

# Getting Unemployment Insurance Recipients Back to Work

September 2009

Recovery and Reemployment Research Conference  
Paul Decker

**MATHEMATICA**  
Policy Research, Inc.

# Broad Approaches to Speeding Reemployment

---

- **Requirements**
- **Assistance**
- **Incentives**

# Requirements

- Includes work search requirements and benefit eligibility reviews
- Interactions with claims-taking methods
- Long-term reduction in requirements, validation, and eligibility reviews; current requirements also vary widely by state
- Despite trend, research demonstrates that work search requirements and benefit reviews reduce duration of compensated unemployment spells (cost effective?)
- Is current environment conducive to more rigorous work search and eligibility review?

# Requirements/Assistance

- Includes mandatory job search assistance and related services; requirements may be targeted, such as under WPRS
- Studies show mandatory reemployment services can reduce UI payments and unemployment duration, and tend to be cost effective from government's perspective
- The “requirements” aspect of mandatory assistance appears to be at least as important as the “assistance” aspect
- Evidence on whether WPRS targeting generates larger average impacts is mixed

# Assistance

- Includes one-stop core and intensive services, training, and labor exchange services
- Voluntary reemployment services, other than training, used by few UI recipients
- Training has been subjected to rigorous research, but evaluations of core and labor exchange services are more constrained—difficult to generate credible evidence
- Costs of core and exchange services are low—even a small impact, if it exists, can be cost effective
- Further research needed to aid policy decisions on core and exchange services

# Assistance/Incentives

- **Includes Personal Reemployment Accounts (PRAs) and related voucher concepts**
- **PRA--a \$3,000 account for UI recipients as an alternative to WIA eligibility. Used to pay for services, but also could pay a reemployment bonus from unspent funds**
- **Concept tested in eight demonstration states in 2005-2006**
- **Bonus receipt rate was 31%; substantial funds were spent on supportive services, much less on training, and almost none on intensive services**

# Incentives

---

- **Includes changes in benefit structure (e.g, longer waiting period), reemployment bonuses**
- **Bonuses tested in experiments in the 1980s**
- **Bonus offers generated modest reductions in compensated unemployment spells, but the reductions were not large enough to generate government savings**
- **Might be cost effective if targeted to certain UI claimants**

# Cross Cutting Issues

---

- **Economic environment**
- **Implementation**
- **Policy environment**
- **Entry effects**
- **Ongoing innovations**