

Reemploying the Unemployed

Workforce Currents

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Over the last several weeks, mainly due to the COVID-19 pandemic and the resulting layoffs, there has been an extremely large increase in the number of people filing for unemployment insurance. This *Workforce Currents* article poses thoughts on how to create a better marriage between the workforce development and unemployment insurance systems to expedite the path to reemployment for more people.

From March 14 to 28, roughly 9.9 million people (when seasonally adjusted) filed new claims for unemployment insurance across the country.¹ That represents roughly 3 percent of the entire population of the United States actively filing for unemployment insurance in two weeks. In addition, the vast proportion of people who are eligible for unemployment insurance do not make a claim. During “normal” times, the U.S. Bureau of Labor Statistics estimates that [74 percent of unemployed workers do not file a claim, primarily because they think they are not eligible for unemployment insurance.](#)

Firms have had to lay off workers due to limited demand for products and services driven by public policies mandating social distancing and quarantines. Reengaging these workers as soon as possible is critical on several fronts. Evaluations of programs that provide [services to unemployment insurance claimants show that training and job search support help reattachment to work](#) and are strong predictors of how quickly an individual returns to work and how quickly the person’s wages rebound. [These types of services also lead to government savings, as claimants spend less time on unemployment insurance support.](#)

Weaker ties between the workforce development and unemployment insurance systems

A critical strategy for focusing on reemployment of unemployment insurance claimants is a close collaboration between the workforce development system and unemployment insurance system. Unfortunately, a number of policy changes since the early 2000s have made this connection somewhat weaker.

The workforce development system is much less centralized as it has evolved. The Workforce Investment Act and subsequent Workforce Innovation and Opportunity Act created regional workforce development boards that devise training programs, offer services to job seekers, and develop regional sectoral training partnerships. The localized and regional strategy is responsive to many partners and stakeholders, but does not always integrate and align with state unemployment insurance programs (Hobbie and Chocolad, 2015).

Remote claims make case management and reemployment support difficult. As the unemployment insurance system moved to telephone- and internet-based claims over the last decade, fewer workers who claimed unemployment insurance were connected to or visited [American Job Centers](#) (previously known as One Stop Centers) for job search and training services under the Workforce Innovation and Opportunity Act (Hobbie and Chocolad, 2015).

The unemployment insurance system is well suited to and originally developed for temporary and not structural unemployment. The number of permanent rather than temporary layoffs has increased significantly since the 1980s, and there are not adequate federal resources to address the long-term unemployed.² Instead, the response in the Great Recession was emergency extensions of unemployment insurance supports. [While there were adjustments in the unemployment insurance system in the 1990s to identify claimants who were likely to exhaust their benefits and remain unemployed, the funding necessary to provide job search and training to reskill and reemploy them was not allocated.](#)

Job search support and labor exchange infrastructure are underinvested. Since the 1980s, the Wagner-Peyser labor exchange funding has declined significantly when adjusted for inflation.³ Similarly, federally funded job exchanges and posting boards, including America's Job Board, were defunded.⁴ State unemployment insurance directors have long identified limited federal support and funding for administering the unemployment insurance program, making it difficult to focus on more than disbursing unemployment benefits.

The situation is even more complex in the current pandemic. With American Job Centers closed in many states due to COVID-19, workers are able to file for unemployment insurance using only remote (computer- or phone-based) claims. Many workers have access to the internet only through mobile devices—and some states do not have systems that are mobile friendly. This situation creates volumes of calls straining the phone system for claims and challenges those without traditional computer and internet access.

A promising strategy: Reemployment Eligibility Assessments and Reemployment Services

Several pilot programs—dating to a 1989 experiment in New Jersey focused on assessing claimants to understand their potential reemployment opportunities coupled with services to search for jobs and prepare workers for opportunities—have shown great success. The Reemployment Eligibility Assessment (REA) and Reemployment Services (RES) programs have shown potential benefits to workers, including improved labor market outcomes and job prospects as well as lower government costs in unemployment services.

While the programs are complex, at their core they perform a skills and opportunities analysis and then deliberately support workers who have claimed unemployment. The programs assess workers' knowledge, skills, abilities, experiences, and traits as well as their career interests. The programs then help provide specific skills training and job search supports to connect workers to new jobs. In the current context of significant shifts in hiring by industry, the programs may help workers transition from one industry to another.

The REA and RES programs can focus heavily on those who are predicted (through modeling of skills and labor market demand) to be particularly challenged in finding work in the future. Devising ways to enact these programs in the current context are critical. Exploring ways to help workers pivot to a different industry will create better opportunities for them in the future. Given the current context in which many

of the training centers and unemployment insurance offices are operating completely remotely, using technological applications of the REA and RES programs could be particularly relevant. They also may help adapt the principles of the programs to the current, often virtual job search strategies that workers use.

What can workforce development boards do?

Even if informally, workforce development boards have the opportunity to provide coaching, assessment, and training and reemployment services during the COVID-19 crisis. Boards can reach out to workers in their networks, those currently enrolled in training, and alumni of training programs to ensure that they have work opportunities and, if needed, help them get connected to the unemployment insurance system.

With significant expansion of offerings for unemployment insurance in the recent [CARES Act](#), workers who may have once been ineligible for unemployment insurance may now find themselves eligible. Provisions of the CARES Act will expand and extend payments and expand eligibility for unemployment insurance to greater numbers of workers, including contract or “gig” workers. Workforce boards can play a role in understanding eligibility changes, helping workers navigate the unemployment insurance system, and serving as a trusted partner.

Similarly, they can be part of broader public awareness campaigns about unemployment insurance eligibility. With so many changes added quickly with the new legislation, it is critical to inform workers and the broader public about what is available to them. Reminding workers that eligibility has changed is critical. Finally, reminding people to be persistent is crucial, as the high volumes of claims strain many states’ systems.

Workforce boards along with other nonprofits and training organizations can be an important part of helping to get workers reengaged with work—either in similar fields or new ones. Using targeted outreach and assessments, the strategies learned from reemployment service programs can help reengage workers at the greatest risk of long-term unemployment. Organizations like workforce boards are key partners because of their skill in career navigation and training services as well as their ability to guide those on unemployment insurance.

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Note: **Richard Hobbie** and **Yvette Chocolad** wrote a [chapter](#) focused on Reemployment Eligibility Assessments and Reemployment Services in [Transforming U.S. Workforce Development Policies for the 21st Century](#), published in 2015, a collaboration between the Federal Reserve Banks of Atlanta and Kansas City and the John J. Heldrich Center for Workforce Development at Rutgers University.

¹ The raw number of claims filed, when nonseasonally adjusted, was 8.7 million.

² See the Hobbie and Chocolad (2015) chapter linked at the end of this article for a longer discussion of these trends.

³ [Wagner-Peyser Act](#) funding created national employment offices to help facilitate matching between job seekers and employers as part of Franklin D. Roosevelt’s New Deal. It continues today, often through publicly maintained job boards and other services.

⁴ The National Association of State Workforce Agencies collaborated with the states to create a replacement for America's Job Board, the [National Labor Exchange](#).