

Job Search Assistance Programs – A Review of the Literature

Design Options of the Search for Employment

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Job Search Assistance Programs – A Review of the Literature

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Overview

This report presents the information gathered through a nine-month knowledge development effort as part of an effort funded by the U.S. Department of Health and Human Services, Administration for Children and Families to address the lack of recent and relevant research related to the relative effectiveness of various job search methods and the components of JSA programs. Specifically, the report provides an overview of current job search assistance (JSA) programs and the existing literature related to JSA. While the effort considered in JSA in general, the focus was on the JSA for disadvantaged workers and heads of households. A second report explores design options for an evaluation of JSA.

For most Americans, employment is critical—jobs provide economic stability and work anchors the day. Usually, employment is preceded by some form of job search, and often continues after an initial job is found. Effective job search methods are therefore of great importance. JSA programs—short-term, relatively low-intensity, relatively low-cost programs to help job seekers find jobs—are also a key component of many government-funded assistance programs and available to workers generally.

This report reviews the nature of the job market in which individual job search occurs, existing JSA programs, and theoretical perspectives on job search and JSA programs. It also reviews methodological considerations in reviewing the empirical evidence and the empirical evidence itself on both the effectiveness of individual job search strategies and JSA programs. Finally, this report identifies the key issues to consider when selecting which JSA program components to evaluate.

In particular, the report argues that JSA programs can be viewed as working through two different mechanisms: “assistance” and “enforcement.” The assistance mechanism helps motivated job seekers to find jobs—both directly and by teaching the skills required for job search. The enforcement attempts to force the jobless to search more intensively and more sincerely, and then to require them to accept less attractive job offers—or be sanctioned. The report views a third “training” mechanism involving increasing individuals’ skills on the job as an activity other than JSA. While there is literature to support both the assistance and training mechanisms and also the enforcement mechanism, their relative importance—for the current Temporary Assistance for Needy Families (TANF) population, relative to their levels in current JSA programs—remains an open question.

The review of the literature provides some—far from definitive—insights on the effectiveness of efforts towards these two mechanisms. Early evidence from Aid to Families with Dependent Children (AFDC) (the predecessor program to TANF) was interpreted as operating through the assistance and training mechanisms. For some studies, the review suggests that is the likely explanation. However, for other studies—particularly for Unemployment Insurance (UI) in the U.S. and in Europe—our review suggests clear evidence for the importance of the enforcement mechanism, with only a minimal role for either the assistance or training mechanisms. Viewed in light of these UI studies in the U.S. and Europe, the evidence for the role of the assistance mechanism in the TANF studies is weaker—though not zero.

The framework resulting from this knowledge development effort suggests the value of a test of the relative importance of the different mechanisms. Such a test might involve a matrix design, combinations of current intensive and less intensive efforts towards either the enforcement mechanism or the combined assistance and training mechanisms. Given the possibility of varying impacts with current programs, it would be attractive to test these interventions in states which vary in the extent to which their current approach emphasizes enforcement (either directly or through the strength of the maximum sanction) versus assistance and training.

1. Introduction

1.1 Background and Overview

For most Americans of working age, employment is critical. Jobs provide economic stability, and work anchors the day. Usually, employment is preceded by some form of job search; often job search continues once an initial job is found. Effective job search methods are therefore of great importance.

Job search assistance (JSA) programs—short-term, relatively low intensity, relatively low cost programs to help job seekers find jobs—are also a key component of many government funded assistance programs. These JSA programs have dual motivations.

1. Government assists job seekers in achieving their own goals. Often job seekers want to find a good job, promptly, in order to support their families. Government provides JSA programs to assist job seekers in achieving their own goals.
2. Government benefits paid to job seekers (e.g., Temporary Assistance for Needy Families [TANF] or Unemployment Insurance [UI]) change incentives—both for the government and for the job seeker—such that the government may not want to leave the job seeker to choose the intensity of her¹ job search and which job offers to accept. For government, the benefits are a cost; as a result, government may want the job seeker to search more intensively and to accept job offers that the job seeker would not accept in the absence of the benefit. Conversely, for the job seeker, the benefit subsidizes job search; as a result, the job seeker may choose to search less intensively and not to accept some job offers that she would have accepted in the absence of the benefit.

This dual motivation for JSA programs—to help the job seeker to achieve her goals and to induce the job seeker to search more intensively than she would on her own—is a theme running through this document.

Despite the crucial role of job search in the lives of families and JSA programs in income support and other funding streams, there has been only limited research on the relative effectiveness of various job search methods and of the components of JSA programs. While there has been some research on job search assistance bundled with other services, there has been less research that supports identifying the separate contributions of individual components of the bundle. Similarly, while the existing research has considered the impacts of JSA programs on broad populations of job seekers, there has been less research on how those impacts vary across subgroups (i.e., what works best for whom). Finally, much of the literature is now several decades old, and the labor market has changed—in general, and for disadvantaged workers in particular. To address that lack of recent and relevant research, the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) awarded a contract for the study of the Design Options of the Search for Employment (DOSE) to Abt Associates in September 2011. This project explores options for the design of an evaluation of job search assistance.

¹ See Section 1.5 for a discussion of our use of the feminine pronoun—here and throughout the document.

This report caps a nine-month knowledge development effort. The report is intended to provide an overview of current JSA programs and the existing literature related to JSA. The report attempts to identify the key issues and to synthesize the relevant literature with a particular focus on summarizing what is known about job search (and JSA programs) and what are the key holes in current knowledge. This effort is intended to lead to the identification of several promising JSA program components for which the follow-on Evaluation Options and Design Report will discuss issues in the design of an evaluation and present several promising designs.

This project is funded by ACF, whose largest program is TANF. Consistent with ACF funding, the project focuses on implications for TANF programs. Insights for TANF from JSA programs in other funding streams (e.g., UI) are explored. It is expected that many of the insights in this report and in the evaluation which might follow will also be of use to other funding streams.

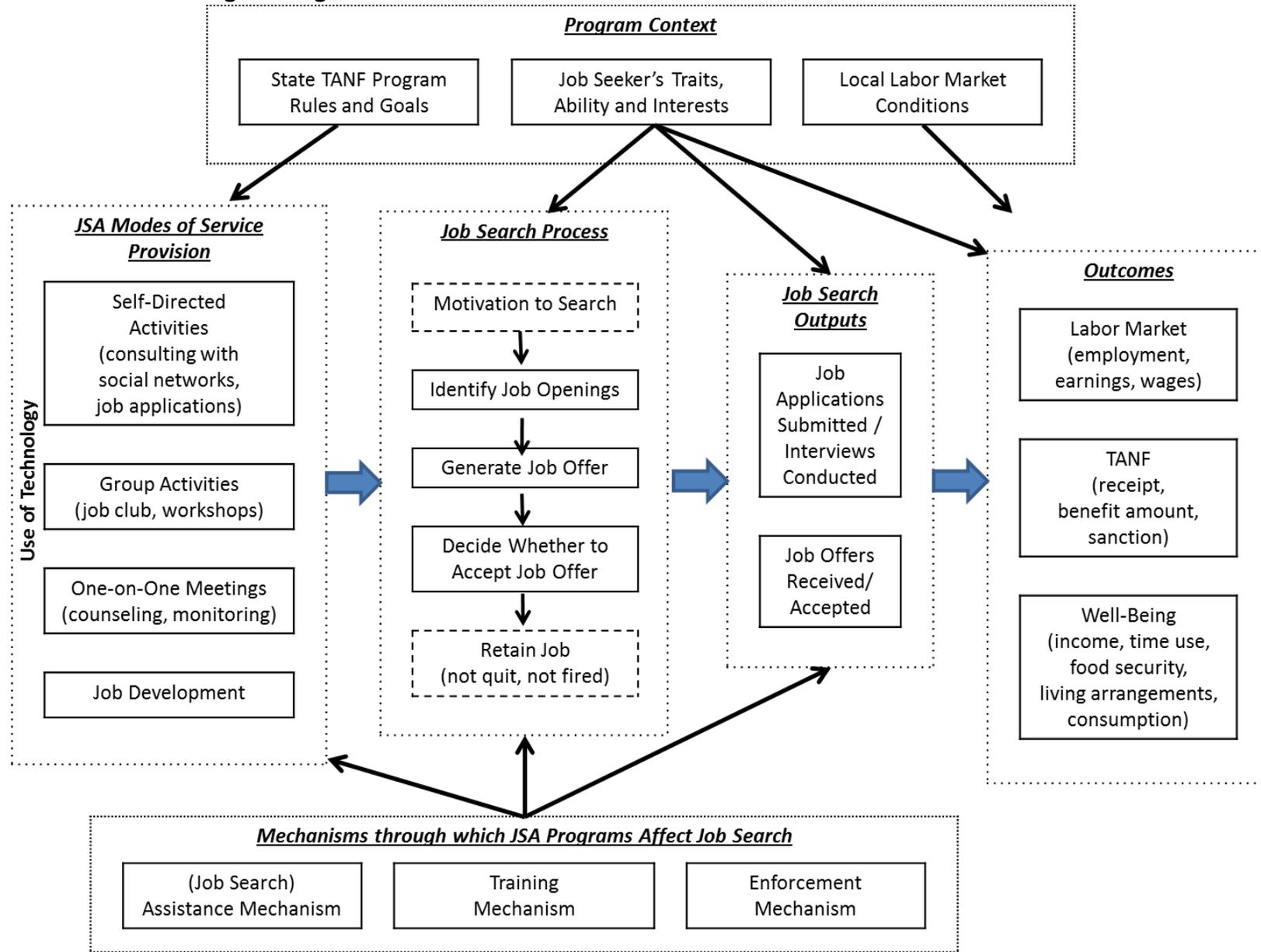
1.2 Conceptual Framework

JSA programs are an activity in state TANF programs. Sometimes those JSA programs work with people as they apply for TANF, sometimes immediately after their TANF application is accepted, and sometimes after someone has been on TANF for an extended period of time. Exactly when a participant enters a JSA program will vary with the design of the state TANF program, the participant's own characteristics, and the participant's previous experience in TANF. In particular, in many states assignment to a JSA program is nearly automatic after entry into TANF. In other states, a participant is only assigned to a JSA program after an in-depth assessment.

Given assignment to a JSA program, Exhibit 1.1 provides a conceptual framework for this report. On the left, JSA program components (organized by the mode of service provision) induce changes in the job seeker's job search process, leading to changes in job search outcomes and then to changes in intermediate-term and long-term outcomes. The balance of this section discusses the various parts of the framework.

We begin in the center with the "Job Search Process," i.e., what job seekers do. Specifically, we conceptualize job search as having three steps, preceded and followed by a half step. The core of the job search process comprises three steps: (i) identify job openings; (ii) convert those job openings into job offers; and (iii) decide whether to accept a particular job offer, or instead to continue searching. A necessary prerequisite for job search is a—*crucial*—half step: motivation to search for and find a job. Even with successful job search, many jobs for disadvantaged workers do not last very long—some workers are fired; some workers quit; some jobs were explicitly temporary—leading to the other half step: retain the job, i.e., do not quit or get fired. While not part of the job search process, this reality drives some of that process (e.g., which job offers to accept) and the design of some JSA program components (e.g., don't just point to a job; teach how to search for a job).

Exhibit 1.1: JSA Program Logic Model



The right part of Exhibit 1.1 lists two sets of job search outcomes. Moving right, we have outputs of the job search process itself: how many job applications were submitted and how many interviews were conducted. These labels hide a qualitative dimension of job applications and interviews: to what extent do the participants have the job search skills to complete applications correctly and to perform well in interviews, and to what extent do they put forth a sincere effort in doing. The goal is that these efforts yield job offers, one of which is eventually accepted.

The far right of Exhibit 1.1 lists the three types of outcomes to which the job search process is intended to lead:

- (i) Job search is intended to lead to a job and corresponding **labor market outcomes** including employment, earnings, wages, and other aspects for the job (e.g., benefits, number and regularity of hours, shift and regularity of shift).
- (ii) **TANF program outcomes** including receipt of any TANF cash benefit, the amount of the benefit, and sanction status. We will argue that a sanction, possible outcome of some JSA program activities.
- (iii) Broader **well-being outcomes**, including total income, time use, food security, consumption, living arrangements, family stability, child health, child behavior, and child academic achievement. Beyond labor market outcomes, these broader well-being outcomes are important because earlier studies of welfare-to-work programs suggested that any increase in earnings was offset by the loss of cash (or near cash) benefits (such as TANF and SNAP, even considering the EITC) and less time for child rearing, home making, and pure leisure. It follows that while earnings may rise when a job seeker takes a job, she may nevertheless be worse off—little or no change in income and much less time at home—at least in the short run.

We argue in the body of this report that we would expect the primary impacts of JSA programs to be on outputs and intermediate-term outcomes; but impacts on long-term outcomes are possible and should be explored.

The left side of Exhibit 1.1 considers the programmatic elements that comprise JSA. At the far left, we identify group specific program activities, or components, into four modes, or methods, of service provision: (i) **self-directed activities** (e.g., consulting with social networks, filling out job applications); (ii) facilitated **group activities** such as the group process in job club and classes in job search and soft skills; (iii) **one-on-one meetings**, including counseling related to job search strategies (e.g., assessment of skills and goals, help using computer search tools and completing job applications), conveying job leads (from past experience or from job developers), and monitoring of job search activities (checking job search logs and copies of job applications completed, contacting employers to verify claimed activities); and (iv) **job development**, in which a program staff person works with employers to identify (i.e., “develop”) job openings, without direct contact with the job seeker.

Specific JSA components cluster into these service delivery approaches, throughout the job search process, and any given program will have its own delivery balance or emphasis. We expect that programs will operate self-directed and group activities along with one-on-one meetings with caseworkers as job seekers attempt to identify job openings, generate job offers, and decide whether

to accept a job offer. The activities may also take place in conjunction with programs’ efforts to engage employers in job development.

These four columns are the core of the framework that we use to think about JSA programs and their likely effects. Above these three columns, we display three aspects of the context for the JSA program. First, JSA programs operate in the context of the state’s TANF program: benefit levels, sanction policies, level of funding for welfare-to-work activities, and general program goals and philosophy. Second, JSA programs work with TANF recipients at the time they enter TANF. TANF recipients vary in their abilities (in part from their previous education, training, and work experience), interests, and previous TANF experience. Third, job seekers search in a local labor market. Sometimes it is quite easy to find a job; sometimes it is very difficult. Beyond their overall state, local labor markets vary in their details. Some local labor markets have relatively more jobs in manufacturing, while others have relatively more jobs in hospitality. These three aspects of context affect how JSA programs are structured, what JSA activities participants actually participate in, participant job search outputs, and intermediate-term and long-term outcomes; i.e., all of the columns in the exhibit.

As seen in Exhibit, 1.2, specific JSA components are provided through the three approaches – job club, case management/one-on-one counseling, and resource rooms. No component is exclusively offered through a single approach. Within a larger program, individual components may be provided through more than one approach. For example, job club may encompass self-directed job search, job readiness, and assessment. Those same services may be offered through individualized case management as well. Self-guided, computerized assessment tools may also be available in the program’s resource room.

Exhibit 1.2: Cross-Walk Between Approaches and Components

		Approaches		
		Job Club	Case Management/One-on-One Counseling	Resource Rooms
Components	Job Development/Job Matching			
	Self-Directed Job Search			
	Job Readiness			
	Assessment			
	Soft Skills Training			
	Resilience Training			

Finally, a major theme and contribution of this report is the conceptualization of these JSA activities as affecting the job search process and intermediate-term and long-term outcomes through three distinct mechanisms—the assistance mechanism, the training mechanism, and the enforcement mechanism. To emphasize that they affect the design of programs, how those programs affect job search, and the impact on outcomes, we display these three mechanisms below the four columns. Specifically:

- **Assistance Mechanism:** Consistent with a diagnosis of job search difficulties as: “there are jobs, but I can’t find them,” the assistance mechanism helps motivated job seekers to find

jobs—both directly and by teaching the skills required for job search. Activities might include group training in job search skills (identifying job openings, preparing a resume, completing job applications, interview skills), one-on-one assistance with those skills, and group and one-on-one assistance with motivation to search for a job in the face of rejection.

- **Training Mechanism:** Consistent with a diagnosis of job search difficulties as “there are no jobs (for which I am qualified),” the training mechanism attempts to improve the employability of job seekers. (We only conceptualize changes in the job seeker’s skills in doing the job as operating through the training mechanism; we conceptualize changes in the job seeker’s skills in the tasks of job search as operating through the assistance mechanism.²) Another form of the training mechanism is extended formal education in basic skills (e.g., math, writing, science) and long-term, hard skills training (e.g., welding, typing). Less intensive versions of the training mechanism involve short-term, group, and one-on-one training in soft skills: consistent and punctual arrival at the worksite, following instructions carefully and completely, and getting along well with supervisors, coworkers, and customers. Consistent with other ACF research efforts and how the term “JSA program” is used in the field, we only consider low intensity soft skills training as in the scope of this study. High intensity basic skills and hard skills training are viewed as out of scope, i.e., not part of JSA programs.
- **Enforcement Mechanism:** Consistent with a diagnosis of job search difficulties as: “there are jobs, but I prefer to search longer,” the strong form of the enforcement mechanism would attempt to force the jobless to search more intensively and more sincerely, and then to require them to accept less attractive job offers—or be sanctioned. As we discuss in Chapter 4, the modern economic theory of sequential job search emphasizes the trade-off between the potential for a better job with longer job search and the cost in foregone earnings of that search. For the job seeker, searching longer is often an optimal strategy. However, as we noted at the very start of this chapter, payment of a benefit to job seekers sometimes implies that the program wants the job seeker to accept jobs that she herself would choose to refuse in favor of searching longer in the hopes of being offered a better job. In the extreme, it is possible that some job seekers prefer continued—perhaps low intensity—search over nearly any job offer that they are likely to receive. Given this possible disjunction between what is best for the job seeker and what is best for the JSA program, JSA programs often include components that increase search intensity and induce acceptance of job that otherwise would be rejected. Such components might include requiring the jobless to show evidence of active job search (e.g., employer contacts, job applications completed), requiring participation in activities which are “work like” (such that work is relatively more attractive and that are incompatible with informal sector employment), and requiring participants to accept all good

² We suggest these mechanisms to clarify thinking about how JSA programs affect outcomes. We acknowledge that the distinctions are not clear. Thus, we would view a JSA component that increased job skills as operating through the training mechanism. We acknowledge that a job seeker should convey those skills to a potential employer and that those skills should increase the chance of getting hired. Nevertheless, we view such a JSA component as operating through the training mechanism. We view JSA components that work through skills in job search or that improve the presentation of existing skills—whether basic skills, hard skills, or soft skills—as working through the assistance mechanism.

faith job offers. Those who do not comply with such program rules would have their benefits cut or eliminated (e.g., a TANF sanction).

In thinking about these three mechanisms, it is useful to consider the dual questions:

- ***Is this program addressing an important cause of joblessness?*** If there are no jobs at all (at least for this job seeker, at this time), then coercing such a job seeker to search more intensively is unlikely to be a successful strategy. Conversely, if there are jobs, but the participant prefers joblessness (and receiving a transfer payment) to the jobs that are available, then providing job search skills is unlikely to be a successful strategy.
- ***Does this program succeed along its stated mechanism?*** The problem may be job search skills, but if the program does not succeed in improving job search skills (enough), the program will not change outcomes. Conversely, the problem may be the intensity of job search, but if the program cannot increase job search intensity, it will not change outcomes.

1.3 Organization of this Report

The balance of the document is organized as follows. For the low-wage/low-skill labor market, the next chapter presents some key descriptive information about employment patterns (e.g., How much do low-wage jobs pay? How long do they last? How much within job wage growth is there?) and job search patterns (e.g., What job search methods are used? How intensive is the job search?). This descriptive information provides the context for the balance of the document.

The next two chapters provide program context. Chapter 3 presents an overview of existing job search funding streams; it discusses JSA programs' institutional context, statutory constraints, funding levels, and (where possible) program size. Beyond providing the program context for the existing literature, this discussion will help the evaluation design effort to understand the extent to which existing programs are large enough to support an evaluation trying to detect small impacts. This chapter also aims to understand the extent of local autonomy and therefore at what level recruitment of programs to participate in a study would need to occur. The more centralized the control of the program, the fewer resources will be required for site recruitment costs (i.e., recruit the entire nation versus a state versus a county versus an office).

Then, Chapter 4 describes what happens in JSA programs. There is wide variation in JSA programs; the chapter tries to describe the common components of JSA programs and how they are implemented.

Chapter 5 presents several theoretical perspectives—primarily from labor economics—that underlie our approach. In particular, this chapter fills in the argument for each of the three mechanisms: assistance mechanism, training mechanism, and enforcement mechanism. We defer until the next chapter a discussion of theoretical perspectives from psychology and sociology.

The next three chapters turn to the quantitative evaluation literature. Chapter 6 surveys the methodological issues that arise in interpreting the existing quantitative evaluation literature. Chapter 7 considers research on the effectiveness of individual job search methods, including methods to identify job openings, methods to convert identified job openings into job offers, and job offer acceptance methods. Chapter 8 considers research on the effectiveness of job search program components, with a particular focus on the assistance mechanism versus the enforcement mechanism.

The final chapter attempts to tie together the various chapters towards the ultimate goal of this document: To identify promising strategies for which the second phase of the project should design an evaluation. The final chapter also briefly considers other implications of this knowledge development effort for evaluation design.

1.4 Methodology

This document is based on two sources of information: a survey of the existing literature and discussions with knowledgeable experts. We began by reviewing the existing research. While this is not an exhaustive survey of the literature, we worked with project staff, the project Scholarly Review Team (SRT),³ and ACF staff to identify the key dimensions of job search that are worthy of consideration and key research in those areas. Second, after consultation with the SRT and ACF staff, we spoke directly with a range of key informants,⁴ including national experts and state and local job search program administrators, about existing JSA programs and specific innovative job search efforts.

1.5 Some Notes on Language

We conclude this introductory chapter with some notes about language. We refer to those enrolled in and potentially served by a program as “participants.” Despite this language, many participants never actually participate or do not participate consistently or in the specific component to which they were assigned.

We attempt to use gender neutral language. Sometimes doing so is awkward. Consistent with ACF funding, this effort is focused on implications for TANF. Adult TANF recipients are overwhelmingly female. We therefore use female pronouns (e.g., “she,” “her”) in referring to job seekers. Unless otherwise noted, all such references should be taken as referring to male job seekers as well.

We attempt to be careful in describing labor market status. Conventional labor analysis uses a three-part classification—employed, unemployed, and out of the labor force—where the middle group (unemployed) is actively searching for work and the last group (out of the labor force) is not. Formally, we should refer to those who are not employed as the nonemployed. We will usually adopt the presumption that anyone in these funding streams is (or should be) actively searching for work and use the term “unemployed.” When that presumption is less appropriate, we will use the more generic “nonemployed.”

The discussion that follows requires that we distinguish between several different concepts of “program” for which no generally accepted terminology appears to exist. In this chapter and in the following chapters, we attempt to consistently use the following terminology: a JSA *program* (e.g., a

³ Scholarly Review Team members include: Burt Barnow, David Fein, Carolyn Hill, Sheena McConnell, Howard Rolston, Jeffrey Smith, and Alan Werner. Additional information on each is provided in Appendix A.

⁴ Key informants consulted include: Suzy Beegle, Stacey Dean, Michelle Derr, Darlene Dunn, Eva Harper, David Heaney, Erica Kammer, Jodie Kelley, Elizabeth Lower-Basch, Kelly Lindseth, Demetra Smith Nightingale, LaDonna Pavetti, Neil Ridley, Deborah Schlick, Brian Solomon, and Don Winstead. Additional information on each is provided in Appendix A.

state TANF agency) operates at one or more *offices* (e.g., a TANF office or a WIA One-Stop Career Center), using resources provided by a *funding stream* (e.g., TANF, UI, WIA).

Different JSA programs implement different JSA program *models*. A JSA program model includes several different JSA program *components* (e.g., self-directed job search, world of work classroom training, one-on-one counseling) that work through various *mechanisms* (assistance, training, enforcement) to influence the job search *methods* (e.g., many versus few applications, contacting employers directly versus working personal networks) used by participants. Thus, one program model might focus on the assistance mechanism and therefore include intensive one-on-one counseling and many job developers. An alternative program model might focus on the enforcement model and therefore assume self-directed job search, with caseworkers used primarily to verify sufficiently intensive job search.

Funding streams and JSA programs vary in at what level the program model is set. In some programs there is nearly a single unitary program model across all offices. In other programs, individual offices have more discretion such that it is useful to think about each office (or perhaps cluster of offices) as implementing a different program model.

2. Labor Market Context

Our thinking about job search assistance (JSA) programs should be informed by an understanding of the broader context in which job search occurs. This chapter provides some key descriptive statistics to characterize that context. Like the study more broadly, this chapter focuses, where possible, on the experiences of disadvantaged workers, who often have low levels of education and work experience and other barriers to employment.

Key contextual facts and factors for understanding the relationship between labor market context and job search activities include:

- Wages of low skilled workers are low; often little above the minimum wage.
- Hours worked of low skilled workers are also low; often well below full-time, full-year. This implies that even if a program did not change wages, there is considerable scope to increase earnings by increasing hours worked. For a JSA program, hours worked could be increased by moving a participant (back) into the labor market faster.
- Combined with full-time work at the minimum wage, other federal transfer programs—Supplementary Nutrition Program (SNAP) and the Earned Income Tax Credit (EITC)—would lift families to near or above the poverty line.
- Instability in work, limited wage gains and transitions between jobs are common among low-skilled, low-wage workers.
- Correspondingly, searching for a job is more common among lower-skilled and lesser-educated members of the labor force.

The information presented below comes from three sources. First, we provide some new tabulations from the Current Population Survey (CPS). In these tabulations, we operationalize the concept of low-skilled workers by focusing on individuals in the CPS aged 20–34 without a high school credential (we motivate this choice below).⁵ Second, we extract some information from the rules of transfer programs which affect the take-home earnings of low-skilled workers. Finally, we report results from published studies.

The balance of this chapter contains four sections. The next section discusses the conditions of employment in the low-skilled labor market—earnings, wage rates, and hours—overall, and variation across subgroups and over time. The second section considers transfer payments and other programs that support the low-skilled population. This section concludes with a discussion of the “disconnected,” i.e., those who neither work, nor receive welfare. The third section considers the

⁵ Appendix B to this document provides additional information regarding our analysis of the CPS data. We focus on 20–34-year-olds because this group has had limited time to acquire work experience and to better align this analysis to the age profile of TANF recipients (e.g., 76 percent of adult TANF recipients were between the ages of 20 and 39 in FY 2009 (see <http://www.acf.hhs.gov/programs/ofa/character/fy2009/tab18.htm>)).

dynamics of the low-skilled labor market—job tenure and wage rate growth. The final section considers job search—methods and intensity.

2.1 Employment, Wage Rate, Hours and Earnings

Since July 24, 2009, the federal minimum wage has been \$7.25 an hour.⁶ Full-time work is roughly 2,000 hours per year (40 hours per week for 50 weeks per year), thus full-time, full-year work at the minimum wage rate yields roughly \$14,500 per year. In this section, we use the income from full-time, full-year work at the minimum wage rate as a benchmark. We compare this reference income to both the poverty threshold and the actual earnings of low-skilled workers.

This benchmark is both too low and too high to represent the earnings of disadvantaged workers. It is too low because few full-time, full-year workers earn only the minimum wage rate. Exhibit 2.1 shows employment and earnings information for 20–34-year-olds from the 2011 Annual Social and Economic Supplement to the CPS (where 20–34 years old is approximately the ages of welfare recipients). The first panel includes all 20–34-year-olds, 45 percent of whom were employed full-time full-year in the preceding year. The second panel shows information for individuals who were employed full-time full-year, namely those who reported employment for at least 50 weeks in the previous year and who usually worked at least 35 hours per week. As shown in the fourth row of the second panel, even for low-skilled workers, only 8 percent of female full-time full-year workers and only 2 percent of male full-time full-year workers had hourly earnings at or below the minimum wage rate.

Although many TANF recipients are high school graduates, in what follows we take “not a high school graduate” as a rough proxy for “low-skilled.” Given that proxy, the average wage and salary income for low-skilled workers, who work full-time and full-year, is \$23,448 for women and \$26,281 for men. This is well above the \$14,500 implied by the minimum wage.

The benchmark income is, however, too high to represent the minimum possible earnings for low-skilled workers. As shown in the first panel, less than 20 percent of female high school dropouts and less than 40 percent of male high school dropouts are employed full-time full-year. At \$6,514, average earnings for low-skilled females are substantially below the reference income, while average earnings for low-skilled males are roughly at the reference income.

These descriptive statistics have two important implications for JSA programs. First, even if a program has only a moderate impact on the wage rate, there is still considerable scope for increasing earnings via increases in hours worked. Second, since earnings are low, even moderately large percentage changes in earnings are likely to be small in terms of the change in dollars earned.

As noted above, Exhibit 2.1 provides estimates for the most recent year, 2011. Survey respondents reported their employment and earnings for the preceding year, in the midst of the Great Recession.

⁶ Not all workers, occupations or employers are covered by the minimum wage. (The Fair Labor Standards Act defines the scope of coverage. See <http://www.dol.gov/compliance/guide/minwage.htm> for additional details.) From 1998 to 2007, the minimum wage was \$5.15. Substantial inflation implies that the real minimum wage dropped sharply over this period. For the history of the minimum wage, see <http://www.dol.gov/whd/state/stateMinWageHis.htm>.

Exhibit 2.2 provides earnings and employment estimates for the most recent pre-recession year, 2008. Overall, the percentage of 20–34-year-olds employed full-time full-year fell 8 percentage points, from 53 to 45 percent, between 2008 and 2011. The corresponding drops for low-skilled women and low-skilled men are 5 and 16 percentage points, respectively.

Current earnings levels are the result of a sustained and substantial decline in the labor market opportunities for low-skilled labor, particularly for less educated men (Katz and Murphy, 1992; Greenstone and Looney, 2011a; Goldin and Katz, 2008). While workforce participation has increased for women over the past four decades (Greenstone and Looney, 2011b), men without a high school diploma have lost ground in absolute terms since the 1970s; Greenstone and Looney (2011a, p. 13) report that between 1969 and 2009, the median real (i.e., adjusted for inflation) earnings of men with less than a high school education have declined by 66 percent. This drop reflects both a decrease in employment and a decrease in median earnings conditional on full-time employment (Greenstone and Looney, 2011a, p. 11).

Exhibit 2.1: Employment and Earnings Among 20-34 Year-Olds, by Full-Time Full-Year Status, Sex and Education, Annual Social and Economic Supplement to the Current Population Survey, 2011

Sex:	Females			Males			Total
	Education Level:	Less than HS	HS or GED	More than HS	Less than HS	HS or GED	
All 20–34-Year-Olds							
Average Weeks Worked Last Year	17.5	28.8	35.0	30.5	35.6	38.2	34.2
Average Usual Weekly Hours Last Year	14.6	23.0	27.8	27.2	31.4	32.9	28.6
Average Annual Wage and Salary Income Last Year	\$6,514	\$11,431	\$22,575	\$14,070	\$21,150	\$32,125	\$22,199
Percentage At Or Below Minimum Wage	5.1	3.8	3	2.6	2.5	2.1	2.9
Percentage Full-Time Full-Year Last Year	17.3	34	43.4	37.3	50	54	44.8
Unweighted Sample Size	2,050	5,110	13,270	2,368	5,932	10,207	38,937
Weighted Sample Size	2,913,647	7,510,675	20,740,329	3,909,226	10,035,568	17,999,849	63,109,294
20–34-Year-Olds Who <u>Did</u> Work Full-Time Full-Year							
Average Weeks Worked Last Year	51.9	52.0	52.0	51.9	51.9	51.9	51.9
Average Usual Weekly Hours Last Year	39.9	40.8	41.8	41.8	42.8	44.0	42.6
Average Annual Wage and Salary Income	\$23,448	\$24,381	\$40,291	\$26,281	\$33,347	\$50,161	\$39,725
Percentage At Or Below Minimum Wage	8.2	2.4	1.2	2.0	2.5	0.7	1.6
Unweighted Sample Size	381	1,751	5,720	956	3,148	5,811	17,767
Weighted Sample Size	504,058	2,550,240	9,000,418	1,457,358	5,015,464	9,715,072	28,242,610
20–34-Year-Olds Who <u>Did Not</u> Work Full-Time Full-Year							
Average Weeks Worked Last Year	10.3	16.9	22.0	17.7	19.2	22.2	19.8
Average Usual Weekly Hours Last Year	9.3	13.9	17.1	18.6	20.0	19.9	17.3
Average Annual Wage and Salary Income	\$2,514	\$5,114	\$9,273	\$7,175	\$8,078	\$10,823	\$8,169
Percentage At Or Below Minimum Wage	4.3	4.5	4.4	2.9	2.5	3.7	3.9
Unweighted Sample Size	1,669	3,359	7,550	1,412	2,784	4,396	21,170
Weighted Sample Size	2,409,589	4,960,436	11,739,911	2,451,867	5,020,104	8,284,777	34,866,684

Exhibit 2.2: Employment and Earnings Among 20-34 Year-Olds, by Full-Time Full-Year Status, Sex and Education, Annual Social and Economic Supplement to the Current Population Survey, 2008

Sex:	Females			Males			Total
	Education Level:	Less than HS	HS or GED	More than HS	Less than HS	HS or GED	
All 20–34-Year-Olds							
Average Weeks Worked Last Year	20.1	31.9	37.5	37.0	40.8	41.4	37.5
Average Usual Weekly Hours Last Year	17.4	25.9	30.0	32.8	36.0	35.6	31.5
Average Annual Wage and Salary Income Last Year	\$5,702	\$13,341	\$24,246	\$16,601	\$24,220	\$35,404	\$24,316
Percentage At Or Below Minimum Wage	6.8	6.2	3.2	4.1	3.2	3.2	3.8
Percentage Full-Time Full-Year Last Year	22.4	41.4	48.4	52.8	63.2	61.6	52.5
Unweighted Sample Size	2,159	5,256	12,420	2,552	5,932	9,701	38,020
Weighted Sample Size	3,068,950	7,653,190	19,359,067	4,127,906	9,778,619	16,686,886	60,674,619
20–34-Year-Olds Who <u>Did</u> Work Full-Time Full-Year							
Average Weeks Worked Last Year	51.9	52.0	52.0	51.9	51.9	51.9	52
Average Usual Weekly Hours Last Year	40.8	40.8	42.0	42.2	43.3	44.2	42.8
Average Annual Wage and Salary Income	\$18,142	\$25,155	\$39,423	\$22,573	\$32,925	\$49,000	\$38,031
Percentage At Or Below Minimum Wage	14.2	4.8	0.9	3.6	2.6	1.7	2.3
Unweighted Sample Size	499	2,163	5,864	1,424	3,858	6,231	20,039
Weighted Sample Size	688,566	3,169,340	9,375,089	2,180,671	6,175,266	10,283,939	31,872,872
20–34-Year-Olds Who <u>Did Not</u> Work Full-Time Full-Year							
Average Weeks Worked Last Year	10.9	17.7	23.8	20.3	21.7	24.4	21.4
Average Usual Weekly Hours Last Year	10.6	15.4	18.7	22.3	23.4	21.7	19.0
Average Annual Wage and Salary Income	\$2,823	\$4,812	\$9,748	\$7,583	\$9,585	\$12,334	\$8,739
Percentage At Or Below Minimum Wage	5.1	7.2	5.4	4.9	4.3	5.7	5.5
Unweighted Sample Size	1,660	3,093	6,556	1,128	2,074	3,470	17,981
Weighted Sample Size	2,380,384	4,483,850	9,983,978	1,947,235	3,603,353	6,402,947	28,801,747

2.2 Transfer Programs

Both the reference income and the actual earnings of low-skilled workers are low compared to the federal poverty threshold (in 2011, \$18,123 for a family of one adult and two children, \$22,891 for a family of one adult and three children).⁷ Thus, a full-time full-year worker would need to earn more than the minimum wage rate—about 25 percent more for a family of three; about 50 percent more for a family of four—to reach the federal poverty threshold on own earnings alone. Furthermore, the poverty threshold is only one measure of poverty. Work on more comprehensive poverty measures, such as the Supplemental Poverty Measure,⁸ is ongoing. Some argue that the official poverty threshold is too low, especially in areas with a relatively high cost of living (e.g., Jolliffe, 2008; Cauthen and Fass, 2008; Renwick, 2011).

However, low-income working families do not always rely solely on their own incomes (see Exhibit 2.3). Though most families living on a minimum wage rate full-time full-year salary are income ineligible for Temporary Assistance for Needy Families (TANF), many are eligible for the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program). Rough calculations suggest that a family of three might be eligible for \$3,000 per year in SNAP benefits, which represents about 20 percent of earnings.⁹

Exhibit 2.3: Benchmark Income Relative to 2011 Estimated Federal Poverty Thresholds

Poverty Threshold; 1 Adult & 2 Children	\$18,123
Benchmark Income	\$22,500
<i>Benchmark Wages</i>	\$14,500
<i>Estimated Value of SNAP</i>	\$3,000
<i>Estimated Value of EITC</i>	\$5,000
Poverty Threshold; 1 Adult & 3 Children	\$22,891

Note: Benchmark Wages is approximately full time work at the minimum wage (\$7.25 x 40 hours per week x 50 weeks per year = \$15,600; allowing two weeks per year of unemployment or unpaid vacation).

In addition, many lower income working families qualify for the Earned Income Tax Credit (EITC). Under the Clinton Administration, the EITC was increased significantly. Former President Clinton’s justification specifically noted the expansion’s ability to lift working families out of poverty: “...this will be the first time in the history of our country when we’ll be able to say that if you work 40 hours a week and you have children in your home, you will be lifted out of poverty” (Clinton, 1993). For example, for a hypothetical household with one or two adults and two children, living on earnings

⁷ These numbers are the preliminary 2011 federal poverty thresholds, downloaded from <http://www.census.gov/hhes/www/poverty/data/threshld/index.html> on April 13, 2012.

⁸ See the Census Bureau’s site <http://www.census.gov/hhes/> for information on experimental measures of poverty.

⁹ From October 2011 through September 2012, the maximum monthly SNAP allotment for a household of three is \$526. Income eligible households can receive this maximum allotment *less* thirty percent of net income. Additional information on eligibility for and size of SNAP benefits is available online at http://www.fns.usda.gov/snap/applicant_recipients/eligibility.htm.

from a single full-time full-year minimum wage rate job, the federal EITC pays about \$5,000, which represents about 35 percent of earnings for that household.¹⁰

These two benefit estimates suggest that full-time, full-year minimum wage earnings, plus SNAP and the federal EITC, will leave a three-person family above the poverty line and a four-person family approximately at the poverty line. These calculations are only basic estimates that do not take account of important factors such as public housing or variation in state EITC policies. Nonetheless, they provide a rough picture of the standard of living available from full-time full-year minimum-wage rate work.

The previous discussion contrasts work with welfare. The enforcement mechanism discussed in the opening chapter and to which we return in later chapters posits that as welfare in general, and JSA programs in particular, are made less attractive, more welfare recipients will choose work and leave welfare. There is, however, a third option. Some families are “disconnected,” i.e., the family has neither reported cash earnings, nor reported welfare benefits. Recent estimates suggest that this group makes up a fifth to a quarter of all low-income single mothers (Loprest, 2012; Loprest and Nichols, 2011; Loprest and Zedlewski, 2006; Blank and Kovak, 2009). Many of them have barriers to work. They appear to survive based on some combination of other transfer programs (e.g., SNAP, housing assistance, SSI for children), informal (and unreported, even to the surveys used in these analyses, including potentially illegal activities) earnings, and (also, unreported) assistance from partners, friends, and relatives.

2.3 Job Tenure and Wage Rate Growth

The first section of this chapter provides a static picture of labor market opportunities for low-skilled workers, i.e., hours, wage rates, and earnings at a point in time. Understanding dynamic aspects of the labor market, in particular job duration and wage rate growth, are also important for understanding JSA programs.

First, employment in the low-skilled labor market is not stable. Many new jobs end relatively quickly and finding a job again is often a challenge. Acs and Loprest (2004) report that while more than seven in ten welfare leavers work at some point during the year after leaving welfare, only four in ten work consistently throughout the year. More recent studies have similar findings. In a study of New York City Employment Service and Placement programs, Feldman (2011) reports that even among program participants who were placed in a job, “more than half (56 percent) were jobless within six months” (p. 62). Similarly, Hendra et al. (2010) report high levels of job loss across programs in the Employment Retention and Advancement (ERA) Project, such that even programs aimed at job retention and career advancement for employed low-skilled workers needed to provide significant amounts of job placement assistance. In fact, across ERA sites, Wavelet et al. (2010) report that “[a]mong those who started a job in a given quarter ... one in four were not working by the next quarter” (and presumably many others were working, but for a different employer). These findings

¹⁰ The Federal Earned Income Tax Table is available at <http://www.irs.gov/publications/p596/apa.html>. An individual filing as single with two dependent children who reports \$14,500 of earned income and no other income or adjustments is eligible for an estimated benefit of \$5,110 based on the IRS EITC estimator, available online at <http://apps.irs.gov/app/eitc2011/>.

suggest that getting a TANF recipient a job is only the beginning of the programmatic challenge; helping the recipient keep that job or find a new job when the first job ends is also crucial to self-sufficiency, or at least to full-time, full-year work.

Second, wage rate growth for low-skilled workers is moderate.¹¹ Relative to more skilled workers, wage rates for low-skilled workers clearly rise less quickly with the “potential experience” measure used in conventional labor market analysis: age minus years of education. For prime-aged, high-skilled workers, actual experience rises approximately at the same rate as potential experience; i.e., another calendar year brings nearly another year of work experience (though deep recessions weaken this connection). However, we have already noted that the situation is different for low-skilled workers. Full-time, full-year work is much less common, so gains in actual experience—and therefore the wage rate gains associated with work experience—occur more slowly. Using the longitudinal nature of the National Longitudinal Survey of Youth (NLSY) to compute actual work experience, Gladden and Taber (2000) find that high school dropouts have the same wage rate growth with actual work experience as other workers—about 10 percent per year of actual experience. Nevertheless, since low-skilled workers work fewer hours per year, they have smaller year-to-year percentage increases in wage rate and thus in earnings.

Additionally, as Gladden and Taber note, equivalent wage rate growth represents smaller dollar increases for low-wage workers. Returns to experience are assessed by percentage changes in wage rates, rather than wage rate levels (2000, p. 181). Since the level of earnings for high school dropouts is lower, the same growth rate means smaller, year-to-year absolute increases in earnings. From an evaluation perspective, the increases in earnings for low-skilled workers associated with moderate increases in work experience are so small that they would be difficult to detect in moderate sized samples.

There is also a literature on whether wage rate gains for low-skilled workers are more likely to be associated with long tenure with the same employer or with changing jobs.¹² In a descriptive study, Miller et al. (2010) pool data on single parents across a variety of ERA sites. Earnings gains were larger for job changers than for those who stayed at the same job. “At the median, single parents in the ERA sample experienced a 0.4 percent increase in earnings when staying at the same employer from one quarter to the next. However, the median quarterly gain associated with a job change was 12.6 percent” (p. ES-3). However, these analyses need to be interpreted with caution; presumably people change jobs when there is an opportunity for a major increase in earnings. It does not necessary follow that people should change jobs more often.

To contextualize this finding, Holzer et al. (2004) report that a significant amount of the variation in earnings over time—both losses and gains—are associated with employer-to-employer transitions. Since Miller et al. (2010) focus on a group who begin the study with very low earnings, part of the positive estimated effect of transitions may reflect the reality that this group had fewer possibilities to transition to a significantly lower paying job.

¹¹ Connolly and Gottschalk (2006) survey the literature on this question.

¹² See Altonji and Williams (2005) for an overview of the literature on the returns to job tenure.

2.4 Job Search

We conclude this chapter with some key descriptive statistics about job search. Job search is quite common for low-skilled workers. Exhibits 2.4 and 2.5 provide information about the job search methods adopted by 20–34-year-olds, as reported in the January 2011 and January 2008 Basic Monthly CPS.

In January 2011, about 14 percent of females without a high school credential and 15 percent of males without a high school credential had looked for work over the four preceding weeks. These numbers reflect recession conditions. For females, this represents a 6 percentage point (75 percent) increase since 2008, and for males, a 5 percentage point (50 percent) increase since 2008.

According to these CPS data, the most commonly reported job search methods are direct employer contact and sending out a resume/filling out a job application (in the four weeks preceding the survey, 6 to 7 percent of all low-skilled workers did so). These are the most common methods across all sex and educational attainment categories. Contacting an employment service, contacting friends or family, and looking at ads are also common job search methods. Contacting a union or professional register and contacting a school/university employment center are rare for all workers, but particularly for low-skilled workers, who may be less likely to have strong ties to these types of organization.

These tabulations also suggest that a substantial portion of job seekers do not use all available methods to search for employment. CPS respondents are prompted to report multiple search methods. Yet even the most common method, direct employer contact, was not used by most job seekers.

Other analyses give some indication about the intensity of job search, at least as measured by time devoted to job search. In line with the CPS tabulations, it appears that job search intensity is low. Standard advice is to “treat job search like a job” but the reality is quite different. Using data from the American Time Use Survey between 2003 and 2007, Krueger and Mueller (2010) report that, on a given weekday, roughly a quarter of the unemployed engage in job search. On average, the unemployed searched for about 41 minutes per day. Conditional on some search activity, the average increases to about $2\frac{3}{4}$ hours (167 minutes).

These results may reflect the relatively strong economic conditions of the time: Aguiar et al. (2011) report that job search increases during recessions, though increased search accounts for only a small fraction of the reduction in hours worked during recessions. Krueger and Mueller (2011) estimate that during a period of high unemployment (late 2009 and early 2010) New Jersey UI recipients spent, on average, between 65 and 100 minutes a day on job search.

These results suggest that even during recessions, there is considerable scope for increasing the intensity of job search. Whether increasing intensity of search will increase job finding and wage rates in jobs found is less clear.

Exhibit 2.4: Frequency of Use of Job Search Methods Among 20-34 Year-Olds, by Sex and Educational Attainment, January 2011 Basic Monthly CPS

Sex:	Females			Males			Total
	Education Level:	Less than HS	HS or GED	More than HS	Less than HS	HS or GED	
% Who Looked for Work in the Last 4 Weeks	14.1%	10.7%	6.0%	15.0%	13.1%	7.2%	9.0%
% Whose Methods Include Direct Employer Contact or Interview	6.3%	4.4%	2.7%	6.6%	6.6%	3.7%	4.2%
% Whose Methods Include Contacting Public Employment Service	2.9%	2.2%	1.1%	3.2%	3.4%	1.8%	2.0%
% Whose Methods Include Contacting Private Employment Agency	0.7%	0.6%	0.4%	0.6%	1.3%	0.6%	0.7%
% Whose Methods Include Contacting Friends Or Relatives	2.5%	2.2%	1.4%	3.9%	3.9%	2.2%	2.3%
% Whose Methods Include Contacting School/University Employment Center	0.2%	0.3%	0.3%	0.3%	0.6%	0.6%	0.4%
% Whose Methods Include Sending Out Resume Or Filling Out Application	6.4%	5.9%	3.7%	6.3%	6.7%	4.0%	4.8%
% Whose Methods Include Contacting Union or Professional Register	0.0%	0.2%	0.2%	0.3%	0.5%	0.3%	0.3%
% Whose Methods Include Placing or Answering Ads	1.3%	2.1%	0.9%	1.6%	2.7%	1.3%	1.5%
% Whose Methods Include Looking At Ads	4.5%	3.3%	2.0%	4.2%	4.2%	2.1%	2.8%
Unweighted Sample Size	1,165	3,172	8,682	1,335	4,012	6,998	25,364
Weighted Sample Size	2,980,102	7,677,897	20,403,163	3,757,526	10,243,845	17,340,669	62,403,202

Exhibit 2.5: Frequency of Use of Job Search Methods Among 20-34 Year-Olds, by Sex and Educational Attainment, January 2008 Basic Monthly CPS

Sex:	Females			Males			Total
	Less than HS	HS or GED	More than HS	Less than HS	HS or GED	More than HS	
Education Level:							
% Who Looked for Work in the Last 4 Weeks	8.3%	5.9%	3.6%	9.9%	7.2%	3.6%	5.2%
% Whose Methods Include Direct Employer Contact or Interview	4.4%	2.6%	1.9%	5.1%	4.0%	2.1%	2.7%
% Whose Methods Include Contacting Public Employment Service	1.7%	1.0%	0.5%	1.2%	1.3%	0.6%	0.8%
% Whose Methods Include Contacting Private Employment Agency	0.2%	0.4%	0.3%	0.8%	0.5%	0.3%	0.4%
% Whose Methods Include Contacting Friends Or Relatives	1.2%	1.2%	0.6%	3.1%	1.5%	0.8%	1.1%
% Whose Methods Include Contacting School/University Employment Center	0.1%	0.1%	0.2%	0.1%	0.0%	0.3%	0.2%
% Whose Methods Include Sending Out Resume Or Filling Out Application	3.6%	3.1%	2.0%	3.6%	2.9%	1.7%	2.4%
% Whose Methods Include Contacting Union or Professional Register	0.2%	0.0%	0.1%	0.0%	0.4%	0.1%	0.1%
% Whose Methods Include Placing or Answering Ads	1.3%	1.0%	0.5%	1.3%	1.1%	0.5%	0.8%
% Whose Methods Include Looking At Ads	2.4%	2.2%	1.1%	2.6%	2.6%	1.3%	1.7%
Unweighted Sample Size	1,308	3,233	8,214	1,564	3,958	6,676	24,953
Weighted Sample Size	3,277,748	7,643,248	19,070,280	4,252,696	9,704,614	16,089,228	60,037,814

3. Funding Streams for Job Search Assistance

This report aims to identify aspects of job search assistance (JSA) programs that are promising for formal impact evaluation and the program contexts (e.g., Temporary Assistance for Needy Families, Unemployment Insurance) in which to conduct such an evaluation. Towards that end, this chapter provides an overview of major federal funding streams for JSA of interest to this evaluation and a brief summary of common JSA features.

There are several large, federally funded programs that include JSA. Two cash transfer programs provide this: the U.S. Department of Health and Human Services' (HHS) Temporary Assistance for Needy Families (TANF) program and the U.S. Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program (SNAP). In addition, the U.S. Department of Labor (DOL) funds a range of programs that provide JSA, including Unemployment Insurance (UI), the Adult and Dislocated Worker Program (funded through the Workforce Investment Act, or WIA), and the Employment Service (funded through the Wagner-Peyser Act).¹³ Most of those services are provided through a network of One-Stop Career Centers administered by local Workforce Investment Boards (WIBs). One-Stop Career Centers provide to a wide range of employment and training services for workers, job seekers, and employers. While only TANF and SNAP provide services exclusively to low-income individuals and families, all of these programs frequently serve low-income and low-skilled workers.

We begin this chapter with a discussion of TANF, the program of primary interest to this study and the funding stream under which a subsequent evaluation is likely to be conducted. We then discuss other programs of interest: SNAP, UI, WIA's Adult and Dislocated Worker Programs (Title I), and the Employment Service. These programs provide important context for three reasons. First, these systems are tightly intertwined. In some cases, JSA services are provided to TANF recipients by WIA programs. In other cases, TANF recipients may have received JSA services from other programs. Second, TANF may be able to learn from current practices in other programs. Finally, much of the empirical analysis discussed in later chapters is from these other funding streams. Understanding the funding stream context helps to interpret the empirical results.

3.1 Temporary Assistance for Needy Families

This section provides background on the TANF program. The section begins by considering the funding for TANF. It then considers TANF requirements for job search while an application for assistance is pending, work requirements while receiving cash assistance and sanction policies. The section concludes with a review of trends in the aggregate caseload—overall and with the economy.

3.1.1 TANF Funding

In 1996, under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), TANF replaced Aid to Families with Dependent Children (AFDC), the Jobs Opportunities and Basic

¹³ The Workforce Investment Act also includes services targeting target low-income youth (ages 14-21) who face employment challenges. Programs offer both employment and post-secondary education services. This chapter does not further discuss youth programs since the focus of this report is on JSA among the adult population.

Skills Training (JOBS) program, and the federal Emergency Assistance program. Since then, the Administration for Children and Families (ACF) in HHS has annually provided approximately \$17 billion to states in the form of block grants, with nearly \$15.2 billion in federal expenditures (assistance and non-assistance) in Fiscal Year (FY) 2011.¹⁴ When funds transferred to the Child Care Development Fund and Social Services Block Grant are included, this amounted to nearly \$17.9 billion. As a condition of receiving federal TANF funding, however, states are required to provide funding through an MOE requirement, which is calculated based on a percentage of their prior contributions to AFDC-related programs. Again, these MOE requirements are in nominal terms, so they have also declined substantially in real terms since the passage of PRWORA in 1996. States contributed over \$15 billion in state MOE funds in FY 2011.

States operate their own programs and allocate funding across five main sectors: cash assistance, child care, system administration, work support and employment programs, and other services (e.g., child welfare services, transportation, and substance abuse prevention services). One of the primary goals of TANF is to increase participants' self-sufficiency by decreasing dependency on cash assistance while helping them move into work. On average in April – June 2011, there were more than 1.2 million work-eligible individuals receiving TANF (U.S. Department of Health and Human Services, 2011b). Nearly 8 percent of TANF/MOE funding is used to provide education and training activities to unemployed or underemployed adult TANF recipients who are not served by other job training programs.

Total TANF cash assistance benefits and funding have declined since the program's inception. In early years, the TANF caseload dropped sharply, leading to increased per-case funding. With the Great Recession, the TANF caseload has increased slightly over 10 percent between December 2008 and December 2010, but the block grant structure implies that funding has not increased. The only exception is some additional funding that was made available under the American Recovery and Reinvestment Act of 2009 (ARRA); however that funding ended in September 2010. Additionally, cash assistance benefit levels, after adjustment for inflation, for nearly all states (with the exception of Wyoming and Maryland) are lower than the 1996 benefit levels (Finch and Schott, 2011).

3.1.2 Job Search during TANF Application

Since the passage of PRWORA, states have focused their efforts not only on encouraging families to become self-sufficient, but also on decreasing their caseloads. To address the latter goal, many states have developed and implemented diversion programs and job search requirements that target families whose needs can be met without enrolling in TANF. Under the Deficit Reduction Act of 2005 (DRA), some states revised their diversion programs or added new programs. As of July 2010, 34 states had formal diversion programs and 21 states required job search during application (Welfare Rules Database, 2010).

¹⁴ TANF assistance includes income support and other aid intended to help recipients meet basic ongoing needs. Non-assistance is used to categorize other aid that families may receive to cover child care, transportation, and other supportive services for families that are employed, work subsidies, refundable earned income tax credits, education or training (including tuition assistance). The distinction between “assistance” and “non-assistance” is important because those who receive assistance are subject to TANF prohibitions, restrictions, and requirements (including work participation) (Schott, 2011; U.S. Department of Health and Human Services, 2010).

There are three categories of TANF diversion programs: lump-sum payment, applicant work requirement, and temporary support. Within the latter two programs, work-eligible applicants are required to participate in work-related activities or job search. Length of program participation, however, is limited. Those in applicant work requirement programs must meet their participation requirements within a 30- to 45-day certification period, during which they may receive emergency assistance or work-related supports. The goal of this program is to help applicants find unsubsidized jobs by requiring them to complete job search or job readiness activities. TANF applicants in temporary support programs are eligible to receive TANF benefits for a maximum of four months. Work-ready applicants in this program are required to complete job search and job-readiness activities, while applicants who lack experience or skills may complete basic skills training or receive job counseling. The majority of participants across the three programs are employed or work-ready applicants with limited assistance needs.

The assistance provided through all three programs is categorized as “non-assistance”; payments and services do not count towards TANF time limits or work participation rates. These assistance programs affect states’ TANF caseload calculations by reducing the number of households included in the denominator. All but three states use some type of diversion program. While most diversion programs are voluntary, some states do require that applicants participate prior to applying for monthly benefits. Additionally, families that accept diversion payments may be ineligible to apply for monthly benefits for a certain period of time after receiving these diversion payments (Rosenberg et al., 2008).

In addition to other eligibility requirements, many states impose work activity or job search requirements that applicants must meet as a condition of TANF eligibility. In general, such requirements must be met before an application is approved. As of July 2010, 21 states required up-front job search or job-readiness activities. Of the states that did not require up-front job search or job-readiness activities, some states required applicants to participate in an orientation, employment plan, or both. The duration and required activities vary by state. Additionally, states impose different penalties for noncompliance. While the majority of states will deny an application if the applicant does not meet the job search requirement, others reduce the applicant’s benefit or impose a certain period of ineligibility.¹⁵ Due to this requirement, some applicants may find a job and no longer need assistance.

3.1.3 TANF Work Requirements

TANF differs from many other federal programs because of its work requirements and five-year lifetime limit on receipt of benefits (for families with an adult receiving federally funded assistance).¹⁶ While work-eligible TANF recipients are statutorily required to participate in a work activity within two years of initial receipt of TANF, or earlier if they are job ready (and many states impose these requirements much earlier), the requirement has no teeth and is essentially immaterial. Within the 12 allowable TANF work activities that count towards being “engaged in work,” 9 are

¹⁵ For additional information see the Welfare Rules Database at <http://anfdata.urban.org/wrd>.

¹⁶ Some states have imposed shorter time limits. In addition, states may extend assistance with federal dollars beyond 60 months for up to 20 percent of their caseload and indefinitely with their own funds. States also have the ability to impose greater work participation rate requirements.

“core” activities and 3 are “non-core” activities. Although states initially had the flexibility to define work activities, under the DRA, HHS was required to define the activities that count toward work participation rate requirements. As a result, ACF has defined 12 countable TANF work activities (U.S. Department of Health and Human Services, 2008a, 2008b):

- ***Job search and job readiness assistance (core)***: Activities related to seeking or obtaining employment, including preparation and training. For purposes of inclusion in the state work participation rate, these activities are limited to no more than four consecutive weeks and no more than six weeks over a 12-month period. However, 12 weeks are allowed in states that meet the conditions of a “needy state,” as defined for Contingency Fund purposes. Substance abuse treatment is considered an allowable job-readiness activity.
- ***Unsubsidized employment (core)***: Full- or part-time employment in either the public or private sector. Employment cannot be subsidized by TANF or another public program. Unsubsidized employment includes self-employment, which may involve domestic work or the provision of child care.
- ***Subsidized employment, public or private (core)***: Employers receive a subsidy from TANF, or another public agency, to mitigate all or some of the costs that result from employing the work-eligible TANF recipient. TANF recipients engaged in subsidized employment receive wages for their work.
- ***Work experience (core)***: Unpaid work that is intended to help a work-eligible individual (who cannot find unsubsidized employment) to become more employable.
- ***On-the-job training (OJT) (core)***: Training that occurs in the public or private sector for a paid current employee while the work-eligible individual is working. This training tends to be informal in nature rather than formal classroom training and provides the participant with essential knowledge and skills, necessary to perform his or her work duties.
- ***Vocational education training (core)***: Training programs are directly related to improving an individual’s employability. Specifically, training activities should be related to a trade, occupation, or vocation, though some basic skills education may be allowed. For purposes of inclusion in the state work participation rate, there is a 12-month time limit for this activity.
- ***Community service (core)***: Programs must be structured and work must provide a direct benefit to the community in fields such as health, social service, education, public safety, recreation, and child care, among others. Activities should also increase the employability of the work-eligible individuals.
- ***Child care for others doing community service (core)***: Work-eligible individuals who engage in this activity are paid wages for providing child care.
- ***Jobs skills training directly related to employment (non-core)***: Required by an employer, this job-related training provides work-eligible individuals with the skills necessary to adapt or advance in their workplace.
- ***Education directly related to employment (non-core)***: This education is related to a specific occupation, job, or job offer.

- **High school/GED (non-core):** This is allowed for work-eligible individuals who have not yet completed high school. While there is no time limit for this activity, participants must make satisfactory progress for these hours to count.

While core activities always count toward participation, non-core activities only count if an individual or family has met the hour requirements for core activities. Work-eligible individuals are required to participate in an approved work activity for an average of 30 hours per week (20 hours if they have a child younger than six). Two-parent families must participate in a work activity for an average (summing across both parents) of 35 hours a week (or 55 hours per week if they receive federal child care assistance). Of these minimum total hours, an average of at least 20 of the 30 hours for one-parent families and at least 30 of the 35 hours (or 50 of the 55 hours) must consist of core activities. Failure to participate in required activities may result in a sanction—reduction or termination of cash assistance and other benefits (described below).

Federal requirements mandate that states meet minimum work participation rates by engaging recipients in countable work activities (50 percent overall, 90 percent for two-parent families) or face a reduction in the state’s block grant. States have considerable flexibility in determining work activity requirements. Work-related activity requirements begin immediately upon cash benefit receipt in most states, though some require work activity upon application, orientation, assessment, or within a certain time frame (ranging from 60 days to 24 months). Additionally, allowable activities, minimum hour requirements, and time limits allowed for education and training vary by state.

These requirements, particularly for JSA, create challenges for states. Prior to the Final Rule implementing the DRA for TANF, which was published in 2008, many states had broadly defined allowable job search and some of the other countable work activities were categorized as job search or job readiness assistance.¹⁷ Under the Final Rule, however, JSA was limited to “only programs that involve seeking and preparing for work” (U.S. Department of Health and Human Services, 2006). The DRA also addressed the issue of states embedding job search and job readiness assistance within other activities and counting all hours of participation under the other activity, thereby circumventing the time limits on job search and job readiness.

Federal regulations limit the length of JSA and job readiness assistance to a total of four consecutive weeks or six weeks over the course of a year. This limit on the length of JSA creates challenges for states as they must decide when and how much JSA to offer. The final TANF rules, effective October 1, 2008, allow states to calculate participation on an hourly, rather than weekly basis, with one week of participation being defined as 30 hours for work-eligible individuals (20 hours for single parents with children younger than six). Participants engaged in other work activities that count toward work participation rates may not have sufficient time to also participate in JSA. Additionally, in a 2011 report issued to Congress by the Department of Health and Human Services, the Department noted that with respect to time-limited activities such as JSA and vocational educational training, the state

¹⁷ The Interim Final Rule for TANF reauthorized the TANF program through FY 2010 and addressed implementation changes as a result of the reauthorization of the TANF program under the Deficit Reduction Act of 2005. The Final Rule went into effect on October 1, 2008 (U.S. Department of Health and Human Services, 2008a).

may not report hours that are either insufficient or not needed to help the individual or state meet work participation rates (U.S. Department of Health and Human Services, 2011).

3.1.4 TANF Sanction Policies

States impose sanctions or financial penalties for TANF recipients who do not comply with required work activities, including job search, or other program requirements. A sanction is a financial penalty for not complying with program requirements in an effort to “convince clients that there are immediate consequences associated with the decisions they make” and to encourage them to find jobs (Bloom and Winstead, 2002; Pavetti et al., 2003). There are three potential reasons why sanctions affect work participation rates. First, sanctions may influence participants, who would otherwise have not participated in work activities, to participate. Second, full sanctions may eliminate noncompliant households from the TANF caseload,¹⁸ which ultimately reduces the number of people included in the denominator of the participation rate calculation. Partial sanctions lower work participation rates because participants in work sanction status may only be disregarded for three out of the preceding 12 months. Third, sanctions may indirectly influence participation rates if people are aware of sanctions and work requirements, and as a result, never apply for TANF (Kauff and Derr, 2007).

Under the AFDC legislation and regulations, the most severe sanction that a state AFDC program could impose on a single parent resulted in the loss of the adult portion of the benefit—i.e., the benefit was recomputed as though the adult was not in the household—for six months. Given that the incremental AFDC program decreased with each additional individual, the cut in the benefit was almost often less than half and often much smaller.

Under PRWORA, however, states are allowed to impose much more severe sanctions, up to immediate and permanent loss of the entire benefit for any noncompliance. In practice, state sanction policy varies along at least three dimensions: the maximum amount of the sanction, how swiftly it is imposed, and how long it lasts. As of July 2010, seven states impose a partial sanction and 44 impose a full-family sanction (Kassabian et al., 2011). Under a partial sanction policy, cash assistance is reduced, but the family continues to receive some of their benefits. Under an immediate full-family sanction policy, clients lose their entire cash assistance as soon as they are identified as noncompliant. These cases are closed with a sanction closure code, which allows staff to differentiate these families from those who have left the program for other reasons.

The full-family sanction states can be further divided as to the timing of the termination of all benefits. Twenty-three states impose gradual, full-family sanction policy in which benefits are reduced for noncompliant families for some interval, which ranges from one month to four months. If the family comes into compliance within that interval and remains in compliance for the required period of time (ranges from five days to four weeks), full benefits are restored; if not, the entire benefit is terminated.

¹⁸ The effect varies based on the type of sanction. Gradual or immediate full-family sanctions may encourage more TANF recipients to stay in compliance than partial sanctions, thereby increasing participation rates. In addition, gradual or immediate full-family sanctions, once applied, eliminate noncompliant cases from the caseload, removing them from the denominator (Kauff, 2007).

Finally, how long the sanction lasts also varies by state. In some states, full benefits are restored as soon as the family comes into compliance. In other states, even with compliance, the sanction has a minimum duration from one month, a year, or permanently. Some states also require that individuals reapply for benefits after curing the sanction. If a case is closed, the family may reapply for benefits. However, if the case was closed during a sanction period and the family reapplies, the family will be required to fulfill the full sanction period before benefits are reinstated (Welfare Rules Database, 2010).

3.1.5 TANF Caseload

TANF caseloads declined rapidly in the 1990s—starting before PRWORA and accelerating thereafter (Lower-Basch, 2011; Danielson and Klerman, 2008). Since the enactment of PRWORA, the number of adult TANF recipients has declined in all but one state (Exhibit 3.1).¹⁹ Most recipients' spells on TANF are short. According to the 2008 Indicators of Welfare Dependence, among individuals who came on TANF between 2001 and 2003, nearly half stayed on four months or less (U.S. Department of Health and Human Services, 2008).

TANF caseloads, compared to UI and SNAP, are less responsive to economic conditions (Klerman and Danielson, 2011). Between December 2008 and December 2010, the number of TANF caseloads increased by 13 percent while SNAP caseloads comprised of families with children increased by nearly 45 percent (U.S. Department of Agriculture Monthly Data). Klerman and Danielson's (2011) econometric evidence supports these simple statistics of caseload change.

States with the largest increases in TANF were concentrated in the West and Southwest regions (Arizona, New Mexico, Oregon, and Washington) exhibited caseload increases of nearly, or over 30 percent, while states with the smallest increases, or declines, were concentrated in the Central and Northwest regions (caseloads in Indiana, Nebraska, Nevada, North Carolina, and North Dakota) (U.S. Department of Health and Human Services TANF Caseload Data).

Although poverty rates increased during this period, the structure of the program creates disincentives for states to serve more people for several reasons. The structure of the credit is complicated. For the purposes of this analysis, the following points are sufficient to explain the disincentive. First, states receive TANF funding in the form of a block grant. As a result, states will have less money to provide other TANF-funded programs if they use more of the grant to provide cash assistance. Second, states have an incentive to keep their caseloads low. States receive a credit towards the participation rate targets if their caseloads decline below their 2005 level (Schott, 2011).

¹⁹ TANF adults is a useful, but imperfect proxy. Some TANF adults are excluded from TANF work participation requirements. Other non-TANF adults are included in TANF work participation requirements (e.g. non-recipient parents).

Exhibit 3.1: TANF Caseloads (Total Adult Recipients) since PRWORA

State	Form of Administration	Total Adults FY97	Total Adults FY11	Percentage Change from FY97 to FY11
Alabama	State Supervised/County Administered	27,546	14,894	-45.9%
Alaska	State	12,023	3,207	-73.3%
Arizona	State	42,015	11,574	-72.5%
Arkansas	State	20,896	5,306	-74.6%
California	State Supervised/County Administered	624,007	329,623	-47.2%
Colorado	State Supervised/County Administered	29,888	8,027	-73.1%
Connecticut	State	42,038	9,586	-77.2%
Delaware	State	9,761	5,996	-38.6%
Dist. of Col.	State	24,119	5,906	-75.5%
Florida	State	134,378	18,409	-86.3%
Georgia	State	83,943	3,783	-95.5%
Guam	Territory	2,309	808	-65.0%
Hawaii	State	21,267	8,895	-58.2%
Idaho	State	6,465	216	-96.7%
Illinois	State	198,923	13,884	-93.0%
Indiana	State	34,360	15,825	-53.9%
Iowa	State	22,024	13,905	-36.9%
Kansas	State	15,799	12,541	-20.6%
Kentucky	State	49,967	13,556	-72.9%
Louisiana	State	43,999	3,754	-91.5%
Maine	State	14,221	8,777	-38.3%
Maryland	State Supervised/County Administered	45,622	17,112	-62.5%
Massachusetts	State	59,764	33,188	-44.5%
Michigan	State	116,112	49,016	-57.8%
Minnesota	State Supervised/County Administered	53,340	11,861	-77.8%
Mississippi	State	30,484	6,741	-77.9%
Missouri	State	55,227	27,037	-51.0%
Montana	State Supervised/County Administered	7,081	2,555	-63.9%
Nebraska	State	10,384	2,886	-72.2%
Nevada	State	9,090	7,118	-21.7%
New Hampshire	State	6,228	2,825	-54.6%
New Jersey	State Supervised/County Administered	72,011	25,462	-64.6%
New Mexico	State	26,954	14,895	-44.7%
New York	State Supervised/County Administered	293,250	71,159	-75.7%
North Carolina	County	76,337	6,833	-91.0%
North Dakota	State Supervised/County Administered	4,195	1,136	-72.9%
Ohio	State Supervised/County Administered	143,578	61,756	-57.0%
Oklahoma	State	23,812	3,760	-84.2%
Oregon	State	18,983	25,777	35.8%

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State	Form of Administration	Total Adults FY97	Total Adults FY11	Percentage Change from FY97 to FY11
Pennsylvania	State	163,563	38,425	-76.5%
Puerto Rico	Territory	47,726	13,860	-71.0%
Rhode Island	State	19,811	4,817	-75.7%
South Carolina	State	26,921	10,451	-61.2%
South Dakota	State	3,948	1,076	-72.7%
Tennessee	State	55,322	43,115	-22.1%
Texas	State	166,615	15,878	-90.5%
Utah	State	9,460	4,728	-50.0%
Vermont	State	6,301	1,778	-71.8%
Virgin Islands	Territory	1,278	369	-71.1%
Virginia	County	45,582	21,156	-53.6%
Washington	State	70,965	45,248	-36.2%
West Virginia	State	28,614	6,778	-76.3%
Wisconsin	County	33,259	14,982	-55.0%
Wyoming	State	2,313	99	-95.7%
U.S. TOTAL		3,194,073	1,102,347	-65.5%

Source: HHS data for FY11 as of 2/21/12 and FY97 as of 12/19/04

3.2 The Supplemental Nutrition Assistance Program

Funded by the USDA, Food and Nutrition Service (FNS), SNAP (formerly known as the Food Stamp Program) is the largest food assistance program in the nation. In FY2011, SNAP served approximately 44.7 million individuals, with total program costs amounting to over \$75 billion.

SNAP eligibility is based on household income and resources. The program also imposes employment requirements. In general, households must meet gross monthly income limits (less than or equal to 130 percent of poverty). This income requirement is waived for households in which all members receive TANF or SSI. Additionally, able-bodied adults without dependents (ABAWDs) between the ages of 18 and 50 must work or participate in an employment and training program for at least 20 hours per week. Recipients who fail to participate in such programs are eligible to receive benefits for only three months within a 36-month period.

While the program's fundamental purpose is to provide food assistance to low income individuals and families, the program also includes employment incentives and training components. Through the SNAP Employment and Training (SNAP E&T) program, unemployed SNAP recipients (who are not concurrent TANF recipients) receive education, job search assistance, work experience, and other employment-related services. Although the program is required by law, states have flexibility in determining the design, size, scope, and type of activities offered. Additionally, states may contract with other state or local agencies and private or community organizations to provide services.

The SNAP E&T program primarily provides services to the ABAWD population. There are two categories of program participants: mandatory participants and voluntary participants. Mandatory participants are SNAP recipients who are not federally exempt,²⁰ are work registered (meaning they register for work at the time of application and every 12 months thereafter as part of the SNAP application process), and have been referred to the E&T program. These individuals are required to participate in the program as a condition for receiving benefits, and are subject to sanctions, including full loss of benefits, if they do not comply with the program. Voluntary participants are those who qualify for a federal or state exemption but voluntarily participate in the program. These voluntary participants are not subject to benefit sanctions if they fail to meet program requirements.

States may opt to operate entirely voluntary programs, and in recent years, many states have opted to do so which allows them to focus resources on individuals who may be more highly motivated to move into employment. As of FY 2011, 23 states were operating all-volunteer SNAP E&T programs (U.S. Department of Agriculture, 2011). Under fully voluntary programs, all work registrants are exempt from compulsory participation in E&T activities.

Additionally, SNAP E&T assists with expenses related to program participation, such as dependent care, transportation, test fees, and interview clothing. States can also use funds to provide job retention services to individuals who gain employment after participating in the SNAP E&T program. In FY2010, approximately 2.6 million individuals participated in the program. States receive 100

²⁰ Statutory exemptions to the federal work registration requirement include: being physically or mentally unfit to work; complying with the TANF work requirement; caring for a child under the age of six or an incapacitated individual; receiving unemployment benefits; participating in substance abuse treatment; enrolled at least half time in a recognized education program; or working 30 hours per week.

percent federal formula grants to fund their SNAP E&T programs and then receive 50 percent reimbursement of state spending above their allocated grant amount. In FY2009, federal and state funding for the program amounted to \$528.7 million (the federal share was \$313.3 million) (National Skills Coalition, 2012). Although SNAP is funded by FNS, E&T services are often provided by TANF staff that are providing similar services to TANF recipients.

3.3 The Employment Service

Funded by the Wagner-Peyser Act and administered by DOL, the Employment Service (ES) offers low intensity labor market and employment-related services, including JSA job referral and placement services, reemployment services for UI claimants, and recruitment services for employers (e.g., recruitment assistance, job restructuring, and job fairs) generally through the One-Stop Career Center delivery system. States impose rules regarding job search requirements (e.g., participants must show that they are able and available to work and are actively searching for work). These rules are known as the “work test” (O’Leary et al., 2006). While the ES has historically administered the work test for UI claimants, the majority of those who utilize the ES are not UI recipients.

Services may be self-service, facilitated self-help, or staff-assisted in nature. Services, including job search and placement, are available to anyone regardless of employment status. Priority is given to veterans (with highest priority given to disabled veterans), followed by individuals with disabilities, migrant and seasonal farm workers, ex-offenders, youth, minorities, and older workers. The ES provides an integrated and wide range of job search, referral, guidance and information services for people of varying skill levels and abilities. It does not, however, pay for education, skills, or occupational training. Additionally, many of these services are also offered through self-service electronic access. The program also aims to assist employers to identify qualified individuals for recruitment. In FY2011, the ES served 21.3 million individuals with \$702.2 million in federal funding for ES activities.

3.4 Unemployment Insurance

Administered by the states within the guidelines of federal law and DOL regulations, UI temporarily replaces wages of unemployed workers (about half of wages, on average) using funds from state and federal payroll taxes. In 2011, nearly 21.7 million initial claims were filed (U.S. Department of Labor Unemployment Insurance Weekly Claims Data, 2011a).

Eligibility varies with state-specific requirements for wages earned and hours worked during an established period of time. Broadly speaking, there is a requirement of approximately half-time work in the previous year. Additionally, individuals must have lost their jobs for reasons outside their control.

Both of these conditions of eligibility affect disadvantaged workers and welfare recipients. For example, UI benefits will be denied to a worker who quits her job because child care is temporarily unavailable. She will thus not meet the UI participation requirement. In addition, as noted in Chapter 2, many disadvantaged workers work less than full-time full-year, often because of family responsibilities or personal issues. This requirement makes disadvantaged workers who become unemployed without having accumulated sufficient working hours ineligible for UI. It also rules out all new entrants to the labor force. Additionally, some welfare recipients may have insufficient earnings to qualify for UI benefits (Holzer, 2000a; GAO, 2000).

While states may not use UI funds to directly provide job training, job search, or job relocation payments, states can require UI claimants to register with the state Employment Service, which is sometimes under the same authority as the state’s WIA program. Also, in some states local Workforce Investment Boards are responsible for Wagner-Peyser funded staff at the local level. In four states, the Wagner-Peyser funds go to a local agency staffed by public employees safeguarded by a merit system of personnel administration.

The One-Stop Career Center/Employment Service office, discussed later in the WIA and Employment Service sections, offers free employment services, and makes referrals to training programs and job openings.

The duration of UI benefits varies. In general, claimants can receive UI benefits for a maximum of 26 weeks. Under the Extended Benefits program, however, up to 13 weeks of additional benefits may be provided to claimants who have exhausted their benefit period “during periods of high unemployment” (U.S. Department of Labor, 2012a). Additionally, states may provide an additional seven weeks of benefits (for a maximum of 20 weeks under the Extended Benefits program). While the 13 additional weeks are funded by both federal and state dollars, the seven weeks are purely state-funded. Additionally, in 2008 through the temporary federal Emergency Unemployment Compensation (EUC) program, workers became eligible to receive an additional 34 weeks of benefits (workers in states with over 8.5 percent of unemployment were eligible to receive up to 53 additional weeks of benefits) (Center on Budget and Policy Priorities, 2012). Thus, during the depth of the Great Recession many of the unemployed were eligible for 99 weeks of UI. However, recent changes (discussed below) will have the effect of cutting UI benefits back to 52 weeks or less for almost all UI recipients.

UI claimants may also be subject to the Worker Profiling and Reemployment Services (WPRS) system, which requires states to refer those who are at risk of long-term unemployment to compulsory reemployment services (O’Leary et al., 2006; Wandner, 2010). The WPRS uses information provided as part of the application for UI to “profile” claimants, i.e., to identify those at risk of long-term unemployment. States develop and implement profiling formulas to identify UI claimants who are likely to exhaust their UI benefits. Identified UI claimants are referred to reemployment services, which may be provided by the Employment Service at an ES office or One-Stop Career Center. UI recipients who are referred are required to participate as a condition of eligibility for UI. There are six categories of reemployment services: orientation; assessment and development of an individual Service Plan, which outlines required services including JSA; counseling; placement services; job search workshop; and referral to training.

States, however, have wide latitude with regard to implementation of their WPRS systems. State UI programs have limits on the number of UI claimants they can refer to WPRS services based on the availability of services. Consequently, some states do not require their claimants to do anything (Wandner, 2008).

Funding cuts and budget constraints have affected states’ ability to serve UI claimants. In 2011 over 9 million UI claimants were profiled (U.S. Department of Labor Workers Profiling and Reemployment Service Activity 01/01/2011 through 12/31/2011, 2011b). However, of these profiled workers, less than half of claimants were placed in a selection pool and of those claimants, less than half were referred to services. Of claimants who were referred to services, even fewer reported or completed

services. In most cases, however, profiled claimants are required to attend only one session to maintain their UI benefits.

The Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), passed on February 17, 2012, increases the likelihood of JSA for the unemployed through a provision requiring UI beneficiaries to participate in reemployment services as well as reassessments. Among other activities, the legislation creates a federal requirement that all UI recipients be “able to work, available to work, and actively seeking work” (DOL, 2012) as a condition of eligibility for UI (almost all states already had such requirements in statute or in regulation).

The Act also extends the date of the EUC program to January 2014. The legislation specifies new work search requirements. Individuals must “be able to work, available for work, and actively seeking work” to qualify for EUC benefits. In order to fulfill this requirement, individuals must register for employment search, actively search for work and make contacts, maintain records of employer contacts, and provide their work search logs, if requested. Additionally, states are required to conduct random audits of claimants’ work search records (Oates, 2012).

The Act also requires reemployment eligibility assessments (REA) for individuals receiving EUC and that those individuals who are referred to reemployment services actively participate. In addition to preventing overpayments and ensuring that claimants receive all earned benefits, the reassessment process allows for individually tailored reemployment services to help people return to work (Ridley, 2012). The UI REA program includes several activities: eligibility review, labor market information, individual service plan, orientation, and referral to employment services. The REAs must be conducted in person, though states are allowed to offer group orientation. REA services, provided by UI staff, Wagner-Peyser staff, WIA staff, or a combination of these groups, however, may be conducted in person or remotely (Oates, 2012).

The Act also includes additional funding for short-term compensation programs, i.e., UI for those working part-time (after having worked full-time). Short-time compensation programs, also known as work-sharing, permit employers to reduce the hours of their employees as an alternative to layoffs. Under this Act, states with established programs will be eligible to receive 100 percent federal funding for worker short-term compensation benefits (for up to three years). States without an established short-term compensation program will be able to utilize a federal program to provide short-term compensation to employers, and 50 percent federal funding to states. Additional funding is also available for states to improve existing programs, or implement a new program (U.S. Senate Committee on Finance, 2012).

3.5 Adult and Dislocated Worker Programs

The Workforce Investment Act (WIA) is the largest federal funding source for employment and training. Under the direction of the Department of Labor, the WIA Adult and Dislocated Worker Programs (Title I of the Workforce Investment Act of 1998) provide eligible individuals (adults, with a particular focus on veteran, disadvantaged, low-skilled and underemployed adults and dislocated workers) with employment, job search, and job training services through a network of local One-Stop

Career Centers.²¹ Although these programs have different target populations, the differences are not crucial for our discussion and we discuss the programs together, below.

Adult and dislocated worker services are grouped into three levels:

- **Core services:** These services include labor market information, outreach, and job search and placement assistance. Services are available to all job seekers and may be self-service in nature.
- **Intensive services:** These services include more thorough assessments, development of Individual Employment Plans (IEPs), and counseling and career planning. Priority is given to TANF recipients and other low-income individuals.
- **Training services:** Training is generally provided through a voucher, which is referred to as an Individual Training Account (ITA). The ITA allows recipients to choose the training program from a list of qualified providers, which includes both public and private firms. Some training programs, however, can be accessed without an ITA. Training includes basic skills and occupational training. As with intensive services with excess demand, priority is given to TANF recipients and other low-income individuals in the Adult program (Perez-Johnson et al., 2011).

Funding may also be used to provide supportive services to participants (e.g., childcare and transportation assistance) and to assist employed adults in obtaining or retaining employment for self-sufficiency. In FY2011, the WIA Adult program served over 6.6 million people and \$861.5 million was allocated to the program through formula grants and the Workforce Innovation Fund (U.S. Department of Labor, 2012b).

3.6 Other Programs Providing Job Search

A variety of other federal programs and funding streams incorporate JSA. For example, the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) programs are operated by the Social Security Administration (SSA). These programs are designed to provide income assistance to those who are unable to work due to a physical or mental impairment or a combination of impairments. SSA funds the Ticket to Work and Self-Sufficiency Program that provides JSA to SSI and SSDI beneficiaries. Under Ticket to Work, SSA issues “tickets” (i.e., vouchers) to eligible beneficiaries who then can assign the ticket to an Employment Network of their choice. This is intended to increase employment service options available for beneficiaries. The Employment Network provides beneficiaries with free JSA, vocational rehabilitation, job training, job referrals, and other employment support services.

In addition, HHS and DOL, among others, support transitional jobs programs for individuals who are particularly hard to serve, including ex-offenders, long-term TANF recipients, and others who have little or no work experience. Transitional jobs programs incorporate pre-employment activities, including job-readiness and job-seeking skills, subsidized employment opportunities, and help finding permanent employment (Bloom, 2010). There are also several funding streams for programs targeting

²¹ Dislocated workers are workers who have been laid off, or have received notification that they will be laid off.

special populations, including veterans, Native Americans, senior citizens, and ex-offenders. These programs and funding streams include: the Vocational Rehabilitation Program for Disabled Veterans, Veterans' Employment Program, Disabled Veterans' Outreach Program, Tribal TANF block grants, Native Employment Works (NEW) program targeting Native Americans, Indian Employment Assistance, Indian Vocational Training and Job Placement, Indian Child Welfare Act, Native American Employment and Training, Senior Community Service Employment Program, Senior Environmental Employment Program, and Reintegration of Ex-Offenders grant program.

While JSA is not their primary focus, specialized or targeted training programs funded through demonstrations (e.g., ACF's Health Profession Opportunity Grants and DOL's Green Jobs Innovation Fund grants) often also include some targeted JSA to help their participants move from training to employment. With ACF funding, the Innovative Strategies for Increasing Self-Sufficiency (ISIS) study is rigorously examining the effectiveness of career pathways approaches, some of which may include job search components. Additionally, a recent evaluation study has examined the characteristics of workers eligible for the Trade Adjustment Assistance program, which provides compensation and reemployment services to manufacturing workers who have lost their jobs as a result of recent trade legislation (Mathematica Policy Research, 2010).

3.7 Discussion

This chapter has discussed the funding streams that provide JSA. Of those funding streams, TANF, which is overseen by HHS/ACF who funds this contract, is of primary interest to this study and the likely context for any evaluation. These other programs provide context for some of the empirical work and useful insights for future program and evaluation design. The next chapter discusses program design.

Exhibit 3.2: Summary Table of Federal Programs with Job Search Assistance

Program Name	Administering Agency	Program Objective(s)	Funding Uses and Restrictions
TANF	Department of Health and Human Services, Administration for Children and Families	There are four primary goals of state TANF programs: (1) To assist needy families so that children can be cared for in their own home; (2) To reduce the dependency of needy parents by promoting job preparation, work and marriage; (3) To prevent out-of-wedlock pregnancies; and (4) To encourage the formation and maintenance of two-parent families.	If states use federal funds provided through their TANF block grants to provide "assistance," recipients are subject to work and participation requirements, a 5-year time limit on federal assistance, data reporting, and certain prohibitions. These restrictions, however, do not generally apply to other services and benefits that are "non-assistance." Also, states determine the range of benefits and services provided and set different eligibility standards for the different types of benefits. ²²
SNAP	Department of Agriculture, Food and Nutrition Service	The program provides food assistance to low-income households through the provision of benefits for the purchase of nutritious food at authorized food retailers.	Households receive Supplemental Nutrition Assistance Program (SNAP) benefits for the purchase of food at authorized retailers using debit cards. The amount of benefits varies according to household size, expenses, and income. Recipients may purchase only food with their benefits and only from authorized retailers.
SSDI	Social Security Administration	The program provides income assistance to those who are unable to work due to a physical or mental impairment or a combination of impairments.	Monthly cash benefits are paid to entitled disabled persons and to entitled auxiliary beneficiaries throughout the period of disability generally after a 5-month waiting period. Costs of vocational rehabilitation also are paid for certain beneficiaries. In general, state agencies make initial disability determinations for the federal government.

²² Work and data requirements, among other conditions, apply to MOE-funded assistance even if federal funds are not used.

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Program Name	Administering Agency	Program Objective(s)	Funding Uses and Restrictions
WIA Adult Program	Department of Labor	This program targets disadvantaged, low-skilled, and underemployed adults. The program provides job search assistance and training to participants with the objective of preparing workers for good jobs. Program performance is measured by entry into unsubsidized employment, retention in unsubsidized employment, and earnings.	The Act specifies that most services for adults will be provided through One Stop Career Centers. There are three levels of service. "Core" services include outreach, job search, placement assistance, and labor market information, and are available to all jobseekers. "Intensive" services include more comprehensive assessments, development of Individual Employment Plans, and counseling, and career planning and training. "Training" services include basic skills and occupational training.
WIA Dislocated Workers	Department of Labor	The program targets dislocated workers. The objective of the program is to reemploy dislocated workers, improve the quality of the workforce, and enhance productivity and competitiveness of the nation's economy through the provision of workforce investment activities that increase the employment, retention, and earnings of participants. Additionally, the program seeks to increase occupational skill attainment by the participants.	The Act authorizes three levels of services. "Core" services include outreach, job search and placement assistance, and labor market information, and are available to all jobseekers. "Intensive" services include more comprehensive assessments, development of individual employment plans and counseling, and career planning. "Training" services include both occupational training and training in basic skills and are linked to job opportunities in participant communities.
WIA Youth Activities	Department of Labor	The program seeks to provide educational and occupational skills training to low-income youth who face barriers to employment.	The Act authorizes the use of funds for youth employment and training activities. Such services include: mentoring, training opportunities, supportive services, incentives for recognition and achievement, opportunities for leadership, development, decision making, citizenship, and community service.

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Program Name	Administering Agency	Program Objective(s)	Funding Uses and Restrictions
UI	Department of Labor	The federal-state UI program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law), and meet state requirements for wages earned or hours worked during an established period of time.	State unemployment insurance tax collections are used solely for the payment of benefits. Federal unemployment insurance tax collections are used to finance expenses deemed necessary for proper and efficient administration of the state unemployment insurance laws; to reimburse state funds for one-half the costs of extended benefits paid under the provisions of state laws which conform to the provisions of the Social Security Act and the Federal Unemployment Tax Act; and to make repayable advances to states when needed to pay benefit costs. Funds used for benefit payments may not be used for any program administration costs or for training, job search, or job relocation payments.
Employment Service/ Wagner-Peyser	Department of Labor	The program assists persons to secure employment and workforce information by providing a variety of job search assistance and information services. Participants include persons with disabilities and to employers seeking qualified individuals to fill job openings.	Wagner-Peyser funded activities are an part of the One-Stop Career Center delivery system that provides an integrated array of services that workers, job seekers, and businesses can access under a central location with many services also offered through self-service electronic access. Services are universal accessible to all, including persons with multiple challenges to employment and disabilities.

Exhibit 3.3: Program Funding Pre- and Post-Recession (2007 and 2010)

Program	Participation 2007	Participation 2010	Expenditures 2007	Expenditures 2010
TANF	3,960,907 ^a recipients, 1,698,892 families (Avg monthly)	4,370,844 ^b recipients, 1,847,683 families (Avg monthly)	\$ 26,921,973,072 Total federal and state MOE assistance and non-assistance expenditures, excluding transfers (FY)	\$33,255,476,037 Total federal and state MOE assistance and non-assistance expenditures, excluding transfers (FY)
SNAP	25,611,000 ^d persons, 11,429,000 households (Avg monthly)	40,301,878 ^e persons, 18,618,436 households (Avg monthly)	\$33,190,540,000 ^f Total program costs (FY)	\$64,704,407,189 ^g Total program costs (FY)
Social Security Disability Insurance ^h	9,858,520 disabled beneficiaries and nondisabled dependents (CY)	11,280,792 disabled beneficiaries and nondisabled dependents (CY)	\$98,778,000,000 Total expenditures, Disability Insurance Trust Fund (CY)	\$127,660,000,000 Total expenditures, Disability Insurance Trust Fund (CY)
WIA Adult Employment and Training	2,803,700 ⁱ participants served (PY)	7,125,900 ⁱ participants served (PY)	\$864,199,000 ⁿ State allotments (FY)	\$861,540,000 State allotments (FY)
WIA Dislocated Workers Employment and Training	396,158 participants served (PY)	1,287,208 participants served (PY)	\$1,471,903,000 ⁿ State allotments (PY)	\$1,413,000,000 State allotments (PY)
WIA Youth	249,060 participants served (PY)	267,454 participants served (PY)	\$940,500,000 State allotments (PY)	\$924,069,000 State allotments (PY)
Unemployment Insurance ^k	16,699,862 initial claims (CY)	23,696,035 initial claims (CY)	N/A	N/A
Employment Service	17,791,960 ⁱ participants (PY)	21,882,473 participants (PY)	\$715,883,000 ^m Final allotments (PY)	\$703,576,000 ⁿ Final allotment (PY)

PY: Program Year, FY: Fiscal Year, CY: Calendar Year

^a Retrieved from ACF Caseload Data 2007 on March 16, 2012. http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/2007/2007_recipient_tan.htm.

^b Retrieved from ACF Caseload Data 2010 on March 16, 2012. http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/2010/2010_recipient_tan.htm.

^c Retrieved from ACF 2007 TANF Financial Data on March 16, 2012. http://www.acf.hhs.gov/programs/ofs/data/2007/tableA_spending_2007.html.

^d Retrieved from FNS Supplemental Nutrition Assistance Program Participation and Costs on March 16, 2012. <http://www.fns.usda.gov/pd/SNAPsummary.htm>

^e Retrieved on March 16, 2012 from <http://www.fns.usda.gov/pd/34SNAPmonthly.htm>.

^f See footnote d.

^g See footnote d.

^h Retrieved from SSA Disability Insurance Trust Fund, 1957-2010 on March 16, 2012. <http://www.ssa.gov/OACT/STATS/table4a2.html>.

ⁱ Retrieved from Program Year 2007 WIA Annual Report on March 16, 2012. <http://www.doleta.gov/Performance/results/Reports.cfm?#wiastann>.

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- ^j Retrieved from Program Year 2010 WIA Annual Report on March 16, 2012. <http://www.doleta.gov/Performance/results/Reports.cfm?#wiastann>.
- ^k Retrieved from DOL Unemployment Insurance Weekly Claims Data on March 16, 2012. <http://www.ows.doleta.gov/unemploy/claims.asp>.
- ^l Retrieved from StateData.info on March 16, 2012. http://statedata.info/datanotes/datanote.php?article_id=296.
- ^m DOL Employment Service (Wagner-Peyser) PY2008 Final vs. PY2007 Final Allotments. [http://www.doleta.gov/budget/docs/08esf\\$.pdf](http://www.doleta.gov/budget/docs/08esf$.pdf).
- ⁿ DOL Employment Service (Wagner-Peyser) PY2011 Final vs. PY2010 Final Allotments. <http://wdr.doleta.gov/directives/attach/TEGL/TEGL26-10ATT-G.pdf>.

4. Common Features of Job Search Assistance Programs

As noted earlier, this report aims to identify aspects of job search assistance (JSA) programs that are worthy of formal impact evaluation. For the purposes of this report, we define JSA programs as relatively low intensity, relatively low cost, short-term programs focused on the narrow task of aiding with job search, such as resource rooms, job development, self-directed job search, job clubs, job readiness, assessment, soft skills training, resilience training, and case management.

Many practitioners and researchers argue that in order for some TANF recipients to find jobs, they need services well beyond JSA as we have defined it here. Such services might include basic skills training, hard skills training, work experience, subsidized employment, supported work, or treatment for behavioral health issues. While we do not deny that such programs are useful—and perhaps sometimes necessary—in order for job search to be successful, typically those services are not considered to be JSA and hence are beyond the scope of this effort.

The information below comes from two primary sources: a review of written reports and other documents, and telephone discussions with key informants, including national policy experts and state and local program administrators across the country. In total, project team members talked with seven national experts and nine state and local administrators from Temporary Assistance for Needy Families (TANF) and federally funded Employment Service programs. These discussions were limited in scope due to resource constraints, and focused on existing JSA program goals, components, and challenges. A later task in this study may allow for a more thorough process or implementation study of existing JSA programs.

This chapter first discusses the overarching approaches to delivering JSA, with individual components clustered together within these approaches. It then describes specific components, with a particular focus on how components are used across funding streams and sites. Finally, it describes innovative and emerging trends in job search assistance. This chapter is purely descriptive; Chapter 7 addresses the evidence on the effectiveness of various job search strategies.

4.1 JSA Service Delivery Approaches

In this section we discuss the three JSA delivery approaches. We defer our discussion of the content of the JSA and specific activities to the next section (Section 4.2). Individual programs employ varying approaches to JSA service delivery, often using more than one approach within their array of services. Each of these, job club, case management and one-on-one counseling, and resource rooms, may include one or more of the JSA components described in section 4.2.

4.1.1 Job Club

In the 1970s, Nathan Azrin and colleagues developed a group-based job search program called job club to increase employment and job satisfaction among welfare recipients. Today, job clubs are used both as a formal requirement of JSA programs and more informally and voluntarily by groups of job seekers. More broadly, job club is now the generic name for the first stage of many TANF programs. More narrowly, job club refers to a specific component of job search assistance, a component that can be used both in and out of the TANF context.

A recent Department of Labor Notice describes common characteristics of informal job clubs:

Facilitated meeting-based approach: Job clubs are typically organized around regular meetings, which take place on a weekly, bi-weekly, or monthly basis, in most cases. Meetings often occur in the evenings or weekends and generally seem to provide coffee/tea and refreshments. Job club meetings are led and organized by a facilitator, often a volunteer or member of the church or community organization.

Small group and inclusive setting: Most job clubs work in small group settings, with meetings of 5 to 30 participants for at least a three-month period. While job clubs often advertise to their congregation or community members, they tend to be open to the broad public.

Peer support: A central tenet of most job clubs is to act as a support group for unemployed people. In many (though not all) cases, job clubs view their work as more closely aligned with a grieving process model or 12-step treatment model rather than a workforce development model, where there are various stages of unemployment (grief, anger, denial, acceptance, etc.). The facilitator's role is to help participants work through these various stages.

Network and education models: In addition to peer support, job clubs also offer assistance in the areas of job search and career development. Often times, they take a networking approach where participants share their various networks to help each other identify job opportunities. Job clubs will also use an education model where they provide participants with information and skills in areas such as job search techniques, résumé building, and interview preparation.

Guest speakers: A hallmark of job clubs is to invite outside guests and experts to speak to participants. Guest speakers could be human resources experts, small business owners, employer representatives, and former, employed job club participants (Oates and Tom, 2011, pp. 2–3).

Group job search may help job seekers because other group members can share advice and keep an eye out for potential opportunities. It may also help because job clubs “provide community to the otherwise lonely job-hunter. This is very, very valuable. No one should have to job-hunt by themselves” (Bolles, 2012).

In many ways, job clubs operated by TANF and other public programs are similar to the informal job clubs described above. However, they tend to be shorter in duration and combine the group process and meetings with classroom activities or instruction focused on job-readiness skills (described above) with active job search, and access to resource room materials such as computers, phone banks, and a variety of job listings (Brown, 1997; Holcomb et al., 1998). They may include an assessment component to identify and resolve participants' barriers to employment, such as limited English proficiency, limited computer skills, lack of appropriate attire, and child care and transportation issues. TANF job clubs tend to meet daily and more closely approximate the idea of treating job search like a job (e.g., requiring regular attendance).

Unlike the informal job clubs described above, TANF job clubs are almost always mandatory. Failure to participate may result in a sanction, i.e., a cut in the TANF benefit or its termination.

Job club can work through both the enforcement mechanism and the assistance mechanism. Job club works through the assistance mechanism insofar as the group process provides job search skills and supports job seekers through the psychological challenges associated with job search. Even the

mandate may be viewed as an assistance strategy since without the mandate—and threat of sanction—fewer people would attend and those who would attend would attend less regularly.

Job club also works through the enforcement mechanism insofar as time in job club is time not available for child care, housekeeping, or leisure (and time that might otherwise have been used at informal sector employment). Some individuals may prefer leisure to work and prefer work to job club. For these individuals, mandatory job club makes work relatively more appealing.

4.1.2 Case Management and One-on-One Counseling

Case management is the process by which program staff plan, coordinate, and monitor services for program participants and may include assessment, goal-setting, and barrier resolution. Typically, case management is individualized and provided through one-on-one counseling rather than as a group service. A 2011 brief on effective case management notes that “direct customer services activities (assessment, career planning, coordination of supportive services, and job matching, placement, and follow-up) and monitoring and documenting services and outcomes on a case-by-case basis” are two of the critical components in effective case management in workforce investment programs (Laird and Holcomb, 2011). In actuality, case management services vary widely across programs.

Case management almost always also includes some element of one-on-one counseling. Case managers, also known as employment counselors in some employment programs, may counsel participants themselves (setting goals, enforcing the message of work first, identifying job openings, providing encouragement); plan services; and refer participants to particular JSA components, education and training programs, and supportive services (including child care, transportation assistance, housing assistance, and food assistance) (Feldman, 2011; Laird and Holcomb, 2011; Relave, 2001). Case managers may also provide job matching and job placement services. In some programs they also ensure compliance with program requirements.

4.1.3 Resource Rooms

Typically found in One-Stop Career Centers as well as TANF offices, resource rooms provide access to job listings and tools needed by job seekers. They often include computers, telephones, fax machines, and other resources to help job seekers identify and apply for jobs. While typically primarily self-service in nature, resource rooms usually have a staff person who can provide limited job search assistance, including how to use the resources and help in completing specific job applications. Of the three JSA approaches, resource rooms typically have the lightest enforcement mechanism as they involve little (or no) monitoring. Some programs do, however, monitor activity through a participant-maintained log that documents the time job seekers spend in the resource room.

4.2 Components of JSA Programs

Having discussed the modes of JSA service provision, we now turn to the specific components or individual JSA activities. Specifically, we consider job development, self-directed job search, job readiness, assessment, soft skills training, and resilience training. As noted above, these components are not mutually exclusive, either in terms of the service provision mode they might use or in terms of programs’ package of offerings. For example, job clubs often incorporate job search, resource rooms, soft skills training, and job readiness in their larger strategy. Finally, we note that within these six components there is great variation in the extent to which the *assistance*, *training*, and *enforcement* mechanisms described in Chapter 1 are brought to bear.

4.2.1 Job Development/Job Matching

Matching job-ready participants with appropriate jobs can be a key step in helping individuals obtain employment. A description of New York City’s welfare-to-work programs notes that:

Job developers are the central figures in this process, acting as intermediaries between employers and participants. In many cases, employers with existing working relationships with job developers will contact those job developers when they have positions to fill. Some job developers also obtain job leads by contacting employers or by searching want ads. With job leads in hand, they determine which participants are good candidates for particular job openings, often through one-on-one meetings with participants” (Feldman, 2011).

Program staff develop or identify employment opportunities by establishing and maintaining relationships with employers in the community and encouraging them to hire individuals from the program (sometimes by making them aware of available tax incentives and other inducements). Feldman notes that job development “is about screening—job developers screen participants for employers while also screening employers for participants” (Feldman, 2011).

Programs may have staff that specialize in job development or incorporate this activity into the tasks of more generic caseworkers (who also handle case management or employment counseling). Caseworkers may also work with staffing agencies to identify potential employers. Job matching services are most often provided through one-on-one counseling, but may also be provided to job club participants.

4.2.2 Self-Directed Job Search

Beginning in the late 1970s and early 1980s, self-directed job search gained recognition as an acceptable method of job search assistance for economically disadvantaged populations. In 1980, the U.S. Department of Labor, Employment and Training Administration defined self-directed job search as:

...a planned activity which informs, instructs, and provides practical experience to job seekers in identifying, initiating contact, and interviewing with prospective employers in order to find a job for themselves. The job seeker is responsible for identifying and soliciting their own employment through a serious, intensive job search effort. It establishes a dramatic expectation that the participant can and should engage in successful job search. It says to participants, “Help yourself,” and thereby create[s] an opportunity for private sector employment (U.S. Department of Labor, 1980, p. 7).

Under TANF, self-directed, or individual, job search is often a required component and may be incorporated in any of the service delivery approaches described above. For example, it may be mandatory for job club participants or individuals receiving case management services. Any self-directed job seeker may take advantage of the job listings and tools available in the resource room. Self-directed job search is often also required by Unemployment Insurance (UI), and other programs. In TANF programs, participants are typically assigned to self-directed job search for a specified period of time (e.g., two weeks), during which the participant identifies and applies for jobs on her

own. To be determined eligible for TANF or to maintain TANF eligibility during this period, participants must document contacts with a specified number of employers.²³

As noted in Chapter 3, with the passage of the Middle Class Tax Relief and Job Creation Act, new work search provisions are required for the UI Extended Benefits Emergency Unemployment Compensation (EUC) program. EUC claimants are required to maintain contact logs documenting their job search efforts. Upon request, claimants must be able to provide their contact or work search records and states are responsible for auditing a random sample of EUC work search contact records (Oates, 2012).

The term “contact” is characterized differently across programs and sites. Under TANF, a contact may be defined as a call to an employer to enquire about a job opening, submitting a job application, or an interview. Participating in an in-person activity such as a job-readiness class, employer presentation, or workshop may also count as a job search activity for UI claimants. For example, Washington State’s UI program considers participation in a job search activity at a local One-Stop Career Center or Employment Service office to be a “contact.”

Some programs have moved to a form of “guided job search” which encourages participants to search for jobs independently while staff provide assistance and monitor their activities (Feldman, 2011). Guided job search allows participants to retain responsibility for finding their own jobs while still providing guidance and support from program staff. For example, staff may help participants establish email accounts, develop resumes, and use on-line job search tools.

4.2.3 Job Readiness

The Congressional Research Service defines job-readiness training to include two primary types of activities:

- “preparation necessary to begin a job search, such as preparing a resume or job application, training in interviewing skills, and training in workplace expectation and life skills” and
- “activities to remove barriers to employment, such as substance abuse treatment, mental health treatment, or rehabilitation activities” (Falk, 2006).

Job-readiness activities are designed to provide participants with the critical job seeking and job keeping skills that prepare people to look for and accept jobs, including resume and cover letter development, job search techniques, interviewing techniques, and completing applications. Interview skill building, for example, typically includes counseling on the types of questions that will be asked as well as the type of questions to ask during an interview and proper interview conduct. More recently, employers have begun using personality tests and program staff may coach job seekers on how to take these tests; preparation for those activities is also becoming a more common part of job readiness activities. Job-readiness activities typically take place in a group or classroom (e.g., through job clubs, described above) and are sometimes provided as a series of workshops using one of many curricula that have been developed to guide the delivery of job-readiness services. They are also provided individually by a case manager or other program staff.

²³ As noted in Chapter 3, job search and job-readiness activities are limited to 6 weeks (12 weeks in states that qualify as “needy”) under TANF.

4.2.4 Assessment

Through individual assessment, program staff aim to identify barriers to employment (including need for supportive services such as child care and transportation assistance) and to tailor program activities to meet the participant’s skills, needs, and interests. Programs, and in particular TANF programs, vary widely in their use of assessment and in the activities that may follow. Almost all TANF programs include some minimal assessment. That minimal assessment serves to identify participants who are clearly inappropriate for the JSA program (e.g., very young children, obvious substance abuse or mental health problems, exempted due to domestic violence) and to address first order barriers to work such as arranging child care and transportation from the residence to the site of the JSA program (e.g., a bus pass). An array of self-guided assessment tools may be available in local resource rooms.

More intensive use of assessment is associated with a more individualized program model. Such program models are more staff intensive and therefore more expensive than less individualized models. In the extreme, if everyone moves through the same sequence of activities, there is a need for only the minimal assessment just described.

Similarly, programs vary in the activities that will follow the assessment. In some programs, assessment leads almost universally to JSA. In that case, assessment must only address potential barriers to participation in JSA (e.g., child care and transportation). In other programs, JSA is only one of several possible activities. In that case, the assessment must determine whether JSA is the appropriate next activity. In other programs, almost everyone participates in JSA; assessment is the step after JSA for those who actively participated, but have not found a job.

The assessment process may be ongoing, providing multiple opportunities to determine a participant’s level of job-readiness. Assessment tools range from informal discussions to standardized tests such as aptitude and abilities assessments, interest measures, personality inventories, and cognitive tests (Laird and Holcomb, 2011). Employment and training programs make frequent use of assessments to identify individuals’ interests and skills and job readiness. Employers may require a career readiness certificate or other evidence of job readiness from job seekers or rely on service providers having assessed and determined a job seeker to be suitable for the position. For example, the Wisconsin Job Service uses an assessment process to get a better sense of UI claimants’ skills (both soft and hard skills) and needs. Through the assessment process, individuals seeking reemployment services are “triaged” into three paths—work ready, counseling, and referral. The agency also uses a hard skills pre-assessment and assessment process²⁴ to provide job seekers with a “career readiness certificate.” Similarly, Washington’s Career Scope pilot program uses the assessment process to place individuals in one of three paths depending on their level of need for services and coaching. Baltimore County’s Winning New Jobs program incorporates psychosocial programming and assessment in its one-week orientation.

4.2.5 Soft Skills Training

Job readiness often includes teaching workplace skills (also known as “soft skills”) that make an individual more employable. Workplace, or soft skills, are “skills, abilities, and traits that pertain to

²⁴ Wisconsin uses ACT’s WorkKeys and KeyTrain assessment tools.

personality, attitude, and behavior rather than to formal or technical knowledge” (Moss and Tilly, 2001). Conrad and Leigh identified four primary categories of soft skills:

“...problem solving and other cognitive skills; oral communication skills; personal qualities and work ethic; and interpersonal and teamwork skills. Problem solving and other cognitive skills involve the identification of problems and the formulation and evaluation of alternative solutions by weighing risks and benefits. Oral communication skills include both the ability to speak well and the ability to listen well, embracing the ability to give and understand instructions and to communicate in ways appropriate to the situation and the audience. Personal qualities important to job performance include self-esteem, self-management, responsibility, and motivation. Interpersonal and teamwork skills are those needed to negotiate with others, to participate as a member of a team, to serve clients and customers in a way that meets their expectations, and to resolve conflicts maturely (Conrad and Leigh, 1999, p. 5).

Research has shown that soft skills are of high importance to employers (Holzer, 1996, 2000b; Moss and Tilly, 1996; Regenstein et al., 1998). These skills have a dual role—they are important during both job search and for job retention. As noted in Chapter 2, job retention is also a challenge for disadvantaged workers and may be remedied by enhanced workplace skills (see Exhibit 1.1 and the discussion in Chapter 2).

JSA programs teach soft skills in a variety of ways, often incorporating them in other activities such as job club. Some programs teach soft skills by mimicking a work environment and requiring that participants appear every day at a specified time in professional attire. Others include mock interviews or other types of role play. A Public/Private Ventures report on soft skills identifies six lessons to incorporate in workforce development programs:

1. *Integrate soft skills training into every element of the curriculum.*
2. *Create work or work-like tasks and establish teams to complete them.*
3. *Put trainees in the employer’s role from time to time, so that by managing they can learn to be managed.*
4. *Establish the discipline of the workplace in all aspects of the program.*
5. *Recreate the physical environment of work to the fullest extent possible.*
6. *Give participants lots of opportunities to know successful people.*
7. *Support services and soft skills are not the same, but they go hand in hand (Houghton and Proscio, 2001).*

4.2.6 Resilience Training

Resilience training aims to “inoculate” or teach job seekers persistence in the face of adversity and may be incorporated in other activities such as job club or case management. Resilience training gives job seekers the skills to adapt to and recover from stress, anxiety and other challenges. Looking for a job is often discouraging. To land a job, seekers will almost always need to keep looking following multiple rejections, so eventual success may well hinge on an unwillingness to give up.

4.3 Variation in Job Search Assistance

There is considerable variation in how individual programs and sites implement job search assistance. This variation may be caused by differences in funding levels, reporting requirements, or overarching program philosophy. One program may have a strong job development component in conjunction with self-directed job search. Another may pair job club focused on job search skill building and peer support in the morning with self-directed job search in the afternoon. Even when two programs use the same components, they may implement them quite differently (e.g., by providing the components at different stages of program participation or for different durations, or by making the components voluntary or mandatory).

4.3.1 Timing of Job Search Assistance and Sequence of Program Components

There are four times at which programs may require or offer self-directed job search:

- ***Prior to Approval of Benefits.*** Under this model applicants must actively search for a job for some specified duration (e.g., two weeks) and report some minimum number of employer contacts to agency staff in order to receive approval for benefits. “Up-front” job search requirements serve multiple purposes. These requirements may deter potential applicants from ever completing the application for assistance (Botsko et al., 2003). Among applicants, some individuals (likely the most work-ready) may be diverted from cash assistance because they move directly into employment and others because they never satisfy the pre-approval job search requirement. Among applicants who are not employed after the period of self-directed search, the requirements may still “send a message” about the program’s focus on work (Brown, 1997; Holcomb et al., 1998).
- ***Immediately after Approval of Benefits.*** Many programs offer JSA after approval of benefits. Self-directed job search may be required in conjunction with, or after completion of, other program activities (e.g., job club or job-readiness training). As with up-front job search requirements, attendance is tracked and participants typically must document their employer contacts and submit logs to program staff as a condition of continued benefit receipt.
- ***After Being Determined “Mandatory” for Participation.*** Some programs, notably TANF, may exempt individuals from participating in work-related requirements under certain conditions. Under TANF, these conditions vary by state and may include working in an unsubsidized job for a specified number of hours, being ill or incapacitated, caring for an ill or incapacitated family member, being in a specific month of pregnancy, or caring for a child under a specified age. After the exemption is no longer in place, individuals are required to participate in JSA.
- ***After Being Deemed “Job Ready.”*** Some programs encourage JSA only after participants have participated in a variety of skill-building activities and are deemed job ready. In this approach, program staff provide some program participants, especially those with little work experience, with a variety of other services (e.g., skills development, subsidized work) before requiring job search.

4.3.2 Duration and Intensity of Job Search Assistance

Job search assistance also varies in duration and intensity. As noted in Chapter 3, by TANF statute, JSA only qualifies as a work activity for six weeks in any 12-month period (with no more than four

consecutive weeks). For example, a TANF recipient may be placed in self-directed job search for a week while waiting for the next job club to start, during which time she is told to look for a job and report the number of employer contacts. If she is still unemployed at the end of this period, she may be assigned to a two-week job club focused on skill development (e.g., job-readiness and job seeking skills) with support and guidance from a counselor. In contrast, UI recipients are required to actively search for employment the entire time they receive benefits (and currently do not have the same stringent reporting requirements).

The level of intensity of services may also vary with the perceived needs of the individual. Job-ready individuals (i.e., those who have been determined to have an employment history and basic job-readiness skills) may find jobs relatively quickly and only need to be on assistance for a short period of time. Others may need more individualized assistance tailored to their individual strengths and weaknesses as they become job ready and search for employment. Participants may also receive guidance or assistance from program staff through individual case management.

4.3.3 Mandatory or Voluntary Nature of Job Search Assistance

Job search activities may be purely voluntary in some programs such as SNAP E&T²⁵ and workforce development services provided by the Employment Service. Other employment and training providers housed in One-Stop Career Centers also offer voluntary JSA. Benefit receipt may be conditional upon participation in other programs. For example, participation in JSA is mandatory in TANF (and is soon to be mandatory in UI).

Job clubs may run continuously with an open-entry, open-exit policy, sometimes with stand-alone workshops focusing on specific topics such as resume-building and interview techniques. Alternatively, they may run for a specified period of time (e.g., three weeks) with set start and end dates. Job club services are often a mandatory component of welfare-to-work programs and participation is monitored through attendance records and job search logs (Navarro et al., 2008). But there are also voluntary job clubs, such as those offered through One-Stop Career Centers or community colleges.

4.3.4 Monitoring Job Search Assistance

In cases where JSA is mandatory, a variety of techniques are used to assess whether the JSA requirements are met. For example, in TANF and UI, JSA participants must submit logs documenting their employer contacts to program staff on a regular basis (e.g., weekly). Program staff sometimes contact employers to verify that the entries are genuine. JSA participants may also be required to submit copies of completed applications. Participation in job-readiness activities or job club is typically verified through attendance records or participation logs.

Monitoring job search, however, is not easy. It is difficult—and resource intensive—to verify employer contacts which could include submitting an application (paper or electronic), calling an employer to inquire about openings, or simply looking at an employer’s website for openings. It is also challenging to monitor the quality of employer contacts or submitted applications. Staff from welfare-to-work programs in New York City, for example noted “people can fake their independent

²⁵ As noted in Chapter 3, some states’ SNAP E&T programs are purely voluntary while others have mandatory participation requirements.

job search by collecting business cards to show the staff while not actually looking for work” (Feldman, 2011).

4.3.5 Emphasis on Compliance

As noted in Chapter 3, sanctions are an important enforcement mechanism, particularly in TANF. But even within a funding stream, there are variations across states and programs in terms of how sanctions are implemented. While some states impose sanctions swiftly, others use them more as a threat and actually impose sanctions only as a last resort. Sanctions may be “cured” when participants come back into compliance or demonstrate “good cause” for noncompliance, but it may take several months before benefits are reinstated.

Similarly, UI profiling (described in Chapter 3), which requires claimants referred to reemployment services to participate in JSA activities, may also serve as a “stick” to encourage claimants to search for employment. The Middle Class Tax Relief and Job Creation Act of 2012 tightens job search requirements for UI claimants. The Act states that recipients “must be able to work, available to work, and actively seeking work” and reinforces requirements already in place in many states. Evidence on the effects of sanctions and other enforcement mechanisms is discussed in Chapter 8.

4.3.6 Job Search as a Component of a Larger Strategy

JSA programs typically take place within a larger package of services. The mix of services may depend on the providers, when they are provided, and how they are organized.

Some program administrators feel that in order to be effective, JSA should be part of a larger strategy tailored to individual needs, particularly for those with little or no work experience or multiple barriers to employment. Those who are job ready and have a work history are likely to find employment quickly, while others will need more customized and intense assistance. As one key informant told us, “some subset [of participants] do not need JSA. Instead they need time and resources. Others need a more customized approach to meet an individual situation.” Another informant told us that program staff have shifted from a case manager to a coaching mentality, where staff and program participants work together to identify motivating and engaging activities, including training and work experience, to motivate and engage the individual in the job search process.

Washington State provides an example of how a program integrates JSA with other components. It has long operated a transitional jobs model for WorkFirst (TANF) participants, the Community Jobs program, during which individuals also participate in various job search activities. Washington’s newer model, the Job Connection program, provides JSA for job-ready TANF recipients who have not found work on their own. This program is guided by the theory that if you have a job it is easier to find a job, and participants complete 20 hours of subsidized work and 15 hours of JSA (including job club, and job-readiness workshops) each week.

4.3.7 Strength of Assistance, Training, and Enforcement Mechanisms across Job Search Assistance Strategies

The strength of the assistance, training, and enforcement mechanisms vary across JSA strategies of interest to this evaluation design. While unsupervised job search, as defined above, involves minimal program support, it is, when overseen by a program such as TANF, accompanied by a strong *enforcement mechanism*. That is, rather than assuming participants will actively and intensively

search for a job, program staff closely monitor participant job search and sanction participants for noncompliance. There is often also enforcement of attendance at job club and job-readiness activities.

Beyond enforcement, almost all JSA programs (with the notable exception of self-directed job search as a stand-alone activity) offer a variety of services toward the *assistance mechanism*, i.e., components intended to help participants search for a job—without attempting to change or improve participants’ ability to do the job. Job-readiness programs, job clubs, assessment, case management, resilience training, and job development aim to help participants identify appropriate employment goals and to provide job seeking skills.

Finally, as part of their mix of services, many JSA programs offer a range of components toward the *training mechanism*, i.e., components intended to improve participants’ ability to do the job, once they get it. Such training is intended to increase the chance that participants will receive job offers by improving how potential employers perceive them, and to help participants to keep jobs once they get them. More than the other mechanisms, there is wide variation in the intensity of such components. Long-term (i.e., several months), intensive (e.g., 20 or more hours per week) hard skills training (e.g., welding, computer software skills) is clearly “training” rather than JSA. Many JSA programs do, however, include a sequence of training mechanism components, including soft skills development, in their mix of services.

4.4 Innovations in Job Search Assistance

Several innovations in job search assistance have been implemented in programs around the country as program administrators attempt to improve participant outcomes. Among these innovations are networking; the use of technology, including the Internet and web-based job search sites; the use of social media; and the use of staffing agencies. In the section below, we provide an overview of each.

4.4.1 Networking

JSA program staff may encourage participants to tap into their existing social networks, including friends, family, and employers (former or, if the individual is participating in subsidized work or another other temporary position, current). Wisconsin, for example, incorporates a workshop on networking in its reemployment assistance offerings provided through local One-Stop Career Centers. More informal job clubs, also known as networking clubs, job connection clubs, or job-finding clubs, also allow job seekers to expand their networks and obtain peer support and encouragement (Hansen, accessed 3/22/12). Many of these job clubs are not affiliated with the workforce system, but are run by churches and other community organizations and have grown in popularity during the current recession.

4.4.2 Use of Technology

The advent of the Internet has eliminated the need for long listings of job openings in newspapers and posted in resource rooms in TANF offices and One-Stop Career Centers. Job seekers are now taught to use online resources, such as Craig’s List, LinkedIn, and Monster.com, to identify job openings. A 2009 study of how people use the Internet to cope with the recession found that 41 percent of “online economic users” were looking for job openings (Rainie and Smith, 2009). Twenty-seven percent used the Internet to find ways to earn additional income, including through second jobs (Rainie and Smith, 2009). Many employers require on-line applications. The shift to computer-based search may allow job seekers to identify more jobs of interest and make it easier to submit applications. On the

employer side, companies can advertise positions to a larger audience and can also screen applications faster (for example, word search screening of resumes).

This ease of search and application is a mixed blessing. To some extent, job search is a zero sum game (we discuss this further in Chapter 5). The best candidate will get a given job. As identifying jobs and applying gets easier for one job seeker, it gets easier for all job seekers. Thus, there is more competition for any given job. Furthermore, application is so easy that employers can no longer take the fact that a person has submitted an application as a strong signal of her interest in the job. Thus, while technology may make search more efficient (especially for employers), the effect on any given job seeker is less clear.

The benefits of technological advancements likely differ across people. The ability to use the Internet to conduct job search is dependent on an individual's computer skills; individuals who are unfamiliar with computers may have difficulty in effectively using technology to facilitate their job search. Rainie and Smith (2009) found that use of the Internet to identify job openings was more prevalent among younger searchers; 64 percent of 18–29-year-old online economic users did online searches for job openings as compared to 41 percent of all online economic users. Technology also imposes obstacles for ex-offenders. Many online applications include questions about criminal record. Consequently, ex-offenders are often automatically screened out of the applicant pool, regardless of their qualifications. Additionally, because employers receive so many applications, an electronic application must be truly outstanding to be noticed. Job seekers with inconsistent work histories and gaps, or lack of references, may be disadvantaged because there is no face-to-face opportunity to make a good first impression.

Recently, employers have also begun using technology to administer personality tests, especially for entry and mid-level jobs. Personality tests are typically used to screen applicants; only those who pass the test proceed to next stage of the hiring process. Some job search assistance providers work to help participants understand and pass these tests.

In addition to posting, searching, or applying for jobs online, technology can also help to manage and organize the job search process. For example, Washington's Career Scope program is moving towards online logs to keep track of participants' job searches. Additionally, the program encourages participants to contact their coaches or case managers via email between appointments or visits. While these approaches are intended to assist participants with the job search process, access and knowledge of how to use these services continues to remain a barrier for many.

Barriers to Internet access do remain. Researchers with the Pew Internet Project found that while Internet usage has increased since 1995, slightly more than 20 percent of all adults do not access the Internet. Adults with less than a high school education and adults living in households earning less than \$30,000 per year are even less likely to have Internet access (Zickuhr and Smith, 2012). Consequently, the population of interest for this evaluation may be further hindered in their job search efforts by lack of access to the Internet.

4.4.3 Use of Social Media

Both job seekers and employers are increasingly utilizing social media in their job search efforts. In 2011, the Pew Internet Project found that nearly half of all adults use social networking sites (Hampton et al., 2011). Three of the most popular social media websites are Facebook, LinkedIn, and

Twitter. These sites can provide job seekers, program providers, and employers with additional information. Job seekers can use these websites to manage their online reputation and maintain (or grow) their social networks. Use of social media is being incorporated into local programs as well. For example, local One-Stop Career Centers in Wisconsin now offer workshops on using social media for job searches. Employers and recruiters across the country use social media outlets to advertise positions, identify candidates, and screen applicants.

DOL recently awarded grants to several states that are working to better connect UI claimants with reemployment services provided by the workforce system, and one of the strategies targeted by the grants is use of social media. Three states (Idaho, Minnesota, and New York), in partnership with ETA and DOL's Information and Technology Support Center (ITSC), will pilot projects that focus on using social media to inform job seekers about job opportunities; facilitate networking among jobseekers; provide relevant information on resume writing, interviews, and job fairs; engage with job seekers to address their questions and needs; and connect with employers. The projects will build on existing social media strategies being used by the grantee states. In addition to using Facebook, LinkedIn, and Twitter, all three states post videos on YouTube targeted towards job seekers and employers—Minnesota's YouTube channel, for example, includes videos for employers explaining the dislocated worker program and how to hire veterans, and includes videos for job seekers providing an overview of vocational rehabilitation services. New York has a highly active Facebook page that provides frequent updates on job openings and career fairs. The page is consistently monitored by New York Department of Labor staff who engage in conversation with customers and answer questions related to UI benefits and finding jobs.

4.4.4 Use of Employment Agencies and Alternative Staffing Organizations

Use of employment agencies and alternative staffing organizations (ASOs) can be viewed both as a job search strategy and as a method of facilitating a broad range of search activities. Like head hunters and temporary help agencies, employment agencies serve as labor market intermediaries, intervening in the worker-firm matching process (Autor, 2009). The employment agency category includes a broad range of organizations, ranging from small, private organizations focused on niche occupations to the One-Stop service delivery sites mandated by the Workforce Investment Act of 1998, and the Wagner-Peyser Employment Service.²⁶ ASOs, as described by the Center for Social Policy, are:

worker-centered, social-purpose businesses created by community-based organizations and national nonprofits. These fee-for-service organizations have used the model of temporary staffing services to access work experience and potential employers for job seekers who face labor market barriers. The ASOs place job seekers in temporary and temp-to-perm assignments with customer business and charge the customers a markup as a percentage of the wage (Carré et al., 2011).

In the economy as a whole, ASOs experienced tremendous growth during the 1990s; there are currently more than 50 ASOs (Carre et al., 2011). Furthermore, ASOs were used intensively by some state welfare to work programs. According to some estimates 15 to 40 percent of welfare leavers who found jobs did so through ASOs (Autor and Houseman, 2002; Cancian et al., 1999, Heinrich et al.,

²⁶ See, for example, the Department of Labor's WIA website at <http://www.doleta.gov/USWORKFORCE/WIA/>

2005; Pawasarat, 1997). Use of employment agencies appears to have declined in recent years, perhaps due to the recession. Key informants expressed concerns that referring low-skilled workers to employment agencies during the current economic downturn may not be effective because they will be competing against more highly qualified job seekers for limited jobs. Other countries, including Germany, continue to use temporary agencies as part of the job search process.

4.5 Summary

As this evaluation design moves forward it will be important to capture the many factors affecting the delivery of JSA, including the culture of individual programs, how programs motivate job seekers, the qualifications and experience of staff delivering the services, the quality of the curricula, the timing and mix of services provided (including whether or not they are tailored to meet participants' needs), and the enforcement mechanisms in place. It will also be important to document the context, including the larger package of services, in which these activities take place. As one key informant noted, "job search does not happen in a vacuum."

5. Theoretical Perspectives

This report is primarily empirical: our goal is to identify components of job search assistance (JSA) programs and the available evidence on the impact of those components. In support of this goal, this chapter discusses several theoretical perspectives, primarily from labor economics, that frame our approach and our interpretation of the evidence.

Specifically, this chapter reviews four theoretical perspectives: static labor supply theory, static labor demand theory, job search theory, and the theory of transfer programs. Job search theory and static labor demand theory suggest a role for the *assistance mechanism*. Static labor supply theory suggests roles for the *training mechanism* (thereby raising wage offers). Static labor supply theory and the theory of transfer programs suggest a role for the *enforcement mechanism* (i.e., forcing participation such that leisure is lost and work becomes more attractive relative to nonwork).

5.1 Neoclassical Labor Supply Theory

Conventional labor supply theory is a useful—though as we will see incomplete—starting point for thinking about job search and job search assistance. Conventional labor supply theory posits that jobs are available and that an individual will work when working seems more attractive than not working. The advantages of work include: cash earnings today; higher earnings tomorrow (because work today increases “human capital”); and psychic benefits of work (positive social interactions at work, prestige of being a “productive member of society”). The disadvantages of work include: loss of leisure to time spent at work and to time spent commuting to and from work—time that could be spent on child rearing; transportation costs; physical and psychic costs of work (work in the low-income labor market can be strenuous, lacking in autonomy, and can be perceived as demeaning); and (partial or complete) loss of income-tested public benefits.

Some nonemployment among the disadvantaged can probably be explained by this simple labor supply theory. Specifically, compared to work for the more advantaged, work for the disadvantaged—especially work in the formal sector—is often considerably less attractive. First, consider the work. On average, the disadvantaged can only get less desirable work. Beyond low wages and few benefits, Edin and Lein (1997, p. 67) characterize the jobs available to this population as “among the least reliable in the U.S. economy . . . they demanded work at irregular hours, did not guarantee how many hours a worker would be able to work in a given week, and were subject to frequent layoffs.” Ehrenreich (2001, pp. 210–211) describes the workplace itself as a place where “you check your civil liberties at the door, leave America and all it supposedly stands for behind, and learn to zip your lips for the duration of the shifts,” a place with regular “indignities” including “the drug tests, the constant surveillance, being ‘reamed out’ by managers.”

Second, note that the disadvantaged often have some alternatives. For some of the disadvantaged, work in the informal sector²⁷ is an option. That work will provide some, albeit usually quite limited, earnings. For those who choose not to work, there may be the possibility of some other form of support. These would include government benefits—e.g., Unemployment Insurance (UI), Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), Medicaid, subsidized housing, or support from friends and relatives.

We do not mean to argue that these alternatives provide for an adequate living situation. However, our discussion in Chapter 2 suggested that, for the disadvantaged, work will often pay at or near the minimum wage and will be less than full time and full year. Such work will often not provide for an adequate living situation. Faced with the choice, some—especially those with a greater valuation on time away from work or who perceive less stigma from receiving transfer payments—might rationally choose not to work.

This perspective suggests that for some people, receipt of welfare is a better choice than work. Analyses by Meyer and Sullivan (2008) are consistent with this perspective. They examine changes in consumption among single mother headed families during the 1990s (more precisely 1993–1995 versus 1997–2000), a period when employment rates among disadvantaged women rose sharply. They show that, unlike patterns for income in the welfare-to-work evaluations, reported consumption rose modestly (7 to 12 percent) across the entire distribution. However, time worked also rose sharply for single mother headed families:

reflect[ing] a shift from shopping, food production, and house work to market work. The significant drop in nonmarket time [i.e., to employment] suggests that utility has fallen for those in the bottom half of the consumption distribution if this nonmarket time is valued at more than \$3 per hour (p. 2222).

That is, a potential worker does not have to place a very high value on her time away from work in order for work to not be the optimal choice.

These nonrandom assignment analyses suggest that the outcomes of welfare reform were more positive than we would have expected from the random assignment analyses of NEWWS and other studies (Hamilton et al., 2001; Grogger et al., 2002). Those experimental studies suggest that while welfare-to-work programs cause an increase in work and in earnings, they also cause a decrease in welfare benefits and other transfer payments, such that there is little or no increase in income (i.e., someone who chooses work, loses leisure, and has no increase in income). Furthermore, in as much as these experiments included more intensive interventions than provided in JSA programs (e.g., intensive basic or skills training), these estimates of the change in income may be too optimistic for someone considering taking a job during a JSA program. Thus, for a participant in a JSA program, it is not obviously preferable to take many offered jobs over continued welfare (or UI) receipt.

²⁷ Here we use the term “informal sector” to mean work that is not reported to tax authorities. Such work is therefore unlikely to be detected by a transfer program. Most transfer programs require reporting all such income, so failure to report is fraud—usually a felony. Edin and Lein (1997) find that some low to moderate level of such informal sector work is common in their sample of welfare recipients. For obvious reasons, precise estimates of the prevalence of such informal sector work do not appear to exist.

This perspective is also consistent with the (pre-PRWORA) ethnographic work of Edin and Lein (1997), suggesting that work is available, but some choose not to take it:

Our data lend a good deal of support to the idea that mothers choose between welfare and work by weighing the costs and benefits of each (p. 63).

Most of the welfare-reliant mothers we interviewed felt they could get a job if they were willing to do minimum-wage work.... At a minimum, however, they wanted a job that would leave them slightly better off than they had been on welfare. The mothers' most common dream was to earn enough to move out of project housing and into a better neighborhood. Other mothers wanted to buy better clothing for their children so their peers would not ridicule them. Yet, few mothers had had work experiences that led them to expect such rewards from work; they knew first-hand that a minimum-wage job would get them nowhere (pp. 70–71).

Thus, when considering the role of job search assistance for low-skilled workers, it is fruitful to ask: To what extent is the problem “search?” And, to what extent is the problem the availability of jobs? Or, to what extent is the problem that job seekers do not view the available jobs as clearly better than receiving welfare (or UI) and not working? The balance of this report attempts to infer the relative importance of the three interpretations.

Some plausible pathways by which job search programs affect labor market outcomes can be incorporated into this conventional labor supply model. A JSA program might make holding a job more valuable—by improving soft skills (i.e., the training mechanism), or even by improving the presentation of the job seeker such that he/she can generate an offer for a higher paying job (the assistance mechanism). The higher the wage available, the more likely a job seeker is to accept a job offer.

A conventional training program—either basic skills or hard skills—might also raise wages and thereby make it more likely that a job seeker would accept a job offer. However, such conventional training programs are clearly distinct from JSA programs. If after a period in a JSA program, a job seeker has not found a job, such training might be appropriate in order to make the job seeker employable. Beyond a conventional training program, other activities (not included in JSA) that work through the training mechanism might include work experience, subsidized employment, and supported work. We do not consider those activities further in this document.

A JSA program can also make working a relatively more attractive option by making not having a job less valuable, i.e., the enforcement mechanism. Any program that reduces income-tested benefits will make taking a job relatively more attractive. In particular, sanctions (financial penalties relative to some existing benefit) for failure to comply with some program requirements will have this effect.

In addition, and crucial to the discussion in Chapter 8, any JSA program that requires a substantial amount of time will reduce the leisure associated with not having a job. Thus, a job seeker might say: “If I can’t stay home and take care of my kids, then I might as well take that not-so-good job.” From this perspective, the more time-intensive (or unpleasant) the job search assistance program, the more likely it is to induce potential participants to accept a job. This would be true even if the JSA program

itself provides no true “assistance,” i.e., skills at job finding are not in any way improved by the JSA program.²⁸

This is the analysis for a potential worker comparing working to not working. The analysis is similar for a potential worker comparing working in the formal sector to working in the informal sector. For someone currently working in the informal sector, an attendance requirement for a JSA program will flush out informal sector employment. The attendance requirement forces a choice between program participation (and keeping the benefit) and the informal sector job (and losing the benefit due to sanction for noncompliance).

5.2 Labor Demand Theory

The previous section discussed individuals’ labor supply decisions. Those individuals search for jobs offered by potential employers. How do employers decide how many jobs to offer, and on what terms (e.g., benefits, scheduling, work conditions)?

The neoclassical model of labor demand provides a useful starting point (Hamermesh, 1996). That model posits that towards its goal of maximizing profits, a firm will hire each type of worker as long as the additional product from that worker exceeds the wage; more precisely, as long as the value of the marginal product of labor exceeds the total marginal cost to the employer (including wages, benefits, taxes).

A corollary of this theory is that the number of jobs is not fixed. If firms hire workers as long as their product exceeds their wage, then if the wage falls more workers will be hired. According to this theory, if more workers enter the labor market, they will push down the equilibrium wage until they all have jobs, or until they decide that at the new lower wage, it is not worthwhile to work (see the discussion of labor supply above).

This version of the neoclassical model implicitly posits homogeneous labor. In fact, workers vary in their productivity. We usually assume that better trained individuals (i.e., more education, work skills, and experience) have greater productivity. Soft skills also contribute to productivity. Workers who come to work regularly and on time, and get along with supervisors, co-workers, and clients, are more productive. As such, for a given job with a given wage, we would expect workers with better training and better soft skills to be hired first. (The next paragraph discusses how an employer would know.) Given a statutory minimum wage and other mandated benefits, some workers with sufficiently poor training and soft skills will not be hired at all. Their productivity does not justify the costs of employing them. As discussed in the previous section, activities that operate through the training mechanism may be appropriate for this population. However, those activities are outside the scope of this report.

²⁸ Similar arguments apply to other TANF activities. In fact, if the JSA program is followed by less intensive programs (as appears to be the case in some places), then it might be a good strategy to participate in the JSA program, knowing that after the JSA program, program requirements will be lighter. On the other hand, if the JSA program is followed by a substantial—and more intensive—work experience activity, this might encourage greater efforts in the JSA program.

The restatement of the neoclassical model for the case of heterogeneous labor implicitly assumes that the quality (i.e., productivity) of labor is observable. In fact, labor quality is not directly observable outside of actual work (and then often only after an extended, and expensive, period of observation); labor market institutions and conventions exist to help employers to infer—if only imperfectly—worker quality. Formal credentials (e.g., a high school diploma) are one method of inferring worker quality. Employers also infer worker quality from other, verifiable, information on a job application, such as the applicant’s work history. When it is legal, and even when it is not, employers also use “statistical discrimination” (i.e., workers of x type have not performed well in the past, so I will not hire x type in the future). Thus, long periods of nonemployment (as inferred from gaps in a resume), minority status, or a criminal record might be taken by some employers as a signal of low worker quality.

Another strategy to address uncertainty about worker quality is temporary employment. An alternative staffing organization (ASO) arranges temporary and temporary-to-permanent employment for disadvantaged workers. Specifically, the ASO works with firms to identify jobs and then provides workers for those jobs. Beyond simple job matching, the ASO usually provides initial screening for the workers and implicitly some guarantee of worker quality (Autor, 2009). For the firm, hiring through the ASO makes the cost of firing any given worker and replacing her with some other worker very low. Furthermore, most ASOs allow a transition from temporary employment to permanent employment, for a fee to the ASO. In this arrangement, employers can directly observe worker quality—training and soft skills—before hiring the worker into a permanent job.

In summary, this static theory of labor demand has several important implications for JSA programs. First, it is crucial to remember that firms hire workers in order to operate their business and thereby to make profits for their owners/shareholders. To succeed, job seekers and JSA programs need to think about their efforts through the eyes of potential employers: How can the job seekers make themselves and JSA programs make their participants both appear and actually be more useful for the operation of the business? Second, the number of jobs is not necessarily fixed. Employers can and will create new jobs if the job seekers have the needed skills, are sufficiently flexible as to what work they will do and when, and are willing to work for a sufficiently low wage (including benefits). Third, workers are not homogeneous. Firms use a variety of strategies to reduce the uncertainty induced by that worker heterogeneity. Job development is about creating relationships such that potential employers will request referrals. For JSA program staff, truthfully characterizing their participants is one strategy. Truthful characterization builds a relationship; exaggerating will be in the not very long run counterproductive. Temporary employment agencies are another strategy that JSA programs and firms can use together to reduce the uncertainty.

5.3 Individual Job Search

The previous two sections have developed a static version of the neoclassical labor supply and labor demand model and derived some insights for JSA programs. This neoclassical model is a powerful model. Nevertheless, it seems to miss the main point: the focus of this study is job search assistance, but the neoclassical model has no job search. Instead, the neoclassical model implicitly assumes that if a worker wakes up in the morning and decides that she wants to work at the equilibrium wage, then she knows exactly what that equilibrium wage is and where to find a job at that wage.

The reality, of course, is different. Finding a job requires effort, knowledge, and luck. It seems plausible that training in how to search for a job might improve the productivity of that effort, i.e., the speed of finding a job and the characteristics of that job (e.g., wage, benefits, duration).

To think about job search from a neoclassical perspective, we need a richer theoretical model—a model in which a worker cannot instantaneously find a job at the equilibrium wage. We begin with the now standard model for job search and job acceptance given that job search is required and that jobs have varying wages (Mortenson, 1977; Pissarides, 2000), with minor and well understood generalizations of that theory. Formally, the model posits:

- Job offers do not arrive regularly or predictably; in some periods there may be no offers, in other periods one offer, in some periods more than one offer. Offers differ—in the conventional model by their wage, in a more general model along other dimensions (e.g., hours, benefits, working conditions, expected duration).
- Individuals cannot hold job offers; a job offer is either accepted or it disappears.
- Individual choice of “search intensity” affects the probability of a job offer arriving in a period, but more intensive search has a “cost”—in a combination of out-of-pocket expenditure (e.g., bus fare), lost leisure, and psychic discomfort.
- An individual knows the overall distribution of possible wage offers, but only learns the wage corresponding to a particular job when she receives the job offer. We return to this assumption and the implied role for JSA programs later in this section.
- Jobs are durable. In the simplest model, jobs last forever; in richer models, jobs end irregularly and unpredictably (e.g., a p percent chance of ending in each period); in even richer models, workers may search for a new job while working and they may choose to terminate this job in favor of some other job.

Finally, job search models of this form make the standard economic assumptions that individuals make optimal intertemporal decisions given the information available to them.

In this model, in any given period, the optimal decision involves two choices:

- How intensively to search, and
- A “reservation wage.” All job offers with wages above that reservation wage are accepted and job search terminates. All job offers with wages below the reservation wage are rejected, and job search continues.

Job search intensity is chosen to balance the cost (primarily in lost leisure) of more intensive search against the benefits, namely the additional job offers from more active search. Inasmuch as searching intensely is effective (so more active job search yields more—and better—job offers), we expect more active search. Inasmuch as job offers arrive with little relation to the intensity of search (e.g., the only source of jobs is referrals from friends, and one checks with one’s friends at a weekly pot luck dinner), then one would expect to see lower search intensity. Evidence cited in Chapter 2 suggests that search intensity tends to be quite low—a few hours per week, hardly “treating job search as a job” (Krueger and Mueller, 2010).

The reservation wage is chosen to balance the benefit of accepting a job at a given wage with the benefit of waiting. Since waiting—rejecting this job offer and continuing the search—involves both the current benefits of not working, such as program payments and leisure, and the possibility of a better job offer in the future, a job offer will need to be much more attractive than the current unemployed situation.²⁹

In this more complicated model with job search, most of the basic results from the simple static labor model continue to hold. Higher wage offers, lower tastes for leisure, and lower benefits while not employed all make it more likely that a job seeker will accept any given wage offer.

In addition, the dynamic model allows for another dimension of jobs—jobs may vary not only by wage, but also by likely duration. Consider comparing two job markets with different expected durations of jobs; but, in a given job market, ex ante all jobs have the same distribution of durations. Then, the longer a job will last, the higher will be the optimal reservation wage: longer-lasting jobs lead to higher reservation wages because the job seeker will enjoy the benefits of the higher wage for longer. We argued in Chapter 2 that jobs in the low-skilled labor market tend not to have long duration. Inasmuch as this is correct, this line of argument suggests that low-skill job seekers should accept lower wage offers; it is not worth waiting (perhaps, not worth much to wait) for a higher wage offer. This is true because the costs of waiting are unchanged, while the benefit of waiting has fallen, i.e., any higher wage from searching longer will, on average, be enjoyed for a shorter period of time before the individual needs to search for a job again.

An alternative perspective is possible. The conventional job search model assumes that ex ante all jobs have the same distribution of durations. Insofar as likely job duration can be inferred at job offer, the job search model suggests that it may be worth it to accept a job with a lower wage but longer likely duration rather than a job with a higher wage but shorter likely duration.

This importance of considering job duration is reinforced by the nature of the welfare application process. As Edin and Lein (1997, p. 64, emphasis in the original) explain: “most mothers believed that taking the job might make them *worse* off, because the job might vanish and they might be without any income for a time, since it took months for the welfare department to redetermine welfare eligibility and cut their first check. Consequently, working might put them and their children at risk of serious hardship.”

This model suggests four roles for job search assistance:

²⁹ The correctness of job seekers’ assessments of the wage offers available to them is an open question. We have not identified any literature addressing this question.

From a theoretical perspective one might argue as follows: Those with pessimistic assessments will be hired relatively more quickly. Thus, on average those who are still looking are likely to have more optimistic assessments.

In as much as unsuccessful job search is due to overly optimistic assessments of likely job offers, there is a clear role for JSA programs—bring down participant expectations about the nature of available jobs. It should be noted that this is the opposite of the strategy in the widely cited Portland NEWWS program. That program encouraged job seekers not to take the first job offer, but instead—at least at the start of job search—to hold out for a better job. We return to the evidence on this issue in Chapter 8.

1. Teach more effective job search strategies; either (i) such that a given “expenditure” (time or money) on job search will yield more job offers, or (ii) such that a given expenditure or money) on job search will yield job offers from a “higher” wage distribution. In terms of the three parts of job search described in Chapter 1, this would involve both better strategies for identifying job openings and better strategies for generating job offers from identified job openings. Better strategies for identifying job openings might include use of the internet and the participant’s social network. Better strategies for generating job offers from identified job openings might include preparing a resume, completing the job application, providing required certifications (e.g., TABE score or Career Readiness Score), taking required tests (e.g., drug tests, personality tests), and conducting a job interview (including providing appropriate attire).
2. Encourage more intensive job search (for a given efficiency of job search).
3. Better inform job seekers about the likely distribution of available job offers—wages, occupations, benefits, hours—for them, given their knowledge, skills, and experience. Inasmuch as some job seekers have overly optimistic expectations about wages, they will pass up jobs that they might have accepted with better information, leading to long and discouraging job search. Conversely, in as much as other job seekers have overly pessimistic expectations, they will accept job too early, when a (slightly) longer job search would likely have yielded a (moderately) better job offer.
4. Given the best available knowledge of the actual wage distribution, encourage better job acceptance strategies—either (i) to accept more/lower-wage offers; or (2) to accept only higher-wage offers—where it is not immediately clear in which direction to encourage job seekers to shift their reservation wage. In the job search model, job acceptance strategy choice is a complicated intertemporal choice problem under uncertainty, and disadvantaged workers might benefit from guidance.

5.4 Job Search Assistance in the Theory of Transfer Programs

The theory of public assistance posits that “society” provides cash assistance in order to improve the living standards of some target population. For TANF, that target population is low-income (usually single) mothers; for UI that target population is the unemployed. That assistance (or benefit) is usually progressive, i.e., those with lower current incomes get relatively larger benefits. The extreme version of this is UI. In UI, those with no earnings (i.e., the unemployed) get a UI benefit; those with earnings (i.e., the employed), get no benefit.

The theory of transfer programs suggests that such assistance lowers work, for two reasons. First, the transfer payments lower the “need” for the income from work (the “income effect”). Second, the progressive nature of the payments lowers the reward from work (“the price effect”); in particular, work often results in forfeiting the benefit.

Consider three possible choices for a (potential) program participant:

1. Benefit and no participation in JSA program.
2. Work and no benefit.

3. Benefit and participation in JSA program.

The relative ranking of these three possible choices will often vary across individuals and between the individuals and the government program. We argued in Section 5.1 that it will often be rational for an individual offered either choice #1 (benefit and no participation in JSA program) or choice #2 (work and no benefit) to choose #1 (benefit and no participation in JSA program). On the other hand, some government programs prefer the opposite choice: a job when available over the benefit. For example, UI requires accepting most “suitable” job offers.

The problem is how to force the individual to take the job. More precisely, the problem is how to force the individual to search actively and not sabotage jobs identified. To some extent, search is observable (e.g., requiring logs of employer contact), but to a great extent, search is not observable. Inasmuch as search is not observable, then the program cannot force #2 (work and no benefit) over #1 (benefit and no participation in JSA program); or at least doing so runs the risk of eliminating the benefit (TANF or UI) from families that do not have—and cannot generate—a job offer.

Mandating participation in a JSA program may provide a partial solution to this problem. For some people, the ordering of choices from best to worst will be as listed above: #1 (benefit and no participation in JSA program), #2 (work and no benefit), and #3 (benefit and participation in JSA program). When preferences follow this ordering, a JSA program can induce #2, taking a job, through the enforcement mechanism (i.e., requiring participation in the program) will induce the individual to search actively and seriously for a job and take it.³⁰ From this perspective, the more onerous the participation in the JSA program, the larger the incentive to search actively and sincerely (Besley and Coate, 1992, 1995). People who cannot find (or have not yet found) a job can continue to receive the benefit (but they must participate in the JSA program). Those individuals who prefer #2 (work and no benefit) to #3 (benefit and participation in JSA program) will search actively, find a job, and leave the program.

However, such programs need to worry about overenforcement. Requiring participation is only meaningful if there are consequences for not participating: in TANF a sanction, in UI termination of the benefit. However, perhaps the same issues that prevent the individual from finding a job also prevent the individual from participating in the JSA program. In that case, the consequence for noncompliance is simply punishing the individual for her inability to find a job.

5.5 Discussion

This chapter has surveyed several theoretical perspectives that are potentially insightful for identifying promising strategies to improve job search and job search assistance—static labor supply theory, labor demand theory, job search theory, and the theory of transfer programs. Job search theory and labor demand theory suggest a role for the assistance mechanism. Static labor supply theory

³⁰ As was noted in Chapter 4, actually implementing such a program is challenging. Monitoring some—usually easily monitored—forms of job search (e.g., applying for jobs) may require less effort than other forms of job search (e.g., speaking consulting with one’s social network) which are harder to monitor and therefore not usually monitored. Similarly, if a JSA program will require a participant to accept all (some particular) job offers, the participant might not apply for those jobs at all or apply but sabotage the interview. These are standard issues in monitoring effort; issues with only imperfect solutions.

suggests roles for the training mechanism (thereby raising wage offers). Static labor supply theory and the theory of transfer programs suggest a role for the enforcement mechanism (forcing participation such that leisure is lost and work becomes more attractive relative to nonwork).

The balance of this document explores the empirical evidence for these theoretical approaches. The next chapter discusses some general issues in interpreting empirical evidence. Chapter 7 discusses empirical evidence on individual job search methods. Chapter 8 discusses the impact of JSA programs and JSA program components.

6. Methodological Issues in Interpreting the Existing Literature

The next two chapters review the empirical literature on job search assistance (JSA). In support of that review, this chapter discusses some methodological issues that inform how we interpret the existing literature. Many of these issues also have implications for the follow-on design effort.

Specifically, this chapter begins with the concept of causal impact and possible biases that arise in estimating it. The second section discusses how experimentally designed evaluations overcome selection bias, as well as other sources of bias. The third section considers how and whether commonly used nonexperimental approaches support causal inference. The fourth and fifth sections then discuss special issues related to estimating two different causal impacts:

- *Individual job search methods.* Individuals would like to know what job search methods will be more effective in find a job; and not just any job, but the best job that they can obtain. Furthermore, knowledge of the most effective methods would be information that a JSA program should convey to its participants. Unfortunately, we will argue in this chapter that it is extremely difficult to estimate the impact of individual job search methods on search outcomes. Consistent with that argument, the evidence on the effectiveness of individual job search methods (reviewed in the next chapter) is weak.
- *Particular components of JSA programs, respectively.* JSA programs would like to know which components of JSA programs are more effective in helping clients to find a job. Ideally, that would be not just any job, but the best job that they can obtain. With different implications, we argued in the first chapter that, especially when the participant is getting a cash benefit (e.g. Temporary Aid for Needy Families [TANF] or Unemployment Insurance [UI]), the JSA program will often want the participant to search more actively and accept more job offers than will the participants themselves. Given this disjunction between JSA program goals and JSA participant goals, JSA programs would also like to know about which components will help the program to achieve its goals—despite the divergence from participant goals. What is under consideration is not whether to run a JSA program at all. Instead, the question is how to design the JSA program—which components to include or exclude, and the details of those components. Trying to estimate the impact of components of programs raises special issues. We also discuss those issues in this chapter. Those issues are crucial for understanding the evidence in Chapter 8.

The sixth section considers external validity, i.e., the extent that causal estimates on one population in one place and one time period can be extrapolated to other populations in other places and other time periods.

6.1 Causal Impact and Sources of Bias

Ideally, we specify whether to fund a program, at what level, and how to structure it based on estimates of causal impact for various alternatives; i.e.:

What are outcomes when an individual is assigned to (perhaps participates in or a program offers) JSA program component X (e.g., extended job club) vs. JSA program component Y (e.g., conventional, shorter job club).

Where,

The comparison *holds all else equal*; in particular, the individuals in each program, the labor market they face, and other aspects of the external environment.

Crucially, correlational answers are not sufficient; it is not enough to know that people in programs that use JSA component X have better outcomes than people in programs that use JSA component Y. Instead, we want to compare outcomes holding all else equal.

A major reason why correlational answers are insufficient for policy makers designing programs is selection bias, i.e., we worry that the people in programs that use JSA component X are systematically different from people in programs that use JSA component Y. When there are such systematic differences in which individuals are in which JSA programs, then observed variation in outcomes might be due, not to the job search method the individual used or the JSA program component used by this site, but instead to preexisting variation in individuals.

For example, suppose that JSA programs assign (what they perceive to be) their most job-ready participants to self-directed job search, while assigning their less job-ready participants to job club. Then, even in the absence of program assignment, individuals whom the program assigns to self-directed job search are likely to have outcomes quite different from those whom the program assigns to job club. If so, then a simple comparison of outcomes for individuals who are assigned to self-directed job search to individuals who are assigned to job club captures preexisting differences between the groups in addition to the impact of self-directed job search vs. job club. Thus, this simple comparison does not answer the question: Should *a given individual* be assigned to self-directed job search or to job club?³¹ Selection bias is only one of several possible sources of bias in estimating causal impacts of policy change. Other sources of bias include history, regression to the mean, maturation, instrumentation, and testing bias. We now discuss each of these possible sources of bias:

- *Selection*: Selection bias is salient when the design involves comparing those who do and do not get the program—in a given place, at a given point in time, for a given program regime. In that case, we need to wonder how preprogram differences that induced some people to participate in a component and others not to participate in that component also affect outcomes.
- *History*: When the comparison involves individuals in two different periods, history is a possible bias. Perhaps the external environment—i.e., the “history”—varied across the two periods. Possible historical biases arise from differences in the condition of the labor market; other economic, political or policy changes between the two periods; and broader changes in the social environment.

³¹ As we discuss below in detail, standard practice to address this issue is to “control for” observable differences—start with race/ethnicity, gender, education, and other proxies for job readiness that are available to the analyst. However, this standard approach leaves open two questions. First, to what extent do we measure enough variable of the differences? Second, even if we measure them, does our specification properly control for them? The standard approach is a simple linear effect, but perhaps the effect is increasing or there are threshold effects.

- *Regression to the Mean*: When the comparison involves a given individual at two points in time, regression to the mean is a possible source of bias. For example, some headaches subside without any intervention. We would not want to take improvement over time alone as evidence that a drug worked. More relevant for job search, people entering a program when they are unemployed will have zero earnings. Their earnings cannot decline. Even in the absence of the program, an increase in earnings is likely, on average. Any attempt to estimate the causal impact of the program through changes over time needs to control for expected changes (often improvements) due to regression to the mean.
- *Maturation*: For comparisons involving a given individual at two points in time, maturation is a possible source of bias. Thus, we expect earnings to improve with additional experience, even in the absence of the program. Any attempt to estimate the causal impact of the program through comparisons of outcomes for individuals over time needs to control for expected improvement due to maturation.

The empirical evidence reviewed in the next two chapters varies widely in the methods used to infer causal impact. The more plausible it is that the methods truly isolate causal impact by ruling out these other plausible explanations for change, the more weight we should give to those findings. Given this catalog of possible biases, we now turn to the methods used to control for them.

6.2 Estimating Casual Impact—Randomized Experimental Design

Experiments that use random assignment of units to treatment or control status are widely considered to be the best way to estimate causal impact. This is because randomizing units to receive some new policy/program or be subject to the status quo mimics the thought experiment of running history two different ways and seeing which one “works better.” People come to the point of assignment; some are randomly assigned to the treatment condition; the others are randomly assigned to the control condition. Since assignment is “random” (thus the name), there is no systematic variation between the treatment group and the control group. There is thus no bias in outcomes, be it from selection, history, regression to the mean, or maturation. Instead, when random assignment is used, any difference between treatment group outcomes and control group outcomes can be attributed either to the program or to random variation. As the number of people randomly assigned grows, the influence of random variation shrinks. We can use statistical methods to bound the effect of random variation. When random variation seems an implausible (e.g., less than 5 percent) explanation for the observed differences between the treatment and control groups, then we conclude that the program has an impact.

The previous discussion is the idealized case. In practice, we usually conduct random assignment studies in the context of demonstrations with only moderate sized samples. In such demonstrations, many things can go wrong in a random assignment study, such that it would not estimate the causal impact (Heckman, 2005):

- *Nonresponse bias*: When outcomes are collected via survey, we need to worry about differential response to the survey. If there is differential response to the survey across the treatment group and the control group, then selection bias reenters as a possible explanation of observed treatment/control differences. For example, if those in the treatment group with more successful outcomes disproportionately respond, then a treatment/control difference might appear, even when there is no true impact.

- *Response Bias:* We want to know the impact of the program on true outcomes; often our data sources only report outcomes with some systematic error, or they even report the wrong concept. For example, we may be interested in total earnings—in the formal sector and in the informal sector—but our administrative data may only include earnings in the formal sector. Alternatively, our survey may explicitly ask about earnings in the formal and informal sectors, but our respondents may not be able to recall exactly what their earnings—in the time period specified by the survey. Similarly, the concept of interest may be post-tax earnings, but our data may report pre-tax earnings; or worse, some survey respondents may report pre-tax income (as instructed by the survey), while other survey respondents may report post-tax earnings (despite the explicit instructions in the survey).
- *Insufficiently long follow-up period:* In almost all cases, a cost-benefit analysis should cover the entire future lifetime of the participant (properly discounted). However, follow-up periods are always finite, and rarely more than three years. Ideally, extrapolations to impacts over the remaining life-time should be made. Often they are not even attempted. Even when attempted, such extrapolations must make strong assumptions (Greenberg, et al., 2004a, 2004b).
- *General equilibrium effects.* It is often plausible that a fully implemented program would of necessity be different from the demonstration program. A small demonstration training program is unlikely to affect market equilibrium wages of the trainees; a large training program might affect market equilibrium wages. A small program is unlikely to induce informal communication (e.g., families discussing the program) and advertising by affected firms; a large program might. A small demonstration program is unlikely to affect the equilibrium wages of program staff; a large program might.
- *Entry effects.* A demonstration program is unlikely to affect who enters the program. The program may only apply to those already on the program; those not on the program may not learn about the demonstration program; even those who know about the program might know that they might be randomized to the old program. However, if the program were implemented, none of these conditions would apply. Thus, the program might affect who enters the program; but this impact is not estimated in the standard random assignment design.
- *Flawed implementation* Random assignment estimates the impact of the program as implemented. However, often programs as implemented diverge from the envisioned program model. To the extent that we want to know the impact of the program when implemented with some fidelity, this divergence is problematic.
- *Errors in randomization.* Randomization is a field operation. Many things can go wrong, including people randomized to the control group getting the treatment—either immediately or on reapplying.
- *Nonuniversal take-up and crossover.* Not everyone randomly assigned to a component actually gets (all of) the component. Some assigned not to get the component get the component anyway (that would be an error in randomization) and some get a similar service outside the program (that is not an error in randomization). Inasmuch as our goal is, not merely to estimate the impact of being offered the treatment, but instead to estimate the impact of getting the treatment, such nonuniversal take-up and crossover are problematic.

With additional assumptions, statistical methods exist to estimate the impact of treatment, despite low take-up and cross-over.

Nevertheless, when properly implemented, random assignment designs yield unbiased causal impact estimates. We will see in the next section that that is less clearly the case for other designs; they are subject to many of these biases and to other biases. In interpreting the evidence, we therefore give more weight to estimates based on a random assignment design than to estimates based on some other design.

6.3 Estimating Casual Impact—Other Designs

In the absence of randomized experiments, evaluators try to estimate causal impact by using statistical methods to “hold all else equal,” i.e., to statistically adjust for observed differences between the treatment group and the comparison group. The standard statistical method has been conventional regression (e.g., linear regression, probit, logit). Rather than using regression, some analysts use Propensity Score Matching (Rosenbaum and Rubin 1983; Wooldridge, 2002), which imposes fewer assumptions about functional form and will therefore yield estimates of causal impact in more circumstances.

If you do observe—without error—every variable that affects the choice to participate or every variable that affects that outcome, then there is no problem of selection bias. Formally, this is known as “selection on observables.” However, for estimating the impact of JSA program components, a “selection on observables” assumption seems implausible. In practice, either of these methods can only “hold equal” things that we observe, i.e., things that are available in the data available to the analyst. Inasmuch as the crucial treatment group/comparison group differences inducing selection bias (and other sources of bias) are not observed (and not strongly correlated with things that are observed), statistical methods are unlikely to estimate casual effects. We usually observe relatively little about those not in the program (e.g., we often only observe gender, race/ethnicity, age, family structure). Even in datasets where we observe more (e.g., administrative data with long histories of earnings, UI receipt, and TANF receipt; or panel survey data with some measures of academic skills and some proxies for psychological profile) other key factors are likely measured poorly or not at all. Such other key factors are likely to include motivation, need for achievement and intelligence. It follows that we should interpret results based on statistical correction methods with care (see Barnow, 1976). They are likely to suffer from substantial bias. In job search and job search assistance, where any impacts are likely to be small, even relatively small uncontrolled differences to lead to badly biased (even wrong signed) results (Barnow et al., 1980; Barnow, 1987).

It is sometimes argued that three other approaches will plausibly yield estimates of causal impact. First, if one has rich information on the sample, in some domains it is plausible to argue that comparisons of those who do and do not enter the program—in a given period, when both have access to the program—yield valid causal inference. The archetypical example of such rich information on the sample is pretreatment measures of the same or closely related outcomes. In an education intervention that takes posttreatment test scores as the outcome of interest, one might use pretreatment test scores as the pretreatment measure. However, in training programs (and by extension JSA programs), there continues to be considerable debate about whether even flexible controls for long histories of pretreatment earnings are sufficient to control for selection bias (see, e.g., Ashenfelter, 1978; Friedlander and Robins, 1995; Heckman and Smith, 1999; Dehejia and

Wahba, 1998; Bloom, et al. 2002; Smith and Todd, 2005; Orr et al., 2011; Dolton and Smith, 2011; Heinrich, et al. 2011; Hollenbeck, 2011).

The second possible exception is sometimes termed a “natural experiment” (Meyer, 1995), an observational study in which assignment to treatment status varies according to some rule on which evaluators can capitalize to estimate program impacts. For example, an interrupted time series design compares outcomes for populations immediately before and after a policy change (i.e., the rule is no program before some date; a program after that date). History remains a possible source of bias, but it is sometimes plausible to argue that policy-induced changes will swamp any historical influences over a short interval. Better would be to have a second population that did not experience the change, but which would otherwise be expected to react similarly to historical changes. This design is sometimes called difference-in-differences (DiD) (Angrist and Pischke, 2008). An example of this might be the state-level change in drinking age from 18 to 21. For this example, one might use similar aged populations in adjacent states to net out the effect of history. Alternatively, one might use slightly older individuals (perhaps 22–25) in the same state.

In the transfer program domain, the prototypical example of DiD concerns state TANF programs (e.g., Danielson and Klerman, 2008; Klerman and Danielson, 2011). We might start with the pre/post change in the average outcome for the population in the state that did change its policy (e.g., adopted a full-family sanction). This pre/post change is subject to history bias (e.g., changes in the economy, changes in other policies). However, we can use pre/post changes in states that did not change their policy to (partially) control for history—at least any history that would have uniformly affected both states (e.g., changes in national policy). However, this example emphasizes the challenge of controlling for other (nearly) simultaneous policy changes—as would be required to treat the estimates as causal.

The devolution of many social policies within our federalist system makes this a promising strategy in the U.S. context. Analogous approaches can be applied when there subgroups who are or are not affected by a policy change. For example, some of the European analyses look at the effects of policy changes that only applied to a given age range.

The third possible exception is regression discontinuity (RD) (Thistlethwaite and Campbell, 1960; Imbens and Lemieux, 2008; Lee and Lemieux, 2010). When treatment is assigned based on a cutoff rule, it is sometimes plausible to compare people just on either side of eligibility. We know exactly why someone was or was not chosen for the program—that is, the selection process is perfectly known. When the treatment is assigned in part based on a cutoff, it is sometimes plausible to still compare people job on either side of the cutoff (“fuzzy RD”). We know exactly one component of the selection process, even if we do not know the exact selection process.

The relative strength of different methods will depend on the specific application and the details of implementation. With that crucial caveat, in interpreting the existing empirical evidence, we give some weight to nonexperimental design studies. Our reading is that the strength of evidence declines from random assignment, to regression discontinuity, to difference-in-differences, to interrupted time series, to individual-level pre/post, to individual-level comparison group designs—either regression or propensity score matching, even with baseline measures.

6.4 Estimating the Casual Impact of Individual Job Search Strategies

The previous discussion mainly considered estimating the impact of a program or program component. Applying that discussion to the estimating of the causal impact of an individual's choice of job search method is more challenging. By definition, individuals choose their own job search methods. It is difficult to design a study that randomizes how individuals search for a job. It is not ethical to prevent someone from using a particular method. People who volunteer to use a method can usually use it even if they are randomized to the control group which was not to use that method. Furthermore, there is no cut-point to use for estimation via RD. This only leaves the analyst statistical adjustment, which has uncertain effectiveness in controlling for selection and other sources of bias.

In Chapter 7, we discuss some studies using clever (i.e., perhaps more plausible) statistical adjustment strategies. Suppose we wanted to compare two job search strategies, e.g., using personal networks vs. sending out large numbers of applications. We could randomize people to a program that *encourages* using personal networks vs. a program that encourages sending out a lot of applications. This approach is sometimes called an “encouragement design” (Powers and Swinton, 1984; Preston et al., 1984).

Consistent with that perspective, we tentatively interpret some of the evidence for the impact of a *program* as informative about the impact of an *individual job search method*; i.e., if a program encourages individuals to use some job search method, then we might be able to interpret evidence of the impact of the program as evidence of the impact of the individual job search method. However, we view that as primarily a test of the encouragement itself. That is, if we do not find that the program works, then it might be because the method does not work or it might be because the encouragement did not change use of the method. If one collects information on use of the method, then it is often possible to infer the impact of the method itself.³² However, unless the encouragement has a substantial impact on use of the method, such estimates will be very imprecise.

6.5 Estimating the Casual Impact of Particular Components of Job Search Assistance Programs

The early sections of this chapter have considered the generic issue of estimating the *impact of a program*; the previous section considered estimating the *impact of an individual's job search strategy*. This project concerns the *impact of a specific component of a JSA program*. Various issues arise in trying to estimate the impact of specific component of a JSA program (e.g., self-directed job search, monitoring of self-directed job search, job club, one-on-one counseling). Most JSA programs involve multiple JSA components. Random assignment traditionally proceeds by assigning people to the full bundle (the treatment condition) or to minimal JSA (the control condition). As a result, these evaluations estimate the causal impact of the bundle of components relative to minimal JSA. Given the current project's focus on the impact of specific JSA components, this prior approach to evaluating multi-faceted interventions means that the existing literature is not directly informative about the questions of interest.

³² This is the treatment-on-the-treated estimator from conventional evaluation (e.g., Heckman et al., 2000).

Several approaches to estimating the impact of individual JSA components appear in the literature:

- **Narrative Synthesis.** Observers sometimes assume that they can identify the key component of an intervention. Thus in the California GAIN evaluation (Riccio et al., 1994), some observers attributed the success of the Riverside site to its “work first” focus. Similarly, in the NEWWS evaluation (Hamilton, 2002), some observers attributed the success of the Portland site to its mixed model (i.e., some work first, some training) and others to its emphasis on looking initially for a better job (not merely any job). The identified characteristics were more common in the successful sites than in the other sites. However, there were many other differences across the sites: case mix, strength of the local economy, details of the program and its implementation. Thus, while these attributions of the key component of an intervention have a surface plausibility, these inferences are suspect. A vivid example of the strength of such inferences is that different observers often identify different key components. Thus for example, the strength of the Portland NEWWS impacts has been attributed both to the “mixed model” (i.e., both LFA and HCD, as appropriate for the participant) and, alternatively, to the guidance not to accept any job offer, but to hold out for a better job.³³ With respect to JSA programs, the labor force attachment interventions in NEWWS are often interpreted as providing information on the impact of job club, but that interpretation should be treated with caution. Similarly, sometimes observers believe that they can make inferences by comparing results across some small number of studies (e.g., program A had components P and Q; program B only had component P; impacts were larger for program A; so component Q must matter more). Both of these types of inference are extremely weak (Greenberg et al., 1994, 2003). Too many other factors might vary across programs to make it possible to convincingly conclude which differences across the sites cause differences in impact across the sites. Furthermore, estimates of impact at any given site are often sufficiently imprecise that differences in impact across sites might simply be due to random variation.
- **Meta-Analysis.** With enough studies with large enough samples, we can formalize the idea of narrative synthesis across sites by applying meta-analytic ideas to published results (Greenberg et al., 1994, 2003; Card et al., 2009). A generalization of these ideas applies hierarchical linear models (HLM) to individual-level data from multiple studies (what we call an individual-data meta-analysis; e.g., H. Bloom et al., 2003). This meta-analytic approach implicitly requires an assumption that there is no correlation between a site’s program design and unobservables at the site level. This assumption is similar to the assumption that individual choices of which program to enter can be controlled for with observed variables. Here, because we are comparing groups, the assumption is more plausible. Nevertheless, the required assumptions remain an area of some concern, and results based on this approach should be interpreted with care (Torgesen et al., 2007). They are not as strong as multi-armed experiments (discussed two bullets below), which eliminate this problem as well.
- **Timing.** It is sometimes possible to reasonably infer which component mattered by the timing of the impact (i.e., outcomes for treatment relative to some control or comparison group). Thus, impacts that occur *during* job club are likely due to job club—not to activities that

³³ See for example, Hamilton (2012) who notes both explanations in a single paragraph.

come later in the sequence of activities. Similarly, impacts that occur between receipt of notification of the requirement to participate and actual participation are more likely to work through the enforcement mechanism (i.e., burden of participation in the component), rather than through the assistance mechanism (i.e., additional job search skills gained through the component)—content that people have not yet received. However, these inferences are not conclusive. Such arguments, however, need to be made with care. The effect of notification is an effect of a future activity, albeit of the threat of being required to participate in the activity, rather than of the content of the activity. This example emphasizes that sometimes future activities can have impacts today.

- **Multi-Armed Experiment.** The ideal way to test a multi-component intervention is a multi-armed experiment. A group of people come to the point of randomization—some of them are randomized to get component P, some are randomized to get component Q, some are randomized to get both component P and component Q, and some are randomized to get neither component. In such multi-armed experiments, the treatment is randomly assigned; there is no scope for selection bias at the site level. Thus, a multi-armed experiment eliminates the selection bias that potentially plagues meta-analysis (i.e., that sites choosing component P are systematically different from sites choosing component Q). We will discuss several multi-armed experiments in what follows.

6.6 External Validity

The previous sections discussed internal validity, i.e., whether the study properly estimates the true causal impact of the program *for the population on which the estimation occurs*. This is a necessary, but insufficient, criterion for empirical results to be useful. We usually want to use empirical results from the sites running the evaluation to make decisions about implementing other programs, in other places, for other populations. For example, we review analyses of impacts on UI populations—usually in one or two sites—because we believe they are potentially insightful for the TANF population nationally. Similarly, we review some studies of Aid to Families with Dependent Children (AFDC) (the predecessor of TANF) that are several decades old because we believe that they are potentially insightful for the TANF population today—despite the major changes (in particular, worsening) in labor market opportunities, the sharp drop in the size of the TANF population, and the technology-induced changes in job search (e.g., the rise of Internet job listings and the collapse of newspaper want ads).

External validity concerns the extent to which results from one population can be generalized to some other population, setting, or time period. Most current analyses of external validity are informal. Estimation proceeds on some convenience sample (e.g., sites that agree to host the evaluation). We then use the results to make policy nationwide.

A more formal approach would be to test on a random sample of all sites. However, few studies that we review here are more than single-site analyses. The reader should therefore proceed with care in extrapolating from any single study to some other population, setting, or time period. Our discussion attempts to draw tentative inferences from a study of a particular program, time, and place to possible other programs in other times and places. The more studies that find the same results—and in different programs, in different places, and in different times—the more confident we can be about the external validity of our inferences. Nevertheless, the external environment—AFDC/TANF, the

labor market (ongoing decline for low-skilled workers, the Great Recession and its aftermath), and increased work among women—all imply that we should not simply dismiss concerns about external validity.

6.7 Discussion

The topics we discuss in this chapter are some of the general issues in interpreting the existing literature. They have been chosen because they are relevant to the two chapters that follow.

Chapter 7 reviews evidence on the impact of individual job search strategies. The discussion in Section 6.4 suggested that it is difficult to generate convincing evidence on the impacts of individual job search strategies. Consistent with that discussion, Chapter 7 finds the existing evidence on individual job search strategies to be weak, i.e., not very informative about which individual strategies are more effective than others.

Then Chapter 8 reviews evidence on the impact of the content of JSA programs. The discussion in Section 6.5 suggested that extracting the impact of a given component of a JSA program from an evaluation of a complete JSA program or even a JSA program as a (key) component of a broader welfare-to-work program is challenging. Consistent with that discussion, Chapter 8 finds much of the existing literature to provide only limited insights; however, some of the literature does involve multi-armed trials and there is some scope for meta-analysis and narrative synthesis across sites (albeit with the caveats noted in Section 6.5).

Finally, Chapter 9 attempts to apply the existing literature to the current policy environment and to provide insights into what aspects of JSA programs ACF might choose to evaluate as part of a follow-on evaluation project. The discussion in Section 6.6 focused on issues of external validity. By definition, the literature reviewed in Chapter 8 evaluated JSA programs under given funding streams and in particular time periods.

- Evidence from American Unemployment Insurance (UI)—and even more so from European UI-like programs—is insightful, but may not be directly informative for TANF today.
- Similarly, almost all of the existing evaluation evidence from a welfare population is from the AFDC period; a little is from the early TANF period. TANF caseloads have dropped sharply. Again, it is unclear how directly informative those studies on earlier welfare populations are for today.
- Finally, many of the earlier evaluations occurred during the years of strong economic expansion during the 1990s. As we write this chapter in mid-2012, the labor market has not recovered much from a very severe recession. The unemployment rate remains high; many more workers are so discouraged that they are not actively searching for work and therefore are not even included in the conventional unemployment rate. Even if it was plausible in earlier times to conjecture that many (perhaps most) welfare recipients could find some job, that conjecture seems much less plausible today. We all hope that the nation's labor markets in general—and for disadvantaged workers, in particular—will improve rapidly, at least by the time of any follow-on evaluation. Despite that hope, consideration needs to be given to the alternative: that any evaluation will cover a period of difficult labor markets relative to the 1990s and 2000s.

These are the methodological issues for the final three chapters of this document, to which we now turn.

7. Evidence on Job Search Methods and Job Acceptance Strategies

Disadvantaged workers, like workers in general, obtain more fulfilling, financially rewarding employment if they are effective in the three steps of job search: identifying job openings, converting job openings into job offers, and deciding which job offers to accept. Usually, this is done through individual initiative without the help of a government JSA programs.

This chapter reviews what is known about individual job search methods. Specifically, the chapter considers what is known about how individual workers—both low-skill and others—identify potential jobs, generate job offers, and decide which job offers to accept. Building on the discussion of individual job search methods in this chapter, the next chapter discusses the impact of JSA programs.

We preface our review of existing evidence on the success of individual job search methods with a caveat. Newspapers, web sites, and popular books are full of advice about job search. However, little that is “known” in this area is based on solid research evidence.

There is some literature, but—to a great extent due to fundamental methodological issues discussed in the previous chapter—the strength of the literature’s causal inference is mixed. These methodological issues imply that many of the existing studies, both observational and experimental, have important limitations. Because of these limitations, we view most of the evidence presented in this chapter as suggestive, rather than definitive. When the methodological basis for evidence is stronger, we so note.

7.1 How Should Job Seekers Identify Openings?

This section considers the first step of our framework for individual job search: how to identify job openings. We begin by considering an overarching issue: how intensively to search. We then consider three specific methods for identifying openings—seeking assistance from social networks (i.e., friends and family), Internet job search, and contacting employment agencies. These methods are not mutually exclusive (indeed, as noted in Bolles [2012], it may make sense to use multiple job search methods), nor is this list exhaustive.

7.1.1 Intensity of Job Search

A key question is how intensively to search. Search intensity is “costly”—in cash outlays, in time, and in emotional strain. As discussed in Chapter 5, the economic theory of job search suggests that job seekers should trade off their loss of leisure (or other productive uses of their time) due to more job search with the rewards of faster and better employment it brings. However, if the arrival of job offers is not (very) sensitive to effort, then more intensive job search may not be worth the cost in time and loss of leisure.

As noted in Stevenson (2009), while search intensity is well-defined in job search models, there is no clear empirical counterpart to the concept. There are different ways to operationalize search intensity. Ideally, we would measure intensity using some approach that aggregates across different job search methods and costs, e.g., total time, effort and money spent on search. However, such data are rare.

To the extent that intensity is captured by time spent on job search, the existing evidence (reviewed in Chapter 2) suggests that job search intensity is fairly low. While the standard advice is to “treat job search as a job,” evidence suggest that job seekers spend only a few hours a week on active job search. Some evidence suggests that search intensity may be related to the motivation and self-regulation of the job seeker (Wanberg et al., 2012). To the best of our knowledge, no rigorous studies address the relationship between time spent on job search and offer receipt.

An alternative approach to capturing the effect of job search intensity is to measure job offers as a function of either the number of different search methods used (so a searcher who only sends out resumes is searching less intensely than a searcher who both sends out resumes and attends job fairs) or the number of uses of a particular search method (so a searcher who only sends out 10 resumes is searching less intensely than a searcher who sends out 50 resumes). Here the available evidence suggests that intensity matters. For example, Blau (1990) finds that job offers increase per contact (resumes sent out, phone calls made, personal visits attempted); and Bloemen (2005, Table 5) documents that number of applications is positively related to number of job offers. In a small observational study of recent university graduates, Saks (2006) finds that active job search intensity predicts receiving job interviews.

7.1.2 Social Networks

A body of research suggests that many job seekers find employment using personal connections. For example, using retrospective survey data on recently completed unemployment spells, Blau and Robins (1990) report that contacting friends and relatives was the most fruitful job search technique for both employed and unemployed job seekers. Despite these descriptive findings, the causal case for social networks for job search is less clear. Mouw (2003) argues that some of the positive claims for social networks do not represent a causal effect of social networks; i.e., people with strong social networks have other advantages (e.g., they are personable and easy to get along with) that make them more likely to be hired. Insofar as this interpretation is correct, then evidence that people with strong social networks find jobs more quickly does not imply a causal effect of the social networks themselves. Further, helping a job seeker to improve her social network—even if we know how to do that—would thus not necessarily help her to find a job more quickly. Nonetheless, for both job seekers and employers, social networks may be useful. Job seekers may use personal contacts to learn about appropriate job opportunities. Even casual acquaintances may be helpful. Indeed, one prominent sociological theory suggests that acquaintances, people with whom the job seeker has “weak ties,” can be especially helpful since they may be able to connect the job seeker to people and opportunities that they are otherwise unlikely to encounter (Granovetter, 1973; 1983). Employers may prefer to hire people they know or who are known to their family, friends, or existing employees. Referral systems, in which existing employees receive bonuses for referring new employees, may be a useful mechanism for screening candidates (Fernandez et al., 2000). Cingano and Rosolia (2012) find better outcomes for displaced workers whose former colleagues are employed.

But even if mobilizing a social network is a fruitful method of job search, it is not immediately clear how either individuals or job search assistance programs can operationalize this strategy. Personality may affect how individuals exploit their networks (Caldwell and Burger, 1998). Further, Campbell et al. (1986) and Wilson (1989) note that individuals with low socioeconomic status may have weak social networks. Recent immigrants may also lack access, particularly if they are linguistically isolated. Conversely, some recent immigrants draw on networks of earlier immigrants to find jobs.

Beaman (2011) reports that for recent arrivals, access to a greater number of established network members increases the probability of employment and raises wages (though arriving as part of a large cohort leads to negative outcomes). Even when low-skilled job seekers—immigrants and non-immigrants—know people who are employed, some of these employed individuals may be concerned about offering assistance for fear of jeopardizing their own tenuous labor market prospects (Smith, 2005).

To the extent that social and professional networks are critical to job search, low-skilled workers who lack strong networks may need to develop their networks, or find effective substitutes. While many theoretical models of social networks take an individual's network as a given, other models allow individuals to select the strength and nature of their social ties (for an overview, see Ioannides and Datcher Loury, 2004). Several programs are engaged in efforts to teach low-skilled workers how to develop their professional networks. Wyckoff and Clymer (2006) provides curriculum materials for use in replication.

7.1.3 Searching with Computers

Until recently, the standard way to identify publicly posted job openings involved reading newspaper advertisements. However, both standard methods of search and, perhaps, the effectiveness of public sources of jobs are changing. As early as 2003, Internet job search was common. Stevenson (2009) finds that 11.5 percent of American adults *searched* online for jobs in 2003. Perhaps more significantly, many people *found their job* through the Internet.³⁴ Stevenson (2009) also reports that among those who began a new job in 2002, 22 percent credited the Internet as the primary means by which they found their job.

The Internet can be used to facilitate a broad range of job search activities. Using variation in the timing of when people started to use the Internet across states, Stevenson (2009) also finds that increased Internet usage is associated with increased probabilities of sending out resumes, looking at advertisements for jobs, and contacting both private employment agencies and employers.

Much of the analysis of Internet job search focuses on the aggregate effect on the economy. To some extent, job search is a competition. An individual will benefit from adopting a better job search method. However, if everyone adopts the improved method, then the advantage to a particular individual of that better method will be much smaller than the advantage to the individual if no one else adopts it. Nevertheless, Autor (2001) argues that the Internet is likely to increase the efficiency with which workers are matched to jobs. He points out that equilibrium job search theory (see discussion in Chapter 5, and in particular the work of Pissarides [1990]) suggests that anything that reduces the cost of job search will increase aggregate productivity by improving match quality.

There are, however, some drawbacks to Internet job search: Fountain (2005) points out that while the Internet makes identifying job openings and completing job applications easier, the very ease of the application process means that the fact that a job seeker applies to a particular position conveys little

³⁴ Here “job search” includes people who used the Internet in their job search; “job finding” only includes people for whom the job that they ultimately took was located through the Internet. Thus, someone who searched an online database, but found a job through a referral from a friend would have used the Internet for job search, but not for job finding.

information about the applicant's true interest in that position.³⁵ The net effect is difficult to measure. In one attempt to explore this argument, Kroft and Pope (2008) find that the introduction of Craigslist (one website which can be used for Internet job search) into an area has no effect on the local unemployment rate.

As to whether Internet job search is a productive strategy for individual job seekers, strong evidence is sparse. Using data from the 1998 and 2000 CPS, Kuhn and Skuterud (2004) find that Internet job seekers have observed characteristics that are associated with greater success in finding work. However, controlling for observed characteristics, they find a *negative* effect of Internet job search on unemployment durations. They argue that either Internet job search does not reduce unemployment durations or Internet job seekers are negatively selected on unobservables. In contrast, a more recent analysis of survey data by Kuhn and Mansour (2011), suggests that Internet job search is associated with a reduction in unemployment duration of about 25 percent. Given that there is no experimental variation in Internet job search in the more recent analysis either, the same questions of interpretation remain.

In addition to identifying jobs, the Internet may be used to deliver job search assistance. Some rigorous evidence suggests that online programs may be helpful in improving job seekers' sense of self-efficacy. A random assignment evaluation of the Canadian CareerMotion, a web based tool intended to help users develop an "understanding of their current career reality while equipping them with the information, skills and confidence that is necessary to make career-related decisions" (de Raaf et al., 2012, p. 3) found that the program caused increases in participants' confidence about making career decisions and job search self-efficacy. Notably, the increases in confidence did not always translate into action (while treatment group members reported being more comfortable reaching out to their networks for employment assistance, treatment group members were no more likely to have done so), and one year after treatment, there were no statistically significant differences in the employment situation of treatment and control group members. The study was carried out among 25–40-year-old college graduates in British Columbia, and may have different effects for low-skilled workers in the U.S..

Even if job seekers never use the Internet to identify job opportunities or contact employers, the Internet may still affect their likelihood of success at finding employment. Some employers use the Internet to conduct background checks, which can now include more than the traditional checks on criminal records or claims about prior employment. In a 2009 survey of hiring managers and human resource professionals sponsored by CareerBuilder, 45 percent reported screening job applicants using social network sites (CareerBuilder, 2009).³⁶ Companies can also outsource this type of screening (Hill, 2011). Bolles (2012) summarizes the conventional wisdom: job seekers should remove inappropriate text and photos from the Web, maintain current and complete profiles on

³⁵ More generally, another dimension of job search is the question of whether to search broadly and apply for as many positions as possible or to target a carefully selected set of positions with detailed applications that signal meaningful interest. We do not know of research on this question.

³⁶ This survey was conducted online by Harris Interactive within the United States in May and June 2009. Respondents needed to be employed full-time and have "significant involvement in hiring decisions." The self-employed and government employees were excluded from the sample.

services such as Twitter and LinkedIn, and demonstrate professional expertise by using online forums and creating blogs and online videos.

7.1.4 Employment Agencies

Employment agencies—public and private—are another potential venue for identifying job openings. As in the case of Internet job search, employment agencies can be viewed both as a particular job search method and as a method of facilitating a broad range of search activities. Like head hunters and temporary help agencies, employment agencies serve as labor market intermediaries, intervening in the worker-firm matching process (Autor, 2009). The employment agency category includes a broad range of organizations, ranging from small private organizations focused on niche occupations to the One-Stop service delivery sites mandated by the Workforce Investment Act of 1998, including the Wagner-Peyser Employment Service.³⁷

Observational evidence suggests at best moderate positive effects of employment agencies. Using data from the 1991 Current Population Survey March Supplement, Bortnick and Ports (1992) examine reemployment probabilities by job search method.³⁸ While job seekers who reported using private employment agencies had the highest likelihood of finding employment, there were only small differences between the most and least successful job search methods. While labor market institutions vary widely from country to country, we note that using data from Australia, Weber and Mahringer (2008) conclude that, for low-skilled workers, public employment offices are as good as any other search channel (e.g., relatives, friends, former employers).

Notably, Osberg (1993) and Weber and Mahringer (2008) both report negative selection into the use of public employment agencies; i.e., on average, lower-skilled workers use public employment agencies. Inasmuch as that is correct, then observational studies will underestimate the impact of public employment agencies. Thomas (1997) argues that many job seekers contact public employment agencies only after unsuccessful job search attempts using other methods, which creates a positive association between unemployment duration and the use of public employment agencies in nonexperimental studies.

7.2 Converting Job Opportunities to Job Offers

This section considers the second step of our framework for individual job search: how to apply for jobs and convert them into job offers; however, the available evidence is methodologically weak. Much of the evidence in the previous section applies not only to the process of identifying job opportunities, but also to the process of converting job opportunities into job offers. For example, a job seeker may use her social network to identify a job opening, but she may also identify an opening at a particular company in a newspaper and then call a friend who already works at the company to learn more about the company and what they are looking for or to “put in a good word.”

³⁷ See more details from the Department of Labor at http://www.doleta.gov/programs/wagner_peyser.cfm and <http://www.doleta.gov/USWORKFORCE/WIA/>.

³⁸ The study considered the six active job search methods in the CPS. As discussed in Chapter 2, these strategies are: contacted a private employment agency, contacted a public employment agency, checked with employer directly, checked with friends or relatives, placed or answered ads, and an “other” category.

Nonetheless, there are some job search methods that apply specifically to obtaining offers.

While there is a large amount of advice available to job seekers on these matters, research is sparse. Much of the available research on interview strategy comes from laboratory settings where study participants rank candidates based on watching taped performances, and it is unclear how closely these rankings would align with real-world hiring decisions. For example, Forsythe et al. (1985) showed personnel administrators videotapes of female applicants in different outfits and concluded that applicants' clothing affects the selection decision for management positions

For some disadvantaged workers, in addition to the decisions all job seekers face, additional concerns arise about how and when to disclose personal information which may be perceived as a barrier to employment. In an artificial laboratory setting, Tagalakakis et al. (1988) find that job seekers who rely on wheelchairs are less likely to be selected for a job after a face-to-face interview if they did not disclose their disability over the phone. However, their findings are limited because they rest on the decisions of laboratory experiment participants rather than the actual decisions of employers.

7.3 Which Job Offers to Accept

This section considers the third step of our framework for individual job search: which job offers to accept. This is a key decision in the neoclassical model of job search (e.g., Mortensen, 1986; see the discussion in Chapter 5). In that model, the lowest wage at which a job offer which would be accepted (in a model where jobs only vary by the wage they offer) is known as the “reservation wage.” While wage is the focal job characteristic in this theoretical literature, other job characteristics such as fringe benefits and working conditions are considered in the more applied literature on which job offers to accept. After considering the literature on wages, we consider temporary employment, and the broader “career plan.”

7.3.1 Jobs as Wage Offers

Broadly speaking, there are two strategies for deciding which job offer(s) to accept. The first strategy is to accept any job offer. Two arguments support this first strategy: (i) some job is almost always better than no job; and (ii) on-the-job search is possible. Indeed, Blau and Robins (1990) report that the job offer rate per contact is greater for employed searchers than for unemployed searchers, but they are unable to account for other potential differences between the groups, such as search intensity.

The second strategy is to hold out for a “better job.” There are two arguments for this second strategy: (i) some employers lowball job offers, such that a better (i.e., higher paying) job is probably available; and (ii) jobs which are bad matches, for any reason, are likely to lead to short job durations and job search again in the near future.

While the issue of how to select the best possible reservation wage is applicable to all job seekers, this issue has special salience for populations with minimal work experience and low likely wage offers. For this population, there are three arguments that lead many to urge the strategy of accepting any job offer:

1. Concerns that low-skill workers with little labor market experience may substantially overestimate the distribution of wage offers they are likely to receive.

2. Concerns that low-skill workers prefer leisure to work, especially if they are receiving some cash benefit (see the discussion Chapter 5). In that circumstance, urging acceptance of all job offers might be in the public interest, if not purely in the job seeker’s self-perceived interest.
3. Concerns that low-skill workers have low wages because they have low experience. From that perspective the key issue is to get low-skill workers more experience; that will lead, over time, to higher wages. (On this issue, see the discussion of wage trajectories for low-income workers in Chapter 2.)

Even for low-wage workers, however, the classic arguments continue to apply. High wages are preferred to low wages. Accepting the first job offer might involve missing out on a later job offer that might have a higher wage rate. Similarly, the first job might not be a good match, and lead to quick dissolution. There may be tradeoffs between immediate earnings (e.g., how much will a job seeker earn in the next month) and total lifetime earnings.

These issues were of considerable interest in the welfare-to-work experience immediately before and after the 1996 welfare reform. While some research on optimal job acceptance strategies is drawn from randomized controlled experiments, this work typically makes use of nonrandom variation in program implementation across sites. As noted in the previous chapter, there are limits to what can be inferred about specific program components from an evaluation of a multi-faceted intervention, where job search is only a piece.

The Portland site of the National Evaluation of Welfare-to-Work Strategies had the largest impacts among all of the NEWS sites. Some observers attributed these large impacts to the fact that “rather than urging people to take ‘any’ job (the approach typical of most work first programs), staff encouraged people to seek and accept ‘good’ jobs — fulltime jobs paying more than minimum wage with benefits and potential for advancement” (Hamilton et al., 2001, p. ES-3). Other interpretations are possible. The official report attributes Portland’s success to its mix of job search and education, rather than a “one size fits all approach” (Hamilton et al., 2001, p. 103). However, as noted at the start of this chapter, it is not possible to infer which component of a multi-faceted intervention (or chance) resulted in strong outcomes based on only a small number of sites (Greenberg et al., 2003).

Perhaps then it is unsurprising that the evidence on the optimal job acceptance strategy is inconsistent. First, the Portland finding that waiting for a “good job” dominates taking “any job” contrasts with Riccio et al. (1994). Among the six sites in California’s Greater Avenues for Independence (GAIN) Program, Riverside had the largest earnings gains and welfare savings. The Riverside program sent a strong message to all participants that “employment was central, that it should be sought expeditiously, and that opportunities to obtain low-paying jobs should not be turned down” (p. xxv).

Second, the Los Angeles Employment Retention and Advancement site attempted to replicate the Portland findings through an “Enhanced Job Club” that, in addition to imparting job search skills, featured career planning and used a “step-down” approach to connect participants to work. This approach involved participants first developing a career plan that identified their occupational field of interest and various levels of jobs within that field. Next individuals attempted to get hired into the highest-paying job in the field that they could access. If this type of job was not obtained within the first two weeks of job search, participants tried to find a job within their career of interest that might lead to a promotion into a higher paying job. Lastly, if participants were still unemployed by the

fourth week of job search, they aimed to find a skill-building job (any part-time position) that, combined with enrollment in training or education, could improve their skills (Navarro et al., 2008, p. ES-3). While the Enhanced Job Club seemed to have been implemented as designed (resulting in a substantially different message from conventional job club), labor market results were not statistically different from conventional job club.

Third, Bloom et al. (2003) explored the correlation of a site's emphasis on quick employment and subsequent earnings. In this design, the individual impact estimates are based on random assignment (i.e., treatment versus control), but the variation in caseloads is observational rather than experimentally induced—sites chose their caseloads and those choices may be correlated with other unobserved site characteristics. As we noted in Chapter 6, sites choose their program design, so correlation of that choice of program design with unobserved site characteristics (e.g., unmeasured aspects of the site's program design) has the potential to bias estimates based on this evaluation strategy. With this caveat, we discuss their results.

Bloom et al. (2003) develop a proxy for an emphasis on quick employment using a scale built from four questions on staff surveys:

- Does your unit emphasize helping clients build basic skills, or moving them quickly into jobs?
- Should your unit emphasize helping clients build basic skills, or moving them quickly into jobs?
- What would be your personal advice to a client who can either take a low-skill, low-paying job OR stay on welfare and wait for a better opportunity?
- What advice would your supervisor want you to give to such a client?

They find that a one standard deviation increase in the index for quick job entry results in a \$720 (in 1996 dollars) increase in quarterly earnings. The estimate is statistically significant at the 1 percent level, is by far the largest impact that they estimate, and is robust to sensitivity analyses. In fact, it is nearly as large as the grand mean of program impacts (\$879); i.e., a program that is one standard deviation above the mean (the 84th percentile) in emphasis on quick employment would have an impact of \$1,599; while a program that is one standard deviation below the mean (the 16th percentile) would have an impact of only a tenth of that, \$159.

7.3.2 Temporary Employment

Over the past 40 years, the temporary-help industry has grown substantially (Segal and Sullivan, 1997). Former welfare recipients are overrepresented in the temporary help industry, which many TANF recipients joined following the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Cancian et al., 1999; Autor and Houseman, 2002).

Employers may appreciate the ability to manage workload fluctuations with the flexibility that temporary help firms provide (Abraham, 1988). Whether temporary employment leads to higher earnings is unclear. Using SIPP data and propensity score matching methods, Lane et al. (2003) find that temporary employment improves labor market outcomes. Using rich administrative data and propensity score matching methods, Heinrich et al. (2005) find that welfare recipients who start working at temporary service firms have only slightly lower earnings two years out. Andersson et al.

(2009) apply regression methods to LEHD administrative data and find that the unconditional effect of temporary employment (i.e., not conditioning on currently in temporary employment, full quarter employment, or job tenure) is negative. Similarly, using data for Detroit and a methodologically stronger design that exploits the randomness in the rotational assignment of welfare participants to job placement contractors, Autor and Houseman (2010, 2012) find that temporary-help placements provide worse earnings and employment outcomes than direct-hire placements). This more recent evidence is methodologically strong.

7.3.3 Career Planning

Many job seekers search for jobs in a particular industry or occupation that matches their interests and experiences. Representing the conventional wisdom, Bolles (2012) argues that genuine enthusiasm is the key to overcoming shyness and enjoying interviews. While few studies have examined the question of whether to turn down alternative offers, Navarro et al. (2008) interpret the results from the Los Angeles Enhanced Job Club random assignment evaluation as implying that there is no advantage (in earnings or employment) to placing individuals in positions that are well-aligned with their career interests.

7.4 Discussion

This chapter has reviewed the evidence on individual job search methods—how individuals generate jobs offers and which job offers to accept. One potential way to strengthen government JSA programs is to introduce especially effective strategies to low-skill workers, particularly if they might not otherwise have used them. However, the available evidence is thin and—consistent with the discussion in Chapter 6—methodologically weak.

8. Evidence on Job Search Assistance Programs

Chapter 7 reviewed the existing evidence on the impact of different individual job search strategies; this chapter reviews the existing evidence on the impact of job search assistance (JSA) programs. We organize the chapter according to the three mechanisms discussed in the first chapter: *assistance*, *training*, and *enforcement*. We review the literature on JSA within welfare programs (mostly the Temporary Assistance for Needy Families' [TANF] predecessor Aid to Families with Dependent Children [AFDC]), the rich literature about similar services to similar populations of UI recipients, and the more recent European literature.

None of this evidence is fully relevant. It appears likely that exact responses to changes in JSA programs will vary with labor market conditions, labor market institutions, the details of TANF policies, and social policy more broadly. However, almost all of the U.S. welfare evidence refers to AFDC, not TANF, and is thus at least a decade and a half old—and often much older. Welfare programs and the economy have since shifted. Similarly, much of the UI evidence is also out-dated. In addition, evidence from UI is based on a different program with a different population. On average, UI recipients have considerably more work experience and are less likely to be female. Finally, the European evidence refers to a different labor market with very different institutions and social policies.

We nevertheless review this evidence here because it is all that there is. More broadly, while the details have changed, it seems plausible that some broad findings might continue to be correct. We return to this issue in the final chapter.

8.1 Evidence on the Assistance Mechanism

JSA programs are traditionally viewed as operating through the *assistance mechanism*, i.e., they help job seekers to find jobs and to develop skills in finding jobs. In the United States, there have been evaluations of JSA in the context of AFDC and in the context of Unemployment Insurance (UI). There is also some evidence from Europe.

We organize this discussion from the broadest (i.e., most bundled) evidence to the narrowest (i.e., focused on the most narrowly defined components) evidence. We therefore begin by discussing the evidence of the impact of JSA programs as the core component of even broader programs and then evidence of the impact of JSA programs as a whole. Both of these sets of evaluations suffer from the bundling problem discussed in Chapter 6: they usually evaluated the joint impact of bundled components, such that it is hard to distinguish the impact of any individual component. We then discuss evidence on successively narrower components of JSA programs. To a lesser extent, these evaluations also suffer from a bundling problem, in that we would probably want to evaluate subcomponents of a particular JSA component (e.g., the length of job club).

8.1.1 Bundled AFDC/TANF Interventions

JSA was the core component of many welfare-to-work programs, and the results of those interventions were often interpreted as informative about the assistance mechanism for JSA programs (e.g., Gueron and Pauly, 1991, pp. 164–165). Early evaluations were reviewed in Gueron and Pauly (1991). Labor force attachment-focused follow-on evaluations include some of the California Greater Avenues for Independence (GAIN) sites (in particular Riverside) (Hotz et al., 2006), Los Angeles

Jobs First GAIN Evaluation (Freedman et al., 2000), and the Labor Force Attachment (LFA) sites of the National Evaluation of Welfare-to-Work Strategies (NEWWS) (Hamilton, 2002).

Overall, the literature on labor force attachment programs—with job club as their initial and core component—suggests that they were at least as effective as human capital development programs, and at much lower cost. While these programs raise employment and earnings and lower cash benefits, there are usually small to no increases in total cash income (Hamilton, 2002; Grogger et al., 2002). As a result of these programs, over the three- to five-year horizon usually used in such cost-benefit analyses, measured government costs decrease (primarily through reduced benefit payments), measured participant income is nearly unchanged, and leisure (i.e., time not working) declines.³⁹

For the purposes of this chapter, this evidence is only indirect. The evaluated programs included multiple components of JSA, as well as non-JSA components (e.g., intermediate term, intensive, moderate cost basic skills and hard skills training, work experience, subsidized employment). It is thus difficult to isolate the effect of the JSA program or of the individual components of the JSA program.

Of particular interest to this document are several of the earlier evaluations.⁴⁰ These studies consider pre-FSA interventions. Clearly the broader welfare program has changed considerably since then (e.g., who was required to participate at all, the penalty for not participating), so these results need to be interpreted with care. With that caveat, these studies are potentially insightful because they are close to a pure JSA intervention. While later evaluations included a richer group of activities (usually including some combination of assessment, education and training, and work experience), these studies included job search assistance, but no other components. Furthermore, while these programs were almost all nominally “mandatory,” enforcement was often not strong and the statutorily available sanction was small (in modern terminology, an “adult only sanction,” in which the benefit was recomputed as though the adult were not present). Thus, it is plausible to interpret any impacts as arising primarily through the assistance mechanism of the JSA components of the program, and not from either the non-JSA components or through the enforcement mechanism operating through the JSA components.

Studies of this form include one part of the Cook County WIN Demonstration, two Louisville studies, and one of the arms of the San Diego Employment Preparation Program/Experimental Work Experience Program.⁴¹ Results are mixed. The Cook County study found no impact on employment and earnings, and small impacts on welfare receipt and payments. The Louisville program with only individual job search led to large increases in employment and earnings (18%–20%, depending on the year after randomization) and reduced welfare receipt and payments. The Louisville program that included group job search in addition to the earlier individual job search (run a year later; not a multi-armed experiment) found even larger impacts on employment and earnings (43%), but not on welfare

³⁹ We acknowledge that participation in the job may provide a psychic benefit and lead to higher future wages or hours. We note that the discussion in Chapter 2 suggested that the impact on future wages does not appear to be large.

⁴⁰ These early evaluations are reviewed in Gueron and Pauley (1991). Given the age of these studies, we do not provide more detail on individual studies.

⁴¹ See Gueron and Pauly (1991) especially Table 4.6 (pp. 168ff) for details.

receipt or payments. The San Diego job search only program found impacts on employment and earnings (23%) and short-term reductions in welfare participation and benefits.

These estimated impacts are weaker and less consistent than the comparable results for other programs from this period that included broader service offerings (i.e., more than JSA). Estimates from those programs showed consistent and moderate increases in employment and earnings of 10 to 20 percent. In addition, there is some, but smaller and less consistent, evidence of decreases in welfare payments. One interpretation of this contrast is that the JSA programs alone have smaller impacts than the broader programs. Alternatively, there are only a handful of (nearly) pure JSA studies and (as noted in Chapter 6) this form of narrative synthesis yields only weak inference. In addition, we note that these evaluations occurred more than two decades ago; some maturation in program designs and therefore improvement in impacts seems plausible. Finally, welfare programs, welfare caseloads, and the external environment have shifted radically since then. We therefore turn to more recent evidence.

More recently, the propensity score matching (PSM) analysis of Dyke et al. (2006) finds mixed impacts when they compare the impact of JSA with a job-readiness component to assessment, but not to services. For Missouri, they find moderate positive effects (\$94 per quarter for the PSM estimates 11–14 quarters relative to service; \$185 per quarter for the fixed effects estimates), but for North Carolina they find negative impacts (-\$154 per quarter for the PSM estimates 11–14 quarters relative to service; -\$85 per quarter for the fixed effects estimates). Both results are statistically significant—but of opposite signs. Dyke et al. characterize these results as consistently small (if of mixed sign and statistically significant). Another interpretation of these apparently inconsistent results is as evidence of the weakness of propensity score matching as a control for selection bias, given the background variable they use (see the discussion in Section 6.3). The reported problematic results of specification tests (especially for the North Carolina analysis) are consistent with such methodological concern. Finally, there are two meta-analyses of welfare-to-work programs that attempt to identify the separate contribution of job search, and in particular, of emphasizing rapid job finding. First, Ashworth et al.'s (2004) meta-analysis of welfare-to-work studies finds a short-run, positive, and significant impact of programs with a greater role for job search on earnings.

Second, Bloom et al.'s (2003) multi-level analysis of individual level data from several welfare-to-work random assignment evaluations suggests a subtle story. Like Ashworth et al. (2004) and as discussed in Section 7.3, Bloom et al. (2003) find that a focus on rapid job finding is very important. However, they also find that, conditional on caseworker attitudes, the fraction of clients in JSA programs is not important. They describe the finding as follows (p. 15):

Given the central role that job search has had in many past successful programs, it is noteworthy that its coefficient in our model is nearly zero and is not statistically significant. However, this finding does not necessarily mean that job search is unimportant for program success, or that some programs could operate just as effectively without it. Instead it might be the case that the particular kinds of messages and assistance that get conveyed determine whether those activities are effective. For example, job search assistance clients within job search activities may be an important vehicle for operationalizing a quick employment message for clients; but holding constant this message, job search assistance may have little or no impact.

Below, we consider evidence for an alternative interpretation: Assistance, per se, is not that important. What we interpret as the effect of assistance is actually the effect of enforcement, or at least of the message of the importance of rapid job finding.

8.1.2 Bundled UI Interventions

JSA was also tested in the context of the UI program. UI is shorter term (at most a few months vs. AFDC/TANF which can last several years) and the services offered have usually been less intense (services beyond JSA are rare), such that these bundles could more plausibly be interpreted as the pure effect of JSA as a bundle. However, here when we consider estimates of the impact of bundled JSA programs for the UI population, and below when we discuss estimates of the impact of components of JSA programs for the UI population, there are important issues of external validity. The UI population usually has more work experience and more skills than the TANF population. There are therefore questions about the extent to which the UI JSA program impact estimates are informative about the likely impact of similar programs applied to a TANF population.

Given that important caveat, for the UI population there are several well-implemented, multi-armed experiments. These studies provide consistent evidence that JSA cuts UI durations. The modal effect is about half a week (on a base of about 15 weeks; i.e., about 3%) and the results are almost always statistically significant (at $p < 0.05$ unless otherwise noted). Studies with this pattern include: the New Jersey Unemployment Insurance Reemployment Demonstration Project (-0.47 weeks; Corson et al., 1989), the Evaluation of the Impact of the Washington Alternative Work Search Experiment (-0.47 weeks, $p < 0.10$, for “intensive services”; Johnson and Klepinger, 1991), the Assisting Unemployment Insurance Claimants demonstration (-1.13 weeks in DC, -0.41 weeks in Florida; Decker et al., 2000), and the Evaluation of Worker Profiling and Reemployment Services (-0.25 weeks in Connecticut, -0.51 weeks in Illinois, -0.21 weeks in Kentucky, -0.98 weeks in Maine, -0.29 weeks in New Jersey; Dickinson et al., 1999). There is one exception to this pattern. The South Carolina site of the Worker Profiling and Reemployment Services evaluation found no impact.

Overall, the UI experiments provide strong evidence that JSA cuts UI duration, i.e., the period of receiving UI benefits. However, UI duration is only one of several outcomes of interest. Below in Section 8.3.1, we consider effects on earnings.

8.1.3 Job Referrals and Job Placement

A key activity of the U.S. Department of Labor’s (DOL) Employment Service (ES) is referrals to job interviews. Three national studies have evaluated such job interview referrals using comparison group methods (Johnson et al., 1983; Katz, 1991; Jacobson and Petta, 2000). In addition, Dickinson et al. (1986) provide a similar analysis of “direct referral” for Comprehensive Employment and Training Act of 1973 (CETA)⁴² recipients, also using comparison group methods. All four studies show that such referrals improve labor market outcomes—shortening UI durations and increasing earnings. For some studies, the impacts are large.

However, as multiple reviews of this literature have noted, whether these estimates are truly causal impacts is unclear (see O’Leary, 2004; Smith, 2011; Meyer, 1995). Access to ES services is

⁴² CETA preceded the Job Training Partnership Act (JTPA) of 1982, which was replaced by the Workforce Investment Act of 1998.

guaranteed; no one can be denied services, so random assignment is impossible. Instead, such studies use a comparison group design, with some form of regression adjustment. However, users of the ES are likely to be more motivated than non-users, such that it is not clear that any comparison group will be valid, given the background variables likely to be available.

The CETA study is subject to a related critique (Barnow, 1987). Direct referrals were one of four possible treatments. It seems likely that the most job-ready participants got job referrals. If so, this would probably lead to upward bias in the estimates of impact. The sensitivity of the estimates to the exact methods for controlling for selection bias reported in that study would be consistent with this interpretation.

8.1.4 The Job Club Process

In this subsection, we turn from consideration of the impact of job search as a whole to consideration of the impact of the job club process. Specifically, while in Chapter 7 we considered the impact of job club—a mutual support group—as an individual job search strategy, in this chapter, we consider the impact of what Gueron and Pauly (1991, p. 93) term the “job club process” and we adopt that terminology here.

The basic structure of the job club process has remained relatively stable since its development in the late 1970s. A quarter century later, Goldman’s (1989, p. 393) description of the job club process remains broadly apt:

Participants were told to treat job search as a full-time job and were encouraged to use friends and relatives to obtain leads. They were trained in interviewing and social skills and used standardized scripts on the telephone to uncover job openings and get interviews. The basic philosophy is that there are many jobs that become vacant and subsequently filled without going through an elaborate job referral network. Frequent telephone calls will locate these vacancies and provide participants with opportunities they would not have had had they relied on job developers or want ads. As part of the program, they were also given regular staff supervision and assistance and were involved in a peer support network.

We make several observations about this characterization of the job club process. First, the formal assistance component usually covers all three stages of our conceptualization of individual job search: identifying job openings, converting job openings into job offers, and deciding which job offers to accept. However, the focus has traditionally been on identifying job openings. There is also some attention to how to convert identified job openings into job offers (training in and help with filling out job applications; mock job interviews; guidance on appropriate dress and behavior). In most JSA programs for AFDC/TANF recipients (and only slightly less so for UI), there has been little focus on which job offers to accept; the guidance is to accept all job offers.

Second, note that this description of job club is clearly a group process; it is neither exclusively one-on-one work with a counselor, nor self-directed job search. However, the mutual support group aspect is only part of the job club process. Note also the emphasis on hidden jobs.

In the welfare literature, there is a direct test of the job club process. Azrin et al. (1980, 1981), the developer of the job club concept, tested the job club process on AFDC recipients in a random assignment design with a moderate-sized sample of 1,000. He found that job club increased job finding: 80 percent vs. 48 percent at six months; 87 percent vs. 59 percent at twelve months. Impacts

were widespread—all five sites, both genders, high school graduates and dropouts, all race/ethnicity groups. Furthermore, the jobs were little different between the treatment and control group. Finally, at six months, dollar value of welfare payments had also declined more in the treatment group (50 percent vs. 15 percent). So, there clearly is some evidence that assistance—in the form of the job club process—helps with job finding.

In the UI literature, evidence on the separate effect of a job search *workshop* is mixed. The Maryland Unemployment Insurance Work Search Demonstration included an arm that added a four-day job search workshop to the regular job search requirement. The evaluation found that doing so cut UI durations by 0.6 weeks (on a base of about 12 weeks; i.e., about 5%; $p < 0.05$; Klepinger et al., 1998). In contrast, the Charleston Demonstration included an arm that included a job search workshop in addition to other services—a strong worker test and enhanced placement services. The differential effect of adding the job search workshop was to cut UI durations by only an additional 0.15 weeks (i.e., T2 had an impact of -0.61 weeks while T3 which added the workshop had an impact of -0.76 weeks). A formal test of the incremental impact is not provided, but it seems unlikely that the incremental impact of the workshop was statistically significant. We revisit the interpretation of these results below in Section 8.3.4.

These are the results for the job club process as a whole. There is also some evidence on the impact of the details of the job club process. One key possible change would be to lengthen the job club phase. Results for the Portland NEWWS site were interpreted as implying that a two-phase job search process was optimal—start by looking for a better job, and only drop down to accepting any job if the initial search was unsuccessful (Hamilton et al., 2001). This insight corresponds directly to the third phase of our conceptual model of job search—decide which job offers to accept. However, rejecting some job offers is likely to lead to longer job search and therefore require a longer job club phase.

Following up on this interpretation of the Portland NEWWS results, the Los Angeles Enhanced Job Club augmented the standard job club protocol by lengthening the job club from three to five weeks and focusing efforts on obtaining a job in a field of interest. These are standard recommendations for intensifying efforts along the assistance mechanism. However, Navarro et al.'s (2008) experimental evaluation found earnings no better for Enhanced Job Club than for conventional job club. Furthermore, Enhanced Job Club was more expensive to implement, so Navarro et al. conclude the benefits do not justify the additional cost. For our purposes, these results suggest that a job offer acceptance strategy other than “accept any offer; any job is better than no job” does not appear to lead to higher earnings.

8.1.5 Individualized JSA/One-on-One Counseling

Several of the UI studies conducted multi-armed designs in which the control condition (usually no JSA) was compared both against conventional (i.e., group) JSA and also against “individualized” JSA. The Assisting Unemployment Insurance Claimants demonstration in the District of Columbia and in Florida also had an arm testing structured JSA (Decker et al., 2000). Both sites found that “individualized JSA” decreased UI durations (-0.47 weeks in DC, -0.59 weeks in Florida, both $p < 0.05$). Note, however, that the differences from conventional “structured JSA” (presumably a job club process-like program) are not even of consistent sign. In the District of Columbia site, the impacts of individualized JSA are smaller than the impacts of structured JSA (-0.47 vs. -1.13 weeks; that difference may be statistically significant, though no formal test is provided); while in Florida, the impact of individualized JSA is larger, but the difference is probably not statistically significant (-

0.59 weeks for individualized JSA vs. -0.03 weeks for structured JSA). Thus, these two studies imply no incremental impact of “individualized JSA” over “structured but not individualized JSA.”

Again in the UI literature, the Charleston Demonstration included an arm that included “enhanced placement services” in addition to a strong worker test (but without the job search workshop discussed in Section 8.1.3). The differential effect of adding enhanced placement services was to cut UI durations by an additional 0.06 weeks (i.e., T1 had an impact of -0.55 weeks while T2 which added the enhanced placement services had an impact of -0.61). A formal test of the incremental impact is not provided, but it seems unlikely that the incremental impact of the enhanced placement services was statistically significant.

Evidence from the United Kingdom (U.K.) reveals a modest impact of one-on-one JSA counseling (Dolton and O’Neil, 1996). In the U.K., the Restart program offered a JSA program after six continuous months of receipt of the U.K. equivalent of UI. The JSA program consisted of monthly meetings between the unemployed individual and a counselor over a six-month period. “During this interview the counselor assessed the claimant’s recent unemployment history and offered advice on benefits, search behaviour, training courses and in some instances initiated direct contact with employers.” The evaluation proceeded by random assignment. Those in the treatment group are about 10 percentage points more likely to exit for any job than those in the control group (inspection of Figure 1 suggests that about 40 percent of the control group have not found a job at 12 months versus about 30 percent of the treatment group) and the difference in exit rates occurs primarily in the first two months after the first Restart interview. However, there is no impact on “exits to stable employment” (i.e., those jobs lasting three months or more). A long-term follow-up found more positive impacts for males (Dolton and O’Neil, 2002). After five years, males had substantially lower unemployment rates (six percentage points⁴³); there were no long-term effects for females.

Finally, Feldman’s (2011) comparison of strategies and outcomes for New York City’s employment service contractors is informative. Participants were approximately randomly assigned to contractors, and Feldman included regressors to control for deviations from pure random assignment (which are clearly present). The contractors vary in their strategies; Feldman estimates multilevel models that exploit that observational variation.

Specifically, Feldman characterized contractors by the extent to which they follow a “quick placement approach” vs. a “case-management approach.” Feldman explains (p. 111):

All of the programs provide some case management and coaching, including job interview preparation. But following these initial activities, the results for the full sample show that a quick placement focus is more benefit to individuals than an emphasis on case management. In particular, the latter emphasis reduces the chances of job placement as well as the chances that people find jobs and are still working six months later.

...

The results also show that the amount of case management provided has little effect on employment retention among placed individuals, at least by the six month mark. Recall that some

⁴³ Overall the unemployment rate at five years was about 40% (see Table A1), but no male/female breakdown is provided.

staff felt that more intensive case management prior to the job search helps people stabilize their lives and deal with barriers to work, thus facilitating job retention once employed. The evidence does not support this view.

8.1.6 Job Development

Another strategy for JSA programs is job development: JSA program staff members “develop” (i.e., identify) jobs. Such job developers work with employers to understand requirements for each job. The job developers then work with caseworkers to identify participants who could succeed in the job. Wyckoff and Clymer (2006) presents an overview of the job development role.

The screening function is crucial. As noted in Section 5.2 (Labor Demand Theory), workers are heterogeneous, forcing employers to expend resources to identify appropriate workers from among applicants. As Feldman (2011, p. 55) explains:

Good job matches are the foundation for a potentially symbiotic relationship between job developers and employers. If these staff carefully screen participants for employers, these employers will, hopefully, contact the program they next time it needs more workers.

Claims that job developers are a crucial element of a successful welfare-to-work program are scattered through the literature (e.g., Sherwood, 1999, on community service employment; Buck, 1997, on Tulsa’s IndEx Program; Doolittle et al., 1998, on Parents’ Fair Share; MDRC, 2002), but we did not identify any direct tests of the impact of job development.

Job developers had been a major component of the successful Riverside GAIN program (Riccio et al., 1994) and the follow-on Riverside Labor Force Attachment component of NEWWS (Hamilton et al., 2001). This program feature was carried over to the Los Angeles Jobs-First GAIN Evaluation. Freedman et al. (2000, p. 10), describes the program as follows:

Jobs-First GAIN staff aggressively developed relationships with local employers and matched enrollees to specific job openings. These job development efforts went well beyond what is traditionally offered in job search activities.

...

Each Jobs-First GAIN office had job developers who cultivated relationships with local employers and compiled lists of job positions. Job developers then tried to match enrollees to available job openings, based on enrollees’ prior experience and interests. Job developers began working with enrollees during orientation and appraisal, and continued assisting their job search efforts during job club and other program components. Job developers also arranged and hosted job fairs for enrollees — small, weekly job fairs with one or two employers and larger, quarterly job fairs with many employers. One program office even experimented with having its job developers work on a one-on-one basis with program enrollees who had received a financial sanction (welfare grant reduction) for noncompliance with program requirements.

Through the end of follow-up after two years, the random assignment evaluation of that program found large improvements in earnings (20% at quarter 9) and employment (6.5 percentage points, 17% of the control group) and decreases in benefits (about 16% at quarter 9) over the existing

welfare-to-work program which did not have any significant job development (Freedman, et al. 2000; see p. 73, Table 4.1).

More intensive job development was also a major component of the Los Angeles County Enhanced Job Club evaluation. The control group got some job development (“Made presentations on job leads and social service resources during Week 1: rarely interacted with TJC clients aside from these presentations”), while the treatment group got more intensive job development (“Made presentations on job leads and social service resources during Week 1; assisted clients in preparing résumés, using O-Net and other career development software; conducted mock job interviews; matched clients to job openings; referred clients to job fairs”: Navarro, 2008, p. 19). That study, however, found no impact.

Interpretation of each of these studies is subject to the bundling problem discussed in Chapter 6. Job development is only one of the many innovations tested. It is unclear to what extent the program’s impact was due to the job development itself.

The most recent evidence suggests an increased interest in job development. Feldman (2011, p. 53) claims that independent job search was the norm prior to PRWORA. In contrast, he notes that all of the New York City employment service contractors that he studied used job developers; and for most of the contractors, job development was the source of most of the job placements. He explains that program staff found independent job search “too easily abused.... people can fake independent job search by collecting business cards to show the staff while not actually looking for work.”

8.1.7 Varying Cases per Caseworker

A key component of most assistance models is one-on-one casework, provided by caseworkers, often with social work training. Gueron and Pauly (1991) survey a theoretical literature arguing that large caseloads prevent caseworkers from spending adequate time with each participant. Perhaps because the availability of caseworkers is so fundamental to the delivery of JSA, we have not identified any study which provides no casework. There are, however, three studies that attempt to estimate the impact of varying the intensity of casework.

First, Riccio et al. (1994) described a subexperiment in the Riverside site of the California GAIN experiment that randomly assigned participants to caseworkers with different caseloads. The enhanced (low caseload) group had about half as many job seekers per counselor as the regular (high caseload) group. Both counselors and job seekers were randomly assigned to either enhanced or regular conditions. While there was substantial variation in caseload across the conditions (the low caseload group averaged about 53 job seekers and the high caseload group averaged about 97 job seekers), there were few differences in reemployment and earnings.

Second, and in contrast to these surprising null finding for Riverside, Bloom et al. (2003) applied multi-level modeling methods to pooled individual-level data from several MDRC random assignment welfare-to-work trials (total sample size of about 60,000). The caveats about this study noted in Chapter 7 continue to apply here: sites chose their programs, so there is a potential bias from correlation of site program choices with unobserved site characteristics. With that caveat, Bloom et al. (2003) find that program impacts on earnings are larger when caseworker caseload is smaller (four dollars lower quarterly earnings per additional case in a caseworker’s caseload).

Third, Hill (2006) analyzed the same data with slightly different models. She finds no impact of caseload size on total earnings. However, she finds that a larger caseload is associated with increases in welfare benefits.

8.1.8 Caseworker Responsibilities

There are two competing models of caseworker tasks in TANF. The first model has one caseworker who handles all eligibility functions and a separate caseworker who handles all welfare-to-work functions (in particular, JSA). The other model has a single combined caseworker handling both roles. The integrated caseworker has unitary responsibility, which should mean fewer appointments for the participant, but eligibility tasks may crowd out welfare-to-work tasks (or perhaps, though less likely, vice versa).

We have identified two studies of the comparable effectiveness of the two models. First, as part of NEWWS, the Columbus site ran a head-to-head test of the two models. Scrivener et al. (2001) report that, at a three-year-follow-up while both versions successfully increased earnings and neither version increased total income (taking into account food stamps and cash assistance in addition to earnings), the integrated model was somewhat more successful than the traditional model. In particular, assignment to an integrated caseworker caused a larger reduction in welfare receipt (in the third year, the difference is about 7%; a third of a month on a base of about five months; see pg. 76, Table 5.2).

Second, in a cross-site study using nonexperimental variation in the structure of caseworker responsibilities in GAIN, Project Independence (PI), and NEWWS, Hill (2006) finds higher earnings impacts in offices that rely primarily on a unified case management structure.

8.1.9 Caseworker Attitudes

The previous two subsections consider organizational structure. Here, we discuss “supportiveness” of case workers. An assistance mechanism perspective might be interpreted as implying that more “supportive” caseworkers would have larger impacts. In contrast, an enforcement mechanism perspective (discussed in more detail below) might suggest that less “supportive” caseworkers would have larger impacts.

Most of the evidence on this question comes from correlating caseworker attitudes with participant outcomes. If clients would be (approximately) randomly assigned to caseworkers and caseworker attitudes were not correlated with other unobserved caseworker or program characteristics, then this design would give the causal effect of caseworker attitudes. Neither of these conditions is exactly satisfied, so these results need to be interpreted with caution.

Furthermore, even insofar as this design finds a causal impact of caseworker attitudes, how to shift caseworker attitudes remains unclear. Presumably, such variation in caseworker attitudes results from a combination of two factors: (i) training and supervision—presumably these factors are able to be manipulated by JSA programs; and (ii) preexisting caseworker attitudes and temperament. These latter factors are less likely to be able to be manipulated by programs, except perhaps at hiring; and effects through hiring are likely to occur only with a lag.

We have identified three studies of this issue. Bloom et al.’s (2003) analysis of several experiments pooled together finds that “programs with an emphasis on personalized service” have substantially larger impacts on earnings. Similarly, Godfrey and Yoshikawa (2012) use only the treatment observations from the subset of the NEWWS sites with child outcome data. Their sample size is thus

considerably smaller and their methods do not exploit the random assignment of individuals. Despite this difference in sample and methods, like Bloom et al. (2003), they find that recipients in offices characterized by high caseworker support had larger increases in earnings and income.

Finally, Behncke et al. (2010a, 2010b) explore the impact of caseworker attitudes using propensity score matching methods applied to Swiss data. They have standard administrative data on UI benefit receipt and subsequent earnings through 36 month after treatment. They augment that data with a written survey of caseworkers, in particular, answers to a question about the relative importance of cooperation with the job seekers and satisfying their wishes versus prompt placement in jobs. They find that less cooperative caseworkers have employment probabilities that are two percentage points higher than more cooperative caseworkers (compared to a base of about 55%; see p. 14, Figure 2).

8.1.10 Sequences of Activities and Statistical Treatment Rules

The optimal level of customization of program activities to client needs and preferences is a classic issue in program design. Customized programs tend to be more expensive. Determining the appropriate program activities for each participant and then designing the program is itself expensive. If there is no customization, those costs are avoided. Furthermore, customization often forfeits economies of scale. If everyone goes to job club, job clubs can be relatively large and can start frequently. If only some participants go to job club, there will often be fewer participants in each class and there may be more of a wait until the next class starts.

In welfare-to-work programs, discussions of this issue go back at least to Gueron and Pauly (1991). In part, that debate concerns the role and placement in the sequence of activities of assessment—an in-depth review of the individual’s situation and ideal programs. In JSA programs, group job search tends to be more common across participants, while individual counseling tends to be more customized.

In the conventional approach, a caseworker does the assessment or customizes the JSA program using professional judgment and recent experience. More recently, there has been interest in formal rules for such assignments. Such formal rules are often referred to as “statistical treatment rules.” UI’s Reemployment and Eligibility Assessment (REA) program uses such formal rules, as did the earlier UI Worker Profiling and Reemployment Services system (dating back to 1993; Wandner and Messenger, 1999; Dickinson et al., 1997, 2002; Sullivan et al., 2007). Conventionally, a statistical model of some outcome is estimated on existing data. Predictions from that model are used to assign participants to appropriate activities. Thus, most REA programs attempt to identify UI recipients who are likely to have longer UI spells. People so identified get one-on-one REA meetings; others do not.

Given limited staff, this is a sensible way to allocate resources. A better way would be to allocate the meetings to individuals who are likely to benefit the most from them. However, doing so would require not merely a model of projected outcomes in the absence of the program, but also a model of projected impact, i.e., the difference in outcomes with and without the program. Projecting outcomes is relatively easy; it can be done from data without the program. Projecting impacts is much harder. Usually, we assume that a randomized trial is required to infer impact; and inferring differential impact requires very large samples, much larger than are available in most studies. In the absence of such estimates of differential impact, allocating resources to those with long expected UI durations is a plausible (though not uncontroversial) strategy. Smith and Staghøj (2009) and Black et al. (2003) present more pessimistic views of using models of expected duration, rather than impact.

Smith and Staghoj (2009) review the broad literature on such statistical treatment rules. Earlier, we reviewed the literature on the impact of REA (see Section 8.3.1), which uses such statistical treatment rules in UI. Such statistical treatment rules would appear to have promise in TANF JSA programs for customizing program flow, at relatively low cost. Activities that might benefit from statistical treatment rules include: (i) possibly bypassing JSA for some participants; (ii) possibly bypassing the job club process in favor of (more) immediate supervised individual job search (perhaps followed by a job club process); and (iii) possibly altering the length of each component of a JSA program—unsupervised job search and job club process. However, we did not identify any such statistical treatment rules in existing TANF JSA programs. Implementing them requires first developing the rule, itself an expensive process.

Furthermore, Smith and Staghoj’s (2009, pp. 41–42) review of the literature suggests only mixed evidence of the success of statistical treatment rules:

[W]hile it seems possible to use a profiling model [i.e., a statistical model] to identify unemployed in risk of long-term unemployment, this approach does not seem to improve the effectiveness of programs significantly. The studies that have looked at the relationship between the value of the profiling variable [i.e., the prediction of the risk of long-term unemployment] and program impacts have not found a clear pattern. ... An important question with regards to targeting is whether a sufficient degree of accuracy is obtainable? There is no doubt that the estimation of a targeting model is a demanding task, and hence it can only be done with access to first-class data. As this is more often available, the case for estimating targeting models will only improve in the future. Studies considering the performance of targeting models have not yet established that targeting models will in fact imply a considerable improvement compared to the current methods used. But the growing list of simulation studies suggests that targeting models are capable of improving effectiveness of programs. And at the same time, exactly because the task of estimating program impacts is so hard, this [the inability to improve compared to current methods] also seems likely to be true for caseworkers, who are not generally found to be especially good at this particular task. The current and future experimentation with targeting models will increase our knowledge about the empirical relevance of this type of STR [Statistical Treatment Rules] both in terms of the possible benefits and, if the experiment is well conducted, also in terms of the costs associated with different assignment mechanisms. This should allow for a more informed cost benefit analysis of the different types of assignment mechanisms.

8.2 Evidence on the Training Mechanism

Beyond assisting job seekers in finding jobs (the assistance mechanism), TANF welfare-to-work can help job seekers to find jobs by increasing their skills (beyond job search skills). Indeed, many of our key informants commented that many TANF recipients need programs that work through the training mechanism in order to become employed. Consistent with that perspective, many TANF welfare-to-work programs provide training—in soft skills (e.g., the world of work and proper behavior there), in basic skills (e.g., to get a GED), and in hard skills (e.g., to be a welder). However, we view most such training as being separate from JSA programs. Indeed, as we discussed in Section 3.1.3, the TANF regulations recognize “vocational education training,” “job skills training directed related to employment” (i.e., hard skills), “education directly related to employment,” and “high school/GED” (i.e., soft skills) as separate activities from “job search and job readiness.” Only JSA is limited—to 240 hours per year—in how long a state can count participation towards its Work Participation

Requirement. We therefore limit our discussion of the training mechanism to activities often provided as part of a JSA program: relatively low-intensity (well under 40 hours) training in soft skills. Such soft skills are useful both in job search (e.g., how to behave at a job interview) and while employed. Furthermore, additional soft skills training was frequently mentioned by our key informants as a way in which JSA programs could be improved.

Our discussion begins with a very short discussion of conventional training in basic skills and in hard skills. We then consider, in slightly more detail, world of work training and resilience training.

8.2.1 Basic Skills and Hard Skills Training

The full version of the training mechanism is long-term (weeks and often months), intensive (more than 20 hours per week) training in basic skills (e.g., reading, math, science) and hard skills (e.g., welding, typing). Good reviews of such programs exist (Greenberg et al., 2003; Card et al., 2010; Ashworth et al., 2004). In the welfare context, providing basic skills was tested in most of the GAIN sites (Freedman et al., 1996; Hotz et al., 2006) and in the Human Capital Development (HCD) NEWWS sites (Hamilton, 2002). Overall, the results are disappointing. Intensive training takes a long time, and during that period, the trainee is not earning income. Furthermore, these components are expensive to the program. Nevertheless, as tested in welfare programs, impacts on earnings are, at best, modest. These training programs clearly do not constitute JSA and therefore we do not discuss them further.

8.2.2 Soft Skills Training

While soft skills training is a common component of JSA programs, we have identified only one quantitative study. Rosilee Trotta's "Tackling the Tough Skills" training program for hard to reach adults and teens has been evaluated using pre- and postprogram surveys of participant attitudes.⁴⁴ We are not aware of any rigorous evidence on the effect of these programs on employment outcomes.

8.2.3 Resilience Training

Given the reality of frequent rejections, resilience is a crucial soft skill for job search. There have been several experimental studies of a particular resilience curriculum. Studies in Michigan (e.g., Caplan et al., 1989; Vinokur et al., 1991; Vinokur et al., 1995), and in Finland (Vuori et al., 2002, Vuori and Vinokur, 2005) find positive impacts of the Job Opportunity and Basic Skills (JOBS) Program on both reemployment and mental health outcomes.⁴⁵

8.3 Evidence on the Enforcement Mechanism

While some JSA program components aim primarily to help a job seeker to achieve her goals, other JSA program components aim primarily to change the incentives faced by participants. These programs make benefit receipt less attractive and therefore employment relatively more attractive. Specifically, such programs require job search, monitor that job search, and lower or eliminate

⁴⁴ Several studies are available online at <http://extension.missouri.edu/tough-life-skills/FAQs.htm>. The most recent evaluation concluded that participants reported an increased confidence in teamwork, creative problem solving and ability to deal with stress, anger or conflict.

⁴⁵ The Michigan Prevention Research Center maintains a list of JOBS related publications at <http://www.isr.umich.edu/src/seh/mprc/public.html>.

benefits from those who do not comply—without necessarily improving job search skills (the assistance mechanism) or other (basic/hard/soft) skills (the training mechanism).

We organize our discussion in five parts: (i) a review of the direct evidence from the U.S. and from Europe of the impact of JSA components that mandate job search on UI duration; (ii) a discussion of the impact of those programs on earnings; (iii) a review of the evidence on the impact of TANF sanction policy; (iv) a discussion of TANF sanction policy; and (v) a reinterpretation of much of the earlier evidence as perhaps, in part, evidence of the enforcement mechanism.

8.3.1 Direct Evidence of Job Search Mandates on Benefit Receipt in the UI Program

The most direct implementation of the enforcement mechanism is to require and verify job search. As was discussed in Chapter 2, job search intensity is often low. Not all aspects of job search can be monitored, but strategies exist for tracking and verifying employer contacts and job applications completed (see Section 4.2.4). It remains possible for job seekers to sabotage interviews. It is harder, though possible through employer contacts, to verify that no reasonable job offers were rejected.

In the UI literature, several studies use experimental methods to directly test the impact of stronger oversight of the UI requirement of active job search (the review in Meyer, 1995). While estimates of the impact of UI JSA program components focused on the assistance mechanism provide some evidence for incremental impacts (see the discussion above in Sections 8.1.4 and 8.1.5), the studies of UI JSA programs components focused on the enforcement mechanism nearly uniformly find decreases in UI duration. First, the Evaluation of the Charleston Claimant Placement and Work Test Demonstration followed that pattern (-0.55 weeks, $p < 0.05$; Corson et al., 1985). Second, the Evaluation of the Impacts of the Washington Alternative Work Search Experiment considered a change in which work search requirements were relaxed, finding large increases in UI duration: +0.17 weeks for the new work search policy (not statistically significant) and +3.34 weeks ($p < 0.10$) for when there was no requirement to document job search (Johnson and Klepinger, 1991). Third, the Maryland Unemployment Insurance Work Search Demonstration considered multiple versions of mandatory job search, each compared against the standard policy of two—unverified—employer contacts per week (Benus and Johnson, 1997). Requiring two employer contacts, but not requiring that those contacts be reported, increased UI durations by 0.4 weeks ($p < 0.10$). Requiring, not two, but four employer contacts decreased UI durations by 0.7 weeks ($p < 0.10$). Requiring two contacts per week, which were verified by the caseworker (e.g., a call to employers whom the participant claimed to have contacted), cut UI durations by 0.9 weeks ($p < 0.05$).

We read this evidence from the UI studies as suggesting a role for both assistance (see Section 8.1.2) and for enforcement (here in Section 8.3). Midway through these studies, this was also Meyer's (1995, p. 120) reading:

A key question in the interpretation of the job search experiments is the relative importance of increased services and work search requirements in the determination of outcomes. It is clear that a wide range of treatment was successful because the Wisconsin experiment had very little additional enforcement while the Washington experiment treatments showed little effect on measures of services such as referrals and placements. The other experiments seems to lie somewhere in between, however it is difficult to discern the relative importance of services and requirement in a treatment where they are combined.

However, the American studies that have appeared since Meyer and the recent European work (reviewed below) suggest more weight on enforcement. As was discussed in Chapter 3, the U.S. UI program has implemented more monitoring as part of the REA program. Specifically, these REA programs use statistical methods to attempt to identify those most likely to have long UI durations (or in some states, those in a high-demand occupation). Identified UI recipients are called in for an in-person interview. Failure to attend leads to adjudication and loss of UI benefits. The services actually provided appear to usually be minimal (e.g., referral to the Employment Service). It thus seems reasonable to interpret the estimates, not as the impact of one-on-one counseling, but instead as the impact of monitoring job search among UI recipients.

Two random assignment evaluations of those programs find evidence for an impact of monitoring. Benus et al. (2008) report the results of a random assignment study of REA in two states. For Minnesota, a requirement of a single REA interview had no impact, but a requirement of three REA interviews lowered UI benefits by 1.2 weeks. A similar experiment in North Dakota found no effects. The authors attribute the finding of no effect in North Dakota to only slightly less intensive REA-like services in the control group as part of existing North Dakota programs and perhaps due to small sample. This pattern of findings would be consistent with diminishing returns to monitoring past some point; some monitoring helps, but a lot does not help much more.

Poe-Yamagata et al. (2011) report the results of a follow-on random assignment study of the impact of REA in four additional states. They find that REA decreased benefit receipt in every state except Illinois (where the program appears to have been implemented inconsistently and the sample size was small). Impacts were largest in Nevada; the authors speculate that this may be because Nevada also provided reemployment services to treatment group members, but, as they note, there is no rigorous evidence to support this finding. The Florida study also found a statistically significant increase. This suggests that the impacts may not have been due simply due to sanctioning.

However, two U.S. studies do not find effects of monitoring. Ashenfelter et al.'s (2005) reanalysis of the experimental data from Connecticut, Massachusetts, Virginia, and Tennessee in the 1990s finds minimal benefit of work search verification of UI claimants' job search activities. Similarly, Bloom et al.'s (2003) cross-site analysis of welfare programs does not find that "closeness of monitoring" (as measured by a staff survey) affects earnings.

Like most of the American studies, and unlike the two studies just reviewed, an emerging European literature finds that low-intensity monitoring (being required to appear at the office once or twice a month, but not verification of claimed contacts with employers) has large impacts on the caseload. Tatsiramos and van Ours (2011) and Røed (2011) provide high-level reviews. Studies with this finding include Røed et al. (2008) for Norway and Sweden; Gorter and Kalb (1996), Abbring et al. (2005), and van den Berg et al. (2004) for the Netherlands; Dolton and O'Neill (1996) for the U.K.; Lalive et al. (2005) for Switzerland; Jensen et al. (2003), Geerdsen (2006), Graversen and Larsen (2008), and Svarer (2011) for Denmark; McVicar (2010) for Northern Ireland; Røed and Westlie (2012) for Norway; and Boockmann et al. (2009) for Germany. In some of these studies, the impacts are large, but the control condition often had minimal monitoring.

These results from American and European UI studies are consistent with the inference that requiring more search and verifying that that search actually occurred cuts UI duration. However, these results apply to the American and European UI populations, not the TANF population. Furthermore, the control group usually received minimal enforcement. Thus, we interpret these results as showing that,

for the American and European UI population, moving from minimal oversight of job search to moderate oversight of job search cuts UI durations.

To what extent these results apply to TANF today is less clear. The UI population is likely to be more employable than the TANF population. Furthermore, the control condition in these UI studies was minimal oversight of job search; in contrast, today many state TANF programs have high levels of monitoring of all activities, including job search. The Poe-Yamagata (2011) results for Nevada are consistent with such diminishing returns to successively higher levels of enforcement. Finally, these estimated impacts are clearly negative and statistically significant, but they are not that large, usually well under a week (on a base of about 15 weeks; Meyer, 1995, p. 115, Table 5a).

8.3.2 Direct Evidence of Job Search Mandates on Earnings

Many of these UI studies—both American and European—take duration of UI receipt as the outcome, but evidence of impacts on UI receipt is not evidence of increased work.⁴⁶ Some participants may choose to leave the labor force rather than comply; other participants may be sanctioned for noncompliance, and some of those sanctions may have been inappropriate (e.g., paperwork errors, legitimate reasons for noncompliance). Indeed Meyer (1995, p. 117) notes that in New Jersey and Washington the only significant change was an increase in denials for failure to report.

Furthermore, job search theory posits that job seekers trade off the cost of another period without earnings against the likelihood of a higher paying job with a longer search (see Section 8.3). Implicit in that argument is the idea that longer search will yield higher earnings once employed. Thus, the theory suggests that enforcement programs—because they shorten job search—are likely to yield lower earnings after reemployment. Again, studies that take UI receipt as the outcome will not detect such impacts.

For those studies that also estimate impacts on earnings, Meyer (1995, p. 125) summarizes the literature through 1995 on earnings effects as follows (text in square brackets added):

The experiments also show that speeding claimants' return to work does not appear to significantly decrease quarterly earnings and may increase total earnings following the claim [earlier return to work leads to more periods with earnings]. With large standard errors for most treatments, we cannot say anything stronger.

Research since 1995 has not overturned either part of this result. First, for the U.S., there does not appear to be strong evidence of a decline in earnings. Second, and undercutting that finding, earnings are a less proximal outcome and have a very large variance. As a result, very large samples are required to detect earnings impacts, especially the second order impacts on earnings that seem most plausible. The UI studies were not powered to detect such impacts. Thus, the lack of evidence is not determinative. The question of earnings impacts is an open issue.

In contrast to the U.S. literature, the evidence on sanctions in Europe produces some evidence of “poorer job matches”: lower wages and shorter durations. Papers with this pattern include van den Berg and Vikstroem (2009) on the Swedish unemployment insurance program, Arni, Lalive, and van Ours (2009) for the Swiss unemployment insurance program, and van den Berg, Hofman, and

⁴⁶ See Arni, Lalive, and van Ours (2009, p. 4) for a similar argument.

Uhlenhorff (2011) for the German unemployment insurance program. Arni, Lalive, and van Ours (2009) find that over two years the effect of enforcement is about a month of earnings. It seems plausible that the European literature finds impacts because the studies, using observational data (with high quality controls available in European administrative data) are often much larger than the U.S. studies (using much smaller random assignment samples). However, Graversen and van Ours (2011) do not find evidence of poorer job matches

8.3.3 Evidence on Sanction Policy

Mandates for job search are only meaningful if failure to comply has consequences. In UI, failure to comply is supposed to result in loss of the UI benefit. As was discussed in Chapter 3, in TANF, the degree to which sanctions are sure, swift, and large varies widely across states and time—in statute/regulation and in practice.

Using state-level time series data on welfare caseloads, Danielson and Klerman (2008) and Klerman and Danielson (2011) find that full-family sanctions cause the caseload to drop about a third relative to the AFDC partial sanction regime. That estimated impact of sanction policies is the largest policy effect that they estimate. It seems likely that the formal sanction policy is also serving as a proxy for broader “attitudes” in welfare programs, rather than the impact of the sanction policies per se. Similarly, Ashworth et al.’s (2004) meta-analysis of welfare impact studies finds an impact of sanctions on earnings: programs that give a larger role to sanctions have higher earnings for participants.

European evidence is also consistent with an effect of sanctions. Using geographical variation in sanction rates in Switzerland, Lalive et al. (2005) consider the effects of sanctions using Swiss data. In Switzerland, the likelihood of sanction varies widely across cantons (Swiss states). Exploiting that variation, Lalive et al. find that cantons with higher sanction rates have shorter UI durations—with some of the effect occurring at notification of impending sanction and more of the effect at imposition of the sanction. Similarly, two Dutch studies find that sanctions lower periods of benefit receipt (van den Berg et al., 2004, for welfare recipients; Abbring et al., 2005, for UI recipients), as does a study for Denmark (Svarer, 2011).

8.3.4 Indirect Evidence on the Enforcement Mechanism

A necessary condition for the enforcement mechanism to be effective is that there is more that job seekers could do to find jobs. On this, the evidence is overwhelming; at least some job seekers can find jobs faster if they are given the right incentives; however, the size of the estimated impacts suggests that the group that can find jobs faster may not be large.⁴⁷

First, difference-in-difference estimates show that higher UI benefits cause longer UI durations. Standard, but old, American estimates suggest an elasticity of between 0.7 and 1.0, i.e., a 10 percent increase in benefits will increase UI duration by 7 to 10 percent (Nickell, 1997; Blanchard and Wolfers, 2000); recent European estimates are at the top of that range (see Tatsiramos and van Ours, 2011; see also Card et al., 2007a for Austria).

⁴⁷ Broad reviews of the UI literature include Fredriksson and Holmlund (2006a; 2006b), Grubb (2011a), Tatsiramos and van Ours (2011), Røed (2011), and Klerman (2012).

Second, the longer the maximum duration of UI, the longer the average duration of UI. Pre-recession American and European evidence is consistent with this claim (Moffitt, 1985, Meyer 2002; Katz and Meyer, 1990; Card and Levine, 2000 for the U.S.; Hunt, 1995 for Germany; Tatsiramos and van Ours, 2011).⁴⁸ More recent evidence about the UI extensions during the Great Recession agrees that there is some effect; the magnitude of the effect is the subject of considerable debate (see Valetta and Kuang, 2010; Schwartz, 2010; Rothstein, 2011; Grub, 2011b).

In contrast to the European literature on enforcement (see Section 8.3.1), the European literature on does not find an effect of maximum duration on “job match quality,” i.e., job duration or wages. Papers that do not find an impact include Van Ours and Vodopivec (2008) for the Slovenien unemployment insurance program, and Lalive (2007) for the Austrian unemployment insurance program. For the U.S., Card and Levine (2000) also do not find an impact of the longest duration.

Third, UI exits to employment appear to rise rapidly towards the end of the period of UI eligibility.⁴⁹ This evidence is usually interpreted as some combination of increasing search effort as benefits expire and scheduling the start of previously arranged jobs for when benefits expire. However, many of these studies only consider UI receipt. It is possible that these individuals left UI without finding a job (see the critique in Card et al., 2007a, and the response in Grubb, 2011b).

Fourth, a set of randomized trials in the 1990s offered bonuses to UI recipients who found jobs well before their UI benefits expired. Those studies found that the bonuses cut average durations, though the effects appear to be larger in some sites (Illinois) than in others (Pennsylvania and Washington). Meyer (1995, pp. 124, 126) explains the implications of this finding:

[T]he bonus experiments show that economic incentives do affect the speed with which people leave the unemployment insurance rolls. UI is not a completely benign transfer; it affects claimants' behavior. This is shown by the decline in weeks of UI receipt found for all of the bonus treatments, several of which are statistically significant.

...

The bonus experiments should convince any hardened skeptics that monetary incentives have a substantial effect on job finding.

Overall take-up rates of the bonuses are low, suggesting that while some people could find jobs faster, most cannot (or at least could not be induced to do so by the bonus offered). On average, the bonuses cut UI receipt by about half a week. Mean duration in the control group is 15 to 20 weeks; so this is only about a 3 percent impact. Some people can find a job faster, but not many—or at least, not many were induced to do so by a moderate sized bonus, equivalent to several weeks of UI benefits. Finally,

⁴⁸ European papers include Lalive (2008), Lalive and Zweimüller (2004), and Lalive et al. (2006) for Austria; and van Ours and Vodopivec (2006) for Slovenia.

⁴⁹ Studies showing a spike near exit include: Cocx and Ries (2004) for Belgium; Dormont et al. (2001) for France; Kajitani (2008) for Japan; Røed and Zhang (2005) for Norway; Adamchick (1999) for Poland; Portugal and Addison (2008) for Portugal; Van Ours and Vodopivec (2004) for Slovenia; and Alba-Ramirez et al. (2007) for Spain. The exception is the negative finding for Austria—Card et al. (2007b); but see the critique of those results in Grubb (2011b) as related to the broader Austrian safety net.

there is little evidence that these bonuses resulted in lower earnings, although findings on earnings are imprecisely estimated (Meyer, 1995; Robins, 2001).

These four complementary sets of evidence all point to the fact that, at least in the UI program, participants have some discretion over when they will take a job, i.e., more job search effort will, on average, yield more job offers. The impacts are not huge, but they are clearly present. Together they lend additional support to the enforcement mechanism's premise that additional pressure on job seekers will yield faster job finding.

Whether these efforts affect the jobs found is less clear. The conventional theory of job search, presented in Chapter 5, assumes a trade-off between longer job search and better jobs. Thus, inasmuch as there was sincere and active job search, longer job search should yield higher earnings in the new job. On the other hand, if the benefit (UI or TANF) is primarily subsidizing leisure, but little active job search, then we would expect to find little impact on earnings in the new job.

On whether enforcement lowers earnings in the new job, the evidence is mixed. Most studies do not find evidence of lower earnings, but some do. As noted, in the U.S., most UI studies only look at duration of UI receipt; they do not estimate impacts on earnings. Meyer (1995) notes no earnings impacts for the UI bonus experiments.

The European evidence is also mixed. Centeno and Novo (2007), for Portugal, find the expected negative effect on subsequent earnings. Findings of worse jobs towards the end of benefit eligibility are also consistent with this theoretical expectation—as the end of benefits near, recipients are forced to accept offers for jobs that are not as good as they would have been if UI had continued and they had been able to search—perhaps much—longer (Caliendo et al., 2009, for Germany). Findings of no effect include Card et al. (2007b) for Austria (but see the Grubb, 2011b, critique of this paper), and van Ours and Vodopivec (2008) and Fitzenberger and Wike (2010) for Germany.

Furthermore, the null results need to be interpreted with care. Power analyses suggest that it is easier to detect impacts on employment (or periods receiving benefits) than on earnings (see Meyer, 1995, for a similar comment). The variance of earnings is much larger, requiring very large samples to detect impacts. This implies that there may be undetected (undesired negative) earnings impacts, even when (desired negative) impacts on duration are detected.

Even if there was evidence of lower earnings, how to view such lower earnings will vary with the exact goal of the program. Insofar as the goal of the program is to maximize earnings, lower earnings while employed need to be traded off against a longer period without any earnings. However, when the primary goal of the program is to minimize government costs, while maintaining a minimum safety net, then perhaps nearly any job is better than no job. Presumably, most policymakers value both maximizing earnings and minimizing the government budget; the issue would be how to balance the two.

8.3.5 Reinterpreting the Earlier Evidence on Assistance and Training

Evidence on positive impacts of JSA programs and training programs on earnings is traditionally interpreted as occurring through the assistance mechanism and through the training mechanism, respectively. This is how we interpreted the evidence in Section 8.1. However, recent evidence on the timing of impacts suggests a reinterpretation of that earlier evidence.

Any impact of JSA programs through the assistance mechanism must come after the assistance is received. However, several experimental studies of UI recipients have documented what appears to be a spike in exits from UI between the time of notification of a requirement to be evaluated for services and the actual receipt of services.⁵⁰ The best known of these studies is Black et al.'s (2003) study of the UI worker profiling system in Kentucky. Program capacity issues induced randomization into a group who received the letter informing them that they would be required to participate in the program (WPRS meetings with a caseworker) and a group that did not receive the letter and were not required to participate in the program. They find large impacts: the program reduces UI receipt by 2.2 weeks. Furthermore, the effect is not simply to push people off of UI. The program increases earnings by about \$1,000, suggesting that the program, not only induces people to leave UI faster; it also induces them to return to work faster. Strikingly, the difference in earnings occurs only in the first two quarters after filing for UI; there are no differences in quarters three through six. Crucially, careful study of the timing of exit from UI suggests that the exits occur on receipt of notice of the requirement to receive reemployment services, but before those services are received.

Earlier analyses of the NEWWS data are also consistent with threat effects (Knab et al., 2000). Two NEWWS sites (Grand Rapids, MI and Riverside CA) used a two-phase randomization design, specifically to estimate separately the effect of the mandate to receive the program and the actual effect of receiving the services. Specifically, the control group was not required to participate in the welfare-to-work program; a first treatment group was required to participate in the orientation and was allowed—but not required—to participate in subsequent activities; and a second treatment group was mandated to participate in the activities. The authors interpret differences as threat effects:

[I]t was expected that most effects of the program mandate on employment, earnings, and welfare receipt would occur soon after the initial random assignment, before sample members showed up at program orientation. These effects would result from welfare exits, entry into employment, and sanctions directly related to avoiding program participation.

The results of this subtle design are mixed, with few results in the pooled data, but strong results in some subgroups (those ready to work and those in good labor markets). Knab et al. (2000) interpret these results as showing that mandates matter “as a result of welfare recipients’ efforts to avoid or circumvent the mandate to participate.”

Following on Black et al. (2003), Graversen and van Ours (2011) analyze a random assignment study of the Danish unemployed. The treatment group was required to attend a two-week job search course, followed by regular one-on-one meetings with job counselors in which they received advice about job search and their job search efforts were monitored. In addition, for those who did not find a job, there was a possibility of being assigned to a training program. They find that the increased enforcement lowers UI receipt and raises earnings. Like Black et al., (2003), they find that much of the impact on UI receipt (the only outcome they measure at a weekly frequency) occurred between being notified and the two-week course. They also find that the impact rises with distance between home and the course location (and therefore presumably the time required to participate). Finally, they find no impact on post-employment jobs. They conclude: “[T]he activation program mainly worked because

⁵⁰ Johnson and Klepinger (1994; Washington Alternative Work-Search Experiment), Decker et al. (2000; DOL Job Search Assistance Demonstration), and Black et al. (2003; Kentucky Worker Profiling and Reemployment Services).

it was compulsory and the unemployed did not like it. The activation program worked as a stick to job finding.”

Geerdsen (2006) explores threat effects using rich observational data for two changes in the Danish UI system. In the Danish system, there is a period of unsupervised job search (“the passive period”) followed by a period of supervised job search (“the activation period”). In the late 1990s, the start of the supervised job search period was twice moved earlier. The analysis considers excess exits just before the start of the period of supervised job search, relative to exits when the period of supervised job search started later. Consistent with a threat effect, he finds large increases in exit in the four months before the start of the period of supervised job search. Notably, the exits are apparently overwhelmingly to employment, rather than to nonemployment.

Other studies finding threat effects include Rosholm and Svarer (2004) for Denmark, Abbring and van den Berg (2003) also for Denmark, and Richardson (2002) for Australia. Hagglund (2006) finds mixed effects for three Swedish programs: threat effects in one program, no threat effects in two other programs.⁵¹

In contrast, Jensen et al.’s (2003) analysis of a Dutch youth program finds no evidence of threat effects. They note, however, their regression models do not totally correct for selection bias. Similarly, using rich observational data from Denmark, Graversen and Larsen (2008) also find no evidence of a threat effect.

This evidence of a threat effect suggests a possible reinterpretation of the previously reviewed literature. In Section 8.1, we interpreted the studies as showing effects of the assistance mechanism. Given the results on a threat effect reviewed here, it seems plausible that not all of those impacts are due to the assistance mechanism. Rather than improving job search skills, it is possible that the impact of these programs is primarily due to changes in the incentives faced by participants. Faced with a requirement to participate—and the loss of time for child care, housework, and leisure or forced forfeiting of an informal labor market job—participants chose to leave the program. Some participants would have left immediately before the program (as found in the threat effect literature), some during the program, and some after the program—once they were sanctioned off for nonparticipation. In all of these cases, the impact of the JSA program may not have been through the assistance mechanism; i.e., the impact would have been non-zero, even if the program provided no assistance (e.g., long trips to the caseworker’s office, long waits to meet with a caseworker, and then a meeting focused overwhelmingly on compliance rather than assistance). This perspective suggests that the evidence for an impact of JSA programs through the assistance mechanism is weaker than might have been thought before the threat effect analyses.

8.4 Discussion

This chapter has reviewed the empirical evidence for the effectiveness of components of JSA programs. The available evidence provides some evidence that JSA programs operating through the assistance mechanism and the training mechanism increase employment and earnings. Even that

⁵¹ See Bjorn et al. (2004) for a survey of the early papers. See also the critique of these studies in Graversen and Larsen (2008), arguing that the evidence for threat effects is larger for the short-term unemployed than for the long-term unemployed.

evidence may partially be due to enforcement—participants leave the program to avoid participating, not because of assistance received. In contrast, the available evidence suggests stronger evidence for impacts of programs operating through the enforcement mechanism, at least on benefit receipt.

9. Conclusion

This document is the first formal deliverable of a contract funded by the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) to explore possible directions for a next generation evaluation of job search assistance (JSA) programs. Based, in part, on the content of this document, ACF will provide additional guidance about what JSA program components will be evaluated. The subsequent evaluation options and design task will then specify one or more evaluation designs.

Following on ACF’s guidance regarding what types of JSA programs to consider in the evaluation design task, this document has reviewed the nature of the job market in which individual search occurs (Chapter 2), existing JSA programs (Chapters 3 and 4), and theoretical perspectives on job search and JSA programs (Chapter 5). The core of the document then reviewed methodological considerations in reviewing the empirical evidence (Chapter 6) and the empirical evidence itself on both the effectiveness of individual job search strategies (Chapter 7) and JSA programs (Chapter 8).

This final chapter restates the findings of this effort at a slightly higher level of generality and identifies the key issues to consider when selecting which JSA program components to evaluate. The balance of this chapter proceeds in five sections. All five consider programmatic responses using the three “mechanisms”—assistance, training, and enforcement—described in Chapter 1 and used throughout the document. These sections contrast JSA programs that operate primarily through the *assistance mechanism* and the *training mechanism* with those that operate primarily through the *enforcement mechanism*.

Chapter 8 discussed the evidence for all three mechanisms. In Section 9.1 we put the mechanisms in the broader context of the debate about JSA programs and many other transfer and service programs. (For this discussion, we discuss activities that operate through the training mechanism (only to the extent that they are properly viewed as part of a JSA program) together with activities that operate through the assistance mechanism.) To emphasize the issues, the discussion considers the narratives—what we term the assistance narrative and the enforcement narrative—associated with relatively pure versions of the three mechanisms.

Section 9.2 recasts the existing empirical evidence, through the device of the same two archetypical narratives and their three associated mechanisms. The third and fourth sections consider implications of the empirical evidence for the programs to be evaluated and for other aspects of the evaluation. A final section discusses next steps and some key issues to consider in the development of the evaluation options and design. However, we do not make any specific recommendations. That decision rests with ACF.

9.1 JSA Programs—Two Narratives

This project is focused on JSA programs for disadvantaged workers. Consistent with ACF’s administrative responsibilities, the Temporary Assistance for Needy Families (TANF) population is the primary focus. Disadvantaged workers have always faced a difficult job market: they have relatively weak skills and may have weak social networks, leading to a reinforcing cycle of difficulty finding jobs and failure to develop work experience and the hard skills, soft skills, and social networks that work experience provides. As a result, they are often viewed as less desirable than workers with fewer disadvantages. When jobs are offered to disadvantaged workers, pay tends to be

low, benefits few, job security limited, and work hours varying and undesirable, and the workers may be subject to regular workplace indignities (Edin and Lein, 1997; Ehrenreich, 2001). As bleak as the labor market has always been for disadvantaged workers, the Great Recession has exacerbated those difficulties.

Facing this labor market, what are the appropriate responses for JSA programs? Conversations with informed observers and a review of the existing literature are consistent with two narratives—(i) an assistance and training narrative and (ii) an enforcement narrative. Most observers incorporate both narratives, with differing weights on the two explanations. For expositional clarity, here we state pure versions of each narrative.

Assistance and Training Narrative: In the assistance and training narrative, the goal of the JSA program is to help the job seeker. In this narrative, the government should spend public funds to help the job seeker find a job, ideally, a good job. By a “good job,” we mean some combination of wages well above the minimum wage; health insurance, sick leave, and other benefits; the desired number of hours, on a regular schedule, that is consistent with child care availability and own child rearing responsibilities; and in an industry and occupation that that the worker finds interesting and personally rewarding. The focus is not only on lowering total benefit costs, but more broadly on improving the jobs that participants ultimately find. Moving more participants to “disconnected” (i.e., neither receiving TANF, nor working) is viewed as a failure. This is true whether the move off of TANF occurs voluntarily (i.e., faced with increased program requirements, the participant chooses to leave TANF) or involuntarily (i.e., the participant does not comply and is sanctioned off of the program).

Assistance and training would focus on all three steps to getting a job: identifying a job, converting a job lead into a job offer, and deciding whether to accept the job offer. Existing programs consider all three steps. This assistance and training narrative posits that barriers to employment are amenable to program interventions, in particular, short-term conveying of information (e.g., classroom training, role playing, soft skills training), group processes (e.g., job club), and one-on-one counseling. Proponents of the assistance narrative often argue that to be more effective, the interventions should be more personalized. They should support the individual’s resilience in the face of rejection. They should also validate the individual’s preferences and interests, focusing the job search on jobs that the individual will find interesting and satisfying. Proponents of this narrative note that job tenure is often short, and posit that jobs that are a better match to the individual’s interests will last longer.

Opponents of this assistance narrative would argue that it is implausible. Most TANF recipients have looked for and held jobs in the past and jobs are available. The problem is not lack of skills in finding a job; the problem is, instead, twofold. First, the participant may not be truly interested in work, at least the work available to her. Second, the participant may not have job skills (not job search skills) sufficient to make hiring her attractive to any potential employer. These may be ameliorable problems, but they will not be ameliorated through any assistance or short-term training that could reasonably be viewed as part of a JSA program (i.e., there may be training efforts that would help; but their duration would be measured not in days, but in weeks or months).

Enforcement Narrative: In the enforcement narrative, the goal of a JSA program is for the job seeker to maintain some minimum standard of living at the lowest possible public cost. The enforcement narrative posits that nearly everyone can and should work. The enforcement narrative does not, in principle, oppose cash transfer programs such as TANF or Unemployment Insurance (UI). Even with

sincere and intensive effort, few people can find jobs immediately; for some, job search will take several months or longer. Nevertheless, the enforcement narrative focuses on the concern that receipt of cash assistance leads to less active search, longer periods of receipt of transfers, and higher government budgetary costs. This narrative suggests that a JSA program is successful even if upon becoming employed the job seeker is worse off—slightly more income, a lot less leisure, and (possibly) unpleasant work—as long as the family has some minimal level of material well-being (e.g., food, clothing, shelter).

Often proponents of the enforcement narrative would argue—contrary to what proponents of the assistance and training narrative would argue—that caseload declines due to shifts to disconnectedness are program successes, or at least not bad. To further explain: some proponents would argue that if when faced with the choice of participation as a condition of continued receipt of the TANF benefit, participants choose to leave TANF, they have demonstrated that they did not really need the benefit. This is a program success. Furthermore, they would argue that even sanction prior to exit to disconnection is not by itself evidence of a problem. That choice may have been an optimal strategy for the participant; collect the benefit for as long as possible, without actually seeking work.

Furthermore, the enforcement narrative posits that some job is available, relatively quickly, for most job seekers. That job may not be a “good job” (as defined above), but good jobs are unlikely to be available to low-skilled job seekers—and public resources should not be used to provide low-skilled job seekers time to explore the unlikely possibility of the availability of a good job.

In addition, the enforcement narrative posits that any job is the best route to a better job. Through working, even at a bad job, the worker signals her employability, making her more attractive to other employers, leading to higher wages. Conversely, employers interpret long periods of not working as signals of nonemployability and a lack of motivation to work.

The enforcement narrative also emphasizes that job search efforts are unobservable. JSA programs cannot (easily) distinguish sincere and intensive but unsuccessful job search from low-intensity job search and rejection (or sabotage) of available job offers. Consistent with this narrative, the available evidence suggests that job search intensity is low relative to full-time employment—well under half time. The enforcement narrative therefore posits that programs should be designed to induce more intensive search and accept more (perhaps nearly all) job offers received.

There are (at least) two approaches to inducing intensive job search and acceptance of job offers. The first approach is to require and actively monitor intensive job search. The second approach is to make benefit receipt less attractive (overall and relative to work) by requiring participation in programs. When benefit receipt is less attractive, some current recipients will choose work—some in the formal sector, some in the informal sector (including potentially illegal activities). Other current recipients will choose some third strategy (e.g. relying on relatives or boyfriends, or doing without) for themselves and for their children. These are the “disconnected” discussed in Chapter 2.

Ideally, the mandatory programs would in some way improve the worker’s attractiveness to potential employers (primarily improve job search skills, but perhaps also improve basic skills, soft skills, or hard skills). However, in this enforcement narrative, even programs that do not improve a worker’s attractiveness—or at least not by much—are also useful. They take away leisure, making work relatively more attractive, thereby inducing those who can find a job to do so.

Requiring job search and participation in programs is only meaningful if failure to comply has consequences. In TANF, such consequences are called “sanctions” (loss of some or all of the TANF benefit). The enforcement narrative therefore emphasizes such sanctions.

The enforcement narrative acknowledges that there is a tradeoff. Sanctions are inconsistent with the assistance programs’ goal of maintaining a minimum standard of living for participants. Nevertheless, the enforcement narrative posits that the trade-off—much more job search, faster job finding, and lower program costs—is a benefit to taxpayers.

Opponents of this enforcement perspective would argue that the enforcement narrative’s expectations are unrealistic. Without substantial training—well beyond what would be considered part of even a broad definition of training in a JSA program most disadvantaged job seekers cannot find jobs, and often cannot even comply with program requirements for regular participation (i.e., a participant who does not have the life skills to regularly appear at work and to perform adequately, probably does not have the life skills to appear regularly and perform adequately in the JSA program). Thus, the enforcement narrative is not inducing some people who can find a job to find that job and others to choose to leave TANF. Instead, the enforcement narrative is sanctioning people for their lack of the very skills that keep them from keeping a job. Furthermore, even when participants choose to leave the program, opponents view such disconnectedness as a program failure. Finally, opponents of the enforcement narrative weigh the trade-off of more compliance against some disconnectedness differently, preferring less disconnectedness at the cost of less compliance with program rules, a larger TANF caseload, and less earnings among participants.

9.2 Evidence of Program Effectiveness

The review of the literature provides some—far from definitive—insights on the effectiveness of efforts towards the three mechanisms. The importance of assistance and training relative to enforcement remains an open issue. Early evidence from Aid to Families with Dependent Children (AFDC) (the predecessor program to TANF) was interpreted as operating through the assistance and training mechanisms. For some studies, our review suggests that is the likely explanation. However, for other studies—particularly for Unemployment Insurance (UI) in the U.S. and in Europe—our review suggests clear evidence for the importance of the enforcement mechanism, with only a minimal role for either the assistance or training mechanisms. Viewed in light of these UI studies in the U.S. and Europe, the evidence for the role of the assistance mechanism in the TANF studies is weaker—though not zero.

In the context of U.S. UI programs, this ambiguity as to mechanism was pointed out nearly two decades ago by Meyer (1993). It is our reading that the literature since then provides considerable additional support for the enforcement mechanism, but less support for the assistance and training mechanisms.

However, there are important issues of translation. The analogy from early AFDC studies to the current TANF program is poor. The economy is currently quite weak. It is possible that the composition of the caseload has shifted (though the evidence is mostly inconsistent with that plausible conjecture). When the early welfare-to-work studies were done, employment among women was less common. It was plausible that women in the programs had not expected to work and may not have worked at all or at least not recently, and therefore had limited job search skills. Today, the combination of changes in women’s work patterns and the Great Recession—which has pushed some

formerly employed women back onto welfare—implies that it is plausible to expect greater levels of work experience and experience with job search in the TANF population.

Finally, and probably most importantly, TANF programs today look very different from AFDC programs. In particular, many (probably most) current TANF programs today have very strong efforts towards the enforcement mechanism. In fact, it might be reasonable to describe many current TANF programs as “all enforcement, all the time,” with only limited efforts towards the assistance and training mechanisms. Insofar as that characterization is correct, it is less plausible that increased efforts towards the enforcement mechanism would lead to improved outcomes.

The analogy from UI is even weaker. Relative to TANF, UI programs have a clientele with much more labor market experience and better skills. Perhaps in part because of the different clientele, assistance and training in UI programs has usually been much less intensive than in AFDC/TANF. In addition, UI programs traditionally have had moderate to low levels of enforcement, such that even moderate additional enforcement might plausibly lead to improved outcomes, in particular, to lower UI benefits and perhaps to earlier reemployment and thereby higher earnings during the follow-up period, which is what the UI studies find.

Thus, while there is literature to support both the assistance and training mechanisms and also the enforcement mechanism, their relative importance—for the current TANF population, relative to their levels in current JSA programs—remains an open question. Thus, this knowledge development effort’s framework would suggest a test of the relative importance of the different mechanisms. Such a test might involve a matrix design, combinations of current intensive and less intensive efforts towards either the enforcement mechanism or the combined assistance and training mechanisms. Given the earlier discussion about the possibility of varying impacts with the current programs, it would be attractive to test these interventions in states which vary in the extent to which their current approach emphasizes enforcement (either directly or through the strength of the maximum sanction) vs. assistance and training.

A design of this form has several potential advantages. First, it follows directly from the framework. Thus, beyond being a black box evaluation of a specific program, such an evaluation might contribute to a deeper understanding of not only what—but also how—JSA programs and their components affect outcomes. Second, such a multi-armed experiment would more easily satisfy a cost neutrality requirement. Higher costs with more intensive efforts towards a specific mechanism would be offset by lower costs with less intensive efforts towards that mechanism. Third, state recruitment might be eased by offering a menu of possible interventions.

9.3 Implications for What to Evaluate

The primary goal of this knowledge development effort is to summarize the existing evidence on JSA, which may help ACF to identify what to evaluate. Guidance about what program (or kinds of programs or program components) to evaluate will inform the evaluation design effort. ACF has already specified three design parameters. First, the focus of the evaluation should be TANF or TANF-eligible clients. Second, the evaluation should test strategies already in use in the field, i.e., the vision is not for a two-phase effort in which the intervention is designed and then the evaluation occurs. Third, given the budget environment, JSA programming in neither the evaluation phase (to ease evaluation) nor in any follow-on implementation (to enable adoption of any implied program changes) should cost substantially more than it does currently. In applying this design parameter, we

note that a successful JSA program intervention would almost certainly lower benefit payments. It follows that a successful intervention with slightly higher costs per case of the JSA program might have lower total cost—combining JSA program costs, the costs of post-JSA program eligibility operations and welfare-to-work programs, and benefit costs.

In this section, we consider four broad options for what to evaluate. The first option follows from the framework developed in the opening chapter of this document and used to interpret the existing literature. The second option considers possible changes in JSA programs to take advantage of rapidly improving technology. The third option considers job development. Finally a fourth section includes some additional possible interventions to consider for evaluation. There is evidence for the efficacy of JSA program components that would implement the assistance narrative; there is also evidence for the efficacy of program components that would implement the enforcement narrative. However, there is also reason to doubt the applicability of this research evidence for each of the mechanisms in the current environment—the weak labor market and post-PRWORA welfare programs.

9.3.1 From the Framework—Vary Strength of Efforts towards the Assistance, Training, and Enforcement Mechanisms

This reason to doubt the applicability of earlier research to the current environment suggests the possibility of simultaneously testing four alternatives (see Exhibit 9.1):

- Alternative A: weaker assistance and training, and weaker enforcement;
- Alternative B: stronger assistance and training, and weaker enforcement;
- Alternative C: weaker assistance and training, and stronger enforcement; and
- Alternative D: stronger assistance and training, and stronger enforcement.

Inasmuch as “weaker” is less expensive than current practice and “stronger” is more expensive than current practice, such a design would be approximately cost neutral (at least for the demonstration).

Exhibit 9.1: Four Broad JSA Policy Alternatives

		Assistance and Training Mechanism	
		Weaker	Stronger
Enforcement Mechanism	Weaker	Alternative A	Alternative B
	Stronger	Alternative C	Alternative D

How might a JSA program vary the strength of an assistance and training intervention? First, consider where to locate JSA in the sequence of TANF activities. Currently, many sites have a JSA program as their first activity. An alternative would be to assign participants to the JSA program only after a sustained period of self-directed job search, perhaps a month. Second, with some people leaving during the self-directed job search, a given budget would support a more intensive—longer and more individualized—JSA program for the smaller number of participants who would remain. Third, more group training in soft skills could be provided.

How might a JSA program vary the strength of an enforcement intervention? The DOL UI studies provide a model. First, require more activities to verify job search effort; perhaps requiring an in-person check-in at the beginning and end of each day of job search—in part to take away leisure.

Second, increase the number of required employer contacts and applications completed, announce that some claimed contacts will be verified, and do so. Third, make sanctions as sure, as swift, and as large as is allowed by state statute.

Such a four-armed study might be informative about broad mechanisms in JSA in TANF; i.e., the relative importance of the assistance mechanism vs. the enforcement mechanism and how it varies with context—in particular, current program design, including the strength of current oversight of job search and the strength of sanctions (likelihood, speed, and size).

9.3.2 Exploit Technology

The previous section discussed interventions to be tested that emerge directly from the knowledge development effort's framework. This section collects some alternative interventions related to improvements in technology.

Current JSA programs bear a striking resemblance to the original JSA programs as developed in AFDC and UI in the 1970s and 1980s. Indeed, as we understand it, that very stability of the programs was part of what induced ACF to issue the RFP that led to this effort. Even inasmuch as those programs were (approximately) optimal (or at least appropriate) for that time period, they might be less appropriate today.

In particular, like many other areas of the American economy, rapid technological change has also affected job search, but less so TANF JSA programs. There are at least five areas where additional use of technology might be considered by JSA programs (and we suspect that some additional consideration and qualitative field work would yield other areas).

1. Much job search effort has moved to the Web. The ongoing decline of newspaper want ads has been widely noted. More broadly, the computer job boards that have replaced them have also moved to provide broader job search services.
2. Internet technology should allow moving more (perhaps almost all) group assistance and training efforts from staff intensive, in-person, frontal teaching strategies, to Web-based video.
3. Available evidence continues to suggest an important role for social networks in job search. Internet applications have changed the nature of social networks. Perhaps participants could be trained and encouraged to use social network Internet applications in their job search.
4. The discussion of the enforcement mechanism noted the challenge of actually verifying job search. Technology has the potential to improve the quality and lower the cost of such verification of job search. Possible strategies include date-stamped photos of the job seeker in front of a potential employer's building, taken by a smartphone, or using automatic call in or call out to verify job search.
5. One-on-one meetings with caseworkers might be moved to videoconference—perhaps at a minimally staffed satellite office, or perhaps on the phone.

These strategies have the potential for substantial cost savings. On the other hand, it is possible that more one-on-one, in-person contact is important for effect in a TANF population.

9.3.3 Job Development

It appears that JSA programs vary widely in their use of “job developers” (dedicated staff who attempt to identify job openings by building relationships with employers) and “job development” more broadly (making such relationship building with employers a part of the job description of staff carrying a caseload). Such focus on employment and close connections with employers appear to be an emerging best practice in sectoral training programs and employment retention and career advancement strategies more broadly. Arguably, such strategies are more feasible and more promising given sectoral programs’ narrower employer focus.

More recently, some JSA programs have adopted aggressive job development efforts (e.g., many of the New York City programs discussed in Feldman, 2011). Those programs advance at least three arguments for more aggressive job development by JSA programs:

1. Participants often doubt their ability to become employed or that there are jobs “out there for them.” Having a job developer hand the participant a job opening overcomes that barrier.
2. Job development overcomes much of the verification problem and helps to target assistance and training efforts. A job has been identified. Does the participant go to the interview at all? If not, enforcement and perhaps sanction is appropriate. Furthermore, the job developer has an ongoing relationship with the employer. The job developer can use that ongoing relationship to elicit feedback on the interview. Did the participant have the requisite soft skills? If not, the program now knows what training to provide. Did the participant appear to make a sincere effort? If not, enforcement and perhaps sanction may be appropriate.
3. Job development is complementary with an effort by TANF programs to perform the role of labor market intermediary for their participants. Employers incur considerable costs screening employees before hiring. Those up-front costs help employers to avoid start-up costs associated with a new employee (e.g., the hiring process, whatever training is offered, orienting to the task, lowered productivity as the worker becomes proficient in the task). Inasmuch as the TANF agency can provide valid information about worker abilities and who will “work out,” employer costs will be lower and employers will come to the TANF agency for future employees. That relationship requires job development type activities.

However, there are at least two arguments against more intensive job development efforts:

1. They are staff intensive and therefore expensive. The impact on outcomes would need to be large to justify the cost.
2. Jobs in the low-skilled labor market are often short. For workers in that labor market, job search is a crucial skill; they will use it often. Giving a job seeker a pre-identified job prevents development of her own job search skills.

The effectiveness and cost-effectiveness of job development is an open issue. The strategy is clearly amenable to evaluation. Cost neutrality might be an issue. Programs with intensive job development efforts often drastically shrink other efforts towards the assistance and training mechanisms. Such offsetting changes in other parts of the JSA program might achieve cost neutrality.

9.3.4 Some Other Possible Interventions to Evaluate

Alternatively a follow-on project could evaluate specific aspects of either the assistance and training narrative or the enforcement narrative. Our characterization of the job search process might suggest tests intended to work through the assistance mechanism and training mechanism, i.e., programs that help the job seeker with the three steps of job search:

1. *Identifying job openings.* Here technology appears to have brought transformative changes: the rise of Internet job boards and the collapse of newspaper want ads. In addition, the role of the temporary help industry and temp-to-permanent hiring appears to be expanding. Existing efforts in these two directions suggest that they might be promising for further evaluation. Lastly, the available evidence appears to support the continued existence of a hidden job market. However, our key informant interviews did not identify any evaluation-worthy program components that would help disadvantaged job seekers identify those jobs. Similarly, our review of the existing evaluation literature did not provide any insights.
2. *Converting job openings into job offers.* Here also there is some evidence that technological changes matter: computers have made it too easy to submit a job application. Especially in the current weak job market, employers are often inundated with applications. In response, they use computer technology and high standards to screen applications. We learned of some existing JSA programs addressing these issues (e.g., help passing psychological screens, screening for criminal history and drug use).
3. *Job offer acceptance strategies.* Some observers interpreted the Portland NEWWS results as supporting beginning job search focused not on “any job,” but on a “good job”—then dropping to searching for “any job” only after failure of the initial search. When tested in the Los Angeles Extended Job Search study, there was no evidence that that strategy yielded improved outcomes. Changes in the welfare program (the transition from AFDC to TANF) and in the labor market (the continued long-term decline in opportunities for the disadvantaged and the lingering effects of the Great Recession) suggest that this may not be a promising direction for future research.

In addition to these ideas consistent with the assistance mechanism, some ideas consistent with the enforcement narrative might be worth considering:

- *How should job search be monitored?* The evidence seems clear: monitoring matters. However, much job search activity is difficult to monitor; methods that can be monitored may not be the most effective; increasing monitoring could shift search effort towards less effective methods, thereby impeding job search.
- *How cooperative should caseworkers be?* The assistance mechanism and the training mechanism suggest that caseworkers should be cooperative in order to gain the confidence of job seekers. The enforcement mechanism suggests that caseworkers should be firm. At least the threat of sanction is crucial to the enforcement mechanism; however, sanction is the ultimate noncooperative approach. Furthermore, from the pure enforcement perspective, an “in your face” caseworker who makes benefit receipt unattractive is a good thing in its own right. Clearly, here the pure assistance mechanism and the pure enforcement mechanism are in conflict, and on this question, the evaluation evidence is unclear.

- *How quickly should formal enforcement be used?* Not all noncompliance is willful, such that sanction or the threat of sanction will induce compliance. Assuming that noncompliance is not willful weakens the enforcement mechanism; assuming that noncompliance is willful can lead to inappropriate sanctioning. These are difficult trade-offs. The exact trade-offs are likely to vary with the extent to which the participant population is work-ready. The existing evidence often applies to a very different population (e.g., AFDC not TANF, or solely UI participants) and a very different time period (compared to some periods, a stronger job market for the disadvantaged, but a period when fewer women worked and many participants had never worked). More focused evaluation evidence might be useful.

Finally, a follow-on evaluation might consider specific aspects of the design of JSA programs including:

- Which participants get JSA? A key design decision for JSA programs is who should get them at all. There are already some variations on this design choice for TANF programs. Research could inform that decision.
- The timing and sequence of JSA components in the larger set of TANF activities.
- Which components to include in JSA (and for whom).
- The details of job club, including length, content, open entry versus cohort, group size. training of facilitators
- The details of enforcement, including requirement for check-in, number of employer contacts required, and whether claims are verified.

Further discussions with ACF will allow us to refine this list.

9.4 Other Implications for the Evaluation

Beyond which programs to evaluate, this knowledge development effort has two implications for the evaluation. First, the interventions are relatively weak (short duration and low cost); consistent with this weakness of the interventions, impacts to date have been small. Small likely impacts imply the importance of large samples and high quality methods to minimize selection bias as well as other sources of bias—and probably the need for a randomized experimental design.

Continuing on this first point, impacts are likely to be small for the JSA intervention vs. the regular JSA program. The requirement that programs not cost much more is likely to limit impacts. Furthermore, in practice, similar services are available elsewhere. WIA provides similar services to most people requesting them. Many community-based organizations and training programs also provide similar services. Thus, the estimated impacts will be relative to a rich environment offering similar services. Likely impacts are therefore likely to be smaller. This suggests a need for yet larger sample sizes and a need for even better controls for selection bias—almost certainly random assignment. Given the likely small impacts and the corresponding need for large samples, evaluation design will need to give careful consideration to getting access to a large target population on which to run a randomized experiment. Ideally, that would be a population of high interest to ACF. TANF recipients are the natural population. With PRWORA and devolution of control to the states, access to the TANF population will require working with individual states, and either whole states or, in states

with a strong county role in designing and operating TANF, very large counties. Furthermore, with the sharp post-PRWORA drop in TANF caseloads, many states have very small TANF caseloads subject to participation requirements. This suggests selecting geographic units with larger TANF populations.

Second, there are multiple outcomes of interest to this study. The logic model suggests starting at program activities received—the amount of group instruction and facilitation, as well as the amount of one-on-one counseling and job development efforts. The enforcement mechanism suggests also looking at compliance (i.e., activities completed relative to activities scheduled) and the invocation of the formal noncompliance process (e.g., how often was the process begun? How far did it get? If it did not lead to sanction, why not? If it did, was the sanction cured, how and when?).

For outcomes, traditionally, UI studies took benefit receipt as the primary outcome. AFDC studies took some combination of benefit receipt and earnings as the primary outcome. Concern about well-being suggests looking also at total household income and perhaps broader measures of well-being (e.g., consumption, food security, housing security). Finally, the key role of sanction in the enforcement mechanism suggests looking carefully at sanction and its appropriateness.

The concept of job search assistance and the limited nature of the intervention suggest that we should not expect large or long-lasting impacts. Instead, we might expect primary impacts to be on speed of reemployment (i.e., in the first or second quarter after randomization), rather than on long-term earnings (two or more years after randomization). Inasmuch as that perspective is correct, evaluation should focus on short-term, rather than long-term outcomes. However, the theory of job search suggests that too short of a job search leads to lower earnings. This perspective would suggest that we should look at longer term measures of earnings.

How to measure these outcomes will be an important issue. Insofar as small likely impacts imply large samples, surveys are likely to be very expensive. In contrast, administrative data-based analyses are feasible even on larger samples. Earnings (in formal jobs) and benefit receipt should be available in administrative data; analyzing impacts on household income and inappropriate sanctioning is likely to require a survey. Surveys on large samples are expensive.

Designing an evaluation for an intervention with likely small impacts will be challenging. Work towards that goal is already underway. The crucial next step is further guidance from ACF, now informed by the results of this project's knowledge development task, about which components or details of JSA programs are of greatest interest.

9.5 Concluding Thoughts

This knowledge development effort has reviewed a large literature, supplemented with telephone conversations with a limited number of national policy experts and state and local program administrators. That effort has suggested promising JSA program components to be evaluated including: (i) the broad concepts of JSA programs through the assistance mechanism and training mechanism vs. the enforcement mechanism; (ii) specific JSA program components related to the three steps of job search; and (iii) specific JSA program components and tasks required for enforcement. We conclude by emphasizing that, consistent with our original proposal, the qualitative field work for this knowledge development effort was exclusively phone calls; no site visits were conducted. These preliminary discussions, coupled with ACF's interest in testing JSA components that are already implemented, highlights the potential value of more in-depth qualitative field work.

Such field work would allow us to gain a better understanding of how JSA is implemented at the program level.

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Appendix A: Scholarly Review Team and Key Informants

Below we present short biographical sketches for the members of the Scholarly Review Team and for key informants.

Scholarly Review Team

David Fein, Ph.D., is a Principal Associate at Abt Associates, with over 20 years of experience in leading research projects. As a demographer, Dr. Fein specializes in studies of family structure and change, poverty, and related policies. Dr. Fein has published in numerous journals, including *Population Research and Policy Review*, *Children and Youth Services Review*, and *Evaluation and Program Planning*, among others. Dr. Fein also serves as a reviewer for *Demography*, *Evaluation and Program Planning*, *Journal of Policy Analysis and Management*, *Journal of Human Resources*, *Social Services Review*, *Population Research and Policy Review*. Dr. Fein received his Ph.D. in Demography and Sociology from Princeton University.

Howard Rolston, Ph.D., is a Principal Associate at Abt Associates with 30 years of experience in the design and implementation of evaluations of employment and other social policy interventions. He previously served as the Director of Planning, Research and Evaluation at HHS/ACF. Currently, Dr. Rolston is a Principal Investigator for two large-scale experimental evaluations: the Innovative Strategies for Self-Sufficiency project for HHS/ACF and the Benefit Offset National Demonstration (BOND) for the Social Security Administration. The former is identifying self-sufficiency programs and policies for low-income parents, and is designing and implementing experimental evaluations of them. The latter is a random assignment test of whether more intensive work incentives counseling and more generous treatment of earnings can improve employment outcomes for Social Security Disability Insurance beneficiaries. Dr. Rolston is also a Visiting Fellow at The Brookings Institution and is co-authoring a book on welfare-to-work experiments. Dr. Rolston earned his Ph.D. from Harvard University.

Alan Werner, Ph.D., is a Principal Associate at Abt Associates, with nearly 30 years of experience. His expertise centers on implementation research, evaluation design, random assignment studies, qualitative research, and income assistance and workforce development policy and programs. Dr. Werner has worked on comprehensive evaluations of social programs and has experience in the design and management of process, impact, and cost-benefit evaluations of social programs, particularly those aimed at low-income citizens and families. Additionally, Dr. Werner has special expertise in welfare policy reform and programs designed to increase economic self-sufficiency through employment. Dr. Werner received his Ph.D. from Brandeis University.

Jeff Smith, Ph.D., is a Professor of Economics at the University of Michigan. Dr. Smith research centers on experimental and nonexperimental methods for the evaluation of interventions, with particular application to social and educational programs. He has also written papers examining the labor market effects of university quality and the use of statistical treatment rules to assign persons to government programs. He has consulted to governments in the United States, Canada, the United Kingdom and Australia on evaluation issues. Dr. Smith received his Ph.D. in Economics from the University of Chicago.

Sheena McConnell, Ph.D., is a Senior Fellow and Associate Director of Research at Mathematica Policy Research, Inc. Her area of expertise centers on policies to promote employment and strong

families in disadvantaged populations. She is currently directing a national experimental evaluation of the Workforce Investment Act (WIA) programs. Additionally, Dr. McConnell 's past work includes studies of the Building Strong Families program, Individual Training Accounts, the Job Corps program, and many welfare reform initiatives. Prior to joining Mathematica, Dr. McConnell was a lecturer at the London School of Economics and Political Science. She has published in the *American Economic Review*, *Evaluation Review*, and the *Industrial and Labor Relations Review*. In 2010 and 2011, Ms. McConnell served as Treasurer for the Association for Public Policy Analysis and Management. She received her Ph.D. in Economics from Princeton University.

Carolyn Hill, Ph.D., is an Associate Professor of Public Policy at Georgetown University Public Policy Institute, where she teaches Statistical Methods for Policy Analysis, Regression Methods for Policy Analysis, and Public Management. In 2011, Dr. Hill was appointed to serve as the Associate Dean for Academic Affairs. Her research is driven by questions of whether and why public programs are effective, and how they can be improved. Her work has been published in the *Journal of Public Administration Research and Theory*, the *Journal of Policy Analysis and Management*, the *Review of Economics and Statistics*, and other journals. Dr. Hill has also the co-author of three books: *Against the Tide: Household Structure, Opportunities, and Outcomes among White and Minority Youth*, *Public Management: A Three-Dimensional Approach*, and *Improving Governance: A New Logic for Empirical Research*. Dr. Hill received her Ph.D. from the Harris Graduate School of Public Policy Studies at the University of Chicago.

Key Informants

Suzy Beegle is the Job Network Administrator for the Baltimore County Department of Social Services. Ms. Beegle assists with administering the “Winning New Jobs” program, a four-week motivational and job search program that provides instructional activities based on cognitive and group therapy techniques.

Stacey Dean is the Vice President for Food Assistance policy and the Center on Budget and Policy Priorities. In this position, Ms. Dean works to improve the food stamp program and improve access for eligible low-income families. Her expertise focuses on nutrition programs, immigrant issues, the federal budget, and cross program integration. Prior to working at the Center, Ms. Dean worked as a budget analyst at the Office of Management and Budget. Ms. Dean received her Master of Public Policy from the University of Michigan.

Michelle Derr, Ph.D., is a Senior Researcher at Mathematica Policy Research, Inc. Dr. Derr's has over a decade of experience in researching public welfare programs. Her current research focuses on evaluating employment and training initiatives that focus on public assistance clients, ex-offenders, individuals with disabilities, and other disadvantaged populations. Dr. Derr's past work has been on TANF diversion practices, transitional employment programs for hard-to-employ populations, strategies to increase program engagement, and work-based strategies for TANF recipients with disabilities. Dr. Derr received her Ph.D. in Social Work from the University of Utah.

Darlene Dunn works for the Baltimore County Department of Social Services.

Eva Harper is the Program Manager for the Reemployment Support Centers at the Washington Department of Commerce. In this role, Ms. Harper manages and oversees Washington's WorkFirst program, a welfare reform program designed to assist TANF participants.

David Heaney is a Senior Vice President of the Human Services segment at MAXIMUS, a government services firm that provides program management, business process management, and technology services in the health and human services industry. In this role, Mr. Heaney is responsible for U.S. and international business development initiatives. Mr. Heaney holds Master's degrees from Yale University Divinity School and the University of San Diego in Religious Studies and Marriage and Family Therapy, respectively.

Erica Kammer is the Director of Workforce Development for Work Force Solutions, a division of Humanim, a not for profit organization that serves individuals with disabilities and other barriers to employment.

Jodie Kelly is the co-founder of Cygnet Associates, a business and workforce development consulting firm. Cygnet's work focuses on all areas of workforce development, including client recruitment, intake and assessment, program design, case management and counseling, and job placement and retention, particularly for hard-to-serve and disadvantaged populations. Ms. Kelly has nearly 30 years of experience in training workforce development and welfare-to-work professionals.

Elizabeth Lower-Basch is a senior policy analyst for the Workforce Development team at the Center for Law and Social Policy (CLASP). Her expertise centers on federal and state welfare (TANF) policy, work supports for low-income working families (such as refundable tax credits), and job quality. Prior to joining CLASP, Ms. Lower-Basch was a lead welfare policy analyst for the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Human Services. Ms. Lower-Basch received a Master of Public Policy from the Kennedy School of Government at Harvard University.

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Deborah Schlick is a project manager at the Minnesota Department of Human Services. Prior to working at the Minnesota DHS, Ms. Schlick was the Executive Director of the Affirmative Options Coalition, a group of organizations that work to assist low-income populations. Ms. Schlick has extensive experience in working with disadvantaged populations and expertise related to welfare reform.

Brian Solomon is the Director of Wisconsin Job Service for the Wisconsin Department of Workforce Development. Prior to his position as the Director of Job Service, Mr. Solomon served as the state’s Employment Transportation Coordinator, where he created the Wisconsin Employment Transportation Assistance Program (WETAP). Mr. Solomon received his Master’s in Public Administration from the LaFollette Institute of Public Affairs.

Don Winstead is a Principal and Founder of Winstead Consulting, a health and human services consulting practice. Mr. Winstead has over three decades of experience in state and federal health and human services policy and practice. His expertise centers on welfare reform and child welfare. Prior to founding Winstead Consulting, Mr. Winstead served as Deputy Assistant Secretary for Human Services Policy at the U.S. Department of Health and Human Services. He is also a member of advisory boards at the National Poverty Center at the University of Michigan, the Center for Poverty Research at the University of Kentucky, and serves on technical working groups for the ACF Office of Planning, Research and Evaluation and for Mathematica Policy Research, Inc.

Appendix B: Details of CPS Analysis

The Current Population Survey (CPS) is a monthly survey conducted by the U.S. Bureau of the Census for the U.S. Bureau of Labor Statistics. Our analysis relies on two components of the CPS:

Basic Monthly CPS. The primary purpose of the CPS is to generate the official monthly unemployment rate. The Basic Monthly CPS has a large sample (about 55,000 households) and fast turnaround. It includes detailed information on labor market status (e.g., work, hours worked) and job search among the unemployed. Exhibits 2.4 and 2.5 rely on the Basic Monthly CPS.

Annual Social and Economic Supplement. Every March, the entire CPS sample receives a detailed battery of questions about employment, earnings, and income in the past year. This supplement is also known as the March Supplement. Exhibits 2.1 and 2.2 rely on the Annual Social and Economic Supplement.

We report analyses for two time periods, a recent window on the labor market and a pre-recession window on the labor market. The most recently available Annual Social and Economic Supplement is for 2011, and we use the Basic Monthly CPS from January 2011 to document job search methods. We use the corresponding 2008 surveys to represent pre-recession conditions.

All analyses are weighted so as to be representative of the civilian noninstitutionalized national population. We operationalize the notion of low-skilled workers by focusing on 20–34-year-olds who do not have a high school credential (a diploma or GED). We compare these individuals to 20–34-year-olds with higher educational attainment, namely those with a GED or high school diploma, and those who have education beyond a high school credential.