



RETHINKING WORK SEARCH INTEGRITY

100% Verifiable Activities

Work search integrity issues are the leading cause of improper payments in our unemployment insurance system: At 4.5% of claims, they totaled over \$1.5 billion for the year ending June 30, 2014, according to the [US Department of Labor](#). The most common work search integrity leak happens when: 1) a state requires a claimant to contact two to three employers per week, 2) the claimant self-certifies that the contacts were made and 3) the state is unable or fails to catch claimants who are intentionally or unintentionally reporting activity that never occurred. The result is a payment to a claimant who—out of negligence or a lack of understanding of the rules—isn't using the state's required strategy to look for work. At a cost of \$1.5 billion per year, work search overpayments are more than 15 times the cost of the much-favored [Reemployment Eligibility Assessment](#) job search program. At the heart of the issue are several problems.

Unverifiable Activity

The most common work search requirement is for job seekers to make employer contacts - an activity that's unverifiable in many ways. First, the quality of the contact is difficult to verify: Did the claimant prepare a resume, come dressed to interview, etc.? Second, the quality of the target is difficult to verify: Is the employer likely to have jobs that fit the claimant? Third, the contact itself is difficult to verify: Did the claimant actually make contact, is the employer willing to respond to an audit regarding the contact and if so, does the employer remember the contact and document the person's name two to four weeks later when the audit normally happens? The result is that employers and claimants alike too often see work search requirements as impotent.

BAM'd If You Do

States have other problems. Many feel a work search overpayment measure makes little sense under US DOL's Benefit Accuracy Measurement system (BAM). Here's why. States with more rigorous work search requirements are penalized—higher requirements and accountability means more claimants refusing to meet the requirements and more claimants getting away with it. By contrast, claimants in a state with zero work search requirements, by definition, cannot fail to meet that zero requirement. Ironically, then, the measure intended to improve work search tends to undermine it instead and is prompting calls to abandon the BAM work search integrity measure altogether.

Job Search Readiness – A Critical Skill Gap

Can we blame claimants for a lack of work search integrity? Sure—but maybe not as much as some would like. Step in the shoes of the typical claimant job seeker - maybe someone you know. Job loss, as a major life stress, ranks with death of a loved one and divorce and doubles the likelihood of clinical depression. Many claimants are also woefully unprepared for their job search. In one study, claimants rated their job search readiness at a D+: No surprise given job search is rarely taught at any depth in high schools or colleges.

Pressuring a recently laid-off, shell-shocked, D+-prepared job seeker to start contacting employers (or lie about it), isn't just an unsuccessful approach—it also adds to job seeker depression and lack of confidence, while frustrating employers who encounter unsuitable and ill-prepared applicants. The result in any economy: More than a third of all claimants completely exhaust their claims without landing a job—often at six months, when they fall into the ranks of the long-term unemployed. Perhaps not entirely out of coincidence, about a third refuse to engage in required work search activities.

Work Search Engagement - a Much Bigger Issue

The 4.5% work search overpayment rate tends to overshadow the elephant in the room: true work search engagement. Claimants asked to participate in basic job search activities tend to drop out at astonishing rates, despite having large remaining sums of UI benefits available. For example, the EUC-REA program required claimants to visit an American Job Center and complete four elements related to a job search, which generally could take an hour or less. Many states indicated that they saw dropout rates of 50% or more. Consider

Louisiana, where the state requires claimants to visit a Job Center every two weeks for job search assistance and verification. In a May 2015 Congressional subcommittee hearing, Director Curt Eysink testified that approximately 75% initially fail to show up (of which 1/3 return to receive benefits). Utah measured a large drop-out rate as well. In a 2012 control group study, the state gave claimants who had access to the internet a 2-week deadline to complete about an hour of third party online job search training. The drop-out rate was 31%—meaning nearly a third were unwilling to engage, despite \$2,000 to 4,000 remaining in their claims. Put another way, one hour of engagement could have been worth \$2,000.

What's Driving Poor Engagement?

Louisiana data suggests that many dropouts go to work. Utah's experiment suggests that claimants didn't initially realize two facts about the state's job search requirements. First, the requirements are real. This hit home after the state put a hold on benefit payments to noncompliant claimants and a whopping 80% of dropouts returned and completed their assignments. Second, the requirements can be valuable. On average, those completing the assignment went on to complete over one third more modules than required, suggesting that the D+-prepared claimants recognized the value of expert job search guidance. Claimant job search readiness ratings jumped two grades to a B+ and, on average, claimants landed jobs 7% faster.

BAM-Proofing - Verifiable Work Search Activities

So why are employer contacts such a common measure of job search? Here we hazard a guess. First, unless the employer is your uncle, it's hard to land a job without eventually contacting an employer. Second, the requirement has long been in place. Third, most other critical job search activities—such as job search education, resume writing and networking—have historically been equally hard to verify. This, however, is changing.

Where a typical job-seeker in the last century would have pounded the pavement in search of work, much more of today's job search activity takes place with computers, including researching occupations and employers, assessing skills, writing resumes, crafting cover letters or emails, networking and searching job listings. While the trend is just beginning, states are now experimenting with a variety of verifiable online requirements for broad engagement. Others have substantially increased required face-to-face visits with staff in their Job Centers, which may not be affordable for broad engagement, but can be very effective for those it serves. Beyond face-to-face interventions, below are a few other ways states might increase their certifiable job search activities to engage all claimants in a productive job search, without the threat of BAM issues:

1. **Online Learning** is ubiquitous, from YouTube do-it-yourself videos to MOOCs to high school and college offerings. Utah now engages all claimants who are not exempt from job search in an online 100% verifiable work search requirement. It is measurably improving job search readiness, speeding return to work, engaging claimants and eliminating about 6.5% of claims from claimants truly unwilling to engage in work search. The integrity effect on the state UI trust fund is often greater than all other integrity efforts combined, e.g. cross matches and recoveries. And Wisconsin has recently followed Utah's lead.
2. **Documents** are part of most job searches and are often in digital form. Best practice activities such as job search plans, resumes, skills assessments, interest assessments, personality assessments, master applications and cover letters could be assigned credit in a job search requirement.
3. **Community Partners.** What if we allowed local job clubs, outplacement providers, LinkedIn, staffing companies and all Job Centers to proactively certify, through a portal, that claimants participated in their work search activities?

Adopting certifiable work search activities will not only drive better outcomes for claimants, it will save state trust fund dollars, inspire more respect for our UI programs and add BAM-proof improvements to state UI program integrity. In June 2015, DOL issued \$500,000 of SBR grant opportunities for all states to improve integrity, including work search integrity. **How recently have you measured your state's opportunity to improve work search engagement?**

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