



The **Evaluation of the Reemployment and Eligibility Assessment (REA) Program** was designed to estimate the impact of the REA program on UI duration (the length of time claimants spent on Unemployment Insurance, in weeks), employment, and earnings. The evaluation was conducted in four states—Indiana, New York, Washington, and Wisconsin—and included both an implementation study and a large impact study.

This brief summarizes the results of the impact study, which randomly assigned more than a quarter of a million UI claimants in a multi-armed design over a one-year period.

Key Findings

- REA cuts UI duration, on average by about 1.3 weeks.
- About half of that decrease is more time employed and about half is more time neither employed nor receiving UI.
- REA increases employment and earnings a small amount.
- Impacts are not consistently larger for those predicted to be most likely to exhaust benefits (profile score).
- Impacts are consistently larger for those with lower earnings in the previous year and lower weekly benefit amounts.
- Little of the impact comes from enforcement of UI's ongoing eligibility requirements (e.g., able and available, sufficiently intensive job search).
- Some of the impact comes from the assistance with job search and referrals to reemployment services provided at the REA meeting.
- Most of the impact comes from enforcement of the procedural requirement to attend the REA meeting.

The Design of the Impact Study

The REA Impact Study aimed to address three research questions:

- What was the *overall impact* of the REA program—on UI duration, employment, and earnings?
- How did that impact vary with *claimant characteristics*?

About REA

From 2005 to 2016, the U.S. Department of Labor awarded grants to states to operate **Reemployment and Eligibility Assessment (REA)** programs: (1) to address the reemployment needs of Unemployment Insurance claimants; and (2) to prevent and detect UI improper payments.

Generally, the intervention was low intensity, at most a few hours of one-on-one meetings with a state career counselor and a few hours of group engagement. States could operate their REA programs according to their own designs, but constrained by federal requirements. Those requirements can usefully be thought of as having three components:

1. **Assistance** to UI claimants in their search for a new job.
2. **Enforcement** of UI claimants' compliance with ongoing eligibility for the UI program (e.g., able and available for work, actively searching for a job).
3. The assistance and review of ongoing eligibility (enforcement) occurred at an in-person **mandatory REA meeting** at an American Job Center—where "mandatory" meant that, subject to the due process protections provided to all UI program participants, noncompliance should have resulted in denial or suspension of UI benefits.

About the Evaluation

Over 2014–2019, Abt Associates evaluated the REA program, including both an implementation study (Minzner et al., 2017) and an impact study (Klerman et al., 2019). The study worked with four participating states—Indiana, New York, Washington, and Wisconsin—to randomly assign more than a quarter of a million UI claimants in a multi-armed design.

The *REA Implementation Study* relied on qualitative field work. The *REA Impact Study* relied solely on administrative data from states and the federal Office of Child Support Enforcement's National Directory of New Hires (NDNH).

Shift to RESEA

In FY2015, DOL introduced the **Reemployment Services and Eligibility Assessment (RESEA)** grant program. RESEA was designed to replace REA, and its structure incorporates many elements of the REA program. The four states participating in the study continued to deliver the REA program and then transitioned to RESEA once their random assignment was complete (approximately April 2016).

- What was the role of the different *components* of the program in achieving those impacts? In particular, what was the relative role of:
 - **assistance** (as reflected in “Reemployment” in the program name),
 - **enforcement** of ongoing eligibility requirements (as reflected in “Eligibility Assessment” in the program name), and
 - the procedural requirement to attend the in-person **REA meeting** (which was mandatory, per DOL guidance), where any assistance and enforcement were delivered.

To address these research questions, the evaluation worked with Indiana, New York, Washington, and Wisconsin to randomly assign nearly 300,000 UI claimants in a multi-armed design (see **Exhibit 1**). Claimants were randomized to one of four treatment conditions, designed as follows:

- **Control**: No REA meeting; not referred to reemployment services.
- **Partial**: Claimant summoned to an abbreviated REA meeting, involving review of ongoing eligibility requirements (enforcement) but no assistance; not referred for reemployment services.
- **Single**: Claimant summoned to one REA meeting, involving review of ongoing eligibility requirements (enforcement) plus assistance; referred to at least one reemployment service.
- **Multiple**: Claimant summoned to one REA meeting, involving review of ongoing eligibility requirements (enforcement) plus assistance; referred to at least one reemployment service; and potentially summoned to up to two additional REA meetings.

This multi-armed random assignment design supports inferences about all three research questions (see **Exhibit 2**).

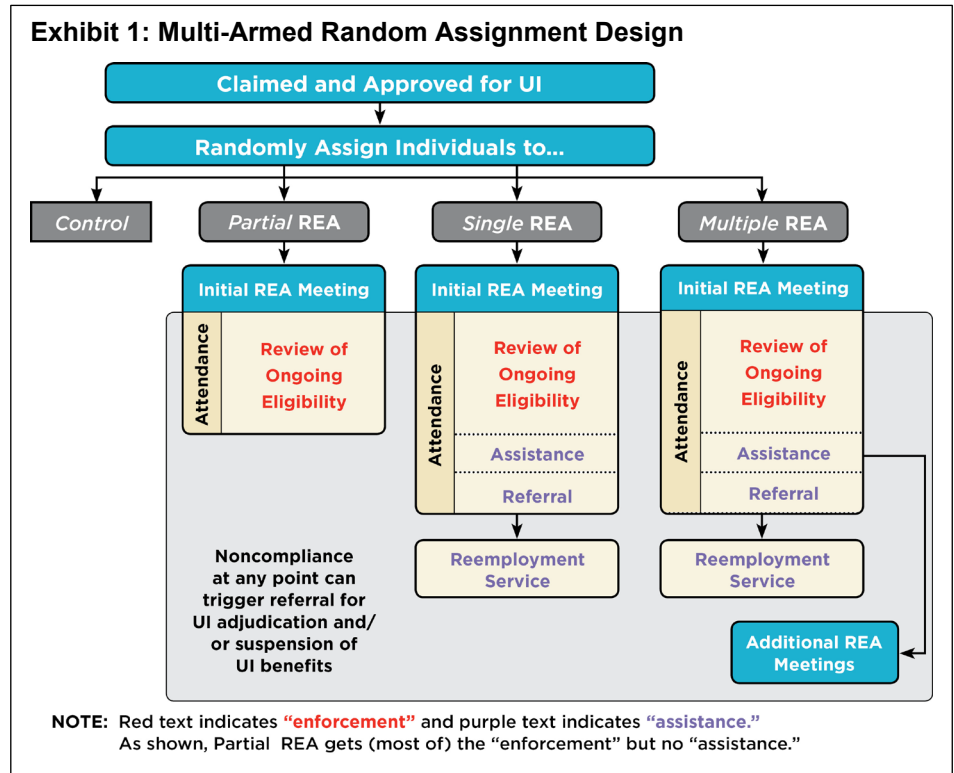


Exhibit 2: Analyses Supported by the Multi-Armed Design

- To estimate the total impact of REA, we compare outcomes for *Existing* vs. *Control*, where *Existing* is the state’s REA program in the absence of the evaluation (*Single* in Indiana; *Multiple* in the other three states).
- To estimate how REA’s impacts vary with claimant characteristics, we compare outcomes for *Existing* vs. *Control*—comparing claimants in different groups (e.g., those with weekly benefit amount above vs. below the median).
- To estimate the impact of enforcement, without assistance, we compare outcomes for *Partial* vs. *Control*.
- To estimate the impact of assistance, above and beyond enforcement, we compare outcomes for *Single* vs. *Partial*.
- To estimate the impact of multiple REA meetings versus a single REA meeting, we compare outcomes for *Multiple* vs. *Single*.

The *REA Implementation Study* (Minzner et al., 2017) relied on qualitative field work. The *REA Impact Study* (Klerman et al., 2019) relies solely on state and federal administrative data. There was no claimant survey. States provided data on REA meetings (scheduled and attended), response to noncompliance, and weekly UI benefits claimed and paid—all for the current claim. The federal Office of Child Support Enforcement’s National Directory of New Hires (NDNH) provided quarterly information on earnings and UI benefits paid—for several quarters before the claim and several quarters after the claim.

REA’s Impact on UI Duration and Earnings

The major impact study findings are summarized below in red, followed by brief descriptions and additional context.

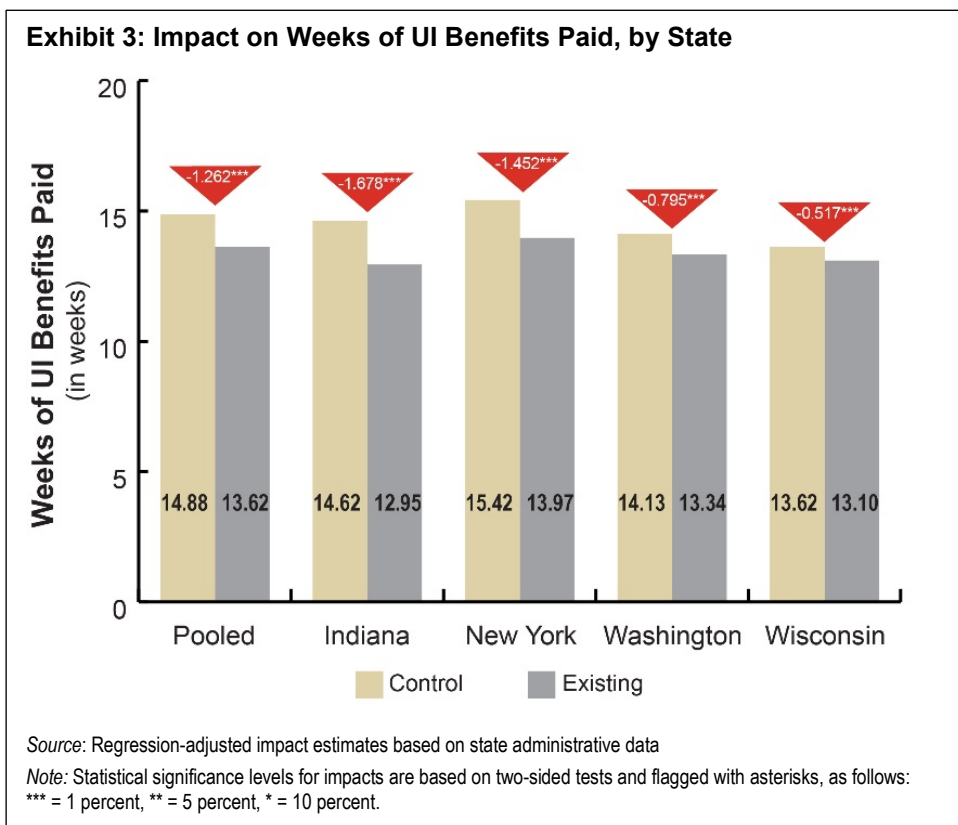
- **REA cuts duration of UI, on average by about 1.3 weeks.**

UI duration was the impact study’s pre-specified, single confirmatory outcome. Pooling the estimates across the four study states, REA—that is, *Existing* vs. *Control* (as defined in Exhibit 2)—cuts duration of UI by about 1.3 weeks (see **Exhibit 3**). This finding confirms unequivocally that the REA program cuts UI duration and therefore benefits paid.

Most estimates in the literature are in the range of 0.5 to 1.5 fewer weeks of UI, so this pooled estimate is towards the upper end. It is, however, smaller than the much larger estimate for Nevada’s REA program of 1.8 weeks of regular UI (not including the additional impact on Emergency Unemployment Compensation; see Michaelides et al., 2012, p. 18).

- **REA cuts UI duration, but the estimates vary substantially among the four states, ranging from about one and a half weeks to about half a week.**

In each of the four states, there is clear evidence that REA cuts UI duration, but the size of the impacts clearly differs among the four states (again see **Exhibit 3**). The estimated impacts in Indiana and New York imply REA cuts UI duration by about one and a half weeks; the estimated impacts in Washington and Wisconsin imply REA cuts UI duration by about half a week. REA raises short-term employment and earnings by small amounts.



The study looked at the four full calendar quarters after the initial UI claim (Year 1, which is approximately the official UI benefit year).¹ Pooling estimates across all four states, REA raises employment, defined as the number of quarters that claimants were employed in Year 1 (see **Exhibit 4**). The impact on employment is about one-twentieth of a calendar quarter, or about four days of work. REA also raises earnings in Year 1. The impact on earnings is \$465, about 2 percent of earnings for the *Control* group claimants (who were eligible for REA, but randomly not selected).

- **About half of the drop in UI duration is due to an increase in employment; the other half is due to more time not receiving UI and not employed.**

Combining the estimated impacts on UI weeks and earnings with information on the level of employment and earnings, it is plausible to infer that about half of the decline in UI weeks is increased employment; the other half is increased time during which claimants are not receiving UI and are not employed.

- **REA raises employment a small amount past the benefit year.**

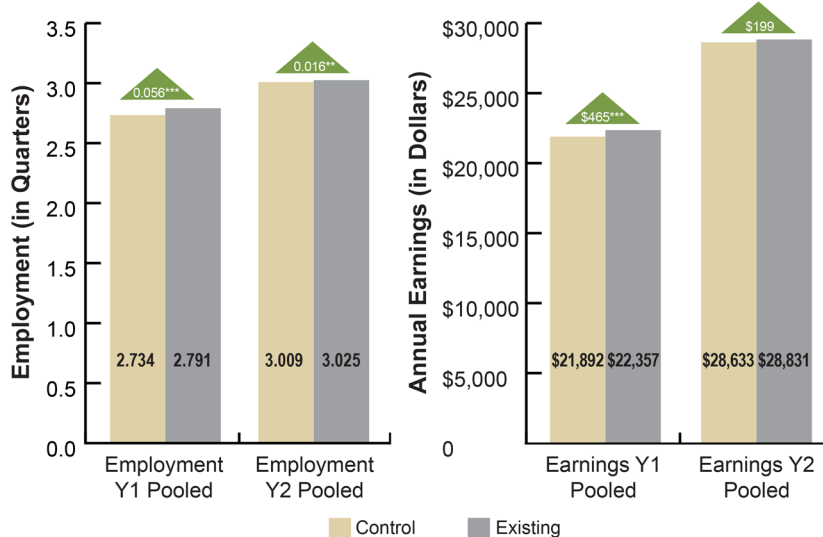
The study also looked at Year 2 (the fifth through eighth quarters after the start of the benefit year). Combining these four quarters, REA cuts UI duration by a small amount (not shown) and raises earnings by a small amount—equivalent to about one day over the year (again see **Exhibit 4**). Over Year 2, there is no detected impact on earnings (again see **Exhibit 4**).

How Impacts From the REA Program Vary With Claimant Characteristics

The previous section considered *overall* impacts—that is, across almost a quarter of a million claimants in four states. That study sample was large enough to determine—at conventional statistical levels—whether an observed difference in UI duration, employment, or earnings was the actual result of REA or due merely to chance. To estimate how impact varies with claimant characteristics (e.g., by gender, by previous earnings, or by other subsets of the overall sample)—again at conventional statistical levels—requires samples several times larger than the samples required to detect overall impacts.

The study found that its sample sizes were large enough to distinguish how impacts on UI duration vary with (certain) claimant characteristics, but not large enough to distinguish how impacts on employment or earnings vary.

Exhibit 4: Impacts on Employment and Earnings for Years 1 and 2 (Pooled)



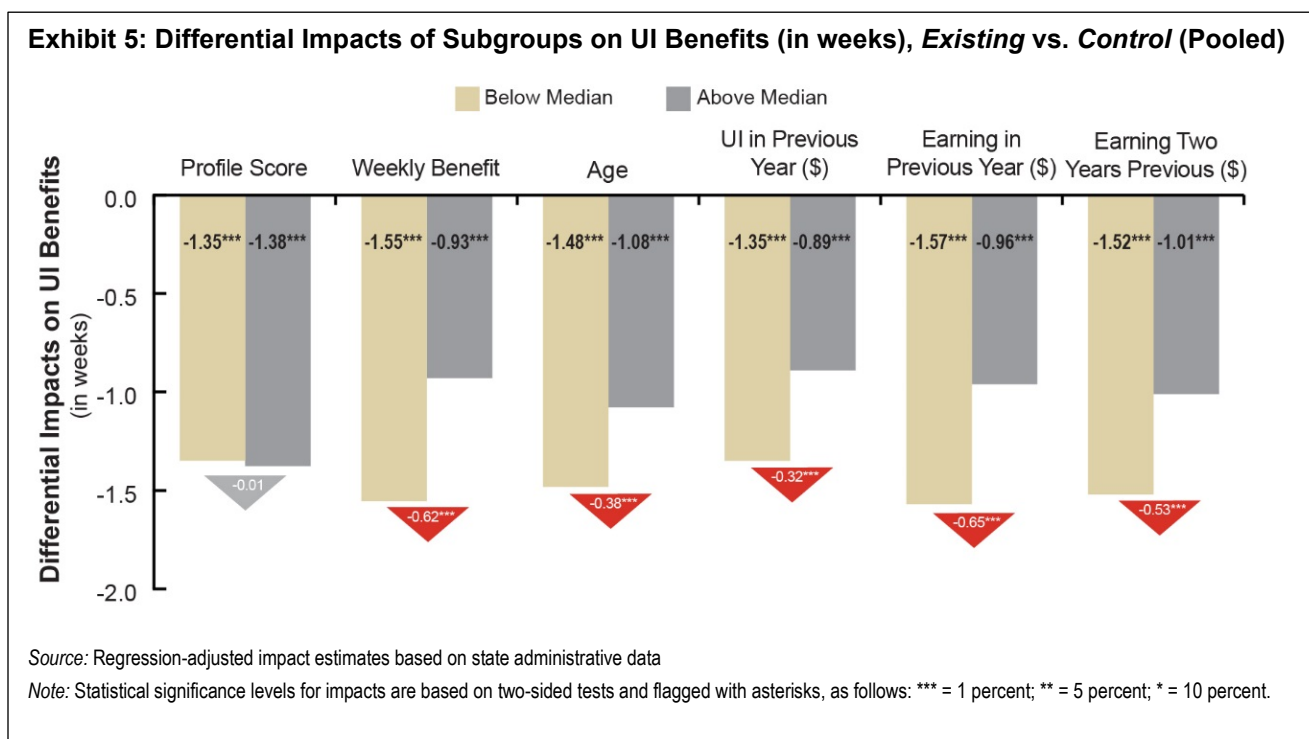
Source: Regression-adjusted impact estimates based on NDNH data

Note: Employment is sum of number of quarters employed over four quarters. Statistical significance levels for impacts are based on two-sided tests and flagged with asterisks, as follows: *** = 1 percent, ** = 5 percent, * = 10 percent.

- **Predicted likelihood of exhaustion (profile score) does not clearly or strongly relate to the impact of the REA program.**

Many states selected UI claimants for REA by targeting those with the greatest probability of exhausting benefits (operationalized as a higher “profile score”—that is, the result of a statistical model predicting UI exhaustion). A state might select UI claimants most likely to exhaust because it might perceive them as the neediest group. Alternatively, a state might select this group because it believed that the impact of REA would be larger for them (as would be true with an impact proportional to expected duration).

Perhaps unexpectedly, pooling across the states, there is no evidence that higher profile score is associated with larger impact (see **Exhibit 5**). There is evidence of the expected relation—higher profile score is associated with larger impacts—in Indiana, but not in New York or Washington. (Wisconsin did not provide a profile score, so there is no evidence.) These results suggest that selecting UI claimants based on profile score did not consistently yield larger impacts than choosing randomly.



- **REA cut UI duration more for claimants with low (vs. high) earnings in the year prior to the initial UI claim and in the year before that, as well as more for those claimants with low (vs. high) weekly benefit amounts.**

The impact study also explored differential impacts with respect to claimant characteristics at the time of their initial claim (including claimants’ recent labor market experience) (again see **Exhibit 5**).

Pooling across the states, we found that REA cut UI duration more than twice as much for claimants whose earnings were “low” (below the median) in the four quarters prior to the claim (the “previous year”) as it did for claimants whose previous year earnings were “high” (above the median). In addition, REA also cut UI duration more for younger claimants (those whose age was below the median).

Finally, REA cut UI duration more for claimants whose UI weekly benefit amount was below the median

than it did for claimants whose amount was above the median. Unlike the result for profile score, these results suggest that selecting UI claimants based on UI weekly benefit amount would have consistently yielded larger impacts on UI duration than choosing randomly.

The Pathways Through Which REA Has Impacts

The study’s multi-armed random assignment design displayed in **Exhibit 1** was specifically intended to understand the separate roles of the two components of assistance and enforcement.

- **Both REA’s enforcement and assistance have impacts on UI duration.**

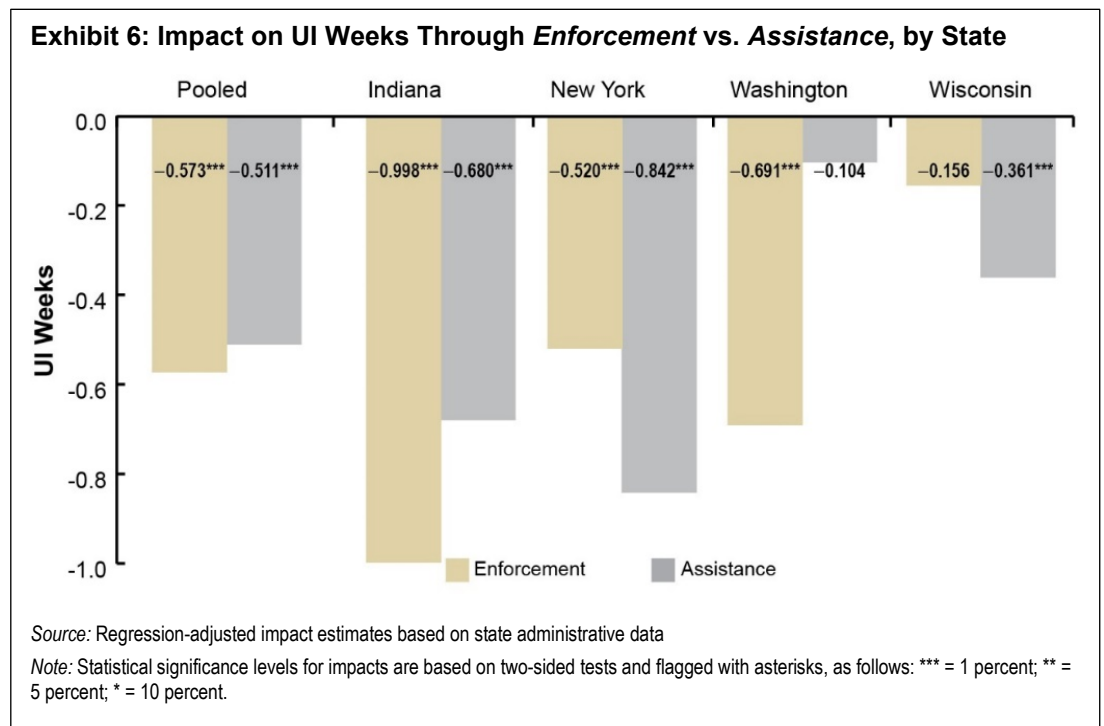
Because the *Partial* treatment condition (abbreviated REA meeting, enforcement of ongoing eligibility requirements but no assistance) and *Control* condition (no REA meeting) differ only by the enforcement, the difference in outcomes between those two claimant groups gives the impact of the *enforcement* component of REA. Because *Single/Multiple* (one or more REA meetings, enforcement and assistance) and *Partial* differ only by assistance, the difference in outcomes between those claimant groups gives the impact of the *assistance* component of REA.

Exploiting the study’s multi-armed random assignment design in this way, the study finds clear evidence for impacts on UI duration through both enforcement and assistance (see **Exhibit 6**).

- **Little enforcement of UI’s ongoing eligibility requirements occurred during REA meetings, yielding little estimated impact.**

Discussions with REA staff and observation of service delivery during the evaluation’s implementation study suggests that staff conducting REA meetings viewed their primary role as helping claimants find jobs quickly. They did not perceive their primary role as enforcing program rules—for example, checking whether claimants are able and available for work, are conducting a sufficiently intensive job search, and have not refused a suitable job offer.

Consistent with this qualitative field work, analysis of state administrative data suggests that increased detection by REA of claimants’ failure to satisfy UI’s ongoing eligibility requirements likely had only a small impact on UI duration. That is, the data show that REA results in few additional referrals to adjudication for insufficient job search, and in general, those few referrals lead at most to loss of no more than a



week of UI benefits. Thus, the net effect of such enforcement on UI duration must be small relative to the overall impact of REA as reported in Exhibit 3. It follows that the impact of the enforcement seen in Exhibit 6 is not primarily caused by enforcing job search requirements.

- **Rather than enforcement of UI eligibility requirements, it is enforcement of REA's procedural requirement to attend the REA meeting that causes much of the estimated impact.**

Attendance at the REA meeting is far from universal. Only slightly more than half of those selected for REA attended as scheduled; about a third never attended. Given that there is little enforcement of other eligibility requirements, it appears that state responses to non-attendance at the REA meeting cause most of the impact of enforcement shown in Exhibit 6.

- **Considering all of the analyses together, it appears that the impact of the enforcement of the requirement to attend the REA meeting is moderately larger than the impact of assistance itself.**

Additional analyses suggest that some of what Exhibit 6 attributes to assistance is actually enforcement.²

It follows that most of the impact of REA is from enforcement of the procedural requirement to attend the REA meeting. Some, but probably well under half, of the impact is from the assistance provided.

This finding has two complementary implications for policy. First, because rates of REA meeting attendance—both initially and ever—were low, how states responded to non-attendance could be the most consequential program design decision they made. The study's results suggest that a state response closer to immediate and universal suspension of benefits until attendance would have led to increased attendance at the REA meeting, increased receipt of reemployment assistance, fewer weeks of UI benefits paid, and improved claimants' labor market outcomes. Conversely, slower imposition of smaller penalties on fewer of the claimants who do not attend the mandatory REA meeting seemed to lead to less attendance at the meeting, less receipt of assistance, longer UI durations, and weaker labor market outcomes.³

Second, given that assistance explained less than half of the overall impact of the REA program, it follows that small or even moderate changes to assistance—to either content or method of delivery—are unlikely to lead to substantial increases in the impact on UI duration. However, the evaluation did provide one example of a large change to assistance that did lead to substantial increases in the impact of REA on UI duration. In New York, some UI claimants were randomly assigned to only one REA meeting. Other claimants were randomly assigned to attend one REA meeting; then if the claimant was still receiving UI, that claimant was called in for a second and then a third in-person REA meeting. Offering multiple meetings was a large and relatively expensive change in the REA program, and it led to substantially larger impacts on UI duration.

Concluding Discussion

The results presented in this brief provide considerable new information about the impacts of the REA program—on various outcomes, on variation in those impacts with claimant characteristics, and on the role of the separate components of the REA program. These results were only possible because the study

randomly assigned very large numbers of claimants—more than a quarter of a million—to different variants of the REA program. ■

Notes

1. These data are available for calendar quarters. What the analysis refers to as Year 1 are the four full calendar quarters following the start of the official benefit year. (For example, for a claimant applying for UI on February 15 and approved on February 20, the benefit year starts on February 20 and runs for the next 52 weeks; Year 1 starts on April 1, the beginning of the next full calendar quarter after the start of the benefit year, and runs for four quarters). Analogously, what the analysis refers to as Year 2 are the fifth through eighth full calendar quarters following the start of the benefit year.

2. See the *REA Impact Study Final Report* (Klerman et al., 2019) for a detailed discussion of the analysis underlying this conclusion. Here we note two factors.

First, in three of the four states, the *Single/Multiple* treatment conditions—and therefore Exhibit 6’s estimate of the impact of assistance—included second and third REA meetings. Non-attendance was also common at those later REA meetings. Because the study’s analysis measured the impact of assistance by comparing *Single/Multiple* versus *Partial*, Exhibit 6 attributes state enforcement of the procedural requirement to attend those later REA meetings to assistance instead of to enforcement.

Second, a standard REA meeting (the *Single/Multiple* treatment condition) included assistance and enforcement, and therefore it needed to be longer than a *Partial* REA meeting that included only enforcement. Not surprisingly, attendance at *Single/Multiple* REA meetings was lower than attendance at *Partial* REA meetings. In response, there was more enforcement of the procedural requirement to attend the REA meeting for the *Single/Multiple* REA meeting than for the *Partial* REA meeting. Again, Exhibit 6 attributes this difference to assistance when, again, it actually is an effect of the enforcement of the procedural requirement to attend the REA meeting.

3. To understand these implications, consider the following factors. First, and not surprisingly, the available evidence suggests that suspension of UI benefits induces some—but far from all—of those claimants who did not attend the REA meeting as scheduled to attend later. Second, claimants receive no assistance until they attend the REA meeting. Once suspension of benefits brings more claimants in for their REA meeting, more assistance is delivered. That assistance should lead to lower UI durations and more employment and earnings.

Third, suspension of benefits will have similar effects. Clearly, suspending benefits cuts UI duration. Furthermore, some of those claimants who lose benefits will be induced to search more intensively and to be more likely to accept job offers received. At least in the short term, this should lead to more employment and more earnings. In the longer term, the lack of UI benefits might lead to claimants accepting jobs too quickly, and therefore to lower long-term earnings and quicker return to UI. The study’s findings of impacts on employment and earnings in Q5 to Q8 after the initial claim (i.e., in Year 2) are consistent with this pathway. The magnitudes of those impacts, however, are small.

Works Cited

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Other reports in the Evaluation of the Reemployment Eligibility and Assessment Program study series include: *Evaluation of Impacts of the Reemployment and Eligibility Assessment (REA) Program: Final Report*; *Evaluation of Impacts of the Reemployment and Eligibility Assessment (REA) Program: Final Report Appendices*; *REA Impact Study: Implementation Report*; and *REA Impact Study Brief: Methodological Insights*. All REA Evaluation briefs and final reports are available online at: <https://www.dol.gov/asp/evaluation/CompletedStudies.htm>

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