

Estimating the savings and financial benefits to the UK government of return-to-work for people in receipt of Universal Credit





Authors:

Clare Bamba, Luke Munford, Andy Baxter, Natalie Bennett, Tim Price, Steph Morris, Courtney McNamara, Sophie Wickham, Peter Craig, Ben Barr, Hannah Davies.

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EXECUTIVE SUMMARY

Over 5 million people in the UK are out of work and in receipt of Universal Credit including almost a million young people aged 18-24 years who are not in education, employment or training (NEETs). Ill-health related economic inactivity accounts for over 3 million claims and is particularly concentrated in the most deprived and deindustrialised constituencies.

The UK government has therefore introduced several return-to-work programmes as part of its desire to 'Get Britain Working'. However, it is not known how effective such measures will be and what savings they might generate for the government. So, the Department for Work and Pensions (DWP) Select Committee commissioned this analysis.

We used UKMOD to estimate the potential welfare bill saving and tax receipts that would accrue to the government during this parliament (to 2029) if 5% of under- and over- 25s (both those unemployed and those economically inactive due to sickness or disability) returned to work in 2026. The 5% is a conservative estimate based on the lower effect size found in DWP evaluations of previous, similar, cost-effective return-to-work initiatives in the UK in the 2000s, which provided additional support to certain groups who were not in employment.

Our projections estimate that:

Getting 5% of under-25s, actively seeking employment back into work would save

£903m

over the life of this parliament

Getting 5% of under-25s, economically inactive due to sickness or disability back into work would save

£631m

over the life of this parliament

Getting 5% of over-25s, actively seeking employment back into work would save

£6.67bn

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Getting 5% of over-25s, economically inactive due to sickness or disability back into work would save

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Overall the programmes could save more than

£20bn

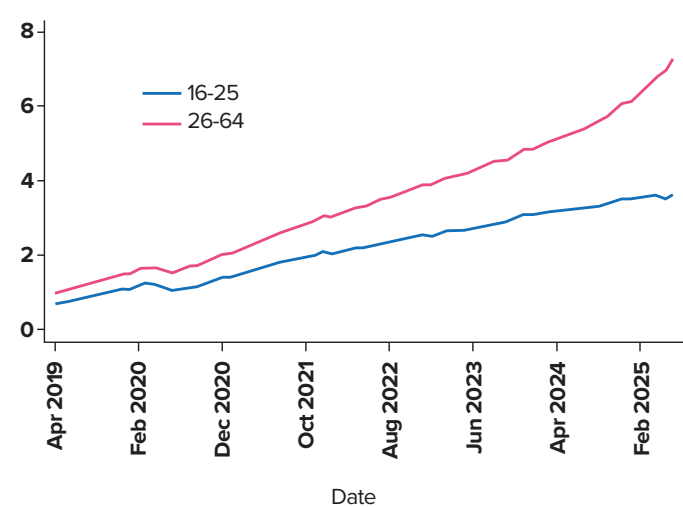
over the life of this parliament

1. INTRODUCTION

Over 5 million people in the UK are out of work and in receipt of Universal Credit (UC),¹ including almost a million NEETs (young people aged 18-24 years who are not in education, employment or training), one-in-five of whom receive health-related benefits, largely for mental health conditions.² Ill-health related economic inactivity accounts for over 3 million claims and is particularly concentrated in the most deprived and deindustrialised constituencies such as East Marsh and Port, Grimsby; Central Easterhouse, Glasgow; and Birkenhead Central where around 30% of the working-age population are receiving ill health-related welfare benefits and where life expectancy is 12 years less than the national average.³ Following a decade of austerity driven policies, and exacerbated by the Covid-19 pandemic, ill health and health inequalities have worsened in the UK.⁴ Correspondingly, we have far higher rates of ill-health related economic inactivity than other comparable economies like Germany, Sweden and France.⁵ It is a huge economic challenge for the country linked to stagnating growth, widening inequalities in productivity, and contributing to rising rates of poverty and further inequalities in health.⁶

The UK government has therefore introduced several return-to-work initiatives over the last 12 months as part of its desire to ‘Get Britain Working’.^{7,8} This includes: creating a new Jobs and Careers Service (by merging Jobcentre Plus and the National Careers Service), shifting the focus from benefits enforcement to skills; establishing eight “Trailblazer” areas (receiving funding to test local partnerships between the NHS, councils, colleges, and employers); a Connect to Work programme will provide rapid job-matching, training, and in-work coaching (see Table 1 for a summary of these programmes). Within the health system, employment advisers are being embedded in mental health and musculoskeletal services, with Individual Placement and Support services expanded. A Primary Care pilot will also help GPs refer patients to employment support. These measures aim to “join up” health with skills and employment support and reflect local economic needs.⁹ Moreover, there have been improvements to the NHS waiting lists and an expansion of talking therapies provision. These may also help people back to health and into work.¹⁰ The planned employment rights bill and the prevention focus within the NHS 10-year plan, may also help reduce working age ill

Figure 1: Percentage of working-age adults receiving UC for health reasons in England by age group¹³



health.¹¹ Further measures for NEETs include the Youth Guarantee which provides access to an apprenticeship, training, education opportunities, help to find a job, and for those out-of-work for over 18 months, a paid work placement.¹²

However, it is not known how effective such measures will be and what savings they might generate for the government. So, the Department for Work and Pensions (DWP) Select Committee commissioned this analysis. We used UKMOD¹⁵ to estimate the potential welfare bill savings and fiscal multipliers to government of return-to-work scenarios for: under-25s, actively seeking work; under-25s, economically inactive due to sickness or disability; over 25s, actively seeking work; and over 25s, economically inactive due to sickness or disability. We use evidence from the effectiveness of previous, most similar return-to-work initiatives that were implemented in the early 2000s (namely, the New Deal for Disabled People and the New Deal for Young People) to inform these estimates.

Table 1: Summary of current UK Government return-to-work programmes¹⁴

Programme	Commitment	Allocated Funding
Jobs & Careers Service	Merge Jobcentre Plus and National Careers Service into a universal front door for employment, focusing on skills, progression, and flexible roles.	£55m (2025/26)
Trailblazers	Fund 8 local partnerships (NHS, councils, employers) to co-design tailored support in areas of high health-related inactivity.	£125m (2025/26) + £45m additional NHS input in 3 areas
Connect to Work	Support up to 100,000 people per year into jobs with rapid job-matching, training, and in-work coaching, reaching 300,000 over five years.	£115m initial (2025/26), + £100m to four regions (July 2025), + £338m to fifteen additional regions (Sept 2025)
Individual Placement and Support (IPS)	Scale up IPS so an extra 140,000 people with severe mental illness access supported employment by 2028/29. In August 2024, 38,704 people accessed IPS for severe mental health in the previous 12 months, on trajectory to meet the end of year target of 40,500 people accessing these services	Not specified
Employment Advisers in Health Services	Embed advisers in mental health and musculoskeletal pathways to provide workplace adjustment advice and job retention support.	Not specified
WorkWell Primary Care Innovation Fund	Pilot new GP-based interventions in 15 regions to support patients into work instead of defaulting to sick notes.	£1.5m (July 2025)
Universal Credit Reform	Raise standard allowance by £250 (by 2029/30), add £50/week health top-up from April 2026, and exempt those with severe conditions from reassessments.	Not specified

2. BACKGROUND

2.1 Universal Credit

Universal credit (UC) is the key state benefit for working-age people in the UK. UC rolled six previous 'legacy' benefits (income-related Employment and Support Allowance [ESA], Child Tax Credit, Working Tax Credit, Housing Benefit, Income Support and income-related Jobseeker's Allowance [JSA]) into one digital by default household claim. UC began as part of a phased rollout in 2013 and was available for all new claims in the UK by 2018. Existing legacy benefits claimants continue to be gradually migrated over to UC and as of May 2025, over 6.5 million households now claim UC.

A person can be eligible for UC either due to being out of work or having low pay: as of July 2025, 34% of people claiming UC were in work.¹⁶ UC is claimed by a variety of people with differing circumstances including, parents and carers, low-wage workers, unemployed people, and people with disabilities or health conditions.¹⁷ The average UC payment (which is dependent on a range of factors including age and household size and composition)¹⁸ in England was £961.63 per month in May 2025.¹⁹ Having poor health or a disability are common reasons for a person needing support through UC. For example, poor health may explain why someone is unable to work 'typical' hours or roles and it may also make some, either temporarily or permanently, unable to work.

Within UC, two separate but linked categories capture people who have declared²⁰ a health condition that limits their ability to work: Limited Capacity for work (LCW) and Limited Capacity for Work and Related Activity (LCWRA). LCWRA is for people who have been assessed as less able to work in the present or future and therefore this group receive an additional £390 per month and are not expected to search or prepare for work. LCW conversely is for people who have been assessed as having capacity for work in the future and therefore do not receive any additional money and are expected to prepare for work in by attending work-related interviews at their Job Centre Plus (JCP) or on the phone. Despite their distinct differences, these two categories are often referred to together as 'UC Health'. As of June 2025, 37% of people were receiving UC for health reasons (LCW and LCWRA), comprising approximately 6.6% of the total working population (aged 16-64) (3.6% of the population aged 16-25, and 7.3% of the population aged 26-64. See Figure 1). We combine the two types of health-related support together under this label.²¹

UC and UC health claimant numbers have been increasing over time as more people have transitioned from legacy benefits to UC. While the safety net that UC provides is vital, providing adequate support to get people back into good quality work is equally important – for the individuals themselves, their families and communities, the economy and the government.

2.2 The New Deal return to work programmes

The New Deal was the flagship welfare-to-work strategy of the 1997-2010 Labour government, funded initially by a one-off windfall tax on privatised utilities. It comprised a range of targeted programmes designed to reduce long-term unemployment and increase labour market participation among disadvantaged groups.²² Beginning with the New Deal for Young People, the New Deal expanded over following years to include support for a broader range of groups, including the New Deal for Disabled People, New Deal 25+, and New Deal 50+.

The New Deal for Disabled People (NDDP) was introduced in July 2001. The initiative aimed to support people on incapacity and disability-related benefits into employment, primarily through a network of contracted Job Brokers who provided tailored advice, job search assistance, employer engagement and in-work support. Participation was voluntary, but the programme sought to reduce long-term benefit dependency while also increasing employment rates among a group that was largely excluded from the labour market.

Evaluations from the DWP show that the NDDP delivered positive labour market impacts. The DWP's final analysis reported that relative to comparable non-participants, employment rates among NDDP participants increased by around 11% for those who had been in receipt of incapacity benefits for an extended period before enrolling and by 7% for those who enrolled shortly after beginning to receive incapacity benefits. These employment gains persisted for at least two years after registration.²³ The same analysis showed reductions in incapacity-related benefit receipt by 16% for longer-term participants and 13% for more recent participants at two years after registration.

Cost-benefit modelling (£ values from 2007) indicated positive fiscal effects of NDDP spending: for longer-term claimants, the programme generated net savings for Government of between £3.41 and £4.50 for



every £1 spent, while for more recent claimants the estimated return was £1.71 to £2.26 per £1 spent.²⁴ The analysis found that NDDP reduced government expenditure by over £2,500 per longer-term participant and by around £750 to £1,000 per more recent participant, taking into account lower benefit payments, reduced administrative costs, and higher tax revenues. Monitoring data covering July 2001 to November 2006 reported that of 260,330 registrations, 110,950 registrants (43%) had found work by November 2006, and of these, 59,080 (57%) had achieved sustainable employment (defined as work lasting 13 or more weeks).²⁵ Including both Job Broker and central administrative costs incurred, the average cost per placement was estimated at £2,000 to £3,000, rising to £4,000 to £5,000 per sustainment (defined in this context as remaining in work for at least six months). The total cost of operating NDDP was £700 to £1,100 for each registrant.²⁶

The New Deal for Young People (NDYP) was introduced nationally in April 1998 as part of the Government's wider strategy to reduce long-term youth unemployment. Entry into the programme was compulsory for young people aged 18 to 24 who had been in receipt of Job Seeker's allowance for six months or more. The programme required participants to work closely with a personal career adviser, intensify their job searching, and receive guidance and support in preparing for work. Those participants who failed to secure unsubsidised employment during their initial participation were then required to choose one of a set of options, which included subsidised employment, education and training, voluntary sector placements, or work on the Environmental Task Force.²⁷ Analysis of NDYP data conducted as part of official Department for Work

and Pensions (DWP) evaluations shows that the programme delivered positive labour market impacts. Participation in NDYP increased the probability of entering employment by around 5% relative to non-participants; the largest impacts were observable during a participant's first year after starting the programme.²⁸ Longer-term evaluations found that NDYP participants spent less time claiming unemployment benefits than comparable non-participants, amounting to an average of 64 fewer days on benefits over a four-year period; this was equivalent to a reduction of around 4.4%.

After accounting for the fact that NDYP participants who entered work no longer claimed benefits and began to pay taxes, around £3 of every £5 spent on the NDYP was effectively recovered by Government (£ value from 2002). The programme's net cost was estimated at under £150 million per year; however, this does not take into account possible wider social benefits of lower unemployment, so the true net cost may be lower.²⁹ Monitoring data reported that by May 2005, 1,245,000 young people had entered NDYP, of whom 576,000 (46%) had gained a job and 339,000 (27%) had sustained employment lasting six months or more.³⁰ By 2007, near the NDYP's end, the number of young people who had been supported into work rose to 764,630. The annual cost per additional person who moved into employment, including those in the Environmental Task Force and Voluntary Sector options, was about £4,000; excluding those in the Environmental Task Force and Voluntary sector options, the cost per person moving into employment was about £7,000.³¹

3. METHODOLOGY

3.1 Calculating cost-savings of return to work, 2026-2029

We use UKMOD³² to estimate the potential welfare bill savings and fiscal multipliers to government of return-to-work scenarios for four population sub-groups for the years 2026-2029 (static population, applying updating tax/benefit policies): (1) under-25s, unemployed and actively seeking employment; (2) under-25s, economically inactive due to sickness or disability; (3) over 25s, unemployed and actively seeking employment; and (4) over 25s, economically inactive due to sickness or disability. Given that the effectiveness of the previous New Deal programmes ranged from 5% to 11% return-to-work, we have been conservative and used the lower 5% to inform our estimates.

To do this, a weighted 5% sample of out-of-work individuals in each scenario has received 'substitute' hours worked, wage, disposable income and non-simulated benefits from a socioeconomically, geographically and demographically matched employed person.³³ We first ran a 'baseline' scenario, with the employment and income statuses of all individuals kept as observed across the years 2026-2029 (assuming a relatively 'static' population across this period). We replicated the calculations of UKMOD's statistics presenter to calculate the total amounts of (direct) taxes generated from the population and benefits issued. We conducted four separate scenarios for our four separate subgroups, increasing employment rates of each group in year one by 5% and keeping this static over the 2026-2029 period (i.e. 5% of people returned to work in each scenario in 2026 and stayed employed through to the end of 2029). Each of group's scenarios were run separately and compared to baseline to calculate the total increased amount gained in tax revenue and the total saved in decreased benefit payments. The savings from the four scenarios were then totalled to give an overall amount.

3.2 Calculating Return on Investment, 2026-2027

To indicatively examine whether these policies would represent 'value for money', we obtained cost estimates of similar policies in the UK. We focussed on the 'New Deal For Disabled People' and the costs associated with that policy. Estimates published in a report commissioned by DWP³⁴ indicated that the cost per job sustainment (where a 'job sustainment was defined as an individual retaining a job for at least six months') was between £4,000 and £5,000 in 2005 UK prices. We used similar estimates here and inflated the estimated costs to 2024 prices (the most recent available data) using the Office for National Statistics Consumer Price Index including owner occupiers' housing costs (CPIH).³⁵ This indicated that the equivalent costs per job sustainment in 2024 prices ranged from £6,695 to £8,369. The original DWP evaluation examined a two-year period, and for comparability here we look only at the first two years of benefits to the Government (e.g. changes to tax revenues and benefit payments in 2026 and 2027). We then compute the likely Return on Investment (RoI) by taking the ratio of the estimated benefits to costs.



4. RESULTS

Across all four simulated years and subgroups, increases in employment were calculated to result in substantial savings in benefits spending and similarly sized increases in tax and national insurance revenue.

4.1 Cost-savings for under-25s, 2026-2029

In 2026 simulations, 5% of the under-25s unemployed population returning to work would result in 18,512 people entering employment at an average cost-saving of £11,506 per worker, a total of £213 million in cost-savings - with most of this coming from increased tax receipts. Amongst under-25s out of work due to sickness or disability, a 5% return to work (n=14,647) would result in an average cost-saving of £10,378 per new worker, a total cost-saving of £152 million, with greater savings in this case with the majority accruing from benefit reductions.

4.2 Cost-savings for over-25s, 2026-2029

Amongst the population aged 25 or over (up to an assumed working age of 64), 5% increases in employment in these larger populations showed substantially larger increases in savings. Of the unemployed, a total of £1.597 billion of savings in 2026 was projected because of 42,592 people returning to work at an average cost-saving of £37,495 per worker. Getting 5% of 25–64-year-olds not working due to sickness or disability into work would result in the largest level of savings, with a total of £2.88 billion generated from 144,880 new workers at an average saving of £19,879 per worker.

4.3 Total cost-savings, 2026-2029

Total decreases in spending and increases in tax revenue across 2026–

Table 2: Cost savings by age group and benefit type, 2026-2029 from UKMOD

Group (all 5% increase in 2026)	Total savings
Under-25s - unemployed	£903 million
Under-25s - sick or disabled	£631 million
Aged 25-64 - unemployed	£6.67 billion
Aged 25-64 - sick or disabled	£11.9 billion
Total	£20.1 billion

2029 summed to £903 million for the under-25s unemployed population returning to work, £631 million for the under-25s sick-or-disabled population, £6.7 billion for the 25-and-over unemployed group and £11.9 billion for the 25-and over population not working due to sickness or disability. This gives an overall projected total financial gain over the life of this Parliament of over £20 billion.

4.4 Return on Investment, 2026-2027

Applying the estimated costs per job sustainment of £6,695 to £8,369 to the estimated increase in employment of 220,631 people (pooled across all four scenarios), indicates the total costs of assisting this number of people back into, and helping them stay in, employment could be around £1.48 billion to £1.85 billion. The estimated total benefits to the Government in the first two years (2026 and 2027) are therefore £9.8bn (Appendix B, Table B1), which produces an estimated Return on Investment (RoI) of between £5.21 and £6.63 – so that every £1 invested in employment support programmes could return between £5.21 and £6.63 in the two-year period 2026-2027.

5. CONCLUSION

Our projections estimate that:

Getting 5% of under-25s, actively seeking employment back into work would save

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Getting 5% of over-25s, economically inactive due to sickness or disability back into work would save

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Overall the programmes could save more than

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The total potential savings and fiscal multipliers of a 5% return-to-work through the 'Getting Britain Working' programmes could amount to over £20 billion by 2029. Assuming costs, once adjusted for inflation, are similar to successful previous UK schemes, there is a possible return on investment of between 5.21 and 6.63 – each £1 invested could return between £5.21 and £6.63 in the two-year period 2026-2027.

6. STRENGTHS AND LIMITATIONS

Our analysis has many strengths but also some potential limitations.

- Our return-to-work scenarios were modelled from DWP evaluations of the effects of previous, similar return to work programmes for similar populations (New Deal for Disabled People and New Deal for Young People). They are not estimates from the current government's actual/planned programmes (e.g. Trailblazer etc, see Table 1). They do however provide indicative evidence of what such programmes, delivered at a similar scale could achieve.
- The anticipated return-to-work effect sizes of 5% are based on UK policies from over 20 years ago. As such, the demographic characteristics of the UK population have changed and so the cohorts are not directly comparable. Most notably, unemployed people and those out of the labour market due to long-term health conditions and disabilities are now typically younger than they were 20-years ago. This may make it easier to achieve return-to-work than our models have assumed.
- Further, we have assumed the same, cautious 5% return to work for all our different scenarios (under/over 25s; disability/unemployed). This 5% comes from the lower end estimates from the DWP's evaluations of the NDYP and the NDDP (which as noted in section 2.2 had found return-to-work outcomes over two years of 5-11%). It is likely that there could be a higher return to work % from cohorts closer to the labour market (e.g. the unemployed). Obviously, modelling different return-to-work percentages over shorter/longer time periods would yield different welfare savings and financial benefits than we have estimated here. So, we have also included average per person per year estimates to aid policymakers in thinking through other potential scenarios.
- The RoI calculation was also limited to using a similar policy in the UK (the NDDP policy). The DWP commissioned evaluation of the costs and benefits of the NDDP only considered a two-year window, where we were primarily concerned with four years. As such, our RoI is also restricted to 2 years and as such is likely to underestimate the true possible financial returns
- We used the UKMOD microsimulation model to predict what might happen given previous policies and the associated employment responses. UKMOD is a publicly available, open-source modeller which has been used, tested and validated across a variety of settings by many public, private, academic and third sector organisations (including the UK Government), and hence we are confident that it is performing well here.
- We assumed that 5% of each age/health cohort entered employment in 2026 and remained in employment for the duration of the analysis 2026-29. We do not allow for people to drop out of employment or for additional people to gain employment in 2027-29. So, given government return-to-work plans, it is very likely that those (re-) entering employment will outnumber those in our cohort(s) who subsequently leave employment, again indicating we are likely underestimating the true savings.
- We could not easily obtain and merge similar UC data for Northern Ireland in the time frame of our work (it subject to separate data access). Hence our descriptive trends/figures in Appendix 1 are only for Great Britain (GB) rather than the full United Kingdom (UK). However, the main results for costs savings and RoI are based on the full UK population (including Northern Ireland).
- UKMOD calculates benefit eligibility and tax due by applying tax/benefit policies appropriate to that year; future years are calculated according to latest budget policies which are subject to change. After calculating benefit eligibility, UKMOD applies a take-up correction to adjust a simulated percentage of claimants to match observed rates. Actual percentage and characteristics of claimants may vary slightly across future years.
- In simulating employment uptake, we aimed to balance fairness and realism in the job scenarios that each employed person could gain. We did this by matching across key characteristics which likely determine hours worked and salary earned (age; gender; education; marital status; number of children; geographical area; responsible for home; disability; caring responsibilities; ethnicity). However, the shape of a 'new' job a person enters may differ from their matched counterparts.



APPENDIX A: Descriptive trends

We used data from Stat-Xplore on UC household claimant counts, average household payment and counts of individual claimants on UC Health to understand trends in UC and UC health over time and by age. Our analysis suggests that trends in Universal Credit claimants (all claimants, UC claimants out of work and UC health claimants) follow broadly similar patterns across England, Scotland and Wales. UC health claimant count has steadily increased since April 2019 (the start of the data series). The count of all UC claimants increased at a faster rate in early 2020 (approximately at the start of the pandemic) but appears to have returned a rate more similar to that of the pre-pandemic period from around mid 2021.

In May 2025 (the most recent payment data available at the time of analysis) the average household on UC received £961.63 per month in England. This was £1,235.28 for households receiving the highest rate of the health element of UC – Limited Capacity for Work Related Activity (LCWRA). Statistics for Wales and Scotland are presented in the below tables.

A1. Count of UC household claimants and mean UC household payment by country (May 2025)

Country	Mean UC payment amount in May 2025	Number of households on UC in May 2025
England	961.63	5,678,932
Wales	909.50	333,370
Scotland	882.36	550,322
Total		6,562,624

A2. Mean UC household payment by LCW/LCWRA and country (May 2025)

Country	Mean UC payment amount in May 2025 for households receiving LCW	Mean UC payment amount in May 2025 for households receiving LCWRA
England	1,102.43	1,235.28
Wales	1,118.90	1,162.23
Scotland	1,129.95	1,130.00

A3. Total number of households on UC LCW and LCWRA (May 2025)

Country	Number of households claiming LCW	Number of households claiming LCWRA	Number of households claiming either LCW or LCWRA
England	34,781	1,752,434	1,787,209
Wales	3,085	133,078	136,164
Scotland	6,183	217,610	223,793

A4. Individual UC claimants who are in/out of work (June 2025)

Country	Number of individuals on UC not in employment	Number of individuals on UC in employment	Total UC claimants
England	4,456,375 (66%)	2,342,318 (34%)	6,798,696
Wales	269,936 (68%)	127,480 (32%)	397,412
Scotland	443,382 (69%)	199,643 (31%)	643,026

Figure A1: Percentage of working-age adults receiving UC for health reasons in Wales by age group

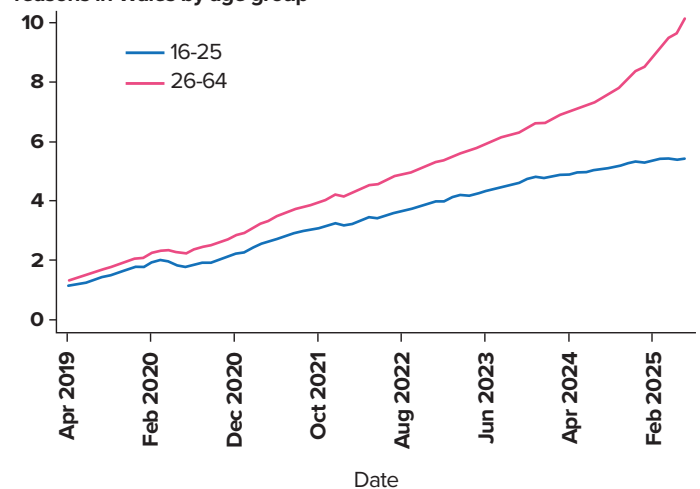
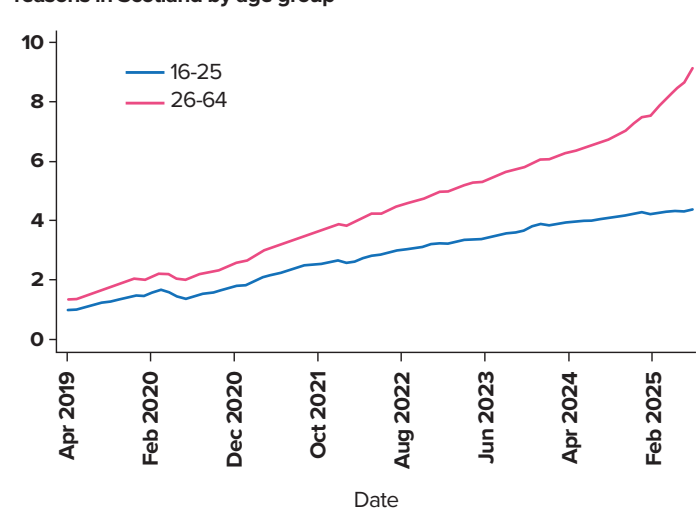


Figure A2: Percentage of working-age adults receiving UC for health reasons in Scotland by age group

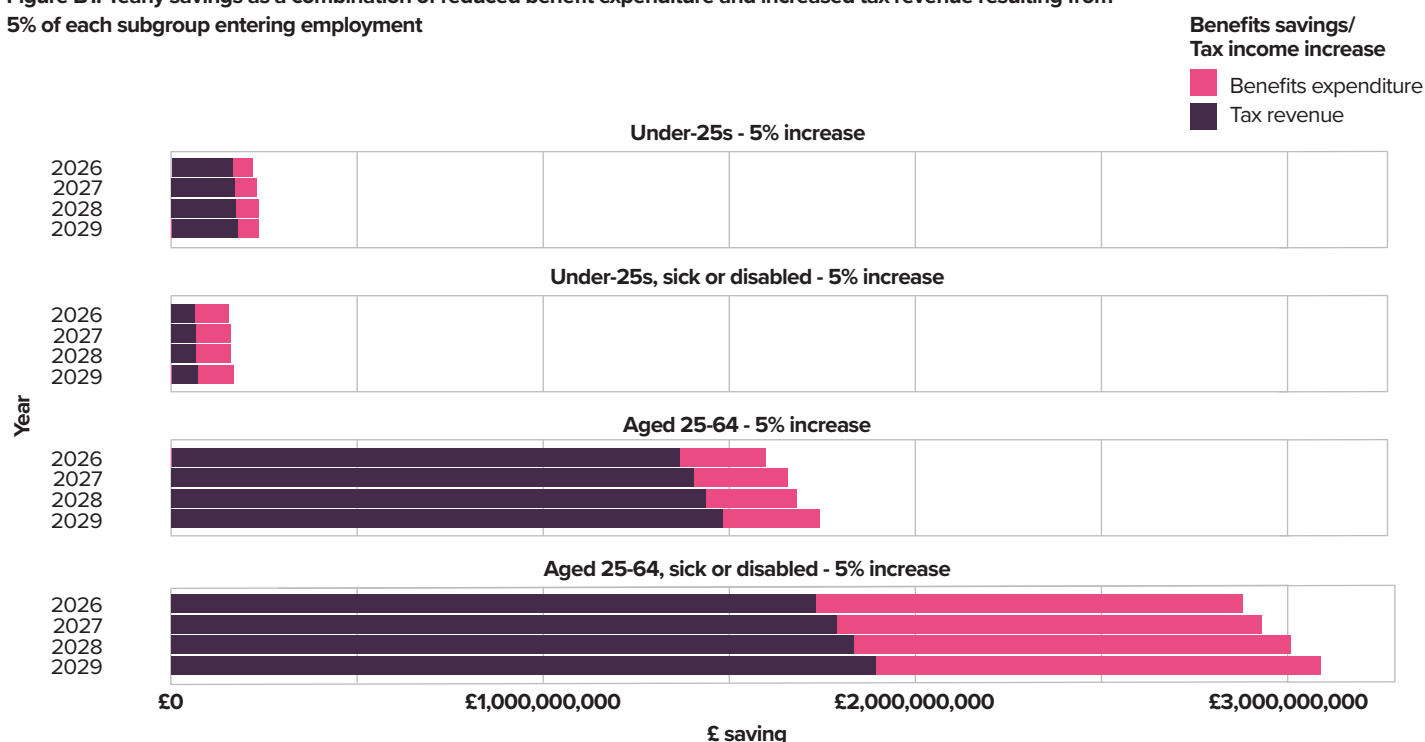


APPENDIX B: Cost-savings detailed results

Table B1: Yearly numbers entering employment, reduced benefit expenditure and increased tax revenue resulting from 5% of each subgroup entering employment

	Number entering employment	2026			2027			2028			2029		
		Expenditure	Revenue	Total	Expenditure	Revenue	Total	Expenditure	Revenue	Total	Expenditure	Revenue	Total
Under-25s, unemployed	18,512	£51M	£162M	£213M	£59M	£167M	£226M	£61M	£171M	£232M	£56M	£177M	£232M
Under-25s, sick or disabled	14,647	£91M	£61M	£152M	£92M	£64M	£156M	£94M	£65M	£159M	£97M	£68M	£164M
Aged 25-64, unemployed	42,592	£234M	£1,363M	£1,597M	£254M	£1,400M	£1,654M	£244M	£1,434M	£1,678M	£261M	£1,479M	£1,740M
Aged 25-64, sick or disabled	144,880	£1,149M	£1,731M	£2,880M	£1,140M	£1,788M	£2,929M	£1,173M	£1,834M	£3,007M	£1,193M	£1,894M	£3,087M

Figure B1: Yearly savings as a combination of reduced benefit expenditure and increased tax revenue resulting from 5% of each subgroup entering employment



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- 10 Research has found that increased access to Talking Therapies can improve labour market outcomes (Dodd et al [2025] The effect of area-level waiting times for psychological therapies on individual-level labour market outcomes, Labour Economics, 96, 102748, <https://doi.org/10.1016/j.labeco.2025.102748>
- 11 Department of Health and Social Care (2025) 10 Year Health Plan for England: fit for the future. <https://www.gov.uk/government/publications/10-year-health-plan-for-england-fit-for-the-future>
- 12 BBC News, September, 2025 <https://www.bbc.co.uk/news/articles/c80gj2knrx4o>
- 13 Graphs for Wales and Scotland are provide in the Appendix.
- 14 UK Government (2024). Get Britain Working White Paper, CP 1191. <https://assets.publishing.service.gov.uk/media/67448dd1ece939d55ce92fee/get-britain-working-white-paper.pdf>
- 15 UKMOD permits analysis of the effects of taxes and social benefits on household incomes and work incentives for the population of each nation in the UK. It is open source and has been in operation for over 20 years. It is used by many organisations including the OBR. <https://www.microsimulation.ac.uk/ukmod/>
- 16 See appendix table A4 for exact figures for England, Scotland and Wales separately
- 17 It is only possible to claim UC if an applicant has savings of less than £16,000. For anyone with savings over £6,000, the monthly amount of UC they receive is reduced by £4.35 for every £250 they have saved.
- 18 <https://www.gov.uk/universal-credit/what-youll-get>
- 19 See appendix table A1 for estimates for Scotland and Wales
- 20 It is important to note that claimants are only channelled onto UC health where they have ticked a box to indicate that they have a health condition which affects their ability to work. Without ticking this box, claimants are put onto standard UC and are not referred for a Work Capability Assessment.
- 21 DWP and Stat-Xplore combine the two health categories, so we have followed this approach. However, we acknowledge that LCW are more similar to 'non-health UC' and that including this group makes the problem of rising health-related benefits seem bigger than it is (Baumberg-Geiger, B. [2025], On the OBR's new Welfare Trends Report, https://inequalities.substack.com/p/obr-new-welfare-trends-report?utm_source=publication-search)
- 22 Jarvis, T. (1997). Welfare-to-Work: The New Deal. House of Commons Library Research Paper 97/118. <https://researchbriefings.files.parliament.uk/documents/RP97-118/RP97-118.pdf>
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- 30 Beale, I., et al. (2008). The longer-term impact of the New Deal for Young People. Department for Work and Pensions. Working Paper No. 23. <https://dera.ioe.ac.uk/id/eprint/74851/WP23.pdf>
- 31 White, M. and Riley, R. (2002). Findings from the Macro evaluation of the New Deal for Young People. Department for Work and Pensions Research Report. No. 168. <https://westminsterresearch.westminster.ac.uk/download/12a5a861d1552ea978d67318a53d46e04935fbc307348e67fb701a180e5d5b83/690761/rrep168.pdf>
- 33 Matches were sought on the following criteria in increasing order of priority (if less than 5 matches were found, the categories were dropped one by one): age group; gender; education - 3 categories; marital status; number of children in household under 16 (0, 1, or 2+); geographical area; responsible for home; disability; caring responsibilities for elderly or disabled person; ethnicity.
- 34 Evaluation of the New Deal for disabled people: the cost and cost-benefit analyses https://repository.lboro.ac.uk/articles/online_resource/Evaluation_of_the_New_Deal_for_diasbled_people_the_cost_and_cost-benefit_analyses/9598166?file=17238542
- 35 CPIH INDEX 00: ALL ITEMS 2015=100 - Office for National Statistics <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/I522/mm23>

