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Abstract

This paper summarizes state unemployment insurance job search policies based on a recent survey of states by the National Association of State Workforce Agencies. It then reviews research results on the effects of reemployment services on durations of insured unemployment. The paper documents how state administrative practices have changed and questions whether these changes may have affected monitoring of claimant compliance with work search requirements. Since state policies on job search and service referral can affect insured durations of unemployment, these policies can also affect the measured total unemployment rate.

This paper reflects the opinions of the authors and does not necessarily reflect the positions or viewpoints of the W.E. Upjohn Institute for Employment Research or the U.S. Department of Labor.

I. BACKGROUND

Ever since the federal–state unemployment insurance (UI) system was implemented following enactment of the Social Security Act in 1935, reemployment of claimants has been an important emphasis of the program. This paper examines whether UI requirements for job search and mechanisms connecting UI claimants with reemployment services tend to shorten insured unemployment durations. We summarize evidence from a 2003 survey of all state UI programs conducted by the National Association of State Workforce Agencies (NASWA).[1] We also present existing research evidence about the effect of job search policies and interventions on the duration of insured unemployment. While the size of the estimated impacts differ, the consistent finding is that both UI work search requirements and reemployment services tend to shorten insured unemployment durations by speeding return to work.

There is significant variation across the states in many aspects of UI program design. All state UI programs provide partial wage replacement to eligible claimants for a period up to six months to workers who become unemployed through no fault of their own.[2] State rules establish initial eligibility conditions defining acceptable conditions for job separation and the degree of prior labor force attachment. Workers who quit their jobs or who were justly dismissed for cause are normally denied initial eligibility for benefits. To continue collecting jobless compensation, UI claimants who do initially qualify for benefits must demonstrate on a week-to-week basis that they

[1] The National Association of State Workforce Agencies (NASWA) conducted a survey of state unemployment insurance job search policies in 2003. They received responses from all 50 states and two other jurisdictions, the District of Columbia and Puerto Rico; the survey did not include the Virgin Islands, which also has an unemployment insurance program. All 53 of these jurisdictions will be called "states" in this article. The full report on this survey is Christopher J. O'Leary. 2004. "UI Work Search Rules and Their Effect on Employment," prepared for the Center for Employment Security Education and Research. Washington, DC: NASWA (February). <http://www.workforceatm.org/sections/pdf/2004/UI_Work_Search.pdf>. Accessed April 22, 2005.

[2] Entitled duration of regular benefits can be as long as 30 weeks in both Massachusetts and Washington state depending on recent employment and earnings.

are able and available for work and are actively seeking a job. State rules requiring job search by UI claimants are commonly called the "UI work test."

UI as social insurance includes elements common to both private insurance and social welfare. For the risk of unemployment to be insurable, the loss of employment must be an unavoidable event. To maintain the insurance character of the UI program, workers who voluntarily separate from employment are denied initial eligibility for cash benefits. Monitoring to ensure that job separations were involuntary and an active search for work is pursued reduces a potential insurance problem of "moral hazard," wherein the insured person controls the risk of exposure to occurrence of the event insured against.

UI is a national program operated by the states under federal administrative requirements. The UI program pays benefits to a substantial minority of unemployed workers, and benefits are large enough to have an effect on their reemployment behavior.[3] For fiscal year 2006, it is expected that 9 million beneficiaries will collect over $37 billion in benefits, with an average duration of more than 15 weeks. Both the statutory rules requiring an active job search and the provision of reemployment services can have a significant effect on the length of compensated duration. Since typically 40 percent of jobless workers qualify for UI compensation, measures to reduce insured durations of unemployment can also significantly reduce the population estimate of unemployment as measured by the Current Population Survey.

UI administrative procedures also have an impact on the pace at which UI beneficiaries return to work. Some of these procedures have changed dramatically over the past decade. During

[3]The consensus estimate is that a 10 percent increase in the wage replacement rate provided by UI would increase the insured duration of joblessness by about one week. For a summary of research on this issue see Paul T. Decker. 1997. "Work Incentives and Disincentives," in *Unemployment Insurance in the United States: Analysis of Policy Issues*, Christopher J. O'Leary and Stephen A. Wandner, editors. Kalamazoo MI: W.E. Upjohn Institute for Employment Research, pp. 285-320.

that time states have dramatically increased the extent to which they take initial and continued claims over the telephone and through the Internet. The switch from one-on-one in person claims taking in employment security offices reduces the chance that UI claimants will be quickly involved in reemployment services at one-stop centers. Additionally, the number of states that systematically review work search activity and refer UI claimants to reemployment services through eligibility review programs (ERPs) has declined over time.

Two institutional changes have operated to counter the distancing from reemployment services resulting from technological change in claims administration. The Worker Profiling and Reemployment Services (WPRS) system, established by a 1993 federal law, requires states to refer UI claimants at risk of long-term joblessness to mandatory reemployment services. The Workforce Investment Act (WIA) of 1998 established one-stop centers that provide universal access to core and intensive reemployment services.

Labor market conditions have also changed substantially in the last decade. Workers who are designated by their separating employer as likely to be recalled to work are usually excused from the work search requirement, and they are not referred to reemployment services. However, the proportion of UI claimants who are on permanent layoff has increased dramatically, while the share on temporary layoff expecting recall has diminished. The proportion of permanent layoffs among the insured unemployed has increased from 0.451 in the 1970s to 0.489 in the 1990s, while the proportion on temporary layoff has declined from 0.141in the 1970s to 0.138 in the 1990s.[4] Since 2001 the majority of unemployed job losers have been permanently separated from their prior

[4] See Wayne Vroman and Stephen Woodbury. 2004. "Trend and Cycle of Unemployment Insurance and the Employment Service," paper presented at Workforce Innovations 2005, Research Showcase, hosted by the Office of Policy Development and Research, Employment and Training Administration, U.S. Department of Labaor, Philadelphia, PA, July 11–13, 2005.

employers. This fact partly explains why UI claimants now have longer unemployment durations. It also increases the potential benefit of work search requirements and reemployment services to get UI beneficiaries back to work more quickly.

II. JOB SEARCH RULES AND REEMPLOYMENT SERVICES

The 2003 NASWA survey of state employment security agencies covered the following seven topics: 1) the current method of taking initial and continued UI claims, 2) the method of administering the UI work test, 3) the requirements for demonstrating an active job search, 4) reasons UI claimants are excused from the work search requirement, 5) the requirements for job search contacts with employers, 6) the method of validating active work search and identifying cases where suitable work is refused, and 7) the method of connecting UI beneficiaries with reemployment services. We will examine each in turn.

Throughout the history of the UI program, there has been a strong focus on reemployment. The UI work test has been a critical component of the reemployment process. The work test normally requires both initial job registration with the public employment service and ongoing weekly job search contacts with potential employers. The work test depends upon a series of rules that are embodied in state laws and administrative rules, and the methods and technology used to take UI claims.

The operational aspects of state UI work search requirements have changed dramatically in the last decade, in response to a sea change in the way UI claims are taken. Until recently, most new initial claims were taken one-on-one in person at employment security offices, with some mass applications made by employers on behalf of workers when a large number of workers were laid off

at one time. Continued claims for weekly benefits were usually submitted by mail; however, some states required continued claims to be filed in person at local offices. Certification of required job search activity was required in writing. By contrast, today, in most states new UI claims are taken over the telephone or the Internet. Furthermore, the most common mechanism for continued claim certification is by using automated touch tone telephone systems. Using these systems, claimants indicate that they met the job search requirement for contacting employers in the past week or two by pressing a telephone button.[5]

The claims taking process describes how claimants interact with the UI administering agency in each state. UI claimants now have little contact with staff at the one-stop centers. A large-scale movement to telephone claims taking began in the mid-1990s and to Internet claims taking in the late 1990s. Today the transition is nearly complete for telephone claims taking: 40 states take initial claims over the telephone, 10 are planning or implementing, and only 3 have no plans. For continued claims, 47 states use telephone systems, 5 are planning or implementing phone systems, and only 1 state has no plans to move in that direction. Because of a later start and newer technology, Internet claims taking is less widespread: 37 states accept initial UI claims over the Internet, 13 are planning or implementing, and 3 have no plans. For continued claims, 29 states are taking claims by Internet, 18 are planning or implementing, and 6 states have no plans (see Table 1).[6]

[5] Colorado was the first state to switch from in-person to telephone claims taking, beginning in April 1991. The U.S. Department of Labor did not decide to support such automated claims taking in until June 1995 when it issued a policy position: "...the Department believes that [state employment security agencies] SESAs should move toward fully implementing telephone claims taking or other electronic methods of filing..." See Unemployment Insurance Program Letter 35-95. The Department began awarding grants for converting to telephone claims in 1996 and to Internet claims in 1998.

[6] <http://www.itsc.org/info_tech/infotech.asp> Accessed December 13, 2004.

Once initially eligible, to continue collecting weekly UI benefits claimants must be able, available, and actively seeking work. In practice, being able to work is demonstrated in most cases by the filing of a UI claim and registration for work with the public employment service (PES). In the past, claims takers could make an assessment of ability to work when they met with a claimant face-to-face. The same can not be done today with telephone or Internet claims. Availability for work means being ready, willing, and able to work. Registration for job search at the public employment service also provides some evidence of work availability.

The requirement for actively seeking work calls for action beyond job search registration. All states except Pennsylvania, require by statute or administrative rule that claimants be seeking work or making a reasonable effort to find work. Pennsylvania only requires that workers be able and available for suitable work. Ten states require active seeking of work by administrative rule only: Alaska, Arizona, Mississippi, Nebraska, Nevada, New York, Puerto Rico, South Dakota, Tennessee, and Texas.[7]

Most states require initial registration for job search with the PES and then regular use of job search services, including participation in job interviews with employers based on job referrals made by the PES to what is considered to be suitable work. Forty states require continuous, active job search, while 12 states do not. Even among the states that do require continuous search for work, this requirement is waived under certain circumstances. The survey reveals that the most common reasons for waiving occur when the UI claimant is employer-attached and awaiting recall to a prior job with a definite recall date, a union hiring hall member, or a participant in training approved by the employment security agency commissioner.

[7] See *Comparison of State Unemployment Insurance Laws 2004*, Washington, DC: U.S. Department of Labor, pp. 5-20, 5-23.

Nearly all states waive the work search requirement for workers on temporary layoff with a definite recall date in the near future. Some states specify how soon the recall date must be to waive the requirement. This waiver has been an essential part of the UI program since it was established in 1935, allowing employers to retain their skilled workers during short layoffs, until demand for the firms' products returns and the workers can be rehired. Thus, UI is not intended to break, but rather to preserve, existing employer-worker relationships.

Workers who find their jobs through union hiring halls are also commonly excluded from the work search requirement. These workers are not expected to search for work independently as long as they are registered with the placement service of their union hiring hall.

Workers are also excluded from the work search requirement for weeks during which they are enrolled in training approved by the state UI agency. States are required by federal UI law to have an exemption from the work search requirement for training in their state UI law, as a way to encourage participation in training.

Taken together, the exemptions for participation in training and for seeking work through union hiring halls affect only a small fraction of UI beneficiaries. The exemption for having a definite recall date affects a much greater share of claimants, but it appears to be declining in importance in recent decades as more workers losing their jobs are on permanent layoff and smaller proportions are subject to recall.

State UI programs can assure continuous search for work by instituting formal requirements for making contacts with potential employers each week. States have moved away from strict numerical requirements for contacts; only about 30 percent of states require one or more contacts per week. This decline is in part because employers do not want repetitive and burdensome

employment applications that are filed, in part, to meet the UI work search requirements. However, more vague requirements make it more difficult to assess whether the state is enforcing this requirement under the UI quality control program.[8] Instead of a fixed number of employer contacts, the most common rule now is to make a number of employer contacts each week that is "customary for the occupation." Such a standard is difficult to enforce. Another common form of the rule requires "reasonable and diligent" job search. Several states allow the number of contacts required to be customized "as directed." Less than 20 states still require a fixed number of employer contacts per week. For example, Arkansas requires between two and five contacts, while Iowa requires two per week. Most states that set a fixed number of contacts require only a single employer contact each week.

Making employer contacts a condition for continued UI eligibility does not necessarily mean that contacts are in fact made. States have methods for validation of required contacts. Some states require that claimants keep a log of their contacts, which must be submitted upon request to the UI agency. Others require a written declaration on a signed continued claims form, which is submitted to the agency. A few states responding to the NASWA survey indicated that a state eligibility review program (ERP) assures continuous search. A state ERP sets a standard schedule for continuing UI claimants to visit the employment security agency in person to review personal efforts toward reemployment. Some states mentioned that their benefits quality control (BQC) audits were a means of validating compliance with the rules. However, less than a dozen states have ERPs, and the BQC program only audits about 500 claims per year in each state.

[8] Burman Skrable. 1997. "Fraud, Abuse, and Errors in the Unemployment Insurance System," in *Unemployment Insurance in the United States: Analysis of Policy Issues*, Christopher J. O'Leary and Stephen A. Wandner, editors. Kalamazoo MI: W.E. Upjohn Institute for Employment Research, p. 449.

On the positive side, all states offer job search assistance (JSA) to UI claimants. The most common form of JSA cited by respondents to the NASWA survey was indicated as that offered in conjunction with workshops offered as part of the Worker Profiling and Reemployment Services (WPRS) process. WPRS identifies dislocated workers who are most likely to exhaust their entitlement to UI benefits, and quickly refers them to reemployment services. Another source of JSA identified in responses to the NASWA questionnaire was WIA "core" services provided to workers at one-stop career centers, including labor market information, job referrals, resume preparation assistance, and interviewing skills training.

The only two systematic approaches to promoting reemployment mentioned in state responses to the survey were WPRS and ERP. Given that WPRS serves a small portion of UI claimants and ERPs are only provided in a small number of states, the systematic connection of UI beneficiaries with job search assistance is rather weak. That being said, a considerable portion of UI beneficiaries receive reemployment services in the form of core and "intensive" services in one-stop career centers, whether because they seek services on their own or because they register with the public employment service. The extent of the receipt of reemployment services is explored in the next section.

III. USE OF CORE AND INTENSIVE SERVICES BY UI CLAIMANTS

A sizeable share of UI claimants receive some reemployment services from the workforce development system's one-stop centers. For example, during program year (PY) 1999, across the United States, PES had 16.7 million registrants, of whom 6.2 million were UI claimants. Of the 6.2 million UI claimants who registered with the PES, 55.4 percent received some reportable service.

Among those receiving services the most popular were referral to a job interview (48 percent) and JSA (71 percent). The observed usage rate for JSA is enhanced by the compulsory participation for WPRS referrals. Other core and intensive services are also popular; however, only 3.6 percent of PES registrants and 5.1 percent of UI beneficiaries were referred to job skills training (see Table 2). Viewed another way, a substantial minority of UI claimants receive some reportable PES services. Among the 6.72 million UI beneficiaries in PY 1999, a majority received a reportable service.

The usage of reemployment services by UI beneficiaries can be better appreciated by examining the specific types of services received. Tables 3 and 4 provide information about the core and intensive services that were provided by the Georgia Department of Labor during PY 2000. Of the 254,030 total Georgia UI clients that year, 75 percent (190,705) received at least one core service. The most frequently provided core services were specific labor market information, help searching for a job order, and referral to a job interview.

Many fewer Georgia UI clients received intensive services: 56,340, or 22 percent of all clients. The most frequently provided of these services were counseling and development of customer service plans; each of these services were provided to nearly one-fifth of UI clients. No other intensive services were provided to more than 2 percent of UI clients. As shown in Table 4, the share of UI beneficiaries referred to training was just over 3 percent.

IV. EFFECTS OF RULES AND ADMINISTRATIVE PRACTICES ON INSURED UNEMPLOYMENT DURATIONS

The reemployment services most frequently provided to UI clients are job interview referrals and JSA. This section examines evidence on the effectiveness of reemployment services and work search requirements in promoting return to work. Evaluations of job search services for UI

claimants have focused on three main topics: job interview referrals, JSA, and targeted JSA.[9] The major studies on each of these three topics are summarized separately in Tables 5, 6, and 7. Each of the evaluations used a distinct research design, and some satisfied higher methodological standards than others. Impact estimates differ across the studies because of varieties of methodologies, samples, and time frames used for analysis. Nonetheless, each of the studies adds to our knowledge about the effectiveness of public labor exchange services in the United States.

Taken together, evidence from these studies has helped shape the direction of policy regarding both the UI work test and the public labor exchange in the United States. Research has guided the development of programs for dislocated workers, targeted job search assistance, and institutions for coordination of services. These include the establishment of the WPRS system, one-stop career centers, and state ERPs as part of the UI work test that is administered by UI and one-stop career center staff.

The estimated effects of job interview referrals are summarized in Table 5. Johnson et al. (1993), in the first national evaluation of the PES in the United States, found that job referrals are most effective for women but are also effective for men over 45 years of age and men in urban areas—providing evidence for delivering job placement services to middle-aged, dislocated workers (Johnson et al. 1983; Johnson, Dickinson, and West 1985).

[9] See the two early studies evaluated the effectiveness of counseling provided by the public labor exchange. Benus, Jacob, Arden Hall, Patty Gwartney-Gibbs, Marilyn Coon, Caren Cole, Diane Leeds, and Douglas Brent. 1977. "The Effectiveness of Counseling in the U.S. Employment Service: A Pilot Study," report prepared for U.S. Department of Labor. Johnson, Terry R., C. Eric Muson, Samuel Weiner, Asi Cohen, Marilyn L Coon, and Susan E. McNicoll. 1981. "Findings from a Survey of the U.S. Employment Service Counseling Program," Report prepared for the U.S. Department of Labor. Both studies found "no significant impact of counseling on duration of unemployment, earnings or job satisfaction" (Balducchi, David, Terry R. Johnson, and R. Mark Gritz. 1997. "The Role of the Employment Service," in *Unemployment Insurance in the United States: Analysis of Policy Issues*, Christopher J. O'Leary and Stephen A. Wandner, editors. Kalamazoo, MI: Upjohn Institute for Employment Research, p. 485).

A study by Arnold Katz (1991) of PES effectiveness for dislocated workers in Pennsylvania found JSA to be most effective early in a spell of joblessness. The study also found that PES job referrals act as a backstop once job seekers exhaust other avenues of search—evidence that would favor early JSA intervention to dislocated workers—a policy embodied in the WPRS system.

An evaluation by Jacobson and Petta (2000) in Washington and Oregon found ES job placements most effective for those with a strong record of job attachment—providing evidence for JSA as an intervention for dislocated workers. A 2003 study by the same authors found similar results in North Carolina.

Table 6 summarizes evidence from evaluations of JSA. Field studies in South Carolina and Maryland by Corson, Long, and Nicholson (1985) and by Klepinger et al. (1998) found that a stronger UI work test, achieved by requiring reporting of job search contacts and validation of contacts through cooperation between UI and the PES, leads to significantly shorter periods of compensated joblessness. This offers evidence of the importance of an objective and verified job search requirement.

A field experiment in Tacoma, Washington, reported on by Johnson and Klepinger (1991, 1994), found that eliminating both continued-claim filing and the work test leads to dramatically longer spells of compensated joblessness—providing further examples of the importance of UI and PES cooperation in requiring and monitoring job search activity (Johnson and Klepinger 1991, 1994). This study also evaluated JSA and found shorter unemployment durations for those referred to JSA. However, because in most cases UI benefit receipt ended just before JSA was scheduled, the authors speculate that the shorter durations resulted from an effort to avoid the hassle of JSA rather than as a result of the valuable content of JSA services.

In the United Kingdom (UK), UI is administered by their PES and has a uniform initial entitlement duration of 12 months. In 1987, a new program called Restart was introduced nationally. Under Restart, UI beneficiaries nearing six continuous months of benefit receipt were called in for an appointment at their local PES office and were provided with an intensive package of JSA.

An evaluation by Dolton and O'Neill (1996) of the UK Restart program estimated short-term effects similar to those observed by Johnson and Klepinger (1994) in the Tacoma alternative work-search experiment. Both evaluations suggested that there was a modest shortening in the duration of compensated unemployment, and that the invitation for intensive JSA acted more as a prod than as a support for reemployment.

Dolton and O'Neill (2002) conducted a subsequent random assignment field experiment, wherein the treatment group received the standard Restart services when nearing six continuous months of claiming UI, while the randomly selected control group was given the UK's Restart services when approaching 12 continuous months of receiving UI benefits. They found evidence that over the short term required JSA prodded both groups of UI beneficiaries to go back to work, but that over a longer five-year term the group getting JSA support earlier in their jobless spell had measurably higher earnings—a finding that JSA can have valuable content for job seekers.

Evidence from evaluations in Maryland; Washington, DC; and Florida suggests that standardized UI eligibility reviews and JSA are relatively inexpensive to administer and can have a significant effect on reducing periods of compensated joblessness. They therefore tend to be cost-

effective interventions, a result that supports WPRS and state-adopted ERPs (Klepinger et al. 1998; Johnson and Klepinger 1991; Decker et al. 2000).[10]

Results from studies of targeted job search assistance are summarized in Table 7. Evidence from the New Jersey UI Reemployment Experiment indicates that JSA targeted to dislocated workers at risk of long-term unemployment can be a cost-effective intervention and that the treatment can be very simple and structured; these results led directly to WPRS implementation (Corson et al. 1989). Statistical targeting of JSA to those at risk of long-term joblessness was tested in the District of Columbia and Florida through field experiments and offered further support for the cost-effectiveness of targeted JSA (Decker et al. 2000).

Recent evaluations of WPRS indicate shorter jobless durations for program participants (Dickinson et al. 1999). An evaluation of WPRS in Kentucky, applying an experimental design, found that WPRS shortens UI duration by more than two weeks (Black et al. 2003).

All studies evaluating the effectiveness of the PES interventions consistently report low costs per customer served by the public labor exchange. This fact is key to the cost-effectiveness of WIA core services and PES interventions. Even services resulting in a modest reduction in jobless durations show a significant return on public investment when costs are low. Interventions that improve linkages of UI beneficiaries to JSA have the potential to increase the efficiency of state workforce investment systems.

[10] In an interstate study of UI recipiency Vroman and Woodbury (2004, endnote 4) find that states with established ERP programs have shorter durations of compensated unemployment. On the technical support Web site linked to U.S. Department of Labor's Employment and Training Adminstration Web site (www.doleta.gov), under the heading of "best practices," links are provided to descriptions of ERP programs in four states—Florida, Michigan, Tennessee, and West Virginia. Several other states also operate ERP programs. <http://www.itsc.state.md.us/best_practices/eligibility_review_program.htm> Accessed December 13, 2004.

V. CONCLUSIONS

The enforcement of work search requirements and the provision of reemployment services to UI claimants can speed the return to work. With changes in local labor markets that have resulted in more unemployed workers having been permanently laid off without the prospect of recall, there appears to be an increasing need for reasonable work search requirements and available job search assistance.

At the same time, technological developments in UI claims taking have reduced the interaction between of the UI program staff and jobless workers, thereby reducing a monitoring aspect of the work test and reducing personal referrals to reemployment services. Offsetting this trend is the universal availability of core services under the WIA system since 2000. Another institutional change having a countervailing impact is referral to reemployment services through the Worker Profiling and Reemployment Service system for claimants most likely to exhaust their entitlement to regular UI benefits.

Two efforts now under way may shed further light on how work search requirements and JSA affect the duration of insured unemployment: 1) Reemployment and Eligibility Assessment (REA) programs, and 2) a Wisconsin reemployment demonstration. Both projects strengthen work search enforcement and linkages to reemployment services. The REA initiative is a U.S. Department of Labor demonstration project with a budget of $20 million to provide assistance to states establishing new or significantly revamped REA programs. REAs are an eligibility review program, run within the UI program without the participation of one-stop center staff. REA efforts are being implemented in 21 states in 2005. Federal funds for REAs were appropriated with the

proviso that research would be conducted in the pilot states to learn if REAs can be a model for shortening jobless durations and reducing insured unemployment.[11]

Another promising approach is embodied in the ambitious Wisconsin demonstration project, also sponsored by the Employment and Training Administration of the U.S. Department of Labor, which brings UI and one-stop center staff together to provide reemployment services and eligibility reviews in the one-stop center. In this cooperative operations model, UI staff are outstationed in the one-stop centers. The Wisconsin demonstration, with its quasi-experimental evaluation design, will provide further information about the cost effectiveness of such programs.

Evaluations of the UI work test and JSA summarized in this paper suggest these efforts have tended to shorten insured durations of unemployment. These have been cost-effective policies in the United States. Studies in other countries reach similar findings. A common theme is that despite modest response, the low cost of such interventions mean they tend to yield positive net benefits.[12]

The UI work test and JSA both affect UI beneficiary behavior and speed return to work. Initiatives like the REA for reinvigorating the UI work test and studies like the Wisconsin project investigating new linkages for UI beneficiaries to reemployment services both offer real promise for reduced durations of insured unemployment. In turn, such policies should help lower total measured unemployment.

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[11] See the Employment and Training Administration's Field Memorandum No. 17-04, "Fiscal Year (FY) 2005 Unemployment Insurance (UI) Reemployment and Eligibility Assessment Grants," dated August 12, 2004.

[12] See for example: Peter Auer, Umit Efendioglu, and Janine Leschke. 2005. *Active Labour Market Polices Around the World: Coping with the consequence of globalization*, Geneva: International Labour Organization. This book summarizes nearly 200 studies in industrialized, transition and developing countries and concludes: "All in all, as job-search assistance is the most cost-effective measure, it should be intensively used over all phases of unemployment." (pp. 61-62)

Table 1 Automation of the Unemployment Insurance Claims Process

Number of states by mode of UI claims taking			
Initial claims	Operational	Planning/implementing	Other
Telephone	40	10	3
Internet	37	13	3
Continued claims	Operational	Planning/implementing	Other
Telephone	47	5	1
Internet	29	18	6

SOURCE: Information Technology Support Center <http://www.itsc.org/info_tech/infotech.asp>. Accessed December 13, 2004.

Table 2 Use of Core and Intensive Employment Services, Data for the United States, Program Year 1999

Type of participants	All participants	UI beneficiaries
Total applicants	16,708,228	6,165,645
Received some reportable service	10,943,889	3,415,767
Referred to employment	6,730,492	1,649,816
Received job search assistance	6,707,604	2,428,611
Assessment services provided	1,772,910	659,243
Referred to skills training	393,980	174,204

SOURCE: Selected National Public Labor Exchange Data National Summary. Accessed from <http://www.uses.doleta.gov/arp01/appsus.asp> on December 14, 2004.

Table 3 Provision of Core Services to All Georgia UI Clients (Sample Size = 254,030), Benefit Year Core Service Participation, July 1, 2000 through June 30, 2001

Services	Total participants	Participation rate
Job referral	75,258	0.296
Order search	128,993	0.508
Job search planning	66,389	0.261
Service needs evaluation	82,063	0.323
Orientation	67,026	0.264
ERP	66,378	0.261
Specific LMI	157,715	0.621
Resume preparation	16,251	0.064
Workshops	50,158	0.197
Job search assistance	52,404	0.206
Call-in	15,213	0.060
Job development	14,045	0.055
Job finding club	196	0.001
Test	1,331	0.005
Bonding assistance	362	0.001
Profiling	41,548	0.164
CAP	59,379	0.234
Total core services	190,705	0.751

SOURCE: Georgia Department of Labor.

Table 4 Provision of Intensive Services to All Georgia UI Clients (Sample Size = 254,030), Benefit Year Intensive Service Participation, July 1, 2000 through June 30, 2001

Services	Total participants	Participation rate
Service coordination	1,224	0.005
Customer service plan	44,407	0.175
Counseling	47,550	0.187
Expanded workshop	2,091	0.008
Referral to support services	5,122	0.020
Training (includes referral only)	7,855	0.031
Total intensive services	56,340	0.222

SOURCE: Georgia Department of Labor.

Table 5 Studies on the Effectiveness of Job Interview Referrals

Authors (year published)	Title	Design	Sample	Findings
Johnson, Terry R., Katherine P. Dickinson, Richard W. West, Susan E. McNicoll, Jennifer M. Pfiester, Alex L. Stagner, and Betty J. Harris (1983)	A National Evaluation of the Impact of the United States Employment Service	P1: ES job referral P2: Early ES job referrral C: Registered but received no services	National: 30 offices in 27 states July 1980 to May 1981 8,000 ES applicants	P1: 23** percent earnings gain for all women, UI claimants and non-claimants. Nil impacts for men. P2: Large earnings gains for women, modest earnings gains for men. Among men, bigger effects for men over 45 and in urban areas. Comments: Displacement effects possible. Results not affected by selectivity bias correction. Comparison group advantaged.
Katz, Arnold (1991)	The Length of Joblessness and the ES with Special Reference to Philadelphia and Pittsburgh, Pennsylvania, 1979–1987.	P1: ES placements P2: ES job referral C: No ES services	Pennsylvania: 1979–1987 5% sample of UI recipients, 16,470 jobless spells	P1: Reductions in duration of joblessness increased with time delay in applying for ES. Up to −23.7** weeks. P2: Reductions in duration of joblessness increased with time delay in applying for ES. Up to −20.5** weeks. Similar impacts in combination with JSA. Comments: Control for delay in application, ES as a backstop, JSA most effective early.
Jacobson, Louis, and Ian Petta (2000)	Measuring the Effect of Public Labor Exchange (PLX) Referrals and Placements in Washington and Oregon.	P1: Job placements C1: Job referrals P2: Job referrals C2: Not referred	Washington: Survey of 587 during 1998 administrative data on 328,815 spells, 1987 to mid-1995 Oregon: administrative data on 138,280 spells during 1995.	Washington survey data: P1: strong work record −7.2 weeks, weak work record −3.8 weeks Washington administrative data: P1: −7.7 weeks. P2: −2.1 weeks Oregon administrative data: P1: −4.6 weeks. P2: −1.1 weeks

SOURCE: Christopher J O'Leary. 2004. " Evaluating the Effectiveness of Labor Exchange Services." In *Labor Exchange Policy in the United States*, David E. Balducchi, Randall W. Eberts, and Christopher J. O'Leary, eds. Kalamazoo: W.E. Upjohn Institute for Employment Research.
NOTE: P: participant group, C: comparison group. B/C: benefit-cost ratio.
* (**) Statistically significant at the 90 (95) percent confidence level in a two-tailed test.

Table 6 Studies on the Effectiveness of Job Search Assistance

Authors (year published)	Title	Design	Sample	Findings
Corson, Walter, David Long and Walter Nicholson (1985)	Evaluation of the Charleston Claimant Placement and Work Test Demonstration	T1: Stronger work test T2: T1 plus enhanced placement services T3: T2 plus JSW C: Customary work test	Charleston, SC: February to December 1983 T: 4,247 C: 1,428	T1: −0.55* weeks UI T2: −0.61** weeks UI T3: −0.76** weeks UI Impacts greater on men and construction workers.
Johnson, Terry R., and Daniel H. Klepinger (1991)	Evaluation of the Impacts of the Washington Alternative Work Search Experiment	T1: Exception reporting T2: New work search policy T3: Intensive services C: Existing work search policy	Tacoma, WA: July 1986 to August 1987 T: 6,763 C: 2,871	T1: +3.34** weeks UI T2: +0.17 weeks UI T3: −0.47* weeks UI Exits increased preceeding required service participation.
Klepinger, Daniel H., Terry R. Johnson, Jutta M. Joesch, and Jacob M. Benus (1998)	Evaluation of the Maryland Unemployment Insurance Work Search Demonstration	T1: Report four employer contacts weekly T2: Two contacts required weekly, but no reporting T3: Report 2 contacts weekly plus a 4-day JSW T4: Report two contacts weekly and both verified C1: Standard policy: report two contacts weekly but contacts not verified C2: Standard policy, but told data was to be used in an evaluation study	Maryland, six offices January 1, 1994 to December 31, 1994 Combined sample: 23,758 monetarily eligible new initial UI claimants	T1: −0.7** weeks UI T2: +0.4* weeks UI T3: −0.6** weeks UI T4: −0.9** weeks UI Impacts identical against either control group, suggesting no Hawthorne Effect present. Treatments 1, 3 and 4 had no earnings impact. Treatment 2 raised earnings by 4** percent.
Dolton, Peter, and Donal O'Neill (2002)	Effects of Unemployment Monitoring and Work-Search Programs in the UK	T: Restart program in UK: Call-in and intensive JSA after 6 continuous months on claim. C: No Restart program, JSA after 12 months	UK Employment Service: Inflow in 1989, tracked for five years T: 7,462 C: 472	T: Short term: shorter durations for both males and females. Long term: males had unemployment rates 6 percentage points lower after 5 years. No difference for females.

SOURCE: Christopher J O'Leary. 2004. " Evaluating the Effectiveness of Labor Exchange Services." In *Labor Exchange Policy in the United States*, David E. Balducchi, Randall W. Eberts, and Christopher J. O'Leary, eds. Kalamazoo: W.E. Upjohn Institute for Employment Research.

NOTE: T: experimental treatment group, C: experimental control group, JSW: job search workshop; * (**) Statistically significant at the 90 (95) percent confidence level in a two-tailed test.

Table 7 Studies on the Effectiveness of Targeted Job Search Assistance

Authors (year published)	Title	Design	Sample	Findings
Corson, Walter, Paul T. Decker, Sherri M. Dunstan, Anne R. Gordon, Patricia Anderson and John Homrighausen (1989)	New Jersey Unemployment Insurance Reemployment Demonstration Project	T1: JSA T2: JSA plus training or relocation assistance T3: JSA plus a cash bonus C: Eligibility: first UI payment, age, tenure, temporary layoffs, union	New Jersey: July 1986 to June 1987 T: 8,675 C: 2,385	T1: −0.47** weeks of UI T2: −0.48** weeks of UI T3: −0.97** weeks of UI 6 Year T1: −0.76 weeks of UI 6 Year T2: −0.93 weeks of UI 6 Year T3: −1.72** weeks of UI
Decker, Paul T., Robert B. Olson, Lance Freeman and Daniel H. Klepinger (2000)	Assisting Unemployment Insurance Claimants: The Long-Term Impact of the Job Search Assistance Demonstration	T1: Structured JSA T2: Individualized JSA T3: T2 plus training C: Not on standby or a union hiring hall member, and predicted likely to exhaust UI entitlement	DC and Florida DC: June 1995 to June 1996 8,071 claimants FL: March 1995 to March 1996 12,042 claimants	DC T1: −1.13** weeks of UI DC T2: −0.47** weeks of UI DC T3: −0.61** weeks of UI FL T1: −0.41** weeks of UI FL T2: −0.59** weeks of UI FL T3: −0.52** weeks of UI
Dickinson, Katherine P., Paul T. Decker, Suzanne D. Kreutzer, and Richard W. West (1999)	Evaluation of Worker Profiling and Reemployment Services: Final Report	P: WPRS-profiled and referred to early JSA. C: Profiled but not referred (not on standby or a union hiring hall member)	CT, IL, KY, ME, NJ, SC: July 1995 and December 1996. P: 92,401 C: 295,920	CT: −0.25** weeks of UI IL: −0.41** weeks of UI KY: −0.21* weeks of UI ME: −0.98** weeks of UI NJ: −0.29** weeks of UI SC: 0.02 weeks of UI
Black, Dan, Jeffrey Smith, Mark Berger, and Brett Noel (2001)	Is the Threat of Reemployment Services More Effective than the Services Themselves? Experimental Evidence from the UI System	T: WPRS-profiled and referred to early JSA reemployment services C: Profiled and in the same UI exhaustion cohort as T, but not referred to JSA	Kentucky October 1994 to June 1996 T: 1,236 C: 745	In the benefit year T: −2.2 weeks of UI, T: −$143 in UI benefits T: $1,054 earnings

SOURCE: Christopher J O'Leary. 2004. " Evaluating the Effectiveness of Labor Exchange Services." In *Labor Exchange Policy in the United States*, David E. Balducchi, Randall W. Eberts, and Christopher J. O'Leary, eds. Kalamazoo: W.E. Upjohn Institute for Employment Research.

NOTE: T: experimental treatment group, P: participant group, C: experimental control group or comparison group, JSW: job search workshop.

* (**) Statistically significant at the 90 (95) percent confidence level in a two-tailed test.