

Blanchardstown Area Partnership

Follow Up Survey of

2010 Enterprise Clients



blanchardstown
area partnership

supporting communities across Dublin 15

Conor Ryan
Research and Evaluation Officer
March 2014

Table of Contents

	Page
1. Background	4-5
2. Methodology	5-6
3. Introduction	6-8
5. Findings	9-20
6. Conclusions	21-22
Appendix	

List of tables and figures

Table 1 Trend in Enterprise Department Supports 2006-2013

Figure 1 Supports to Enterprise Clients and Community Structures

Figure 2 Categories of Business Start Ups

Figure 3 Type of enterprise schemes individuals accessed

Figure 4 Age range of start up business owners

Figure 5 Percentage of small start ups still trading after 3-4 years

Figure 6 Performances of Business Start Ups

Figure 7 Business sector performance

Figure 8 Turnover of businesses over past 12 months

Figure 9 Importance of BTWEA scheme in helping person to decide to set up a business

Figure 10 Importance of BTWEA scheme in supporting businesses in first 2 years

Figure 11 Potential deadweight effects of Back to Work Enterprise Allowance Scheme

Figure 12 Ranking of Enterprise Department Supports

Figure 13-15 Enterprise soft outcomes

Figure 16 Labour market status of closed business owners

Figure 17 Plans to return to self employment

Figure 18 Performance of business sectors of closed business owners

Figure 19 Satisfaction levels with Blanchardstown Area Partnership Enterprise Department

Figure 20 Percentage of respondents who suggested BTWEA could be improved

Figure 21 Were there other supports that could have helped business to succeed

Figure 22 Gender of business owners

1. Background

- 1.1 The importance and contribution of micro enterprise businesses to economic development in Dublin 15 is significant. Since 2007, Blanchardstown Area Partnership (BAP) has supported 941 individuals over seven consecutive years to create their own business (See table 1). As the average household occupancy rate in Dublin 15 is 3.05 persons the wider social impact of the Partnership's enterprise department is potentially far greater than initially considered. At least 506 persons feasibly could be direct and indirect beneficiaries of enterprise actions in 2010 alone¹
- 1.2 Between 2006 and 2011 the total number of people at work in Dublin 15 decreased by 5% to 43,535 persons. Due to a decline in the numbers at work, the labour market participation rate fell to 71.4% in 2011 from a peak of 73.3% in 2006. The largest percentage decline occurred in the building and construction sector (66.7%). Over this same time interval the unemployment rate almost doubled from 9.7% to 18.4% in Dublin 15 (Ryan 2012) based on the principal economic status method. This dramatic increase in unemployment was most likely a contributory factor towards the increase in the caseload of clients approaching Blanchardstown Area Partnership seeking enterprise supports.

Table 1
Trends in Enterprise Department Supports 2006—2013

	2007	2008	2009	2010	2011	2012	2013
Pre-Enterprise Clients	225	224	260	435	466	472	393
New Enterprises Established	71	77	89	129	222	200	153
Jobs created	88	97	116	139	90	136	89
Workshop attendees	297	486	665	903	969	736	1,094

Source: SCOPE & IRIS

- 1.3 Blanchardstown Area Partnership conducted a telephone survey of 166 enterprise clients who established their own business four years ago in 2010. The objectives of the exercise were to:
- Establish the labour market status of individuals who established their own business back in 2010
 - Capture whether businesses owners have recruited new staff since starting up their business
 - Gather evidence as to the core competencies and soft outcomes that have emerged though receiving small business supports and as a result of setting up their own businesses
 - Provide micro-enterprise owners with an opportunity to provide feedback, regarding the quality of the advice and supports they received before and since going onto the back to work scheme(s)

¹ 360 households X 3.05 persons average occupancy rate= 506 persons.

1.4 By focusing on these four objectives Blanchardstown Area Partnership attempted to gather data on the 'social impact' of the Enterprise Department functions alongside the enterprise allowance schemes factoring in such issues as deadweight, displacement and a potential multiplier effect. According to Maas and Liket (2011a ,p4) *'the lack of consensus on the definition of social impact causes confusion and hampers the ability to study the phenomenon'*. The definition of social impact as used by the International Association for Impact Assessment is *'social impacts are intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change invoked by those interventions'* will be used in this BAP report. Maas and Liket note that *'despite the practical and theoretical importance of categorising social impact measurement methods, a system to do so had not yet been developed'* as social impacts are hard to measure and because of the qualitative nature of social impact.

2. Methodology

2.1 The primary method of data collection involved administering a structured telephone interview survey of micro-enterprise owners. Each person was emailed in advance to request their participation in the survey and to inform them that BAP Research and Evaluation Officer would subsequently contact them. Using the contact details provided to BAP at the time these individuals started up their own business, all potential respondents were telephoned on two occasions. Once this task had been completed a further email was sent to the residual caseload of individuals to encourage them complete an online version of the questionnaire prompted by a hyper link. It transpired that 57 individuals participated in total which represents a 40% overall response rate.²

2.2 Client data gathered when a person registers with the BAP Enterprise Department and input on the performance and monitoring system of the LDSIP (Scope) was also analysed. This data was extracted to establish a profile of the potential respondents and to determine whether a representative sample of respondents was obtained by age, gender, educational attainment etc. A sequence of charts is presented in the body of the report depicting some of this monitoring data. Following on is a brief introduction to the Enterprise Department functions. The survey findings based on the collective responses to the questionnaire will appear afterwards.

² 31 phone numbers and several emails addresses were not functioning, which left a maximum of 140 potential respondents.

3. Introduction

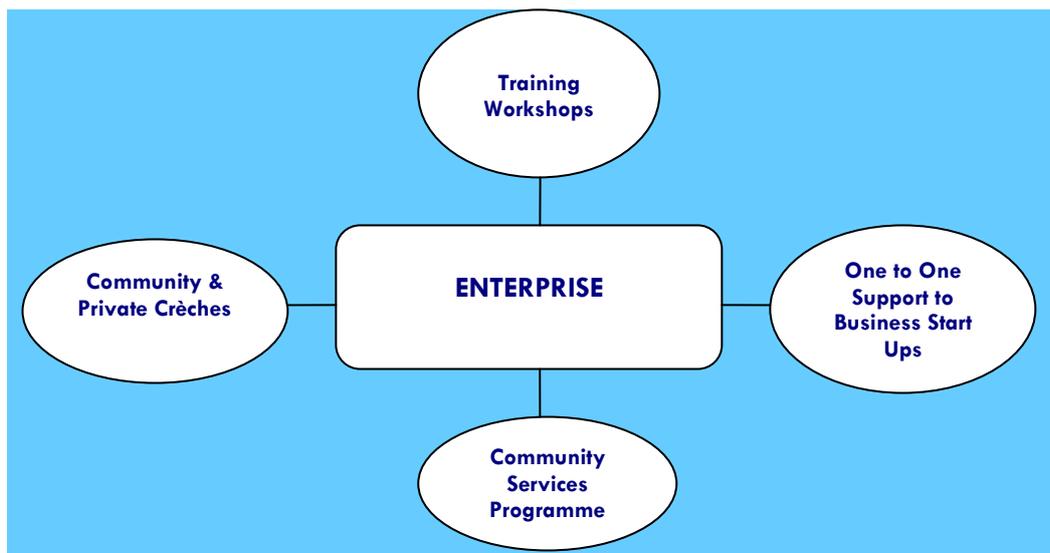
3.1 Supports to Enterprise Clients, Community Structures and Social Enterprises

The Enterprise Department delivered seminars, workshops and Start Your Own Business courses to more than 900 individuals since 2010. The schedule of business seminars covered topics such as:

- Business planning & Market research
- VAT & How to price your product
- Insurances & Pensions
- E-Commerce

The direct output of this was that the Enterprise Officer met face to face with 447 individuals to discuss the intricacies of setting up their own business. These appointments lasting several hours are critical interchange in helping a budding entrepreneur decide on whether it is feasible to run a business or not. The majority of these pre-enterprise clients would also have previously attended seminars or business workshops delivered either by the Enterprise Officer or an external consultant.

Figure 1



3.2 Elsewhere the Enterprise Officer also represented Blanchardstown Area Partnership on several local, regional committees/ networks and social enterprises in 2010 such as:

- Evaluation Advisory Council of the Rural Development Programme (LEADER)
- The BASE Enterprise selection committee
- The Enterprise Forum of the new Irish Local Development Network
- Chair of BAPTEC Ltd

As well as participating with the co-ordination of regional enterprise functions and events, the Enterprise Officer has also met the managers of several community and private crèches to help them develop new business plans. These exchanges helped crèches establish how the services could ‘break even.’ Due to subvention changes announced by the government it has become ever more difficult for community crèches to remain viable as captured in a local report (2010).³ The added value contribution of BAP representation of these social enterprises and committees is not examined in the context of this particular report.

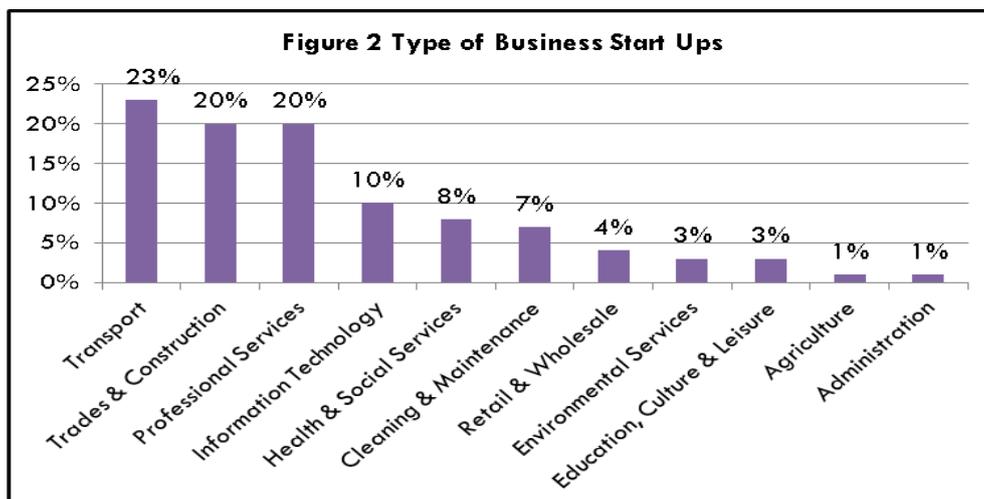
3.2 Origins of Back to Work Enterprise Allowance Scheme

As a result of the workshops and one to one advice that clients received, 166 new enterprises were set up in 2010. The Back to Work Enterprise Allowance Scheme was availed of by many of these individuals to help bridge the step from unemployment to self-employment. This scheme was originally introduced to Ireland in September 1993 but since then the criteria have changed on several occasions. The primary purpose has and remains however, ‘to allow people who have been long-term welfare dependents to test employment options and regain a foothold in the labour market while retaining some financial security during the early years of employment or self employment’ (Ronayne 1997).

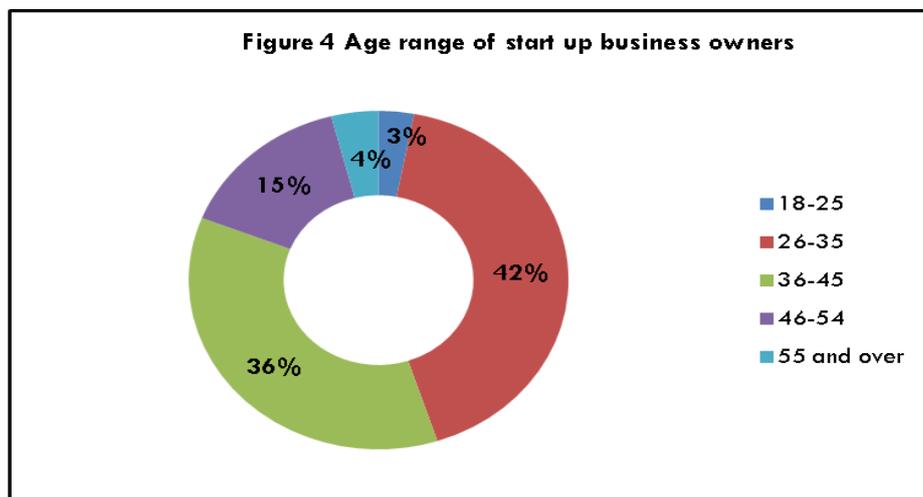
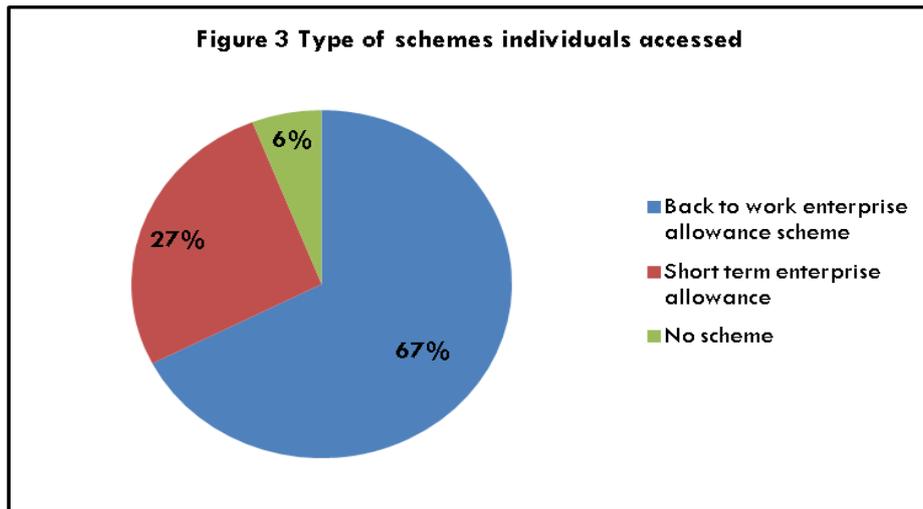
4. Profile of Enterprise Clients

4.1 Business Sectors

The following sequence of charts captures the categories of business people entered in 2010; the type of enterprise schemes they transferred onto following pre-enterprise supports they received and their socio-economic background. The highest educational attainment individuals had secured was the leaving certificate (42%), the majority of businesses set up were by men and 42% of start up entrepreneurs were aged between 26-35 years of age. Please refer to the appendix for additional charts and information concerning the profile of enterprise clients.



³ Dublin 15 Community Childcare Services (2010) *Review of the Importance of Dublin 15 Community Childcare Services and some of the Challenges they face*, Blanchardstown Area Partnership.

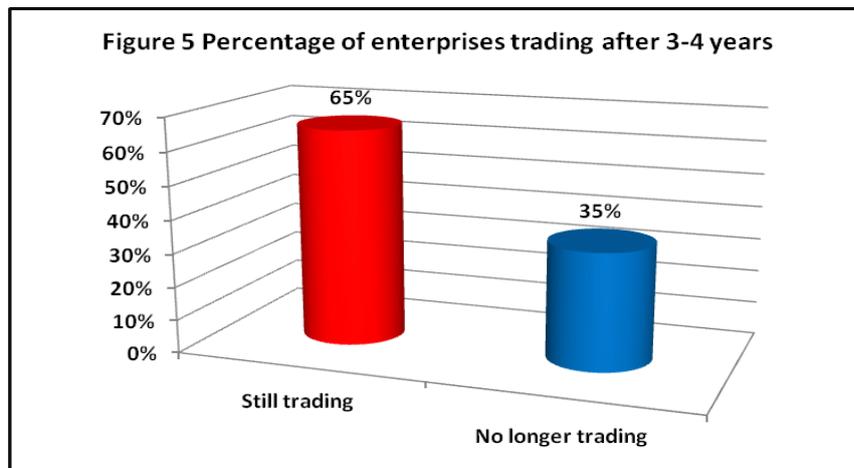


4.2 The survey questionnaire was divided into a number of sections- the profile of respondents, the back to work enterprise allowance scheme, the business environment, the effectiveness of the BAP Enterprise Department and also a sub-section for those who had closed their business. The findings of the survey will be presented in accordance with the objectives of the exercise as previously stated in the background section.

5. Survey Findings

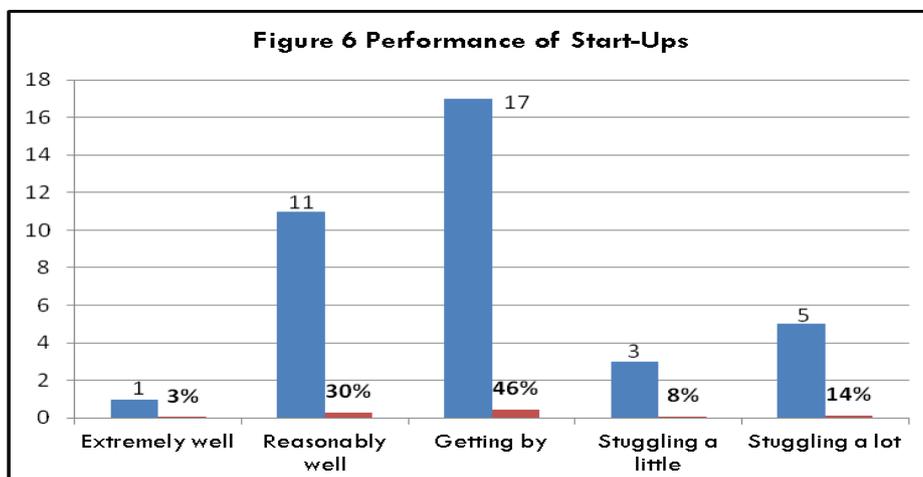
5.1 Business Survival Rates

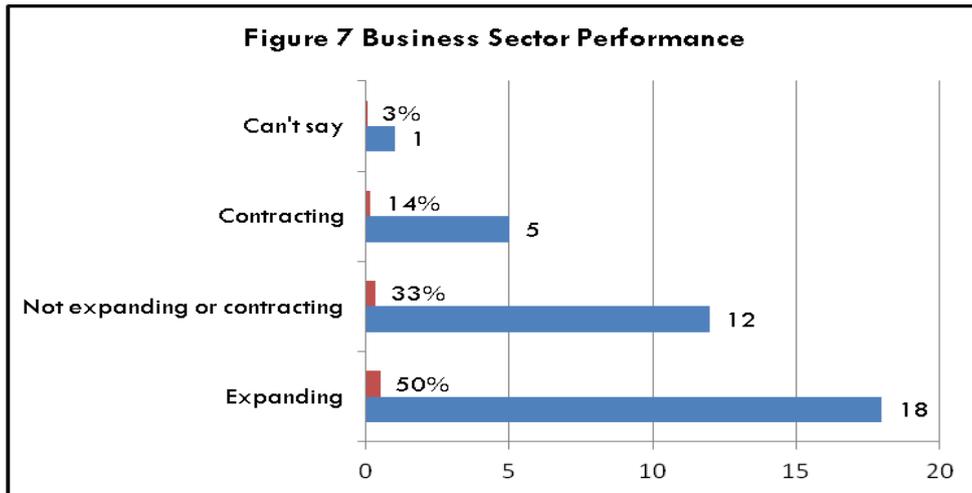
The most significant finding of the telephone survey is that 65% of the businesses started up by individuals in 2010 are still trading as displayed in figure five. This is a very positive outcome considering the enormously challenging macroeconomic environment that has existed in Ireland during recent years. It is an surprisingly high percentage as 27% of business owners who were in receipt of the short term allowance scheme would have stopped receiving their social welfare payments possibly within a few months or at most within two years if qualified for the back to work scheme at a reduced weekly payment rate. These survival rates compare favourably to international research which suggest that half of all business fail within the first four years (Statistic Brain 2014).



5.2 Perceptions of Own Business Performance

The overall financial performance of the enterprises still trading was captured at source through a sequence of questions. 46% indicated that they were 'getting by'; a further 30% were 'performing reasonably well'. In contrast 8% stated that they were 'struggling a little' and 14% 'a lot'. In terms of the sector of the economy in which they trade at present, 50% suggested that it was expanding and 33% static. This could be seen as an indication that contraction in business sectors the survey respondents operate in has stopped and are in fact expanding once again.



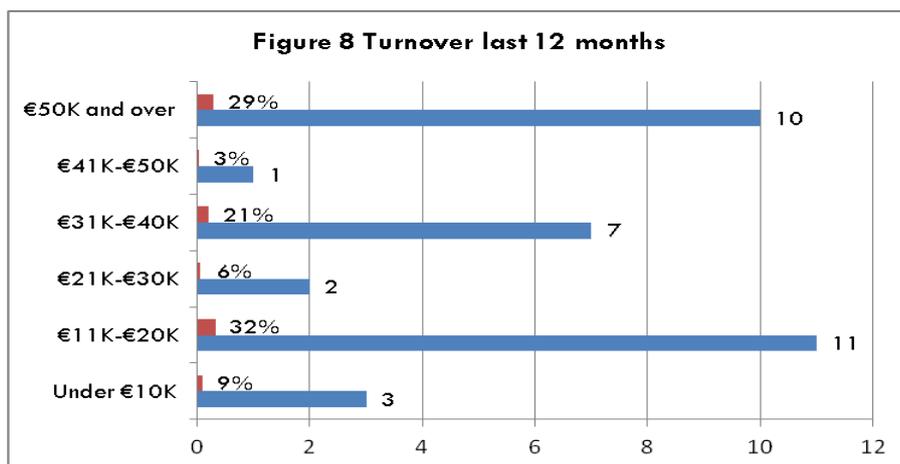


5.3 Job Creation

Further evidence as to the performance of the small business set ups was obtained by examining employment gains to the local economy. What emerged was that 33% of those still in business who responded to the survey had recruited staff. Many business owners also indicated that they hired persons on a sub-subtract basis seasonally. This factor is often overlooked in previous evaluations of the BTWEA scheme.

5.4 Annual Turnover

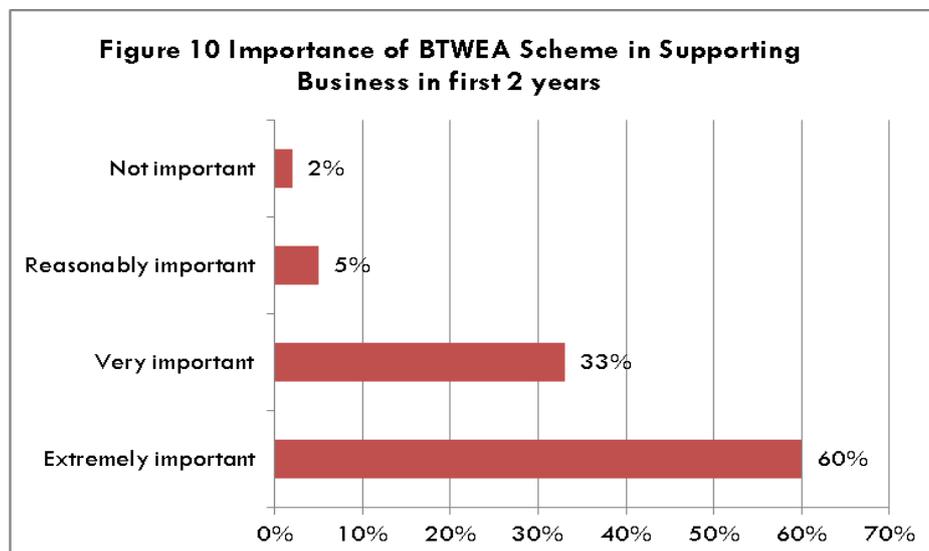
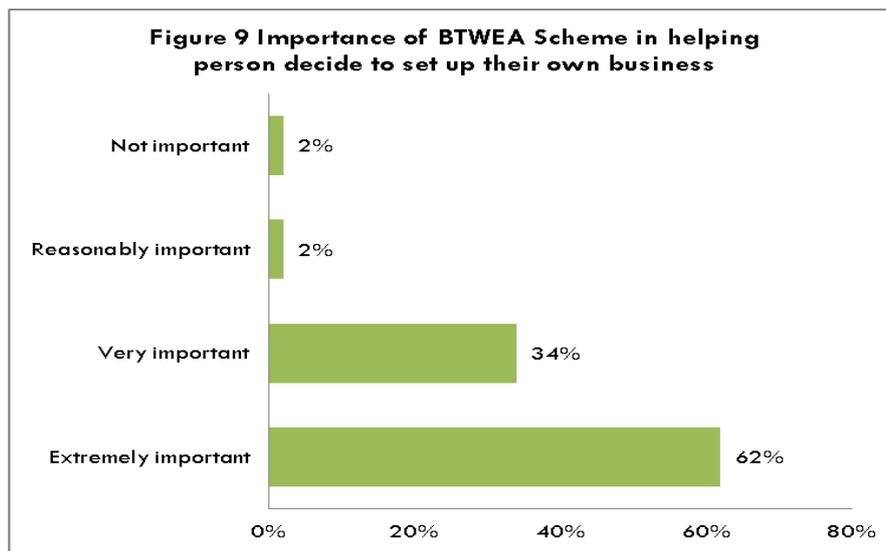
One of the reasons why persons presumably decide to start up their own business is in the anticipation of being able to increase the household income over that of which they are receiving through social welfare transfers. The turnover of the businesses still operating was €27,000 on average based on survey feedback. This could suggest that many of these individuals are financially better off by having decided to proceed and set up their business than they would have been by continuing to sign on the live register.⁴



⁴ It is not possible to calculate the 'average household income' of persons prior to exiting the live register as not all the information is departed to the Enterprise Officer who approves a person on to the various enterprise schemes.

5.5 Importance of Enterprise Allowance Schemes

With regard to the enterprise allowance schemes, evidence as to the importance of the availability of the scheme in encouraging persons to set up a business and support that business venture was also captured. 62% of all survey respondents suggested that the two schemes were 'extremely important' in helping them decide to set up their business and 34% 'very important'. Looking back over the period of time since they had been in business, 60% of individuals stated that the schemes were 'extremely important' in supporting their business venture during the first two years of operation.



5.6 Additional Sources of Finance

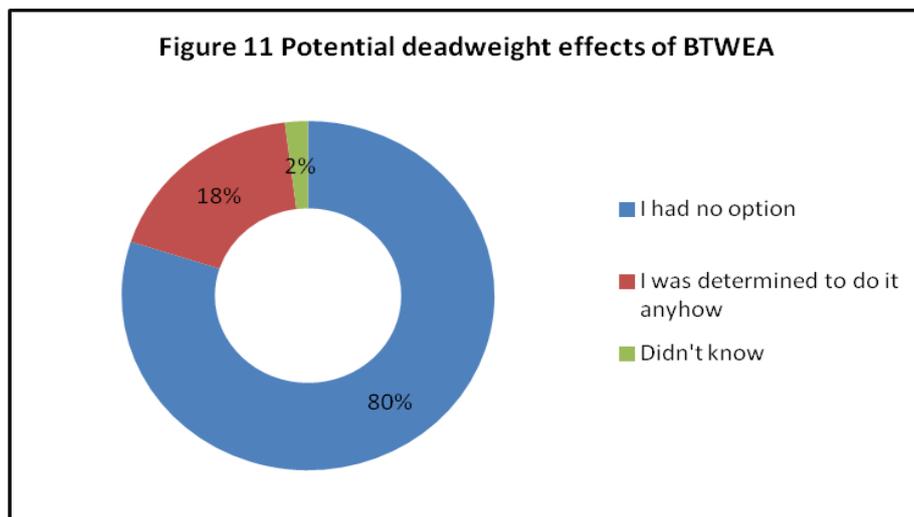
44% of total respondents outlined that they had access to other financial assistance part from the BTWEA schemes in setting up their own business. In most instances this was paid for via redundancy money they received from their former employer, which they re-invested in their new business to help its cash flow as opposed to loans from a financial institution or money lent from a family member.

5.7 Critical Success Factors for a Successful Business

Survey respondents were asked to choose the top three most important factors which in their opinion made a business successful in today's market place from a list of ten. The factor that was ranked highest was 'knowledge of the sector, followed by 'having sufficient sales/income to cover costs' and 'having previous business experience'. An annual follow up survey carried out by the PAUL Partnership ranked 'knowledge of the sector' as the second most important attribute for a successful business (Fitzgerald 2013).

5.8 Deadweight and necessity entrepreneurs

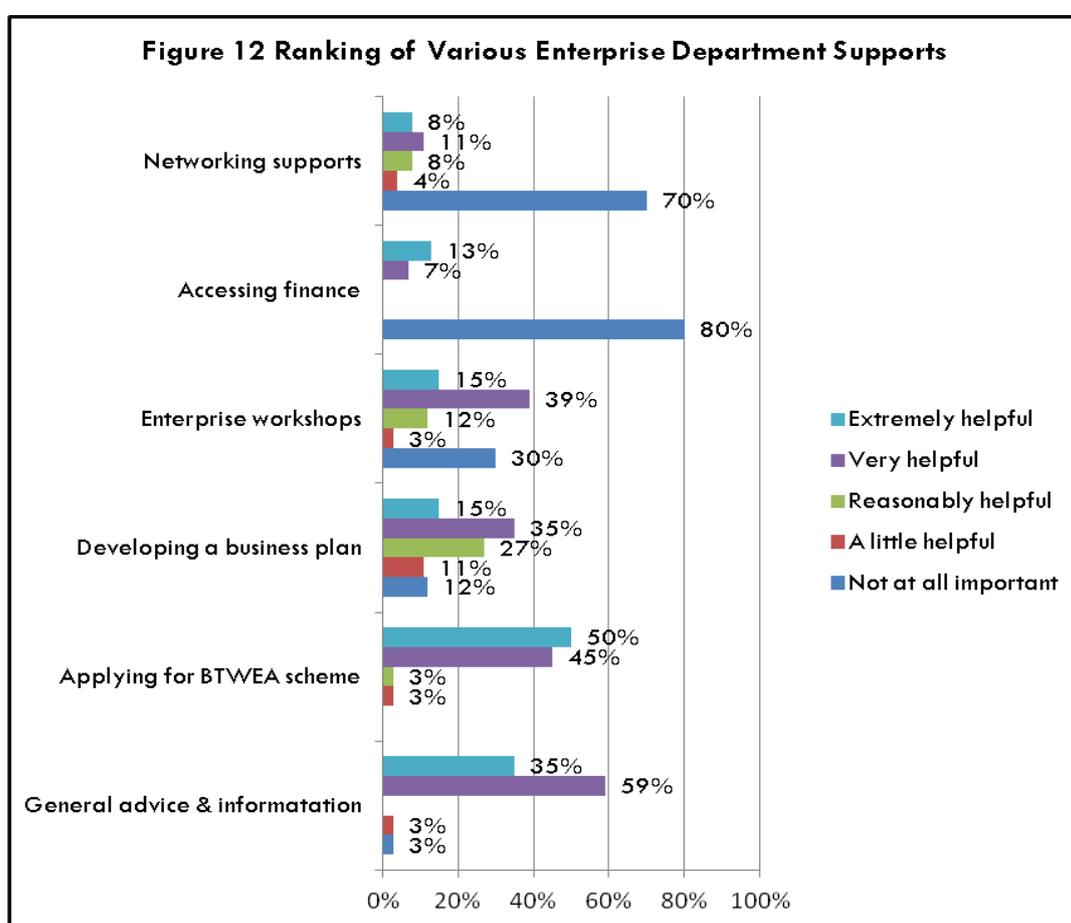
The issues of deadweight, displacement and substitution ⁵ are economic considerations. Deadweight is defined as effects which would have arisen even in the public expenditure programme had not taken place at all. Previous reviews of the Back to Work Enterprise Allowance Schemes in the 1990s carried out for the then Department of Social Welfare attempted to capture the effects of deadweight and displacement. The results of BAP's telephone survey do not appear to suggest a deadweight effect associated with the scheme. 80% of persons stated that they had no option but to set up their own business otherwise known as 'necessity entrepreneurs' (Deli 2011). This is perhaps not surprising given that the majority of people who received pre-enterprise supports during 2010 were long-term unemployed and that labour market participation rates deteriorated rapidly especially with the onset of the recession. Levels of unemployment doubled to 18.4% by April 2011 in BAPs catchment area (Ryan 2012). Regarding a potential substitution effect, there is a possibility that additional taxis operating as a result of BTWEA clients obtaining a licence could displace existing taxi drivers who are not on the BTWEA scheme. By some estimates there are approximately 13,000 taxis in Dublin.



⁵ Displacement and substitution are two closely related terms which are used to describe situations where the effects of a programme on a particular individual, group or area are only realised at the expense of other individuals, groups or areas.

5.9 Satisfaction rates with various aspects of the Partnership's Enterprise Department

The Enterprise Department offer persons who are considering setting up a business a suite of supports and interventions. Applying for the BTWEA scheme and general advice and information emerged as the supports respondents ranked most highly as extremely helpful or very helpful. In contrast networking supports and accessing finance were identified as interventions that persons considered to be not important or all or only a little helpful as displayed in figure 12. Redundancy reimbursement which many persons utilised in setting up their own business could explain the 80% response rate of 'not important at all'. 70% of respondents separately suggested that networking supports were also 'not important'.

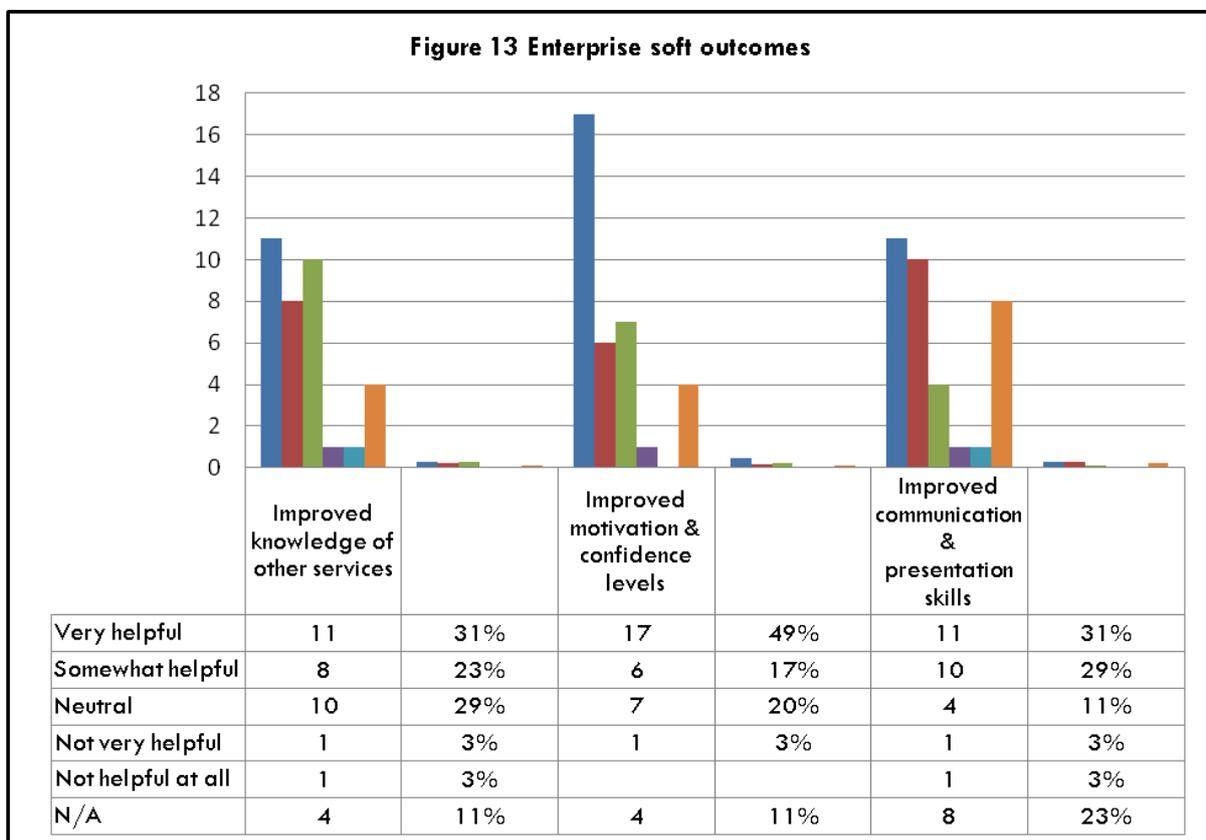


6.0 Soft outcomes

Question fifteen of the questionnaire attempted to gather feedback in connection with outcomes. The Institute for Employment Studies in the UK in 2000 released a guide for organisations on measuring soft outcomes and distance travelled. They point out that core outcomes can be grouped in many different ways and that some core indicators and outcomes are applicable to most target groups. They may be classified as key work skills, attitudinal skills, personal skills and practical skills.

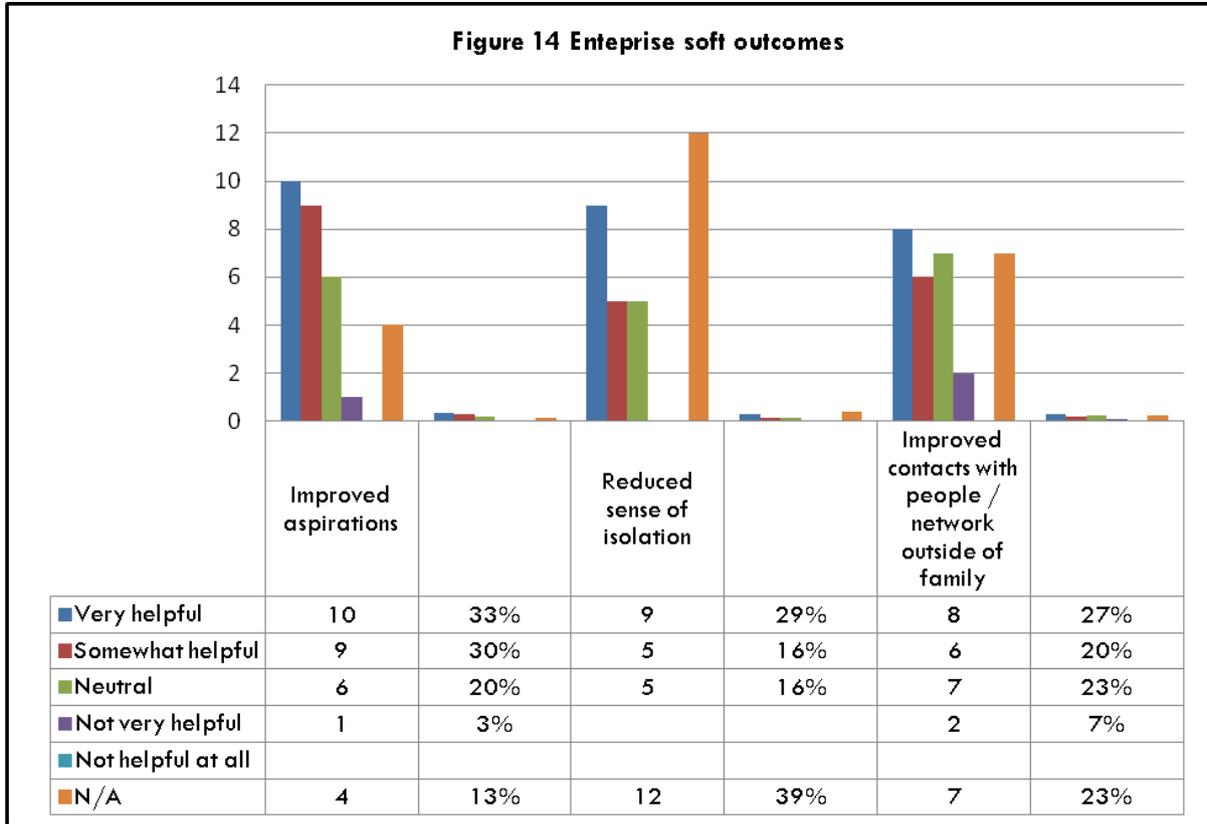
All survey respondents were asked to use rank, using a scale matrix, to what extent the interventions and supports they received from the Enterprise Department and since starting up their own business had improved their soft skills that might otherwise improve their probabilities of their business continuing to be sustainable. Three bar charts portray the collated feedback of respondents. The following bullet points represent a synopsis of that information, which are best read in conjunction with charts.

- 31% of respondents reported that receiving advice and supports from the Enterprise Department had been very helpful in ‘improving their knowledge of services’, 23% somewhat, whereas 30% were neutral
- 31% of respondents suggested that the ‘communication skills’ supports they received were very helpful and 24% somewhat helpful
- 49% of respondents reported that attending workshops and one-to-one sessions have been very helpful in improving their ‘confidence and motivations levels’. 20% indicated neutral and 11% said it wasn’t applicable to them



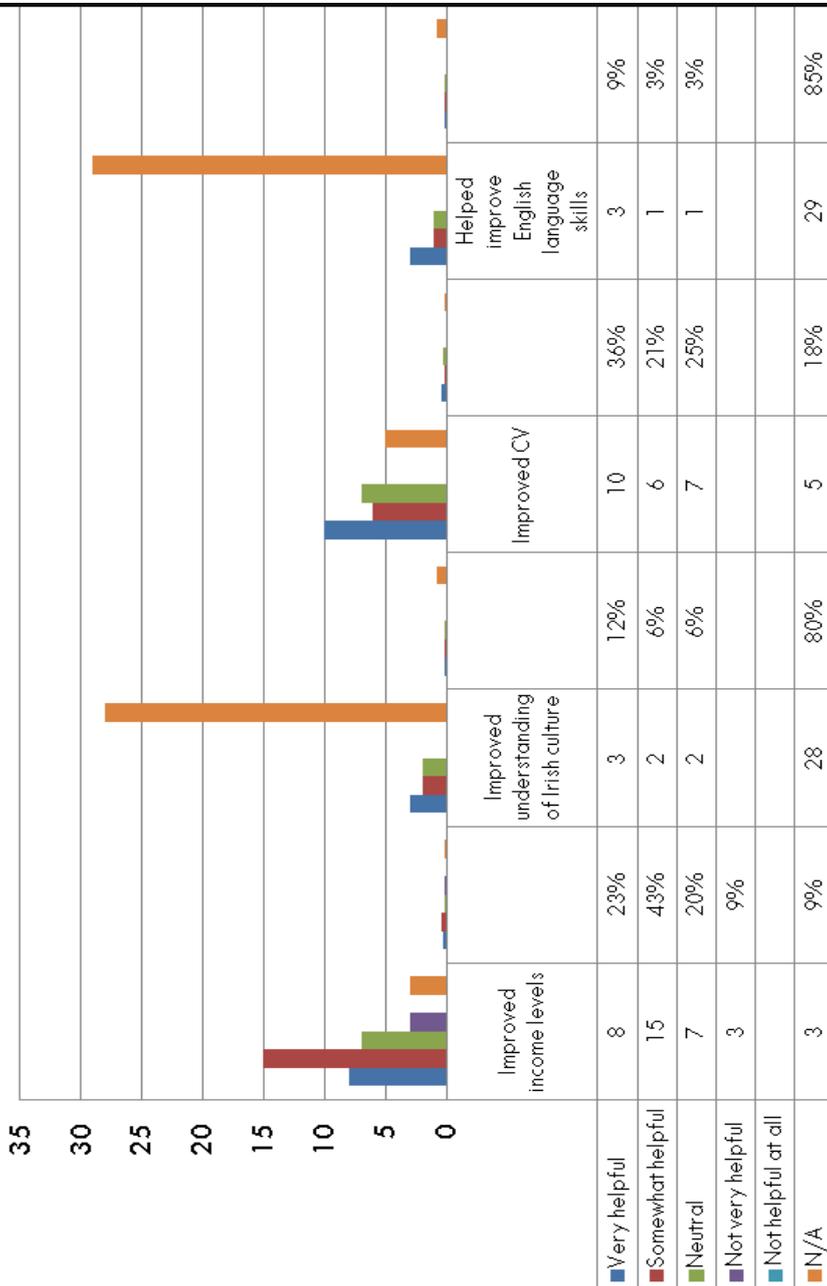
- 33% put forward that the advice and supports they received had been very helpful in improving their *aspirations* and 9 persons (30%) somewhat, whereas 3% indicated not helpful at all
- 29 % indicated that the interventions they received had reduced their ‘sense of isolation’ and 5 (16%) somewhat helpful. 39% suggested this factor was not relevant to them.

- 27% expressed the opinion that the various supports they received had been very helpful in improving their 'contacts with people and networks' and 6 persons or 20% somewhat helpful. 23% stated this was not relevant to them and a further 23% indicated that they neutral



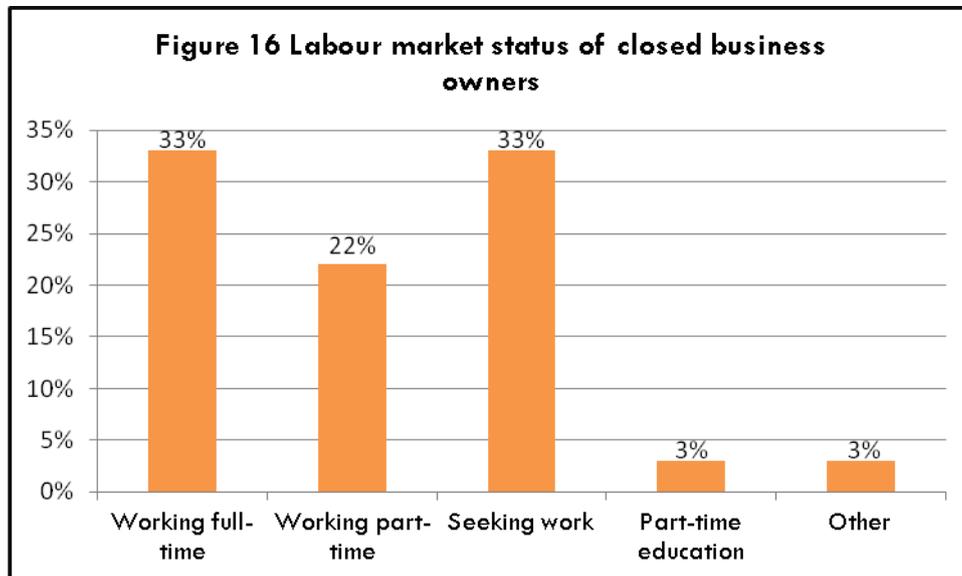
- 23% indicated the supports they received had been very helpful in improving their 'income levels' and 43% suggested somewhat and 20% were neutral
- Just 9% of respondents suggested that interventions had been very helpful in improving their English 'language skills'. 85% suggested this factor was not non-applicable to them
- Likewise only 12% indicated that their 'understanding of Irish culture' had improved as a result of setting up a business and 80% stated this factor was not relevant to them.
- 36% stated that their CVs were improved overall as a result of establishing their own business 21% somewhat improved and a quarter were neutral

Figure 15 Enterprise soft outcomes



Section E of the questionnaire sought additional feedback from the respondents who closed their business operation. The average period of time the businesses had actually run for was just less than two years based on the data gathered. 55% of former business owners indicated that they had sourced alternative employment on a part and full time basis and 3% were in part-time education. One third however, are still seeking work several years later. One of the unexpected findings of the survey for former business owners was that 67% stated that the business sector they had traded in was

expanding and 33% not expanding or contracting. The actual reasons why persons decided to close down their business ranged from cash flow difficulties, the black market undermining new start ups, the demanding market conditions and other factors. See qualitative quotes below.



“Professional relationship difficulties-getting paid”
“Difficulty getting continued payments, competition”
“Couldn’t get paid”
“Didn’t get enough cash flow”

“Black market / non-Irish nationals working and claiming”
“Black market-people undercutting”

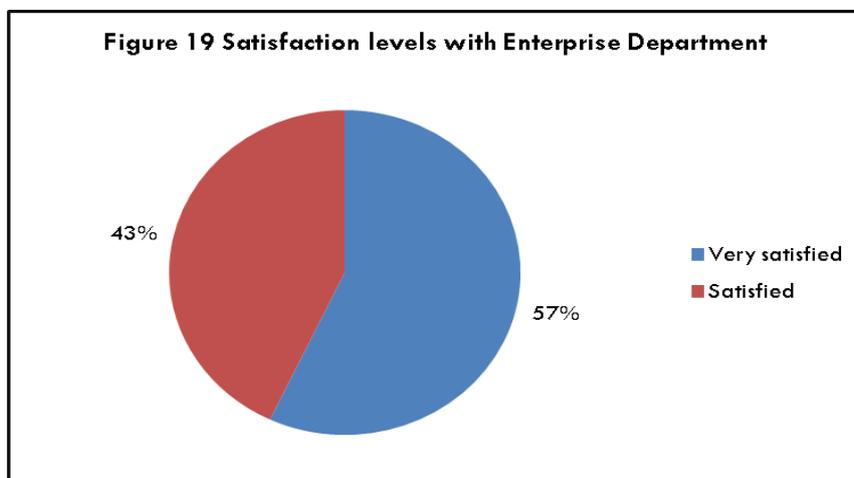
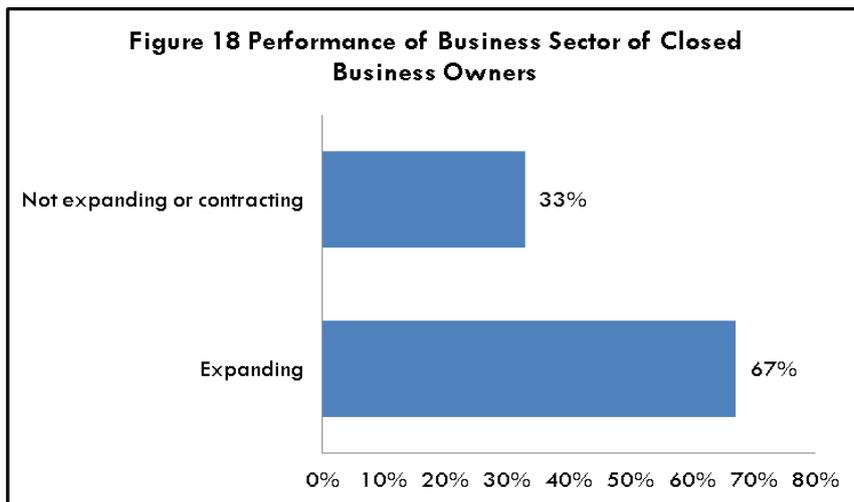
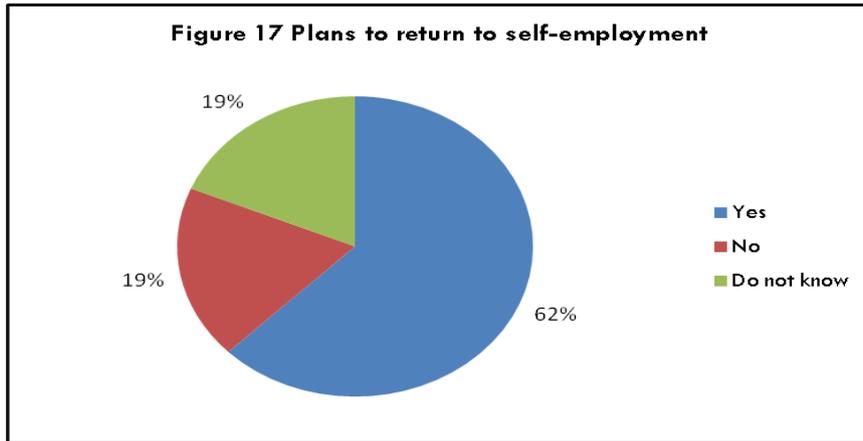
“Lack of customers”
“Not enough footfall-customers-weather in Ireland”
“Lack of customers”

“Not making money”
“Not enough work”
“Injury”

“Competition-imports”
“Business environment was very difficult”
“Decided there was no market”
“Couldn’t afford to hire staff / rates and fell pregnant”

7.1 Future plans

Despite the set back of having been forced to close their previous business, 67% of the residual sample indicated that they had plans to return to self-employment in the future, which just 20% ruling it outright and 13% indicating they did not know. Most reassuring for the Enterprise Department was the extremely high satisfaction ratings with the level of support provided to former business owners. 57% indicated that they were very satisfied and 43% satisfied after they created their own business.



8. Improvements to Back to Work Schemes

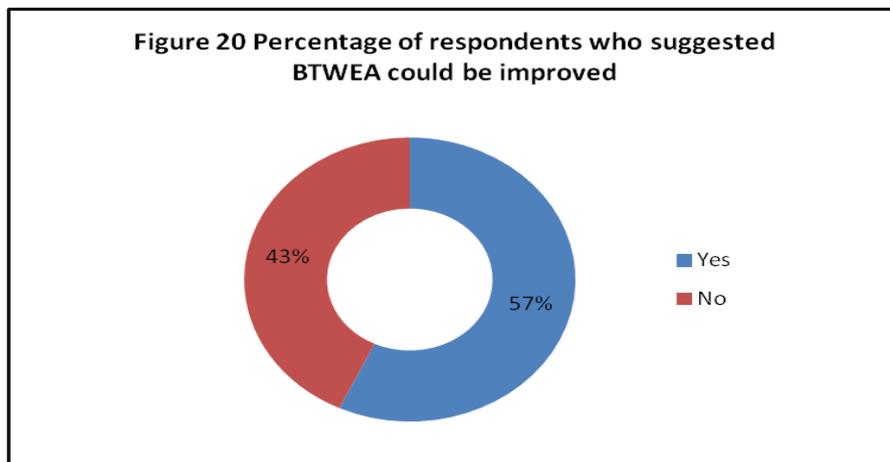
During the course of the telephone survey 57% of overall respondents suggested that the Back to Work Enterprise Allowance Scheme could be improved as displayed in the qualitative quotes below. These ranged from maintainance of secondary benefits, access to start up capital, more follow up support once a person goes onto a scheme, improved communcation from the Department of Social Protection to extending the length of the schemes. There are two major drawbacks with the Short Term Enterprise Allowance Scheme (STEA) at present. Firstly the maximum period of 9-12 months for the

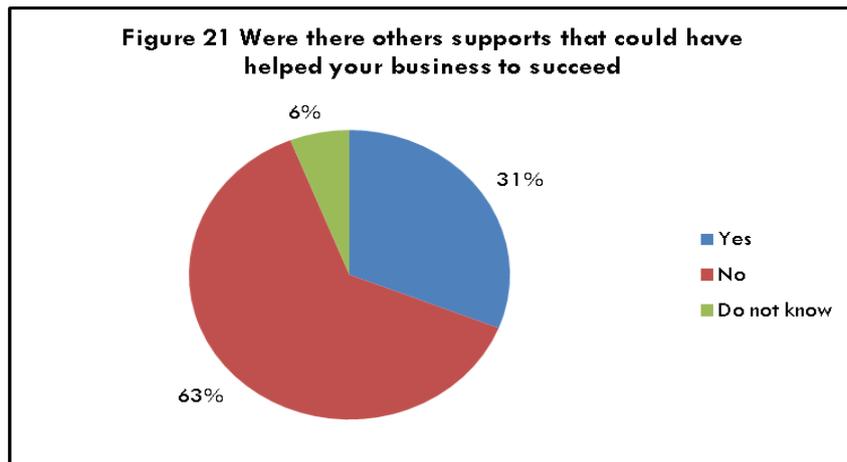
scheme is short and is dependent on a person having a Job Seeker's Benefit entitlement. Very few people who become unemployed are ready to immediately start a business as this can take several months pre-planning. Every week spent on preparing for self-employment e.g. business plan/ attending seminars, means a week less on the Short Term Enterprise Allowance Scheme. Further to this participants on the STEA are automatically disqualified from applying for the Back to Work Enterprise Allowance Scheme for a further five years irrespective of amount of time spent on STEA. There are also continual issues surrounding the length of time it takes to be awarded Jobseeker's Allowance. This frequently causes an unnecessary delay for people establishing a new business.

Extend it from 2 to 4 years
Extend it to 18 months- 75% cut
Don't cut it so quick-need 18 months
9 months unemployed – only got three months on the scheme
Cut after 8 months

With no welfare contributions there are implications for pensions
5 year stipulation
Phone call every 6 months would be good
Make it more mandatory to understand tax system
Keep their medical card
From the date the business starts make it easier to access
Costs are still the same from 2nd to 5th year
Information from Department of Social Protection could be improved-people were rude

Loans for tools- deducted from weekly bank account
Grant for a premises
Start up capital
Tool allowance





Summary and Conclusions

Blanchardstown Area Partnership's survey of clients who set up in business in 2010, attempted to gather information as to the social impacts of the Back to Work Enterprise Allowance Scheme. According to the International Association for Impact Assessment social impacts can be thought about as having 'intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change invoked by those interventions'.

Since the start of the economic recession, the Enterprise Department experienced a significant increase in the numbers of persons approaching the service to explore the possibility of setting up their own business. Overall the findings of the follow up survey with clients who set up in business in 2010 are

very positive. 65% of the businesses started up by individuals in 2010 are still trading four years later. These survival rates compare favourably to Central Statistics Office data, which suggest that the survival rate of all sectors with employment with employees of one to four employees is 56% with reference to year four. In addition 33% of those still in business who responded to the survey had recruited staff since transferring onto one of the two main enterprise allowance schemes.

The average turnover of the business owners whose businesses were still operating was €27,000. This might provide evidence that these individuals are financially better off having started a business and signed off the live register. This in turn would provide a gain for the national exchequer as these individuals are now paying taxes and in some instances recruiting persons from the local labour pool. Further evidence as to the financial health of these businesses was sourced as 46% indicated that they were 'getting by'; a further 30% were 'performing reasonably well'. The importance for the continuing existence of the schemes was obtained. 96% of all survey respondents suggested that the two schemes were either 'extremely important' or 'very important' in helping them set up a business.

Regarding closed businesses, 55% of former business owners stated that they had re-entered the labour market on a part and full time basis, and 3% are in part-time education. 33% however, are seeking work several years later. The survey findings did not identify any particular sectors faring better or worse than others although there was reference made by some persons in the trades and construction sector to the effect the black economy was having on their business venture.

57% of overall respondents suggested that the Back to Work Enterprise Allowance Scheme operated by the Department of Social Protection could be improved. These ranged from:

- access to start up capital
- maintenance of secondary benefits
- more follow up support once a person goes onto a scheme
- improved communication from the Department of Social Protection and
- extending the length of the enterprise schemes

The maximum period of 9-12 months for the scheme is short and is dependent on a person having a Job Seeker's Benefit entitlement. Further to this participants on the STEA are automatically disqualified from applying for the Back to Work Enterprise Allowance Scheme for a further five years irrespective of amount of time spent on STEA. There are also continual issues surrounding the length of time it takes to be awarded Jobseeker's Allowance. This frequently causes an unnecessary delay for people establishing a new business. Regarding access to capital, 44% of total respondents outlined that they have access to other financial assistance apart from the BTWEA schemes in setting up their own business including redundancy payments and personal savings or family loans. Several persons did suggest that the scheme could be improved by small loans being made available to acquire tools or a grant for a

premise. On further prompting from the researcher it was discovered that they were not aware that persons can apply to the Department of Social Protection for up to € 750 funding under the Technical Assistance and Training Fund ⁶ to purchase tools.

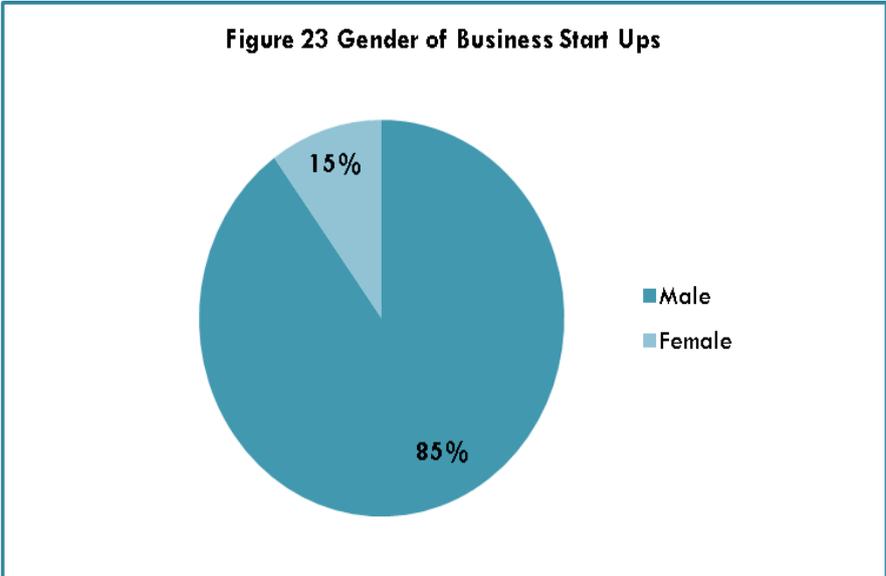
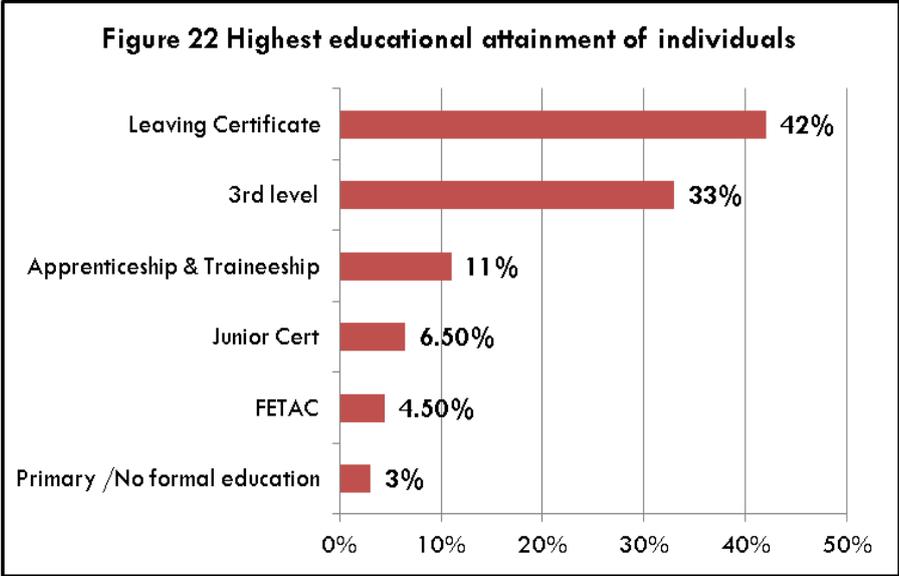
Finally a copy of the logic model⁷ which Blanchardstown Area Partnership drew up is included in the appendices. This sets out the envisaged outcomes in the short, medium and longer term that the Enterprise Department expects as a result of someone approaching the organisation and receiving supports and interventions and going on to establish a business. The telephone survey attempted to gather evidence as to what extent individuals had acquired these core competencies and soft outcomes. Based on the feedback obtained it would appear that many of these soft outcomes transpired albeit to differing extents (see figures 13-15). For instance 33% of persons stated that the advice and supports they received had been very helpful in improving their aspirations and 30% suggested somewhat. In contrast just 9% of respondents suggested that interventions had been very helpful in improving their English 'language skills' and 85% suggested this factor was not non-applicable to them.

In light of the findings of this Blanchardstown Area Partnership survey, it can be stated that the Back to Work Enterprise Allowance Scheme is achieving the stated primary and secondary objectives of the scheme as envisaged back in the 1990s (See appendix). Long-term unemployed people are being activated to leave the live register and integrate them into self-employment. The scheme is also encouraging new Start Ups to create jobs for other long-term unemployed people and reducing any potential dependency culture that might otherwise exist.

Appendix

⁶ The person who transfers onto the BTWEA scheme must submit an application form, a business plan along with three quotes for goods to the Department of Social Protection. The payment is made by DSP directly to the supplier of the goods/services. The applicant must pay 25% of any quote sent in.

⁷ A logic model (also known as a logical framework, theory of change, or program matrix) is a tool used most often by managers and evaluators of programs to evaluate the effectiveness of a program. Logic models are usually a graphical depiction of the logical relationships between the resources, activities, outputs and outcomes of a program [Wikipedia 6/3/2014]



Back to Work Enterprise Allowance Scheme

How Do I Qualify?

- If you have been in receipt of a Social Welfare payment for 12 months or longer and
- You must also meet the means test for Jobseekers Allowance (*see more information about Jobseekers payments below).

What Do I Get?

- You will continue to receive your Social Welfare payments for 2 years; 100% in year 1 and 75% in year 2
- You will hold onto a medical card, if you have one prior to being approved for the scheme.
- You *may* continue to be eligible for rent supplement or mortgage interest supplements.
- Any monies received through the BTWEA scheme is treated as non taxable income.

Short-Term Enterprise Allowance

To apply for the scheme

How Do I Qualify?

- If you are on Jobseekers Benefit, you qualify immediately to go on the scheme (**see more information about Jobseekers payments below).
- Jobseekers Benefit (changes from Budget have not yet come into effect) is paid for either 6 months or 9 months, depending on your PRSI contributions.

What Do I Get?

- You can go onto the Short-term Enterprise Allowance for whatever amount of time is left of your Jobseeker's Benefit entitlement. In other words, if you are entitled to 9 months and have been 'signing' for 4 months; you will have 5 months on the scheme.
- You will hold onto a medical card, if you have one prior to being approved for the scheme.
- You *may* continue to be eligible for rent supplements or mortgage interest supplement.
- Any monies received on the STEA will be included in your taxable income. Therefore, you may incur a tax liability from this scheme.

Objectives of Back to Work Enterprise Allowance Scheme

3.1 The objectives of the BTWAS are set out as follows in terms of primary and secondary

objectives:-

3.2The **primary objectives** are -

- the activation of long-term unemployed people to leave the Live Register to take up employment opportunities and to break out of the unemployment cycle
- the integration of long-term unemployed people into employment and self employment

3.3The **secondary objectives** are-

- to reduce the dependency culture especially in families where the older generations were also unemployed
- to increase the number of job outlets and enterprise opportunities for long-term unemployed people
- to encourage long-term unemployed people to gain a foothold in the labour market while retaining some financial security, thus overcoming the financial disincentives associated with taking up employment for some people
- to encourage employers to create sustainable jobs for long-term unemployed people
- to provide an incentive to those operating undetected in the black economy by providing an opportunity for them to voluntarily legitimise their affairs