

Social Programs That Work Review

## Evidence Summary for Nevada’s Reemployment and Eligibility Assessment Program

### HIGHLIGHTS:

- **PROGRAM:** A mandatory program for Unemployment Insurance (UI) claimants, which provides an in-person review of their UI eligibility, and personalized reemployment services (e.g., job search assistance). This is a low-cost program (approximately \$250 per participant).
- **EVALUATION METHODS:** Two well-conducted randomized controlled trials (RCTs) with samples of approximately 33,000 and 91,000 UI claimants respectively.
- **KEY FINDINGS:** A 15-18% increase in earnings per claimant over study follow-up periods ranging from 18 to 36 months after random assignment, and net savings to the government from reduced UI payments.
- **OTHER:** Both RCTs took place in a single state – Nevada. Replication of these findings in an additional RCT, conducted in another state, would be desirable to establish whether the program’s effects generalize to other jurisdictions where it might be implemented.

[Disclosure: Arnold Ventures provided funding support for the second RCT of this Nevada program, conducted 2014-2018.]

**I. Evidence rating:** **NEAR TOP TIER**

The standard for Near Top Tier is:

*Programs shown to meet almost all elements of the Top Tier standard, and which only need one additional step to qualify. This category primarily includes programs that meet all elements of the Top Tier standard in a single study site, but need a replication RCT to confirm the initial findings and establish that they generalize to other sites. This is best viewed as tentative evidence that the program would produce important effects if implemented faithfully in settings and populations similar to those in the original study.*

## **II. Description of the Program:**

Nevada's Reemployment and Eligibility Assessment program (REA) is a mandatory program for new UI claimants who (i) have received one week of UI benefits under the new claim; (ii) have no work return date (i.e., are not on temporary layoff); (iii) are not active in other training programs; and (iv) are not attached to a union hiring hall.

The program is delivered by trained staff at One-Stop Career Centers across the state, who provide the following mandatory services during a single interview session:

- A UI eligibility review to verify that the claimant is eligible for benefits (e.g., has been actively seeking employment) and prevent overpayment;
- Labor market information (e.g., regarding job openings, wage trends);
- Development of an individual reemployment plan; and
- Provision of reemployment services (e.g., job search and resume assistance, job match against automated labor exchanges).

The Nevada program is funded by the U.S. Department of Labor, which also funds REA programs in most other U.S. states (in 2015, Congress changed the program's name to Reemployment Services and Eligibility Assessment, or RESEA). However, the actual program – i.e., specific program design and features – varies substantially from state to state. The Nevada program, including delivery of all items described above, costs approximately \$250 per participant. A more detailed description of the Nevada program can be found on pages 4-6 of the [2012 report](#) on the Nevada REA study.

## **III. Evidence of Effectiveness:**

This summary of the evidence is based on a systematic search of the literature, and correspondence with leading researchers, to identify all well-conducted randomized controlled trials of Nevada's REA program. Our search identified two such trials. What follows is a summary of the study designs and the program's effects on the main outcomes measured in each study, including any such outcomes for which no or adverse effects were found. All effects shown are statistically significant at the 0.05 level unless stated otherwise.

### **STUDY 1**

**Overview of the Study Design: RCT of the Nevada REA program with a sample of 32,751 UI claimants across the state, conducted 2009-2011.**

This trial evaluated the program during 2009-2011, in the immediate aftermath of the Great Recession. During the study period, Nevada had the highest average unemployment rate in the United States – 12.9% across the three years (Bureau of Labor Statistics, 2009-2011).

The study sample comprised all 32,751 UI claimants in Nevada who were eligible for the REA initiative (as described above) and filed a new UI claim between July and December 2009. These claimants were randomly assigned to (i) a group that was required to participate in REA, or (ii) a control group that was not. 57% of sample members were male, 64% were white, and 59% had no more than a high school education. They earned an average of about \$32,000 in wages in the year prior to filing their UI claim.

**Effects of Nevada’s REA program 18-26 months after random assignment, compared to the control group** (the monetary amounts shown are 2017 dollars):

- \$2,988 (18%) increase in wage earnings per claimant during the first 18 months following random assignment (\$19,585 for the REA group, versus \$16,597 for the control group).
- 4 percentage point increase in their employment rate – i.e., percent having positive wages – 18 months after random assignment (approximately 52% of the REA group earned wages, versus 48% of the control group).
- \$999 (9%) decrease in UI benefits per claimant during the 20-26 months after random assignment (\$10,102 for the REA group, versus \$11,101 for the control group). The *net* savings to the UI system, taking into account the program cost (\$234), was \$765 per claimant.

**Discussion of Study Quality:**

- At the start of the study, the REA and control group members were highly similar in their observable characteristics (e.g., demographics, prior wages, weekly amount of UI benefits).
- The study had no sample attrition and a reasonably long-term follow-up: Outcome data were obtained for all members of the REA group and control group over the 18-26 months following random assignment.
- The study appropriately sought outcome data for all individuals assigned to the REA group, regardless of whether or how long they participated in the program (i.e., the study used an “intention-to-treat” analysis).
- The study measured all outcomes using Nevada administrative data on UI receipt and wage earnings.
- The study evaluated the Nevada REA program as delivered statewide to thousands of UI claimants, thus providing evidence of the program’s effectiveness under real-world implementation conditions.<sup>1</sup>

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<sup>1</sup> The study did not measure whether the increased earnings and employment of REA group members may have partly occurred through displacement of other workers in Nevada competing for the same jobs – which is possible in a weak labor market where job openings are scarce. It would be desirable for future replication RCTs, if possible, to use a study design that measures such displacement (e.g., Crépon et. al., 2013), so as to hopefully rule out this possibility.

## STUDY 2

### **Overview of the Study Design: RCT of the Nevada REA program with a sample of 91,151 new UI claimants in the Las Vegas and Reno metropolitan areas, conducted 2014-2018.**

Between January 2014 and December 2015, 91,151 new UI claimants in the Las Vegas and Reno metropolitan areas were randomly assigned to either (i) a treatment group that was required to participate in REA, or (ii) a control group that was not. A majority of sample members were white (56%) and male (53%), most had no more than a high school education (62%), and their average earnings in the year prior to random assignment was \$30,165.

A key aim of this study was to determine whether the positive impacts of the Nevada REA program found in the prior RCT, during a time of very high unemployment, could be reproduced in a stronger labor market (i.e., 2014-2018 for the interim study report). The study is ongoing; its final report on outcomes measured through at least four years after random assignment for all sample members is expected in 2021.

### **Effects of the Nevada REA program 12-36 months after random assignment, compared to the control group:**

- \$8,460 (15%) increase in wage earnings per claimant over the 36 months after random assignment (\$64,860 for the REA group, versus \$56,400 for the control group).
- \$457 (9%) decrease in UI benefits collected per claimant under their original UI claim during the 12 months after random assignment (\$4,620 for the REA group, versus \$5,078 for the control group). This reduction in UI benefits more than offset the program's cost, generating net savings to the government.

### **Discussion of Study Quality:**

- At the start of the study, the REA and control group members were highly similar in their observable characteristics (e.g., demographics, prior wages, weekly amount of UI benefits).
- The study measured outcomes for all sample members, without attrition, using Nevada administrative data on UI receipt and wage earnings.
- The study had a reasonably long-term follow-up: For the interim findings described above, earnings outcomes were obtained over 36 months (3 years) following random assignment.
- The study appropriately sought outcome data for all individuals assigned to the REA group, regardless of whether or how long they participated in the program (i.e., the study used an “intention-to-treat” analysis).
- The study evaluated the Nevada REA program as delivered to thousands of UI claimants in the two largest metropolitan areas of the state, thus providing evidence of the program's effectiveness under real-world implementation conditions.

### **Other Studies:**

Over the past 15 years, the U.S. Department of Labor has sponsored RCTs of various REA programs in nine states in addition to Nevada. These other versions of REA were substantively different from the Nevada program and from each other, consistent with the high level of flexibility allowed under the Department's REA grants. These studies all found much smaller impacts for the other versions of REA.<sup>2</sup>

Features of the Nevada program that may account for its superior impacts, discussed in Yamagata et. al., 2011, include: (i) Nevada required UI claimants to participate in both the eligibility assessment and reemployment services, whereas some other states required only the assessment (and encouraged, but did not require, the services); and (ii) the Nevada interviewers typically provided the eligibility assessment and reemployment services seamlessly during the same interview session, whereas in the other states interviewers typically referred claimants to a separate office or organization for the reemployment services, and such services were often not delivered.

Because the other RCTs did not evaluate the same version of the program, we do not summarize the findings from these studies in this report.

## **V. References:**

### **Study 1**

Michaelides, Marios, Eileen Poe-Yamagata, Jacob Benus, and Dharmendra Tirumalasetti. *Impact of the Reemployment Eligibility Initiative in Nevada*. Impaq International, January 2012 ([link](#)).

Poe-Yamagata, Eileen, Jacob Benus, Nicholas Bill, Hugh Carrington, Marios Michaelides, and Ted Shen. *Impact of the Reemployment and Eligibility Assessment Initiative*. Impaq International, June 2011 ([link](#)).

### **Study 2**

Michaelides, Marios and Paula Mian, *Low-Cost Randomized Control Trial Study of the Nevada Reemployment and Eligibility Assessment (REA) Program*, Impaq International, March 2020 ([link](#)).

### **Other References**

Benus, Jacob, Eileen Poe-Yamagata, Ying Wang, and Etan Blass. *Reemployment and Eligibility Assessment (REA) Study FY 2005 Initiative: Final Report*. Impaq International, March 2008 ([link](#)).

Bureau of Labor Statistics, Local Area Unemployment Statistics, 2009, 2010, and 2011.

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<sup>2</sup> For example, the most recent RCT, launched in 2015, evaluated REA programs in Indiana, New York, Washington, and Wisconsin, with a combined sample of nearly 300,000 UI claimants (Klerman et. al., 2019). Across the four states, the study found that REA increased earnings by just 2 percent in the first year after study entry, and by 0.7 percent in the second year. The first year's impact was statistically significant; the second year's was not. The earnings impacts were also very small in each of the four states analyzed separately.

Crépon, Bruno, Esther Duflo, Marc Gurgand, Roland Rathelot, and Philippe Zamora. “Do Labor Market Policies Have Displacement Effects? Evidence From a Cluster Randomized Experiment.” *Quarterly Journal of Economics*, 2013, vol. 128, no. 2, pp. 531-580.

Klerman, Jacob. A., Correne Saunders, Emily Dastrup, Zachary Epstein, Douglas Walton, and Tara Adam, with Burt Barnow. *Evaluation of impacts of the Reemployment and Eligibility Assessment (REA) Program: Final report*. Prepared for the U.S. Department of Labor by Abt Associates, 2019 ([link](#)).