



**TIMEWISE FOUNDATION**

# **SOCIAL IMPACT**

**REPORTING PERIOD 2016**

## EXECUTIVE SUMMARY

- In 2016 the Timewise Foundation contributed just under **£1.2million** of economic value to the state. This includes income raised through tax and saving from reduced in work benefits. This is an 8% increase on 2015.
- As a result of the work of the Foundation, an additional 493 mothers who were previously out of work have found quality part time or flexible work.
- As a result of an intervention with Timewise, on average families on low incomes have seen an uplift of £4,900 to their annual household budget.
- We continue to find jobs that allow people to balance work and life, particularly caring responsibilities. On average our clients find jobs for 22 hours a week.

This year we will look at how we evolve these calculations to include the increasingly expanding second tier impact of the Foundation's work, for example our Hire Me My Way campaign and our business facing consultancy.

## OUR APPROACH TO SOCIAL IMPACT

The Timewise Foundation is committed to enabling everyone to find work with the flexibility they need in their careers, without reducing their value in the workplace.

We have developed a "theory of change" which maps out the impact that we have on maternal employment and family poverty. We have used this framework to put an indicative measure on parts of our impact. Our social impact strategy is not intended to be a separate exercise, but part and parcel of making us a better business.

The following indicators will be measurements of the impact of our work:

- on reducing maternal worklessness
- on raising living standards and lifting families out of poverty
- on enhancing wellbeing and family work life balance
- on contributing economic value to the state.

It is important to note this is a snapshot of our impact for the period and does not take into consideration any sustained impact through women staying in employment. It does not yet include the impact of our secondary delivery, our direct work to change the hiring practices of over 300 businesses and our capacity building training with over 30 employment delivery services.

In order not to exaggerate our claim we estimated how much of the value we can take credit for, but factoring in what would have happened anyway (deadweight or counterfactual), how much of the change is down to us (attribution) and whether we are creating a net benefit or simply moving change (displacement). We continue to work with NEF Consulting who verify our data and ensure formulae used are updated according to current trends.

# **SOCIAL IMPACT: THE BREAKDOWN**

## **Economic value to the state**

In 2016 our work was directly responsible for just under £1.2million of economic value to the state. This shows a year on year increase of 8%. This increase will need to be closer to 20% if we are to meet the strategic goal of £2 million social impact by 2020.

The £1.2million of economic value to the state is made up of 2 components: tax revenue and benefit savings. In 2016, 80% came from the additional tax income raised through women supported into work, who were not previously working, over a 12 month period.

The remaining 20% are the savings from out of work benefits from women supported into work who were receiving out of work benefits over the 12 month period. The benefits savings are calculated by moving off JSA and do not include any changes in housing benefit. We have accurately assumed that the women we work with are not yet affected by the roll out of Universal Credit.

The central factor delivering the increase in value to the state is the rise in average salaries of jobs secured by Timewise clients. The average salary increase of £4k has raised an additional £250K of tax.

Women Like Us' contribution to both tax revenue and benefit savings has decreased by £120,000 over the year. The three contributing factors are:

- 1) Strategically the Foundation is moving away from direct delivery. This has resulted in a 25% decrease in job outcomes.
- 2) More of our existing client facing work is now helping people progress into better jobs. This accounts for 40% of the total Women Like Us outcomes. While these are successes, they have little impact on the economic value to the state; there are not savings to JSA and the impact on tax contribution is 'immaterial', equating to approximately £12K net per annum.
- 3) Overall the average salary for Women Like Us candidates has dropped by £1K to £17.5K FTE, which reflects the more challenging client groups we are working with.

Overall other contributing figures (such as deadweight, attribution and displacement) have seen minimal single percentage point changes on 2015 figures, and there has been no significant change on tax rates or benefit payments.

## **Economic value to the family**

The net benefit to families who were lifted out of poverty through employment was calculated by a detailed individual analysis of changes in household income. Through the Women Like Us support service, we are able to capture more information about household income than under our jobs board service. We have therefore been able to analyse the increase in household income for those moving out of poverty. As a proxy for poverty, we continue to use £16,000 household income or less.

Of those supported into work, 54% of families had a household income of less than £16,000 prior to intervention. These include both families where members of the household were in work as well as

out of work. Of these families that were supported into work, 63% were lifted out of poverty as their household income rose above £16,000. We are working with more families who are defined as in poverty and, compared to 2015, we have helped proportionally more out of poverty.

Analysis of the better off in work calculations for this group found that as a result of their job, their household would be over £7,800 better off per year. Calculating the net value to these households, **each family would have an annual increase in household of budget £4,900 as a result of support from Women Like Us.** Note this is for families moving out of poverty. Parents with household income under £20,000 show an average annual increase of £3,800.

The increase for families is £600 less than in 2015. This is in line with the overall decrease in WLU salaries in 2016 (down £1k less from 2015). Overall in 2016 we helped twice as many families out of poverty. A third were already employed and their salary increase was on average more than those who were previously unemployed. However, in general, incomes from those already in employment are more spread out compared to those not in employment.

## IMPACT ON MATERNAL WORKLESSNESS

In total we helped 793 women out of work to secure quality part time jobs, of which 531 were parents, broken down as 100% of clients from Women Like Us and 67% of Timewise clients. Timewise Jobs is attracting more people who are not parents. We recognise that the need for quality flexible jobs is not only for mothers returning to work or fathers, but also for people with disabilities or long term health condition as well as those who are searching for a better work life balance. We envisage this trend to continue.

## IMPACT ON WELLBEING AND WORK LIFE BALANCE

In addition to the economic impact to families of getting into better work, we also considered the well-being of clients and the impact of not just increasing their hours to full time but securing quality part time jobs. The women **secured working hours of on average 22 hours/week.** Which is one hour less than from last year and 30 minutes more than the average for Timewise Jobs candidates.

|                        | <b>Comparing the Data:</b><br>Numbers of people assisted into work | Average FTE salary (TWJ) | Average FTE salary (WLU) | Average hours/week (combined WLU/TWJ) | Av. family income increase | Total economic value to state (tax income and benefit savings) |
|------------------------|--|--------------------------|--------------------------|---------------------------------------|----------------------------|--|
| 2011/12                | 304  | £28K                     |                          | 22 hours                              | £5,300                     | £530,000   |
| 2013 – 15 (annualised) | 293  | £26K                     |                          | 23 hours                              | £4,680                     | £521,000   |
| 2015                   | 937  | £28.5K                   | £18.4K                   | 21 hours                              | £5,600                     | £1,111,500   |
| 2016                   | 923  | £32.4K                   | £17.5K                   | 22 hours                              | £4,900                     | £1,195,000   |