Analysis of the dynamics behind the take-up of welfare benefits among young people by means of combined administrative registers

Vesa Ylönen*

The Social Insurance Institution of Finland, Helsinki, Finland – vesa.ylonen@kela.fi

Administrative registers and the datasets created from them are indispensable to the analysis of welfare dynamics. Survey methods, by contrast, are impractical when it comes to implementing extensive follow-up studies. There is a long tradition in Finland of creating datasets by combining register data from different organizations. The dataset used in the present paper was formed by combining register data from two organizations responsible for maintaining welfare registers. In addition to cross-sectional data a 10-year history of benefit receipt was constructed for the study population.

The benefit history was used to analyse the length of receipt of welfare benefits. Various cohort-based investigations were central to the analysis of the length of benefit receipt. We examined the persistence of benefit receipt among young persons by looking at the share of benefit recipients in a given year who received the same benefit in subsequent years. We counted for each cohort the number of consecutive years in which young persons received the same benefit. Receiving a certain benefit across several consecutive years thus results in a benefit history specific to that benefit.

As part of the analysis of benefit histories, we looked at the number of persons who, in addition to receiving student financial aid or labour market subsidy in consecutive years, also received social assistance in specific years. The likelihood of receiving social assistance supplementary to student financial aid decreased in direct proportion to the number of consecutive years of financial aid receipt. Among those having received labour market subsidy across several years, however, the share of those receiving social assistance increased.

Keywords: young people; welfare benefits; administrative registers; cohort study.