Illinois Department of Employment Security

Workforce Data Quality Initiative RESEA Program Analysis

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Marianne Bertrand
Dan Black
Katie Buitrago
Kat Schaeffer
Cory Muldoon

THE UNIVERSITY OF CHICAGO
INCLUSIVE ECONOMY LAB
Urban Labs

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About the University of Chicago Inclusive Economy Lab

For generations, government policies and institutional choices have excluded many Americans – especially Black and Latinx communities – from opportunities for education, employment, and wealth creation. Ending intergenerational poverty and building an inclusive economy – one that provides real economic opportunities for all – requires collaboration across sectors, as well as scientific evidence about what works and what does not. Traditional research can take years, and the results often do not reach those who need the information most – the people living with and working on these issues. The University of Chicago Inclusive Economy Lab solves this my working with policymakers, organizations, and communities to identify their most urgent and pressing challenges, co-generating evidence about what works, and translating that evidence into real policy changes that expand economic opportunity and improve lives.

Acknowledgements

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Project Overview:

In collaboration with the Illinois Department of Employment Security (IDES), the Illinois Department of Commerce (DCEO), Chapin Hall, and the Coleridge Initiative, the University of Chicago Inclusive Economy Lab (IEL) conducted a program evaluation of Illinois' Reemployment Services and Eligibility Assessments (RESEA) program. This report's detailed study compares employment outcomes for individuals who received RESEA services with Unemployment Insurance (UI) claimants who did not. The analysis was completed as part of the United States Department of Labor's Workforce Data Quality Initiative (WDQI) – an effort that supports states in improving the quality of their workforce data systems. WDQI aims to match education and workforce data to generate useful system performance analysis and helps individuals select the training and education that best suits their needs. (DOL, n.d.*#1*) The findings presented in this report highlight WDQI's improvements to Illinois' ability to match UI wage records and federally funded employment services and provide novel insights into program impact and the value of improved data collaboration facilitated by project partners.

Key Takeaways:

- **Black UI claimants and people who had lower pre-claim earnings were excluded from consideration for the RESEA program at a higher rate** than non-Black and higher-income UI claimants.
    - IDES does not provide RESEA services to claimants who receive their first UI payment more than 28 days after their initial filing date.
    - IDES is more likely to flag UI claims filed by Black residents for adjudication than non-Black claimants, delaying claimants' first payment and often excluding their access to RESEA services.
    - Excluded claimants who were employed in the twelve quarters before they filed for unemployment earned approximately 800 to 1,000 dollars less per quarter than similarly employed claimants who were not excluded from RESEA services.
    - Among those who *were* considered for the RESEA program, people who were assigned to workshops were more likely to be women and Black than those who were not assigned to workshops.
- **The RESEA program services are not uniformly offered to UI claimants in Illinois based on their assigned risk score.** In addition to people not being eligible for RESEA services due to adjudication delays, there are instances where, for example, IDES does not select a person with a higher risk score to participate in the program, but does select an individual being served by the same office during the same timeframe with a lower risk score.
- The **RESEA scoring algorithm is a reasonably good predictor** of an individual's likelihood of exhausting their UI benefits before finding employment.
- **One in five UI claimants selected into the RESEA program fail to report to the required workshop;** and 13 percent of those selected to participate receive a waiver. Ultimately, 69 percent of UI claimants assigned to attend a RESEA workshop actually participate in the workshop and thereby complete program requirements.
- For all but one subgroup, **being assigned to RESEA services had no detectable impact on outcomes for claimants assigned to attend a workshop**. As noted, program

take-up is imperfect, with only 69 percent of those assigned participating in the program. Measuring outcomes of "intent to treat," i.e. being assigned to RESEA services, may underestimate program impact because the treatment group includes people who did not attend their workshop.

This report draws from findings in a descriptive report of RESEA program data produced by IEL in October 2023. This prior work provides valuable context for the program evaluation and causal implications of the additional findings described in this report. It is important to note that this study examined program data for participants who's benefit years began between 10/7/2017 and 7/23/2022. The findings highlighted above represent analysis from this entire period and do not make distinction between program outcomes before the onset of the COVID 19 pandemic and in the period since the pandemic began. Subgroup analyses described herein did not demonstrate significant variance in pre-COVID and post-COVID outcomes,

Program Description:

The Illinois Department of Employment Services (IDES) encourages economic growth and stability in Illinois by providing vital employment services to Illinois residents and employers, producing and disseminating actionable labor market information, and administering unemployment insurance programs. This report describes the quasi-experimental method used to evaluate one such program, Illinois' RESEA program. We provide a discussion of that analysis, a summary of the results, and the limitations of the evaluation method used to assess the RESEA program.

As envisioned through permanent reauthorization in 2018, RESEA has four program purposes (DOL, n.d.#2):

1.) Reduce UI duration through improved employment outcomes,
2.) Strengthen UI program integrity,
3.) Promote alignment with the vision of the Workforce Innovation and Opportunity Act (WIOA), and
4.) Establish RESEA as an entry point to other workforce system partners.

In Illinois, RESEA utilizes an empirical model developed by IDES to predict the probability that an Illinois resident on UI will exhaust benefits. IDES implements the model to identify individuals who are more likely to exhaust their benefits and provide them with additional reemployment services early on in their unemployment spell. The predictive model was designed using IDES available data from July 2013 to June 2014, and the model is executed every one to four weeks to assign "likelihood of exhaustion" scores to new UI claimants. The model includes an assessment of more than 20 variables for which IDES regularly collects data such as industry, occupation, geography, wages, and time employed among other factors; and through a confidential algorithm uses these variables as predictors for the outcome "UI likelihood of exhaustion."

IDES sends a letter to individuals identified by the model informing them that they must attend a compulsory meeting with an IDES staff member to continue receiving their UI benefit payments. Before the COVID-19 pandemic, these letters were the only consistent mechanism used to notify claimants of this program requirement. IDES staff sometimes reached out via phone as well, and this became standard practice for all UI claimants selected for RESEA services during the COVID-

19 pandemic. The required meetings were in-person group workshops before the COVID-19 pandemic and have since switched to phone-based one-on-one meetings (see Appendix Fig 1 for claimant flow through the RESEA system). Currently, IDES has no plans to return to group sessions, but intends to facilitate self-scheduling of individual meetings and give claimants the option of a virtual or in-person one-on-one meeting. RESEA services provided during the meetings include a UI eligibility assessment, support in developing an individual reemployment plan, customized career and labor market information, enrollment in Wagner-Peyser Employment Service, and information about other American Job Center resources that support the claimant's return to work. (DOL, n.d.#2)

The Inclusive Economy Lab estimated the causal impact of the RESEA program on reemployment outcomes through a quasi-experimental approach that uses cutoffs in risk scores to generate rigorous estimates of program impact. In this research design, people scheduled for a RESEA workshop are considered the treated group, whether they completed the workshop or not. IEL's analysis compares labor market outcomes of members of the treated group with individuals whose likelihood of exhaustion risk score was immediately below the cutoff point to receive services and, as such, were not scheduled for a RESEA workshop. To measure program outcomes, researchers analyzed program data and IDES quarterly wage data for claimants in Illinois who received a RESEA score between October 7, 2017 and December 31, 2022.

Throughout this report, we reference RESEA cohorts. Cohorts are groups of claimants who are considered for RESEA services at the same time in the same place:

- Time Period: The first day of a cohort is the office's previous selection date plus one day. The last day of the cohort is the current selection date. The time period between selection dates may range from one to four weeks.
- Geography: Cohorts are specific to each office. Claimants are placed into a cohort date range based on their profile date (the day they receive a RESEA score).

The claimants in a cohort are ranked from "high-risk" (RESEA score closest to 1) to "low-risk"(RESEA score closest to 0) and the available RESEA slots in each office at the time are given to claimants with the highest scores (see appendix for more information on treatment, cohort, and other analysis definitions).

Questions of Interest:

1. What is the causal impact of RESEA program assignment on:
    a. Earnings,
    b. Employment, and
    c. Stable employment?
2. How did this causal impact vary during the COVID-19 pandemic, if at all?
3. What is the causal impact of RESEA program assignment on program outcomes by:
    a. Race
    b. Ethnicity
    c. Gender
    d. Education

See appendix for more on research questions and hypotheses.

Analytical approach:

Statistical approach

The statistical model used to estimate causal impact in this study is an approach called a Regression Discontinuity Design (RDD). An RDD uses a score to create a comparison group similar to program participants when measuring individual characteristics that affect the outcomes of interest. Characteristics that affect workforce outcomes may be represented in the data (like years of education, labor force attachment, or demographics) or may not be observable (like intrinsic motivation, intelligence, and preferences).

In this study, researchers use the RESEA score developed by IDES. When a program uses a score cutoff (for example, 0.5) to determine who will get access to a program, there are people right below (0.49) and above (0.51) the cutoff who we can assume are similar to each other but have different access to the program. We can then compare outcomes for groups of people who are very close to the score cutoff. Because the comparison groups are so similar on observable characteristics, we can assume the distribution of unobservable characteristics is essentially random and attribute differences in outcomes to the program.

IDES does not have a set, consistent RESEA score as a threshold. Instead, offices have a certain number of workshop slots that vary over time. At the time of workshop selection, IDES staff rank the available pool of claimants in a given office (cohort) by score, and the highest scores are given the available training seats. This means that the cutoff scores change by office over time (every one to four weeks). Cutoff scores for each cohort were determined by ranking the cohort's claimants by score and identifying the highest score at which a claimant did not get offered RESEA. Scores were then re-scaled relative to their cutoff score (for example, a score of .6 in a cohort with a 0.5 cutoff became 0.6 - 0.5 = 0.1). The re-scaled scores were used in the statistical model.

Some cohorts did not have a cutoff that perfectly determined whether a claimant was offered treatment (see "Findings"). Only cohorts with clearly-defined cutoffs were used in the statistical model (representing 46 percent, or 233,790 out of 524,610, claimants). Our research team ran different statistical models to validate the robustness of impact estimates under different assumptions, including controlling for geography (office) and time period (quarter-year). See the methodological appendix for details on model specifications.

Data sources

All data are accessed through the Administrative Data Research Facility, a secure and FedRAMP-authorized computational research platform that promotes access to and the discovery of sensitive confidential microdata.

IDES administrative data (Illinois JobLink) on UI claimants – IDES provided a data extract on every UI claimant who received a RESEA risk score with benefit year begin dates from October 7, 2017 to December 31, 2022. This dataset contains variables on claimant characteristics, risk factors used in the RESEA predictive model, selection for and completion of RESEA training, and progress through the RESEA process.

IDES wage data – wage records were used to understand pre-intervention employment characteristics and post-intervention employment outcomes. The wage data are from 3Q2014 – 4Q2023.

A total of 233,790 claimants were in the final analytic dataset.

Findings:

As discussed in IEL's October 2023 descriptive report of RESEA data, **Black people experience delays in their first UI payment at a higher rate than non-Black people, and consequently are more likely to be excluded from RESEA services.** During the data exploration process, the research team learned that claimants must receive their initial payment no more than 28 days after filing their claim be considered for RESEA services. **Typically, when a claimant's first payment is delayed more than 28 days, it is a result of their claim being flagged for adjudication to resolve concerns about eligibility or potential fraud** (see appendix fig 2 for the adjudication workflow)**.** This IDES practice has created a scenario where individuals who are flagged for adjudication, but ultimately found to have valid claims, are automatically excluded from participating in the program.

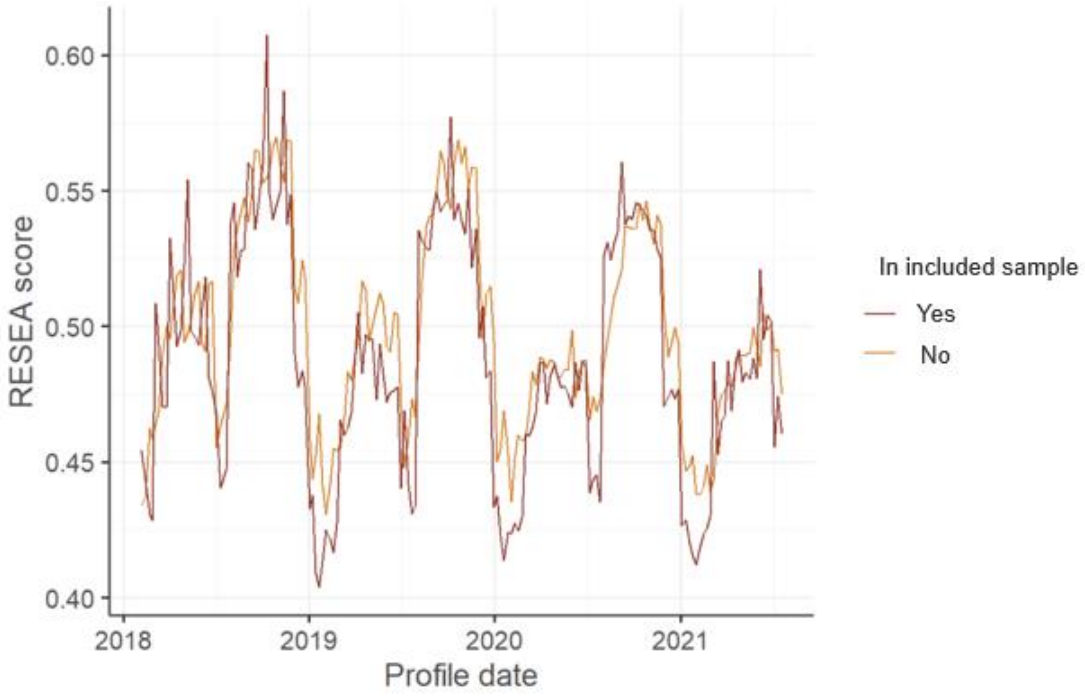
The pool of people excluded from RESEA consideration because their initial claim was at least 28 days older than their initial payment date (excluded claimants) look very similar to people who were not excluded (included claimants) on most variables, including the RESEA risk score (Figure 1) — suggesting that many excluded claimants would have received RESEA services had they not been sent to adjudication. However, excluded claimants differed from included claimants on a few variables (all findings below are statistically significant):

- **Excluded claimants are more likely to be Black** (28 percent) than included claimants (21 percent).
- **Excluded claimants self-reported that they were fired at a higher rate** (31 percent) than included claimants (14 percent).[1]
- For claimants who were employed in the twelve quarters preceding their benefit year start date, **excluded claimants earned approximately 800 to 1,000 dollars less per quarter** than included claimants.

[1] Since people who were fired for cause are not eligible for UI, this self-reported field likely does not accurately describe their reason for separation. Regardless, there are substantial differences in separation reason for excluded vs. included claimants. This variable is also used in the RESEA risk score algorithm to predict likelihood of benefits exhaustion.

EXCLUDED CLAIMANTS TENDED TO HAVE SIMILAR OR HIGHER RISK SCORES THAN INCLUDED CLAIMANTS

Figure 1: Distribution of RESEA scores over time, by exclusion status. Full study sample



There is imperfect implementation of the RESEA service model based on the scoring algorithm. The statistical model used in this report requires identifying a score cutoff above which everyone is treated and below which everyone is untreated. The RESEA program does not have a pre-set score cutoff; each office gives available training slots to the people with the highest RESEA scores at that point in time. This means that the RESEA score cutoff varies by office over time. We identified the score cutoffs by grouping claimants by office and selection date, sorting claimants by score, and tracking the score at which treatment started (see Appendix for more information on cohort construction).

We discovered that 46 percent (233,790) of claimants were in cohorts that did not have a clearly defined cutoff score. While the likelihood of receiving services increased as the RESEA score increased, there were some people with high scores who did not get treated and some with low scores who did get treated. This pattern suggests some imperfect on-the-ground implementation of the scoring tool (see figures 2 and 3 for example cohort). For the purposes of the statistical model, we used only cohorts that had sharp cutoff scores. This means that the 233,790 claimants in cohorts that did not have clearly defined cutoff scores were not included in this analysis.

Models that use cohorts without sharp cutoff scores are less capable of demonstrating treatment effects. For example, we would not be able to know whether we found no treatment effect in a group because something about the service was not meeting the needs of the participants, or because people who should have been getting the training—that is, the people at highest risk of exhausting UI—were not getting it.

IN THIS COHORT IN CARLINVILLE, MANY CLAIMANTS ABOVE THE SCORE CUTOFF WERE NOT ASSIGNED TO RESEA, DESPITE CLAIMANTS WITH LOWER SCORES GETTING TREATED.

Figure 2: Treatment by score in cohort Carlinville-35

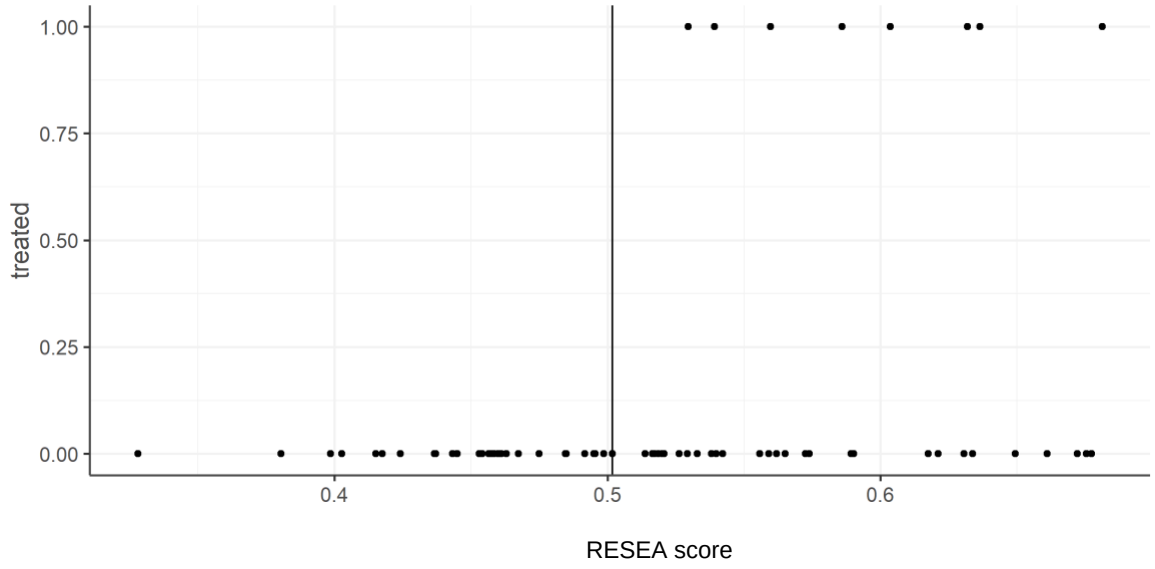
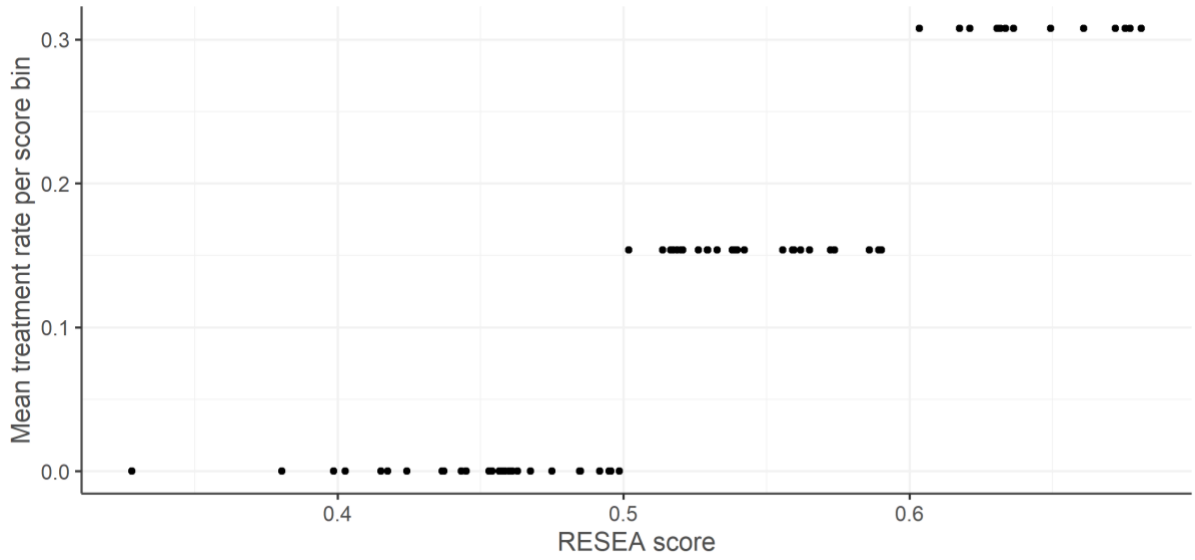


Figure 3: Treatment rates by score bins in cohort Carlinville-35



The RESEA scoring algorithm is a reasonably good predictor of employment outcomes. The regression discontinuity graphs plot the average outcomes of small groups of claimants against the RESEA score relative to the score cutoff (figures 4 and 5). These graphs show that, for individuals not enrolled in the program, there is a strong negative trend between the RESEA score and employment outcomes—that is, as the score gets higher, employment outcomes worsen. The theory of change behind the RESEA score is that higher scores predict an

individual's likelihood of exhausting unemployment benefits, which predicts longer spells of unemployment the likelihood of lower earnings over time. This pattern bears out in this study (see figures below for examples).

AS RESEA SCORES INCREASE, QUARTERLY WAGES 2Q AND 4Q AFTER ENTRY DECREASE

Figure 4: Wages 2Q after entry, demeaned data (outliers removed)

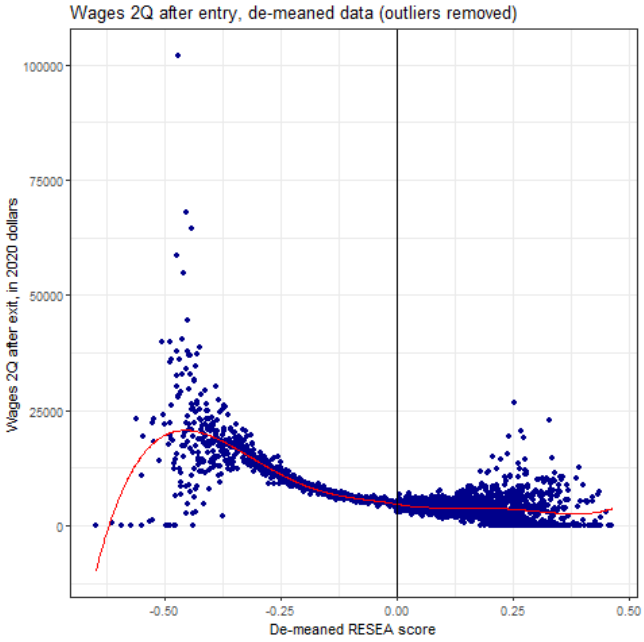
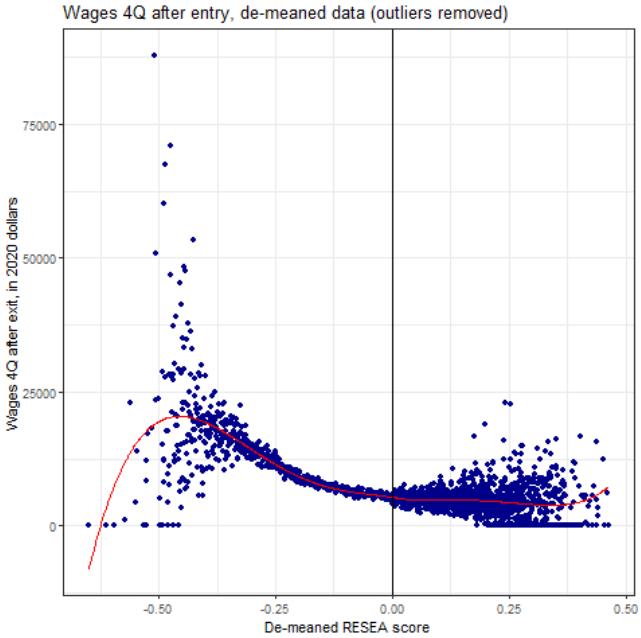


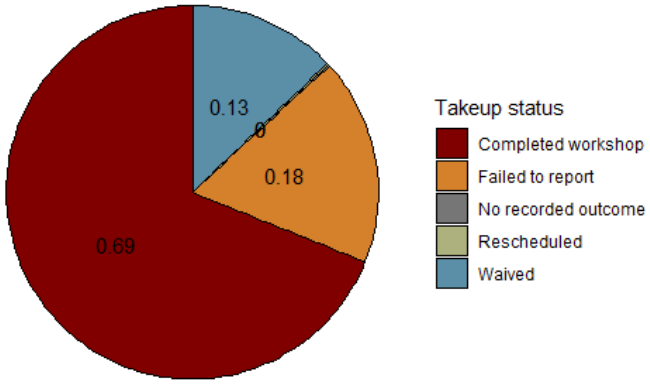
Figure 5: Wages 4Q after entry, demeaned data (outliers removed)



A substantial proportion of those scheduled for a RESEA workshop did not complete the appointment. Just 69 percent of claimants in the study sample who were scheduled for a workshop completed it, while 18 percent failed to report, and 13 percent were waived (figure 6).

ONE IN FIVE CLAIMANTS SCHEDULED FOR RESEA WORKSHOPS FAILED TO REPORT

Figure 6: Takeup status among people scheduled for RESEA workshop



For all but one subgroup and outcomes studied, RESEA has no detectable impact. Across the following subgroups, the statistical models found no significant impact on employment rates (two and four quarters after entry) and wages (two and four quarters after entry):

- Full sharp cohort sample
- COVID
- Pre-COVID
- Black
- Non-Black
- Latinx (except for employment rate 4Q after entry)
- Non-Latinx
- White
- Nonwhite
- Male
- Nonmale
- Less than high school diploma
- High school diploma or higher

This study moves beyond the content of IEL's October 2023 descriptive report and assesses the causal impact of RESEA services on labor market outcomes for program participants, disaggregating results for multiple demographic subgroups. Figures 7 - 10 show this pattern for some outcomes in the full sample; the trends look similar for other outcomes and subgroups. It is interesting to note the similar results for both the COVID and Pre-COVID subgroups. Despite both the claimant population and the methods of service delivery changing after the pandemic began, there is negligible difference in outcomes from these distinct time periods.

The research design measures the impact of the "intent to treat" and considers outcomes on all claimants scheduled for RESEA services. As noted above, program take-up is imperfect with 69

percent of those assigned actually participating in the program. Consequently, this study design may underestimate program impact.

EMPLOYMENT RATE 2Q AFTER ENTRY DOES NOT INCREASE FOR PEOPLE ASSIGNED TO RESEA SERVICES

FIGURE 7: ESTIMATED RELATIONSHIP BETWEEN RESEA SCORE AND EMPLOYMENT RATE 2Q AFTER ENTRY (WIDE SCORE RANGE)

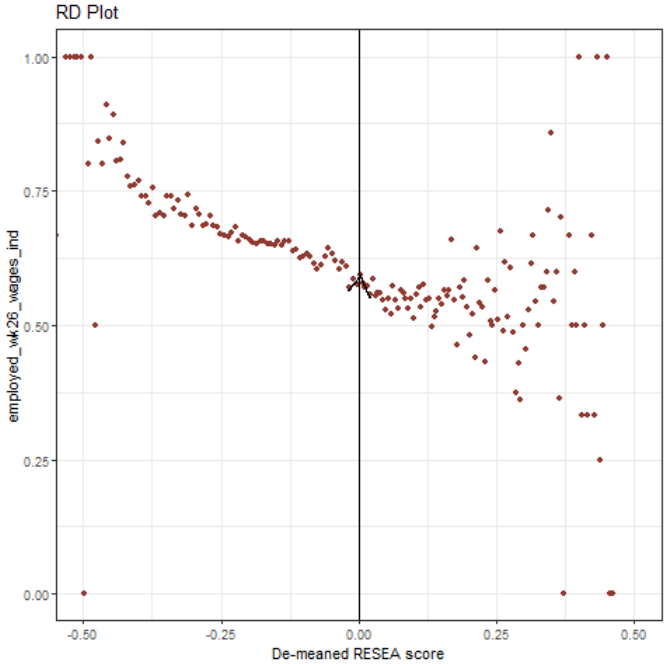
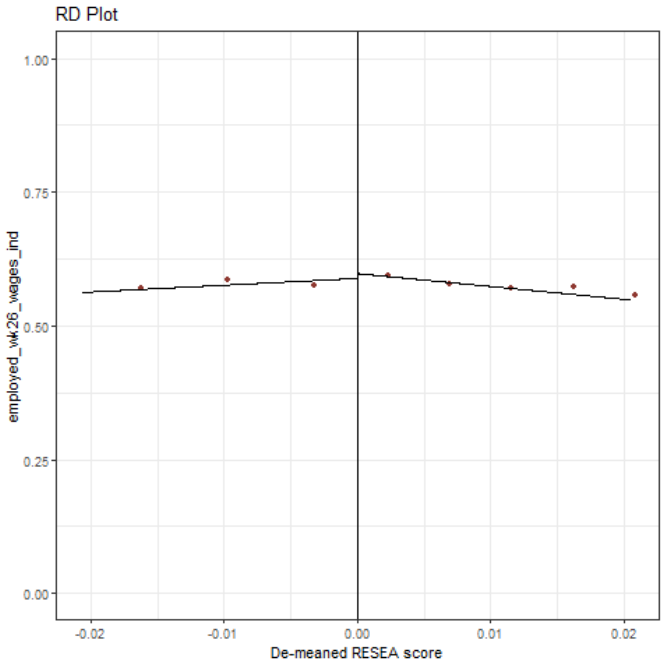


Figure 8: Estimated relationship between RESEA score and employment rate 2Q after entry (scores close to cutoff)



QUARTERLY WAGES 2Q AND 4Q AFTER ENTRY DO NOT INCREASE FOR CLAIMANTS ASSIGNED TO RESEA SERVICES

Figure 9: Estimated relationship between RESEA score and quarterly wages 2Q after entry (scores close to cutoff)

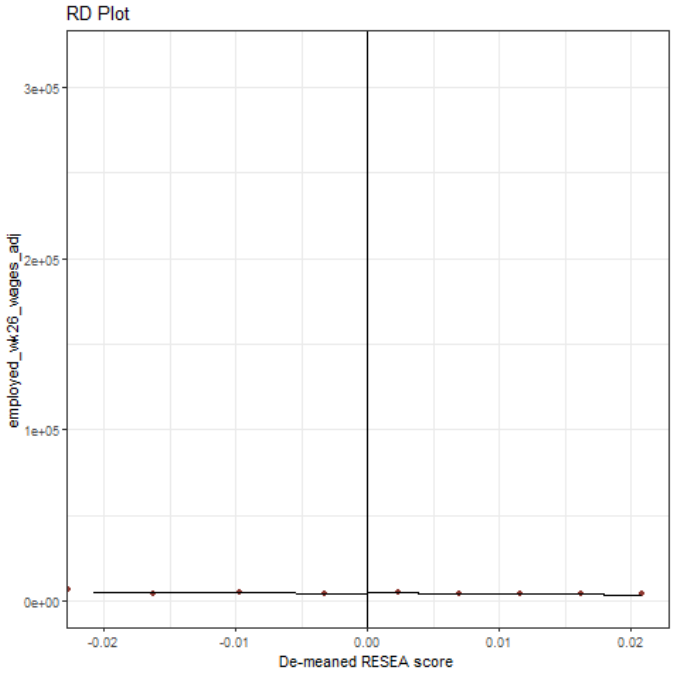
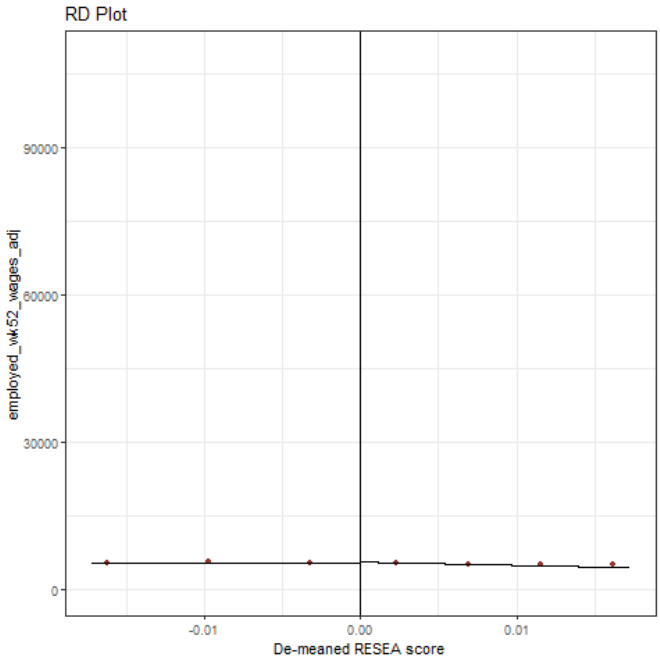


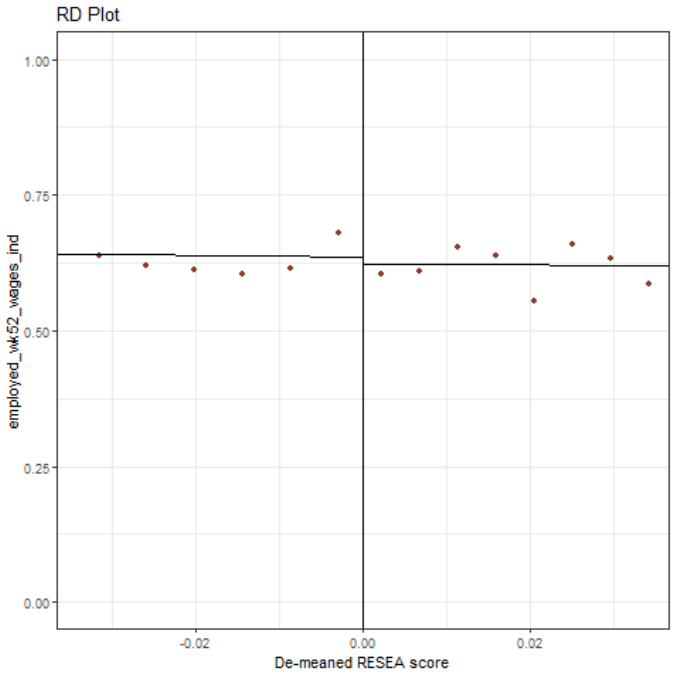
Figure 10: Estimated relationship between RESEA score and quarterly wages 4Q after entry (scores close to cutoff)



RESEA services reduced employment rates four quarters after entry for Latinx people. Latinx people who received RESEA services had an employment rate four quarters after entry six to eight percentage points lower than Latinxs who did not receive RESEA services (controlling for office and quarter) (figure 11). This finding was consistent across multiple statistical specifications.

WAGES 4Q AFTER ENTRY WERE SIX TO EIGHT PERCENTAGE POINTS LOWER FOR TREATED LATINX CLAIMANTS COMPARED TO UNTREATED LATINX CLAIMANTS

Figure 11: Wages 4Q after entry for Latinx claimants, demeaned data (scores close to cutoff)



Limitations:

One limitation of RDDs is that they only produce valid impact estimates for the group of people with scores close to the score cutoff. In this study, the cutoff scores differed for each cohort, which gives us a broad picture of the overall treatment effect for claimants with a variety of risk profiles. It is possible that the program could have differential impacts on people with very low or very high scores, but our approach - which assumed consistent treatment/intervention effects in all cohorts - did not capture that variation. For example, RESEA services may have caused the 2Q employment rate to increase in cohort A, which had a score cutoff at 0.4, by 0.5 percentage points. The same services could have caused a five-percentage point increase in the 2Q employment rate after entry in cohort B, which had a score cutoff at 0.6. Our approach essentially averages the intervention effect across both cohorts, finding an intervention effect of 2.25 percentage points. In this example, this overall intervention effect does not capture that the program was more effective for higher-risk claimants (cohort B) than it was for low-risk claimants (cohort A). Future research could potentially disaggregate the intervention effects by risk profiles, if the sample size is large enough to be valid.

This study examines labor market outcomes for all individuals scheduled for a RESEA workshop/meeting. The take-up rate was 69 percent, and the study design does not capture the intervention effect only for people who fully engaged in the RESEA workshops/meeting. Additionally, there are limited data on the types of services the RESEA program provides claimants. While we know that people were scheduled for a workshop, we do not know if individuals were referred to or took advantage of follow-up services. RESEA may affect someone who stops engagement after receiving a resume review differently than it does for a person who enrolls in job training using a workshop referral.

While this statistical model provides estimates of the extent of program impact, it does not provide insight into the "how" or "why" of that impact. Further qualitative research with IDES staff and RESEA participants could shed light on program characteristics that contribute to the "no impact" findings.

Discussion – Program and Policy Implications:

This initial study of Illinois' RESEA program presents multiple opportunities for learning. Despite findings that the program generally has a null impact on reemployment timeframe and earnings, insights on program delivery and the illumination of further research questions create opportunity for improving program outcomes for Illinois residents. IDES is already considering operational changes, like clarifying instructions during the claim filing process and implementing self-scheduling of RESEA meetings. The Department could also investigate the fidelity with which UI payments are contingent on workshop attendance for those selected into the program. IEL recommends implementing more detailed data collection practices so that future evaluations can look more closely at the types of support claimants are receiving and how frequently they receive services during their time in the program. The research team also recommends evaluating the methods used/employed to select individuals into the program to determine if it is possible to implement score cut-offs more accurately and equitably.

Determination One: Black claimants and people who earned less before their UI claim are more likely to experience a delay in their first UI payment and consequently be excluded from RESEA consideration.

IDES does not consider claimants who receive their first payment later than 28 days after filing their UI claim to be eligible for RESEA services. This leads to a group of claimants who are excluded from RESEA services because their initial UI payment is delayed. The proportion of people who experience this delay who are Black is seven percentage points higher than the proportion of Black people among claimants whose first payment was not delayed and were considered eligible to receive RESEA services. **This statistically significant finding likely indicates systemic dynamics that disproportionately impact Black workers who are recently displaced from employment**. One factor that often causes delay in benefits occurs when a claim is flagged for adjudication, often because of concerns about benefit eligibility or potential fraud. People who were fired from their most recent job for cause are not eligible for Unemployment Insurance. Additionally, UI fraud is common across the United States and the federal government mandates IDES to prevent the erroneous provision of UI benefits. However, a larger percentage of Black UI recipients experience a delay in their initial benefit payment and

consequently are not considered for RESEA. This warrants further study to develop a clear understanding of why this takes place.

We feel that it is particularly important to better understand how fraud investigations impact the delay of UI benefits and if there is correlation based on claimant race and geographic location. If IDES' fraud flagging system utilizes location or prior employment sector data, it is possible that the department inadvertently flags a higher proportion of Black claimants based on the intensity of geographic[2] and occupational segregation in cities and towns across Illinois (Charles, 2019). Black people experience discrimination in the labor market and therefore (Bohren 2022; Bertrand, 2004) endure higher rates of unemployment than other racial demographic groups (BLS, 2023). Perhaps the fraud flagging system is negatively influenced by these brutal realities, furthering the impacts of structural racism.

Other sources of delay include eligibility investigations. Often, when people submit an unemployment claim, it is not clear whether the claimant is eligible for UI benefits based on the nature of their previous employment or the cause of their current unemployment. For example, if a claimant is laid off, they are usually eligible for UI, but if they are fired for cause, they are usually not. Some people who are laid off might consider themselves "fired" and inadvertently trigger an investigation over the semantics of multiple-choice questions on their claim application. There are many possible explanations for a delay in benefits. **The delay not only excludes claimants from participating in RESEA services; more immediately, it limits access to cash for individuals who are likely in a precarious economic situation and prevents them from receiving timely referrals to services and resources that could be helpful in returning to work**. There is also potential for people who are eligible for benefits to become discouraged and not persist through a staff-led fraud or eligibility investigation, thereby abandoning their earned benefits and worsening their financial stress. It is unreasonable that Black claimants experience these circumstances at higher rates and IDES should investigate and implement ways to change this inequitable outcome.

Similarly, people with a lower earnings history experience increased exclusion from the RESEA scoring process, likely for analogous reasons. **The ultimate outcome of a delayed initial payment is that individuals who have earned lower wages and people who are more likely to experience labor market discrimination are systemically steered away from workforce services and resources**. Better understanding why this occurs and addressing the underlying causes also presents an opportunity to improve efficiency of staff time.

Determination Two: The high rate of claimants not attending their RESEA workshop and the potential outcomes of this noncompliance warrants further study.

As documented in this report, 18 percent of claimants fail to report to their scheduled RESEA workshop/meeting and 13 percent have their participation waived (Parton, 2023). UI claimants can receive a waiver from the program if they fall into at least one of the three following categories:

1. Claimants that have a definite return to work date.
2. Claimants who secure work only through a union hiring hall.

[2] US census analysis conducted by Governing Magazine reveals that Chicago is the 3rd most segregated city in the country and most downstate urban areas have higher than average segregation.

3. Claimants who are in an approved training.

There is limited data on the potential reasons that individuals fail to report. Developing a well-informed understanding of the reasons for this lack of program participation could improve service delivery and program outcomes. Further, IDES can analyze UI program and labor market outcomes for individuals that do not report to their scheduled RESEA services. Are these claimants quickly reattaching to employment? What percentage of these claimants remain unemployed/seeking employment but lose their UI benefits? Do different demographic groups or geographies experience loss of benefits at greater rates? Further, how are waivers distributed across gender, race, and geography? Understanding the experiences of this significant sub-set of UI claimants in Illinois would facilitate increased program uptake and the elimination of potential disparities in program delivery. IDES is planning significant program upgrades with the aim of improving participation including a self-scheduling functionality that many RESEA program administrators believe will increase program participation (DOL, 2022), as well as online self-guided training modules designed to improve claimant awareness of available system resources. These enhanced service offerings create additional opportunities for researchers and policymakers to understand how to best serve Illinois residents experiencing unemployment/seeking employment. Additionally, IDES could potentially increase efficiency and program access to more claimants if they screen individuals who they project will receive waivers out of initial selection.

Determination Three: There are many existing strengths within Illinois' RESEA Program that IDES can build upon to improve outcomes for claimants and regional economies.

As discussed above, Illinois' RESEA scoring algorithm is a reasonably good predictor of employment outcomes. While the program outcomes concerning employment and earnings were generally null, the overall trendline of individual scores correlated higher risk to longer terms of unemployment and lower earnings. The scoring mechanism itself could be studied further. While it is clearly able to identify risk, could researchers/policymakers refine it to identify claimants who would be most likely to benefit from program offerings and further target outreach and enrollment? Finally, could study of the algorithm help identify additional services that would be beneficial to individuals selected into the program?

The United States Congress permanently reauthorized RESEA in 2018. Policy makers largely adopted program regulations that are largely derived from Nevada's implementation of the predecessor Re-employment and Eligibility Assessment (REA) program. Multiple studies have shown that Nevada's REA program significantly reduces the likelihood that claimants exhaust their UI benefits. Nevada continues to provide similar services through RESEA with notable program features, such as required career counseling for some claimants and consistent staff contact as claimants transition from RESEA services to reemployment services. The U.S. Department of Labor (DOL) reports that "Federal regulations require states to use no less than 25 percent of their grant funds for interventions or service delivery strategies with strong causal evidence showing a demonstrated capacity to improve employment and earnings outcomes for program [3]". With new program design features planned for 2024, IDES and Illinois are well positioned to implement evidence-informed programming and evaluate new strategies for improving participant outcomes.

[3] https://oui.doleta.gov/unemploy/docs/factsheet/RESEA_FactSheet.pdf

Determination Four: The null and negative results found in this analysis raise additional questions that policymakers should investigate further.

The negative and null results tell us that this program, as it is currently structured, delivered, and utilized, does not provide benefits to the UI claimants who are assigned to it. This suggests that the current iteration of the RESEA program is not the most efficient and best use of IDES resources.

While these findings provide some valuable information to IDES leadership and staff, they raise additional questions that should be investigated to best inform program changes. Notably, it is worth understanding why we do not observe effects on the earnings and employment of individuals selected into the RESEA program. It is possible that the services provided by the program are simply ineffective at addressing the needs of program participants. Perhaps a phone call with personalized information and referrals is not enough to move the needle on employment outcomes for people facing barriers to employment.

Another possibility is that low program uptake is obscuring the effect of the program on those who followed through with their RESEA workshop. This analysis measures the intent-to-treat effect, meaning that anyone assigned to a training is included in the analysis of individuals who received training. This is a useful framework for policy research because it considers the reality that not everyone completes their services; however, it sometimes fails to capture the effect of the program on people who complete it if program uptake is low. As mentioned previously, only 69 percent of claimants assigned to the program actually participate in the program. It is possible that the 31 percent of individuals who don't take part in the training have worse outcomes and those outcomes negatively impact the overall average.

The lack of specificity about program delivery in the data could be making it hard to identify successful sub-strategies or sub-populations who would benefit from RESEA. During the RESEA workshop, claimants receive a wide variety of personalized employment information and referrals to other services. Claimants are not required to follow through on the referrals to maintain their UI benefits—only the initial workshop is mandatory. We do not have data about the uptake of follow-up services, so it is likely that there is much unobserved variation in the intensity of the services received. The null results may be obscuring variation in intervention effects based on referral follow-through, types of referrals, types of information received, and more differences in the dosage and types of services.

Recommendations:

IDES plans to roll out enhancements to RESEA program delivery in 2024. These are ideal circumstances to build out additional capacity for future phases of program evaluation. In addition to recommendations concerning program delivery and encouraging more equitable outcomes detailed above, the research team recommends the following to increase IDES' capacity for delivering evidence-informed programming.

1. Vet required participant and program data points and ensure all necessary data collection methods are in place to allow for robust evaluation. This includes data on referred services and the uptake of referred services.

2. Include data collection training for program staff in pilot and statewide launch of enhanced RESEA services.
3. Prepare a side-by-side program design comparison between the existing IDES RESEA program/New IDES RESEA program/Nevada RESEA program.
4. Determine the type and extent of program evaluations to be conducted in coming years, At a minimum, consider assessing the following:
    a. Pilot phase of program enhancement launch, including process evaluation
    b. Descriptive comparison of program outcomes after the 2024 enhancements and current program
    c. Rigorous impact evaluation of new program features including self-scheduling.
    d. Program and labor market outcomes of participants who fail to report, including potential differences at sub-group levels
    e. Claimant engagement with Illinois JobLink, RESEA service, and employment outcomes
    f. Service referrals that result from RESEA meetings, including descriptive analysis of most common referrals and take-up rates
    g. New staffing model and how it impacts claimant experience and labor market outcomes
    h. Causal impact of assignment to enhanced RESEA services on the likelihood of exhausting UI benefits, earnings and other employment outcomes; and to what extent outcomes vary when compared to existing RESEA model
    i. Causal impact of enhanced RESEA program assignment on program outcomes by:
        i. Race
        ii. Gender
        iii. Age
        iv. Risk score components
        v. Pre-program self-assessments
        vi. Labor market history, i.e. length of previous employment, prior earnings
        vii. Education
        viii. Geography
        ix. Time period
        x. Referral pathways
        xi. Claim gap (date claim filed - date of last day employed)
        xii. Log wages
        xiii. Wage replacement rate
        xiv. Industry of high-wage employer
        xv. Occupation of high-wage employer
        xvi. Urban/suburban/rural
        xvii. Claim date quarter
        xviii. Separation reason
    j. Risk score determination methods
    k. Risk score sub-groups to determine if individuals with differing intensity of risk experience varied impact from RESEA services
    l. Program enrollment barriers that limit participation of Black claimants, claimants with lower earnings history, and any other demographic our geographic sub-groups that might have experienced disparate access to RESEA services
    m. Qualitative data of staff and claimant experiences in administering and participating in the enhanced program design.
5. Utilize lessons from program evaluations to improve department policy and program delivery.

6. Consider research questions that focus on staff experience:
    a. To what extent do staffing model changes (such as job seekers working more continuously with case workers) impact program outcomes?
    b. Are there changes that IDES could make to the recruitment model for career coaches that could improve program outcomes (recruiting based on intrinsic motivation, changing compensation models, etc.)

Additionally, study authors recommend that IDES seek to better understand the extent of RESEA program exclusion caused by delay in initial benefit receipt; and the potential impact this has on a claimant's employment trajectory. One possible path forward would be to **complete a racial equity assessment of the department's systems to determine the cause of the disproportionate impact and take steps to rectify these outcomes**. IDES could also conduct a **process analysis** of the fraud and eligibility investigation workflows to identify ways to shorten the time these processes take. Additionally, the department could provide more guidance to people as they complete their claims to **help claimants more clearly describe their circumstances**, so their application does not get flagged for eligibility concerns. Developing a clearer understanding of why these disparate impacts occur will support IDES in rectifying this inequity.

Appendix

Research questions and hypotheses

1. What is the causal impact of RESEA program assignment on the likelihood of exhausting unemployment benefits?
2. What is the causal impact of RESEA program assignment on:
    a. Earnings,
    b. Employment, and
    c. Stable employment
3. How did this causal impact vary during the COVID-19 pandemic, if at all?
4. What is the causal impact of RESEA program assignment on program outcomes by:
    a. Race
    b. Ethnicity
    c. Gender
    d. Education

Analysis definitions

Treatment will be defined as being sent the letter notifying the claimant of the requirement to complete RESEA services.

Start date will be the benefit year start week, harmonized to the Saturday following the benefit year start date.

Selection date is the date that offices select claimants for RESEA services based on those with the highest scores available on that date.

Cohort time periods will be structured as following:

- Start date - previous selection date in the office + 1 day
- End date - selection date

Claimants will be placed into a cohort date range based on their profile date (the day they receive a RESEA score).

The rationale behind this cohort structure is that treated individuals are scheduled for the first available workshop after their selection date.

The geographic granularity of the cohorts is at the office level.

Score cutoffs are determined by sorting the claimants in a given cohort by RESEA score and setting the highest untreated score as the cutoff.

Singletons are erroneously placed claimants—that is, a person above the cutoff who does not receive treatment, or a person below the cutoff who does receive treatment. When cohorts have one singleton, they are removed from the cohort for the purposes of ensuring a cohort with a sharp score cutoff.

Outcome definitions, RDD analysis
Outcome time frames:

- 26 weeks/2Q - (generally) the max amount of time on UI pre-COVID
- 52 weeks/4Q - (generally) 2Q after max time on UI pre-COVID, and approximately the max amount of time during COVID (39 - 59 weeks, depending on Illinois' unemployment rate)

Pandemic definitions:

- Pre-COVID – claimant's benefit year begin date is before March 31, 2020.
- COVID – claimant's benefit year begin date is on or after March 31, 2020.

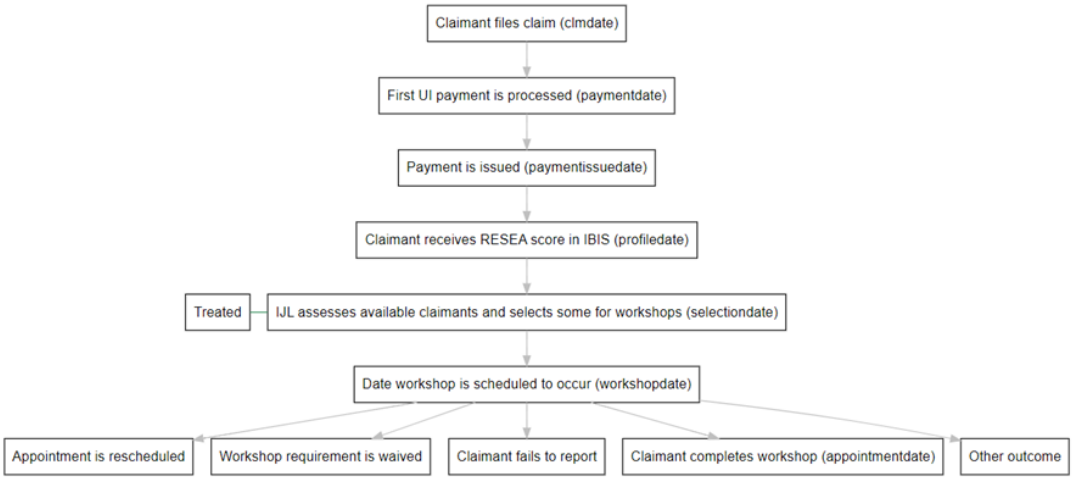
STUDY SAMPLE

The study sample includes:

- people who received a payment on the first UI claim of a benefit year, who
- live in Illinois, and have
- benefit year begin dates between 10/7/2017 and 7/23/2022
- payment dates earlier than or the same as payment issue dates
- benefit year begin weeks are earlier than or the same as payment dates
- initial claim dates are less than or equal to benefit year begin weeks
- initial claim dates are less than 21 days of payment dates
- payment dates are less than 28 days of selection dates
- last RES date (that is, the last time a claimant received RESEA services) is blank OR populated with a date more than 52 weeks before the selection date
- cohort length is 45 days or less

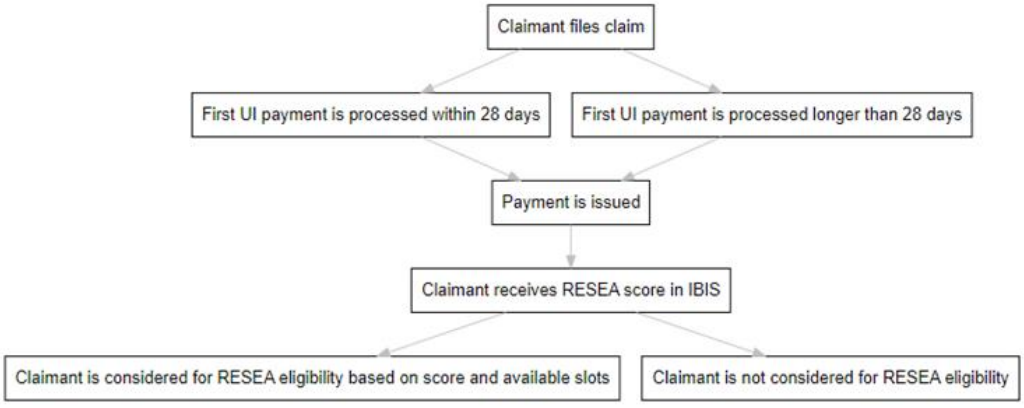
RESEA CLAIMANT WORKFLOW

Appendix Fig 1



RESEA ADJUDICATION WORKFLOW

Appendix Fig 2



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