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Reemployment of Claimants for Unemployment Insurance

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October 7, 2004

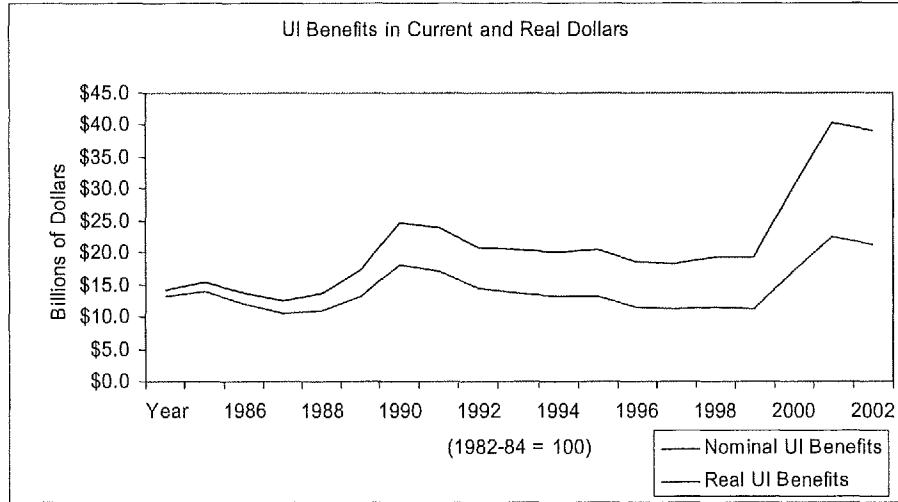
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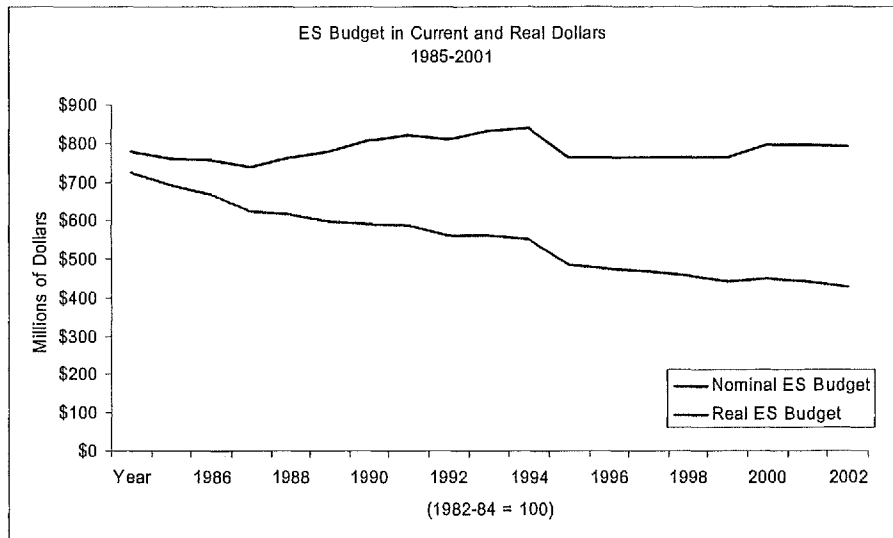
Outline

- Trends in UI and Claimant Services
- Background
- State UI Job Search Rules
- Use of Employment Services
- Effects of UI Job Search Rules
- Current Policy Issues
- New Research Efforts

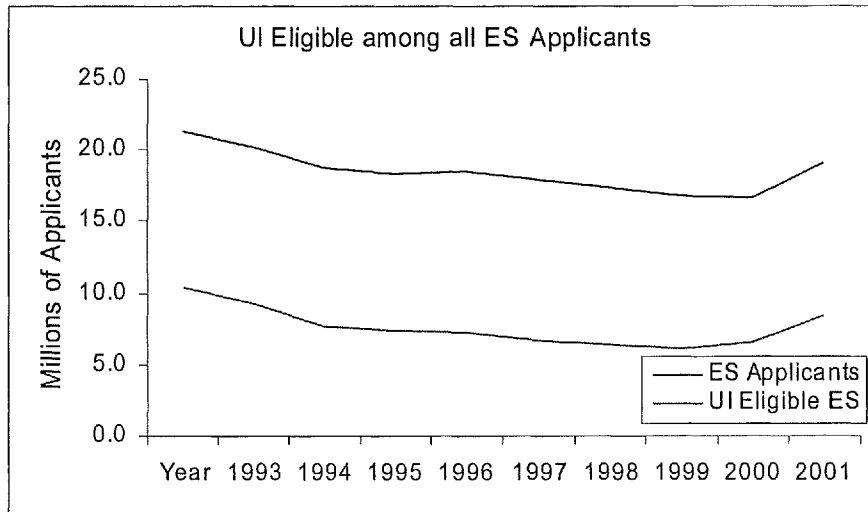
UI Benefit Payments



Employment Service Appropriations



UI Eligible among ES Applicants



Background

- Unemployment must be insurable
- Conditions of job separation
- An active search for reemployment
- Benefits accuracy measurement
- Automation of the claims process
- The National Association of State Workforce Agencies (NASWA) questionnaire on UI Work Search

Automation of the Claims Process

Number of States by Mode of UI Claims

Initial	Operational	Planned	Other
Telephone	40	10	3
Internet	36	14	3

Continued	Operational	Planned	Other
Telephone	47	5	1
Internet	28	19	6

The NASWA questionnaire asked for:

1. The provisions dealing with job search requirements in state law.
2. Descriptions of policies and procedures for enforcing job search requirements.
3. Descriptions of job search assistance provided to UI claimants.

Commonalities in State UI Job Search Requirements:

- Registration for job search with the Employment Service (ES)
- Exemption from the job search requirement
- Regular employer contacts are required in many states
- State practices for validation of required employer contacts
 - Eligibility Review Program (ERP)
 - Benefits Accuracy Measurement (BAM)
- Other means of job search assistance (JSA)

Other means of job search assistance (JSA)

- Worker Profiling and Reemployment Services (WPRS)
- One-stop Core services
 - Labor market information (LMI)
 - Job referrals (interviews)
 - Resume preparation
 - Interviewing skills
- Outside of WPRS and ERP, no systematic methods for linking UI beneficiaries with reemployment services were mentioned

Use of Employment Services Data for the U.S. (PY) 1999

	ES	UI
Total	16,708,228	6,165,645
Received some reportable service	65.5%	55.4%
Referred to employment	61.5%	48.3%
Received job search assistance	61.3%	71.1%
Assessment services provided	16.2%	19.3%
Referred to skills training	3.6%	5.1%

Use of Intensive Services

All Georgia UI Clients (Sample Size = 254,030)
Benefit Year Intensive Service Participation Rates
Inflow: July 1, 2000 through June 30, 2001

Service	Total Participants	Participation Rate
Service Coordination	1,224	0.005
Customer Service Plan	44,407	0.175
In-Depth Assessment	.	.
Counseling	47,550	0.187
Expanded Workshop	2,091	0.008
Ref to Support Services	5,122	0.020
Training (includes referral only)	7,855	0.031
Total Intensive Participants	56,340	0.222

Use of Core Services

All Georgia UI Clients (Sample Size = 254,030)
Benefit Year Core Service Participation Rates
Inflow: July 1, 2000 through June 30, 2001

Service	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
Orientation w/ Workshop	.	.
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 Participants	190,705	0.751

Use of Intensive and Core Services

UI Benefit Year Service Participation Rates in Georgia
Inflow: July 1, 2000 through June 30, 2001

Services	Total Participants	Participation Rate
All Georgia UI Clients (254,030)		
Intensive	56,340	0.222
Core	190,705	0.751
Profiling Score (179,005)		
Intensive	51,856	0.290
Core	164,187	0.917
No Profiling Score (75,025)		
Intensive	4,484	0.060
Core	26,518	0.354

Research Evidence on the Effects of Job Search Rules and Assistance

- Work test
 - Reporting job search contacts
 - Validation of contacts
 - Job Search Assistance (JSA) and long term effects
- Targeted Job Search Assistance
 - Prior to WPRS
 - WPRS evaluations
- Job interview referrals and placements
- Low cost interventions

Effectiveness of the UI Work Test

Authors (year published)	Design	Impacts on Weeks
Corson, Long and Nicholson (1985) Charleston, SC	T1: Stronger work test T2: T1 plus placement T3: T2 plus JSW	T1: -0.55* T2: -0.61** T3: -0.76**
Johnson and Klepinger (1991) Tacoma, WA	T1: Exception reporting T2: Individual WS rules T3: Intensive services	T1: +3.34** T2: +0.17 T3: -0.47*
Klepinger, Johnson, Joesch and Benus (1998) Maryland	T1: Report 4 contacts T2: 2 but no report T3: 2 plus 4 day JSW T4: 2 contacts verified	T1: -0.7** T2: +0.4* T3: -0.6** T4: -0.9**

Effectiveness of the UI Work Test

Stronger UI work test through validation of contacts
Evidence for interagency cooperation (Corson et al. 1985)

Eliminating continued claim and work test—longer spells
Response to ERI and JSA is invitation effect (Johnson and Klepinger 1991)

Standardized ERI and JSW are inexpensive and effective
Verification of reported contacts is effective (Klepinger et al. 1998)

Effectiveness of Targeted Job Search Assistance

Authors (year published)	Service	Impacts on Weeks	
Corson, Decker, Dunstan and Gordon (1989) New Jersey	T1: JSA	T1: -0.47**	6T1: -0.76
	T2: JSA plus training	T2: -0.48**	6T2: -0.93
	T3: JSA plus a bonus	T3: -0.97**	6T3: -1.72**
Decker, Olson, Freeman and Klepinger (2000) DC and Florida	T1: Structured JSA	DC1: -1.13**	FL1: -0.41**
	T2: Individualized JSA	DC2: -0.47**	FL2: -0.59**
	T3: T2 plus training	DC3: -0.61**	FL3: -0.52**
Dickinson, Decker, Kreutzer, and West (1999) CT, IL, KY, ME, NJ, SC	P: WPRS profiled and referred to early JSA	CT: -0.25**	ME: -0.98**
		IL: -0.41**	NJ: -0.29**
		KY: -0.21*	SC: 0.02
Black, Smith, Berger and Noel (2001) Kentucky	T: WPRS profiled and referred to early JSA	T: -2.2 weeks of UI, T: -\$143 UI benefits T: \$1,054 earnings	

Effectiveness of Targeted Job Search Assistance

JSA for dislocated workers 1980s

New Jersey Reemployment Experiment (1989)

Emergency Unemployment Act of 1991

Targeted JSA in DC and Florida (2000)

WPRS legislation 1993, implementation 1994

WPRS evaluation CT, IL, KY, ME, NJ, SC (1999)

WPRS evaluation in Kentucky (2003)

Effectiveness of Job Interview Referrals and Job Placements

Johnson, Dickinson & West (1983) National; 30 sites, 27 states	Referrals	+23% earnings for women. Nil for men
	Early Referrals	Big gains for women, modest boost for men. B/C: 1.8
Katz (1991) Pennsylvania	Placements	Significantly fewer weeks on UI
	Referrals	Significantly fewer weeks on UI
Jacobson and Petta (2000) Washington and Oregon	Placements	-7.7 to -3.8 fewer weeks
	Referrals	-2.1 to -1.1 fewer weeks

Effectiveness of Job Interview Referrals and Job Placements

Job referrals are most effective for women (Johnson et al. 1983)

Job referrals effective for men over 45 years of age and men in urban areas

Evidence for services to middle aged dislocated workers

JSA most effective early in a spell of joblessness (Katz 1991)

ES job referrals act as a back stop

Evidence for early JSA

Job placements most effective for those with strong attachment (Jacobson and Petta 2000)

Evidence for JSA to dislocated workers

Future Directions for Research and Policy

- Work test shortens insured durations of unemployment
- Automation of claims and policy have relaxed UI job search requirements
- WPRS works and should be kept up to date and linked to services
- ERP works and should be adopted by more states (Field Memo 17-04)
- New ways to link UI beneficiaries to reemployment services (Wisconsin Study)

New Research Efforts

- Administrative Data Analysis and Research (ADARE)
 - FL, GA, IL, MD, MO, TX
 - CA, OH, WA
- Welfare Reform
- WIA Training Impacts
- UI Duration, Exhaustion, and Services

New Research Efforts

- Five Year UI Benefits Research Project
 - Changes in the labor market, population and economy
 - Changes in UI benefit duration and exhaustion
 - Detailed characteristics of who does and does not receive UI benefits
 - Economic stabilization, incentive effects, and consumption smoothing
 - Reemployment, labor market mobility, and loss of skills

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