New Evidence from Five States on the Impacts of State Workforce Programs

New evidence has just arrived showing positive impacts from ‘reemployment’ programs administered by state workforce agencies and their local partners. Two separate research studies involving five states, each using a rigorous research design, find Reemployment and Eligibility Assessment (REA) programs for Unemployment Insurance (UI) claimants are impactful investments, yielding UI program savings and increasing claimant employment and earnings. These results confirm what state workforce agencies know: reemployment programs are an important component of a larger workforce development strategy that also includes expanding education and skills acquisition opportunities for youth, dislocated workers, and workers with barriers to employment.

First, let’s focus on results coming out of the State of Nevada. Studies during the Great Recession found that Nevada’s REA program was an effective intervention to increase claimants’ employment and reduce UI duration. Congress subsequently increased funding to states to scale up their reemployment programs, on the basis of this evidence and earlier studies. A new March 2020 interim report on the Nevada model during the 2014-2015 period finds significant impacts on UI duration and on participant earnings even during a much stronger labor market, including a 23 percent reduction in the rate at which UI claimants “exhaust” regular benefits. The researchers at Impaq International conclude the Nevada REA program is “at least as effective during periods of moderate unemployment as it is during recessions. The program led to significant reductions in UI duration, yielding substantial benefit savings, suggesting that it facilitated the quick exit of participants from the UI system. These effects were accompanied by large effects on participant earnings, indicating that the program either helped participants to obtain employment or helped those who obtained employment to find better jobs, or both.”

Adding to the evidence base, a recently-released study by Abt Associates, which tested REA programs in Indiana, New York, Washington, and Wisconsin, finds that REA reduced UI duration an average of about 1.3 weeks. The report concludes the REA program design appears to accomplish this without undermining average earnings levels; in fact, average earnings increased. The report also finds that impacts stem from two aspects of the program: providing claimants reemployment services and enforcing claimants’ required attendance at a meeting where services are delivered and eligibility for benefits is reviewed. By reading the full report and summary, you will find more detailed information on how results vary based on participant characteristics and program components. For example, the report finds little impact from using a statistical model to select claimants for services versus using a random selection process. Also, New York State provided some claimants more intensive reemployment assistance in the form of subsequent in-person meetings. In that state at least, “[o]ffering multiple meetings was a large and relatively expensive change in the REA program, and it led to substantially larger impacts on UI duration.”

Kudos to the state workforce agencies participating in these rigorous research efforts. Of course, many interesting questions remain about which variations in reemployment program components will yield the most benefits. Some key areas for additional study will be:

- How do we design high-impact staff-assisted reemployment sessions for a virtual environment?
- What reemployment services components are most impactful, and how does impact vary with the relative intensity of services provided?
- What meeting attendance policies or strategies yield the biggest impacts on claimant employment and earnings?
- How do impacts vary across subgroups and what are effective strategies for targeting reemployment services when resources are limited?

New federal legislation in 2018 provided states increased, and more stable, funding to implement and evaluate reemployment strategies, although more will be needed given the current economic crisis. Large numbers of UI applications mean that workforce agencies face immediate priorities getting UI applications processed. But reemployment efforts are an ongoing need serving both America’s jobseekers and businesses, and these and other workforce strategies will be an increasing national priority in the months to come.