

**RESEARCH DIGEST:
EVIDENCE-BASED PRACTICES WHEN IMPLEMENTING RESEAs**
National Employment Law Project

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I. Introduction

Unemployment insurance (UI) and employment services (ES) are two often-overlooked core federal-state reemployment programs. In particular, UI supports job search and maintains labor market connections for jobless workers while ES assists job seekers with a range of reemployment services and employers with filling job vacancies. The proper role of state UI and ES agencies within our broader public workforce delivery model is undergoing debate in light of the recent authorization and funding for Reemployment and Eligibility Assessment and Reemployment Services (RESEAs) to UI claimants. The purpose of this research digest is to inform these debates as states make “evidence-based” decisions regarding implementation of RESEAs.¹

II. How This Research Digest Works

In Part One, we provide information about compendiums of relevant research and some selected articles that summarize research on job search assistance in the U.S. In Part Two, selected reports concerning the effectiveness of job search assistance (or RES) are digested for the convenience of non-specialists. Digested reports focus on more recent research, or on older findings that are directly relevant to RESEA design and implementation.

PART ONE

For many readers, Stephen A. Wandner’s 2010 book, *Solving the Reemployment Puzzle: From Research to Policy*, especially chapter 5, is an excellent place to get a summary of the decades of research regarding getting jobless workers back to employment. Another experienced hand with employment services is David E. Balducchi, who coauthored *Labor Exchange Policy in the United States* in 2004 with Randall W. Eberts and Christopher J. O’Leary. Mr. O’Leary and Mr. Eberts provide a good overall description of the history and role of employment services in “The Wagner-Peyser Act and U.S. Employment Service: Seventy-Five Years of Matching Job Seekers and Employers” a [report](#) issued in

¹ In workforce parlance, starting in the early 2000s, Reemployment and Eligibility Assessments (REAs) were eligibility reviews directed at ensuring that UI claimants were conducting effective job searches and meeting UI eligibility requirements. These UI eligibility reviews had been used under other names since the 80s. Reemployment Services (RES) focused on UI claimants by providing job search counseling, assessments and testing, job referrals, and training. In the past, these RES activities were known as employment services (ES), with job search assistance (JSA) used as a related term. The combined term RESEAs now denotes job matching services and eligibility reviews directed to UI claimants, while the current term *reemployment services* more generically includes services provided by workforce agencies to UI claimants as well as non-claimants. Economists use a variety of terms for these activities as well. In this document, we use RES and JSA to denote staff-assisted services to UI claimants and reemployment services to generically indicate ES services for jobseekers.

December 2008. All these resources are available from the Upjohn Institute for Employment Research. Another good overview written for the U.S. Department of Labor is Ronald D’Amico, “What’s Known About the Effects of Publicly-Funded Employment and Training Programs: [Final Report](#)” (2006). Each of the papers digested below also furnishes a literature review as additional research background. Here, we focus on prior research regarding RES (previously called job search assistance) for UI claimants as this will be the focus of RESEAs under current legislation.

A recent overview that includes discussion of the more recent Nevada RES experiments combined with digests of earlier research is Richard A. Hobbie and Yvette J. Chocolaad, “Reemploying Unemployment Insurance Claimants: A Good Government Investment,” in Carl Van Horn and others, eds., *Transforming U.S. Workforce Development Policies for the 21st Century* (2015). (This [chapter](#) and the entire [book](#) are available from the website of the Kansas City Federal Reserve Bank.)

Hobbie and Chocolaad provide a convenient summary of what evidence tells us about what makes reemployment services for UI claimants more effective. Here is their list:

- Early intervention by providing services soon after filing of UI claims
- Provision of REA (eligibility review) AND a comprehensive package of RES (reemployment services)
- Integrated service delivery between UI agency and workforce staff
- Mandatory participation and enforcement of participation requirements, and
- Engagement of as many UI claimants as funding permits

This list contains the elements that a well-designed RESEA program should provide. Ultimately, as a matter of good reemployment policy, staff-assisted services should be furnished not only to UI claimants under the newly authorized RESEAs, but for U.S. jobseekers in general.

PART TWO

RESEARCH DIGESTS—JOB SEARCH ASSISTANCE FOR UI CLAIMANTS

- Marios Michaelides and Peter Mueser. November 2017. “Are Reemployment Services Effective? Experimental Evidence from the Great Recession.” Univ. of Cyprus Economics Department Working Paper 06-2015. <http://papers.econ.ucy.ac.cy/RePEc/papers/06-15.pdf>.

This 2017 paper is the most recent on the subject of the Nevada REA/RES experiment. This Nevada experiment has resulted in a number of earlier studies which are cited below. This 2017 paper furnishes detailed description of other experiments involving reemployment services targeted at UI claimants in Florida (2 programs) and Idaho to their earlier focus on Nevada, bringing 4 programs in 3 states under review. The study months involve individuals with UI claims starting from August to November 2009 with all 4 programs. During the study period in late 2009, all three states had their highest unemployment rates in over 25 years—11.1 percent in Florida, 8.7 percent in Idaho, and 12.0 percent in Nevada. All three states had federal extensions in place as well as their basic state UI programs.

The programs studied in Florida and Idaho did not offer more comprehensive RES to UI claimants, instead relying upon UI eligibility review (REAs) of varying degrees of intensity. So, this recent paper compares a more positive (and expensive) Nevada RES approach to the narrower focus on work search

and eligibility taken by Florida and Idaho. Notably, this paper notes that Nevada was the only state that took the more positive RES approach among the 33 states offering REAs during this time period.

Florida

The two Florida reemployment programs were tested through weekly random assignments of claimants within Regional Workforce Board localities up to limitations imposed by agency staffing. Claimants were divided into one of three groups in the second week of a claim: those identified by WRPS profiling (typically those deemed by an algorithm likely to exhaust) (in Florida called PREP), those selected for an eligibility review (REA), and those assigned to the control group. Individuals in the control group remained subject to the usual UI work search requirements. (Individuals in all 3 groups could participate in reemployment services on their own motion.)

A letter was sent advising those selected for PREP or REA meetings at a local office, usually scheduled in weeks 4 to 6 of the claim. In Florida, the REA was focused solely on UI eligibility and disqualifying ineligible individuals. Those failing to show up or reschedule were also disqualified unless agency computers showed job search activities or training enrollment. Florida REAs did not include referrals to orientation meetings or other job-search services. PREP operated similarly to Worker Profiling and Reemployment Services (WPRS) (which is mandated by federal law in all states) and asks claimants to visit local offices to learn about services and referrals.

Idaho

Idaho's approach likewise involves an examination of its ongoing REA process. (Idaho's WRPS profiling selects only about 2 percent of claimants identified as hard-to-employ due to little education and short prior job tenures; therefore, there was no separate evaluation of WPRS as with Florida PREP.) All Idaho non-WPRS claimants were assigned randomly to two groups: REA program participants or control group participants. Control group participants received only typical communications regarding their UI claims. Those selected for REAs in Idaho were sent a communication with their first UI check (week 1) asking them to complete an online review on the IdahoWorks website by week 4. The online form sought information on work search and employer contacts. Those not completing the online review were disqualified from UI in week 5, unless information in the Idaho data system otherwise showed participation in job search services or training.

Following completion of the online review, roughly 5 percent of Idaho REA participants were selected for telephone verification of employer contacts while about 20 percent were asked to attend in-person meetings. The other 75 percent of the REA-selected claimants had no contact after completing the online review with IdahoWorks but were explicitly informed that they remained subject to the usual UI work search requirements. All participants in the REA group were assessed as a single group regardless of the differing REA treatments offered.

Nevada

Rather than providing reemployment services targeted toward individuals identified as likely to exhaust UI benefits (as typically done under worker profiling (WPRS)), the Nevada experiment randomly divided all claimants into three groups in the second or third week of a UI claim. First, the majority of claimants were assigned to a control pool who received no actions beyond those typically applied to UI claims. The remaining claimants were advised in week 2 or 3 of their UI claims that they were required to attend an

in-person meeting with agency staff. These claimants were further divided into two groups: those who received only an REA eligibility review and those who received both an identical REA review followed by staff-assisted reemployment services. (Those claimants with a recall date, in approved training, or who worked through a union hiring hall were excluded from assignment.)

In Nevada, the same agency staff did the UI eligibility reviews (REAs) and then provided the more comprehensive RES services as a continuation of the initial eligibility review meeting. Available services for claimants included skill assessments, a review of work experience, and assistance in developing a resume, as individually needed. The study reports that two-thirds of Nevada RES recipients received at least one more intensive RES service. (Appendix Table A6). A work search plan designed to focus on jobs that matched each claimant's skills and experience was developed for 55% of participants. One quarter of claimants received resume-writing help. When potential jobs for claimants were known to the local office, a claimant was referred to suitable job openings (21% of participants). (Page 18.) Other less intensive services available at the office (workshops, online job banks) were offered to participants, but not mandated.

At the end of the single Nevada meeting, all participants were advised that this was their only mandatory reemployment activity and that further follow-up meetings or reemployment services were not required of them.

Results

All four programs reduced spells and produced UI benefit savings that exceeded their costs. As a generalization, Florida PREP showed the least impact on participants, while Florida and Idaho REAs showed similar and somewhat higher impacts on reducing UI payments. Nevada REA/RESs showed the greatest impacts on benefit payments, employment and earnings. Benefit weeks were reduced by 2 percent for Florida PREP participants, 5 percent for Florida REA, 4 percent for Idaho REA, and 10 percent for Nevada REAs (Table 3). Although Nevada's program costs more (\$201), its benefit savings (\$976) were greater.²

When the 2017 paper turns to the timing of effects of the four programs under study and the impacts on employment and earnings, the distinctions in approach become more pronounced. Florida PREP showed a statistically significant impact on UI receipt only in week 3, meaning that the threat of services upon receipt of the letter led some claimants to voluntarily exit from UI. Similar threat effects were found for both the Florida and Nevada REAs for weeks following the services, although the remaining monitoring effects disappeared by the 7th to 10th weeks.

In Nevada, effects on employment were positive for every week from 1 to 13 and were substantially greater than those in Florida and Idaho and persisted well after services were completed. Based upon these observations, the authors conclude that the more intensive services provided play a role in these

² The Nevada cost benefit assessment uses the costs of reemployment services offered to the experimental group divided by the number of individuals selected for that group to arrive at the \$201 cost of service figure. Since not all members of the experimental group received comprehensive services (as discussed above) while some members received more than one of these services, this approach likely underestimates the per participant costs of Nevada RES to claimants getting services. For this reason, it is better to stress that UI benefit savings exceeded costs of services without stressing the specific dollar figures spent for the costs of services.

continuing Nevada effects. All four programs showed a positive impact on employment when compared to the control group, but the increases in Florida and Idaho were small when compared to Nevada, where employment increases ranged from 19% in the quarter with the biggest increase and 12% in the quarter with the smallest increase (Table 4). Nevada's employment increases were biggest in the two quarters following treatment.

A similar pattern was found for earnings as for employment, where Florida PREP increased earnings only 1 percent over the 4 quarters following treatment, Florida REA showed a 4% increase in wages over the control group, Idaho participants experienced a 6% increase in 4-quarter earnings, and Nevada RES participants experienced 21% higher earnings (\$1740) than the control group over the 4 quarters.

Professors Michaelides and Mueser observe that the three-fold earnings increase over the other programs "provides support" for the view that the Nevada program "contributed in a more substantial way to the labor market success of participants than did the other programs." (Page 24.) For claimants, UI trust fund savings and even reemployment are not as central as finding new jobs at comparable wages. The authors state that considering the timing of employment effects and the magnitude of their impacts on earnings, it is likely that the Florida and Idaho programs were primarily increasing employment through so-called threat effects, while the Nevada services were improving job finding skills and motivation of UI claimants. This conclusion is consistent with our view that staff-assisted services have a qualitative impact on many claimants and that self-service or computer-based services are not adequate replacements for many traditional ES approaches.

- Marios Michaelides and Peter Mueser. July 2015. "Are Reemployment Services Effective? Experimental Evidence from the Great Recession." University of Missouri Economics Department Working Paper. [Link](#).

This is an earlier paper by the same authors focused only on the Nevada program. The study period (July 2009 through December 2009) is longer than the August to November 2009 study period for the 2017 paper, presumably because the time frame was shortened to make the comparison periods identical across the 4 programs under study in the 2017 paper. In addition, Professor Michaelides and Mueser have 6 calendar quarters of post-treatment earnings records available for study of Nevada employment and earnings in this 2015 paper. The longer time frame under study makes separate consideration of the 2015 paper worthwhile, although the positive results are similar to those reported in both the 2017 paper and earlier papers in this series.

With respect to the impact of Nevada's reemployment services, there is a 10.4 percentage point reduction in state benefit exhaustions reported in the 2015 paper. Regular weeks of UI benefits fell 1.9 weeks for claimants receiving comprehensive services. Emergency Unemployment Compensation (EUC) benefit durations were also shorter, and total weeks of state UI and EUC were 31.5 weeks for the non-treated claimants and 28.0 weeks for those getting RES services. The \$877 in total state and federal benefit savings again compares favorably with the roughly \$201 per participant showing more than four times savings in benefit costs (not to mention the advantages of earlier reemployment for the affected workers and their families).

The 2015 study discloses that treatment group participants had 18% higher earnings over the 6-quarter period than did control group recipients. The authors conclude that the “fact that participants had higher earnings relative to non-participants conditional on employment would seem to suggest that the program is also associated with getting [participants] placed in jobs that offered higher hourly wages and/or more hours of employment than the jobs they would have obtained in the absence of the program.” (Page 22.) They suggest that “programs requiring participation in job-counseling services are successful in part because participants benefit from such services but would not seek them out in the absence of a program requirement.” (Page 25.)

Michaelides and Mueser surmise in both papers that one reason earlier studies showed little or no impact on benefit weeks or employment is that they were assessing small interventions. They note that some early experiments on reemployment for UI claimants involved less intensive services to claimants, or even no positive services. These experiments were instead more focused on reducing benefit payments or perceived claimant fraud than on participants’ reemployment at decent wages. In contrast, the Nevada results are promising because they show that a relatively inexpensive and humane government service saves trust fund money by accelerating claimants’ reemployment at higher wages.

- Marios Michaelides, Eileen Poe-Yamagata, Jacob Benus, and Dharmendra Tirumalesetti. 2012. *Impact of the Reemployment and Eligibility Assessment (REA) in Nevada*. IMPAQ International. [Link](#)

This follow up study was commissioned by USDOL to determine the benefit savings and cost effectiveness of the Nevada REA/RES experiment after the 2011 paper. The report states that “Based on these results, we conclude that Nevada’s system of combining REA services with reemployment assistance into a seamless delivery system is a very effective mechanism for reducing UI duration and for assisting claimants to return to productive employment.” (Page 25.)

- Eileen Poe-Yamagata, Jacob Benus, Bill Nicholas, Hugh Carrington, Marios Michaelides, and Ted Shen. 2011. *Impact of the Reemployment and Eligibility Assessment (REA) Initiative*. IMPAQ International. [Link](#)

Here is the 2011 report’s conclusion: “The results of a rigorous experimental design impact evaluation revealed that REA was effective in three of the four study states (Florida, Idaho, and Nevada). . . . These results provide strong evidence that REA is a cost-effective program. A key finding of the analysis is the substantially larger impacts found in Nevada relative to the other study states. The strong Nevada results may be attributed to the fact that REA treatment group members in Nevada received a combination of REA and RES seamlessly. The Nevada results suggest that the combination of REA and RES services may be more effective than either of these services alone.” (Page 69.)

- Dan A. Black, Jeffrey A. Smith, Mark C. Berger, and Brett J. Noel. 2003. “Is the Threat of Reemployment Services More Effective than the Services Themselves? Evidence from Random Assignment in the UI System.” *The American Economic Review*, Vol. 93, No. 4 (September), pp. 1313-1327.

This study of the Kentucky worker profiling (WPRS) was funded by USDOL. (The title is somewhat sensationalist and refers to only the most theoretical aspects of the paper.) This experiment took place

with the outset of claimant profiling in October 1994 through June 1996, a time of a strong labor market in Kentucky. The authors were able to take advantage of the fact that they had influence in the design of Kentucky's WPRS program. Under WPRS, claimants are assigned scores by an algorithm with the higher scores predicting that a claimant was more likely to exhaust UI benefits. Since the state assumed when designing WPRS that it did not have resources to provide reemployment services to all individuals with high profiling scores, the agency's profiling system design assigned claimants to get services in order of their descending likelihood of exhausting UI benefits. Those with identical profiling algorithm scores at the point that the agency's capacity to furnish orientation meetings was reached were then randomly assigned to attend an in-person orientation or to the control group. The authors termed these randomly assigned individuals with identical scores as members of "profiling tie groups" and focused their experimental attention on these individuals at the profiling score margin, as opposed to all individuals selected for treatment. In other words, Kentucky's evaluation was focused only impacts on members of these smaller tie groups, rather than all claimants receiving REAs under its WPRS system.

Under Kentucky's WPRS program, claimants received a first check, usually in week 2 of the claim, followed by a week 3 letter advising them that they needed to come in for an in-person meeting which was generally held in week 4. Following the meeting, services did not continue. At the orientation meeting, claimants filled out a questionnaire and were advised of available services. 76.7 percent of claimants attending the meeting were assigned to what the authors term less intensive job search and job preparation activities. Since the authors also report that these "less intensive" activities required up to 6 hours of claimants' time, this "less intensive" characterization appears to include reemployment services that fall above the limits of activities generally deemed as self-service or light touch in most states. Indeed, in many cases, Kentucky's less intensive approach was probably similar to Nevada's RES approach. 13.8 percent of Kentucky claimants received "more expensive, and intensive, education and training programs."

The Kentucky experiment found that those receiving services in conjunction with in-person meetings drew 2.2 fewer weeks of benefits and \$1054 in higher earnings in the year following treatment than the control group. These results for the profiling tie groups in Kentucky are similar to those in the broader 2009 Nevada experiment. A cost estimate found that Kentucky had \$22 costs per individual served with an estimated \$147 reduction in UI payments.

- Sherry Almandsmith, Lorena Ortiz Adams, and Han Bos. 2006. *Evaluation of the Strengthening the Connections between Unemployment Insurance and One-Stop Delivery Systems Demonstration Project in Wisconsin, Final Report*. Berkeley Policy Associates. Employment and Training Administration Occasional Paper 2006-11. [Link](#)

This is a USDOL funded demonstration of enhanced UI eligibility screening with two combinations of job search assistance assigned based upon results of WPRS claimant profiling between July 2003 and December 2005. Claimants profiled as less prepared for job search were required to participate in comprehensive job search assistance while those identified as having better job search skills or more transferable skills received so-called "light touch" job search assistance.

The Wisconsin evaluation was not a random assignment experiment, but measured the outcomes for participants against a statistically-similar comparison group that was assembled from claimants in

adjoining zip codes to those offices where job search assistance (JSAs) were furnished. Overall, comparing both treatment groups to the comparison group, UI duration was a 0.6 week shorter and UI benefits were reduced by \$147. Taking only those in the group receiving more intensive JSAs, UI duration fell by nearly a week and UI benefits were reduced by \$233. (Figure 3.9.) Since this treatment group was statistically likely to have more difficulty finding a job, this Wisconsin result confirms that JSAs can help individuals find work faster by using fairly standard reemployment tools.

- Walter Corson and Joshua Haimson. 1996. *New Jersey Unemployment Insurance Reemployment Demonstration Project: Six Year Follow-up and Summary Report*. U.S. Department of Labor UI Occasional Paper 96-2. [Link](#)

This is the final paper sponsored by USDOL on this 1986-87 demonstration of three variations of job search assistance for dislocated workers. Up to 6 years of follow up data was available for this analysis. This experiment focused on identifying dislocated workers (at least 25 years of age with 3 or more years with an employer prior to layoff) and furnishing them with services earlier in their claim period (rather than waiting until nearer to benefit exhaustion). Dislocated worker claimants were assigned to a control group or to one of three experimental treatments. The three treatments were a) job search assistance alone, b) job search assistance combined with relocation assistance or training, and c) job search assistance combined with a reemployment bonus (cash payment for reemployment prior to benefit exhaustion). Impacts for these groups were then compared to those in the control group.

All three forms of intervention began with an orientation and testing (usually in week 5), followed by five half-day job search workshops (week 6), and finally, an in-person session (week 7). For those selected for the two “job search assistance plus” options, either training or relocation OR a cash bonus amounting to half of the remaining UI benefits was presented to those participants at their individual session. The study found that in the first year all 3 forms of JSA reduced weeks of UI payments—a half week for those with JSA only and JSA plus training/relocation—and a bit less than 1 week for those offered the reemployment bonus (19 percent of those offered the bonus received it). A similar pattern was found for earnings, with JSA only participants having \$235 higher earnings (\$9071 as compared with \$8836 for the control group) in year 1; \$109 higher earnings for those receiving JSA plus training/relocation; and \$379 greater earnings for the JSA plus bonus participants. Over the full 6 years, JSA only participants had \$1152 higher earnings than the control group, while JSA plus training/relocation recipients had \$232 more in wages, and those in the JSA plus bonus group had earnings \$874 over the control group.

In summary, the New Jersey experiment again showed that an intensive JSA experiment focused on dislocated workers (in other words, permanently separated individuals) saved UI benefit payments and modestly increased earnings of participants. The findings of increased earnings in New Jersey, as elsewhere, is evidence that these services were increasing the quality of job matching rather than simply forcing claimants off UI benefits. In the long run, we can expect that focusing RESEAs mostly on shorter benefit UI durations will have a deleterious impact on a state’s economy by putting claimants into jobs less suited to their skills and experience, resulting in shorter job tenures and lower earnings.