REA Impact Study Briefs

Methodological Insights

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From 2014 to 2019, Abt Associates conducted an impact study of the U.S. Department of Labor's **Reemployment and Eligibility Assessment (REA) Program**. The study was among the largest evaluations of an American social program ever conducted. In four states, it randomized a quarter of a million Unemployment Insurance claimants, to one of four different treatment conditions.

This design and the large samples allowed not only estimates of the overall impact of REA, but also estimates of the causal pathways through which REA achieved those impacts and how those impacts varied with claimant characteristics.

The study could address these research questions because of a series of crucial research design choices and then close attention to successfully implementing them. This *REA Brief* describes methodological lessons from the study that may inform future evaluations of reemployment interventions.

It Is Possible—but Challenging—to Implement Alternative Components

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*?
- 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),

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. Claimants were randomized to one of four treatment conditions:

- ***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.

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).

- ***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 understand the role of each component, some states also added a new service delivery model that included minimal assistance. The concept was clear; helping states to implement the concept—in the context of their existing program designs—was challenging. It required that the evaluation team work closely with states during the program design and implementation phases to help them faithfully implement those alternative program models, without pushing them too far towards an ideal they could not implement without external assistance.

However, changing one component of a program had implications for other components of the program. As such, a state needed to think beyond the narrow issues accompanying the delivery of the services for each component. Areas considered included changes in IT specifications, ways supervisors would oversee the new component, and how case managers would be trained to support multiple components. States would have benefited from even more evaluation technical assistance on these issues throughout their implementations.

Studying REA Programs Requires Large Samples

REA programs are relatively low cost and low intensity, and have commensurately modest impacts. Detecting modest impacts requires prodigious samples. As such, the REA Impact Study randomized nearly 300,000 REA-eligible claimants across four states. Samples assigned to treatment conditions ranged from slightly less than 8,000 UI claimants to almost 34,000. For some research questions, samples of this size were sufficient to provide state-specific evidence; for other research questions, samples of this size were not sufficient to provide even pooled-across-all-four-states evidence.

Based on our experience with the REA Impact Study, below we make some rough observations regarding sample sizes required to address three types of research questions.

Q1. How large a sample is needed to detect the impact of REA versus no REA on UI duration?

For **UI duration**, it appears that samples of about 2,500 UI claimants assigned to REA and 2,500 UI claimants assigned to the control group (no REA) usually were sufficient.

Q2. How large a sample is needed to detect the impact of REA versus no REA on employment and earnings?

For **employment** and **earnings**, it appears that samples of about 10,000 UI claimants assigned to REA and 10,000 assigned to the control group (no REA) often were sufficient. Twice that number would have detected impacts in more states.

Q3. How large a sample is needed to detect the impact of REA implemented with a current component versus an alternative version of that component?

Sample sizes required to test the impact of a **component** of the REA program would be perhaps 10 times larger than the sample sizes required to test the impact of REA versus no REA. Even this 10 times larger sample size is for a "major" component; for example, multiple vs. single REA meetings, or reemployment services vs. no reemployment services. Sample sizes required to test "minor" components, such as some detail of reemployment services, are likely to be still larger.

Generating Large Enough Samples Is Challenging

Few states had enough REA-eligible UI claimants and enough claimants selected for REA to generate the required sample sizes described above. To address this sample size challenge, the study's states—Indiana, New York, Washington, and Wisconsin—were chosen for the evaluation in part because of the size of their REA programs. However, the impact study found that only some, but not all, of these larger states had enough sample to detect an overall impact of REA vs. no REA on employment. Even when pooled across the four states, the sample was not large enough to estimate the impact of individual components of the REA program (e.g., assistance, multiple REA meetings) on employment.

There are at least three promising strategies for achieving large samples sizes. First, randomize the state's entire RESEA-eligible population. Second, continue randomization for more than a year. Third, form consortia of states, each evaluating the same intervention, and pool observations across the states for analysis. The REA Impact Study shows the promise and the challenge of these approaches.

As to promise, the REA Impact Study's approach to pooling sample across multiple states led to more precise estimates. These more precise estimates allowed detection of impacts that could not have been detected in any one state, especially the smaller states. In particular, pooling sample across states was necessary to detect impacts on employment and earnings, to detect differential impacts with claimant characteristics, and to detect the separate impacts of components of the REA program.

As to challenge, working with multiple states substantially increased costs for the evaluation. States had different assignment and scheduling systems, provisions for human subjects and data access, and file formats and data transfer protocols. Building analytic data sets accounting for those state-specific details was resource intensive.

More fundamentally, states found it difficult to align their program designs to allow pooling in the evaluation. Different states implementing nominally the same program component often found impacts that were clearly, in a statistical sense, different. The impact study's results suggest that impacts likely vary both with the details of the implementation of a component (e.g., states with multiple REA meetings varied in which claimants were called in for those meetings) and by how other components were implemented (e.g., low attendance at the initial REA meeting—apparently due to the state's response to non-attendance—implied that fewer claimants were called in for later REA meetings).

Two Design Strategies That Improved Impact Study Success

1. Random Assignment

Random assignment was an appealing design choice for the study because it yields stronger estimates and its required sample sizes are much, much smaller than for other impact study research designs. The sample

sizes presented above are large, but they would have needed to have been even larger for designs that did not use random assignment.

The study also showed that random assignment is doable at this scale. Across the four participating states, we inserted random assignment models at various points into the states' UI programs—both to assign UI claimants to a REA treatment group vs. to the no-REA *Control* group and also to assign treatment group members to the state's current REA program (*Existing*) vs. one of the impact study's alternative component designs (*Partial, Single,* or *Multiple)*.

Doing so required providing states with a moderate amount of evaluation technical assistance, when setting up random assignment for the study and then going forward as issues arose. In each state, we negotiated and then inserted the study's randomization scheme into the computer system the state was using to decide which UI claimants to select for REA and to send the corresponding notices and meeting appointment letters. Computer systems are crucial for the ongoing operation of any state's reemployment programs, so the changes we made for the impact study were carefully designed and thoroughly tested, a process that took months.

For instance, the REA Impact Study required modifications to states' existing assignment and scheduling system, to incorporate the additional treatment arms and to ensure appropriate random assignment ratios across treatment arms, REA offices, and demographic subgroups. Issues considered included how to align random assignment with a desire to equalize staff workloads and how to handle individuals who claimed intermittently.

Absent the evaluation, states selected for REA the claimants they perceived might benefit most from the program, often basing eligibility in part on a profile score (i.e., the prediction of a statistical model of likelihood to exhaust benefits). To implement random assignment for the REA Impact Study, states needed to select some claimants whom it perceived to be less likely to benefit, as well. Thus, the REA Impact Study worked with the states to randomize every possible REA-eligible claimant, and in some cases worked with states to expand the range of profile scores considered for REA eligibility. If impacts did not vary by profile score (or whatever system was used to decide whom to select for REA), then including every claimant who was otherwise eligible for REA (regardless of profile score) would yield the more precise estimates. If impacts did vary—and the samples were large enough—this strategy would allow a state to identify for which claimant groups impacts were larger—and perhaps to choose to serve those groups. Analyses from the REA Impact Study suggest that profile score is not consistently predictive of impact.

2. Administrative Data Follow-Up

For the REA Impact Study, administrative data follow-up alone (i.e., with no claimant survey) was a feasible way to collect information on outcomes. Given required sample sizes, surveys would not have been cost-feasible.

State Administrative Data. The impact study's state administrative data included randomization status, weekly claim amount, maximum number of weeks, and profile score. That information was relatively consistent across states. The initial claim provided key claimant demographics. State UI payment data provided weeks and dollars of benefits paid, as well as weeks claimed but not paid.

State administrative data systems also included useful richer data on intermediate outcomes that helped with the interpretation of estimated impacts on UI duration and employment. This information sometimes

included when the REA meeting was scheduled, whether and when the claimant attended, state response to non-attendance, ongoing eligibility issues detected, and activities to which the claimant was selected and whether they were attended. This information often was stored in a different data system than where the state recorded the initial claim and benefits claimed and paid. Furthermore, what information was available, the way in which it was stored, and the quality of the data varied widely across states.

For the REA Impact Study, administrative data simplified the required effort and lowered the cost over claimant surveys. However, for a single evaluator of a multi-state evaluation, such data would raise their own issues. For some analyses, we analyzed each state's administrative data to answer important research questions, though each additional file processed imposed substantial additional costs. Thus, we found that working with each state's administrative data was still an expensive, but necessary, strategy.

National Administrative Data. For some outcomes, the impact study adopted an alternative strategy. For employment and earnings and longer-term follow-up of UI receipt, we analyzed national data from the National Directory of New Hires. Doing so substantially reduced the burden on the states to provide their data and the cost to the evaluation to process and understand the state data provided.

Considering the Options. The experience of the REA Impact Study was that despite the added cost, relative to using national administrative data only, the state administrative data provided richer findings. In particular, the study was able to estimate impact on UI benefit dollars by week, rather than only by quarter (which is all that is available in the national data).

Concluding Discussion

At the highest level, the REA Impact Study offers three inter-related methodological insights. First, such studies—with very large samples, using only administrative data, involving multiple states—are feasible. A "no survey" design kept costs relatively low, despite enormous samples.

Second, such studies have the potential to yield multiple, major, and program-relevant insights: relatively precise estimates of program impacts, estimates of how impacts vary across UI claimants, formal evidence on the role of various pathways or program components in achieving those impacts, and insights into which states see larger impacts and why (see, for example, program-relevant insights from the *REA Impact Study Brief "Findings Summary"*: https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/REAbriefSummary201909cleanv2.pdf).

Third, though feasible, such studies are challenging. Understanding the role of program components required designing and implementing new program models and combining several states in a single evaluation to achieve sufficiently large sample sizes. Successfully inserting randomization into large, ongoing programs required multiple rounds of testing. Doing these things well also raised evaluation, management, reporting, and contractual issues. The REA Impact Study benefited from both program and evaluation technical assistance to think through the issues. Together the study's strategy led to the successful completion of one of the largest evaluations of an American social program ever conducted. ■

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