



Rhode Island spends more than \$58 million annually on workforce development. Can we make these services more effective?

Strategic Goal

Governor Gina Raimondo is committed to aligning workforce development efforts with labor demands in Rhode Island in order to get people back to work and grow the state's economy.

Assessment

We use data from the Reemployment and Eligibility Assessment (REA), a Randomized Controlled Trial (RCT) among claimants of Unemployment Insurance (UI). Treated claimants were required to attend a career center to receive employment services to continue receiving benefits. We find that treated claimants were 62 percentage points more likely to receive services than control claimants. Furthermore, increasing the likelihood of using employment services reduced the use of UI and increased the likelihood of short-term employment, but had little, if any, effect on long-term employment. These results are consistent with results from earlier REA results in other states.

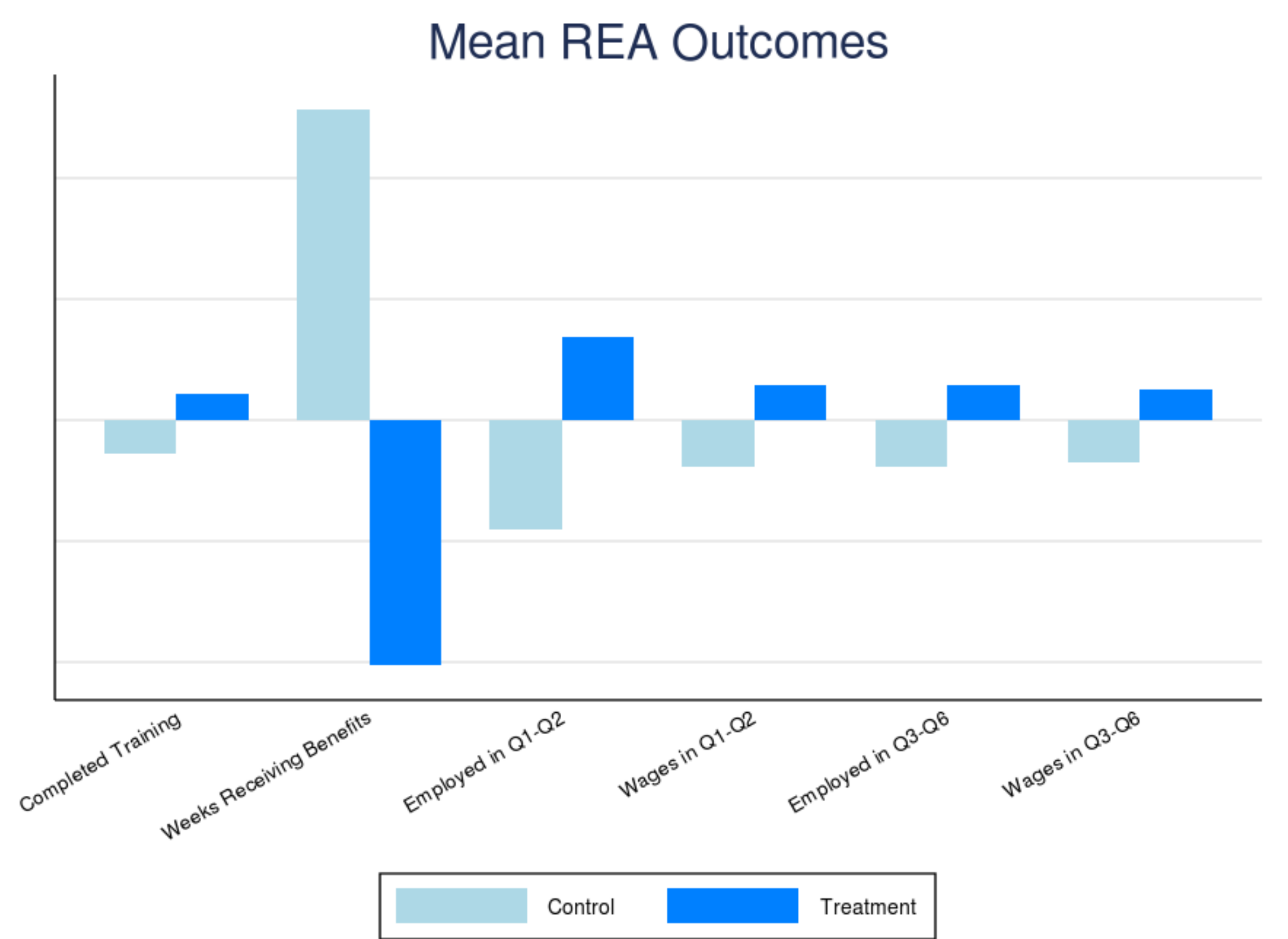


Figure 1: Treatment/Control Outcomes of REA program

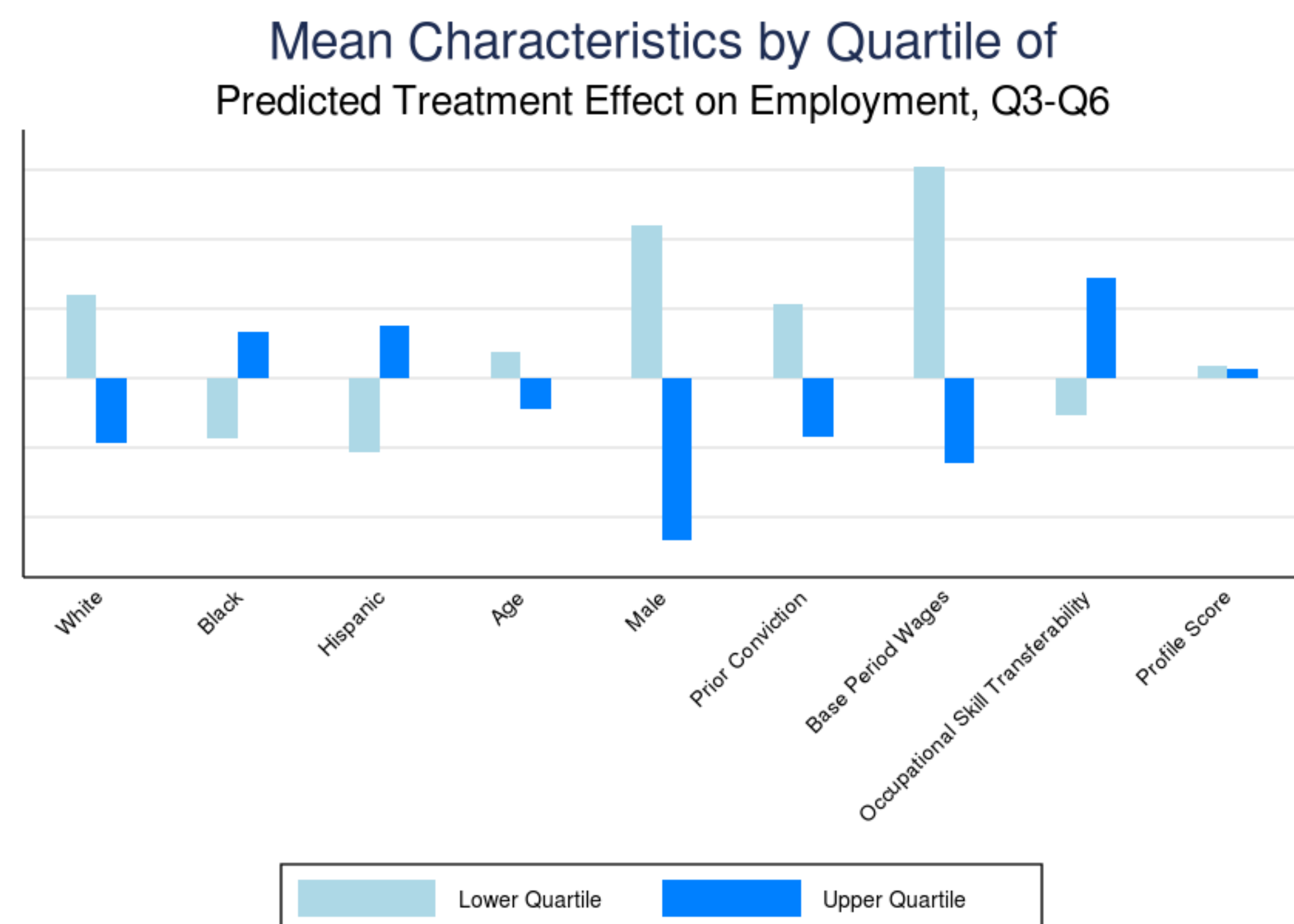
Empirical Design

But could we learn more? Is there room for improvement? Is this program more successful for some individuals than others? RIPL adopted a new machine-learning method, called Causal Forest, to pinpoint the populations for whom employment services are most and least effective.

The Causal Forest approach is more robust and reliable than the more common approach of selecting variables based on a researcher's beliefs and perceptions. Instead of the researcher choosing where to look for treatment effectiveness among subgroups of participants, Causal Forest lets the data tell us which types of people experience larger versus smaller impacts.

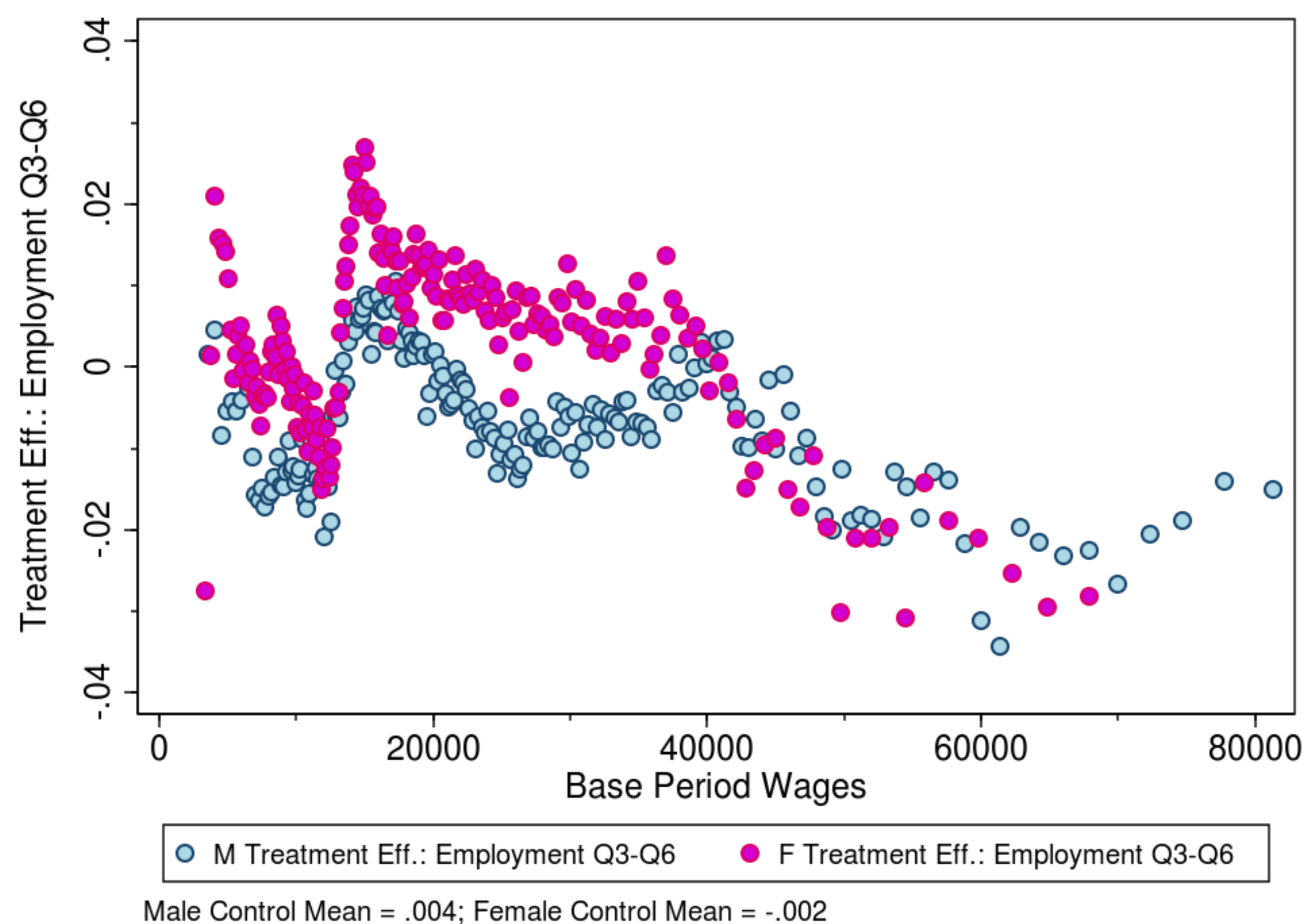
Results

We found that the lack of an overall impact masks significant differences in how this program works for different types of people. The program works best for minorities, women and individuals with no criminal history, below-average income and higher skills transferability. For these individuals, the program increased longer-term employment by 2%. However, for other individuals – most notably white men and individuals with criminal records – the program actually appears to cause lower employment.



NOTE: Lower Quartile has an average estimated treatment effect of -.04; Upper Quartile has an average estimated treatment effect of .03.

Figure 2: Baseline comparison by quartile of predicted treatment effect on long-term employment



Male Control Mean = .004; Female Control Mean = -.002

Figure 3: Predicted treatment effect on long-term employment, by income and gender

Understanding the Challenges

Clearly, we have demonstrated that workforce development is not one-size-fits-all. Currently, all individuals are now asked to attend the One Stop Career Center based on average impacts from the RCT. The Causal Forest analysis indicates that we could increase employment immediately by encouraging only sub-populations with positive treatment response to attend One Stop Career Centers. Long-term, our results indicate that we should work to discover how services can better serve those who do not benefit under the current infrastructure so that all Rhode Islanders can reach their employment potential.