enhanced employment earnings.

The following table outlines Indecon’s estimate of the contribution of the additional employment attributable to the policy reforms to GVA in the economy. We impose the shadow cost of labour of 80% as recommended in the Public Spending Code. Under this assumption there is a contribution to GVA of €11.7 million over the period from 2013 to 2016. However, we would note that under a lower assumed shadow cost of labour of 50% the total contribution to GVA would rise to €29.3 million.

Table 5.9: Estimated Additional GVA 2013-2016 - € Millions					
	2013	2014	2015	2016	Total
80% Shadow Cost of Labour	0.8	1.5	4.6	4.8	11.7
<i>Source: Indecon analysis of JLD</i>					

Accounting for the costs and benefits discussed above, the following table outlines Indecon’s preliminary estimate of the costs and benefits of the policy reforms.

The estimates suggest a net economic benefit arising from the shadow price of public funds on the welfare savings as well as an increase in gross value added. The net benefits of the reform over the period 2013 – 2016 are estimated at approximately €45 million over the period, assuming an 80% shadow cost of labour.

Table 5.10: CBA Findings - € Millions – 80% Shadow Cost of Labour					
	2013	2014	2015	2016	Total
Benefits					
Shadow price of Welfare Savings	0.5	5.9	23.4	50.2	80.1
Increase in GVA	0.8	1.5	4.6	4.8	11.7
Costs					
System Costs	5.0	5.0	5.0	5.0	20.0
Societal Impacts	0.2	2.0	7.8	16.7	26.7
Net Benefit/Loss	-3.86	0.46	15.20	33.28	45.08
<i>Source: Indecon analysis of JLD</i>					

5.4 Summary of Findings

- ❑ The Exchequer impact analysis suggests that the policy reforms have led to a net saving to the Exchequer of €261.5 million over the period from 2013 to 2016. This was due to reduced payments to the individuals who lost OFP.
- ❑ The CBA assess the wider impact of the policy reforms on the economy by assessing the impact of the reforms on the overall economy, the savings to the Exchequer and the contribution to GVA of additional employment.
- ❑ The estimates suggest a net economic benefit arising from the shadow price of public funds on the welfare savings as well as an increase in gross value added. The net benefits of the reform over the period 2013 – 2016 are estimated at approximately €45 million over the period, assuming an 80% shadow cost of labour.

6 Conclusions

6.1 Conclusions

Our key conclusions are outlined below and are structured around the issues of the impact and effectiveness of the reforms in terms of welfare dependency, employment, financial and poverty impacts. We also consider the rationale and continued relevance of the objectives. Our conclusions deal with the merits of a more detailed counterfactual analysis and a number of other issues.

6.2 Impact on Welfare Dependency and Employment

The OFP reforms have been successful in increasing employment and reducing welfare dependency. The evidence indicates that the reforms increased the probability of employment and of achieving higher employment incomes. A potential concern, however, relates to those who lost OFP and have remained unemployed or in low paid or part-time employment. A key challenge for policymakers is to assist these lone parents to become more integrated into the Irish labour market.

6.3 Financial and Poverty Impacts of the Reforms

Average incomes for those who lost OFP due to policy changes were similar to those who remained on OFP but this may be due to other differences in the characteristics of these two groups. The impact on individuals' financial incomes in the year post the OFP changes varied and the results indicate that 52% of individuals who lost OFP in 2015 faced no decline in incomes in the following year. 19.8% of those who lost OFP experienced increases in income of over 10%, but over 30% experienced income declines of over 10%. These individuals are likely to include those with very small earnings from employment. The balance of evidence indicates that the policy changes impacted on the risk of poverty although some individuals experienced enhanced incomes.

6.4 Rationale and Combined Relevance

The objective of the policy changes which were designed to increase employment and reduce long-term social welfare dependency was a valid rationale for the policy changes. The findings in this report support the rationale and continued relevance of the policy changes. The changes have reduced welfare dependency and increased employment. However, unless accompanied by further increases in employment the objective of reducing poverty will not be met for many individuals. Lone parents remain among the most vulnerable groups and demonstrate a high level of risk of poverty and social deprivation. Employment has the potential to enhance incomes and to achieve other social benefits for lone parents and their children. There is, however, a need to explore measures to assist a greater percentage of lone parents to obtain full-time employment or increased hours of work. Transitional arrangements for those who are losing OFP payments should involve detailed activation support. Ways of ensuring that all those who lost OFP receive one-to-one activation services merits attention. Assisting lone parents to enhance skills also needs to be seen as a key objective as low paid employment will not, on its own, ensure a reduction in the risk of poverty.

6.5 Merits of Counterfactual Analysis

It is too early to make definitive conclusions on the impact of the policy changes on incomes over the medium term as the number of years since the measure was undertaken is limited. We recommend a more detailed investigation using counterfactual modelling towards the end of 2018.

6.6 Other Policy Issues

Indecon believes that care is needed in designing welfare programmes to ensure that the structure of any payments do not disincentivise employment. This is particularly the case where there may be an integration of a number of payments with different thresholds for earnings and where individuals are likely to access more than one form of payment.

Annex 1 Survey Questionnaire



CONFIDENTIAL SURVEY OF CUSTOMERS CONCERNING THE ONE PARENT FAMILY PAYMENT CHANGES

This survey is asking for your views to help the Department to understand how the changes to the One Parent Family Payment (OFP) that took place since 1st January 2012 have affected you and your family.

Your answers are strictly confidential and will be put together with the other replies we receive to form an important part of an independent review of these changes. Thank you for taking part in this survey.

I. Your experience of the Department of Social Protection

Q.1 Thinking about the time after the OFP changes first affected you, have you received any of the following information, advice or supports from the Department's staff?

	Yes	No
Advice on Preparing a Personal Development Plan	<input type="checkbox"/>	<input type="checkbox"/>
Discussion of Possible Options for new or additional Employment	<input type="checkbox"/>	<input type="checkbox"/>
Information on available Employment Programmes e.g. the Community Employment scheme	<input type="checkbox"/>	<input type="checkbox"/>
Information on Training Opportunities or Options for Education	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>

Q.2 How would you rate the information and service you have received from the Department?

Please tick (✓) one box on each row

	Very Helpful	Helpful	Neither Helpful nor Unhelpful	Unhelpful	Very Unhelpful
Before my OFP ended	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
At the time my OFP ended	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
After my OFP ended	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

II. Your experience of Training and Education

Q.3 Please tell us about any experience you had of education or training courses, either while you were on OFP, or after your OFP ended?

(If you did more than one course please answer based on your most recent course)

	While on OFP		After OFP ended	
	Yes	No	Yes	No
I <u>started</u> an education or training course....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...that was supported by the Department of Social Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...that was supported by other State funding e.g. the SUSI grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...and I have <u>completed</u> the course	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you answered NO to all parts of this question, please go to question 5.

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«UniqueSurveyID»

Q.4 How has this training or education changed things for you and your family?

If you have not finished your course please answer these questions based on any changes that you expect to happen when your course ends

<i>My training or education...</i>	Yes	No	<i>My training or education...</i>	Yes	No
Has given me new skills	<input type="checkbox"/>	<input type="checkbox"/>	Helped me to make more money	<input type="checkbox"/>	<input type="checkbox"/>
Improved my confidence	<input type="checkbox"/>	<input type="checkbox"/>	Helped me to get a job	<input type="checkbox"/>	<input type="checkbox"/>
Gave me new friends	<input type="checkbox"/>	<input type="checkbox"/>	Discouraged me from getting a job	<input type="checkbox"/>	<input type="checkbox"/>
Improved my sense of well-being	<input type="checkbox"/>	<input type="checkbox"/>	Did not improve anything for me	<input type="checkbox"/>	<input type="checkbox"/>
Improved my children's well-being	<input type="checkbox"/>	<input type="checkbox"/>	Worsened my financial position	<input type="checkbox"/>	<input type="checkbox"/>
Encouraged my children to study or to want to go to college	<input type="checkbox"/>	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>

III. Your experience of Employment and Employment Programmes

Q.5 Please tell us about your employment experience either while you were on OFP, or after your OFP ended.

	<u>While on OFP</u>		<u>After OFP ended</u>	
	Yes	No	Yes	No
DSP employment programme (such as Community Employment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full-time job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Part-time job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you answered NO to all parts of this question, go to question 7

Q.6 How has this employment changed things for you and your family?

<i>My employment...</i>	Yes	No	<i>My employment...</i>	Yes	No
Helped me to make more money	<input type="checkbox"/>	<input type="checkbox"/>	Improved my children's well-being	<input type="checkbox"/>	<input type="checkbox"/>
Has given me new skills	<input type="checkbox"/>	<input type="checkbox"/>	Has encouraged me to look for more work	<input type="checkbox"/>	<input type="checkbox"/>
Improved my confidence	<input type="checkbox"/>	<input type="checkbox"/>	Did not improve anything for me	<input type="checkbox"/>	<input type="checkbox"/>
Gave me new friends	<input type="checkbox"/>	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>
Improved my well-being	<input type="checkbox"/>	<input type="checkbox"/>			

IV. Your family's situation

Q.7 Please tell us about how you feel things have changed since the time the OFP changes first affected YOU.

Please tick (✓) one box for each question

	...has got much better	...has got a little better	...didn't get better or worse	...has got a little worse	...has got much worse
My family's financial situation...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My employment situation...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic situation in my area...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.8 Please tell us how you expect things to change over the next 3 years.

Please tick (✓) one box for each question

	...will get much better	...will get a little better	...won't get better or worse	...will get a little worse	...will get much worse
My family's financial situation...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My employment situation...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic situation in my area...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.9 Please tell us if, before the OFP changes since 1st January 2012 first affected you, you were able or unable to afford any of the following:

	Able to Afford	Unable to Afford
Two pairs of strong shoes	<input type="checkbox"/>	<input type="checkbox"/>
A warm waterproof overcoat	<input type="checkbox"/>	<input type="checkbox"/>
Never had to go without heating	<input type="checkbox"/>	<input type="checkbox"/>
Buy new (not second-hand) clothes	<input type="checkbox"/>	<input type="checkbox"/>
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	<input type="checkbox"/>	<input type="checkbox"/>
Have a roast of meat or its equivalent once a week	<input type="checkbox"/>	<input type="checkbox"/>
Keep the home adequately warm	<input type="checkbox"/>	<input type="checkbox"/>
Buy presents for family or friends at least once a year	<input type="checkbox"/>	<input type="checkbox"/>
Replace any worn out furniture	<input type="checkbox"/>	<input type="checkbox"/>
Have family or friends for a drink or meal once a month	<input type="checkbox"/>	<input type="checkbox"/>
Have a morning, afternoon or evening out in the last fortnight for entertainment	<input type="checkbox"/>	<input type="checkbox"/>

Q.10 Please tell us if in the last twelve months you were able or unable to afford the following:

	Able to Afford	Unable to Afford
Two pairs of strong shoes	<input type="checkbox"/>	<input type="checkbox"/>
A warm waterproof overcoat	<input type="checkbox"/>	<input type="checkbox"/>
Never had to go without heating during the last 12 months	<input type="checkbox"/>	<input type="checkbox"/>
Buy new (not second-hand) clothes	<input type="checkbox"/>	<input type="checkbox"/>
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	<input type="checkbox"/>	<input type="checkbox"/>
Have a roast of meat or its equivalent once a week	<input type="checkbox"/>	<input type="checkbox"/>
Keep the home adequately warm	<input type="checkbox"/>	<input type="checkbox"/>
Buy presents for family or friends at least once a year	<input type="checkbox"/>	<input type="checkbox"/>
Replace any worn out furniture	<input type="checkbox"/>	<input type="checkbox"/>
Have family or friends for a drink or meal once a month	<input type="checkbox"/>	<input type="checkbox"/>
Have a morning, afternoon or evening out in the last fortnight for entertainment	<input type="checkbox"/>	<input type="checkbox"/>

Q.11 What is the highest level of education that you have completed up to now?

Please tick (✓) one box

Primary School	<input type="checkbox"/>	Post Leaving Certificate course, Certificate course or Diploma	<input type="checkbox"/>
Junior Secondary School (i.e. Junior Cert, Inter Cert or Group Cert)	<input type="checkbox"/>	Degree Level	<input type="checkbox"/>
Senior Secondary School (i.e. Leaving Cert)	<input type="checkbox"/>	Post Graduate Degree Level	<input type="checkbox"/>

Q.12 Which one of the following best describes your current situation?

Employed Full-Time	<input type="checkbox"/>	Not working outside the home	<input type="checkbox"/>	Currently Seeking Work	<input type="checkbox"/>
Employed Part-Time	<input type="checkbox"/>	In Education or Training	<input type="checkbox"/>		

Q.13 What one additional support would improve your current situation the most? (Please write below)

V. How did the Changes to the One Parent Family Payment affect you and your family?

Q.14 Please give your views on how the changes to the One Parent Family Payment have affected you and your family.

Please tick (✓) one box for each statement

The changes to OFF...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Encouraged me to consider education, training or an employment programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discouraged me from considering education, training or an employment programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Caused me to look for new employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Caused me to give up my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Caused me to look for more hours of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Caused me to reduce my hours of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved my sense of wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Worsened my sense of wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved my children's wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Worsened my children's wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.15 Please give us any other comments you would like to make on how the changes since 1st January 2012 to the One Parent Family Payment have affected you and your family.

(Please write below and use additional pages if you need to.)

Thank you very much for answering the questions in this survey. Your views are very important and are strictly confidential. If you are sending your reply by post please use the pre-paid envelope provided. If you have any queries you can call 1890 882244 or (071) 8183302, or email OFFsurvey@welfare.ie and the team will be happy to help.

Annex 2 Detailed Econometric Modelling Results

A2.1 Overall Model

Table A2.1: Difference-in-Difference – Full Model – ARP and Total Income				
	arp_indicator_		total_income_	
	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	-0.0178	-0.0144	-1,269***	-48.14
Sex	0.534***	-0.0323	3,889***	-48.09
Impacted by Policy	-0.163***	-0.00983	1,655***	-30.76
Age Youngest Child	-0.0200***	-0.0011	170.9***	-2.346
2.occupation – professional	0.633***	-0.0454	-4,010***	-62.78
3.occupation – associate professional and technical	0.482***	-0.0485	-4,674***	-78.37
4.occupation – Admin and secretarial	0.420***	-0.037	-6,108***	-51.62
5.occupation -Skilled Trades	0.464***	-0.0396	-6,886***	-62.21
6.occupation – Caring, leisure and other service	1.025***	-0.0352	-7,231***	-49.92
7.occupation – Sales and customer service	0.382***	-0.0359	-6,326***	-52.31
8.occupation – Machine Operatives	0.718***	-0.037	-6,327***	-55.13
9.occupation – Elementary	1.192***	-0.0363	-8,001***	-56.45
10.occupation – Unknown/Not stated	1.227***	-0.0358	-8,430***	-55.72
2013.year	-0.0166	-0.0114	-72.10**	-29.32
2014.year	0.0115	-0.0116	257.3***	-29.24
2015.year	0.0324**	-0.013	625.8***	-30.14
2016.year	-0.105***	-0.0133	1,264***	-30.32
2.age_cat – 20-24 years	-1.222***	-0.0496	3,181***	-115
3.age_cat - 25-29 years	-1.678***	-0.049	3,710***	-112.4
4.age_cat - 30-34 years	-1.925***	-0.0493	3,976***	-112.4
5.age_cat - 35-39 years	-1.925***	-0.0498	4,157***	-113.2
6.age_cat - 40-44 years	-1.740***	-0.0502	3,568***	-114.4
7.age_cat - 45-49 years	-1.551***	-0.0511	2,423***	-116.6
8.age_cat - 50-54 years	-1.414***	-0.0528	1,139***	-120.1
9.age_cat – 55 and older	-1.034***	-0.0583	270.7**	-126.5
Number of children	0.476***	-0.00465	2,287***	-9.857
% time on Live Register last 5 years	0.696***	-0.0207	-6,490***	-30.8
% time employed in last year	-1.772***	-0.0112	3,940***	-28.76
Irish	-0.163***	-0.0103	555.9***	-23
Interaction: Lost OFP*Time on Live Register	1.578***	-0.0537	-162.6	-156.2
Interaction: Lost OFP* Time employed	0.389***	-0.0254	218.6**	-92.79
Interaction: Lost OFP*Sex	0.132**	-0.0563	-5,052***	-156.5
Constant	1.163***	-0.0608	14,834***	-122.8
Observations	399,048		907,133	

Source: Indecon Analysis

Table A2.2: Regression Discontinuity Design – Full Model – ARP and Total Income

	arp_RDD		Total_income_RDD	
	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	-0.0204	-0.0277	279.3***	-72.37
Sex	0.377***	-0.0494	3,091***	-83.85
Impacted by Policy	0.0933***	-0.014	-736.7***	-43.06
Age Youngest Child	-0.103***	-0.00925	-128.4***	-14.63
Occupation	-0.504***	-0.165	983.7***	-69.01
2013.year	0.0525**	-0.0206	1,512***	-54.73
2014.year	0.0358*	-0.0206	2,511***	-54.17
2015.year	0.0636***	-0.0209	3,413***	-53.9
2016.year	-0.0588***	-0.0211	3,123***	-57.05
Age	0.0245***	-0.00099	116.8***	-2.744
% time on Live Register last 5 years	-0.0769*	-0.0426	-6,178***	-95.95
% time employed in last year	-2.037***	-0.023	4,819***	-77.46
Irish	-0.0907***	-0.0173	1,695***	-42.57
Interaction: Lost OFP* Time employed	0.113***	-0.0381	-312.7***	-94.51
Interaction: Lost OFP*Time on Live Register	0.057	-0.0805	-457.2***	-118.5
Constant	1.138***	-0.177	11,608***	-160.1
Observations	115,810		393,755	

Source: Indecon Analysis

Table A2.3: Difference-in-Difference – Full Model – Welfare Dependency

	welf_dep_rate_		welf_dep_50_		welf_dep_100_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	-0.0406***	-0.00159	-0.900***	-0.0153	-0.150***	-0.0124
Sex	-0.00967***	-0.00159	-0.183***	-0.013	0.156***	-0.013
Impacted by Policy	0.175***	-0.00101	1.799***	-0.011	0.627***	-0.00852
Age Youngest Child	-0.00991***	-7.7E-05	-0.0538***	-0.00064	-0.0573***	-0.00065
2.occupation – professional	0.0382***	-0.00207	0.253***	-0.0161	0.106***	-0.0183
3.occupation – associate professional and technical	0.116***	-0.00258	0.696***	-0.0201	0.526***	-0.0219
4.occupation – Admin and secretarial	0.0719***	-0.0017	0.414***	-0.0133	0.189***	-0.015
5.occupation –Skilled Trades	0.175***	-0.00205	1.181***	-0.0164	0.610***	-0.0175
6.occupation – Caring, leisure and other service	0.215***	-0.00165	1.423***	-0.0131	0.908***	-0.0144
7.occupation – Sales and customer service	0.150***	-0.00172	0.974***	-0.0136	0.421***	-0.015
8.occupation – Machine Operatives	0.171***	-0.00182	1.105***	-0.0145	0.731***	-0.0157
9.occupation – Elementary	0.272***	-0.00186	1.915***	-0.016	1.358***	-0.0161
10.occupation – Unknown/Not stated	0.310***	-0.00184	2.457***	-0.0171	1.627***	-0.016
2013.year	-0.00614***	-0.00097	-0.00482	-0.00849	0.0173**	-0.00811
2014.year	-0.0286***	-0.00096	-0.144***	-0.00839	-0.186***	-0.00806
2015.year	-0.0385***	-0.00099	-0.191***	-0.00846	-0.271***	-0.00827
2016.year	-0.0632***	-0.001	-0.370***	-0.00843	-0.470***	-0.00829
2.age_cat – 20-24 years	-0.0946***	-0.00379	-1.395***	-0.0726	-0.699***	-0.0352
3.age_cat - 25-29 years	-0.158***	-0.0037	-2.032***	-0.0718	-1.040***	-0.0345
4.age_cat - 30-34 years	-0.182***	-0.0037	-2.283***	-0.0717	-1.148***	-0.0345
5.age_cat - 35-39 years	-0.193***	-0.00372	-2.420***	-0.0718	-1.178***	-0.0346
6.age_cat - 40-44 years	-0.187***	-0.00377	-2.455***	-0.072	-1.092***	-0.0349
7.age_cat - 45-49 years	-0.177***	-0.00384	-2.424***	-0.0722	-0.970***	-0.0355
8.age_cat - 50-54 years	-0.177***	-0.00395	-2.374***	-0.0726	-0.874***	-0.0364
9.age_cat – 55 and older	-0.184***	-0.00418	-2.244***	-0.0734	-0.790***	-0.0379
Number of children	0.0359***	-0.00033	0.285***	-0.003	0.145***	-0.00268
% time on Live Register last 5 years	0.176***	-0.00102	1.341***	-0.00909	0.803***	-0.00801
% time employed in last year	-0.250***	-0.00095	-1.162***	-0.00781	-3.553***	-0.013
Irish	0.0163***	-0.00076	0.198***	-0.00635	0.0782***	-0.00627
Interaction: Lost OFP*Time on Live Register	0.00753	-0.00514	0.167***	-0.0494	0.0734*	-0.0406
Interaction: Lost OFP* Time employed	-0.00092	-0.00305	0.196***	-0.024	-0.912***	-0.0576
Interaction: Lost OFP*Sex	0.0958***	-0.00515	0.738***	-0.0515	0.665***	-0.043
Constant	0.686***	-0.00404	1.518***	-0.0729	0.434***	-0.0374
Observations	903,993		907,133		907,133	

Source: Indecon Analysis

Table A2.4: Regression Discontinuity Design – Full Model – Welfare Dependency

	wdr_RDD		wdr_50_RDD		wdr_100_RDD	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	-0.0316***	-0.0021	-0.244***	-0.0155	-0.118***	-0.015
Sex	-0.0297***	-0.00243	-0.226***	-0.0173	0.0905***	-0.0179
Impacted by Policy	0.247***	-0.00125	1.955***	-0.0108	0.875***	-0.00921
Age Youngest Child	-0.00560***	-0.00043	-0.0239***	-0.00309	-0.0432***	-0.0032
Occupation	0.0759***	-0.002	0.422***	-0.014	0.0598***	-0.0159
2013.year	-0.0424***	-0.00159	-0.219***	-0.0117	-0.228***	-0.0121
2014.year	-0.0826***	-0.00157	-0.459***	-0.0116	-0.484***	-0.0119
2015.year	-0.109***	-0.00156	-0.655***	-0.0115	-0.631***	-0.0118
2016.year	-0.0582***	-0.00166	-0.405***	-0.0121	-0.456***	-0.0123
Age	-0.000753***	-8E-05	-0.0160***	-0.00059	0.00436***	-0.0006
% time on Live Register last 5 years	0.111***	-0.00278	0.585***	-0.02	0.396***	-0.0193
% time employed in last year	-0.329***	-0.00225	-1.617***	-0.0165	-3.353***	-0.028
Irish	0.00374***	-0.00124	0.0959***	-0.00887	-0.00228	-0.00929
Interaction: Lost OFP* Time employed	0.0359***	-0.00274	0.221***	-0.0201	0.0768**	-0.0347
Interaction: Lost OFP*Time on Live Register	0.0435***	-0.00344	0.336***	-0.0248	0.184***	-0.0238
Constant	0.690***	-0.00465	1.128***	-0.0337	0.207***	-0.0348
Observations	393,755		393,755		393,755	

Source: Indecon Analysis

A2.2 Overall Model Excluding Those on JST

Table A2.5: Difference-in-Difference – Model Excluding JST – ARP and Total Income				
	arp_indicator_		total_income_	
	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	-0.0692***	-0.0178	-1,473***	-65.45
Sex	0.500***	-0.0366	4,133***	-50.92
Impacted by Policy	-0.901***	-0.0127	3,751***	-41.35
Age Youngest Child	0.0115***	-0.00127	162.0***	-2.541
2.occupation – professional	0.689***	-0.0521	-3,972***	-65.54
3.occupation – associate professional and technical	0.502***	-0.0553	-4,652***	-82.34
4.occupation – Admin and secretarial	0.439***	-0.0423	-6,156***	-53.83
5.occupation –Skilled Trades	0.449***	-0.0452	-6,978***	-65.48
6.occupation – Caring, leisure and other service	1.027***	-0.0403	-7,250***	-52.41
7.occupation – Sales and customer service	0.395***	-0.041	-6,442***	-54.82
8.occupation – Machine Operatives	0.684***	-0.0423	-6,297***	-57.96
9.occupation – Elementary	1.151***	-0.0415	-7,916***	-60.27
10.occupation – Unknown/Not stated	1.234***	-0.041	-8,495***	-59.71
2013.year	-0.100***	-0.013	103.9***	-32.06
2014.year	-0.0869***	-0.0134	513.8***	-31.98
2015.year	-0.0602***	-0.0145	896.0***	-32.48
2016.year	-0.170***	-0.0146	1,511***	-32.52
2.age_cat – 20-24 years	-1.331***	-0.0499	3,387***	-119.3
3.age_cat - 25-29 years	-1.902***	-0.0494	4,094***	-116.7
4.age_cat - 30-34 years	-2.208***	-0.0497	4,302***	-116.6
5.age_cat - 35-39 years	-2.197***	-0.0504	4,440***	-117.5
6.age_cat - 40-44 years	-1.994***	-0.0512	3,842***	-119.1
7.age_cat - 45-49 years	-1.728***	-0.0523	2,531***	-121.7
8.age_cat - 50-54 years	-1.504***	-0.054	1,140***	-125.3
9.age_cat – 55 and older	-1.099***	-0.0595	339.3***	-131.7
Number of children	0.491***	-0.00532	2,325***	-10.81
% time on Live Register last 5 years	0.959***	-0.0224	-6,820***	-32.32
% time employed in last year	-1.605***	-0.0126	3,659***	-31.13
Irish	-0.171***	-0.0119	629.0***	-24.95
Interaction: Lost OFP*Time on Live Register	2.668***	-0.0669	-4,266***	-192.3
Interaction: Lost OFP* Time employed	0.717***	-0.0309	-750.7***	-114.7
Interaction: Lost OFP*Sex	0.243***	-0.0674	-6,101***	-200.9
Constant	1.155***	-0.0643	14,581***	-127.7
Observations	304,066		806,754	
Source: Indecon Analysis				

Table A2.6: Regression Discontinuity Design –Model Excluding JST – ARP and Total Income				
	arp_indicator_		total_income_	
	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	-0.0204	-0.0277	772.4***	-88.32
Sex	0.377***	-0.0494	3,643***	-95.49
Impacted by Policy	0.0933***	-0.014	3,497***	-70.41
Age Youngest Child	-0.103***	-0.00925	-174.4***	-17.33
Occupation	-0.504***	-0.165	1,372***	-73.45
2013.year	0.0525**	-0.0206	2,340***	-64.36
2014.year	0.0358*	-0.0206	3,591***	-63.78
2015.year	0.0636***	-0.0209	4,419***	-63.13
2016.year	-0.0588***	-0.0211	3,764***	-67.14
Age	0.0245***	-0.00099	98.66***	-3.334
% time on Live Register last 5 years	-0.0769*	-0.0426	-7,135***	-106.9
% time employed in last year	-2.037***	-0.023	4,383***	-89.08
Irish	-0.0907***	-0.0173	2,085***	-49.61
Interaction: Lost OFP* Time employed	0.113***	-0.0381	-638.8***	-109.6
Interaction: Lost OFP*Time on Live Register	0.057	-0.0805	-796.1***	-133.5
Constant	1.138***	-0.177	11,877***	-188.1
Observations	115,810		315,655	
<i>Source: Indecon Analysis</i>				

Table A2.7: Difference-in-Difference – Model Excluding JST – Welfare Dependency						
	welf_dep_rate_		welf_dep_50_		welf_dep_100_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	-0.0912***	-0.00215	-1.155***	-0.0178	-0.231***	-0.0169
Sex	-0.0118***	-0.00167	-0.195***	-0.0132	0.117***	-0.0133
Impacted by Policy	0.142***	-0.00136	1.471***	-0.0126	0.0704***	-0.0112
Age Youngest Child	0.00937***	0.0000836	0.0497***	0.000659	0.0505***	0.000686
2.occupation – professional	0.0343***	-0.00215	0.226***	-0.0164	0.0824***	-0.0187
3.occupation – associate professional and technical	0.115***	-0.00271	0.679***	-0.0205	0.534***	-0.0224
4.occupation – Admin and secretarial	0.0682***	-0.00177	0.388***	-0.0135	0.170***	-0.0153
5.occupation – Skilled Trades	0.174***	-0.00215	1.163***	-0.0167	0.601***	-0.018
6.occupation – Caring, leisure and other service	0.209***	-0.00172	1.362***	-0.0133	0.876***	-0.0148
7.occupation – Sales and customer service	0.149***	-0.0018	0.961***	-0.0139	0.417***	-0.0154
8.occupation – Machine Operatives	0.167***	-0.0019	1.065***	-0.0147	0.706***	-0.0161
9.occupation – Elementary	0.275***	-0.00198	1.869***	-0.0164	1.369***	-0.0167
10.occupation – Unknown/Not stated	0.323***	-0.00196	2.442***	-0.0176	1.723***	-0.0167
2013.year	0.00795***	-0.00105	-0.0131	-0.00865	-0.00262	-0.0086
2014.year	-0.0328***	-0.00105	-0.157***	-0.00857	-0.222***	-0.00857
2015.year	-0.0461***	-0.00107	-0.242***	-0.00864	-0.328***	-0.00868
2016.year	-0.0710***	-0.00107	-0.415***	-0.00862	-0.528***	-0.00867
2.age_cat – 20-24 years	-0.0932***	-0.00391	-1.417***	-0.0727	-0.696***	-0.0355
3.age_cat – 25-29 years	-0.162***	-0.00382	-2.098***	-0.0718	-1.069***	-0.0347
4.age_cat – 30-34 years	-0.190***	-0.00382	-2.362***	-0.0717	-1.188***	-0.0347
5.age_cat – 35-39 years	-0.201***	-0.00385	-2.495***	-0.0718	-1.215***	-0.0349
6.age_cat – 40-44 years	-0.197***	-0.0039	-2.538***	-0.072	-1.144***	-0.0353
7.age_cat – 45-49 years	-0.185***	-0.00399	-2.497***	-0.0723	-1.012***	-0.0359
8.age_cat – 50-54 years	-0.181***	-0.00411	-2.421***	-0.0727	-0.900***	-0.0368
9.age_cat – 55 and older	-0.187***	-0.00433	-2.282***	-0.0734	-0.825***	-0.0383
Number of children	0.0373***	-0.000354	0.283***	-0.00308	0.138***	-0.00285
% time on Live Register last 5 years	0.189***	-0.00106	1.400***	-0.00915	0.861***	-0.00815
% time employed in last year	-0.245***	-0.00102	-1.156***	-0.00803	-3.492***	-0.014
Irish	0.0160***	-0.000819	0.186***	-0.00654	0.0846***	-0.00664
Interaction: Lost OFP*Time on Live Register	0.174***	-0.00631	1.263***	-0.0576	1.238***	-0.0497
Interaction: Lost OFP* Time employed	0.0574***	-0.00376	0.455***	-0.028	-0.256***	-0.0711
Interaction: Lost OFP*Sex	0.126***	-0.00659	0.869***	-0.0583	0.846***	-0.0519
Constant	0.685***	-0.00419	1.572***	-0.073	0.437***	-0.0378
Observations	803,614		806,754		806,754	

Source: Indecon Analysis

Table A2.8: Regression Discontinuity Design – Model Excluding JST – Welfare Dependency

	welf_dep_rate_		welf_dep_50_		welf_dep_100_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	-0.0553***	-0.00253	-0.347***	-0.0165	-0.233***	-0.0178
Sex	-0.0366***	-0.00274	-0.227***	-0.0181	0.00898	-0.0197
Impacted by Policy	0.117***	-0.00202	1.113***	-0.0139	-0.531***	-0.0164
Age Youngest Child	-0.00406***	-0.000497	-0.0166***	-0.00328	-0.0247***	-0.00372
Occupation	0.0607***	-0.00211	0.311***	-0.0142	-0.0251	-0.0161
2013.year	-0.0603***	-0.00185	-0.300***	-0.0123	-0.391***	-0.0136
2014.year	-0.108***	-0.00183	-0.565***	-0.0122	-0.695***	-0.0137
2015.year	-0.136***	-0.00181	-0.746***	-0.0121	-0.822***	-0.0134
2016.year	-0.0639***	-0.00193	-0.406***	-0.0127	-0.508***	-0.0139
Age	-0.000944***	-0.0000956	-0.0136***	-0.000632	0.000558	-0.000707
% time on Live Register last 5 years	0.134***	-0.00307	0.714***	-0.0205	0.560***	-0.0205
% time employed in last year	-0.323***	-0.00255	-1.607***	-0.0175	-3.180***	-0.0315
Irish	-0.000158	-0.00142	0.0553***	-0.00937	-0.00852	-0.0105
Interaction: Lost OFP* Time employed	0.0548***	-0.00314	0.261***	-0.0215	0.229***	-0.0391
Interaction: Lost OFP*Time on Live Register	0.0663***	-0.00383	0.425***	-0.0255	0.265***	-0.0256
Constant	0.707***	-0.00539	1.074***	-0.0356	0.353***	-0.0397
Observations	315,655		315,655		315,655	

Source: Indecon Analysis

A2.3 Findings on Employment and Earnings

Table A2.9: Difference in Difference – Full Model – Employment, Earnings over €2.5K, Earnings over €5K						
	emp_earnings_		emp_earnings_over_2_5		emp_earnings_over_5_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	0.179***	-0.0124	0.168***	-0.0134	0.174***	-0.0135
Sex	-0.103***	-0.0129	0.0393***	-0.0144	0.153***	-0.0143
Impacted by Policy	-0.615***	-0.00851	-0.612***	-0.0101	-0.603***	-0.0101
Age Youngest Child	0.0514***	-0.00065	0.0548***	-0.00069	0.0575***	-0.00068
2.occupation – professional	-0.0952***	-0.0182	-0.152***	-0.0188	-0.201***	-0.0181
3.occupation – associate professional and technical	-0.520***	-0.0218	-0.572***	-0.0229	-0.585***	-0.0223
4.occupation – Admin and secretarial	-0.190***	-0.0149	-0.203***	-0.0155	-0.267***	-0.015
5.occupation -Skilled Trades	-0.606***	-0.0175	-0.654***	-0.0184	-0.748***	-0.0179
6.occupation – Caring, leisure and other service	-0.902***	-0.0143	-0.926***	-0.015	-1.035***	-0.0145
7.occupation – Sales and customer service	-0.423***	-0.015	-0.481***	-0.0156	-0.551***	-0.0152
8.occupation – Machine Operatives	-0.731***	-0.0156	-0.738***	-0.0164	-0.780***	-0.016
9.occupation – Elementary	-1.357***	-0.016	-1.441***	-0.017	-1.524***	-0.0168
10.occupation – Unknown/Not stated	-1.626***	-0.016	-1.768***	-0.017	-1.886***	-0.0169
2013.year	-0.0199**	-0.00811	0	0	0	0
2014.year	0.179***	-0.00805	0.167***	-0.00761	0.143***	-0.00758
2015.year	0.257***	-0.00826	0.257***	-0.00781	0.230***	-0.00778
2016.year	0.452***	-0.00828	0.451***	-0.00784	0.416***	-0.00781
2.age_cat – 20-24 years	0.715***	-0.0352	1.240***	-0.051	1.652***	-0.0694
3.age_cat - 25-29 years	1.059***	-0.0345	1.723***	-0.0503	2.220***	-0.0687
4.age_cat - 30-34 years	1.171***	-0.0345	1.872***	-0.0502	2.408***	-0.0687
5.age_cat - 35-39 years	1.211***	-0.0347	1.940***	-0.0504	2.498***	-0.0688
6.age_cat - 40-44 years	1.137***	-0.035	1.864***	-0.0506	2.427***	-0.069
7.age_cat - 45-49 years	1.017***	-0.0355	1.732***	-0.0511	2.282***	-0.0693
8.age_cat - 50-54 years	0.877***	-0.0363	1.564***	-0.0517	2.108***	-0.0698
9.age_cat – 55 and older	0.632***	-0.0379	1.332***	-0.0529	1.871***	-0.0706
Number of children	-0.143***	-0.00268	-0.125***	-0.00288	-0.110***	-0.00289
% time on Live Register last 5 years	-0.857***	-0.008	-1.068***	-0.00871	-1.276***	-0.00901
% time employed in last year	3.560***	-0.013	2.329***	-0.0105	1.785***	-0.00918
Irish	-0.0852***	-0.00626	-0.0537***	-0.00666	-0.0303***	-0.00664
Interaction: Lost OFP*Time on Live Register	0.0501	-0.0405	-0.0666	-0.041	-0.277***	-0.043
Interaction: Lost OFP* Time employed	0.892***	-0.0575	0.436***	-0.0336	0.283***	-0.0274
Interaction: Lost OFP*Sex	-0.699***	-0.043	-0.843***	-0.0442	-0.937***	-0.0458
Constant	-0.411***	-0.0374	-1.349***	-0.0524	-2.046***	-0.0702
Observations	907,133		741,064		741,064	

Source: Indecon Analysis

Table A2.10: Difference in Difference – Full Model –Earnings over €10K, Earnings over €15K

	emp_earnings_over10_		emp_earnings_over15_	
	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	0.248***	-0.0133	0.445***	-0.017
Sex	0.400***	-0.0129	0.780***	-0.0139
Impacted by Policy	-0.684***	-0.00884	-1.110***	-0.0119
Age Youngest Child	0.0580***	-0.00064	0.0555***	-0.00072
2.occupation – professional	-0.422***	-0.0159	-0.600***	-0.0161
3.occupation – associate professional and technical	-0.682***	-0.02	-0.800***	-0.0207
4.occupation – Admin and secretarial	-0.613***	-0.0131	-0.936***	-0.0132
5.occupation –Skilled Trades	-1.129***	-0.0163	-1.610***	-0.0176
6.occupation – Caring, leisure and other service	-1.448***	-0.0129	-1.906***	-0.0133
7.occupation – Sales and customer service	-0.890***	-0.0134	-1.409***	-0.0139
8.occupation – Machine Operatives	-1.027***	-0.0143	-1.314***	-0.0148
9.occupation – Elementary	-1.836***	-0.0157	-2.193***	-0.0175
10.occupation – Unknown/Not stated	-2.220***	-0.0161	-2.725***	-0.0193
2013.year	-0.0108	-0.00822	0.0401***	-0.0097
2014.year	0.102***	-0.00815	0.146***	-0.00958
2015.year	0.181***	-0.00836	0.183***	-0.00971
2016.year	0.364***	-0.00834	0.340***	-0.00964
2.age_cat – 20-24 years	2.430***	-0.129	2.967***	-0.26
3.age_cat - 25-29 years	3.127***	-0.128	3.808***	-0.259
4.age_cat - 30-34 years	3.380***	-0.128	4.108***	-0.259
5.age_cat - 35-39 years	3.508***	-0.128	4.275***	-0.259
6.age_cat - 40-44 years	3.451***	-0.128	4.238***	-0.259
7.age_cat - 45-49 years	3.283***	-0.129	4.049***	-0.259
8.age_cat - 50-54 years	3.081***	-0.129	3.825***	-0.259
9.age_cat – 55 and older	2.900***	-0.129	3.707***	-0.259
Number of children	-0.0831***	-0.00281	-0.0472***	-0.00328
% time on Live Register last 5 years	-1.673***	-0.00961	-2.115***	-0.0123
% time employed in last year	1.087***	-0.00746	0.638***	-0.00836
Irish	-0.0610***	-0.00634	-0.103***	-0.00735
Interaction: Lost OFP*Time on Live Register	-0.598***	-0.0522	-0.393***	-0.0715
Interaction: Lost OFP* Time employed	0.0461**	-0.0234	0.0577**	-0.0266
Interaction: Lost OFP*Sex	-1.070***	-0.0514	-1.166***	-0.0624
Constant	-3.156***	-0.129	-4.090***	-0.259
Observations	907,133		907,133	

Source: Indecon Analysis

Table A2.11: Regression Discontinuity Design - Full Model – Employment, Earnings over €2.5K, Earnings over €5K

	emp_earnings_RDD		emp_earnings_over_2_5_RDD		emp_earnings_over_5_RDD	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	0.118***	-0.015	0.116***	-0.0147	0.126***	-0.0148
Sex	-0.0905***	-0.0179	0.00882	-0.018	0.0878***	-0.0178
Impacted by Policy	-0.875***	-0.00921	-0.491***	-0.00966	-0.574***	-0.00965
Age Youngest Child	0.0432***	-0.0032	0.0465***	-0.00312	0.0450***	-0.00309
Occupation	-0.0598***	-0.0159	0.600***	-0.0132	0.537***	-0.013
2013.year	0.228***	-0.0121				
2014.year	0.484***	-0.0119	0.210***	-0.0108	0.203***	-0.0107
2015.year	0.631***	-0.0118	0.340***	-0.0106	0.341***	-0.0105
2016.year	0.456***	-0.0123	-0.275***	-0.0106	-0.238***	-0.0106
Age	-0.00436***	-0.0006	-0.00311***	-0.00059	-0.00012	-0.00058
% time on Live Register last 5 years	-0.396***	-0.0193	-0.136***	-0.0198	-0.283***	-0.0201
% time employed in last year	3.353***	-0.028	2.884***	-0.0222	2.415***	-0.0192
Irish	0.00228	-0.00929	0.148***	-0.00878	0.159***	-0.00873
Interaction: Lost OFP* Time employed	-0.0768**	-0.0347	-0.157***	-0.0275	-0.164***	-0.0237
Interaction: Lost OFP*Time on Live Register	-0.184***	-0.0238	-0.201***	-0.0245	-0.204***	-0.0248
Constant	-0.207***	-0.0348	-1.423***	-0.0328	-1.614***	-0.0326
Observations	393,755		374,276		374,276	

Source: Indecon Analysis

Table A2.12: Regression Discontinuity Design - Full Model – Earnings over €10K, Earnings over €15K

	emp_earnings_over10_RDD		emp_earnings_over15_RDD	
	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	0.166***	-0.0148	0.157***	-0.0163
Sex	0.329***	-0.0168	0.622***	-0.0174
Impacted by Policy	-1.080***	-0.00923	-1.507***	-0.0116
Age Youngest Child	0.0216***	-0.00296	0.00801**	-0.00323
Occupation	-0.151***	-0.0136	-0.257***	-0.0135
2013.year	0.176***	-0.0113	0.261***	-0.0124
2014.year	0.400***	-0.0111	0.479***	-0.0122
2015.year	0.576***	-0.011	0.641***	-0.012
2016.year	0.405***	-0.0117	0.388***	-0.013
Age	0.00726***	-0.00056	0.0135***	-0.00061
% time on Live Register last 5 years	-0.840***	-0.0204	-1.227***	-0.024
% time employed in last year	1.427***	-0.0156	0.986***	-0.0162
Irish	0.0453***	-0.00863	0.0393***	-0.00935
Interaction: Lost OFP* Time employed	-0.151***	-0.019	-0.165***	-0.0197
Interaction: Lost OFP*Time on Live Register	-0.237***	-0.0252	-0.197***	-0.0298
Constant	-1.144***	-0.0324	-1.619***	-0.0351
Observations	393,755		393,755	

Source: Indecon Analysis

Table A2.13: Difference in Difference – Full Model – Earnings from Employment		
	earnings_DiD	
	Coefficient	Standard Error
Previously Lost OFP due to Policy	633.2***	-47.64
Sex	-3,541***	-30.44
Impacted by Policy	2,322***	-47.59
Age Youngest Child	219.2***	-2.322
2.occupation – professional	-3,908***	-62.13
3.occupation – associate professional and technical	-5,647***	-77.55
4.occupation – Admin and secretarial	-6,378***	-51.09
5.occupation -Skilled Trades	-9,096***	-61.57
6.occupation – Caring, leisure and other service	-10,113***	-49.4
7.occupation – Sales and customer service	-8,354***	-51.77
8.occupation – Machine Operatives	-8,377***	-54.56
9.occupation – Elementary	-11,242***	-55.86
10.occupation – Unknown/Not stated	-12,214***	-55.14
2013.year	49.15*	-29.01
2014.year	534.7***	-28.93
2015.year	844.5***	-29.83
2016.year	1,564***	-30.01
2.age_cat – 20-24 years	2,250***	-113.8
3.age_cat - 25-29 years	3,590***	-111.2
4.age_cat - 30-34 years	4,358***	-111.2
5.age_cat - 35-39 years	4,981***	-112
6.age_cat - 40-44 years	4,886***	-113.2
7.age_cat - 45-49 years	4,227***	-115.4
8.age_cat - 50-54 years	3,465***	-118.8
9.age_cat – 55 and older	3,011***	-125.2
Number of children	-149.5***	-9.754
% time on Live Register last 5 years	-6,435***	-30.48
% time employed in last year	5,564***	-28.47
Irish	-15.16	-22.76
Interaction: Lost OFP*Time on Live Register	487.0***	-154.5
Interaction: Lost OFP* Time employed	101.3	-91.83
Interaction: Lost OFP*Sex	-4,092***	-154.9
Constant	10,723***	-121.6
Observations	907,133	
Source: Indecon Analysis		

A2.4 Findings on Employment and Earnings Excluding Those on JST

Table A2.14: Difference in Difference – Model Excluding JST – Employment, Earnings over €2.5K, Earnings over €5K						
	emp_earnings_		emp_earnings_over_2_5_		emp_earnings_over_5_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	0.264***	-0.0169	0.157***	-0.0183	0.179***	-0.018
Sex	-0.0614***	-0.0133	0.0821***	-0.0147	0.198***	-0.0146
Impacted by Policy	-0.0453***	-0.0112	0.0765***	-0.0136	0.108***	-0.0132
Age Youngest Child	0.0441***	-0.00068	0.0487***	-0.00072	0.0513***	-0.00071
2.occupation – professional	-0.0707***	-0.0186	-0.125***	-0.0192	-0.173***	-0.0185
3.occupation – associate professional and technical	-0.528***	-0.0223	-0.572***	-0.0234	-0.580***	-0.0229
4.occupation – Admin and secretarial	-0.171***	-0.0152	-0.180***	-0.0158	-0.244***	-0.0153
5.occupation -Skilled Trades	-0.598***	-0.018	-0.648***	-0.0189	-0.743***	-0.0184
6.occupation – Caring, leisure and other service	-0.870***	-0.0147	-0.878***	-0.0154	-0.985***	-0.0149
7.occupation – Sales and customer service	-0.419***	-0.0154	-0.479***	-0.016	-0.551***	-0.0155
8.occupation – Machine Operatives	-0.708***	-0.0161	-0.710***	-0.0168	-0.748***	-0.0164
9.occupation – Elementary	-1.368***	-0.0166	-1.436***	-0.0176	-1.507***	-0.0174
10.occupation – Unknown/Not stated	-1.722***	-0.0167	-1.860***	-0.0179	-1.961***	-0.0178
2013.year	-0.00059	-0.00859				
2014.year	0.214***	-0.00857	0.187***	-0.00805	0.165***	-0.008
2015.year	0.314***	-0.00867	0.307***	-0.00815	0.285***	-0.00811
2016.year	0.510***	-0.00866	0.503***	-0.00817	0.472***	-0.00812
2.age_cat – 20-24 years	0.712***	-0.0355	1.247***	-0.0511	1.667***	-0.0696
3.age_cat - 25-29 years	1.089***	-0.0348	1.759***	-0.0504	2.269***	-0.0689
4.age_cat - 30-34 years	1.213***	-0.0347	1.921***	-0.0504	2.469***	-0.0689
5.age_cat - 35-39 years	1.250***	-0.0349	1.986***	-0.0505	2.554***	-0.069
6.age_cat - 40-44 years	1.193***	-0.0353	1.923***	-0.0508	2.494***	-0.0692
7.age_cat - 45-49 years	1.063***	-0.0359	1.778***	-0.0513	2.332***	-0.0696
8.age_cat - 50-54 years	0.904***	-0.0368	1.583***	-0.052	2.134***	-0.07
9.age_cat – 55 and older	0.670***	-0.0383	1.360***	-0.0532	1.905***	-0.0709
Number of children	-0.136***	-0.00285	-0.116***	-0.00306	-0.0990***	-0.00306
% time on Live Register last 5 years	-0.915***	-0.00815	-1.124***	-0.00885	-1.333***	-0.00913
% time employed in last year	3.502***	-0.014	2.261***	-0.0111	1.719***	-0.0097
Irish	-0.0927***	-0.00663	-0.0544***	-0.00705	-0.0301***	-0.00699
Interaction: Lost OFP*Time on Live Register	-1.113***	-0.0496	-1.374***	-0.0507	-1.726***	-0.0535
Interaction: Lost OFP* Time employed	0.228***	-0.071	0.162***	-0.0448	0.0553	-0.0363
Interaction: Lost OFP*Sex	-0.877***	-0.0519	-1.045***	-0.053	-1.156***	-0.0544
Constant	-0.411***	-0.0378	-1.365***	-0.0526	-2.076***	-0.0704
Observations	806,754		660,031		660,031	

Source: Indecon Analysis

Table A2.15: Difference in Difference –Model Excluding JST –Earnings over €10K, Earnings over €15K

	emp_earnings_over10_		emp_earnings_over15_	
	Coefficient	Standard Error	Coefficient	Standard Error
Previously Lost OFP due to Policy	0.399***	-0.0162	0.562***	-0.0193
Sex	0.431***	-0.0132	0.795***	-0.0141
Impacted by Policy	-0.157***	-0.0104	-0.705***	-0.0133
Age Youngest Child	0.0515***	-0.00066	0.0513***	-0.00074
2.occupation – professional	-0.396***	-0.0162	-0.581***	-0.0163
3.occupation – associate professional and technical	-0.664***	-0.0205	-0.782***	-0.0211
4.occupation – Admin and secretarial	-0.595***	-0.0134	-0.922***	-0.0134
5.occupation –Skilled Trades	-1.119***	-0.0166	-1.599***	-0.0179
6.occupation – Caring, leisure and other service	-1.402***	-0.0132	-1.854***	-0.0135
7.occupation – Sales and customer service	-0.892***	-0.0137	-1.410***	-0.0141
8.occupation – Machine Operatives	-0.990***	-0.0146	-1.277***	-0.015
9.occupation – Elementary	-1.797***	-0.0162	-2.133***	-0.018
10.occupation – Unknown/Not stated	-2.244***	-0.0169	-2.708***	-0.0201
2013.year	0.0128	-0.00851	0.0445***	-0.00986
2014.year	0.140***	-0.00847	0.159***	-0.00977
2015.year	0.245***	-0.00862	0.223***	-0.00988
2016.year	0.425***	-0.0086	0.376***	-0.00981
2.age_cat – 20-24 years	2.453***	-0.129	2.996***	-0.26
3.age_cat - 25-29 years	3.199***	-0.128	3.874***	-0.259
4.age_cat - 30-34 years	3.456***	-0.128	4.179***	-0.259
5.age_cat - 35-39 years	3.579***	-0.128	4.340***	-0.259
6.age_cat - 40-44 years	3.529***	-0.128	4.309***	-0.259
7.age_cat - 45-49 years	3.344***	-0.129	4.109***	-0.259
8.age_cat - 50-54 years	3.123***	-0.129	3.870***	-0.259
9.age_cat – 55 and older	2.949***	-0.129	3.756***	-0.259
Number of children	-0.0735***	-0.00293	-0.0398***	-0.00336
% time on Live Register last 5 years	-1.736***	-0.0097	-2.162***	-0.0123
% time employed in last year	1.018***	-0.00775	0.604***	-0.00851
Irish	-0.0576***	-0.00658	-0.0947***	-0.00752
Interaction: Lost OFP*Time on Live Register	-2.082***	-0.0637	-1.677***	-0.0848
Interaction: Lost OFP* Time employed	-0.243***	-0.0284	-0.244***	-0.03
Interaction: Lost OFP*Sex	-1.248***	-0.0596	-1.261***	-0.0711
Constant	-3.196***	-0.129	-4.137***	-0.259
Observations	806,754		806,754	

Source: Indecon Analysis

Table A2.16: Regression Discontinuity Design – Model Excluding JST – Employment, Earnings over €2.5K, Earnings over €5K

	emp_earnings_		emp_earnings_over_2_5_		emp_earnings_over_5_	
	Coefficient	Standard Error	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	0.233***	-0.0178	0.114***	-0.0167	0.135***	-0.0165
Sex	-0.00898	-0.0197	0.0828***	-0.0194	0.157***	-0.0191
Impacted by Policy	0.531***	-0.0164	1.088***	-0.0175	1.030***	-0.0167
Age Youngest Child	0.0247***	-0.00372	0.0449***	-0.00353	0.0424***	-0.00346
Occupation	0.0251	-0.0161	0.669***	-0.0134	0.613***	-0.0132
2013.year	0.391***	-0.0136				
2014.year	0.695***	-0.0137	0.236***	-0.0123	0.231***	-0.012
2015.year	0.822***	-0.0134	0.335***	-0.012	0.345***	-0.0117
2016.year	0.508***	-0.0139	-0.468***	-0.0118	-0.415***	-0.0117
Age	-0.00056	-0.00071	-0.00158**	-0.00068	0.000414	-0.00067
% time on Live Register last 5 years	-0.560***	-0.0205	-0.248***	-0.0208	-0.398***	-0.021
% time employed in last year	3.180***	-0.0315	2.910***	-0.0251	2.454***	-0.0216
Irish	0.00852	-0.0105	0.187***	-0.00963	0.197***	-0.00952
Interaction: Lost OFP* Time employed	-0.229***	-0.0391	-0.213***	-0.0314	-0.200***	-0.0271
Interaction: Lost OFP*Time on Live Register	-0.265***	-0.0256	-0.210***	-0.0259	-0.220***	-0.0262
Constant	-0.353***	-0.0397	-1.446***	-0.0367	-1.603***	-0.0362
Observations	315,655		308,933		308,933	

Source: Indecon Analysis

Table A2.17: Regression Discontinuity Design – Model Excluding JST –Earnings over €10, Earnings over €15K

	emp_earnings_over10_		emp_earnings_over15_	
	Coefficient	Standard Error	Coefficient	Standard Error
Age Youngest Greater than 7	0.280***	-0.0162	0.244***	-0.0171
Sex	0.381***	-0.0179	0.650***	-0.0181
Impacted by Policy	0.112***	-0.0129	-0.601***	-0.0142
Age Youngest Child	0.00601*	-0.00323	-0.00064	-0.00336
Occupation	-0.0635***	-0.0136	-0.177***	-0.0136
2013.year	0.293***	-0.0121	0.318***	-0.0128
2014.year	0.550***	-0.012	0.551***	-0.0126
2015.year	0.710***	-0.0119	0.697***	-0.0125
2016.year	0.449***	-0.0126	0.383***	-0.0135
Age	0.00618***	-0.00062	0.0110***	-0.00065
% time on Live Register last 5 years	-0.989***	-0.021	-1.343***	-0.0244
% time employed in last year	1.342***	-0.0168	0.927***	-0.0167
Irish	0.0750***	-0.00926	0.0756***	-0.00971
Interaction: Lost OFP* Time employed	-0.215***	-0.0206	-0.216***	-0.0204
Interaction: Lost OFP*Time on Live Register	-0.313***	-0.0261	-0.263***	-0.0304
Constant	-1.082***	-0.0351	-1.502***	-0.0366
Observations	315,655		315,655	

Source: Indecon Analysis

Table A2.18: Difference in Difference – Model Excluding JST – Earnings from Employment		
	earnings_DiD_no JST	
	Coefficient	Standard Error
Previously Lost OFP due to Policy	1,706***	-64.94
Sex	-2,172***	-41.03
Impacted by Policy	2,490***	-50.53
Age Youngest Child	203.5***	-2.522
2.occupation – professional	-3,830***	-65.03
3.occupation – associate professional and technical	-5,584***	-81.7
4.occupation – Admin and secretarial	-6,360***	-53.42
5.occupation -Skilled Trades	-9,148***	-64.97
6.occupation – Caring, leisure and other service	-10,037***	-52
7.occupation – Sales and customer service	-8,412***	-54.4
8.occupation – Machine Operatives	-8,287***	-57.51
9.occupation – Elementary	-11,311***	-59.81
10.occupation – Unknown/Not stated	-12,553***	-59.25
2013.year	128.3***	-31.81
2014.year	685.8***	-31.73
2015.year	1,074***	-32.23
2016.year	1,802***	-32.27
2.age_cat – 20-24 years	2,238***	-118.4
3.age_cat - 25-29 years	3,702***	-115.8
4.age_cat - 30-34 years	4,549***	-115.7
5.age_cat - 35-39 years	5,212***	-116.6
6.age_cat - 40-44 years	5,161***	-118.2
7.age_cat - 45-49 years	4,399***	-120.7
8.age_cat - 50-54 years	3,515***	-124.3
9.age_cat – 55 and older	3,074***	-130.7
Number of children	-113.5***	-10.72
% time on Live Register last 5 years	-6,808***	-32.06
% time employed in last year	5,419***	-30.88
Irish	22.15	-24.76
Interaction: Lost OFP*Time on Live Register	-4,323***	-190.8
Interaction: Lost OFP* Time employed	-1,413***	-113.8
Interaction: Lost OFP*Sex	-5,027***	-199.4
Constant	10,666***	-126.7
Observations	806,754	
Source: Indecon Analysis		

Annex 3 Supplementary Quantitative Tables

A3.1 Additional Survey Analysis

Table A3.1: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Views on the Impact of the Changes to the OFP

Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents		
	My family's financial situation...	My employment situation...	The economic situation in my area...
Has gotten much better	5%	10%	3%
Has gotten a little better	14%	18%	12%
Didn't get better or worse	25%	52%	46%
Has gotten a little worse	29%	8%	17%
Has gotten much worse	27%	12%	21%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.2: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Views on How they Expect Things to Change over the Next Three Years

Please tell us about how you expect things to change over the next three years.	% of Respondents		
	My family's financial situation...	My employment situation...	The economic situation in my area...
Will get much better	13%	15%	10%
Will get a little better	25%	25%	22%
Won't get better or worse	31%	47%	45%
Will get a little worse	14%	5%	10%
Will get much worse	16%	8%	14%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.3: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Experiences of Deprivation before the OFP Changes

Please tell us if, before the OFP changes since 1 st January 2012 first affected you, you were able or unable to afford any of the following:	% Unable to Afford		
	% of Respondents to Indecon Survey	% EU SILC 2015 - All Individuals	% EU SILC 2015 - Individuals Experiencing Deprivation
Two pairs of strong shoes	48%	5%	19%
A warm waterproof overcoat	36%	3%	10%
Never had to go without heating	40%	14%	48%
Buy new (not second-hand) clothes	37%	10%	36%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	17%	3%	10%
Have a roast of meat or its equivalent once a week	29%	7%	24%
Keep the home adequately warm	31%	9%	34%
Buy presents for family or friends at least once a year	45%	5%	20%
Replace any worn out furniture	83%	24%	69%
Have family or friends for a drink or meal once a month	73%	17%	58%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	72%	19%	64%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.4: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Experiences of Deprivation before the OFP Changes

Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford before the OFP Changes First Affected Them:	% of Respondents
None	14%
One or more	86%
Two or more	81%
Three or more	74%
Four or more	65%
Five or more	55%
Six or more	44%
Seven or more	34%
Eight or more	23%
Nine or more	14%
Ten or more	8%
Eleven	4%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.5: Comparison of Deprivation Rates Among Respondents (Excluding those Who Qualified for Jobseeker's Transitional Payment) Before they were Affected by the Changes in OFP and Deprivation Rates among CSO SILC Data 2015

	% of Respondents Unable to Afford Items		
	Respondents to Indecon Survey	SILC Data 2015 All Individuals	SILC Data 2015 Individuals at Risk of Poverty
Two +	81%	26%	52%
Three +	74%	18%	41%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes and Indecon analysis of CSO SILC Data.

Table A3.6: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Experiences of Deprivation in the Last 12 Months

Please tell us if in the last twelve month you were able or unable to afford any of the following:	% Unable to Afford		
	Indecon Survey of Respondents (Experience in the Last 12 Months)	CSO SILC 2015 - All Individuals	CSO SILC 2015 - Individuals at Risk of Poverty
Two pairs of strong shoes	60%	5%	19%
A warm waterproof overcoat	50%	3%	10%
Never had to go without heating	47%	14%	48%
Buy new (not second-hand) clothes	45%	10%	36%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	23%	3%	10%
Have a roast of meat or its equivalent once a week	35%	7%	24%
Keep the home adequately warm	37%	9%	34%
Buy presents for family or friends at least once a year	53%	5%	20%
Replace any worn out furniture	85%	24%	69%
Have family or friends for a drink or meal once a month	76%	17%	58%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	76%	19%	64%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.
Note: "Individuals experiencing deprivation" are a subgroup of the respondents to SILC who experienced two or more types of enforced deprivation.

Table A3.7: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Experiences of Deprivation in the Last 12 Months

Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford in the last 12 months	% of Respondents	
	Before the OFP Changes Affected You	In the Last 12 Months
None	14%	15%
One or more	86%	85%
Two or more	81%	81%
Three or more	74%	77%
Four or more	65%	70%
Five or more	55%	63%
Six or more	44%	53%
Seven or more	34%	43%
Eight or more	23%	31%
Nine or more	14%	21%
Ten or more	8%	13%
Eleven	4%	8%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.8: Comparison of Deprivation Rates Among Respondents (Excluding those Who Qualified for Jobseeker's Transitional Payment) in the Last 12 Months and Deprivation Rates among CSO SILC Data 2015

	% of Respondents Unable to Afford Items		
	Respondents to Indecon Survey (Experience in Last 12 Months)	CSO SILC Data 2015 – All Individuals	CSO SILC Data 2015 Individuals at Risk of Poverty
Two +	81%	26%	52%
Three +	77%	18%	41%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes and Indecon analysis of CSO SILC Data

Table A3.9: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Change in Experiences of Deprivation from before The OFP Changes to The Last 12 Months Versus The Change in Deprivation for SILC Survey Respondents from 2011 to 2015

	Change in Deprivation Rate - Percentage Points		
	Respondents to Indecon Survey before OFP Changes – Last 12 Months	SILC 2011-2015 - All Individuals	SILC 2011 - 2015 - Individuals Experiencing Deprivation
Two pairs of strong shoes	12%	2.0%	7.0%
A warm waterproof overcoat	14%	0.5%	1.4%
Never had to go without heating	7%	1.4%	5.1%
Buy new (not second-hand) clothes	8%	3.0%	9.8%
Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day	6%	-0.1%	-0.7%
Have a roast of meat or its equivalent once a week	6%	0.1%	-0.5%
Keep the home adequately warm	6%	2.2%	7.8%
Buy presents for family or friends at least once a year	9%	-0.4%	-2.6%
Replace any worn out furniture	2%	2.7%	1.1%
Have family or friends for a drink or meal once a month	3%	2.0%	4.4%
Have a morning, afternoon, or evening out in the last fortnight for entertainment	3%	-2.5%	-1.9%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.10: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment – Views on the Overall Impact on Wellbeing of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Improved my sense of wellbeing	7%	15%	30%	24%	24%
Worsened my sense of wellbeing	21%	23%	30%	17%	10%
Improved my children's wellbeing	7%	14%	31%	25%	23%
Worsened my children's wellbeing	20%	21%	33%	16%	9%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.11: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Highest Level of Education Completed

What is the highest level of education that you have completed up to now?	% of Respondents
Primary School	10%
Junior Secondary (i.e. Junior Cert or equivalent)	21%
Senior Secondary (i.e. Leaving Cert)	20%
Post-leaving-certificate course, certificate or diploma	35%
Degree Level	10%
Postgraduate Degree Level	4%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.12: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Overall Impact of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Encouraged me to consider education, training or an employment programme	12%	25%	36%	15%	12%
Discouraged me from considering education, training or an employment programme	8%	11%	40%	26%	15%
Caused me to look for new employment	13%	31%	31%	18%	7%
Caused me to give up my job	3%	5%	27%	40%	24%
Caused me to look for more hours of work	19%	34%	26%	15%	7%
Caused me to reduce my hours of work	3%	6%	30%	37%	24%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.13: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondents Experiences with Receiving Advice/Support from the Department

Thinking about the time after the OFP changes first affected you, have you received any of the following information, advice or supports from the Department's staff?	Yes	No
Advice on Preparing a Personal Development Plan	17%	83%
Discussion of Possible Options for new or additional Employment	24%	76%
Information on available Employment Programmes e.g. the Community Employment scheme	28%	72%
Information on Training Opportunities or Options for Education	29%	71%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.14: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Views on the Information and Service Provided by the Department

How would you rate the information and service you have received from the Department?	% of Respondents		
	Before my OFP ended	At the time my OFP ended	After my OFP ended
Very helpful	14%	10%	9%
Helpful	31%	25%	21%
Neither helpful nor unhelpful	31%	33%	35%
Unhelpful	12%	15%	16%
Very unhelpful	12%	15%	19%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.15: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Experiences with Education and Training while on OFP

Please tell us about your experiences of education or training courses while you were on OFP	% of Respondents	
	Yes	No
I started an education or training course...	40%	60%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	69%	31%
.... that was supported by other State funding e.g. the SUSI grant?	37%	63%
....and I have completed the course.	91%	9%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.
 Note: Some respondents answered yes to both options "supported by the DEASP" and "supported by other state funding". It is assumed these respondents did more than one education/training course.

Table A3.16: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Experiences with Education and Training after OFP

Please tell us about your experiences of education or training courses after OFP ended	% of Respondents	
	Yes	No
I started an education or training course....	24%	76%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	62%	38%
.... that was supported by other State funding e.g. the SUSI grant?	25%	75%
.... and I have completed the course.	76%	24%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.17: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Views on the Impact of Training or Education During/After OFP

How has this training or education changed things for you and your family? If you have not finished your course please answer these questions based on any changes that you expect to happen when your course ends. My training or education...	% of Respondents	
	Yes	No
Has given me new skills	72%	28%
Improved my confidence	67%	33%
Gave me new friends	62%	38%
Improved my sense of wellbeing	62%	38%
Improved my children's wellbeing	53%	47%
Encouraged my children to study or to want to go to college	60%	40%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.18: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Employment Experiences while on OFP

Please tell us about your employment experience while you were on OFP:	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	29%	71%
Full-Time Job	16%	84%
Part-Time Job	68%	32%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.19: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's Employment Experiences after OFP Ended

Please tell us about your employment experience after OFP ended:	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	13%	87%
Full-Time Job	24%	76%
Part-Time Job	62%	38%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.20: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Respondent's View on the Impact of Employment During/After OFP

How has this employment changed things for you and your family? My employment...	% of Respondents	
	Yes	No
Helped me to make more money	60%	40%
Has given me new skills	65%	35%
Improved my confidence	67%	33%
Gave me new friends	71%	29%
Improved my wellbeing	68%	32%
Improved my children's wellbeing	61%	39%
Has encouraged me to look for more work	64%	36%
Did not improve anything for me	30%	70%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.21: Indecon Survey of Customers Affected by the One-parent Family Payment Changes Excluding those Who Qualified for Jobseeker's Transitional Payment - Employment Status

Which of the following best describes your current situation?	% of Respondents
Employed full-time	15%
Employed part-time	27%
Not working outside the home	13%
In education or training	36%
Currently seeking work	8%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.22: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Experiences of Deprivation before the OFP Changes

Number of Items on the Deprivation Index Respondents Reported they were Unable to Afford before the OFP Changes First Affected Them:	% of Respondents
None	12%
One or more	88%
Two or more	84%
Three or more	79%
Four or more	72%
Five or more	63%
Six or more	51%
Seven or more	40%
Eight or more	28%
Nine or more	18%
Ten or more	10%
Eleven	6%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.23: Indecon Survey of Customers Affected by the One-parent Family Payment Changes - Highest Level of Education Completed

What is the highest level of education that you have completed up to now?	% of Respondents
Primary School	10%
Junior Secondary (i.e. Junior Cert, Inter Cert or Group Cert)	20%
Senior Secondary (i.e. Leaving Cert)	20%
Post Leaving Certificate course, Certificate Course or diploma	36%
Degree Level	10%
Postgraduate Degree Level	4%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.24: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Highest Level of Education Completed

What is the highest level of education that you have completed up to now?	% of Respondents
Primary School	9%
Junior Secondary (i.e. Junior Cert or equivalent)	16%
Senior Secondary (i.e. Leaving Cert)	19%
Post-leaving-certificate course, certificate or diploma	38%
Degree Level	13%
Postgraduate Degree Level	4%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.25: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Experiences with Receiving Advice/Support from the Department

Thinking about the time after the OFP changes first affected you, have you received any of the following information, advice or supports from the Department's staff?	Yes	No
Advice on Preparing a Personal Development Plan	28%	72%
Discussion of Possible Options for new or additional Employment	40%	60%
Information on available Employment Programmes e.g. the Community Employment scheme	40%	60%
Information on Training Opportunities or Options for Education	44%	56%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.26: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Respondent's Views on the Information and Service Provided by the Department

How would you rate the information and service you have received from the Department?	% of Respondents		
	Before my OFP ended	At the time my OFP ended	After my OFP ended
Very helpful	15%	10%	10%
Helpful	33%	32%	27%
Neither helpful nor unhelpful	31%	31%	33%
Unhelpful	12%	15%	17%
Very unhelpful	8%	12%	13%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.27: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Experiences with Education and Training while on OFP

Please tell us about your experiences of education or training courses while you were on OFP	% of Respondents	
	Yes	No
I started an education or training course...	50%	50%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	62%	38%
.... that was supported by other State funding e.g. the SUSI grant?	33%	67%
....and I have completed the course.	89%	11%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.
Note: Some respondents answered yes to both options "supported by the DEASP" and "supported by other state funding". It is assumed these respondents did more than one education/training course.

Table A3.28: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Experiences with Education and Training after OFP

Please tell us about your experiences of education or training courses after OFP ended	% of Respondents	
	Yes	No
I started an education or training course....	32%	68%
	% of those who started	
.... that was supported by the Department of Employment Affairs and Social Protection	67%	33%
.... that was supported by other State funding e.g. the SUSI grant?	29%	71%
.... and I have completed the course.	79%	21%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.29: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Views on the Impact of Training or Education During/After OFP

How has this training or education changed things for you and your family? If you have not finished your course please answer these questions based on any changes that you expect to happen when your course ends. My training or education...	% of Respondents	
	Yes	No
Has given me new skills	79%	21%
Improved my confidence	74%	26%
Gave me new friends	66%	34%
Improved my sense of wellbeing	66%	34%
Improved my children's wellbeing	55%	45%
Encouraged my children to study or to want to go to college	62%	38%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.30: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Respondent's Employment Experiences while on OFP

Please tell us about your employment experience while you were on OFP:	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	21%	79%
Full-Time Job	10%	90%
Part-Time Job	55%	45%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.31: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Employment Experiences after OFP Ended

Please tell us about your employment experience after OFP ended:	% of Respondents	
	Yes	No
DEASP Employment Programme (such as Community Employment)	14%	86%
Full-Time Job	15%	85%
Part-Time Job	52%	48%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.32: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Views on the Impact of Employment During/After OFP

How has this employment changed things for you and your family? My employment...	% of Respondents	
	Yes	No
Helped me to make more money	64%	36%
Has given me new skills	72%	28%
Improved my confidence	74%	26%
Gave me new friends	74%	26%
Improved my wellbeing	71%	29%
Improved my children's wellbeing	62%	38%
Has encouraged me to look for more work	67%	33%
Did not improve anything for me	23%	77%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Change.

Table A3.33: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Employment Status

Which of the following best describes your current situation?	% of Respondents
Employed full-time	11%
Employed part-time	24%
Not working outside the home	22%
In education or training	28%
Currently seeking work	15%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.34: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Views on the Impact of the Changes to the OFP

Please tell us about how you feel things have changed since the time the OFP changes first affected you.	% of Respondents	
	My employment situation...	The economic situation in my area...
Has gotten much better	10%	5%
Has gotten a little better	20%	13%
Didn't get better or worse	49%	49%
Has gotten a little worse	10%	14%
Has gotten much worse	12%	19%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.35: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Views on How they Expect Things to Change Over the Next Three Years

Please tell us about how you expect things to change over the next three years.	% of Respondents	
	My employment situation...	The economic situation in my area...
Will get much better	20%	14%
Will get a little better	36%	28%
Won't get better or worse	33%	39%
Will get a little worse	5%	7%
Will get much worse	6%	12%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.36: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Overall Impact of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Encouraged me to consider education, training or an employment programme	16%	29%	34%	12%	9%
Discouraged me from considering education, training or an employment programme	7%	11%	38%	25%	18%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

Table A3.37: Indecon Survey of Customers Affected by the One-parent Family Payment Changes who Qualified for Jobseeker's Transitional Payment - Overall Impact of OFP Payment Changes

Please give your views on how the changes to the One-parent Family Payment have affected you and your family. The changes to OFP...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Caused me to look for new employment	17%	34%	29%	12%	7%
Caused me to give up my job	4%	6%	31%	36%	23%
Caused me to look for more hours of work	13%	28%	34%	16%	8%
Caused me to reduce my hours of work	3%	7%	39%	31%	20%

Source: Indecon Confidential Survey of Customers Affected by the One-parent Family Payment Changes.

A3.2 Additional Tables and Changes in Welfare Income

Table A3.38: Welfare Income for Everyone who Lost OFP in 2013 due to Policy Change (2013-2016) – Average Annual Income by Payment Type for Those in Receipt of Each Payment (€)

Year	Welfare Payments							
	OFFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	5,911	5,365	4,128	4,099	-	3,457	1,781	7,023
2014	8,530	8,500	7,906	5,370	-	6,370	1,629	10,048
2015	10,470	7,838	7,465	5,345	960	6,443	2,382	9,694
2016	9,847	7,747	7,205	5,525	1,513	6,142	2,324	9,701

Source: Indecon analysis
Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.39: Number of People on Different Welfare Payments - Everyone who Lost OFP in 2013 due to Policy Change (2013-2016)

Year	OFFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	6,523	503	2,818	1,830	-	112	5,107	983
2014	10	424	2,946	1,745	-	164	3,262	1,010
2015	10	296	2,843	1,511	141	191	1,445	1,171
2016	13	155	2,605	1,123	166	204	1,376	1,341

Source: Indecon analysis
Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.40: Number of Weeks on Different Welfare Payments - Everyone who Lost OFP in 2013 due to Policy Change (2013-2016)

Year	Total Welfare Payments									
	OFFP	JST	JB/JA	FIS	BTW	Ed, JB other	CB	CA	DA	BASI
2013	29	21	29	38	-	23	45	46	25	24
2014	38	41	43	44	-	24	38	48	42	42
2015	47	37	42	42	24	23	51	49	45	40
2016	45	37	41	42	42	24	51	49	46	39

Source: Indecon analysis

Table A3.41: Earnings and Total Income Everyone who Lost OFP in 2013 due to Policy Change – (€)

Year	Welfare Income less Child Benefit	Total Welfare Income	Earnings from Employment	Total Income less Child Benefit	Total Income
2013	10,243	11,637	5,954	16,197	17,591
2014	7,542	8,389	7,258	14,801	15,647
2015	7,156	7,712	8,088	15,243	15,800
2016	6,702	7,229	9,028	15,730	16,257

Source: Indecon analysis of JLD

Table A3.42: Welfare Income for Everyone who Lost OFP in 2014 due to Policy Change (2013-2016) – Average Annual Income by Payment Type for Those in Receipt of Each Payment (€)

Year	Welfare Payments							
	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	10,158	-	4,047	4,383	-	7,754	2,387	6,542
2014	5,326	5,593	4,774	4,720	-	5,906	2,269	6,628
2015	7,740	9,945	8,415	5,760	982	7,499	1,969	10,240
2016	9,236	9,785	7,547	5,843	1,752	7,280	2,021	9,844

Source: Indecon analysis

Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.43: Number of People on Different Welfare Payments - Everyone who Lost OFP in 2014 due to Policy Change (2013-2016)

Year	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	7,358	-	434	1,455	-	88	7,512	593
2014	7,533	1,706	2,537	2,159	-	161	7,576	1,134
2015	27	1,588	2,555	2,310	260	200	7,136	1,129
2016	45	1,296	2,376	2,139	341	228	4,953	1,318

Source: Indecon analysis

Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.44: Number of Weeks on Different Welfare Payments - Everyone who Lost OFP in 2014 due to Policy Change (2013-2016)

Year	Total Welfare Payments									
	OFP	JST	JB/JA	FIS	BTW	Ed, JB other	CB	CA	DA	BASI
2013	49	-	28	43	-	22	52	49	23	31
2014	26	23	30	40	-	29	52	45	26	29
2015	33	44	42	45	24	26	45	48	43	43
2016	44	43	39	44	41	23	41	49	46	37

Source: Indecon analysis

Table A3.45: Earnings and Total Income Everyone who Lost OFP in 2014 due to Policy Change – (€)

Year	Welfare Income less Child Benefit	Total Welfare Income	Earnings from Employment	Total Income less Child Benefit	Total Income
2013	11,546	14,000	5,199	16,824	19,200
2014	10,064	12,635	5,732	16,070	18,368
2015	8,370	10,441	7,051	15,559	17,493
2016	7,819	9,314	8,487	16,236	17,801

Source: Indecon analysis of JLD

Table A3.46: Welfare Income for Everyone who Lost OFP in 2015 due to Policy Change (2013-2016) – Average Annual Income by Payment Type for Those in Receipt of Each Payment (€)

Year	Welfare Payments							
	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	11,475	-	4,045	4,512	-	10,447	2,725	6,257
2014	11,413	-	3,457	4,840	-	11,188	2,631	5,364
2015	5,700	5,427	5,030	5,196	918	7,084	2,535	6,428
2016	5,469	10,227	7,656	6,279	1,664	7,926	2,530	9,020

Source: Indecon analysis

Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.47: Number of People on Different Welfare Payments - Everyone who Lost OFP in 2015 due to Policy Change (2013-2016)

Year	OFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	26,243	-	494	5,116	-	210	26,719	678
2014	26,727	-	258	5,908	-	191	26,884	653
2015	26,970	13,930	3,663	8,634	6,795	430	26,932	1,960
2016	821	11,950	4,780	8,921	7,148	590	26,242	2,655

Source: Indecon analysis

Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.48: Number of Weeks on Different Welfare Payments - Everyone who Lost OFP in 2015 due to Policy Change (2013-2016)

Year	Total Welfare Payments									
	OFP	JST	JB/JA	FIS	BTW	Ed, JB other	CB	CA	DA	BASI
2013	51	-	30	45	-	43	52	49	33	31
2014	51	-	26	45	-	45	52	47	22	38
2015	26	22	28	42	24	28	52	39	30	27
2016	35	43	37	47	46	25	52	44	42	34

Source: Indecon analysis

Table A3.49: Earnings and Total Income Everyone who Lost OFP in 2015 due to Policy Change – (€)

Year	Welfare Income less Child Benefit	Total Welfare Income	Earnings from Employment	Total Income less Child Benefit	Total Income
2013	12,386	15,120	4,544	17,291	19,663
2014	12,517	15,254	5,049	17,992	20,303
2015	11,232	14,019	5,857	17,665	19,875
2016	9,492	12,136	7,343	17,315	19,479

Source: Indecon analysis of JLD

Table A3.50: Welfare Income for Everyone who Lost OFP in 2016 due to Policy Change (2013-2016) – Average Annual Income by Payment Type for Those in Receipt of Each Payment (€)

Year	Welfare Payments							
	OFFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	10,914	-	5,843	3,993	-	9,006	2,912	6,726
2014	10,836	-	5,396	4,308	-	10,203	2,891	6,002
2015	10,693	-	4,643	4,495	897	10,273	2,850	5,718
2016	5,396	5,808	4,187	5,127	1,342	8,158	2,902	6,298

Source: Indecon analysis
Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.51: Number of People on Different Welfare Payments - Everyone who Lost OFP in 2016 due to Policy Change (2013-2016)

Year	OFFP	JST	JB/JA	FIS	BTWFD	Ed, JB, other	CB	CA/DA/BASI
2013	3,492	-	303	546	-	50	3,914	259
2014	3,736	-	202	656	-	47	4,027	286
2015	3,996	-	108	826	17	50	4,093	282
2016	4,095	2,601	160	1,090	594	67	4,110	358

Source: Indecon analysis
Note: Averages for each category of welfare payment are average payments to only those who receive that welfare payment

Table A3.52: Number of Weeks on Different Welfare Payments - Everyone who Lost OFP in 2016 due to Policy Change (2013-2016)

Year	Total Welfare Payments									
	OFFP	JST	JB/JA	FIS	BTW	Ed, JB other	CB	CA	DA	BASI
2013	49	-	34	41	-	34	52	50	-	31
2014	49	-	31	43	-	38	52	49	39	39
2015	50	-	28	42	24	40	52	49	25	39
2016	26	23	24	42	25	33	52	50	25	27

Source: Indecon analysis

Table A3.53: Earnings and Total Income Everyone who Lost OFP in 2016 due to Policy Change – (€)

Year	Welfare Income less Child Benefit	Total Welfare Income	Earnings from Employment	Total Income less Child Benefit	Total Income
2013	11,292	14,201	3,936	15,229	18,137
2014	11,556	14,443	4,161	15,718	18,605
2015	11,992	14,843	4,433	16,426	19,276
2016	10,912	13,813	5,361	16,272	19,173

Source: Indecon analysis of JLD

Table A3.54: Breakdown of Extent of Reduction in Total Welfare Payments Post OFP Loss

	2013	2014	2015
Gain	13.6%	16.9%	18.0%
No Change	2.9%	11.3%	22.1%
Loss of between 1-10%	11.2%	14.7%	12.1%
Loss of between 10-20%	16.1%	13.9%	9.9%
Loss of between 20-30%	10.5%	10.7%	11.2%
Loss of over 30%	45.8%	32.5%	26.7%

Source: Indecon analysis

Table A3.55: Breakdown of Extent of Reduction in Total Welfare Payments (Excluding Child Benefit Payments) Post OFP Loss

	2013	2014	2015
Gain	15.7%	19.0%	12.5%
No Change	3.8%	13.5%	30.0%
Loss of between 1-10%	15.9%	14.7%	8.6%
Loss of between 10-20%	12.0%	10.0%	7.7%
Loss of between 20-30%	7.8%	8.0%	8.6%
Loss of over 30%	44.8%	34.9%	32.7%

Source: Indecon analysis

A3.3 Additional Tables on Welfare Dependency and Employment

Table A3.56: Welfare Dependency Rate for Everyone who Lost OFP in 2013 due to Policy Change (2013-2016)

Year	Overall	Percentage with 100% dependence	Percentage with 50% or greater dependence
2013	74%	44%	76%
2014	63%	40%	60%
2015	60%	39%	57%
2016	56%	36%	53%

Source: Indecon analysis

Table A3.57: Welfare Dependency Rate for Everyone who Lost OFP in 2014 due to Policy Change (2013-2016)

Year	Overall	Percentage with 100% dependence	Percentage with 50% or greater dependence
2013	79%	49%	85%
2014	76%	46%	79%
2015	68%	43%	66%
2016	62%	38%	59%

Source: Indecon analysis

Table A3.58: Welfare Dependency Rate for Everyone who Lost OFP in 2015 due to Policy Change (2013-2016)

Year	Overall	Percentage with 100% dependence	Percentage with 50% or greater dependence
2013	82%	52%	90%
2014	81%	49%	89%
2015	77%	46%	83%
2016	70%	40%	69%

Source: Indecon analysis

Table A3.59: Employment - Everyone who Lost OFP in 2013 due to Policy Change – Revenue Data

Year	Percentage Reporting Earnings from Employment
2013	56%
2014	60%
2015	61%
2016	64%

Source: Indecon analysis

Table A3.60: Employment Earnings - Lost OFP in 2013

Year	Reported Earning Over €5,000 from Employment in Year
2013	77%
2014	81%
2015	82%
2016	83%

Source: Indecon analysis

Table A3.61: Employment Earnings - Lost OFP in 2013

Year	Reported Earning Over €10,000 from Employment in Year
2013	51%
2014	58%
2015	61%
2016	64%

Source: Indecon analysis

Table A3.62: Employment - Everyone who Lost OFP in 2014 due to Policy Change – Revenue Data

Year	Percentage Reporting Earnings from Employment
2013	51%
2014	54%
2015	57%
2016	62%

Source: Indecon analysis

Table A3.63: Employment Earnings - Lost OFP in 2014

Year	Reported Earning Over €5,000 from Employment in Year
2013	76%
2014	76%
2015	80%
2016	82%

Source: Indecon analysis

Table A3.64: Employment Earnings - Lost OFP in 2014

Year	Reported Earning Over €10,000 from Employment in Year
2013	49%
2014	51%
2015	58%
2016	63%

Source: Indecon analysis

Table A3.65: Employment - Everyone who Lost OFP in 2015 due to Policy Change – Revenue Data

Year	Percentage Reporting Earnings from Employment
2013	48%
2014	51%
2015	54%
2016	60%

Source: Indecon analysis

Table A3.66: Employment Earnings - Lost OFP in 2015

Year	Reported Earning Over €5,000 from Employment in Year
2013	74%
2014	76%
2015	78%
2016	81%

Source: Indecon analysis

Table A3.67: Employment Earnings - Lost OFP in 2015

Year	Reported Earning Over €10,000 from Employment in Year
2013	45%
2014	47%
2015	52%
2016	58%

Source: Indecon analysis

Table A3.68: Employment - Everyone who Lost OFP in 2016 due to Policy Change – Revenue Data

Year	Percentage Reporting Earnings from Employment
2013	42%
2014	45%
2015	47%
2016	52%

Source: Indecon analysis

Table A3.69: Employment Earnings - Lost OFP in 2016

Year	Reported Earning Over €5,000 from Employment in Year
2013	69%
2014	69%
2015	71%
2016	73%

Source: Indecon analysis

Table A3.70: Employment Earnings - Lost OFP in 2016

Year	Reported Earning Over €10,000 from Employment in Year
2013	41%
2014	42%
2015	45%
2016	49%

Source: Indecon analysis

Table A3.71: Type of ACM Engagement Amongst Those Who Lost OFP for Reasons Other Than the Policy Reforms		
	Number with at least one engagement attended	Percentage of total who lost OFP
Activation Advisory Follow Up	306	1.2%
Activation Follow On 1:2:1	1,270	5.0%
Activation Group Engagement	1,455	5.7%
Activation LES Walk-in Update Interview	113	0.4%
Activation One 2 One	467	1.8%
Activation Review Meeting	1,298	5.1%
Activation Vacancy Interview	-	-
Activation Walk-in 1:2:1	488	1.9%
Online Follow On 1:2:1	3	0.0%
Training/Education Course	519	2.0%

Source: Indecon analysis of JLD and ACM datasets

Table A3.72: Type of ACM Engagement Amongst Those Still on OFP in 2016		
	Number with at least one engagement attended	Percentage of those still on OFP
Activation Advisory Follow Up	277	0.7%
Activation Follow On 1:2:1	1,209	2.9%
Activation Group Engagement	1,393	3.3%
Activation LES Walk-in Update Interview	320	0.8%
Activation One 2 One	1,249	3.0%
Activation Review Meeting	1,111	2.6%
Activation Vacancy Interview	-	-
Activation Walk-in 1:2:1	1,607	3.8%
Online Follow On 1:2:1	13	0.0%
Training/Education Course	998	2.4%

Source: Indecon analysis of JLD and ACM datasets

Table A3.73: Percentage of People who Lost OFP due to Policy Change on FIS (2013-2016) - By Year of Loss of OFP

	2013	2014	2015	2016
Lost OFP 2013	28%	27%	23%	17%
Lost OFP 2014	19%	28%	30%	28%
Lost OFP 2015	19%	22%	32%	33%
Lost OFP 2016	13%	16%	20%	27%

Source: Indecon analysis

Table A3.74: Percentage of People who Lost OFP not due to Policy Change on FIS (2013-2016) - By Year of Loss of OFP

	2013	2014	2015	2016
Lost OFP 2013	14%	12%	12%	12%
Lost OFP 2014	14%	17%	16%	14%
Lost OFP 2015	10%	13%	18%	16%
Lost OFP 2016	7%	10%	13%	18%

Source: Indecon analysis

Table A3.75: Percentage of People on FIS if on OFP in a Given Year (excluding those who lose OFP in that year)

	Percentage on FIS
On OFP in 2013	15%
On OFP in 2014	17%
On OFP in 2015	17%
On OFP in 2016	16%

Source: Indecon analysis

Table A3.76: Percentage of People who Lost OFP due to Policy Change on BTWFD (2013-2016) - By Year of Loss of OFP

	2013	2014	2015	2016
Lost OFP 2013	0.0%	0.0%	2.1%	2.5%
Lost OFP 2014	0.0%	0.0%	3.5%	4.6%
Lost OFP 2015	0.0%	0.0%	24.8%	26.4%
Lost OFP 2016	0.0%	0.0%	0.4%	13.1%

Source: Indecon analysis

Table A3.77: Percentage of People who Lost OFP not due to Policy Change on BTWFD (2013-2016) - By Year of Loss of OFP

	2013	2014	2015	2016
Lost OFP 2013	0.0%	0.0%	1.8%	2.6%
Lost OFP 2014	0.0%	0.0%	1.2%	2.1%
Lost OFP 2015	0.0%	0.0%	5.6%	6.8%
Lost OFP 2016	0.0%	0.0%	0.4%	5.0%

Source: Indecon analysis

A3.4 Additional Tables on Total Income and Earnings from Employment

Table A3.78: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Age

Previously Lost OFP	
Age Category	Average Employment Earnings
Under 20	8,013
20-24	4,629
25-29	7,915
30-34	8,324
35-39	8,400
40-44	7,853
45-49	7,415
50-54	7,106
55 and older	6,037
Still on OFP	
Age Category	Average Employment Earnings
Under 20	719
20-24	3,065
25-29	4,452
30-34	4,534
35-39	4,348
40-44	3,869
45-49	3,080
50-54	2,297
55 and older	1,986

Source: *Indecon analysis*

Table A3.79: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Number of Children

Previously Lost OFP	
Children	Observations
1 Child	19,552
2 Children	12,425
3 Children	4,783
4 or more Children	2,071
Still on OFP	
Children	Observations
1 Child	22,158
2 Children	14,802
3 Children	6,973
4 or more Children	4,749

Source: Indecon analysis

Table A3.80: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Number of Children

Previously Lost OFP	
Children	Average Employment Earnings
1 Child	8,494
2 Children	7,515
3 Children	6,272
4 or more Children	4,808
Still on OFP	
Children	Average Employment Earnings
1 Child	4,908
2 Children	3,704
3 Children	2,965
4 or more Children	2,011

Source: Indecon analysis

Table A3.81: Income and Earnings from Employment of Existing and Former OFP Recipients – 2016 by Age of Youngest Child

Previously Lost OFP	
Age Category	Average Employment Earnings
Age 4 or less	5,698
Age 5 -7	5,985
Age 8-10	6,838
Age 11-13	7,398
Age 14-16	8,193
Age over 16	8,365
Still on OFP	
Age Category	Average Employment Earnings
Age 4 or less	3,324
Age 5 -7	5,057
Age 8-10	4,992
Age 11-13	3,244
Age 14-16	3,147
Age over 16	3,047
<i>Source: Indecon analysis</i>	

Table A3.82: Earnings from Employment of Existing and Former OFP Recipients – 2016 by Age of Youngest Child

Previously Lost OFP	
Age Category	Average Total Income
Age 4 or less	15,011
Age 5 -7	16,852
Age 8-10	19,497
Age 11-13	19,709
Age 14-16	19,467
Age over 16	16,153
Still on OFP	
Age Category	Average Total Income
Age 4 or less	16,514
Age 5 -7	19,360
Age 8-10	19,775
Age 11-13	19,796
Age 14-16	18,762
Age over 16	13,621

Source: Indecon analysis

Table A3.83: Average Total Income of those who Lost OFP (2013-2016) - By Year of losing OFP due to Policy Change

	2013	2014	2015	2016
Lost OFP in 2013	17,591	15,647	15,800	16,257
Lost OFP in 2014	19,200	18,368	17,493	17,801
Lost OFP in 2015	19,663	20,303	19,875	19,479
Lost OFP in 2016	18,137	18,605	19,276	19,173

Source: Indecon analysis

Table A3.84: Number of Observations (2013-2016) - By Year of losing OFP due to Policy Change

	2013	2014	2015	2016
Lost OFP in 2013	6,528	6,276	6,183	6,065
Lost OFP in 2014	7,526	7,594	7,370	7,259
Lost OFP in 2015	26,816	26,938	26,984	26,293
Lost OFP in 2016	3,919	4,032	4,093	4,112

Source: Indecon analysis

Table A3.85: Average Age of those who Lost OFP (2013-2016) - By Year of losing OFP due to Policy Change

	Average Age in the Year OFP was Lost
Lost OFP in 2013	45
Lost OFP in 2014	43
Lost OFP in 2015	39
Lost OFP in 2016	35

Source: Indecon analysis

Table A3.86: Average Number of Children for those who Lost OFP (2013-2016)- By Year of losing OFP due to Policy Change

	2013	2014	2015	2016
Lost OFP in 2013	1.4	1.4	1.4	1.4
Lost OFP in 2014	1.7	1.7	1.7	1.7
Lost OFP in 2015	1.8	1.8	1.8	1.9
Lost OFP in 2016	1.9	1.9	1.9	1.9

Source: Indecon analysis

A3.5 Additional Tables on At-Risk-of-Poverty

Table A3.87: Percentage at Risk of Poverty for Existing and Former OFP Recipients in 2014				
	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
Lost OFP	6,528	69%	15,647	9,714
Still on OFP	86,034	63%	18,187	11,426

Source: Indecon analysis

Table A3.88: Percentage at Risk of Poverty for Existing and Former OFP Recipients in 2015				
	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
Previously Lost OFP	14,123	71%	16,720	10,108
Still on OFP	75,399	66%	18,303	11,454

Source: Indecon analysis

Table A3.89: Percentage at Risk of Poverty for Existing and Former OFP Recipients in 2016				
	Observations	% at Risk of Poverty	Average Total Income	Average Equivalised Income
Previously Lost OFP	41,107	64%	18,678	11,255
Still on OFP	47,696	69%	17,728	11,172

Source: Indecon analysis

Annex 4 Details on Data Sources used in Analysis

Jobseekers Longitudinal Database

The JLD contains data for all individuals who were DEASP customers during the course of the review period. The Jobseekers Longitudinal Dataset (JLD) is a Departmental dataset which tracks people's social welfare claims and employment histories over time. It covers any individual who made a Jobseeker or One-parent Family Payment claim with the Department since 2004. It brings together data from a number of other key administrative data sources.

The JLD contains variables which display or can be used to derive individuals' gender, age, marital status, nationality, previous occupation, employment and unemployment histories (including the timing, duration and number of episodes), unemployment training history (type, duration and number of episodes), benefit type, number of child dependents and geographic location.

A unique, but fully anonymous ID number is also included as a variable allowing the anonymous tracking of individuals over time. A more detailed discussion of the relevant variables is included later in this chapter. The JLD dataset made available to Indecon contained 11.9 million observations for 1,424,338 individuals. To facilitate the analysis in this report, DEASP identified all those individuals in the dataset who had been impacted by the OFP policy changes. DEASP identified 43,000 such individuals.

It is important to note that the JLD in its raw form is an 'ID-spells-based' dataset; that is to say, a row is a unique ID *and* 'spell' (where a spell is an employment/unemployment/training episode). Thus, the raw data is structured in such a way that each observation or 'row' in the data represents a different 'episode' of employment, unemployment, training, etc. for each individual. Each of these episodes could be of varying lengths and there could be any number of episodes attributed to any given individual. It is also possible to have embedded episodes (for example, a certain community employment episode might be embedded (contained) within a longer unemployment episode).

The JLD is the main dataset used in the quantitative analysis in this report. When matched with the other datasets mentioned above and discussed in more detail in the following subsections, the JLD facilitates a detailed analysis of the financial and employment circumstances of individuals over time while also allowing analysis to be carried out on sub-samples of the relevant population broken down by key demographic factors such as age, gender and number of child dependents.

Indecon would note however that a limitation of the JLD is that individuals who emigrate or leave the labour force entirely will not be captured in the JLD. Similarly, any engagement by individuals in the black economy or other sources of income is not captured by the JLD. Despite these issues, the JLD is an extremely rich dataset containing a range of variables suitable for the type of analysis required in this review.

A further limitation of the JLD in the context of this study is that earnings data is only available on an annual basis. As such, it is not possible to accurately assess how earnings change over sub-annual periods. This thus limits the analysis of trends in earnings, total income, and welfare dependency and at risk of poverty rate to annual analysis using the JLD. While the terms of reference requested an analysis of the status of affected individuals at each key milestone date when the policy reforms came into effect, the annualised nature of the data in the JLD limits our analysis in this report to the impact of the policy reforms on the overall annual performance of affected individuals.

The key variables available in the JLD or constructed by Indecon using data available in the JLD as provided by DEASP include the following:

- Status - a categorical variable identifying the status of the individual based on the below classifications:
 - Employed;
 - Unemployed;
 - Further education/training;
 - JobBridge Internship;
 - Back to Work Family Dividend;
 - OFP;
 - Jobseeker's Transitional Payment;
 - Family Income Support; or
 - Other status.
- Duration of current status (days);
- Previous status (a categorical variable/integer from 1-6);
- Length/duration of previous status;
- Marital status;
- Nationality;
- A binary variable indicating whether or not the individual is on OFP in that month;
- Number of child dependents;
- Previous occupation if unemployed;
- Outcome in terms of status:
 - one year on from given month;
 - two years on from given month.
- Variable indicating the percentage of the previous year spent employed;
- Variable indicating the percentage of the previous year spent unemployed;
- Variable indicating the percentage of the previous year spent classified as other;
- Variable indicating the percentage of the previous five years spent employed;
- Variable indicating the percentage of the previous five years spent unemployed; and
- Variable indicating the percentage of the previous five years spent classified as other.

What follows here are some indicative summary statistics for the main variables.

The following table outlines the breakdown of statuses in the JLD and provides an illustration of the prevalence of each status in the dataset. Status is the variable which describes the nature of a person's spell in the JLD. This table indicates that nearly half of the spells in the dataset are employment episodes while 43.7% of episodes are episodes of unemployment. Only 1.6% of the episodes included in the JLD are episodes of participation in OFP.

Table A4.1: Breakdown of Episodes by Status in the JLD		
Status	Observations	Percentage of Total Observations
Employed	5,394,779	45.2%
Unemployed	5,212,461	43.7%
FAS	461,981	3.9%
Internship	44,611	0.4%
BTW	87,008	0.7%
OFP	187,367	1.6%
OFPJST	26,366	0.2%
FIS	212,259	1.8%
Other	315,608	2.6%
Total	11,942,440	100.0%

Source: Indecon analysis of JLD

The following table contains a breakdown of statuses for all those who report being on OFP over the period from 2012 to 2016. For these individuals, a significantly smaller proportion of episodes are episodes of unemployment.

Table A4.2: Breakdown of Episodes by Status in the JLD		
Status	Observations	Percentage of Total Observations
Employed	418,049	42%
Unemployed	254,162	25%
FAS	39,474	4%
Internship	2,265	0%
BTW	15,652	2%
OFP	163,317	16%
OFPJST	24,818	2%
FIS	65,868	7%
Other	18,631	2%
Total	1,002,236	100%

Source: Indecon analysis of JLD

The duration of current status variable reports on a month-by-month basis the length of time in days that the individual has spent in their current status. The following table illustrates the average length in days of each status in the JLD for all those in the JLD and split between those in receipt of OFP over the period from 2012 to 2016 and those who did not receive OFP during this period.

Status	All Observations	Never on OFP from 2012-2016	OFP in 2012-2016
Employed	612	617	543
Unemployed	271	273	241
FAS	243	247	204
Internship	197	197	198
BTW	551	572	456
OFP	1,329	758	1,413
OFPJST	407	449	405
FIS	802	778	854
Other	329	328	340

Source: Indecon analysis of JLD

The breakdown of individuals in the final dataset by nationality is outlined in the table below. Nearly 80% of individuals in the dataset are Irish.

Nationality	Number of Individuals	% of Total Individuals
Non-Irish	300,701	21%
Irish	1,123,728	79%
Total	1,424,429	100%

Source: Indecon analysis of JLD

The following table provides an outline of the nature of the social welfare payments received by those on the JLD. This is a continuous variable, in euros, giving the average social welfare payment an individual received during a given week. While the variable is continuous, for the purposes of the summary statistics displayed in the following table it has been broken down into categories. This table outlines the number of episodes for which a social welfare payment of some description was received by the size of that payment. It is also noteworthy that this payment is likely co-linear with a number of factors, such as number of children, and age given the lower unemployment payments for those under 26 years of age. This table presents the breakdown of weekly payments split between those who received OFP over the period from 2012 to 2016 and those who did not receive OFP during this period.

Size of Weekly Payment	Non-OFP from 2012-2016	OFP Recipients 2012-2016
Less than €150	28.3%	30.6%
€150-€200	45.4%	17.4%
€200-€250	13.8%	37.4%
€250-€300	1.5%	9.7%
€300-€350	5.1%	2.9%
€350-€400	3.7%	1.4%
€400-€450	1.8%	0.5%
€450-€500	0.2%	0.1%
€500-€550	0.0%	0.0%
More than €550	0.0%	0.0%
Total	100.0%	100.0%

Source: Indecon analysis of JLD

Child Benefit Data

Indecon was also provided by DEASP with data from the child benefit database which could be matched with the larger JLD. This data was restricted to those who exited OFP during the period of interest from 2012 to 2016. This data contained the dates of birth for each child for which child benefit was being claimed. This data was important for the purposes of calculating the dates in which each individual was eligible for receipt of OFP and was of particular relevance for the analysis in the Exchequer impact analysis and CBA for calculating the counterfactual scenario in which the policy reforms had not been implemented.

Data on Carers Allowance, Disability Allowance and Basic Supplementary Welfare Allowance from DEASP

This data was provided to Indecon by DEASP. The data on those in receipt of carer's allowance, disability allowance and basic Supplementary Welfare Allowance were provided for 127,000 individuals. The data provided included the commencement date for each payment and an update on whether or not the individual was still in receipt of that payment in July of each year between 2013 and 2016. The data provided also contained information on the status of the payment on an annual basis in terms of whether the payment was awarded and paying, awarded and not paying or pending.

This data is an important aspect of the analysis as it ensures that estimates of the total income of those impacted by the policy reforms include income from these sources.

Activation and Case Management Data

Indecon was also provided with data from the Activation and Case Management (ACM) dataset by DEASP. This dataset contains information on the engagement of individuals with the employment activation services provided by DEASP. The ACM dataset provided contained roughly 640,000 observations for a total of 167,000 individuals.

The ACM data provided information on the date on which an individual was identified by the services as a candidate for assistance, the types of appointments that the individual was scheduled for and whether or not the individual attended this appointment.

The types of appointment covered by the dataset include the following:

- Activation Advisory Follow Up
- Activation Follow On 1:2:1
- Activation Group Engagement
- Activation LES Walk-in Update Interview
- Activation One 2 One
- Activation Review Meeting
- Activation Vacancy Interview
- Activation Walk-in 1:2:1

- ❑ Online Follow On 1:2:1
- ❑ Training/Education Course

The ACM data is an important tool in the study as it provides an insight into the extent to which those who lost OFP due to the policy reforms engaged with the labour activation services available to them.

Data on earnings from employment from the Revenue Commissioners

Data from the Revenue Commissioners on the annual earnings from employment of all individuals on the JLD is also a vital component of the analysis in this report. This data can be linked to the full JLD by means of the anonymised unique identifier and allows the analysis of the impact of policy changes on total earnings from employment.

The EU Survey on Income and Living Conditions

For the purposes of this study, Indecon gained access to the EU SILC research microdata files. These detailed files contain granular data on an individual basis for those individuals surveyed. The SILC is an annual survey and data was made available to Indecon for all years from 2003 to 2015. Each year contains data for between roughly 10,000 and 14,000 individuals.

The terms of reference for this survey specifically reference the use of the EU SILC data in the analysis. However, upon analysis of the available data in the SILC RMF data, the number of OFP recipients in the data was extremely small in every available year. The below table illustrates the number of people in each year of the SILC survey who report having received the OFP payment in the previous 12 months.

Table A4.6: EU SILC – Sample Size and OFP Recipients			
	2013	2014	2015
Number of Individuals	12,656	14,057	13,778
Number of Individuals Reporting Receiving OFP payments in previous 12 months	7	21	15

Source: Indecon analysis of EU SILC

This small sample size makes the SILC largely unsuited for the type of analysis required in this review. Given the small and unrepresentative nature of the available sample in the EU SILC data for Ireland, in Indecon's judgement the JLD is a much better suited dataset for the type of analysis required. Additionally, the fact that the 2016 SILC is not yet available poses a further limit to the analysis for which EU SILC can be used in the context of this review particularly given that the largest number of individuals affected by the policy reforms lost OFP in 2015 and so the impact of these reforms will likely only be evident in 2016. As such, the EU SILC is not utilised for the analysis of the financial, employment, poverty and welfare dependency impacts of the OFP policy reforms.