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Considerations for States Planning Personal Reemployment Accounts

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Outline

1. Lessons from the Bonus Experiments
2. Models for Targeting PRA Offers
3. Issues in Simulating Program Costs
4. Practical Implementation Issues
5. Possible Legislative Refinements
1. Lessons from the Bonus Experiments

- Bonus Amount
- Qualification Period
- Reemployment Period
- Response to Bonus Offer
- Impact on Wages
- Cost Effectiveness
- Targeted Reemployment Bonuses
- Entry and Displacement Effects
2. Models for Targeting PRA Offers

Worker Profiling and Reemployment Services (WPRS) Models

Accuracy of WPRS Models

Updating WPRS Models

Mechanisms for Targeting
3. Issues in Simulating Program Costs

Sample
Eligible for at least 20 weeks of regular UI benefits
Profiled (neither hiring hall nor recall standby)

Simulating services purchased before bonus take up
Take up rate of first bonus payment
Spending from PRAs after first bonus payment
Take up rate of second bonus payment
Targeting PRAs (state level, local level)
4. Practical Implementation Issues

- Information about PRAs to job seekers
- Personal reemployment plan with specific goals
- Formal acceptance of PRA offer
- Definition of return to full time work
- Monitoring reemployment for six months
- Pricing intensive and training services
- Tracking expenditures from PRAs
- Planning for and monitoring use of PRA budget
- Preparing for evaluation of effectiveness
5. Possible Legislative Refinements

Federal to State and State to Local Distributions
Estimated unemployment versus UI first payments

Timing of Bonus Payments
60/40 versus 0/100

Definition of uniform PRA size throughout the state
A multiple of the Weekly Benefit Amount (WBA)
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