

Taking a Chance on Workers: Evidence on the Effects and Mechanisms of Subsidized Employment from an RCT*

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Abstract

This paper estimates experimental impacts of a supported work program on employment, earnings, benefit receipt, and other outcomes over a four-year follow-up period. Case managers addressed employment barriers and provided targeted financial assistance while participants were eligible for 30 weeks of subsidized employment. Program access increased employment rates by 21 percent and earnings by 16 percent while participants were receiving services. Though gains attenuated after services stopped, treatment group members experienced lasting improvements in employment stability, job quality, and well-being, and we estimate the program's marginal value of public funds to be in line with other adult workforce programs. Post-program impacts are concentrated among participants who were hired by their host-site employer post-program, suggesting that encouraging employer learning about potential match quality is the key mechanism underlying the program's impact, and additional descriptive evidence supports this interpretation. Machine learning methods provide no evidence of treatment effect heterogeneity in a broad sample of job seekers using a rich set of baseline characteristics from a detailed application survey. We conclude that subsidized employment programs with a focus on creating permanent job matches can be beneficial to a wide variety of unemployed workers in the low-wage labor market.

JEL Classification: J24, J68, I38, H43

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1 Introduction

Losing a job can negatively affect the trajectory of a worker’s career and well-being. Job seekers with recent spells of unemployment face lower call-back rates compared to their peers, and displaced workers suffer substantial earnings losses, primarily through the destruction of valuable worker-employer matches.¹ Moreover, unemployed workers in the low-wage labor market often face a myriad of barriers that make it hard to get back to work: lack of in-demand skills, intermittent work histories, and other observable characteristics that lead employers to believe that they are unlikely to become productive employees. In addition to providing passive income support, policymakers have supported these workers’ re-entry to employment using Active Labor Market Programs (ALMPs)—e.g., job search assistance, training, and subsidized employment. While programs that train job seekers to work in specific high-growth sectors have shown promise, they typically employ rigorous screening criteria for ability and aptitude, making them a potentially poorer fit for many unemployed workers.² Subsidized employment programs, in contrast, have proven successful in quickly re-employing certain groups of workers with significant barriers. Less is known, however, about whether these programs foster sustained post-program employment for the broader population, which participants enjoy lasting program impacts, and why.

In this paper, we use a randomized controlled trial (RCT) to determine the effectiveness of a supported work program that pairs subsidized employment with wraparound case management services to accelerate participants’ return to employment and, ideally, to improve their longer-run labor market outcomes and well-being. ReHire Colorado, administered by the Colorado Department of Human Services (CDHS), places participants in temporary jobs with local employers and pays the full cost of their wages for up to 30 weeks. Case managers are encouraged to match participants to jobs they believe are especially well-suited for the individual, with the explicit goal of having participants transition to unsubsidized employment with the host-site employer after program exit. ReHire also provides financial assistance to address barriers (e.g. lack of transportation or lack of a required certification) and offers coaching toward new career opportunities and preparation of job application materials. The program has operated at scale in multiple counties since

¹A number of audit studies experimentally vary the timing and length of unemployment spells and measure differences in call-back rates (Eriksson and Rooth, 2014; Farber et al., 2019; Kroft, Lange and Notowidigdo, 2013). Beginning with Ruhm (1991), other studies have measured the scarring effects of job dislocation (Arulampalam, 2001; Gangl, 2006; Jacobson, LaLonde and Sullivan, 1993; Stevens, 1997), and Rose and Shem-Tov (2023) explicitly consider the consequences of losing lower-wage jobs. Lachowska, Mas and Woodbury (2020) use administrative earnings data with observable hours worked to show that most of the earnings losses can be attributed to valuable employer-employee matches.

²Katz et al. (2022) documents the prevalence of screening in a prominent sectoral training program. Hendren and Sprung-Keyser (2020) provide evidence of cost-effectiveness (large marginal value of public funds) of sectoral training programs like WorkAdvance, YearUp, and Project QUEST.

January 2014 and recruits and serves a diverse set of participants who are reasonably representative of the low-wage Colorado adult workforce. Eligibility requires only Colorado residency, legal authorization to work in the US, an ability to pass a drug test, household income below 150 percent of the poverty line, and being unemployed or underemployed for at least four consecutive weeks. From July 2015 through December 2018, program access was allocated randomly among applicants on a rolling basis. Applicants assigned to the treatment group received access to the ReHire program while the control group maintained access to other job search supports but were unable to access ReHire services.

Our analysis leverages this randomization to estimate intent-to-treat (ITT) impacts of program access on labor market outcomes and well-being over the four years following program application. We track employment and earnings, benefit receipt, and credit outcomes in high-frequency administrative data, and we measure impacts on job quality and well-being using an 18-month follow-up survey. We estimate treatment effects separately for in-program and post-program time periods. Because the evaluation period overlapped in part with the COVID-19 pandemic, we consider two post-program periods—a pre-COVID period where less than half of the sample was affected by the pandemic and a post-COVID period where the majority of the sample experienced pandemic-related disruptions.

As expected, ReHire increased formal-sector employment and earnings during the in-program period. The quarterly employment rate improved by 11.2 percentage points (21 percent) and quarterly earnings rose by \$288 (16 percent). However, there were no effects on SNAP or TANF receipt or credit outcomes.

In the first two years following program exit, program effects on these outcomes were more modest, with estimated ITT effects on employment and quarterly earnings of 2.4 percentage points (5 percent) and \$128 (6 percent), respectively. However, we find that ReHire access led to improvements in other aspects of workers' lives including employment stability, job quality, and well-being. Treatment group members were 16 percent more likely to work in every quarter of the pre-COVID post-program period and 25 percent more likely to continue working for their first post-randomization unsubsidized employer through the 18-month follow-up. In addition, the treatment group experienced meaningful improvements in job quality (0.11 SD) and well-being (0.17 SD). During this period, the program did not affect other aspects of participants' lives including benefit receipt, employment barriers, soft skills, or credit outcomes.

In the post-program COVID-affected period—roughly the fourth year after application—we find no lasting effects on employment and earnings, though this null effect may have resulted from the pandemic. Using a surrogate approach ([Athey et al., 2019](#)) that leverages data on pre-RCT participants, we provide

evidence that suggests impacts on employment and earnings would have been small, but durable over the long-term in the absence of the pandemic.

We use a comprehensive baseline survey to investigate program effect heterogeneity among the diverse set of participants. The baseline survey includes information on multiple dimensions of work readiness (prior work history, employment barriers, and both cognitive and non-cognitive skills) and pre-program formal sector employment and earnings records, which we leverage to explore treatment effect heterogeneity using subgroup analysis and recent advances in machine learning ([Chernozhukov et al., 2020](#)). We do not find evidence of systematic treatment effect heterogeneity, although the confidence intervals are fairly wide.

Beyond establishing ReHire’s impacts, we use descriptive analysis to examine the likely contribution of multiple potential mechanisms. This evidence suggests that the primary mechanism underlying the post-program improvements in employment and earnings is the opportunity for a worker and an employer to learn their match quality, with the host-site employer eventually offering an unsubsidized job to well-matched workers. In theory, ReHire could have led to post-program employment gains through any of four mechanisms: lasting removal of employment barriers, improved hard or soft skills from training or work-based learning, improved applicant signal quality from recent verifiable work experience, or by allowing the employer to learn both the participant’s overall quality and their productivity in the specific subsidized job. This final possible mechanism is operative in an augmented search model ([Diamond, 1982](#); [Mortensen, 1982](#); [Pissarides, 1990](#)) where the employer-employee match quality is initially noisy and fully revealed only after the employee begins working ([Pries and Rogerson, 2005, 2022](#)), with a wage subsidy lowering the equilibrium hiring threshold.

The mechanism analysis begins with a decomposition of earnings and employment trends by program experience that reveals two key descriptive facts. First, all of the in-program effects on employment and earnings are due to improvements among transitional job (TJ) recipients; the average labor market outcomes of those who leave the program having received at most supportive services closely match the control group’s. Second, all of the post-program employment and earnings impacts are due to improvements among the participants who gain unsubsidized employment at their host site. Participants who complete a TJ but are not hired by their host site have post-program outcomes that are similar to the outcomes among the control group and among treatment group members without a placement. We then use the RCT to estimate the impact of ReHire program access on maintaining employment with a worker’s first post-randomization employer. The program’s impact on the probability of remaining with the initial employer

almost perfectly matches its impact on the probability of being employed at all.

These additional results are precisely what one would expect if the primary mechanism behind ReHire’s effectiveness were incentivizing employers to provide a trial job for participants they otherwise would not have hired, as modeled in the employer learning framework (Pries and Rogerson, 2005, 2022). The similarity of post-program outcomes among transitional job holders who were not hired by their host site and the control group implies minimal long-term returns to any increased human capital or improved signaling from the transitional job work experience. Further, the similarity between treatment group individuals who received at most supportive services and the control group suggests a minimal role for the availability of wraparound services alone in the program’s impact.

We also consider two alternative reasons why post-program effects occurred only among participants hired by their host site—cream skimming and differences in the transitional job. We find no evidence that case workers assign participants with the highest expected post-program outcomes to placements with higher likelihoods of success and demonstrate that being hired by the host site is not predictable. Further, we show that the difference in outcomes between TJ recipients hired by their host site and TJ recipients not hired by their host site is essentially unchanged when adjusting for small differences in baseline characteristics and for differences in the size and industry of the TJ employer.

Finally, we confirm two key predictions from the augmented search model of how ReHire should affect participants’ employment dynamics. First, treatment group members are much more likely to begin a new job after program application compared to the control group, and second, the subsidized matches are more likely to dissolve quickly compared to unsubsidized new jobs among the control group. Overall, multiple pieces of descriptive evidence support the interpretation that a key mechanism of ReHire is encouraging employers to take a chance on a worker they would not have hired otherwise.

This paper makes important contributions to our understanding of the effectiveness of ALMPs by evaluating an understudied and increasingly popular program model that addresses unemployment among low-wage workers without lengthy upfront investments in human capital (Barnow and Smith, 2015; Card, Kluge and Weber, 2010, 2018; Heckman, LaLonde and Smith, 1999; Greenberg, Michalopoulos and Robins, 2003). Alternative programs that provide intensive training lead to large long-term improvements in employment.³ However, programs that train workers to work in specific in-demand sectors typically have

³Card, Kluge and Weber (2018) provide a meta-analysis of ALMP evaluations, including a comparison of the effectiveness of different program types. While subsidized employment programs tend to have larger short-term gains in employment, job training programs tend to lead to larger long-term gains.

screening criteria for ability and aptitude that exclude many job seekers.⁴ ReHire, in contrast, is a work-first intervention that welcomes nearly all job seekers and aims to get them back to work quickly. While the lifetime gains from sectoral training programs may be larger, the modest experimental post-program impacts estimated in this paper suggest ReHire’s cost-effectiveness (with preferred estimates of Marginal Value of Public Funds ranging from 0.3 to 0.9) is comparable to that of job training interventions serving similar populations without restrictive screening (Hendren and Sprung-Keyser, 2020).⁵ Further, the finding of a lasting program impact on the likelihood of working with the first post-application employer suggests that wage subsidies and wraparound services can also improve long-term outcomes among this population even without substantially improving participants’ human capital. Programs that facilitate additional employment matches may be especially valuable for unemployed individuals for whom further investments in human capital have lower lifetime returns, such as older workers.

This paper also contributes to the small literature that studies the impact of subsidized employment programs. Early experimental evidence found that gains in earnings and employment rates faded out once wage subsidies ended (Bloom, 2010). More recent programs, including ReHire, include enhancements to the traditional transitional jobs model by providing more intensive case management, job training and financial support to address employment barriers, and by offering placement with private, for-profit employers with the intent that some of these placements will lead to unsubsidized job offers. Evaluation reports on programs with similar enhancements targeted at specific sub-populations show stronger and more durable impacts compared to earlier program models (Anderson et al., 2019; Barden et al., 2018; Cummings and Bloom, 2020), and the results from this study are consistent with those findings.⁶

Relative to these other contemporaneously-developed evaluations, this paper is distinct in three ways. First, our study examines a broader set of outcomes measured over a long time horizon. We combine four years post-application administrative earnings, benefits, credit, and address history data with an 18-month follow-up survey to provide a comprehensive examination of the impact of program access. Second, this study deepens our understanding relative to the existing literature by providing the first evidence on the likely contribution of the multiple possible mechanisms. By linking program records to administrative data,

⁴Experimental evaluations of successful sectoral training programs like those from the WorkAdvance model Katz et al. (2022) and Year Up (Fein and Hamadyk, 2018; Fein and Dastrup, 2022) study programs that incorporate upfront screening.

⁵For example, the average MVPF of the job training programs considered in Table 2 of (Hendren and Sprung-Keyser, 2020) is 0.44, which includes estimates of Job Corps (0.15), JTPA Adult Program (1.38), National Supported Work Demonstration for Women (1.48), and National Supported Work Demonstration for Ex-Offender (0.64). Additionally, the average MVPF for Unemployment Insurance system enhancements is 0.61.

⁶Results from the US Department of Labor’s Enhanced Transitional Jobs Demonstration (ETJD) find that treatment group members earned \$700 more than the control group and were 4 percentage points more likely to be working during the final year of a 30-month follow-up (Barden et al., 2018).

we show that post-program effects are fully concentrated among participants hired by their transitional job host site. This finding both provides an explanation for the fade out seen in prior studies and suggests that TJ programs are successful to the extent that temporary placements have the possibility of becoming unsubsidized private sector jobs. Third, we provide an evaluation of a subsidized employment program serving a broad segment of the low-wage workforce. Other programs either serve specific sub-populations—non-custodial parents or recently incarcerated job-seekers (Barden et al., 2018; Foley, Farrell and Webster, 2018), TANF recipients (Glosser, Barden and Williams, 2016), individuals at high risk of gun violence (Bhatt et al., 2023), or youth (Cummings, Farrell and Skemer, 2018; Davis and Heller, 2020; Gelber, Isen and Kessler, 2016; Heller, 2014; Modestino, 2019)—or complement subsidized employment with additional interventions such as cognitive behavioral therapy (Bhatt et al., 2023). We exploit the broad eligibility to explore heterogeneity systematically using machine learning (Chernozhukov et al., 2020). The lack of evidence for heterogeneity across applicant types suggests that differences in target populations are unlikely to explain differential program effects across studies, which helps resolve a key outstanding question when comparing the effectiveness of ALMPs (Katz et al., 2014). This finding further suggests that this type of program need not be narrowly targeted to a particular subset of lower-wage workers.

Finally, our analysis of the program’s mechanisms contributes more broadly to our understanding of the low-wage labor market by providing empirical evidence supporting an augmented Diamond-Mortensen-Pissarides search-and-matching model where the productivity of a job match is an experience good that requires an employer to observe a worker’s performance on the job (Jovanovic, 1979; Pries and Rogerson, 2005). Our finding that program access led to durable job matches with the same employer stands in contrast to evidence of fade-out from time-limited income subsidies (Card and Hyslop, 2005; Michalopoulos et al., 2002), which suggests that subsidizing match formation rather than labor supply may be more effective at generating longer-term labor market attachment. Moreover, we complement the findings of Dustmann and Meghir (2005) who find that lower-wage workers who continue working at the same employer enjoy much larger wage growth compared to workers who stay in the same type of job but switch employers, leading them to conclude that “unskilled workers benefit most by finding a good match and remaining with it” (p. 79). Transitional job programs or interventions that encourage firms to take a chance on applicants they would otherwise screen out—e.g., workers with a criminal record (Agan and Starr, 2018; Cullen, Dobbie and Hoffman, 2023)—may therefore be necessary to effectively address unemployment among low-wage workers.

2 ReHire Colorado

2.1 Program Design

ReHire Colorado is a suite of workforce services designed to help the unemployed get back to work. The program began in January 2014 following the passage of the Colorado Careers Act of 2013 and continues to operate throughout the state.⁷ ReHire was developed as part of a new wave of subsidized employment programs designed to address persistent unemployment following the Great Recession. Other examples include programs studied through the US Department of Labor Enhanced Transitional Jobs Demonstration (ETJD) and the US Department of Health and Human Services Subsidized Training and Employment Demonstration (STED) (Anderson et al., 2019; Barden et al., 2018; Cummings and Bloom, 2020). CDHS administers ReHire centrally at the state level, but services are provided locally by community organizations located in both urban and rural areas.⁸ Workers at these agencies identify clients on a rolling basis for whom the program might be a good fit, assess eligibility, work with clients to submit the program application, and provide program services to ReHire participants.

ReHire serves a relatively broad population compared to similar subsidized employment programs that tend to focus on a single target population (e.g., recently-released inmates or TANF recipients). All Colorado adults with a family income lower than 150 percent of the federal poverty level and who have been unemployed or underemployed for at least four consecutive weeks are eligible.⁹ The legislation authorizing the program identified three priority categories of participants: displaced older workers (aged 50+), non-custodial parents, and veterans. CDHS stipulates that local service agencies prioritize these groups when recruiting by requiring that 70 percent of applicants belong to at least one of the categories. Once applicants have been recruited, their membership in a priority group does not affect the likelihood that they are granted access to the program. Finally, applicants must meet at least five items from a standardized 10-item suitability screen to ensure their readiness for the program.¹⁰

⁷ReHire Colorado was modeled after an earlier state program, Hire Colorado, that used TANF emergency funds to place TANF recipients and individuals who had exhausted their unemployment insurance benefits into subsidized work with private or public employers.

⁸Service providers have changed throughout the span of the program and through December 2018 have included Catholic Charities Pueblo, Discover Goodwill of Southern and Western Colorado (Colorado Springs), Goodwill Industries of Denver, Hilltop Community Resources (Grand Junction), Larimer County Workforce Center (Fort Collins), Rocky Mountain Human Services (Denver), Workforce Boulder County, and Colorado Coalition for the Homeless (Denver).

⁹The statutory eligibility specified underemployment as working less than 20 hours a week. To be eligible, an applicant needed to provide self-attestation that they were unemployed or underemployed for at least four consecutive weeks. During the evaluation period, individuals needed to self-attest that they were eligible to work in the United States.

¹⁰The 10-item list includes the following items: veteran, outstanding child support order, older worker, receiving SNAP or other public assistance, safe/stable housing, reliable transportation, good health and able to work, able to pass a drug test, have GED or HS diploma, excited about getting back to work.

The program is structured similarly to other enhanced transitional jobs programs that combine placement into temporary subsidized jobs—the program’s key feature—with supportive services and case management. Job developers create a bank of local public and private employer sites willing to host program participants, and successfully placed participants can work up to 30 weeks with the full cost of their hourly wages (set at the state minimum wage) paid out of ReHire funds.¹¹ The host employers are often relatively small (roughly two-thirds have 50 or fewer employees), and placements occur across a variety of industries, with about half in Health and Social Assistance or Retail Trade and the remainder spread across multiple other sectors.¹² Notably, job developers are explicitly encouraged to recruit host-site employers where a successful temporary employee has a strong possibility of being hired into an unsubsidized position.¹³ This program feature distinguishes ReHire from some other transitional jobs programs that rely on public-sector positions or provide temporary jobs with no direct pathway to or expectation of permanent employment. The local agency partner serves as the employer of record for the period of subsidized employment and is responsible for all other HR-related costs, such as worker’s compensation insurance. The employer host site therefore has no direct monetary costs during a worker’s transitional job, but they are responsible for reporting hours to the agency, evaluating the participant, and providing feedback and coaching.

Because a subsidized job placement alone may not be sufficient to lead to long-term labor market success, the program also includes wrap-around supportive services for participants to help address any barriers to work. Case managers work one-on-one with participants to develop an individualized plan with the goal of identifying areas of development, including any soft skills or needed industry certifications. All plans include meeting with a case manager for at least one hour of coaching each month. Case managers also have access to additional funds to support participants’ education and training goals (e.g., to cover the cost of a CDL or cosmetology training), and participants may pursue training prior to or contemporaneously with their placement. Targeted financial assistance is also used to reduce employment barriers faced by the participant—for example, providing bus passes or gas vouchers; purchasing tools, equipment, or uniforms needed for work; or to incentivize positive workforce behaviors, such as consistent on-time attendance.

Given the individualized nature of the ReHire program, a participant’s timeline of service receipt can vary substantially depending on which program components they choose to use and for how long. Some participants receive only supportive services and exit the program fairly quickly. Among those who are

¹¹During the evaluation period, the Colorado state minimum wage increased from \$8.23 to \$12.00. Details are available in [Appendix Table A-1](#).

¹²[Table A-20](#) includes a complete breakdown of firm size and industry for the subsidized job placements.

¹³Even prior to the RCT evaluation, ReHire administrators tracked the share of placements that led directly to permanent positions as a performance metric for the local agencies administering the program.

placed in transitional jobs, program duration depends on both the time to placement and the length of the placement. In the end, most participants exit ReHire within six months of their application, and nearly all stop receiving services within one year.¹⁴

2.2 Anticipated Mechanisms

The program was designed to improve employment prospects by addressing potential causes of participants' unemployment or underemployment through supportive services and matching those who were struggling to find a job themselves with an employer and subsidizing their wages. The supportive services were included to ensure that participants would be reliable, productive employees during their time in the program. For participants who were especially work-ready, the supportive services alone were expected to be sufficient to lead to re-employment in an unsubsidized job. To the extent that these services improved a participant's soft skills (e.g. mock interviews), permanently removed a barrier (e.g., solved a transportation issue), or helped shorten an unemployment spell, they were expected to improve labor market outcomes even after participants left the program.

In addition to providing short-term employment, the transitional job was expected to affect labor market outcomes after program exit through three primary mechanisms. First, the subsidized job was intended to overcome information frictions that would otherwise have prevented participants from finding employment. [Pries and Rogerson \(2005, 2022\)](#) provide a formal theoretical treatment of how employer-employee matches form when initial signals of match quality are noisy and the true quality is revealed only after a worker is hired and working. Viewed through the lens of this augmented Diamond-Mortensen-Pissarides framework ([Diamond, 1982](#); [Mortensen, 1982](#); [Pissarides, 1990](#)), the temporary subsidized job functions as a screening device that reduces the cost of forming a match that is later revealed to be unprofitable, which lowers a firm's threshold quality signal and allows more hires to occur. The low-cost trial period was expected to be especially helpful for applicants with high-variance signals, such as lengthy periods of non-employment or a criminal history. The availability of supportive services reduces employers' concerns that program participants may leave their placements early due to shocks beyond their control, such as issues with transportation or childcare. Thus, the combination of a wage subsidy and wraparound case management encourages employers and employees to find high-quality matches that would have otherwise gone undiscovered, potentially improving a participant's employment and earnings outcomes even after the employer becomes responsible for paying the employee's wages.

¹⁴[Appendix Section A.2](#) provides additional details on service receipt and timing.

Second, the transitional job provided the participant with recent work history that many participants lacked at application. Even if the transitional job did not lead to an unsubsidized position with the same employer, the additional experience was expected to make participants more attractive to future potential employers by mitigating the negative signal of having been unemployed or underemployed for a long period of time (Eriksson and Rooth, 2014; Farber et al., 2019; Kroft, Lange and Notowidigdo, 2013).

Third, the transitional job was intended to function as work-based learning, with participants able to improve their human capital through employer mentoring. In addition to learning job-specific skills, transitional job holders were expected to learn other soft skills such as communication and resiliency in the face of adversity. This skill improvement was intended to have a lasting impact on participants' performance in future jobs, regardless of the employer.

Because the relative contribution of these various mechanisms has important implications for program design and for understanding the low-wage labor market more generally, we use descriptive analysis and machine learning techniques to tease apart their importance in Section 6.

3 Experimental Impact Evaluation

We partnered with CDHS to design an RCT evaluation of ReHire's impact on participants' in-program and post-program outcomes.¹⁵ From July 2015 through December 2018, individuals applied to the program on a rolling basis, completed a baseline survey, and were then randomly assigned to either a treatment or control group. Only the treatment group received access to ReHire services, but CDHS tracked outcomes for both groups in administrative data. An approximately 18-month follow-up survey and administrative credit data provide additional outcomes.

3.1 Baseline Survey

All program applicants during the RCT evaluation period ($N = 2,496$) completed a baseline survey, which was collected by staff at the local agency partner prior to randomization. The baseline survey measured an

¹⁵While our evaluation was not guided by a formal pre-analysis plan, an April 2015 update on the evaluation design presented to CDHS prior to the launch of the RCT specified the use of state administrative data in an RCT evaluation of ReHire and the analysis in this paper largely follows that original proposal. In the status update, we report power calculations on the following outcomes: annual earnings, annual employment rate, number of quarters worked in a year, quarterly earnings, and quarterly employment. We also specify looking at participation in the Basic Cash Assistance program (TANF) and SNAP, as well as looking at "a full calendar year after [ReHire] participation ends to evaluate labor market effects fully." Finally, the update also notes our plan to use a baseline survey to explore treatment effect heterogeneity. Since that time, the evaluation expanded to include an 18-month follow-up survey and Experian credit data. The April 2015 evaluation progress update, the baseline survey instrument, and the follow-up survey instrument can all be accessed at the AEA RCT Registry ([AEARCTR-0011083](https://www.aearctr.org/0011083)).

applicant’s employment and wage history, existing skills and barriers to employment, education, childcare situation, any health difficulties, criminal background, struggles with homelessness or substance abuse, and other economic hardships.^{16,17} The survey also included a measure of mental health using the Center for Epidemiological Studies of Depression (CESD) scale, a scale for grit (Duckworth et al., 2007), Big Five personality traits (Donnellan et al., 2006), cognitive ability using the Raven’s colored matrices (Raven, Court and Raven, 1984), and a timed math test created for the purposes of the baseline survey.¹⁸ At the end of the survey, the case worker scored the applicant’s job readiness along two margins: their “motivation to get back to work” and their “likelihood to overcome employment barriers.” In most cases, the intake appointment was one of the first interactions the case worker had with the client. The subjective scoring was based primarily on this meeting, which could include things observable to the researcher (e.g., survey responses), but also unobservable information (e.g., behavior during survey, promptness to appointment, dress, attentiveness, information from small talk, etc.). We use the baseline data to investigate treatment and control balance, to create regression controls, to examine program effect heterogeneity, and to address attrition issues in supplemental data.

3.2 Randomization

Randomization took place after the case worker completed program intake. Case workers submitted an individual’s application to CDHS, and CDHS informed both the applicant and the case worker of the applicant’s random assignment status by text and email message, usually within one business day. Applicants were randomly assigned to either a treatment group who received access to ReHire-funded services or to a control group. To ensure that the treatment and control groups were well-balanced within sites and that case workers had a steady workflow, randomization was stratified at the service agency level, and the randomization method ensured that treatment and control assignments were balanced over small sets of arriving applicants.¹⁹ The probability of treatment was set to 50 percent at the start of the RCT and was adjusted to be as high as 66 percent for service agencies in rural areas and during time periods when enrollment was low. [Appendix Section A.3](#) provides more details on the randomization procedure.

¹⁶Many of the survey questions regarding previous employment and barriers to future employment were adapted from the Women’s Employment Survey (Tolman et al., 2018).

¹⁷We are missing the baseline survey for one individual, but they can still be linked to administrative data outcomes. They are not included in analysis that relies on the baseline survey (e.g., heterogeneity analysis).

¹⁸The 3 minute-timed math test included 160 addition, subtraction, or multiplication problems using numbers from 1 to 10.

¹⁹A possible concern from the randomization procedure is that it induced serial correlation in treatment status among individuals who applied at the same agency around the same time. In [Section 5.1.4](#), we discuss how our results are robust to a randomization-based inference procedure that directly accounts for the specific method of randomization.

Once placed into the control group, applicants were ineligible to enter the lottery again, and internal controls prevented repeat applications by the same individual, even if they applied through a second service agency.²⁰ The control group retained access to the usual services provided in the local area and remained eligible for other job assistance programs operating during the RCT time period, including those offered by ReHire service agencies or elsewhere. These programs may have included access to transitional jobs with alternative funding sources, including the Workforce Innovation and Opportunity Act (WIOA).

3.3 Analysis Sample and Baseline Balance

ReHire applicants represent a diverse cross-section of lower-income Colorado residents, reflecting the program’s broad eligibility criteria (see [Table 1](#)). More than two-thirds of applicants received SNAP and roughly three-quarters were covered by Medicaid during the month when they applied. Applicants had notable barriers to re-employment including inconsistent work histories (the typical applicant worked in only 40 percent of the prior 12 quarters), transportation barriers (20 percent did not have a valid driver’s licence), felony convictions (24 percent), work-limiting health problems (10 percent), and history of substance abuse (23 percent). Compared to similar subsidized employment programs that target a single population such as ex-offenders, non-custodial parents, or TANF recipients ([Anderson et al., 2019](#); [Barden et al., 2018](#)), the ReHire applicant pool is more diverse, although it includes the target populations from previous evaluations. The ReHire sample is similar to the low-income adult population in Colorado (see [Appendix Table A-3](#)), although they tend to be more connected to the social safety net, and veterans and older workers are over-represented in the sample.

Random assignment produced baseline balance as expected. [Table 1](#) provides descriptive statistics and demonstrates treatment/control balance across a wide set of pre-randomization characteristics measured in administrative and survey data, including work-related outcomes, barriers to employment, job readiness, target group membership, and cognitive and non-cognitive skills. The differences in means between the treatment and control groups are minimal for the 37 characteristics—no difference is larger than 0.08 standard deviations and the treatment/control difference is statistically significant at the 10 percent level for only two characteristics: percent male and life satisfaction rating. For precision, we include analysis with and without controls for baseline characteristics, as discussed below in [Section 4](#).

²⁰Contamination of the ReHire program in the control group was minimal. Two members of the control group were accidentally entered into ReHire’s administrative database as treated and thus received access to services. They remain members of the control group for analysis.

3.4 Outcome Data

Our analysis relies on multiple administrative data sources and an 18-month follow-up survey. Outcomes from state administrative data are created from unemployment insurance earnings records collected by the Colorado Department of Labor and Employment (CDLE) and SNAP/TANF benefits records from CDHS. The earnings data are available on a quarterly basis from Q1 2010 through Q4 2022, and the benefits data are available on a monthly basis from January 2004 through April 2023. We use these data to construct a balanced panel of outcomes during the three years prior to and four years following an individual’s application date, which allows us to examine program impacts both while treatment group members received services and for at least three years after they left the program.

The CDLE data provide quarterly information about earnings from jobs covered by unemployment insurance in Colorado, as well as information on the industry of the employer. Earnings from transitional jobs are included in the CDLE data with the service agency as the employer of record. These data do not, however, capture earnings when individuals worked informally or as an independent contractor, which may be the case for jobs held by applicants before or after their transitional job. In quarters when an individual does not have a wage record, we treat them as having zero earnings that quarter and code them as not being employed. Outcomes based on this data source, therefore, are best interpreted as measuring formal-sector employment and earnings in the state of Colorado. We deflate all dollar values to July 2015 levels using the Consumer Price Index for All Urban Consumers ([US Bureau of Labor Statistics, 2023](#)), and winsorize earnings at the 99th percentile within calendar quarters. In addition to the dollar amount of earnings, we create a variety of outcomes for having any earnings in a given quarter or for earning any amount over a relevant period of time.

A potential limitation to using state-specific administrative data is that earnings and benefit payments are observable only when they occur in the state. We unfortunately cannot distinguish between zero earnings in a quarter and earnings that occur outside Colorado as both are indicated as missing in the data. As mentioned above, we recode all missings to zero, which assumes out of state migration is minimal and not affected by treatment. To quantify the validity of this assumption, we linked ReHire applicants to their address histories as compiled by Infutor Data Solutions to measure directly how often individuals in the sample move out of the state. [Appendix Figure A-2a](#) shows that rates of non-Colorado residencies are low overall and are similar between the treatment and the control group in the two years following application. We interpret this result as evidence both that Colorado-specific administrative data are appropriate for

measuring key outcomes and that selective interstate migration is unlikely to bias our results.²¹

In order to consider program impacts on a broader set of outcomes, we use data from two additional sources. First, an online follow-up survey was administered roughly 18 months after application,²² which is approximately one year after the typical participant exited the program.²³ This survey provides a repeated measure of many of the individual skills and barriers measured in the baseline survey, employment and earnings information for all jobs held since application including self-employment or contract work that did not generate a UI record, detailed information on the first unsubsidized job after the respondent applied for ReHire, and information on the respondent’s job at the time of the survey. The survey response rate was roughly 40 percent, with a higher response rate in the treatment than the control groups (42 percent vs 34 percent). Details on selection and the reweighting procedure we use to account for nonresponse are in [Section 5.2](#). Second, we link ReHire applicants to quarterly data about credit score, credit utilization, and credit-seeking behavior provided by Experian. Match rates are similar between the treatment and control groups—roughly 62 percent. We provide additional details about these supplemental data in [Section 5.3](#).

4 Empirical Strategy

We exploit the RCT design and estimate ITT effects of gaining access to ReHire Colorado using the following linear regression specification:

$$y_i = \beta T_i + \gamma_{s(i)} + \epsilon_i, \tag{1}$$

where y_i is an outcome for individual i and T_i is an indicator that takes the value of 1 for individuals assigned to the treatment group and 0 for individuals assigned to the control group. The vector $\gamma_{s(i)}$ is a set of stratification fixed-effects to account for the fact that randomization occurred separately by local agency and that the treatment probability changed somewhat over the RCT period.²⁴ In addition to this

²¹This analysis is consistent with data from the American Community Survey ([Ruggles et al., 2020](#)) that show only 3.5 percent of Colorado residents with less than a bachelor’s degree left the state between 2015 and 2016.

²²Respondents had the option to complete the survey over the phone with an interviewer, but only a handful took up that option. Given the timing of survey implementation (first introduced in December 2017), applicants who applied in the first year of the program would have received the survey up to 2.5 years after application.

²³Respondents typically completed the follow-up survey 20 months after ReHire application, and the timing between application and response was similar between the treatment and control groups. See [Appendix Figure A-3](#) for the distribution of months since application for treatment and control group survey respondents. When estimating effects on outcomes from the follow-up survey, we include months since application fixed effects.

²⁴The strata (s) fixed effects allow for treatment-control comparisons within a contiguous block of applicants from the same service agency that faced the same effective randomization probability. Two service agencies had more than one physical location and the randomization was stratified at this sub-agency level to ensure sufficient flow of program participants. The

parsimonious regression, we report additional estimates of β from specifications that use a post-double-selection LASSO procedure (Belloni, Chernozhukov and Hansen, 2014) to select optimal controls from a high-dimensional set of baseline characteristics X_i to address slight baseline imbalances and to improve precision.²⁵ Results are similar for all outcomes with and without controls.

The parameter β is the causal effect of access to ReHire-funded services relative to the counterfactual set of available services. Thus, the interpretation of β depends on the degree to which the control group had access to services that are similar to ReHire, such as transitional jobs, through other programs offered by the same or other service providers in the area. While the receipt of close-substitute services is not a threat to causal identification, it could reduce the size of ITT effects and lead ReHire to appear less cost-effective (Heckman et al., 2000; Kline and Walters, 2016). We show in Appendix Section A.8 that control group individuals rarely had UI-covered earnings from a ReHire agency—a proxy for working a transitional job—and less than 10 percent of follow-up survey respondents from the control group report working in a subsidized job following application (see Section 5.2). We further show that accounting for access to other transitional jobs programs does not qualitatively change the key findings (see Section 5.1.4).

Our analysis reports ITT estimates because program take-up was high. Among the treatment group, 88 percent met with a case worker to start a ReHire case plan post-randomization, 72 percent received individually-billable direct cost services (supportive services, a transitional job, or both), and 65 percent were placed in a transitional job.²⁶ Under the assumption that the 28 percent of treatment group members who received no direct-cost services had program experiences similar to the control group, treatment-on-the-treated effects can be calculated by scaling up the ITT effects by 38 percent.²⁷

The presence of the COVID-19 pandemic during our evaluation period does not pose a threat to the study’s internal validity. However, it complicates the interpretation of the measured post-program effects,

rate of acceptance was also higher for the rural areas. Appendix Section A.3 provides complete details on the randomization procedure and how $\gamma_{s(i)}$ is constructed.

²⁵The set of potential controls includes: quarterly employment and earnings in the 12 quarters preceding application; summary measures of employment (e.g., any or no work) in the 1, 2, and 3 years before application; SNAP and TANF participation in each of the 24 months preceding application; total SNAP and TANF benefits received in the last 12 and 24 months; and a set of indicators for gender and educational attainment. The LASSO procedure typically selects pre-program work history measures, which is consistent with the slight imbalance in gender and that prior earnings are predictive of future earnings.

²⁶Just under one in six individuals randomized into the treatment group received no services through ReHire within twelve months of gaining eligibility. Case notes suggest that approximately one third of these participants (4 percent of all participants) found unsubsidized employment independently before beginning the program, and the remaining two-thirds (8 percent of all participants) either left voluntarily or were deemed not to be a good fit for the program by the case worker.

²⁷Scaling the effect this way requires no impact of gaining access to ReHire services among treatment group members who did not receive services, i.e the never-takers (Jones, 2015). This condition could be violated, for example, if the possibility of a transitional job changed an individual’s search behavior. Because we do not have any direct evidence of whether this assumption holds, we report ITT effects as our preferred estimates.

especially among applicants who applied later in the RCT window. For example, if the labor market disruptions brought on by the pandemic caused individuals to lose jobs that they found as a result of the program, and those jobs would have persisted had the pandemic not occurred, then the longer-term program impacts measured by this evaluation may not be representative of the impacts for participants who exit into a more typical labor market.

In light of this potential complication, we estimate Equation (1) using outcome variables measured during four distinct time periods: (i) a pre-program period that includes up to three-years prior to application; (ii) an in-program period; (iii) an initial post-program period that was less affected by the pandemic; and (iv) a second post-program period during which a majority of the RCT sample had already experienced pandemic-related disruptions. These time periods are measured relative to each individual’s ReHire application (time 0) and consist of different calendar periods from applicant to applicant. The typical transitional job placement started within a month of randomization and lasted 2 to 3 months, but some participants were still working in their transitional job within 12 months of application.²⁸ Because of this variation in service receipt timing, we consider the in-program period to be quarters 0 through 4 (months 0 through 12). For all applicants, the entire in-program period occurred prior to the end of 2019. The post-program pre-COVID period includes quarters 5 through 11 (months 13 through 35) relative to random assignment, and the post-program COVID period includes quarters 12 through 16 (months 36 through 52). Quarter 12 occurs in the first quarter of 2020 or later for more than half of the sample (see [Appendix Figure A-4](#)).

For each of these intervals, we estimate program impacts on outcomes measured at particular points in time, such as quarterly earnings or monthly benefit receipt. We also construct outcomes aggregated over the full period including, for example, average earnings, an indicator for having any formal sector earnings during the period, an indicator for working every quarter in the period, and the share of quarters worked. Finally, as an additional means of clarifying the role of the pandemic in our estimates of program impacts, we use data from ReHire participants who went through the program prior to the RCT to implement a surrogate index approach ([Athey et al., 2019](#)) that provides suggestive evidence of the impact of ReHire had the pandemic not occurred, as well as estimates of program impacts nearly eight years after random assignment ([Section 5.1.5](#)).

To estimate program impacts on outcomes from the follow-up survey and credit data we construct families of similar outcomes from each data source and report the average standardized treatment effect

²⁸[Appendix Figure A-1](#) provides additional details on the distribution of time to placement and time to program exit.

among those outcomes. For each outcome family with K outcomes, we estimate

$$\hat{\tau} = \frac{1}{K} \sum_{k=1}^K \frac{\hat{\beta}^k}{\hat{\sigma}_k} \quad (2)$$

where $\hat{\beta}^k$ is the ITT effect of the k -th outcome in the family, which we scale by the standard deviation of that outcome among the control group $\hat{\sigma}_k$. In averaging treatment effects, we re-sign some outcomes so that positive treatment effects represent improvements. We follow [Finkelstein et al. \(2012\)](#) in stacking the data for all K outcomes and jointly estimating the ITT effects in a single regression, clustering standard errors at the individual level.

5 Intent-to-treat Impacts of ReHire Colorado

We first provide analysis of outcomes built from UI earnings records and from SNAP and TANF payment records, which are available for all applicants. We then examine outcomes from the follow-up survey and credit data along with an empirical analysis of potential selection into data coverage for these additional sources.

5.1 Outcomes from State Administrative Data

5.1.1 Quarterly Employment and Earnings

[Figure 1a](#) depicts trends in formal sector employment in Colorado for the treatment and control groups. The horizontal axis shows quarters relative to an individual’s application for ReHire. The portion of the graph to the left of the first dashed vertical line indicates the pre-program period. The next two vertical dashed lines separate the in-program and the two post-program periods. [Figure 1b](#) plots coefficient estimates and 95 percent confidence intervals for β from estimating Equation (1) using indicators for being employed (i.e. having positive UI-covered earnings) in a given quarter relative to application as the dependent variable.²⁹

Prior to the program, roughly 40 percent of applicants worked in any given quarter ([Figure 1a](#)), and trends in employment rates were similar in the treatment and control groups.³⁰ During the in-program period, employment initially rises and then falls for both groups. One quarter after application the employ-

²⁹For reference, [Appendix Table A-4](#) provides the exact numerical values of the coefficients and standard errors for the in-program and post-program effects shown in [Figure 1b](#), and shows that results are insensitive to the inclusion of controls selected by the post-double selection LASSO procedure.

³⁰None of the pre-randomization differences in quarterly employment rates are statistically significant at conventional levels (see [Figure 1b](#)). The p -value from a test of the null that the differences for all twelve quarter are jointly zero is 0.456.

ment rate of the control group increased to 57 percent. Control group employment improvements could stem from either (i) participation in other workforce interventions (e.g., job search assistance, resume writing) or (ii) within-person selection whereby individuals apply for assistance when they are particularly motivated to increase their labor market attachment. Despite these improvements among the control group, the treatment group experienced a 20 percentage point larger increase in their employment rate, with more than 75 percent employed one quarter after application. Consistent with the timing of transitional job exits (see [Appendix Figure A-1](#) and [Appendix Figure A-5](#)), employment rates among the treatment group decline more rapidly than among the control group, with quarterly differences falling to 12.0 and 5.5 percentage points in quarters 2 and 3, respectively. The differences in quarterly employment rates remain statistically significant at the 1 percent level for each of quarters 0 through 3. By the fourth quarter after application, the gap between the treatment and comparison group falls to 3 percentage points and is no longer statistically significant. During the two post-program periods, employment rates continue to decline for both groups. During the earlier pre-COVID period, differences in employment rates range from 2.5 to 4.3 percentage points, but are statistically significant only in quarter 8. During the period that was affected by the COVID-19 pandemic, however, differences are small and close to zero.

[Figure 2](#) provides parallel analysis to [Figure 1](#) using average quarterly earnings (with those who have no UI-covered earnings coded as having zero earnings) in place of quarterly employment rates. [Figure 2a](#) reveals a stark downward trend in earnings for both groups prior to application. There was no similar negative trend in quarterly employment, which suggests that these earnings losses occurred through either a loss of work hours, a decline in wage rate, or weeks of non-employment within a quarter with at least some employment. Earnings quickly rebound in the quarter following application for both groups, and, for the treatment group, average earnings exceed pre-program earnings for all sixteen post-application quarters. Because earnings are a more variable outcome, the quarter-by-quarter effects are not often statistically significant (quarters 0 through 2, which are significant at the 1 percent level, are the exception—see [Figure 2b](#)). Differences in the post-program, pre-COVID period are economically meaningful, and they typically represent at least a 10–15 percent increase compared to the mean of the control group. As with employment rates, differences become small and close to zero during the final analysis period.

5.1.2 Aggregate Outcomes for Employment and Earnings

Because transitions in and out of the labor market are prevalent in this population, measuring quarter-by-quarter changes in employment may mask gains in labor market attachment. To test more directly whether ReHire improved labor market stability, we construct employment outcomes that summarize labor market attachment during the in-program and post-program periods. We also consider aggregate measures of earnings in order to smooth out some of the variability. Table 2 reports effects on five outcomes: any employment during the period; the share of quarters employed; employment during every quarter of the period; average quarterly earnings during the period; and the share of quarters with earnings above 130 percent of the federal poverty level.³¹ For each outcome, we report the control group mean (column 1), the ITT effect controlling only for stratification fixed effects (column 2), the ITT effect when additionally controlling for LASSO-selected baseline characteristics (column 3), and the estimated program effect from column 3 as a percentage of the control group mean (column 4).

ReHire improved a number of labor market outcomes during the in-program period (Panel A). Consistent with the quarterly results, the treatment group was 14 percent more likely to work at all (11.6 percentage points) and 31 percent more likely to work every quarter (7.3 percentage points), both of which are statistically significant at the 1 percent level. Earnings were also positively affected. When including baseline controls, the impact on earnings is \$288 per quarter and is statistically significant at the 1 percent level. These earnings gains increased the likelihood that an individual had earnings above 130 percent of the federal poverty level by 13 percent.

Some of the impacts persisted into the post-program, pre-COVID period (Panel B). While the treatment group was no more likely to have worked at any point during the period, they worked in 5 percent more quarters (not statistically significant) and were 3.8 percentage points more likely to have worked in every quarter ($p < 0.05$), a 16 percent increase relative to the control group. The treatment group also experienced a \$128 increase in average quarterly earnings after controlling for baseline characteristics and a 1.5 percentage-point increase in the likelihood of earning at least 130 percent of the FPL, although neither effect is statistically significant. During the post-program COVID period (Panel C), however, all point estimates are small and statistically indistinguishable from zero. Ninety-five percent confidence intervals rule out differences in employment rates greater than 3.3 percentage points and differences in earnings greater than \$260.

³¹When determining whether an individual earned more than 130 percent of the federal poverty level, we use the HHS poverty guidelines for a single individual for the calendar year of the wage record.

Figure 3 provides an alternative analysis of earnings impacts by providing estimated effects across the earnings distribution. Each panel shows ITT estimates of the impact of ReHire on the probability of having quarterly earnings above a variety of federal poverty line thresholds separately for each analysis period. Each point on the graph represents the regression coefficient on treatment group status from estimating Equation (1) using an indicator for earning above the relevant threshold listed on the horizontal axis, and the dashed gold lines provide 95 percent confidence intervals. Panel (a) demonstrates that, during the in-program period, there were statistically significant ($p < 0.05$) and substantial gains in the share with positive earnings (denoted by 0 on the horizontal axis) and in the share earning above thresholds up to roughly 100 percent of the poverty line. Point estimates in Panel (b) are uniformly positive, although the post-program pre-COVID (Q5–Q11) treatment-control differences are generally not statistically significant. Qualitatively, this figure suggests that ReHire may have increased the likelihood of participants having earnings above thresholds up to around 175 percent of the poverty line in the in-program period, but there is no evidence of an increased likelihood of having earnings above higher thresholds.

5.1.3 SNAP and TANF Receipt

One stated goal of programs like ReHire is to increase participants' incomes enough to allow them to achieve self-sufficiency and to reduce their reliance on future payments from programs such as SNAP and TANF. Because ReHire was targeted to a broad set of low-income participants, many were not eligible for TANF benefits, and only a relatively small share (10 percent) received a TANF payment in the year prior to application. In contrast, more than two-thirds of applicants received at least one SNAP payment over that same time period, so there was more scope for ReHire to have an impact on future receipt. As shown in Figure 4, the high SNAP participation rate at program application represents the peak of a steep increase in participation that occurred over the prior 12 months. This increase in participation corresponds with the decline in earnings over the four quarters prior to application (Figure 2a), and these two trends suggest that ReHire applicants often experience a shock to their life circumstances prior to application. Following randomization, however, both groups experience similar declines in SNAP and TANF participation over the next 36 months with the exception of the post-program COVID period, where SNAP participation increases in the treatment relative to the control group.

ReHire did not have an appreciable effect on participation in either SNAP or TANF during the first three years following random assignment, but may have helped participants connect to resources during the

pandemic. [Table 3](#) investigates the effect of ReHire on benefit receipt during the in-program (Months 0–12, Panel A), post-program pre-COVID (Months 13–35, Panel B), and post-program COVID (Months 36–52) periods. For SNAP and TANF separately, we estimate effects on three outcomes: receiving any benefit during the period, the share of months with a positive benefit payment, and the average monthly benefit payment (with person-months without a payment coded as zero). We find no economically meaningful or statistically significant differences between treatment and control groups in any of these outcomes during the in-program and first post-program period.³² During COVID, however, we estimate that ReHire increased SNAP participation by 3.1 percentage points and increased average monthly SNAP receipt by \$14 ($p < 0.05$).

5.1.4 Robustness

This section shows that the aggregate results on employment and earnings in [Table 2](#) are robust to addressing the possibility that the control group received similar services from other programs, to alternative methods of conducting inference, and to corrections for multiple hypothesis testing.

First, the type and intensity of services received by the control group potentially affects the interpretation of the estimated ITT impacts. As discussed above, both the UI data and follow-up survey responses suggest that few in the control group worked in a transitional job. Control group individuals at one agency, however, were nearly equally as likely to be employed by the service agency during the in-program period as the treatment group ([Appendix Figure A-5b](#)). [Appendix Section A.10.1](#) confirms that program impacts are qualitatively similar, though stronger, when dropping applicants from this provider.

Second, our results are robust to alternative ways of conducting inference that account for the randomization protocol and for concerns about multiple hypothesis testing. [Appendix Section A.10.2](#) discusses how we construct randomization-based p -values that test the sharp null hypothesis of zero treatment effect among all applicants and that take into account the way treatment assignment occurred. Using these p -values that come from 10,000 permutations of the randomization protocol, we show that the results remain significant after adjusting inference to control for the family-wise error rate among the main employment outcomes in [Table 2](#) using the [Westfall and Young \(1993\)](#) step-down procedure (see [Appendix Table A-6](#)).

³²This lack of a differential is likely due to the fact that the program did not substantially increase the share of participants with earnings above 130 percent of the federal poverty level.

5.1.5 The COVID-19 Pandemic and Long-Term Effects of ReHire

Because of the timing of the COVID-19 pandemic during the post-program evaluation window, the estimated effects on outcomes three or more years post-randomization reported in the above subsections are specific to a context with stay-at-home orders and other potential labor market disruptions. As discussed in [Section 4](#), this timing does not bias the results, but it affects the interpretation of the findings. In this subsection, we report estimates from a surrogate index approach that aims to answer the following questions. First, what might we expect the effects of ReHire to have been during the time period for which we currently have data had the labor market not been disrupted by the COVID-19 pandemic? Second, what might we expect even longer-term impacts of the program to be for participants whose post-participation labor market was not disrupted by a similar shock?

ReHire operated for 18 months prior to the launch of the RCT. Individuals who participated in the program from January 2014 through June 2015 did not begin experiencing the pandemic until at least 19 quarters after program application, and for these individuals we observe nearly 8 years of post-application employment and earnings. Following [Athey et al. \(2019\)](#), we combine observational data from these earlier (pre-RCT) participants ($N = 997$) with data from the RCT to predict the effects of ReHire in the absence of the pandemic. The observational data allow us to use pre-application and short-term outcome data (i.e., in-program employment and earnings) to predict what outcomes in the RCT sample would have been in the absence of the pandemic. We then use these predictions to estimate the “non-COVID” ITT effect using Equation (1).

Our context provides a good setting for this surrogate approach, which requires the treatment to be as good as randomly assigned, the observational sample and the experimental sample to have similar outcome distributions, and that longer-term impacts are the direct result of short-term impacts. Pre-RCT ReHire participants were recruited by similar (in many cases the same) service providers using similar recruitment practices. Moreover, given that all of the program’s anticipated mechanisms affect near-term labor market success, it is reasonable to assume that any impact on long-term labor market outcomes is fully mediated through the program’s effect on in-program employment and earnings outcomes. [Appendix Section A.11](#) provides further discussion of the approach’s identifying assumptions and additional details on estimation.

A comparison of experimental impacts to predicted surrogate effects demonstrates that the surrogate index approach does a good job of predicting actual ITT effects on employment and earnings. In early post-program quarters when most of the sample was unaffected by the pandemic (Q5–Q8), surrogate effect

estimates align closely with actual experimental estimates ([Appendix Table A-7](#)). The actual effects on employment during that time period range from 2 to 3.8 percentage points, and the surrogate effects similarly range between 2.2 and 4 percentage points. Predicted effects on earnings are also very similar to the estimated experimental impacts for Q5–Q7.

We predict the effect of ReHire in the absence of the COVID-19 pandemic to be small but persistent throughout our evaluation time horizon. [Figure 5](#) compares the observed experimental effects (black circles) with estimates from the surrogate index approach (gold triangles), where we replace post-2019 data with predicted outcomes.³³ As individuals become affected by the COVID-19 pandemic (Q9 and later), surrogate estimates begin to diverge from the attenuating observed experimental estimates. Overall, we estimate the average post-program effect (Q5–Q16) on employment and earnings would have been 3.4 percentage points ($p < 0.05$) and \$198 ($p < 0.05$), respectively ([Appendix Table A-7](#)). This 8 percent increase in quarterly employment and 9 percent increase in earnings stands in contrast to the observed experimental effects of 1.4 percentage points and \$62 during the same period.

The surrogate approach further suggests that the program likely would have generated small but durable long-term impacts on employment and earnings. We extend the time horizon and estimate effects through the 30th quarter following random assignment. On average, we predict employment would have increased 2.3 percentage points ($p < 0.01$) and earnings would have increased roughly \$145 ($p < 0.10$) between the fifth and eighth year following random assignment. The fact that there were no longer program impacts in the RCT sample after quarter 12 therefore likely reflects greater-than-usual fadeout due to the labor market shocks from the pandemic.

5.2 Outcomes from 18-Month Follow-up Survey

We take advantage of the broader array of outcomes in the follow-up survey to show that ReHire reduced job turnover and improved job quality and personal well-being. [Table 4](#) reports impacts on employment outcomes (Panel A), as well as standardized treatment effects on job quality (both for an individual’s first unsubsidized job after application and their job at the time of follow-up), well-being, employment barriers, workplace behaviors, and expectations about the future.³⁴ For all outcomes, we report control group means

³³Vertical bars represent 95 percent confidence intervals that come from 1,000 bootstrap trials of the estimation procedure. Coefficient and standard error estimates are reported in [Appendix Table A-7](#). As noted by [Athey et al. \(2019\)](#), this approach yields efficiency gains relative to the observed experimental impacts. Confidence intervals on the surrogate estimates are consistently smaller.

³⁴For information on the construction of the outcome families see [Appendix Section A.12.3](#). We report impact estimates for the underlying components for the job quality indices in [Appendix Table A-11](#) and for the well-being, employment barriers,

(column 1), ITT effects estimated using Equation (1) (column 2), estimates from a specification that re-weights the sample using inverse propensity score attrition weights (column 3), and estimates that further condition on a set of controls selected using the same LASSO approach as the main analysis (column 4). [Appendix Section A.12](#) provides additional details about the follow-up survey including a description of selection into survey response and details on how we construct the weights used to account for non-response. After re-weighting, the treatment and control respondents have similar baseline characteristics, and estimated program impacts on administrative employment outcomes are similar for the analysis sample and the subsample of follow-up survey respondents. The results in [Table 4](#) are qualitatively similar across specifications, and we focus our discussion on the specification reported in column (4).

The first two outcomes reported in Panel A of [Table 4](#) confirm that service receipt differed between the treatment and control group. The treatment group was 45 percentage points more likely to report working a job where the ReHire service agency paid their salary, and only 9.9 percent of the control group reported having such a placement. This difference is consistent with the evidence that uses the administrative data proxy for subsidized employment ([Appendix Section A.8](#)). Moreover, the treatment group was 9.9 percentage points more likely to be working in an unsubsidized job that ReHire helped them find, compared to 1.6 percent in the control group.

The remainder of Panel A demonstrates that ReHire increased unsubsidized employment during the time since application. Access to ReHire increased the likelihood of any unsubsidized employment since application (4.7 percentage points) and employment at the time of the follow-up survey (6.0 percentage points), but neither of these effects are statistically significant. These impacts are slightly larger than quarterly effects 5 to 6 quarters after application estimated in the administrative data ([Figure 1b](#)). This difference could arise because these survey data capture not only UI-covered employment, but also gig work, contract work, and informal work. As a measure that aligns more closely with the administrative data, we see that the effect on employment in a job that provides a pay stub or other government form is much smaller (less than 1 percentage point). Nevertheless, we find evidence consistent with the administrative data that ReHire reduced job turnover. The treatment group was 6.8 percentage points more likely to be working in the same job as their first post-application unsubsidized job ($p < 0.05$).

We also find evidence that ReHire improved job quality and well-being but did not lead to lasting improvements in soft skills or reductions in employment barriers. Panel B of [Table 4](#) reports standardized treatment effects on six different outcome families. Job quality is measured for an individual's first workplace behaviors, and expectations indices in [Appendix Table A-12](#).

unsubsidized job following ReHire application and for their current job at the time of follow-up, and the analysis sample for these two outcomes is restricted to respondents with the respective job.³⁵ ReHire led to a 0.17 standard deviation ($p < 0.01$) and 0.09 standard deviation ($p < 0.05$) increase in the job quality index for the first and current job, respectively.³⁶ This index includes outcomes like self-reported job satisfaction, wage rate, consistency and availability of hours, and indicators for employer-provided benefits like vacation and sick leave or retirement contributions (see [Appendix Table A-11](#)). We also estimate a 0.17 standard deviation increase in well-being ($p < 0.01$), which includes improvements in life satisfaction and self-reported health and reductions in expectations of economic hardship and the depression scale (see [Appendix Table A-12](#)). Effects on employment barriers, soft skills measured by workplace behaviors, expectations about future employment, and reliance on government benefits are positive but small and not statistically significantly different from zero.³⁷

5.3 Outcomes from Credit Data

Using a panel of administrative credit data for ReHire applicants, we find no evidence that ReHire improved credit outcomes.³⁸ [Appendix Table A-18](#) reports control group means and ITT estimates on the underlying outcomes. During the year after application, the average credit score in the control group was 592, just below the threshold for a prime credit score. The average control group member had roughly \$31,500 in debt, including just under \$1,700 in credit card debt, and one in six had a car loan or lease. Many had accounts negatively impacting their credit—one in seven had a delinquent account, one-third had a derogatory account, and nearly two-thirds had some debt in collections. As summarized by the standardized treatment effects reported in Panel C of [Table 4](#), we find no statistically significant differences in

³⁵In the case that an individual is still working in their first unsubsidized job following ReHire application, these two measures are based on characteristics for the same job. This is the case for the 27 percent of the control group and nearly 34 percent of the treatment group who have remained employed by the same employer (see Panel A).

³⁶In the job quality index, we initially planned to include an indicator for whether the job provided a paystub or other government form as a measure of job formality. However, much of the variation in this measure was driven by movements into self-employment. Because it was not clear whether this indicator was measuring improvements or declines in job quality, we removed it from the index and instead report it as an outcome in Panel A, unconditional of whether the individual is working. If we were to include this measure in the index, the magnitude of the job quality index for current employment for the specification reported in column (4) falls to 0.047 and is not statistically significant.

³⁷In [Appendix Section A.12.4](#), we provide conservative bounds on the treatment effects for all follow-up survey outcomes to address concerns of differential response rates between the treatment and control groups following [Lee \(2009\)](#) and [Kling and Liebman \(2004\)](#). The upper and lower bounds presented in [Appendix Table A-13](#) and [Appendix Table A-14](#) are wide and include zero for all outcomes.

³⁸[Appendix Section A.13.1](#) describes the selection into an Experian match ([Appendix Table A-15](#)), provides details on how we construct weights to adjust for attrition, and shows that the resulting matched sample is balanced on baseline characteristics between the treatment and control groups ([Appendix Table A-16](#)), and estimated program impacts on outcomes that are measured in the administrative data (employment and earnings) are similar for the analysis sample and the credit data subsample ([Appendix Table A-17](#)), which reduces concerns about attrition bias in the credit data analysis.

post-randomization outcomes between the treatment and control groups. The 95 percent confidence interval can reject 0.032 and 0.043 standard deviation improvements in in-program and post-program credit, respectively.

6 Mechanisms and Program Impact Persistence

The analysis of state administrative data showed that ReHire had large positive impacts on employment and earnings during service receipt and smaller, but still positive, impacts in the first two years after program exit. Further, the surrogate analysis suggested that, in normal economic times, there may be small but durable impacts of program access years after services end. We next provide additional descriptive evidence to examine the relative importance of the anticipated mechanisms discussed in [Section 2.2](#). Recall that there are a number of channels through which ReHire could have affected post-participation labor market outcomes including i) addressing barriers to employment through supportive services, ii) providing additional human capital through work-based learning, iii) reducing the scarring impact of a lack of recent work history, and/or iv) encouraging an employer to learn the quality of the applicant and of the idiosyncratic applicant-employer match. The balance of the evidence below suggests that subsidizing private employer learning is the most important of these mechanisms.

6.1 Impacts Are Concentrated Among Participants with a Transitional Job

To unpack the mechanisms, we first split the treatment group into three mutually exclusive subgroups based on their program experience: program exit without a transitional job placement, a placement that did not lead to a permanent job at the host site, or a placement that was followed by an unsubsidized job at the host site.³⁹ These treatment subgroups are not randomly assigned, and these splits therefore do not reflect the causal impact of these different program experiences. However, comparing trends in employment and earnings for these three treatment subgroups and for the control group ([Figure 6](#)) can provide insight into the contribution of the different potential mechanisms.

[Figure 6](#) reveals that these four groups have remarkably similar experiences in the labor market prior to application but begin to diverge following application. First, all four groups have similar levels of pre-application employment—roughly 40 percent in a given quarter—and all experience a similar “Ashenfelter

³⁹[Appendix Section A.14.1](#) provides additional details on how we identified successful subsidized to unsubsidized transitions within an employer across ReHire program records and administrative earnings data.

dip” in earnings. In the quarters following application, however, the two treatment subgroups who received a transitional job placement see a large increase in employment relative to the control group. Both the subgroup who eventually transitioned to unsubsidized employment at their host site (solid black line with circles) and those who did not (dotted dark gray line with triangles) were more than 30 percentage points more likely to be employed in the first quarter following random assignment relative to the control group.

In contrast, the post-application trend in the employment rate among individuals who did not receive a transitional job (dashed light gray line with squares) closely mirrors the trend among the control group (dashed gold line with diamonds). There are multiple reasons why someone randomized into the treatment group may fail to be placed in a transitional job. They could choose not to continue participating in the program (recall that only 72 percent of treatment group members receive any direct cost services); they could receive some supportive services but fail to match with an available host site; or, they could receive some services and find unsubsidized employment prior to securing a subsidized placement. The lack of a meaningful gap between this group’s outcomes and the control group’s outcomes suggests that gaining access to ReHire-funded supportive services alone relative to having access to the standard set of services offered to all job seekers is insufficient to lead to substantial improvements in employment. Instead, nearly all of the positive estimated program impact in the main analysis—during both the in-program period and the initial post-program period—is due to the experiences of the two treatment subgroups who were placed in a transitional job.

6.2 Evidence Supporting Private Employer Learning

Among those placed in a transitional job, there is a stark difference in the persistence of employment depending on whether a participant’s transitional job led to an unsubsidized position with the same employer. After experiencing strong gains immediately following application, employment rates for the group whose transitional job did not lead to an unsubsidized position fell rapidly as their transitional jobs ended. The employment rate for this group converged to the rates for the control group and for the treatment group without a placement by the fourth quarter, and the trends after that time are remarkably similar among all three groups through the 11th quarter. The participants who successfully transitioned to an unsubsidized job with the host employer, however, fared much better. Although the employment rate for this group fell somewhat from the second through the fifth quarter, it remained roughly 20 percentage points higher than the rates of the other three groups throughout the post-program periods. As shown

in [Figure 6b](#), this group also experienced substantial and persistent gains in earnings—more than \$1,000 per quarter. [Figure 6c](#) shows only moderately larger average earnings conditional on employment for this group compared to the other three groups, which suggests that the majority of the earnings differences are due to the higher employment rate rather than earning higher wages or working more hours.

Finally, [Figure 6d](#) presents trends for all four groups in a new outcome—employment with the primary Q1 employer. This quarterly outcome is coded as one when a participant has earnings from their first quarter (Q1) employer and zero otherwise. For applicants who were in a transitional job in quarter 1, we count them as working for their Q1 employer if they have earnings from either the relevant local agency (i.e. as part of their initial placement) or from the host site directly (i.e. after successfully transitioning to unsubsidized employment). If applicants have earnings from multiple employers in the first quarter, we treat the employer from whom they earned the most as their Q1 employer. Applicants with no Q1 earnings do not have a Q1 employer and are coded as 0 for this outcome in every quarter. Comparing panel (a) to panel (d) reveals that the gap in employment rates at any employer mirrors the difference in the likelihood of remaining employed at the Q1 employer. We directly compare the ITT effects on these two outcomes in [Figure 7](#). The ITT effect on employment (black circles) is nearly identical to the ITT effect on employment at the Q1 employer (gold diamonds) during the first three years following random assignment. In the fourth year when employment effects dissipate, the effect on employment at the Q1 employer remains positive and significant.

The set of results in [Figure 6](#) and [Figure 7](#) is consistent with the interpretation that the private employer learning mechanism is the primary means by which ReHire affects post-program outcomes, with other mechanisms making minimal contributions. Under this interpretation, the supported trial period allows the participants and employers to discover whether a potential match is profitable, and the continuation of the matches that are revealed to have large surpluses leads to persistent employment and earnings gains among a subset of transitional job holders. The fact that participants who were not hired by their host site have post-program outcomes that match both the control group and the treatment subgroup who were not placed in a transitional job for the first three years post-randomization suggests that two other potential mechanisms—work-based human capital gains and reduced scarring—play a minimal role. If either of these mechanisms were important in ReHire’s program impact, participants who held a transitional job but were not hired by their host site would nevertheless experience more positive post-program outcomes. Note that this interpretation does not require that scarring or work-based learning are unimportant in

the low-wage labor market more generally. Instead, it is possible that any human capital gained from a short-duration transitional job—including the work experience listed on the resume—did not improve the ReHire participant’s signal of quality to subsequent employers. Further, evidence from the follow-up survey showed little difference in employment barriers 18 months after application ([Table 4](#)), providing additional evidence that supportive services to address barriers likely had no direct effect on post-program outcomes.

6.3 Alternative Explanations for the Decomposition

There are, however, alternative explanations for the pattern of results in the decomposition of outcome trends among the treatment group. In general, these alternatives require program applicants to have heterogeneous treated outcomes for reasons other than employer learning. Using additional descriptive analysis, we consider two specific possible sources of such heterogeneity. First, case workers may have assigned the most job-ready participants to transitional jobs with higher likelihoods of leading to permanent employment so as to improve their performance on that criterion (i.e., “cream skimming,” see [Bell and Orr, 2002](#); [Heckman and Smith, 2011](#)). Second, the differential persistence may reflect differences in features of the placements themselves.

If cream skimming were happening, it would lead to systematic differences in the characteristics of the three different treatment subgroups shown in [Figure 6](#). Instead, we find that these three groups are, on the whole, very similar across a rich set of baseline characteristics observable to the caseworker at the time of application, including the participants’ baseline survey responses, job history, and the caseworker’s assessment of the participant’s likelihood to succeed in the program. The left portion of each panel of [Figure 6](#) provides initial evidence of this similarity. For each outcome, all three treatment subgroups and the control group have similar levels and similar trends prior to randomization. While slight differences exist in some quarters, employment rates of all four groups were around 40 to 45 percent ([Figure 6a](#)), with meaningful differences appearing only after application. Additionally, average earnings among all four groups followed similar trends in the quarters prior to randomization, with each group’s earnings falling in advance of applying for the program ([Figure 6b](#) and [Figure 6c](#)).

The only portion of [Figure 6](#) that potentially suggests unobserved heterogeneity among the treatment subgroups is the divergence in employment and earnings outcomes in quarters 12–16. During this time period, the treatment group members who received a TJ but were not hired by their host site experienced notably lower employment rates and average earnings compared to the treatment group members who never

received a transitional job. If this difference had materialized immediately after the end of program services, the simplest interpretation would have been that the group not hired by their host site was negatively selected on unobservable characteristics related to labor market success. This interpretation remains a possibility, but the fact that the divergence appears only after most of the sample had experienced the pandemic-related shutdowns offers an alternative interpretation that this group was particularly vulnerable to that labor market shock. Nevertheless, we note that this divergence may indicate a small amount of selection into the three treatment subgroups.

Table 5 demonstrates that the three treatment groups and the control group had similar observable baseline characteristics that could be related to their ability to find a job (subsidized or unsubsidized). Columns (1) through (4) report the mean characteristics of the control group and of the three treatment subgroups, respectively. Column (5) provides differences in means among the treatment group by transitional job placement, and column (6) reports differences based on subsequent permanent hire among those with a transitional job.⁴⁰ A few observable characteristics are statistically different by transitional job placement status (columns 3 and 4 vs. column 2). Participants who are male, have been homeless, or had a prior felony conviction were less likely to receive a transitional job placement, and a test of the null hypothesis that job placement is unrelated to all of the listed baseline characteristics is rejected ($p < 0.01$). However, few characteristics are different between those who were hired by their transitional job host site and those who were not (column 4 vs. column 3), and we fail to reject the null hypothesis that, among those placed into a transitional job, being hired by one’s host site is unrelated to the full set of baseline characteristics ($p = 0.33$). There are small differences in the caseworkers’ scoring of an applicant’s job readiness such as their “motivation to get back to work” or their “likelihood to overcome employment barriers” (roughly one third of a point on a ten-point scale), as well as small differences in grit and two components of the Big 5 (roughly one tenth of a point on a five-point scale).⁴¹

The small differences in baseline characteristics between transitional job recipients who were and were not hired by their host site cannot explain the post-program gaps in employment and earnings between these two groups. Figure 8 plots the within-service-agency gaps in quarterly employment between the two treatment subgroups (black circles). Even after controlling for both case worker assessments of job readiness and all of the other characteristics reported in Table 5, post-program employment gaps remain

⁴⁰The differences in these two columns control for the same vendor-randomization rate block fixed effects as in the main analysis.

⁴¹Appendix Section A.14.2 provides more detail on how the distribution of caseworker scores relates to transitional job placement rates and subsequent hiring rates (Appendix Figure A-10).

little changed (gold triangles).

The final line in Figure 8 (gray squares) examines the final candidate explanation for differences in persistence based on whether a participant with a transitional job is hired by their host site—differences in the placements themselves. This line shows employment gaps after adding further controls for employer size and industry and reveals that differences in these characteristics of the placement cannot account for the observed gap.⁴²

Finally, to more carefully determine whether there were systematic differences among these treatment subgroups, we used machine learning tools to test whether the individual characteristics measured in the administrative data and baseline survey are predictive of program experience. Appendix Section A.14.3 provides full details of the methods and results. Although the tools generate large in-sample differences in predicted program experience, these predictions do not perform well when applied to a holdout sample of treatment group individuals not used to form the prediction (see Appendix Table A-21). On the whole, this exercise confirms the qualitative results shown in Table 5, with baseline characteristics being somewhat predictive of transitional job receipt but not of being hired by the host site.

6.4 Understanding Key Features of the Low-Wage Labor Market

The labor market dynamics predicted by a search model augmented with noisy quality signals and employer learning (Pries and Rogerson, 2005, 2022) play out in the absence of a wage subsidy among the population eligible for ReHire. Figure 9 examines employment and earnings trends among individuals in the control group who worked in the quarter following application. The figure splits the sample by whether individuals are still employed by the same employer two quarters later (black line with circles) or not (gold dashed lines with diamonds).

The figure reveals three descriptive facts. First, pre-application levels and trends in employment and earnings are fairly consistent between the two groups, although those who maintain employment with the same employer have slightly higher earnings in the year before ReHire application. Second, a large share of matches end quickly—60 percent of those employed in Q1 are not employed with the same employer two quarters later. Finally, those who do not maintain employment with the same employer return to their long-run employment rate of roughly 50 percent and average earnings of about \$2,500 per quarter, whereas those who continue employment with the same employer see lasting employment gains through at least the

⁴²Descriptive analysis of the characteristics of the host sites as well as the timing of placements is provided in Appendix Table A-20.

16th quarter post-application. This persistence is in part explained by the fact that a significant share of this group remain employed by this same employer for much of this four-year period. This figure therefore implies two key features of the low-wage labor market. First, it is difficult for an employer to predict a worker’s fit with a position in advance. Second, match quality is not simply a function of unobserved durable traits of the worker. Instead, it appears to depend on idiosyncratic features of the match between the employer and the employee that are revealed only after the employee is hired but relatively early in the employee’s tenure.

Further, the ReHire data allow us to test two additional predictions of how a subsidized and supported temporary job should affect the outcomes of participants based on this augmented search model. First, access to a wage subsidy should increase the likelihood that an individual forms a new match. In the equilibrium of the search model, an employer hires a potential employee if their quality signal exceeds a threshold, which will be lower for applicants who can work for free during a trial period. Second, matches formed without the wage subsidy should be of higher quality and more likely to persist relative to jobs formed with the subsidy. Because the wage subsidy lowers the hiring threshold, formed matches will be drawn from a lower portion of the signal distribution and, in expectation, will be of lower true productivity.

[Appendix Section A.14.4](#) shows that data from the follow-up survey and the timing of transitional job placements are consistent with both of these predictions. Within 9 months of ReHire application, 90 percent of the treatment group who had access to the wage subsidy successfully started a new position—inclusive of transitional job placements—compared to only 60 percent in the control group. The transitional jobs, however, were substantially less likely to persist compared to unsubsidized matches formed among the control group. Only 29 percent of transitional job holders worked at their host-site employer 9 months after starting, whereas 50 percent of new matches among the control group lasted at least that long.

Taken together, the decomposition evidence and the consistency of the data with the model’s predictions presented in this section suggest that a key way transitional jobs programs improve labor market attachment is by allowing firms and workers to form matches that otherwise would not have formed and to learn whether they create sufficient surplus. This interpretation of our descriptive analysis has a clear policy implication: administrators of similar programs should aim to create placements that closely mirror unsubsidized jobs at the same employer to better facilitate successful transitions. Further, it suggests that alternative policies that provide low-cost ways of allowing firms and workers to reveal their match quality could help address persistent unemployment in the lower-wage labor market more generally.

7 Treatment Effect Heterogeneity

Research on active labor market programs show a wide variety of effects between programs, and, in particular, across different types of target populations (Card, Kluve and Weber, 2018). ReHire has relatively broad eligibility criteria compared to other transitional jobs programs, which usually target specific populations (e.g., formerly-incarcerated jobseekers or current TANF recipients), providing an opportunity to investigate which types of people benefit most from subsidized employment programs.

We take two approaches to explore heterogeneity. We first present descriptive sample splits that report program effects separately for subgroups of applicants. While the previous section documented that individual characteristics were not successful at predicting program experience, it is possible that different types of participants experienced larger program treatment effects for other reasons. In defining subgroups, we use characteristics that are known to be important in determining labor market outcomes—for example, gender, previous labor market attachment, education, grit, cognitive ability (Raven’s), and acquired skills (math). Then, because we did not pre-specify particular subgroups of interest prior to data collection, we complement the subgroup analysis with a data-driven machine-learning approach to provide a more rigorous examination of heterogeneous treatment effects using the rich baseline data.

Figures 10 and 11 present the results of the subgroup analysis for quarterly employment rates and average earnings during the in-program and post-program pre-COVID periods, respectively. Each point in the graphs represents the coefficient on treatment status from estimating Equation 1 when limiting the sample to the subgroup listed on the vertical axis. For each subgroup listed, the complementary subgroup(s) also appears in the graph. For example, the figure includes both “Did not work last year” and “Worked last year” as subgroups. For baseline characteristics measured continuously, we show splits based on above-median (“High”) or below-median (“Low”) values of the characteristic. The solid black vertical line provides the estimated treatment effect using the entire sample, and the dashed vertical line at zero corresponds to no treatment effect.

The figures suggest that some groups had larger treatment effects than others, which could be the result of actual underlying heterogeneity or because of sampling variability. For example, individuals who did not work in the year before application see the largest impacts on in-program employment. Interestingly, the estimated effects for populations targeted by the most similar programs—TANF recipients, applicants with a felony conviction, and veterans—are among the subgroups with negative estimates of post-program effects on employment and earnings. Across both outcomes and both time periods, however, the distribution of

subgroup treatment effects is clustered fairly tightly around the full sample average treatment effect.

Because there are many potential characteristics to stratify on and because many of these measures are correlated, we adopt the method of [Chernozhukov et al. \(2020\)](#) to examine heterogeneity more systematically. This machine-learning-based method, described in more detail in [Appendix Section A.15](#), provides a formal test of the null hypothesis that there is no predictable heterogeneity in treatment effects when using baseline characteristics as predictors.

We find some evidence of meaningful heterogeneity for one outcome: having any in-program employment. Using an elastic net to predict each individual’s conditional average treatment effect (CATE), we find the CATE predictive of heterogeneity ([Appendix Table A-26](#)). Individuals predicted to be most affected experienced an 18.4 percentage point increase in the likelihood of having any in-program employment, compared to a 6.5 percentage point effect among the least affected group ([Appendix Table A-28](#)). The 11.8 percentage point difference in the group average treatment effects is statistically significant at the 10 percent level. The characteristics that relate to having a larger effect on any in-program employment are similar to those that were predictive of transitional job placement—weak labor market attachment in the year before application ([Appendix Table A-29](#)). Across all other outcomes and using various machine learning methods, the data fail to detect meaningful heterogeneity although the confidence intervals are fairly wide, and we may be underpowered to detect meaningful differences.

We nevertheless interpret the results of this exercise as reinforcing the conclusion that the treatment effects of ReHire are relatively homogeneous. While the program might be able to increase in-program impacts by prioritizing participants who are least likely to work in the absence of the program, we find no evidence that service providers could improve the program’s longer-term effectiveness by targeting resources toward any particular set of potential program participants.

8 Discussion

This paper provides new evidence of the impact of a broadly targeted enhanced transitional jobs program on a wide variety of outcomes including employment, earnings, labor market attachment, SNAP/TANF usage, job quality, subjective well-being, credit worthiness, and credit usage. We find that, relative to the control group, the treatment group experienced a large increase in employment and earnings in the first year while receiving services. Although these gains attenuated after services stopped, treatment group members remained somewhat more likely to be employed and had moderately higher earnings compared

to the control group during the second and third year following randomization. Further, 18 months after application, the treatment group also had higher job quality and self-reported well-being. We find no evidence that program access affected government benefit receipt, improved credit worthiness, or changed usage of credit.

In order to understand the cost-effectiveness of ReHire Colorado and to benchmark it against other programs, we calculate the Marginal Value of Public Funds (MVPF) for expenditures on the program (Hendren and Sprung-Keyser, 2020). Given the uncertainty around the durability of the earnings impacts due to the pandemic, we consider MVPF calculations using only experimental impacts as well as using estimates from the surrogate approach over a range of post-application time periods—see Appendix Section A.16 for full details. Our preferred estimates, which use the surrogate impacts through the 30th quarter post-randomization and an annual discount rate of 3 percent yields an estimated willingness to pay of \$4,378 per participant.⁴³ Under the assumption that none of ReHire’s services are available to the control group through other funding sources, the net costs of the program—after adjusting for increased taxes paid out of improved earnings—are \$4,962. These estimated benefits and costs combine for an MVPF estimate of 0.88 with a 95 percent confidence interval of (0.17, 1.86).⁴⁴ This estimate is well above the MVPF estimate for Job Corps and JobStart and is within the confidence interval of the adult JTPA program. It is also broadly in line with other policies targeting similar adults—unemployment insurance, disability insurance, and the EITC.⁴⁵ Overall, we interpret the results of this analysis as suggesting that transitional jobs programs like ReHire Colorado are a valuable policy tool in addressing the needs of unemployed lower-wage workers.

Our analysis also has three important implications for the design and operation of transitional jobs programs. First, the finding in Section 6 that all of the post-program gains in employment and earnings accrued to the 15 percent of the treatment group who both held a transitional job and were subsequently hired by their host site suggests that similar programs should strive to have more participants experience this outcome. ReHire job developers were explicitly encouraged to recruit host sites where successful participants could join as permanent employees. Future programs will likely see the largest post-program effects to the extent that they prioritize the possibility of this outcome when recruiting host sites. To

⁴³Our estimate does not explicitly account for the labor-leisure tradeoff faced by the participant nor for the benefits accrued by the employers who receive a fully-subsidized worker, which we effectively treat as offsetting each other. See Appendix Section A.16 for more discussion of the limitations of this approach.

⁴⁴Using only the experimental impacts through quarter 16 yields an MVPF of 0.32. Assuming that the surrogate-estimated impacts last through the remainder of an applicant’s working career leads to an MVPF of 1.74. As expected, the MVPF rises substantially under alternative assumptions about the cost of ReHire services relative to the cost of similar services for the control group. Under the most generous assumption that the control group receives services equivalent to those paid for out of all of ReHire’s indirect costs, the estimated MVPF is nearly 4.

⁴⁵Estimates from Hendren and Sprung-Keyser (2020), Table II. More details are available in Appendix Section A.16.

illustrate the quantitative importance of this potential improvement, [Appendix Table A-30](#) includes an alternative MVPF calculation under the assumption that 50 percent more participants (22.5 percent vs. 15 percent) were hired by their host site. The MVPF rises to 1.36 in this scenario, meaning that a program meeting this objective would be more efficient than a non-distortionary transfer. Subsequent RCTs should test both program enhancements aimed at increasing host site hiring and more explicitly explore the employer learning mechanism.

Second, our results suggest little scope for improving the effectiveness of transitional jobs programs by targeting specific sub-populations. The sample from this evaluation is largely representative of the low-income adult population in Colorado and includes many of the populations targeted in earlier interventions. Both the result from [Section 6.3](#) showing that it is difficult to predict which participants will be hired by their host site and the results in [Section 7](#) showing a lack of systematically heterogeneous treatment effects support the policy choice to operate this type of program with broad eligibility.

Third, this study provides an additional piece of evidence supporting the effectiveness of supportive services as enhancements to subsidized employment programs. Although this study does not directly estimate the impact of wage subsidies alone, earlier evaluations of subsidized employment without wraparound services showed less promising results ([Bloom, 2010](#)), suggesting that including both program elements leads to a more positive impact. This interpretation is consistent with other recent evaluations of education ([Azurdia and Galkin, 2020](#); [Brough, Phillips and Turner, Forthcoming](#); [Evans et al., 2020](#); [Weiss et al., 2019](#)), housing ([Bergman et al., 2020](#)), and anti-poverty ([Evans et al., 2023](#)) programs that demonstrate the importance of individualized coaching or intensive case management.

Beyond its significance for transitional jobs programs specifically, the finding that employer learning is the key to ReHire's success has broader implications for the design of many programs supporting lower-wage unemployed workers. The evidence in [Section 6.2](#) suggests that any skills learned during the supported transitional job either were not valued by or could not be credibly signalled to subsequent employers. This finding is consistent with recent experimental evidence among low-wage job seekers in Africa ([Abebe et al., 2021](#); [Abel, Burger and Piraino, 2020](#); [Bassi and Nansamba, 2021](#); [Carranza et al., 2022](#)) and youth participating in summer employment programs in New York City ([Heller and Kessler, Forthcoming](#)) that highlights the importance of being able to credibly signal skills to potential employers in improving employment and earnings. Incorporating relatively cheap technology—such as letters of recommendation—into transitional jobs programs could improve outcomes for workers not hired by their host site but who

demonstrated positive worker qualities, which could improve the program’s cost effectiveness. Moreover, sectoral training programs have found success in providing transferable skills alongside industry-recognized certifications, with earnings gains lasting at least 5 years (Katz et al., 2022; Fein and Hamadyk, 2018; Fein and Dastrup, 2022). Together, this recent evidence suggests that programs that aim to improve outcomes through human capital accumulation will be most effective when combining training or work experience with an improved signal of those new skills to potential employers.

Finally, this paper furthers our understanding of the low-wage labor market more generally by providing empirical evidence consistent with a model where employers fully learn a worker’s quality only after hiring them. As argued in Pries and Rogerson (2022), this framework implies that recent improvements in screening tools—such as algorithmic resume evaluation—will increasingly lead to workers with lower-quality signals being passed over by hiring managers. Absent interventions to encourage employers to take a chance on riskier applicants, this dynamic will continue to exacerbate inequality in the labor market and leave many workers stuck in cycles of unemployment.

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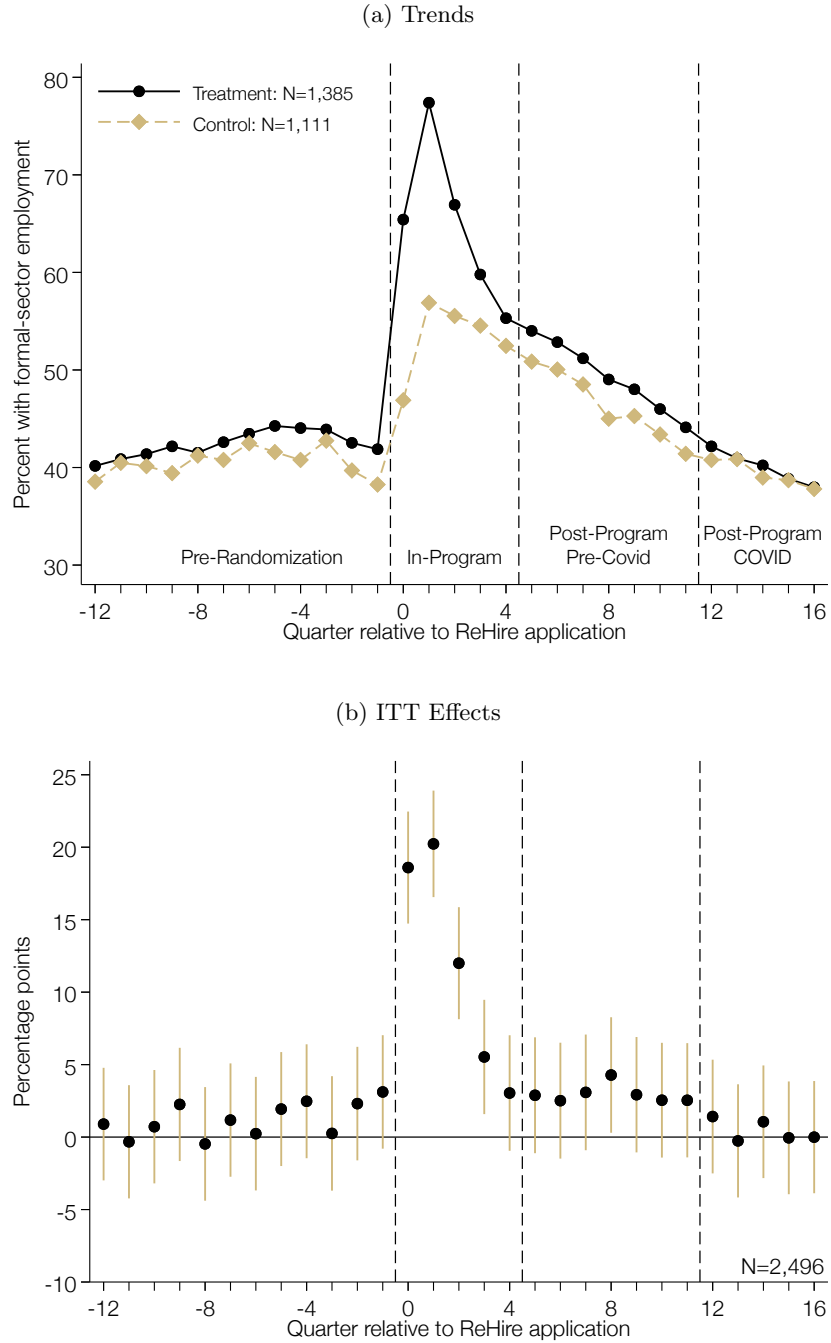
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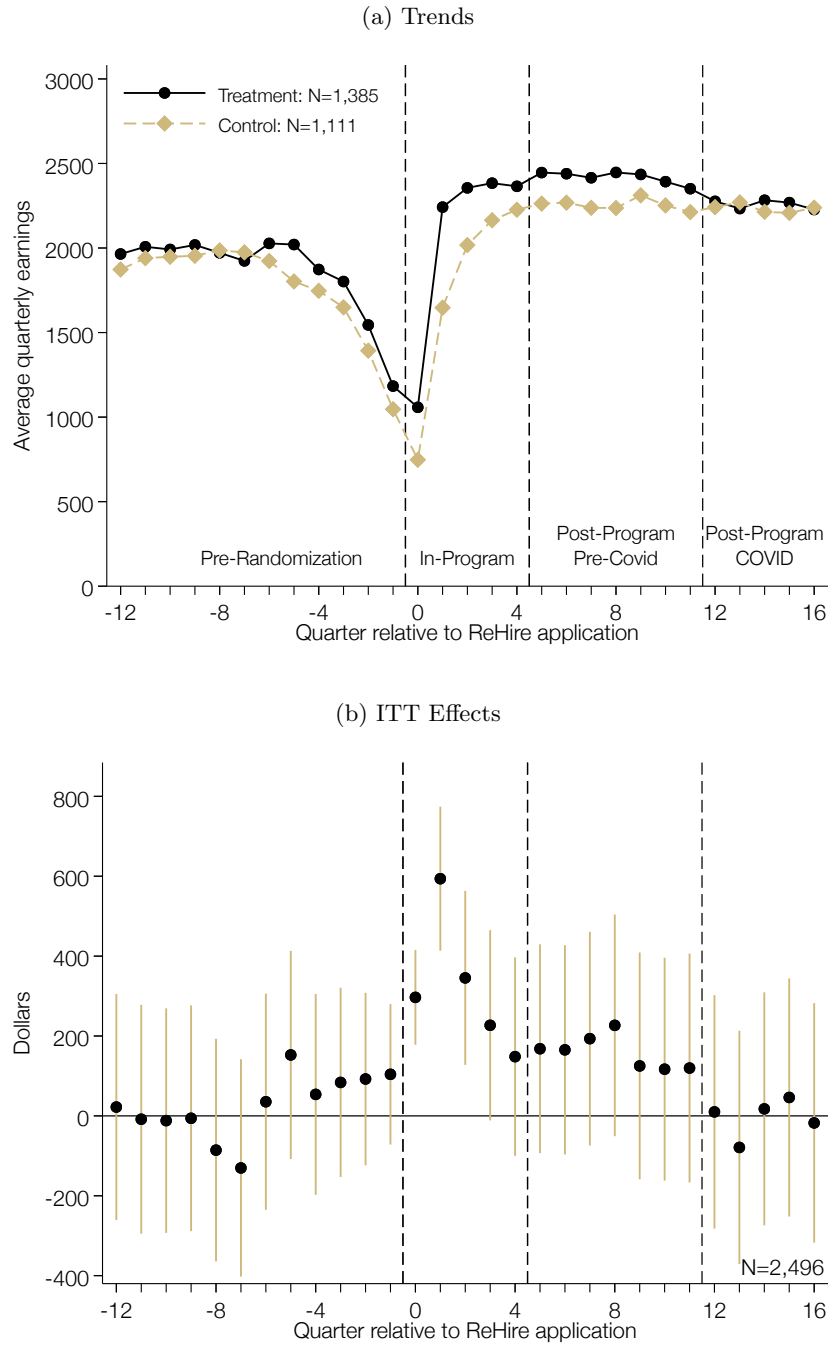
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Figure 1: Formal-Sector Employment Rates in Colorado by Treatment Status



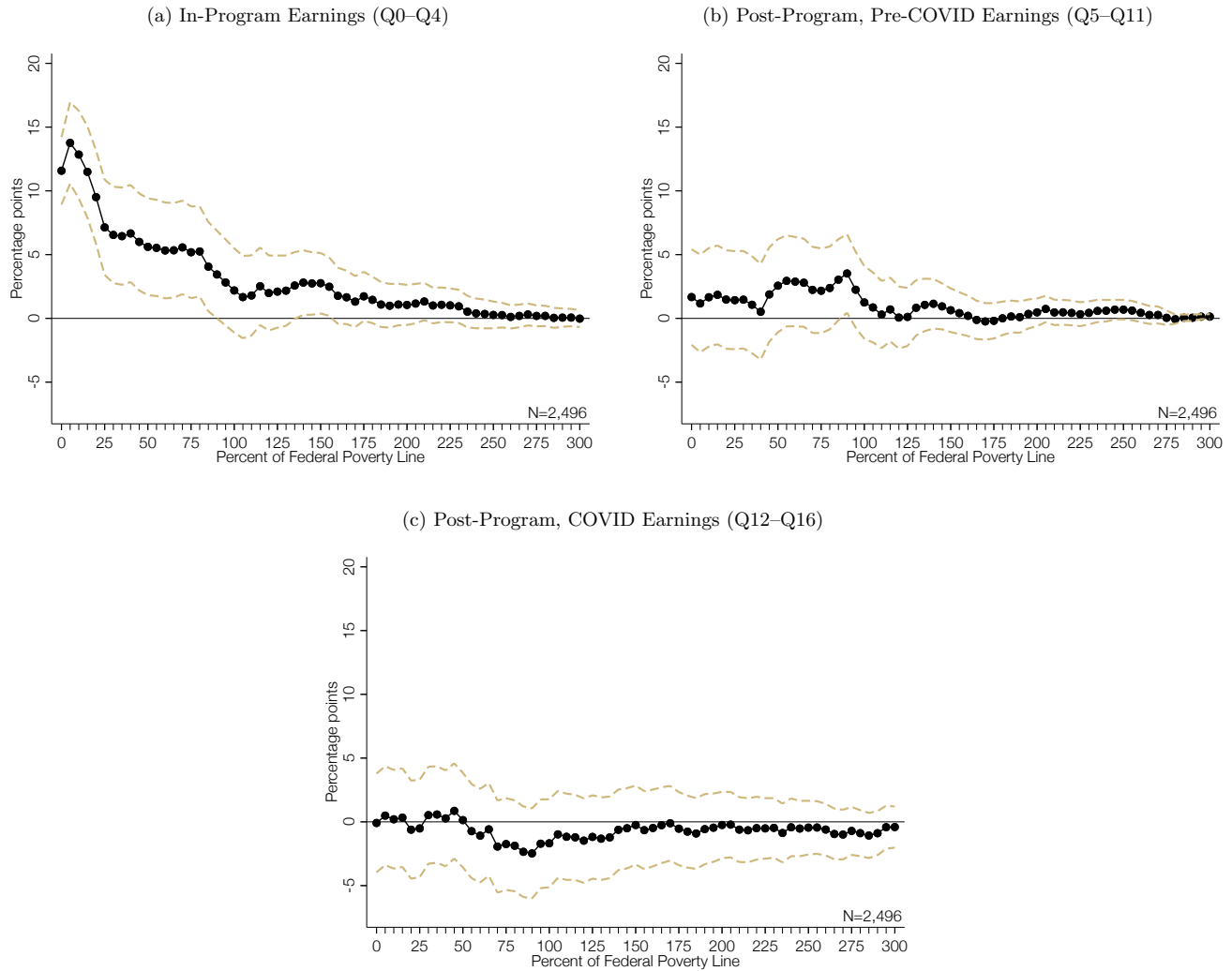
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal-sector employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal-sector employment. Treatment and control groups are based on an individual's randomly assigned treatment status. The top panel plots the percent of treatment and control applicants with formal-sector employment. The bottom panel plots the treatment-control differences in average quarterly employment, controlling for stratification fixed effects. Gold vertical bars represent the 95 percent confidence intervals constructed using heteroskedasticity-robust standard errors. The p -value from a test that all pre-treatment differences are jointly 0 is 0.456. Point estimates and standard errors for post-application differences are reported in [Appendix Table A-4](#).

Figure 2: Formal-Sector Earnings in Colorado by Treatment Status



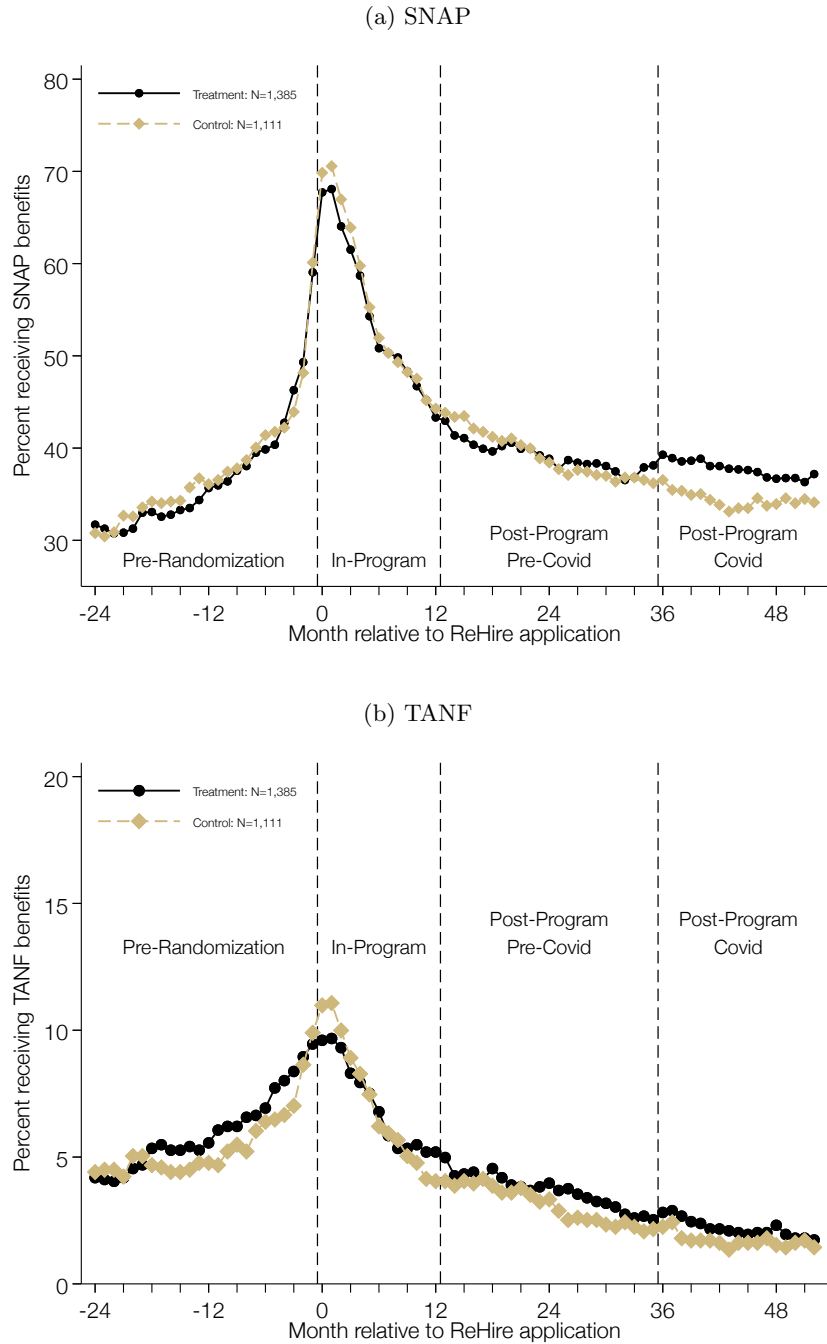
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal earnings is defined as UI-covered earnings in Colorado in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector earnings. Treatment and control groups are based on an individual’s randomly assigned treatment status. The top panel plots the average quarterly earnings in Colorado of treatment and control applicants. The bottom panel plots the treatment-control differences in average quarterly employment, controlling for stratification fixed effects. Gold vertical bars represent the 95 percent confidence intervals constructed using heteroskedasticity-robust standard errors. The p -value from a test that all pre-treatment differences are jointly 0 is 0.568. Point estimates and standard errors for post-application differences are reported in [Appendix Table A-4](#).

Figure 3: ITT Effect of ReHire on the Likelihood That Earnings Exceed Federal Poverty Line Thresholds



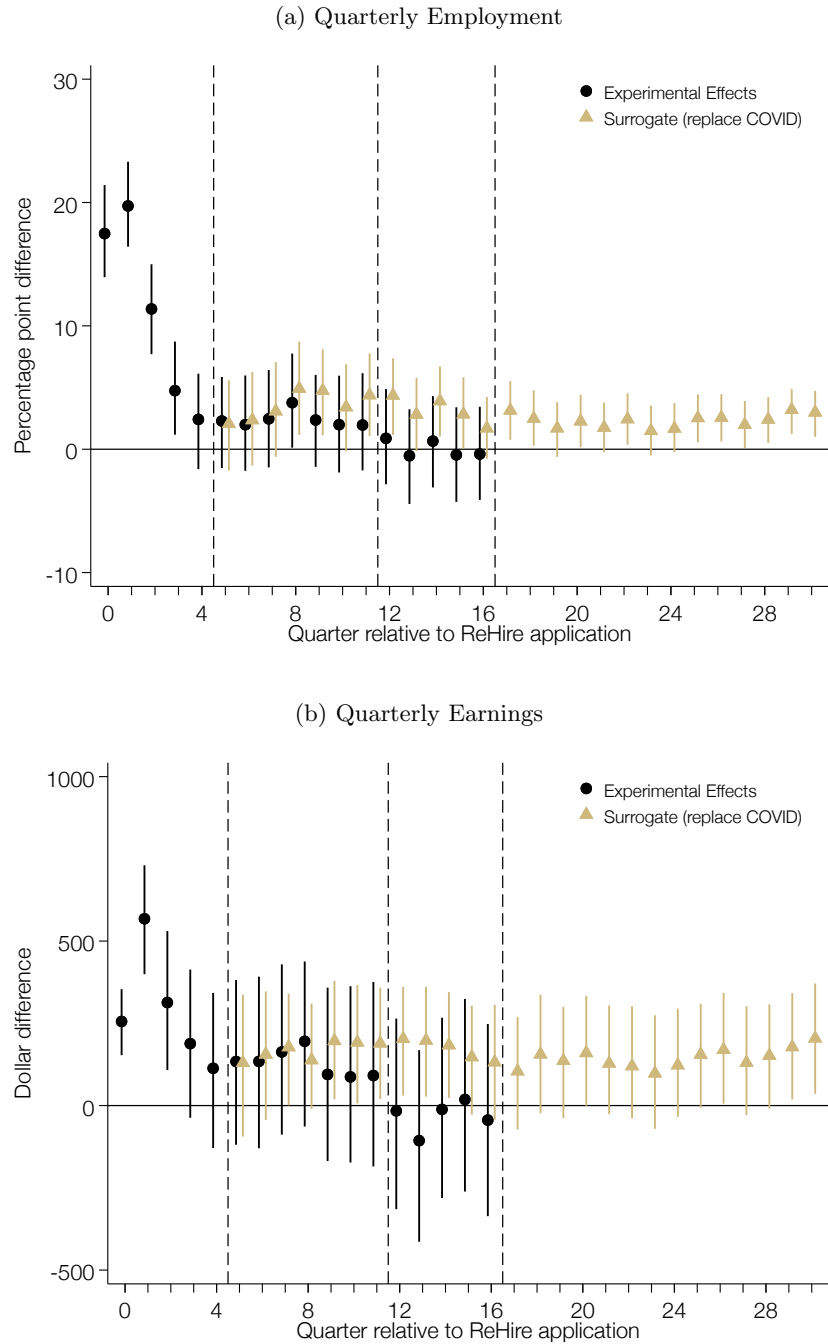
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. The figure plots the coefficients from regressions where the outcome is an indicator that an individual’s earnings exceeded a given percent of the federal poverty line, assuming a single-person household. Earnings in Panel (a) are measured from the quarter of random assignment through the 4th quarter following random assignment. Earnings in Panel (b) are measured from the 5th quarter following random assignment through the 11th quarter following random assignment. Panel (c) are measured from the 12th quarter following random assignment through the 16th quarter following random assignment—the period where more than half of the sample was experiencing potential labor market disruptions from the COVID-19 pandemic. The horizontal axis depicts the threshold. The vertical axis depicts the magnitude of the point estimate in percentage points. Connected black circles represent each of the estimated ITT effects and the dashed gold lines above and below represent the 95% confidence intervals constructed using heteroskedasticity-robust standard errors.

Figure 4: SNAP and TANF Participation in Colorado by Treatment Status



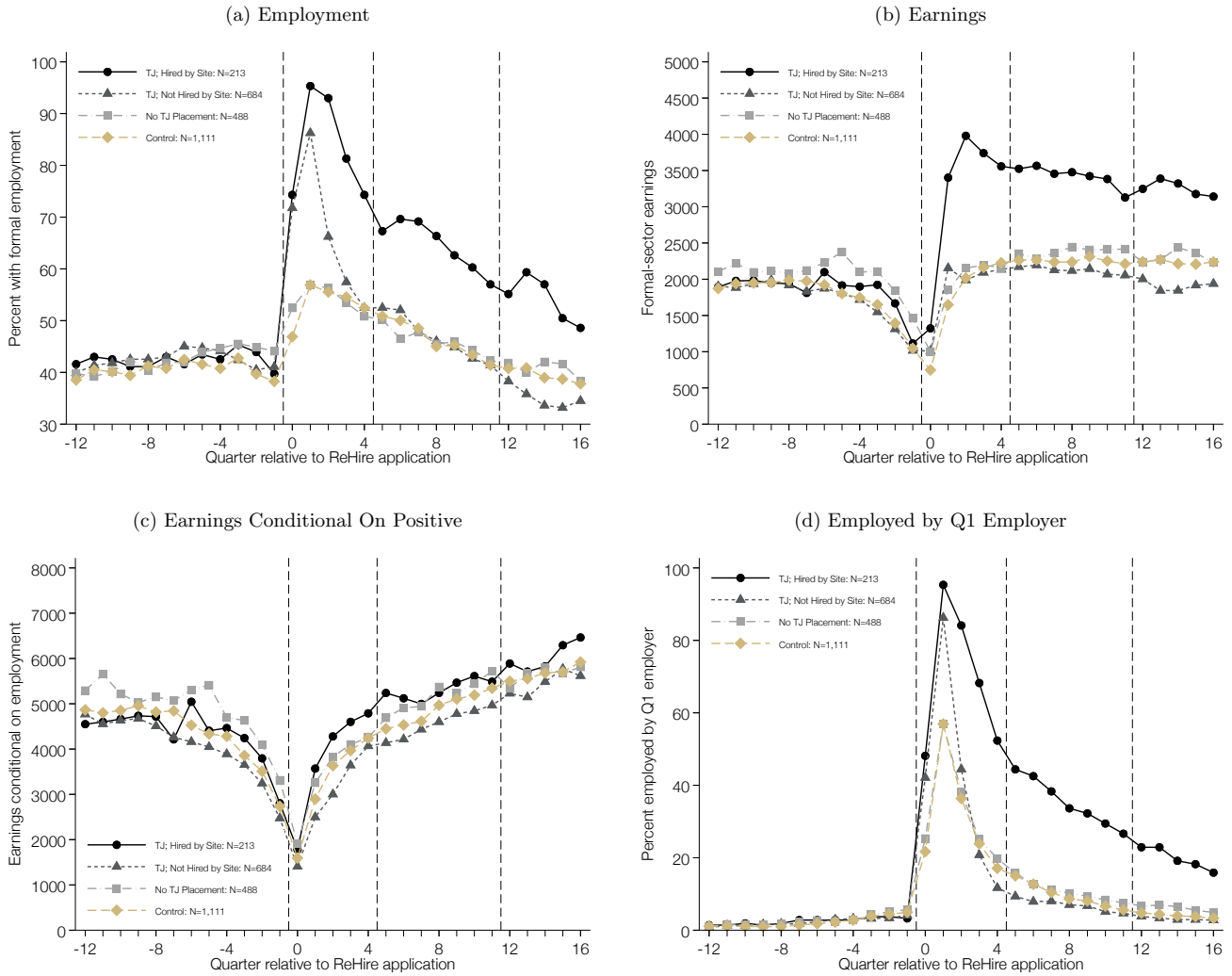
Notes: Data source is administrative SNAP and TANF data from CDHS. Each monthly sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Month 0 represents the month in which an individual completed their application, and is thus a different calendar month from person to person. Beginning in the 36th month following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Individuals are coded as receiving SNAP/TANF if they were paid a monthly benefit from CDHS; benefits received in other states are not observed and are treated as zero. Treatment and Control groups are based on an individual's results in the randomization process. The top panel plots the percent of treatment and control applicants participating in SNAP in a given month. The bottom panel plots the percent of treatment and control applicants participating in TANF in a given month.

Figure 5: ITT Effects of ReHire Access on Employment and Earnings, Observed and Surrogate Estimates



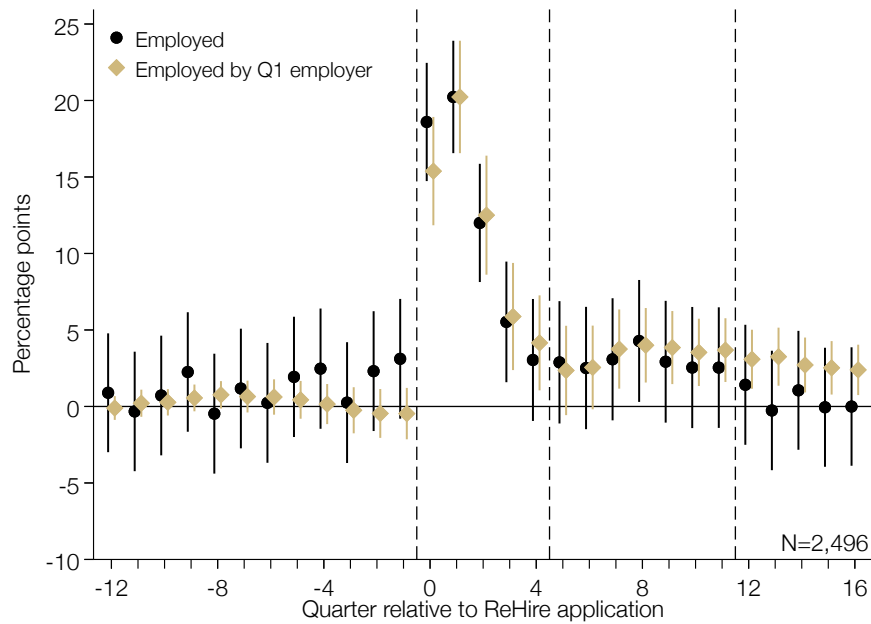
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied to the program between 7/2015 and 12/2018, as well as an earlier wave of 997 ReHire participants who applied before the RCT between 1/2014 and 6/2015. The figure plots ITT effect estimates of the impact of ReHire access on employment (Panel a) and earnings (Panel b). Black circles depict ITT estimates that come from a regression of the outcome on an indicator for treatment, controlling for stratification fixed effects and controls selected from the post-double selection LASSO procedure (Belloni, Chernozhukov and Hansen, 2014). Estimates depicted by gold triangles come from the surrogate index approach described in Appendix Section A.11 where we replace any individual's post-2019 outcomes with a surrogate outcome predicted using the observational data. Vertical bars represent the 95 percent confidence intervals constructed from 1,000 bootstrap trials of the estimation procedure.

Figure 6: Formal-Sector Employment and Earnings in Colorado by Treatment Assignment and Transitional Job Completion



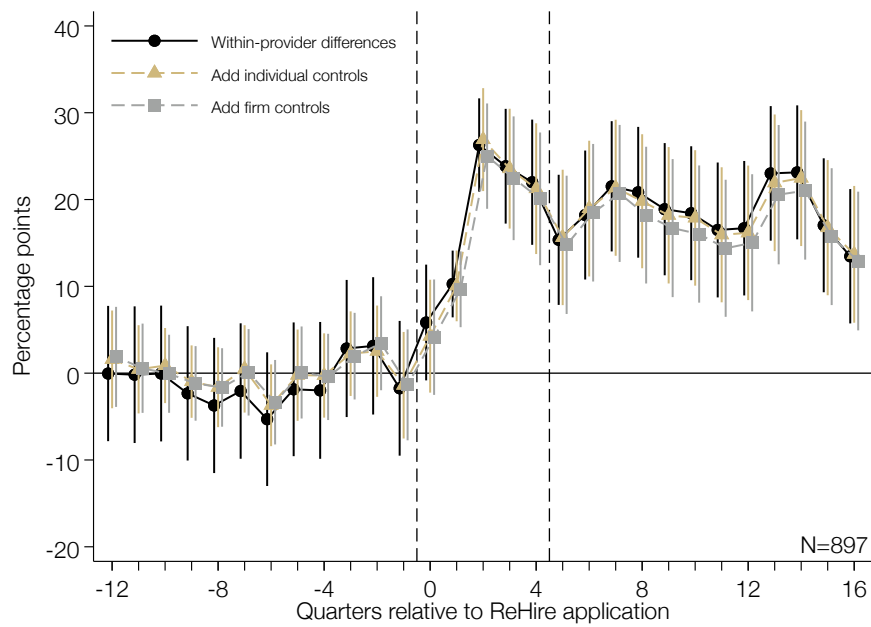
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal earnings is defined as UI-covered earnings in Colorado in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector earnings. Treatment and control groups are based on an individual's randomly assigned treatment status. The treatment group is further divided based on transitional job (TJ) receipt and whether individuals were hired by their transitional job host site. The figure plots the (a) quarterly employment rates, (b) average quarterly earnings, (c) average quarterly earnings among individuals with positive earnings, and (d) percent employed by the same employer as their Q1 employer.

Figure 7: ITT Effects of ReHire Access on Employment and Employment at the Q1 Employer



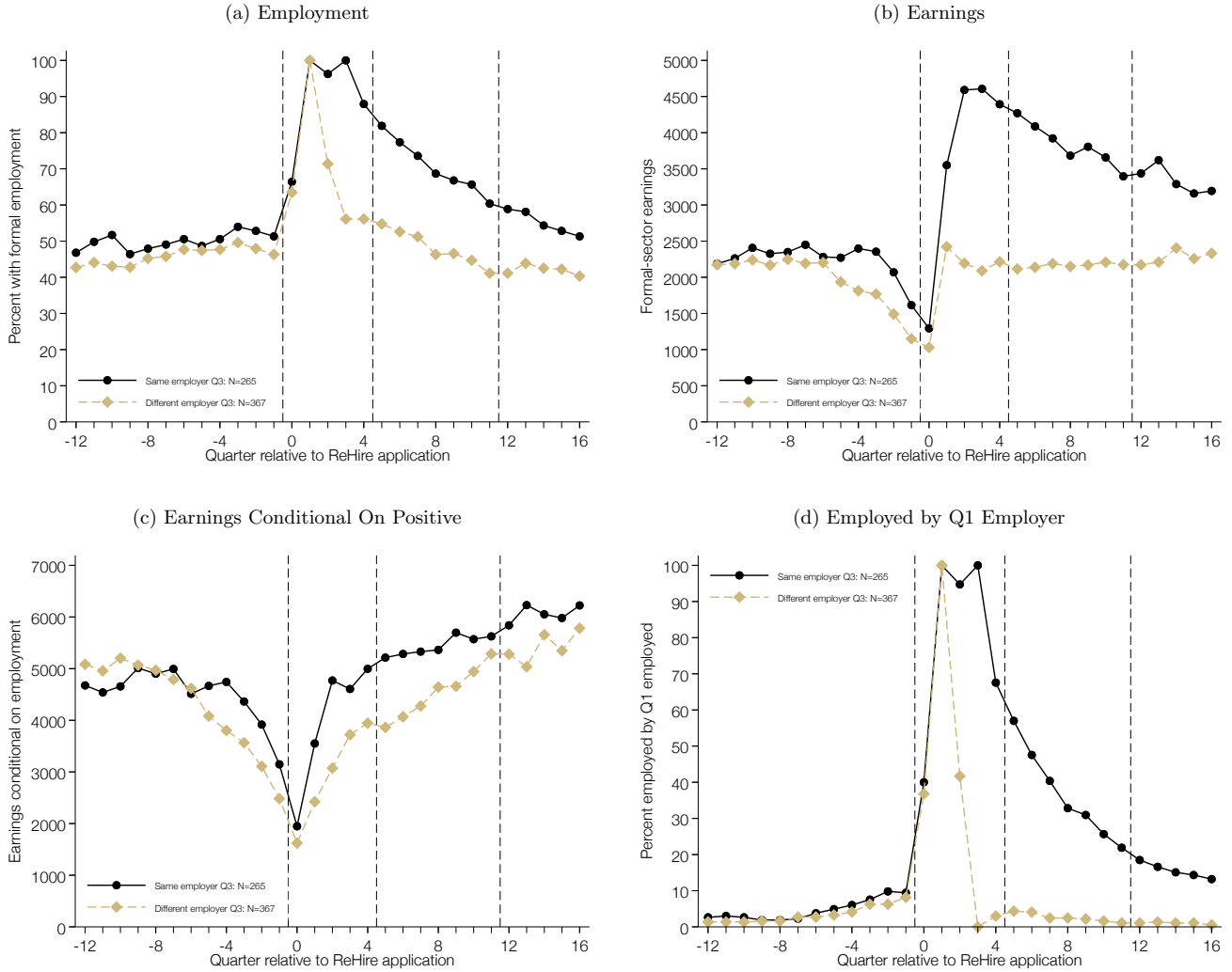
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal-sector employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal-sector employment. An individual's Q1 employer is the employer from Q1 with the largest earnings. If this employer is a ReHire service provider, then this employer also includes the individual's UI-linked employer host site, if applicable. If an individual was not employed in Q1, this outcome takes the value of 0 in all quarters. Treatment and control groups are based on an individual's randomly assigned treatment status. The figure plots the treatment-control differences in quarterly employment (black circles) and quarterly employment at the Q1 employer (gold diamonds), controlling for stratification fixed effects. Vertical bars represent the 95 percent confidence intervals constructed using heteroskedasticity-robust standard errors.

Figure 8: Differences in Employment Rates among Transitional Job Recipients, Hired by Employer Site versus Not Hired by Employer Site



Notes: Data source is administrative UI earnings data from CDLE. The sample includes 898 ReHire applicants who applied between 7/2015 and 12/2018 were assigned to the treatment group and were placed into a transitional job. The figure plots differences in quarterly employment rates between TJ recipients who were and were not hired by their employer host site controlling for strata fixed effects. Black circles report the coefficient on an indicator for hire in a regression without any additional controls. Gold triangles report the coefficient on an indicator for hire in a regression that flexibly controls for the two caseworker assessments, as well as linearly controls for the characteristics listed in Table 5. Grey squares report the coefficient on an indicator for hire in a regression that controls for host site firm size and industry. Vertical black, gold, and grey bars represent the 95 percent confidence intervals constructed using heteroskedasticity-robust standard errors.

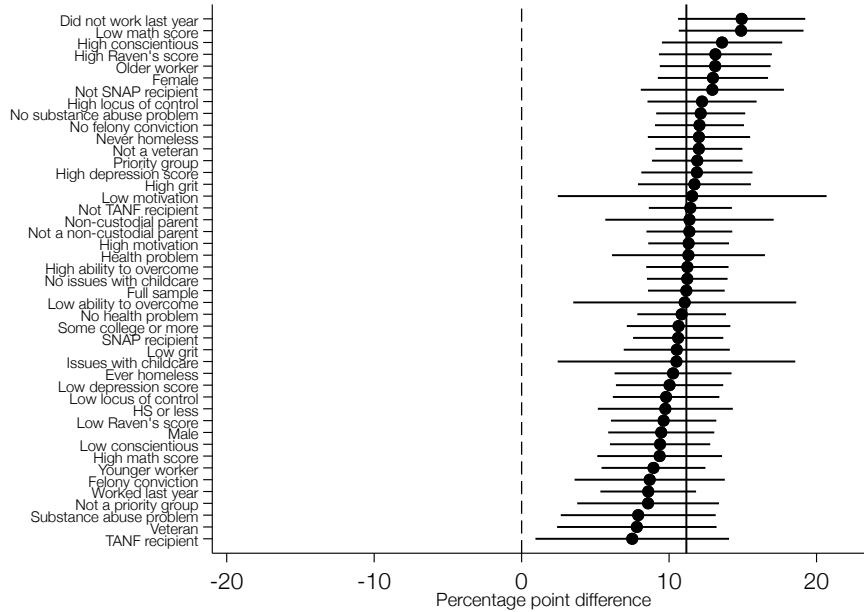
Figure 9: Control Group Formal-Sector Employment and Earnings in Colorado by Quarter 1 and Quarter 3 Employment



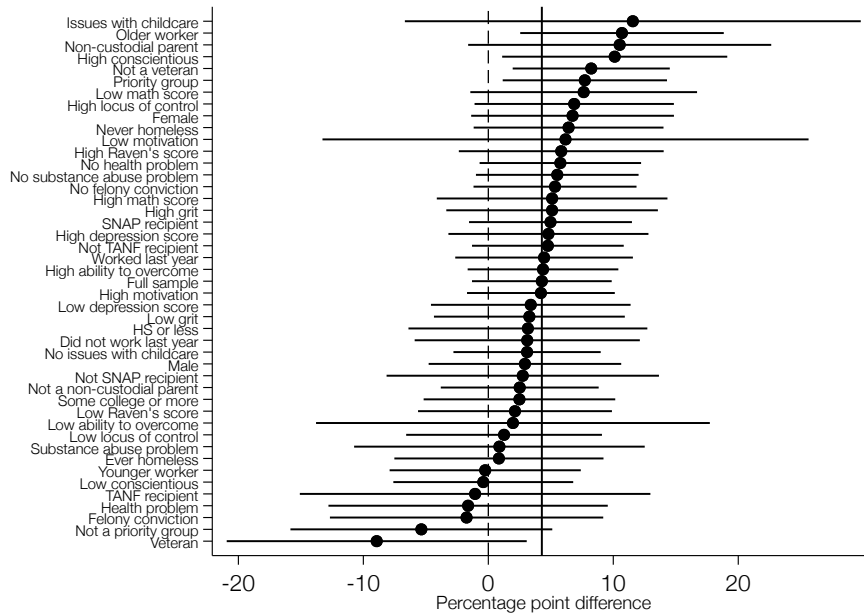
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 632 ReHire applicants who applied between 7/2015 and 12/2018, were assigned to the control group, and were employed in the first quarter following application. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal earnings is defined as UI-covered earnings in Colorado in a given quarter. Two groups are defined by employment in quarters 1 and 3: worked for the same employer in quarters 1 and 3 (black circles); and worked in quarter 1, but did not work or worked for different employer in quarter 3 (gold diamonds). The figure plots the (a) quarterly employment rates, (b) average quarterly earnings, (c) average quarterly earnings among individuals with positive earnings, and (d) percent employed by the same employer as their Q1 employer.

Figure 10: Heterogenous Impacts on Employment

(a) In-Program Share of Quarters Worked (Q0–Q4)



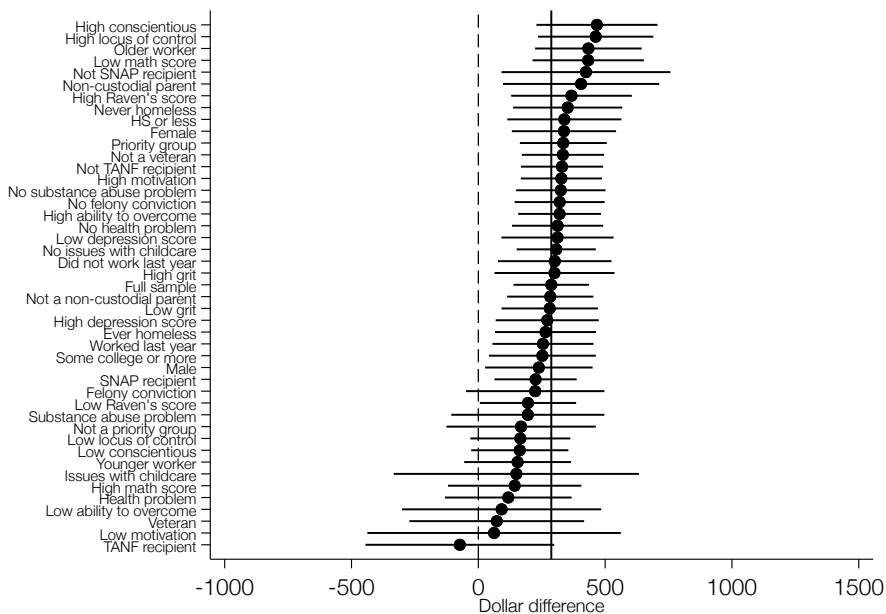
(b) Post-Program, Pre-COVID Share of Quarters Worked (Q5–Q11)



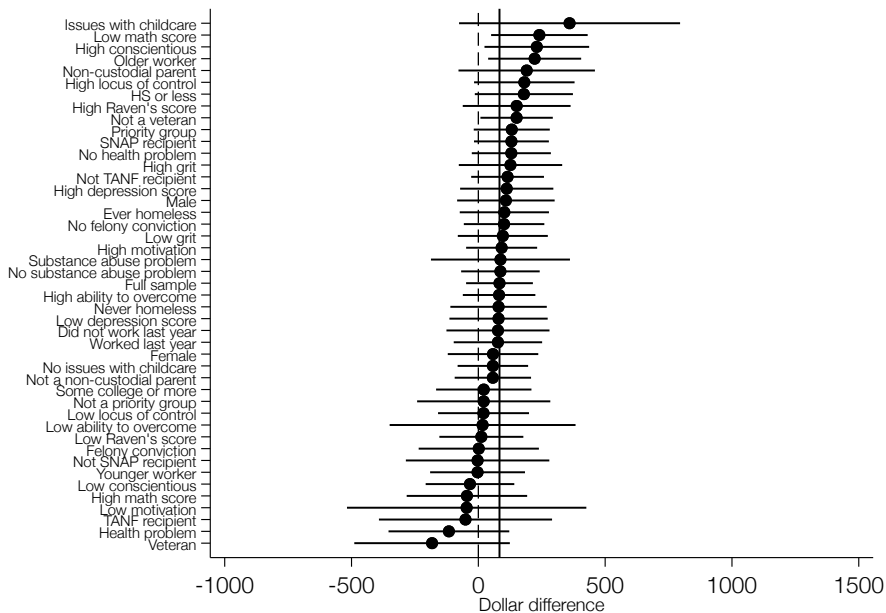
Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Each figure plots ITT effect estimates for subgroups defined by baseline characteristics. Black circles report the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#), where the sample is restricted to individuals who match the criteria listed along the vertical axis. Horizontal black bars represent the 95% confidence intervals constructed using heteroskedasticity-robust standard errors. The solid black vertical line represents the magnitude of the treatment effect in the full sample. The outcomes in Panels (a) and (b) are average quarterly employment rates in the in-program and post-program periods, respectively.

Figure 11: Heterogenous Impacts on Earnings

(a) In-Program Average Quarterly Earnings (Q0-Q4)



(b) Post-Program, Pre-COVID Average Quarterly Earnings (Q5-Q11)



Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Each figure plots ITT effect estimates for subgroups defined by baseline characteristics. Black circles report the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#), where the sample is restricted to individuals who match the criteria listed along the vertical axis. Horizontal black bars represent the 95% confidence intervals constructed using heteroskedasticity-robust standard errors. The solid black vertical line represents the magnitude of the treatment effect in the full sample. The outcomes in Panels (a) and (b) are average quarterly earnings in the in-program and post-program periods, respectively.

Table 1: Applicant Characteristics and Baseline Balance

	Control		Treatment		Difference (2) – (1)	t-stat (6)	Diff./ SD (7)	N (8)
	Mean (1)	SD (2)	Mean (3)	SD (4)				
<i>Panel A: Administrative Data</i>								
Worked last year	0.599	(0.490)	0.627	(0.484)	0.019	0.95	0.04	2,496
Employment rate last three years	0.405	(0.356)	0.424	(0.357)	0.012	0.84	0.03	2,496
Average quarterly earnings in last year	\$1,530	(2,687)	\$1,694	(3,010)	\$100	0.87	0.04	2,496
Received TANF last year	0.126	(0.332)	0.118	(0.323)	-0.005	-0.38	-0.02	2,496
Received SNAP last year	0.696	(0.460)	0.679	(0.467)	-0.011	-0.58	-0.02	2,496
<i>Panel B: Baseline Survey</i>								
<i>Demographics</i>								
Average Age (years)	46.7	(12.1)	46.1	(12.2)	-0.7	-1.44	-0.06	2,451
Average years of education	13.5	(1.9)	13.5	(1.8)	-0.0	-0.26	-0.01	2,179
Male	0.496	(0.500)	0.532	(0.499)	0.036	1.82	0.07	2,496
Minority	0.405	(0.491)	0.385	(0.487)	-0.025	-1.29	-0.05	2,495
Covered by Medicaid	0.758	(0.429)	0.744	(0.437)	-0.016	-0.93	-0.04	2,495
<i>Barriers to Employment</i>								
Not allowed to drive	0.208	(0.406)	0.229	(0.420)	0.024	1.48	0.06	2,480
Parent	0.304	(0.460)	0.283	(0.450)	-0.018	-1.01	-0.04	2,486
Single parent	0.178	(0.383)	0.164	(0.370)	-0.012	-0.80	-0.03	2,486
Difficulty finding childcare	0.095	(0.293)	0.086	(0.281)	-0.006	-0.54	-0.02	2,485
Expect economic hardship	0.322	(0.467)	0.311	(0.463)	-0.022	-1.19	-0.05	2,456
Health limits work	0.103	(0.305)	0.103	(0.305)	0.003	0.22	0.01	2,429
Ever homeless	0.434	(0.496)	0.428	(0.495)	-0.002	-0.12	-0.01	2,480
Ever convicted of felony	0.243	(0.429)	0.242	(0.429)	0.001	0.08	0.00	2,475
Drugs or alcohol have affected life	0.228	(0.420)	0.231	(0.421)	0.003	0.15	0.01	2,424
<i>Caseworker Job Readiness Assessment</i>								
Perceived motivation (out of 10)	8.47	(1.77)	8.48	(1.84)	-0.05	-0.74	-0.03	2,440
Likelihood to overcome barriers (out of 10)	8.13	(1.93)	8.16	(2.00)	-0.07	-0.88	-0.04	2,440
<i>ReHire Target Populations</i>								
Veteran	0.225	(0.418)	0.225	(0.418)	0.003	0.19	0.01	2,495
Non-custodial parent	0.203	(0.402)	0.191	(0.393)	-0.012	-0.77	-0.03	2,495
Older worker	0.484	(0.500)	0.483	(0.500)	-0.007	-0.35	-0.01	2,495
Not in a priority category	0.279	(0.449)	0.282	(0.450)	0.010	0.59	0.02	2,495
<i>Cognitive skills</i>								
Timed math test, percent correct	59.6	(17.4)	59.0	(17.0)	-0.4	-0.59	-0.03	1,877
Number of math questions attempted (out of 160)	98.2	(27.7)	97.2	(27.2)	-0.8	-0.62	-0.03	1,877
Raven's score (out of 36)	30.9	(4.8)	31.1	(4.6)	0.3	1.53	0.06	2,457
<i>Non-cognitive characteristics</i>								
Locus of control (1–5)	4.08	(0.54)	4.06	(0.56)	-0.02	-0.93	-0.04	2,476
Grit (1–5)	3.90	(0.45)	3.90	(0.47)	-0.00	-0.20	-0.01	2,470
Extraversion (1–5)	3.12	(0.78)	3.12	(0.78)	-0.00	-0.02	-0.00	2,471
Agreeableness (1–5)	3.93	(0.55)	3.94	(0.59)	0.02	0.76	0.03	2,471
Conscientious (1–5)	4.01	(0.59)	4.00	(0.60)	-0.01	-0.54	-0.02	2,471
Neuroticism (1–5)	2.44	(0.64)	2.46	(0.66)	0.03	1.14	0.05	2,471
Imagination (1–5)	3.07	(0.44)	3.06	(0.44)	-0.00	-0.12	-0.00	2,471
Life satisfaction ladder (0–10)	5.71	(1.97)	5.62	(2.09)	-0.16	-1.92	-0.08	2,485
Depression scale (0–10)	1.52	(1.37)	1.55	(1.37)	0.05	0.82	0.03	2,421

Notes: Data come from administrative UI earnings data from CDLE, administrative SNAP and TANF data from CDHS, and baseline survey data collected at application. The sample includes ReHire applicants who applied between 7/2015 and 12/2018. One applicant can be linked to administrative data, but is missing a baseline survey.

Table 2: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado

	Control Mean (1)	ITT Effect No Controls (2)	ITT Effect Controls (3)	Percent Change (4)
<i>Panel A: In-Program Employment (Quarters 0–4)</i>				
Any employment	0.805	0.121** (0.014)	0.116** (0.014)	14%
Share of quarters worked	0.533	0.119** (0.014)	0.112** (0.013)	21%
Worked every quarter	0.234	0.079** (0.018)	0.073** (0.017)	31%
Average quarterly earnings	\$1,761	\$322** (83)	\$288** (76)	16%
Share of quarters above 130% FPL	0.183	0.028* (0.011)	0.024* (0.011)	13%
<i>Panel B: Post-Program, Pre-COVID Employment (Quarters 5–11)</i>				
Any employment	0.660	0.022 (0.019)	0.016 (0.019)	2%
Share of quarters worked	0.464	0.030+ (0.017)	0.024 (0.016)	5%
Worked every quarter	0.242	0.043* (0.018)	0.038* (0.018)	16%
Average quarterly earnings	\$2,254	\$159 (123)	\$128 (116)	6%
Share of quarters above 130% FPL	0.251	0.018 (0.015)	0.015 (0.014)	6%
<i>Panel C: Post-Program, Post-COVID Employment (Quarters 12–16)</i>				
Any employment	0.523	0.004 (0.020)	-0.001 (0.020)	-0%
Share of quarters worked	0.394	0.004 (0.018)	-0.000 (0.017)	-0%
Worked every quarter	0.268	-0.011 (0.018)	-0.013 (0.018)	-5%
Average quarterly earnings	\$2,234	-\$5 (138)	-\$32 (133)	-1%
Share of quarters above 130% FPL	0.242	-0.005 (0.015)	-0.008 (0.015)	-3%
Agency-Rate Block FEs		X	X	
Individual Baseline Controls			X	
Observations	1,111	2,496	2,496	

Notes: Data source is administrative UI earnings data from CDLE. Panels A, B, and C report estimates on in-program (A) and post-program (B and C) employment outcomes for the sample of ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Panel B (C) reports post-program outcomes during the period before (after) half of the sample was exposed to the COVID-19 pandemic. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. Column (1) reports the mean for control group applicants. Column (2) reports the coefficient on a treatment indicator, controlling for vendor-randomization rate block (stratification) fixed effects. Column (3) reports the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (4) reports the percent change of the ITT effect in column (3) relative to the control group mean. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

Table 3: ITT Effect of ReHire on SNAP and TANF Receipt in Colorado

	Control Mean (1)	ITT Effect No Controls (2)	ITT Effect Controls (3)	Percent Change (4)
<i>Panel A: In-Program Benefits (Months 0–12)</i>				
Any SNAP Receipt	0.785	-0.011 (0.016)	-0.004 (0.013)	-1%
Share of months with SNAP	0.556	-0.010 (0.016)	-0.002 (0.012)	-0%
Average monthly SNAP receipt	\$148.87	-\$5.97 (6.94)	-\$4.76 (4.35)	-3%
Any TANF Receipt	0.128	-0.008 (0.013)	-0.008 (0.007)	-6%
Share of months with TANF	0.071	0.002 (0.009)	0.001 (0.005)	2%
Average monthly TANF receipt	\$30.09	\$0.82 (3.86)	-\$0.15 (2.35)	-0%
<i>Panel B: Post-Program, Pre-COVID Benefits (Months 13–35)</i>				
Any SNAP Receipt	0.602	-0.000 (0.020)	0.004 (0.018)	1%
Share of months with SNAP	0.392	-0.004 (0.016)	-0.001 (0.014)	-0%
Average monthly SNAP receipt	\$99.92	\$4.94 (6.43)	\$5.61 (4.63)	6%
Any TANF Receipt	0.067	0.013 (0.010)	0.013 (0.009)	19%
Share of months with TANF	0.031	0.007 (0.006)	0.006 (0.005)	18%
Average monthly TANF receipt	\$13.25	\$1.54 (2.57)	\$0.93 (2.29)	7%
<i>Panel C: Post-Program, Post-COVID Benefits (Months 36–52)</i>				
Any SNAP Receipt	0.481	0.015 (0.020)	0.019 (0.018)	4%
Share of months with SNAP	0.344	0.027 (0.017)	0.031* (0.016)	9%
Average monthly SNAP receipt	\$106.69	\$13.22 ⁺ (7.32)	\$14.08* (5.88)	13%
Any TANF Receipt	0.041	0.005 (0.008)	0.005 (0.008)	12%
Share of months with TANF	0.017	0.005 (0.005)	0.005 (0.004)	27%
Average monthly TANF receipt	\$6.83	\$1.44 (1.85)	\$1.61 (1.75)	23%
Agency-Rate Block FEs		X	X	
Individual Baseline Controls			X	
Observations	1,111	2,496	2,496	

Notes: Data source is administrative SNAP and TANF data from CDHS. Panels A, B, and C report estimates on in-program (A) and post-program (B and C) benefit outcomes for the sample of ReHire applicants who applied between 7/2015 and 12/2018. Month 0 represents the month in which a participant completed an application, and is thus a different calendar month from person to person. Benefit receipt is defined as having received any benefit in Colorado greater than \$0 in a given month. Panel B (C) reports post-program outcomes during the period before (after) half of the sample was exposed to the COVID-19 pandemic. Column (1) reports the mean for control group applicants. Column (2) reports the coefficient on a treatment indicator, controlling for vendor-randomization rate block (stratification) fixed effects. Column (3) reports the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (4) reports the percent change of the ITT effect in column (3) relative to the control group mean. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

Table 4: ITT Effect of ReHire on Follow-Up Survey and Credit Outcomes

	Control Group Mean (1)	Unweighted ITT Effect No Controls (2)	Weighted ITT Effect No Controls (3)	Weighted ITT Effect Controls (4)	N (5)
<i>Panel A: Employment Outcomes from Follow-Up Survey</i>					
Worked a subsidized job since application	0.099	0.458** (0.027)	0.454** (0.028)	0.454** (0.027)	954
ReHire helped them find current job	0.016	0.122** (0.017)	0.100** (0.015)	0.100** (0.014)	954
Any unsubsidized employment since application	0.775	0.058* (0.028)	0.042 (0.037)	0.043 (0.036)	954
Currently employed	0.543	0.084* (0.034)	0.066+ (0.039)	0.066+ (0.039)	954
Currently employed in job with paystub	0.513	0.032 (0.035)	0.005 (0.039)	0.005 (0.038)	954
Current job same as first job	0.267	0.083** (0.032)	0.072* (0.033)	0.072* (0.032)	954
<i>Panel B: Standardized Treatment Effects from Follow-Up Survey (in SD)</i>					
Job quality (first unsubsidized job)		0.146** (0.039)	0.165** (0.042)	0.165** (0.041)	771
Job quality (current job)		0.071 (0.045)	0.090+ (0.047)	0.090* (0.046)	569
Well-being		0.157** (0.043)	0.176** (0.051)	0.173** (0.046)	954
Employment barriers		0.027 (0.041)	-0.021 (0.058)	-0.037 (0.056)	954
Workplace behaviors		0.040 (0.040)	0.003 (0.047)	0.003 (0.046)	954
Expectations about future		0.059 (0.055)	0.018 (0.066)	0.023 (0.063)	954
<i>Panel C: Standardized Treatment Effects from Credit Data (in SD)</i>					
In-program credit (Q0–Q4)		0.033 (0.023)	0.017 (0.023)	-0.007 (0.020)	1,556
Post-program Pre-COVID credit (Q5–Q11)		0.034 (0.022)	0.020 (0.023)	0.002 (0.021)	1,556
Post-program COVID credit (Q5–Q14)		0.016 (0.021)	0.008 (0.022)	-0.005 (0.021)	1,556

Notes: Data source is an 18-month follow-up survey (Panels A and B) and administrative credit data from Experian (Panel C). The sample includes ReHire applicants who applied between 7/2015 and 12/2018. Panels A and B include respondents to the follow-up survey. Panel C includes individuals who matched to Experian records in the 5 quarters before and 14 quarters following random assignment. The dependent variables in Panel A are indicators measured in the follow-up survey. Column (1) reports unweighted control group means of these outcomes. Panels B and C report average standardized treatment effects for outcomes from the follow-up survey and credit data, respectively. Estimates are measured in standard deviations (SD). Column (2) reports estimates that come from estimating Equation (1) with only vendor-randomization rate block (stratification) fixed effects. Column (3) reports estimates from the same specification as column (2), but reweights the sample using inverse propensity attrition weights. Column (4) reports estimates that come from a regression that selects controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from Belloni, Chernozhukov and Hansen (2014), and reweights the sample using inverse propensity attrition weights. When estimating effects for outcomes that are measured in the baseline survey or administrative data prior to application (well-being, employment barriers, and credit), we include these covariates in the control choice set. Column (5) reports the number of individuals in the sample for a given outcome. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

Table 5: Applicant Characteristics by Transitional Job Receipt and Subsequent Hire

	Control Mean	Treatment Group		Difference in Means		
		No TJ Mean	Transitional Job		TJ Take-up (3 & 4) - (2)	Hired by TJ (4) - (3)
	(1)	(2)	Not Hired by TJ Mean (3)	Hired by TJ Mean (4)	(5)	(6)
<i>Panel A: Administrative Data</i>						
Worked last year	0.599	0.645	0.621	0.601	-0.022	-0.021
Employment rate last three years	0.405	0.423	0.424	0.424	0.023	-0.011
Average quarterly earnings in last year	\$1,530	\$2,047	\$1,449	\$1,673	-\$311 ⁺	\$100
Received TANF last year	0.126	0.107	0.129	0.113	0.021	-0.017
Received SNAP last year	0.696	0.656	0.702	0.662	0.025	-0.035
<i>Panel B: Baseline Survey</i>						
<i>Demographics</i>						
Average Age (years)	46.7	45.3	46.9	45.5	0.6	-1.1
Average years of education	13.6	13.6	13.6	13.5	0.1	-0.1
Male	0.496	0.588	0.496	0.521	-0.129**	0.043
Minority	0.406	0.336	0.418	0.390	0.002	0.012
Covered by Medicaid	0.758	0.736	0.756	0.723	0.014	-0.028
<i>Barriers to Employment</i>						
Not allowed to drive	0.208	0.230	0.228	0.232	-0.032	0.027
Parent	0.303	0.284	0.272	0.311	0.029	0.038
Single parent	0.178	0.163	0.157	0.189	0.019	0.034
Difficulty finding childcare	0.095	0.085	0.092	0.071	0.022	-0.019
Expect economic hardship	0.322	0.273	0.342	0.291	0.018	-0.016
Health limits work	0.103	0.109	0.107	0.077	-0.001	-0.023
Ever homeless	0.435	0.425	0.441	0.389	-0.060*	0.006
Ever convicted of felony	0.242	0.241	0.236	0.265	-0.051*	0.050
Drugs or alcohol have affected life	0.228	0.224	0.241	0.214	-0.013	-0.013
<i>Caseworker Job Readiness Assessment</i>						
Perceived motivation (out of 10)	8.47	8.49	8.39	8.80	0.00	0.32*
Likelihood to overcome barriers (out of 10)	8.13	8.11	8.10	8.53	0.12	0.37**
<i>ReHire Target Populations</i>						
Veteran	0.225	0.215	0.240	0.202	-0.027	-0.015
Non-custodial parent	0.203	0.193	0.193	0.183	-0.023	-0.020
Older worker	0.484	0.451	0.513	0.460	0.018	-0.031
Not in a priority category	0.279	0.297	0.256	0.329	0.034	0.056 ⁺
<i>Cognitive skills</i>						
Timed math test, percent correct	58.3	59.5	55.5	57.3	-1.1	0.5
Number of math questions attempted (out of 160)	96.2	98.1	91.9	94.2	-1.9	0.2
Raven's score (out of 36)	30.8	31.3	30.8	31.4	0.1	0.2
<i>Non-cognitive characteristics</i>						
Locus of control (1-5)	4.08	4.03	4.06	4.11	0.02	0.05
Grit (1-5)	3.89	3.86	3.90	3.98	0.05 ⁺	0.09*
Extraversion (1-5)	3.11	3.12	3.11	3.14	0.02	0.01
Agreeableness (1-5)	3.93	3.92	3.96	3.96	0.08*	-0.00
Conscientious (1-5)	4.01	3.96	3.99	4.09	0.02	0.12**
Neuroticism (1-5)	2.44	2.51	2.46	2.36	-0.05	-0.09 ⁺
Imagination (1-5)	3.07	3.09	3.04	3.07	-0.03	0.00
Life satisfaction ladder (0-10)	5.71	5.57	5.64	5.67	0.04	0.02
Depression scale (0-10)	1.52	1.58	1.57	1.42	-0.10	-0.05
Observations	1,111	488	684	213	1,385	897
Prob > F					0.002	0.328

Notes: Data come from administrative UI earnings data from CDLE, administrative SNAP and TANF data from CDHS, and baseline survey data collected at application. The sample includes ReHire applicants who applied between 7/2015 and 12/2018. One applicant can be linked to administrative data, but is missing a baseline survey. Estimates of the difference in means control for vendor-randomization rate block (stratification) fixed effects. The final row reports the p -value from the test of the null hypothesis that all characteristics are jointly unrelated to the listed difference in program experience.

A Appendix – For Online Publication

A.1 Minimum Wage in Colorado Over Time

ReHire participants were paid the hourly minimum wage when working their transitional job, and the direct cost of wages was covered by the state. While in theory employer host sites had the potential to pay wages above this amount, this did not occur in practice. The following table provides the history of the Colorado minimum wage during the evaluation period.

Table A-1: Colorado State Minimum Wage Over Time

Effective Date	Minimum Wage
January 1, 2014	\$8.00
January 1, 2015	\$8.23
January 1, 2016	\$8.31
January 1, 2017	\$9.30
January 1, 2018	\$10.20
January 1, 2019	\$11.10
January 1, 2020	\$12.00

Notes: Information on the history of the Colorado minimum wage comes from the Colorado Department of Labor and employment and can be accessed at: <https://cdle.colorado.gov/wage-and-hour-law/minimum-wage>

A.2 Value and Timing of Program Service Receipt

This section provides additional details on the dollar value and timing of ReHire program service receipt.

[Appendix Table A-2](#) provides a breakdown of the costs associated with the program and the typical experience of a program participant. The typical participant received more than \$2,000 in directly billable services, including more than \$1,700 in transitional job wages (Panel A). Among the 65 percent with a transitional job, the average participant worked 280 hours across 10 weeks and earned more than \$2,600 in wages through the program (Panel B).

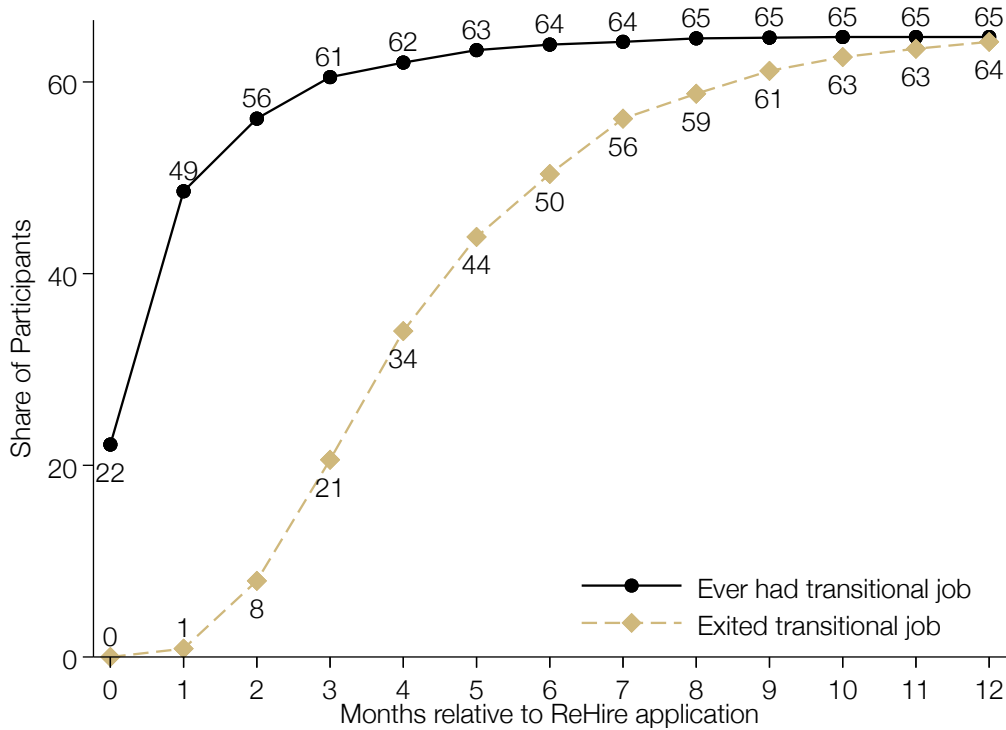
Table A-2: ReHire Program Characteristics

	Mean (1)	SD (2)
<i>Panel A: Treatment Group (N=1,385)</i>		
Cost of supportive services	\$357	\$812
Gross ReHire wages	\$1,721	\$2,107
Total direct costs	\$2,106	\$2,417
<i>Panel B: Transitional Job Recipients (N=897)</i>		
Cost of supportive services	\$395	\$623
Gross ReHire wages	\$2,623	\$2,105
Total direct costs	\$3,063	\$2,333
Hours worked	280	221
Weeks worked	10	6

Notes: Data come from program records maintained at services agencies by ReHire case workers. The sample consists of 1,385 individuals who applied to ReHire between 7/2015 and 12/2018 and were randomly assigned to the treatment group. Panel B restricts the sample to individuals who worked in a transitional job.

Appendix Figure A-1 shows the timing of transitional job participation over the year following randomization. Month 0 corresponds to the month when a participant completed the ReHire application; months 1–12 are the first through twelfth months following a participant’s application. The solid line with circles shows the share of ReHire participants who were placed in a transitional job by the end of the relevant month. Almost 50 percent of the treatment group were placed by the end of the month after they applied. An additional 15 percent were placed over the next eight months after randomization. The dashed line with diamonds shows the share of all participants whose transitional job placement had ended by the relevant month. For example, 34 percent of all treatment group members (and roughly half of participants who ever receive a transitional job) completed their placement by the fourth month following their application. By month 12, the two lines converge, indicating that nearly all transitional job placements are complete one year after randomization. We therefore interpret outcomes observed after 12 months (or four quarters) as post-program outcomes.

Figure A-1: Timing of Transitional Job Entry and Exit



Notes: Sample includes 1,385 participants who applied between 7/2015 and 12/2018 and were assigned to the treatment group. Month 0 represents the month in which a study participant completed their ReHire application, and is thus a different calendar month from person to person. Once an individual has started a transitional job, they are treated as having ever held a transitional job (black circle) in every subsequent month. An individual exits a transitional job in the first month when they do not hold a transitional job in any following month, after having held one (gold diamond). Once an individual has exited, they are treated as having exited a transitional job in every subsequent month. Entry and exit percentages are calculated using all participants in every month.

A.3 Randomization

This appendix section documents the steps taken to conduct random assignment.

Randomization occurred separately for each local service agency. The initial treatment probability at each site was 50 percent. At each site, when the first applicant arrived, a short sequence with an equal number of 0s and 1s was randomly selected in the following manner.

1. Determine the length of the sequence: Draw $x_1 \sim U[0, 1]$.
 - If $x_1 \in [0, 1/3)$, then select a sequence with length 6 including three 0s and three 1s.
 - If $x_1 \in [1/3, 2/3)$, then select a sequence with length 8 including four 0s and four 1s.
 - If $x_1 \in [2/3, 1]$, then select a sequence with length 10 including five 0s and five 1s.
2. Determine the actual sequence:
 - First, populate a list with all $\binom{n}{n/2}$ potential sequences of length $n \in \{6, 8, 10\}$.⁴⁶
 - Draw $x_2 \sim U[0, 1]$.
 - Randomly select row $r = \text{Int} \left[x_2 * \binom{n}{n/2} \right] + 1$ from the list of potential sequences.

Once the treatment-control sequence was fixed, the first applicant at that site was assigned their treatment status based on the first number of the selected sequence: 0 indicated the Control Group; 1 indicated the ReHire Treatment Group. As additional applicants arrived at that agency, they were assigned the next unused number in the sequence until every number in the sequence had been assigned. If an applicant arrived and no unused numbers were remaining in the sequence a new sequence was selected following steps 1 and 2 above. At no point in time did the central office program staff have access to the treatment assignment sequence or know how many unassigned treatment statuses remained at any site.

In practice, a list of daily applicants was constructed by program staff in the CDHS office. Each applicant was assigned a sequential program ID starting with “A-0001” the moment their record was created. CDHS staff sent the list of newly created IDs to the research team. Within the next business day after program application, treatment assignments were assigned to each ID based on the random sequence. Applicants were separated by site and slotted into the next available 0 or 1 in the sequence in the order of their program ID (i.e., their order of appearance in the database). The list of IDs and treatment assignments were then sent to CDHS. Based on their assignment, the central office program staff then toggled the treatment status in the program database for each applicant, which alerted the local program staff of the treatment determination and sent an email to the applicant regarding their treatment assignment and available next steps.

Treatment Probability

At times, program enrollment slowed causing concerns that all available program dollars would not be spent during a contract period. At various times throughout the implementation of the RCT, the treatment probability for all service agencies, or a subset of service agencies, was adjusted to a 2-1 assignment ratio. To implement this change, the potential lengths of sequences were changed to six, nine, and twelve, with exactly 2/3 of the sequence comprising 1s and 1/3 comprising 0s. Accordingly, the choice of the specific sequence in Step 2 was adjusted to account for the number of potential sequences. Each time the decision to change the treatment probability was made (both from 1/2 to 2/3 and from 2/3 to 1/2), the change was implemented *after* the currently selected sequence of 0s and 1s was fully exhausted.

The following list provides the timeline of when the treatment probability was changed throughout the RCT:

⁴⁶This list was sorted by the first through the last number of the sequence. For example, on the list with sequences of length 6, $\{0, 0, 0, 1, 1, 1\}$ was listed first, then $\{0, 0, 1, 0, 1, 1\}$, and so on, ending with $\{1, 1, 1, 0, 0, 0\}$.

- January 14, 2016: treatment probability was changed from 1/2 to 2/3 for all service agencies
- April 11, 2016: treatment probability was changed from 2/3 to 1/2 for all service agencies
- October 11, 2016: treatment probability was changed from 1/2 to 2/3 for Catholic Charities Pueblo and Hilltop Community Resources
- May 18, 2017: treatment probability was changed from 1/2 to 2/3 for all remaining service agencies
- July 13, 2017: treatment probability was changed from 2/3 to 1/2 for all service agencies except Catholic Charities (note: Hilltop Community Resources was no longer providing ReHire at this time)
- July 11, 2018: treatment probability was changed from 1/2 to 2/3 for all remaining service agencies

Service Agencies with Rural Operations

Two of the social service agencies had applicants coming from both the nearby town and from more rural locations. Hilltop Community Resources operated out of Grand Junction. Some of the applicants to Hilltop were applying from nearby Montrose, CO (about an hour away) and these intake sessions were largely occurring in Montrose rather than Grand Junction. Beginning in December 2015, applicants from Montrose were randomized separately from other Hilltop applicants. Similarly, Discover Goodwill in Colorado Springs, CO sometimes received applicants from the more rural but nearby Teller County. Beginning in September 2016, the few applicants who were living in Teller County were randomized separately from other Discover Goodwill applicants.

Implications for Analysis

Because randomization was stratified by social service agency (and sometimes locations within an agency) and treatment probability changed over time, we conduct all of our analysis using a set of stratification fixed effects that account for the service agency at which an individual applied and the treatment probability they faced. Take, for example, applicants to Catholic Charities. At this service agency, we block applicants into 4 strata based on their application date:

1. Applicants randomized with 1/2 treatment probability beginning 7/1/2015
2. Applicants randomized with 2/3 treatment probability beginning 1/21/2016 (the first date a new sequence was drawn after change)
3. Applicants randomized with 1/2 treatment probability beginning 4/21/16 (the first date a new sequence was drawn after change)
4. Applicants randomized with 2/3 treatment probability beginning 1/26/17 (the first date a new sequence was drawn after change)

In total, there are 26 strata across the 6 service agencies that implemented ReHire.

A.4 Comparability to the Low-Income Adult Population

ReHire applicants are relatively representative of the the broader population of low-income adults living in Colorado. [Table A-3](#) compares select characteristics of the ReHire sample with a sample of low-income adults observed in the 2015–2018 American Community Survey ([Ruggles et al., 2020](#)). The sample is restricted to ages 18 through 74 and includes individuals who fall below 150 percent of the federal poverty line. Column (2) restricts the sample to individuals living in public-use microdata areas that overlap with cities/counties where ReHire was operated. Columns (3) and (4) report characteristics for adults in Colorado and in the entire US, respectively. Compared to low-income Coloradans, ReHire applicants are more likely to receive SNAP—which is imputed for the ACS sample—and TANF—which is measured as receiving any cash welfare income in the ACS. Finally, because the program targets older workers and veterans, the sample is skewed older and veterans are over-represented compared to the broader population.

Table A-3: Characteristics of ReHire Applicants and Low-Income Adults

	ReHire	2015–18 American Community Survey		
	Mean	ReHire Area	Colorado	USA
	(1)	Mean	Mean	Mean
		(2)	(3)	(4)
Worked last year	0.615	0.580	0.573	0.505
Average quarterly earnings in last year	\$1,621	\$1,503	\$1,552	\$1,372
Received TANF last year	0.122	0.037	0.035	0.039
Received SNAP last year	0.687	0.241	0.240	0.342
Average Age (years)	46.4	37.7	38.7	40.3
Average years of education	13.5	13.0	12.8	12.2
Male	0.516	0.490	0.483	0.461
Minority	0.394	0.402	0.426	0.511
Covered by Medicaid	0.750	0.602	0.592	0.613
Parent	0.292	0.266	0.300	0.341
Single parent	0.170	0.135	0.144	0.188
Veteran	0.225	0.051	0.049	0.040
Older worker	0.483	0.274	0.288	0.320
Observations	2,496	15,957	28,819	2,009,210

Notes: Data come ReHire baseline survey and administrative data, as well as the 2015–2018 American Community Survey ([Ruggles et al., 2020](#)). The ACS sample is restricted to adults aged 18–74 with income below 150 percent of the federal poverty line. ReHire area covers public-use microdata areas that include Boulder County, City of Denver, Colorado Springs, El Paso County, Larimer County, and Mesa County. ACS observations are weighted by the IPUMS person weight.

A.5 Migration out of Colorado

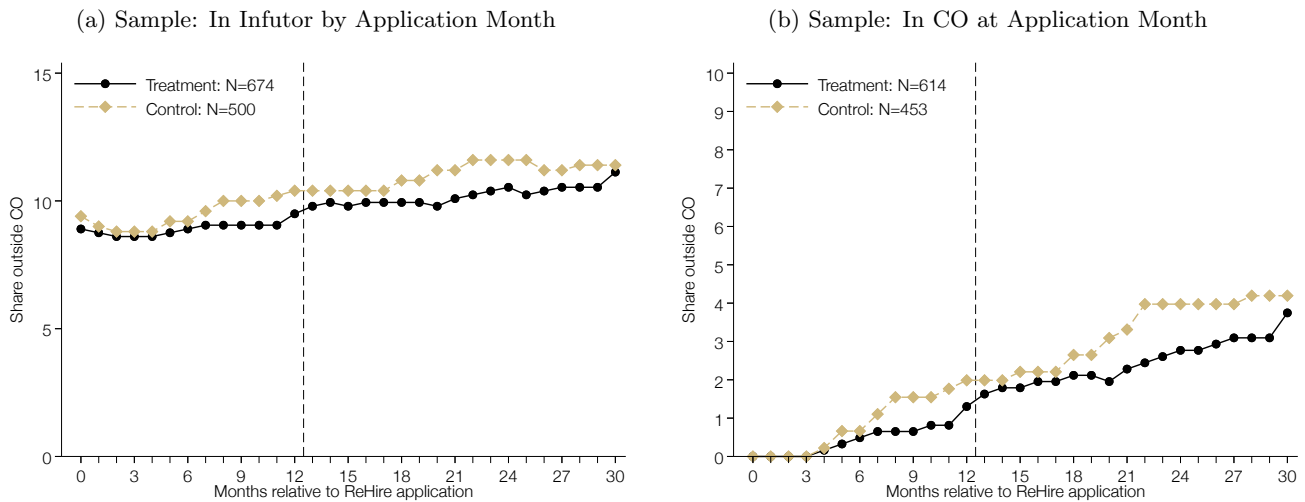
We link our analysis sample to consumer reference data from Infutor Data Solutions to measure Colorado residency during the evaluation period. Infutor creates a residential history for most adults in the US using consumer information like magazine subscriptions or utility bills. The resulting data includes exact addresses and includes start and end dates for each address, and these data have been used to measure moves in low-income populations following natural disasters, after the demolition of public housing, and for households at high risk of homelessness (Phillips, 2020).

We fuzzy match ReHire study participants to the Infutor data using a number of identifiers including name, address at application, and date of birth. Nearly half of the analysis sample ($N = 1,174$) match to an Infutor address with a start date that precedes their ReHire application date, and match rates are balanced between treatment and control. For each month, we construct an indicator of whether an individual has a non-Colorado address using the state of their most recent address (based on address start date).

Figure A-2a depicts the share of Infutor-matched study participants who have a non-Colorado address. At the time of application, about 10 percent have an address outside Colorado. During the 30 months following application, this share grows to 11.1 and 11.4 percent for the treatment and control groups, respectively.

Individuals may have a non-Colorado address at the time of application if they recently moved, or moved into a situation where they did not create a paper trail following them to Colorado (e.g., utility bills in another resident’s name). We further investigate differential attrition from Colorado in Figure A-2b by restricting the sample to individuals observed to be in Colorado at the time of application. In the 30 months following application, 3.7 percent of the treatment group and 4.2 percent of the control group move to an address outside Colorado.

Figure A-2: Non-Colorado Address from Infutor Data



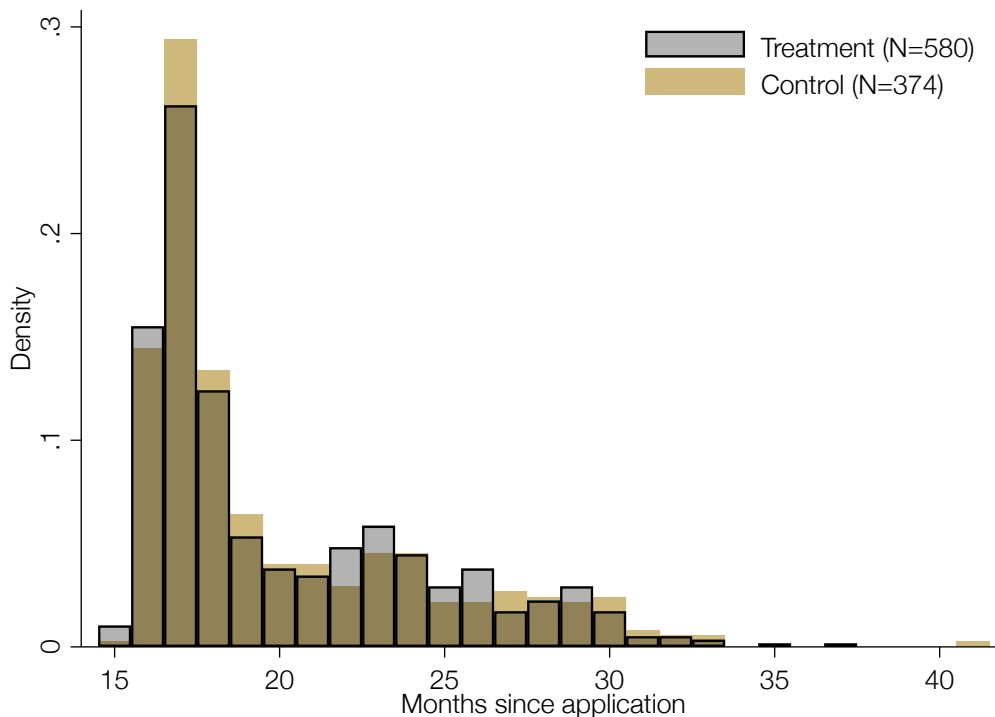
Notes: Data source is address history data from Infutor Data Solutions. The sample includes the 47 percent of ReHire applicants who match to an Infutor address record before ReHire application. Month 0 represents the month in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Panel (a) includes all matched study participants from the main analysis sample. Panel (b) restricts the sample to individuals whose most address start date during the month of application was in CO. The vertical axis plots the share of the same with an address outside Colorado.

A.6 Timing of Follow-up Survey

Beginning in December 2017, an online follow-up survey was fielded to estimate the impact of ReHire Colorado on a broader array of post-program outcomes. Treatment and control respondents were contacted via text and email roughly 18 months after applying for ReHire and were invited to respond to an online survey. Nearly all respondents completed the survey via computer or mobile device, but respondents had the option to respond over the phone.

Most survey respondents completed the follow-up survey 16 to 18 months following application (Figure A-3). Because of the timing of survey implementation, early applicants who applied prior to July 2016 were contacted more than 18 months after application and thus completed their follow-up surveys 18 to 30 months after application. We do not find evidence of differential time from application to follow-up response between treatment and control group participants.⁴⁷ Because ReHire participants are in the program for an average of 6 months, the follow-up survey provides results approximately one year after the typical ReHire participant exited the program.

Figure A-3: Months between ReHire Application and Follow-up Survey



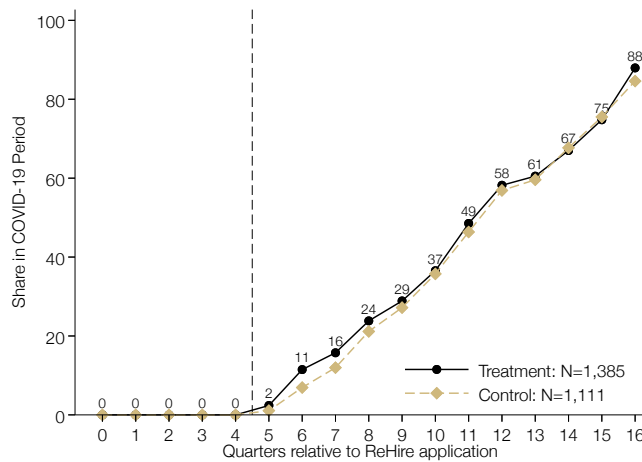
Notes: Data source is application and follow-up surveys. Sample includes the 954 ReHire applicants with a complete follow-up survey. The average number of months between application and follow-up survey completion was 19.94 months in the control group and 20.06 months in the treatment group. A Kolmogorov-Smirnov test of the equality of these two distributions fails to reject the null hypothesis that the samples are drawn from the same distribution ($p = 0.825$).

⁴⁷Using a Kolmogorov-Smirnov test, we reject the null hypothesis that the distribution of months since application is the same between the treatment and control group ($p = 0.825$).

A.7 The Timing of COVID-19 in the ReHire Evaluation

The COVID-19 pandemic and its resulting labor market disruptions occurred during much of the follow-up period of this study. Figure A-4 demonstrates that the pandemic began affecting some study participants as early as the 5th quarter following random assignment. Because of randomization, the pandemic affected a fairly balanced set of treatment and control applicants throughout quarters 5 through 16. Beginning in the 12th quarter following random assignment, more than half of the sample was living in the COVID period, which we define as the first quarter of 2020.

Figure A-4: Share of Applicants Experiencing COVID-related Disruptions by Quarter Relative to ReHire Application

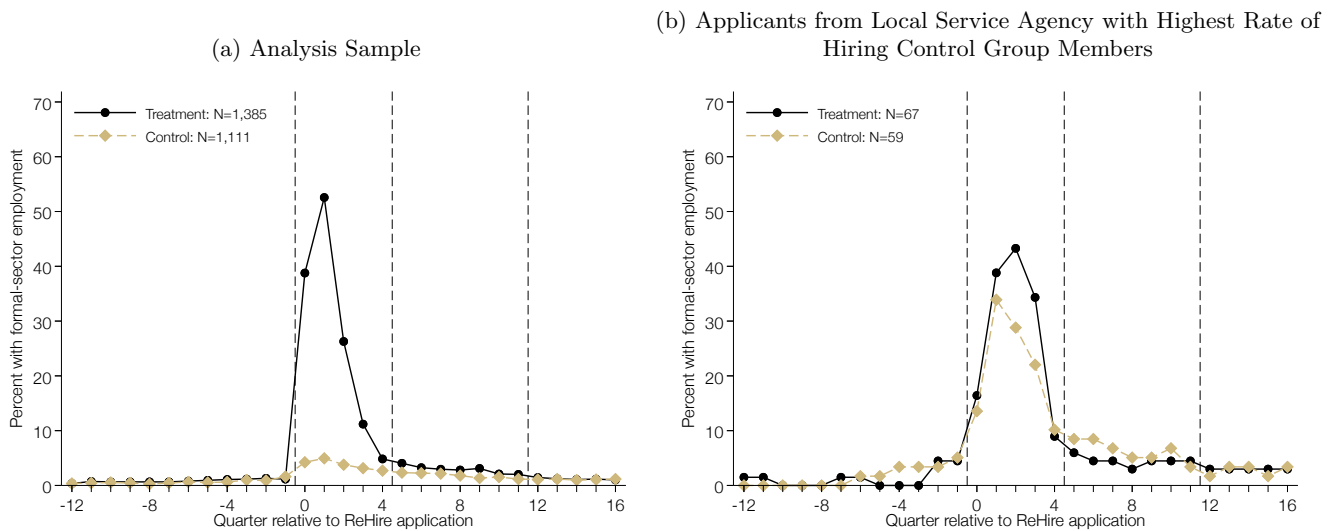


Notes: Data source is ReHire administrative data on the timing of application and treatment assignment. The sample includes all 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Both lines plot the share of ReHire applicants whose quarter relative to ReHire application was on or after Q1 2020.

A.8 Control Group Service Access

This section provides supplemental analysis to speak to the question of whether control group members accessed services similar to those provided by ReHire. Control group members were eligible to receive standard employment services offered by the social service provider where they applied for ReHire or by any other service provider. We do not have access to data on other re-employment services the control group accessed, but we can examine how often control group members had positive earnings at a ReHire social service agency, which may indicate a transitional job funded through another program, e.g. WIOA. False positives are also possible because we are unable to distinguish between unsubsidized employment and subsidized employment using the UI data. False positives may be more common at the local agencies that are county workforce offices because they share an employer code with the entire county government.

Figure A-5: Rates of Employment with a ReHire Service Provider by Treatment Status



Notes: Data source is administrative UI earnings data from CDLE. The sample in Panel (a) includes 1,931 ReHire applicants who applied between 7/2015 and 12/2017. Panel (b) further restricts the sample to the 126 applicants at the service agency with the highest rate of hiring control group individuals. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Employment at a ReHire service agency is defined as having UI-covered earnings greater than \$0 in a given quarter where the employer was a ReHire service agency. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal-sector employment. Treatment and control groups are based on an individual's randomly assigned treatment status. The figure plots the percent of treatment and control applicants with formal-sector employment at a ReHire service agency.

Figure A-5a shows the share of each group that was employed at a ReHire social service provider for each quarter relative their application dates. Only a small percentage of the control has such employment in any given quarter. We interpret this figure as supporting evidence that the control group did not receive similar services, simplifying the interpretation of the intent-to-treat analysis presented in the main text.

Figure A-5b shows, however, that control group applicants at one local service agency were nearly as likely to be employed by a ReHire service agency as the treatment group was in the quarters following application. Further, both groups experienced similar increasing and decreasing trends in service agency employment, which is consistent with the timing of temporary subsidized employment. In Section A.10.1, we show that ITT effects are similar when excluding applicants from this service agency from the analysis.

A.9 Effects on Employment/Earnings by quarter

Table A-4 provides coefficient estimates and standard errors for the quarter-by-quarter ITT estimates shown in Figure 1b and Figure 2b. Columns (2) and (5) report specifications that include only stratification group fixed effects, while columns (3) and (6) include controls selected by the post-double selection LASSO procedure. The results are insensitive to the inclusion of these controls.

Table A-4: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, By Quarter

	Any Employment			Earnings		
	Control	ITT Effect	ITT Effect	Control	ITT Effect	ITT Effect
	Mean	No Controls	Controls	Mean	No Controls	Controls
	(1)	(2)	(3)	(4)	(5)	(6)
Quarter 0	0.469	0.186** (0.020)	0.175** (0.018)	\$748	\$297** (60)	\$256** (51)
Quarter 1	0.569	0.202** (0.019)	0.197** (0.018)	\$1,647	\$594** (92)	\$568** (89)
Quarter 2	0.555	0.120** (0.020)	0.114** (0.019)	\$2,018	\$345** (111)	\$313** (105)
Quarter 3	0.545	0.055** (0.020)	0.048* (0.019)	\$2,164	\$227+ (121)	\$188+ (114)
Quarter 4	0.525	0.030 (0.020)	0.024 (0.020)	\$2,226	\$148 (127)	\$113 (119)
Quarter 5	0.509	0.029 (0.020)	0.023 (0.020)	\$2,262	\$168 (133)	\$134 (126)
Quarter 6	0.500	0.025 (0.020)	0.020 (0.020)	\$2,268	\$165 (134)	\$134 (128)
Quarter 7	0.485	0.031 (0.020)	0.025 (0.020)	\$2,238	\$193 (136)	\$163 (131)
Quarter 8	0.450	0.043* (0.020)	0.038+ (0.020)	\$2,237	\$227 (141)	\$195 (135)
Quarter 9	0.453	0.029 (0.020)	0.024 (0.020)	\$2,312	\$125 (145)	\$95 (139)
Quarter 10	0.434	0.025 (0.020)	0.020 (0.020)	\$2,252	\$117 (142)	\$87 (137)
Quarter 11	0.414	0.025 (0.020)	0.020 (0.020)	\$2,212	\$120 (146)	\$91 (142)
Quarter 12	0.408	0.014 (0.020)	0.009 (0.019)	\$2,242	\$10 (149)	-\$16 (144)
Quarter 13	0.409	-0.003 (0.020)	-0.005 (0.019)	\$2,270	-\$79 (149)	-\$107 (143)
Quarter 14	0.390	0.011 (0.020)	0.007 (0.019)	\$2,214	\$18 (149)	-\$12 (143)
Quarter 15	0.387	-0.001 (0.020)	-0.005 (0.019)	\$2,208	\$46 (152)	\$19 (147)
Quarter 16	0.378	-0.000 (0.020)	-0.004 (0.019)	\$2,239	-\$18 (153)	-\$44 (148)

Notes: Data source is administrative UI earnings data from CDLE. Each row represents outcomes measured in a different quarter relative to ReHire application. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. The dependent variable in columns (1) through (3) is an indicator for formal-sector employment. The dependent variable in columns (4) through (6) is an individual's UI-covered earnings. Columns (1) and (4) report the control group mean. Columns (2) and (5) report the coefficients on a treatment indicator, controlling for service agency-randomization rate block (stratification) fixed effects. Columns (3) and (6) report the coefficients on treatment indicators, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

A.10 Robustness of ITT effects using State of Colorado Administrative Data

A.10.1 Robustness to Excluding Local Service Agency with Highest Rate of Hiring Control Group Members

[Section A.8](#) provides evidence that most individuals in the control group did not receive placement in a transitional job. For one local service agency, however, treatment and control group applicants were nearly as likely to have been employed by a ReHire agency during the in-program period (quarters 0 through 4 following application). While it is possible that control group applicants found unsubsidized work at this employer on their own—some agencies share the same employer ID in the UI data as the broader county government—it is more likely that these individuals were placed in similar transitional jobs given the similar timing of the start and end of these jobs in both the treatment and control groups.

As we note in [Section 4](#), this similarity in program experience is not a threat to causal identification, but it changes the interpretation of the ITT effects as well as the potential policy conclusions drawn about the program’s cost effectiveness. To address this interpretation challenge, we re-estimate the main results from [Table 2](#) using a sample that excludes the 126 applicants from the service agency that employed a large share of the control group. [Table A-5](#) shows that results from both the in-program and post-program periods are similar when excluding applicants at this agency from the analysis.

Table A-5: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, Excluding Service Agency with Highest Rate of Hiring of Control Group

	Control Mean (1)	ITT Effect No Controls (2)	ITT Effect Controls (3)	Percent Change (4)
<i>Panel A: In-Program Employment (Quarters 0–4)</i>				
Any employment	0.802	0.123** (0.014)	0.119** (0.014)	15%
Share of quarters worked	0.526	0.121** (0.015)	0.116** (0.014)	22%
Worked every quarter	0.225	0.085** (0.018)	0.080** (0.017)	35%
Average quarterly earnings	\$1,709	\$318** (84)	\$310** (77)	18%
Share of quarters above 130% FPL	0.177	0.029* (0.012)	0.028** (0.011)	16%
<i>Panel B: Post-Program, Pre-COVID Employment (Quarters 5–11)</i>				
Any employment	0.652	0.021 (0.020)	0.017 (0.019)	3%
Share of quarters worked	0.458	0.026 (0.017)	0.023 (0.017)	5%
Worked every quarter	0.240	0.039* (0.018)	0.037* (0.018)	15%
Average quarterly earnings	\$2,220	\$120 (125)	\$117 (119)	5%
Share of quarters above 130% FPL	0.247	0.017 (0.015)	0.017 (0.015)	7%
<i>Panel C: Post-Program, Post-COVID Employment (Quarters 12–16)</i>				
Any employment	0.515	-0.000 (0.021)	-0.004 (0.020)	-1%
Share of quarters worked	0.387	0.002 (0.018)	-0.000 (0.017)	-0%
Worked every quarter	0.260	-0.005 (0.018)	-0.005 (0.018)	-2%
Average quarterly earnings	\$2,178	-\$38 (139)	-\$37 (134)	-2%
Share of quarters above 130% FPL	0.237	-0.007 (0.016)	-0.007 (0.015)	-3%
Agency-Rate Block FEs		X	X	
Individual Baseline Controls			X	
Observations	1,052	2,370	2,370	

Notes: Data source is administrative UI earnings data from CDLE. Panels A and B report estimates on in-program and post-program employment outcomes, respectively, for the sample of ReHire applicants who applied between 7/2015 and 12/2017, excluding 126 applicants from the service agency that employed a large share of the control group. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. Column (1) reports the mean for control group applicants. Column (2) reports the coefficient on a treatment indicator, controlling for vendor-randomization rate block (stratification) fixed effects. Column (3) reports the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (4) reports the percent change of the ITT effect in column (3) relative to the control group mean. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

A.10.2 Robustness to Alternative Methods for Statistical Inference

In our primary analysis, we conduct inference using test statistics constructed using heteroskedasticity-robust standard errors. This choice is appropriate given that random assignment occurred at the individual level.

Two potential concerns remain, however. First, the randomization procedure ensured that the number of treatment and control applicants would be balanced over small periods of time so that case workers would receive a steady inflow of new participants. In practice, this process meant that the number of treated applicants was fixed for each small set of newly arriving applicants (e.g., 4 of the next 8 applicants at an agency would be treated). This design choice meant that an individual applicant’s treatment assignment was potentially correlated with others who applied at the same agency around the same time. We randomized the size of the randomization blocks so that service providers would be unable to predict a given applicant’s treatment status. See [Appendix Section A.3](#) for more details.

In order to account for any influence this correlation has on the reported estimates, we conducted randomization-based inference that directly incorporates the way treatment and control assignments were made. We re-ran 10,000 iterations of the treatment assignment algorithm; in each iteration, we re-randomized the treatment/control assignments for each small block of applicants within which the number of treatment individuals was fixed. We then re-estimate Equation (1) for all outcomes reported in [Table 2](#) and collect p -values. This set of p -values represents the distribution of p -values under the sharp null hypothesis of zero treatment effect among all applicants.

A second concern is that the probability of rejecting the null for any one outcome is greater than a chosen significance level because we test hypotheses about program impacts on multiple outcomes both within and across the in-program and post-program periods. To address this concern, we use the joint distribution of p -values estimated above to construct adjusted p -values that control for the family-wise error rate (FWER) following the step-down procedure of [Westfall and Young \(1993\)](#).⁴⁸

[Table A-6](#) provides a set of p -values that address these two potential concerns. Column (1) reproduces the main ITT estimates found in column (3) of [Table 2](#). Then for each outcome, we report naive p -values that are based on heteroskedasticity-robust standard errors (column 2), as well as three randomization-based p -values:

- Per comparison p -values that report the share of permutations where the simulated p -value was smaller than the p -value from the actual treatment assignment (column 3);
- Adjusted p -values that control for the FWER among the five outcomes measured during the same follow-up window (in-program vs. post-program) (column 4);
- Adjusted p -values that control for the FWER among all 15 outcomes included in [Table 2](#) (column 5).

Because we have strong priors that the impact of ReHire differed during the three follow-up periods, our preferred correction for multiple hypothesis testing is in column (4); we present the results in column (5) for completeness.

We draw two conclusions from the results presented in [Table A-6](#). First, the standard p -values in column 2 and the randomization-based p -values in column 3 are strikingly similar, suggesting that the potential concern of serial correlation in treatment assignment imposed by the randomization procedure does not affect our inference. Second, our main results are robust to concerns stemming from testing multiple hypotheses. Most outcomes where effects are significant at the 5 percent level in column (2) remain so even after adjusting for the five hypotheses tested in each panel. The effect on “Worked every

⁴⁸We benefit from the Stata code provided by [Jones, Molitor and Reif \(2019\)](#) and adapt it to rely on the distribution of permutation-based p -values following [Young \(2019\)](#) instead of a bootstrap distribution. See Appendix C in the on-line appendix of [Jones, Molitor and Reif \(2019\)](#) for a detailed description of the step-down procedure.

Table A-6: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, Inference Robustness

	ITT Effect Controls	Naive p -value	Randomization-Based p -values		
			Per Comparison	Family-Wise By Panel	Full Table
	(1)	(2)	(3)	(4)	(5)
<i>Panel A: In-Program Employment (Quarters 0–4)</i>					
Any employment	0.116	< 0.001	< 0.001	< 0.001	0.001
Share of quarters worked	0.112	< 0.001	< 0.001	< 0.001	0.001
Worked every quarter	0.073	< 0.001	< 0.001	< 0.001	0.001
Average quarterly earnings	\$287	< 0.001	< 0.001	< 0.001	0.002
Share of quarters above 130% FPL	0.024	0.022	0.026	0.026	0.139
<i>Panel B: Post-Program, Pre-COVID Employment (Quarters 5–11)</i>					
Any employment	0.016	0.379	0.387	0.387	0.810
Share of quarters worked	0.024	0.133	0.141	0.304	0.466
Worked every quarter	0.038	0.031	0.035	0.105	0.162
Average quarterly earnings	\$128	0.271	0.285	0.507	0.735
Share of quarters above 130% FPL	0.015	0.282	0.289	0.461	0.723
<i>Panel C: Post-Program, Post-COVID Employment (Quarters 12–16)</i>					
Any employment	-0.001	0.965	0.962	0.998	0.998
Share of quarters worked	-0.000	0.996	0.997	0.997	0.997
Worked every quarter	-0.013	0.448	0.439	0.788	0.788
Average quarterly earnings	-\$32	0.809	0.813	0.980	0.980
Share of quarters above 130% FPL	-0.008	0.600	0.600	0.897	0.897

Notes: Data source is administrative UI earnings data from CDLE. Panels A and B report estimates on in-program and post-program employment outcomes, respectively, for the sample of ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. Column (1) reports the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (2) reports naive p -values. Columns (3) through (5) report randomization-based p -values that come from permuting treatment assignment 10,000 times and re-estimating effects. Column (3) reports per comparison p -values. Columns (4) and (5) report adjusted p -values that control for the family-wise error rate ([Westfall and Young, 1993](#); [Jones, Molitor and Reif, 2019](#)) among outcomes reported within the panel and within the table, respectively.

quarter” during the post-program, pre-COVID period becomes marginally significant ($p = 0.105$) after adjusting for the hypotheses tested during that time period. The effect on “Share of quarters above 130% FPL” loses significance when adjusting inference for all fifteen hypotheses tested in the table ($p = 0.139$).

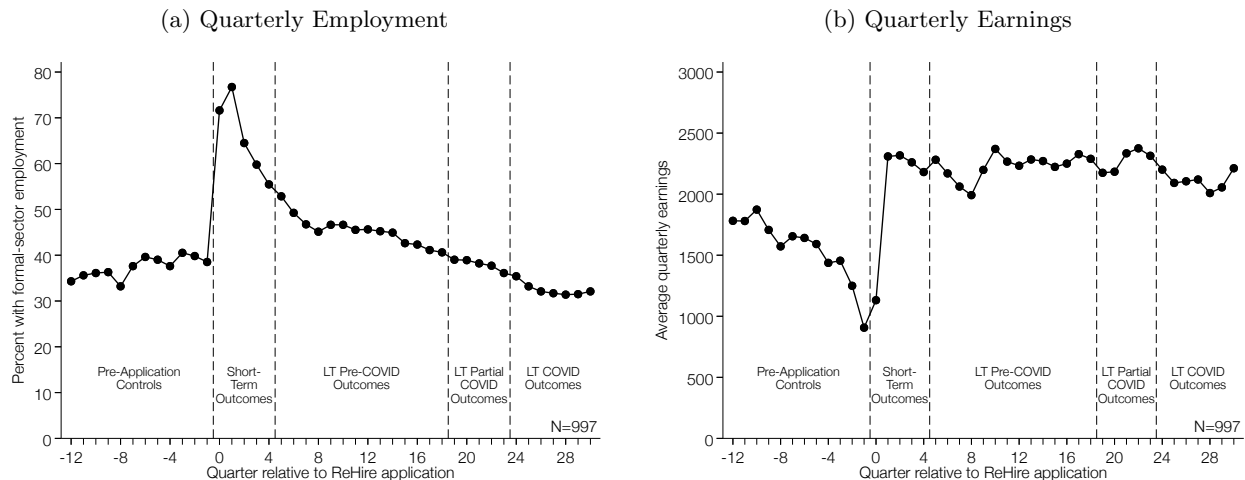
A.11 COVID-19 Pandemic and Long-Term Effects of ReHire

This section provides details about the surrogate index approach we use to construct estimates of the long-term effects of ReHire access on earnings. The surrogate index approach serves two purposes. First, it allows us to generate predictions of what program effects during our evaluation period (Q5–Q16) would have been had the COVID-19 pandemic not occurred. Second, it allows us to generate predictions for long-term effects—five to eight years after random assignment—that are not yet observed in our RCT sample.

We combine observational data from an earlier (pre-RCT) sample of ReHire applicants with data from the RCT to estimate the “long-term” effect of ReHire on employment and earnings. We implement the surrogate index approach of [Athey et al. \(2019\)](#) who estimate the long-term effects of the Riverside GAIN intervention using proxies of long-term employment and earnings outcomes constructed from short-term employment and earnings outcomes. In addition to using their approach to estimate longer-term outcomes, we adapt their approach and replace outcome data potentially affected by the COVID-19 pandemic with predictions of outcomes based on pre-COVID data to shed light on what the effect of ReHire access might have been had the pandemic not occurred.

The analysis requires two separate samples: (i) an experimental sample for whom access to ReHire is randomly assigned that includes measures of short-term outcomes; and (ii) a sample drawn from a similar population that includes measures of both short-term outcomes and long-term outcomes. We supplement data from the RCT ($N = 2,496$) with long-term observational data of ReHire participants who applied and entered the program between January 2014 and June 2015, prior to the implementation of the RCT ($N = 997$). During this time frame, ReHire was largely being operated by the same service agencies in the same geographic areas as the RCT sample.

Figure A-6: Formal-Sector Employment Rates in Colorado, Pre-RCT ReHire Participants



Notes: Data source is administrative UI earnings data from CDLE. The sample includes pre-RCT ReHire participants who applied for ReHire between 1/2014 and 6/2015. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Formal-sector employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal-sector employment. Treatment and control groups are based on an individual’s randomly assigned treatment status. Panel (a) plots the percent of participants with formal-sector employment, and Panel (b) plots the average quarterly earnings of the sample.

For the pre-RCT sample, we are able to observe employment and earnings outcomes in the 12 quarters prior to application and up to 30 quarters following application. [Figure A-6](#) presents the trends in quarterly employment rates and average earnings for the observational sample. For this sample, the data were

unaffected by any labor market disruptions of the COVID-19 pandemic through the 18th quarter following application. Some of the pre-RCT participants started experiencing the COVID-19 pandemic 19 quarters after application. By quarter 24, all were experiencing the pandemic.

The intuition of the surrogate index approach is as follows. We observe the relationship between short-term outcomes (Q0–Q4) and long-term outcomes (Q5 and later) in the pre-RCT observational data. Using correlations between short- and long-term outcomes estimated in the observational sample, we can predict long-term outcomes in the RCT sample. These predicted long-term outcomes can proxy for quarters not yet observed in the data, or proxy for quarters affected by the pandemic in the RCT sample, but not affected by the pandemic in the observational sample. The RCT provides experimental variation in access to treatment, which allows us to estimate causal effects on the proxied data.

Three assumptions are needed in order for the surrogate index approach to identify the average treatment effect on long-term employment and earnings—(1) unconfoundedness, (2) surrogacy, and (3) comparability—all of which are likely satisfied in this context.

1. Under unconfoundedness, we assume that access to treatment in the experimental sample is uncorrelated with any unobservable characteristics that affect short-term outcomes. This assumption is satisfied by the random assignment of ReHire among individuals in the experimental sample.
2. The surrogacy assumption requires that the effect of ReHire on long-term outcomes is fully mediated through the effect of ReHire on short-term employment and earnings. This assumption is reasonable for two reasons. First, all ReHire services were received during the period over which short-term outcomes are measured. Second, the anticipated mechanisms through which the program was expected to affect long-term outcomes—barrier removal, job matching, providing recent verifiable work experience, and work-based learning (see [Section 2.2](#))—should have affected outcomes in the short-run (Q0–Q4).
3. The comparability assumption requires that the distribution of long-term outcomes conditional on short-term employment and earnings is the same for both the experimental sample and the observational sample. Both samples are individuals who sought out ReHire services in the same geographic locations in Colorado. Both sets of individuals, therefore, would have likely had similar expected outcomes had they faced similar labor markets.

An interesting feature of our data, relative to the setup in [Athey et al. \(2019\)](#), is that our experimental sample faced different labor market conditions than the observational sample. The experimental sample was exposed to labor market disruptions posed by the COVID-19 pandemic much sooner after their ReHire application. For this reason, any actual experimental effects that materialize may differ from those estimated with the surrogate index approach.

This feature of the data allows us to address an important policy-relevant research question: what would the effects of ReHire had been had the pandemic not occurred? The surrogate predictions prior to quarter 19 are constructed using pre-COVID data. The interpretation of the surrogate index is that it predicts an individual’s outcome in a labor market not yet affected by the pandemic. ITT effects using the surrogate index, thus, can be interpreted as the effects of ReHire had the pandemic not occurred.

We implement the surrogate index approach using the following process:

1. Use the observational (pre-RCT) sample to estimate the following regression:

$$y_{it} = \sum_{k=-12}^4 \beta_t^{Emp,k} Emp_{ik} + \sum_{k=-12}^4 \beta_t^{Earn,k} Earn_{ik} + \epsilon_{it} \quad (3)$$

where y_{it} is an outcome—an indicator for formal-sector employment or formal-sector earnings—measured for person i in the observational sample for quarters $t \in [5, 30]$. Emp_{ik} are indicators for quarterly employment and $Earn_{ik}$ are formal-sector earnings, measured in quarters $k \in [-12, 4]$.

2. Use estimates of $\beta_t^{Emp,k}$ and $\beta_t^{Earn,k}$ to predict \hat{y}_{it} in the RCT sample.
3. Construct a surrogate outcome S_{it} . Let $q_i(t)$ be the calendar quarter that an outcome in relative quarter t is or will be measured for person i . We construct two versions of this surrogate outcome:
 - (a) Replace only COVID-19 (Q1 2020) and later quarters:

$$S_{it}^{COVID} = \begin{cases} y_{it} & q_i(t) \leq \text{Q4 2019} \\ \hat{y}_{it} & q_i(t) > \text{Q4 2019} \end{cases} \quad \text{for } t \in [5, 30]$$

- (b) Surrogate long-term (LT) outcomes for all individuals:⁴⁹

$$S_{it}^{LT} = \hat{y}_{it} \text{ if } t \geq 5 \text{ for } t \in [5, 30]$$

4. Estimate the effect of ReHire on S_{it}^{COVID} or S_{it}^{LT} using Equation 1, selecting controls using the post-double selection LASSO procedure (Belloni, Chernozhukov and Hansen, 2014).

Table A-7 provides estimates of the effects of ReHire on employment (columns 1 through 6) and earnings (columns 7 through 12) using the surrogate index approach. In columns (1)–(2) and (7)–(8), we reproduce control group means and the experimental effects using the observed data. In columns (3)–(4) and (9)–(10), we report control group means and effects using S_{it}^{COVID} . In columns (5)–(6) and (11)–(12), we report control group means and effects using S_{it}^{LT} . Each row reports the estimates using the outcome measured in a different quarter relative to application. The final two rows report results averaging across either the observed period (Q5–Q16) or the not yet observed period (Q17–Q30). Standard errors that come from 1,000 bootstrap samples of the data are reported in parentheses. Gold triangles in Figure 5 and Figure A-7 depict the ITT estimates from this approach using S_{it}^{COVID} and S_{it}^{LT} , respectively. Both figures plot observed experimental estimates (black circles) for comparison.

As noted in Section 5.1, observed ITT effects on employment and earnings during quarters 5 through 11 are small but consistently above 2 percentage points or around \$100. Between quarters 12 and 16, observed effects are small and close to 0.

We find evidence that access to ReHire would have increased employment by 8 percent and earnings by 9 percent during the three years following program participation had the pandemic not occurred. When replacing COVID-affected data with the surrogate index, we estimate an average employment effect during Q5 through Q7 of 3.4 percentage points ($p < 0.01$) relative to a control group mean of 33.9 percent. This increase would have occurred alongside a \$198 increase in average quarterly earnings ($p < 0.05$) relative to a control group mean of \$2,216.

This approach also allows us to predict the effect of ReHire beyond the period during which we have a balanced panel. Predicted long-term effects, five to 8 years (Q17–Q30) after random assignment are small, but persistent. The surrogate evidence suggests the long-term effect of ReHire access on employment to be 2.3 percentage points ($p < 0.05$) and on earnings to be just under \$150 per quarter ($p < 0.10$), which is roughly a 7 percent increase. While suggestive that the program could have had continued impact in the absence of the program, the observed impacts in the third year following random assignment suggests that these employment and earnings gains will not materialize, potentially because of the labor market disruptions posed by the COVID-19 pandemic.

The results in columns (6) and (12) suggest that the surrogate index approach does a reasonable job of predicting actual treatment effects. During the early quarters (Q5–Q8) when the majority of the experimental sample had not yet been affected by the pandemic, the approach that replaces all data with the surrogate index finds effects similar in magnitude to the observed effects. For example, the actual

⁴⁹Note that $S_{it}^{LT} = S_{it}^{COVID}$ for $t \geq 19$ because all individuals in the the pre-RCT observational sample were experiencing the COVID-19 pandemic by the 19th quarter following random assignment.

effects on employment during that time period range from 2 to 3.8 percentage points, and the surrogate effects similarly range between 2.2 and 4 percentage points. Predicted effects on earnings from Q5 through Q7 are strikingly similar to the observed experimental effects (see [Figure A-7](#)).

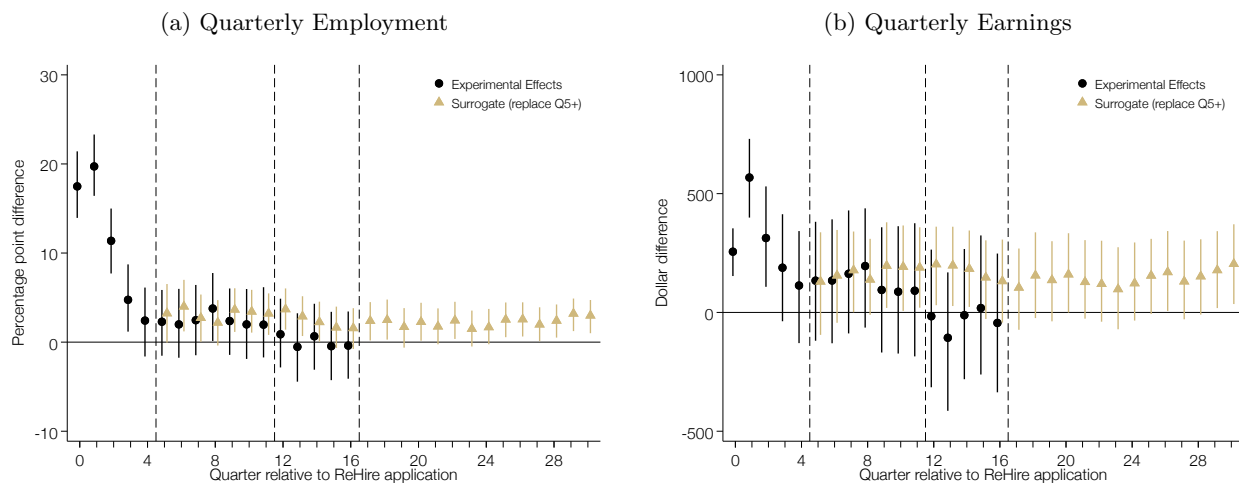
Table A-7: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado with Surrogate Outcomes, By Quarter

	Any Employment						Earnings					
	Observed Data		Surrogate (COVID)		Surrogate (Q5+)		Observed Data		Surrogate (COVID)		Surrogate (Q5+)	
	Control	ITT Effect	Control	ITT Effect	Control	ITT Effect	Control	ITT Effect	Control	ITT Effect	Control	ITT Effect
	Mean	Controls	Mean	Controls	Mean	Controls	Mean	Controls	Mean	Controls	Mean	Controls
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Quarter 5	0.509	0.023 (0.019)	0.509	0.021 (0.019)	0.500	0.032 ⁺ (0.017)	\$2,262	\$134 (127)	\$2,257	\$135 (127)	\$2,271	\$130 (108)
Quarter 6	0.500	0.020 (0.020)	0.497	0.024 (0.019)	0.461	0.040 ^{**} (0.015)	\$2,268	\$134 (132)	\$2,254	\$148 (128)	\$2,166	\$156 (99)
Quarter 7	0.485	0.025 (0.020)	0.481	0.031 (0.019)	0.448	0.027 [*] (0.013)	\$2,238	\$163 (131)	\$2,216	\$198 (127)	\$2,001	\$178 [*] (87)
Quarter 8	0.450	0.038 ⁺ (0.020)	0.441	0.049 ^{**} (0.019)	0.432	0.022 ⁺ (0.013)	\$2,237	\$195 (133)	\$2,173	\$261 [*] (124)	\$1,914	\$138 ⁺ (83)
Quarter 9	0.453	0.024 (0.020)	0.448	0.047 ^{**} (0.018)	0.431	0.037 ^{**} (0.013)	\$2,312	\$95 (138)	\$2,220	\$275 [*] (127)	\$2,074	\$196 [*] (90)
Quarter 10	0.434	0.020 (0.020)	0.437	0.034 ⁺ (0.018)	0.429	0.034 ^{**} (0.013)	\$2,252	\$87 (142)	\$2,274	\$193 (127)	\$2,228	\$192 [*] (93)
Quarter 11	0.414	0.020 (0.020)	0.416	0.044 ^{**} (0.017)	0.422	0.032 ^{**} (0.012)	\$2,212	\$91 (146)	\$2,156	\$246 [*] (119)	\$2,135	\$189 [*] (86)
Quarter 12	0.408	0.009 (0.020)	0.424	0.044 ^{**} (0.016)	0.421	0.037 ^{**} (0.012)	\$2,242	-\$16 (150)	\$2,228	\$176 (117)	\$2,118	\$203 [*] (85)
Quarter 13	0.409	-0.005 (0.019)	0.431	0.028 ⁺ (0.015)	0.426	0.029 [*] (0.012)	\$2,270	-\$107 (147)	\$2,243	\$169 (111)	\$2,158	\$198 [*] (84)
Quarter 14	0.390	0.007 (0.019)	0.422	0.039 ^{**} (0.015)	0.428	0.022 ⁺ (0.012)	\$2,214	-\$12 (143)	\$2,205	\$224 [*] (110)	\$2,133	\$184 [*] (85)
Quarter 15	0.387	-0.005 (0.020)	0.403	0.028 [*] (0.014)	0.413	0.016 (0.012)	\$2,208	\$19 (151)	\$2,159	\$205 ⁺ (109)	\$2,160	\$147 ⁺ (83)
Quarter 16	0.378	-0.004 (0.020)	0.410	0.017 (0.013)	0.413	0.016 (0.012)	\$2,239	-\$44 (150)	\$2,208	\$151 (103)	\$2,217	\$132 (89)
Average Q5–Q16	0.435	0.014 (0.015)	0.443	0.034 [*] (0.013)	0.435	0.029 [*] (0.011)	\$2,246	\$62 (117)	\$2,216	\$198 [*] (98)	\$2,131	\$170 [*] (81)
Average Q17–Q30			0.339	0.023 ^{**} (0.009)	0.340	0.023 [*] (0.009)			\$2,133	\$147 ⁺ (77)	\$2,136	\$144 ⁺ (77)

Notes: Data source is administrative UI earnings data from CDLE. Each row represents outcomes measured in a different quarter relative to ReHire application. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. The dependent variable in columns (1) and (2) is an indicator for formal-sector employment and columns (5) and (6) is an individual's UI-covered earnings. The dependent variable in columns (3) and (4), as well as (7) and (8) are the surrogate outcomes as specified by S_{it}^{COVID} in the preceding section. Columns (1), (3), (5), and (7) report the mean of the outcome for the control group, respectively. Columns (2), (4), (6), and (8) report the coefficients on treatment indicators, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Standard errors reported in parentheses are constructed using 1,000 bootstrap samples and take into account the uncertainty from the first-stage prediction.

**0.01, *0.05, +0.10 significance levels

Figure A-7: ITT Effects of ReHire Access on Employment and Earnings, Observed and Surrogate Estimates



Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied to the program between 7/2015 and 12/2018, as well as an earlier wave of 997 ReHire participants who applied before the RCT between 1/2014 and 6/2015. The figure plots ITT effect estimates of the impact of ReHire access on employment (Panel a) and earnings (Panel b). Black circles depict ITT estimates that come from a regression of the outcome on an indicator for treatment, controlling for stratification fixed effects and controls selected from the post-double selection LASSO procedure (Belloni, Chernozhukov and Hansen, 2014). Estimates depicted by gold triangles come from the surrogate index approach described in Appendix Section A.11 where we replace any individual's post-2019 outcomes with a surrogate outcome predicted using the observational data. Vertical bars represent the 95 percent confidence intervals constructed from 1,000 bootstrap trials of the estimation procedure.

A.12 Additional Follow-up Survey Details

A.12.1 Follow-up Survey Response Rates and Reweighting for Selective Response

Among the 2,496 applicants in our analysis sample, 954 individuals completed the follow-up survey. Response rates were higher in the treatment group (41.9 percent) than the control group (33.7 percent). [Table A-8](#) reports average baseline characteristics of those who did not respond to the follow-up survey (column 1) and those who responded to the follow-up survey (column 2). In general, survey respondents were more likely to have received TANF in the prior year, more likely to be female, and had higher levels of education. Respondents were less likely to be a non-custodial parent, to be an older worker, to be allowed to drive, to have ever been homeless, or to report substance abuse. However, the magnitudes of the differences in means relative to the control group standard deviation are less than 0.20 for all but one characteristic ([Imbens and Wooldridge, 2009](#)).

To account for selective survey response, we construct a set of inverse propensity weights to use in our analysis of outcomes from this data source. Separately by treatment assignment, we use a logit specification to predict survey response based on administrative data outcomes measured prior to application and in the months/quarters prior to survey invitation. Specifically, we include 5 indicators for educational attainment (high school; some college; Associate’s degree; Bachelor’s degree; or flag for missing education), 1 indicator for gender (male), 17 indicators for quarterly employment (12 quarters before random assignment through 4 quarters following random assignment), 39 indicators each for monthly SNAP and TANF participation (24 months before random assignment through 14 months following random assignment), 3 indicators for any employment in the one/two/three year(s) before random assignment, and 3 indicators for having no employment in the one/two/three year(s) before random assignment. We also include 17 controls for quarterly earnings in the 12 quarters before random assignment through 4 quarters following random assignment, 3 controls for average earnings in the one/two/three year(s) before random assignment, and 4 controls for total SNAP and TANF amount received in the one/two year(s) before random assignment. The resulting attrition weight is the inverse of the predicted probability an individual completed the follow-up survey, and we top code the weights at the 99th percentile.

A.12.2 Treatment-Control Baseline Balance Among Follow-Up Sample

Among follow-up survey respondents, baseline characteristics are largely balanced between the control group and treatment group, regardless of whether we apply the weights described above. [Table A-9](#) reports average baseline characteristics of respondents in the control group (column 1) and the treatment group (column 2). Columns (3) and (5) report the unweighted and weighted differences in means, respectively. Corresponding test statistics are reported in columns (4) and (6). In the unweighted sample, the treatment group is less educated, more likely to be male, and less likely to expect economic hardship or to have ever been homeless. In the weighted sample, the only statistically significant difference is that the treatment group is less likely to expect economic hardship in the coming months.

Table A-8: Follow-up Survey Response Selection

	Non- Respondent Mean (1)	Respondent Mean (2)	Within- Strata Difference (3)	t-stat (4)	Diff./ SD (5)	N (6)
<i>Panel A: Administrative Data</i>						
Worked last year	0.613	0.617	-0.003	-0.12	-0.00	2,496
Employment rate last three years	0.406	0.432	0.016	1.09	0.03	2,496
Average quarterly earnings in last year	\$1,552	\$1,732	\$85	0.71	0.02	2,496
Received TANF last year	0.101	0.155	0.030	2.16	0.05	2,496
Received SNAP last year	0.687	0.687	0.011	0.55	0.01	2,496
<i>Panel B: Baseline Survey</i>						
<i>Demographics</i>						
Average Age (years)	47.0	45.3	-0.9	-1.68	-0.04	2,451
Average years of education	13.2	14.0	0.6	7.89	0.21	2,179
Male	0.567	0.434	-0.103	-5.03	-0.13	2,496
Minority	0.397	0.389	0.027	1.37	0.03	2,495
Covered by Medicaid	0.745	0.758	0.013	0.70	0.02	2,495
<i>Barriers to Employment</i>						
Not allowed to drive	0.253	0.166	-0.069	-4.15	-0.11	2,480
Parent	0.243	0.371	0.098	5.10	0.13	2,486
Single parent	0.126	0.242	0.094	5.80	0.15	2,486
Difficulty finding childcare	0.071	0.121	0.037	3.01	0.08	2,485
Expect economic hardship	0.339	0.278	-0.017	-0.89	-0.02	2,456
Health limits work	0.092	0.121	0.029	2.13	0.05	2,429
Ever homeless	0.474	0.361	-0.070	-3.56	-0.09	2,480
Ever convicted of felony	0.273	0.193	-0.053	-3.08	-0.08	2,475
Drugs or alcohol have affected life	0.257	0.185	-0.068	-3.93	-0.10	2,424
<i>Caseworker Job Readiness Assessment</i>						
Perceived motivation (out of 10)	8.42	8.57	0.13	1.83	0.05	2,440
Likelihood to overcome barriers (out of 10)	8.07	8.28	0.22	2.86	0.07	2,440
<i>ReHire Target Populations</i>						
Veteran	0.237	0.206	0.004	0.25	0.01	2,495
Non-custodial parent	0.222	0.155	-0.055	-3.46	-0.09	2,495
Older worker	0.507	0.445	-0.030	-1.44	-0.04	2,495
Not in a priority category	0.245	0.339	0.043	2.37	0.06	2,495
<i>Cognitive skills</i>						
Timed math test, percent correct	57.1	62.6	4.4	5.60	0.17	1,877
Number of math questions attempted (out of 160)	94.5	102.5	6.2	5.01	0.15	1,877
Raven's score (out of 36)	30.5	31.8	0.9	4.97	0.13	2,457
<i>Non-cognitive characteristics</i>						
Locus of control (1-5)	4.06	4.08	0.04	1.57	0.04	2,476
Grit (1-5)	3.90	3.90	0.02	0.82	0.02	2,470
Extraversion (1-5)	3.10	3.15	0.04	1.12	0.03	2,471
Agreeableness (1-5)	3.90	4.00	0.09	3.57	0.09	2,471
Conscientious (1-5)	4.01	4.00	0.01	0.48	0.01	2,471
Neuroticism (1-5)	2.45	2.46	0.00	0.10	0.00	2,471
Imagination (1-5)	3.05	3.08	0.03	1.40	0.04	2,471
Life satisfaction ladder (0-10)	5.68	5.64	-0.01	-0.12	-0.00	2,485
Depression scale (0-10)	1.55	1.51	-0.04	-0.68	-0.02	2,421

Notes: Data come from administrative UI earnings data from CDLE, administrative benefits data from CBMS, and baseline survey data collected at application. The sample includes all ReHire applicants who applied between 7/2015 and 12/2018. Respondents are individuals with a completed follow-up survey. One applicant can be linked to administrative data, but is missing a baseline survey.

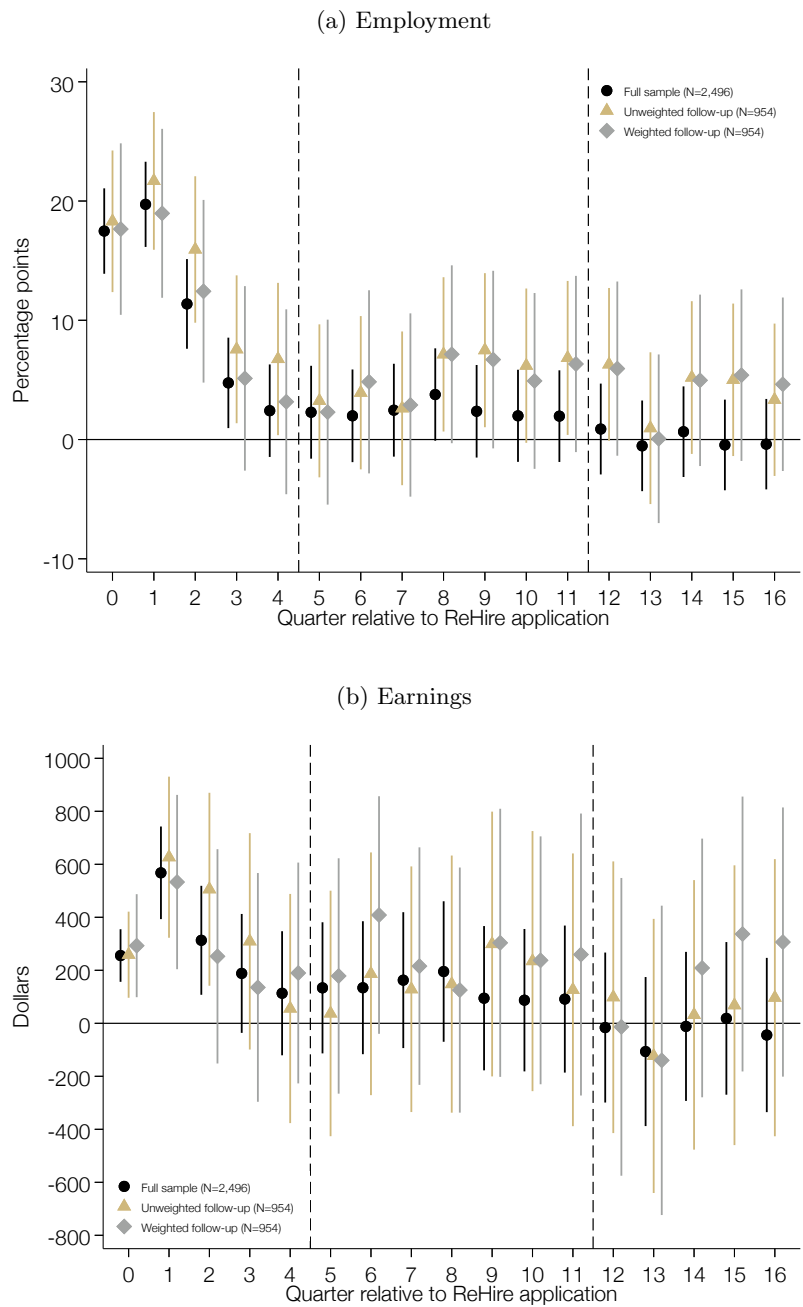
Table A-9: Summary Statistics and Baseline Balance, Follow-up Survey Respondents

	Control	Treatment	Unweighted		Weighted		N
	Mean	Mean	Diff.	t-stat	Diff.	t-stat	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Panel A: Administrative Data</i>							
Worked last year	0.594	0.633	0.023	0.69	-0.019	-0.50	954
Employment rate last three years	0.407	0.447	0.029	1.19	-0.010	-0.36	954
Average quarterly earnings in last year	\$1,602	\$1,816	\$77	0.43	-\$117	-0.58	954
Received TANF last year	0.163	0.150	-0.016	-0.66	-0.004	-0.16	954
Received SNAP last year	0.719	0.666	-0.051	-1.67	-0.021	-0.53	954
<i>Panel B: Baseline Survey</i>							
<i>Demographics</i>							
Average Age (years)	45.4	45.3	-0.2	-0.21	-0.4	-0.40	937
Average years of education	14.1	13.9	-0.3	-2.34	-0.1	-0.52	821
Male	0.404	0.453	0.056	1.75	0.045	1.10	954
Minority	0.422	0.367	-0.045	-1.40	-0.005	-0.14	954
Covered by Medicaid	0.775	0.747	-0.030	-1.05	-0.006	-0.17	954
<i>Barriers to Employment</i>							
Not allowed to drive	0.153	0.174	0.025	0.98	0.031	0.91	953
Parent	0.380	0.365	-0.020	-0.62	-0.004	-0.11	952
Single parent	0.249	0.237	-0.016	-0.56	-0.008	-0.25	952
Difficulty finding childcare	0.142	0.107	-0.035	-1.57	-0.010	-0.54	951
Expect economic hardship	0.305	0.261	-0.055	-1.80	-0.085	-2.19	941
Health limits work	0.127	0.117	-0.006	-0.26	0.000	0.00	926
Ever homeless	0.408	0.330	-0.061	-1.94	-0.070	-1.87	951
Ever convicted of felony	0.202	0.187	-0.017	-0.62	0.016	0.42	950
Drugs or alcohol have affected life	0.187	0.183	-0.005	-0.18	-0.042	-1.16	930
<i>Caseworker Job Readiness Assessment</i>							
Perceived motivation (out of 10)	8.60	8.54	-0.13	-1.16	-0.14	-1.15	936
Likelihood to overcome barriers (out of 10)	8.16	8.36	0.07	0.57	-0.02	-0.17	936
<i>ReHire Target Populations</i>							
Veteran	0.214	0.202	-0.003	-0.11	-0.012	-0.36	954
Non-custodial parent	0.168	0.147	-0.027	-1.09	-0.026	-0.81	954
Older worker	0.428	0.457	0.022	0.68	0.009	0.21	954
Not in a priority category	0.340	0.338	0.005	0.17	-0.002	-0.05	954
<i>Cognitive skills</i>							
Timed math test, percent correct	63.0	62.3	-0.6	-0.52	0.2	0.13	737
Number of math questions attempted (out of 160)	103.3	102.0	-1.1	-0.57	0.1	0.06	737
Raven's score (out of 36)	31.9	31.7	-0.2	-0.84	-0.6	-1.93	943
<i>Non-cognitive characteristics</i>							
Locus of control (1-5)	4.08	4.08	-0.01	-0.16	-0.02	-0.46	949
Grit (1-5)	3.90	3.90	-0.00	-0.16	-0.02	-0.57	946
Extraversion (1-5)	3.14	3.15	0.02	0.44	0.06	0.90	949
Agreeableness (1-5)	4.02	3.99	-0.02	-0.42	-0.01	-0.19	949
Conscientious (1-5)	3.98	4.01	0.03	0.74	-0.00	-0.03	949
Neuroticism (1-5)	2.44	2.47	0.04	0.84	0.03	0.68	949
Imagination (1-5)	3.08	3.09	0.00	0.06	0.01	0.37	949
Life satisfaction ladder (0-10)	5.62	5.65	-0.05	-0.42	-0.14	-0.93	952
Depression scale (0-10)	1.51	1.50	0.03	0.32	0.06	0.57	934

Notes: Data come from administrative UI earnings data from CDLE, administrative benefits data from CBMS, and baseline survey data collected at application. The sample includes ReHire applicants who applied between 7/2015 and 12/2018 and completed the follow-up survey. One applicant can be linked to administrative data, but is missing a baseline survey.

Program impacts on outcomes observed in administrative data are similar between the full sample ($N=2,496$) and the unweighted and weighted follow-up samples ($N=954$). [Figure A-8](#) reports quarterly effects on employment (panel a) and earnings (panel b) for the full sample (black circles), unweighted follow-up sample (gold triangles), and weighted follow-up sample (gray diamonds). The figure reports coefficients from a regression of the outcome measured in the quarter relative to ReHire application (x-axis) controlling for stratification fixed effects and selected baseline controls using a post-double selection LASSO procedure ([Belloni, Chernozhukov and Hansen, 2014](#)). Vertical bars represent 95 percent confidence intervals. [Table A-10](#) replicates the main effects from [Table 2](#) among the full sample and the weighted follow-up sample. The pattern of results are similar between the full sample and two follow-up samples through the first two years following random assignment, albeit with less precision due to the reduction in sample size. In the later quarters, point estimates are consistently more positive among the follow-up sample.

Figure A-8: ITT Effect of ReHire on Quarterly Employment and Earnings, Comparison of Results among All ReHire Applicants and Follow-up Survey Respondents



Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Time 0 represents the quarter in which a participant completed an application, and is thus a different calendar period from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. Treatment and control groups are based on an individual’s randomly assigned treatment status. The figure plots the treatment-control differences in average quarterly employment (a) and earnings (b), controlling for stratification fixed effects and baseline characteristics selected through a post-double selection LASSO procedure (Belloni, Chernozhukov and Hansen, 2014). Black circles represent estimates using the full sample of ReHire applicants. Gold triangles (gray diamonds) depict estimates from an unweighted (weighted) specification using all 954 follow-up survey respondents. Vertical bars represent the 95 percent confidence intervals constructed using heteroskedasticity-robust standard errors.

Table A-10: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, Comparison of Results among All ReHire Applicants and Follow-up Survey Respondents

	All Applicants		Followup Respondents	
	Control Mean	ITT Effect Controls	Weighted Control Mean	Weighted ITT Effect Controls
	(1)	(2)	(3)	(4)
<i>Panel A: In-Program Employment (Quarters 0–4)</i>				
Any employment	0.805	0.116** (0.014)	0.837	0.110** (0.023)
Share of quarters worked	0.533	0.112** (0.013)	0.555	0.116** (0.027)
Worked every quarter	0.234	0.073** (0.017)	0.241	0.089** (0.033)
Average quarterly earnings	\$1,761	\$288** (76)	\$1,880	\$275* (136)
Share of quarters above 130% FPL	0.183	0.024* (0.011)	0.199	0.018 (0.019)
<i>Panel B: Post-Program, Pre-COVID Employment (Quarters 5–11)</i>				
Any employment	0.660	0.016 (0.019)	0.665	0.049 (0.037)
Share of quarters worked	0.464	0.024 (0.016)	0.476	0.050 (0.032)
Worked every quarter	0.242	0.038* (0.018)	0.244	0.027 (0.032)
Average quarterly earnings	\$2,254	\$128 (116)	\$2,359	\$236 (203)
Share of quarters above 130% FPL	0.251	0.015 (0.014)	0.266	0.022 (0.025)
<i>Panel C: Post-Program, Post-COVID Employment (Quarters 12–16)</i>				
Any employment	0.523	-0.001 (0.020)	0.510	0.048 (0.038)
Share of quarters worked	0.394	-0.000 (0.017)	0.395	0.044 (0.033)
Worked every quarter	0.268	-0.013 (0.018)	0.271	0.021 (0.034)
Average quarterly earnings	\$2,234	-\$32 (133)	\$2,335	\$135 (232)
Share of quarters above 130% FPL	0.242	-0.008 (0.015)	0.238	0.032 (0.026)
Agency-Rate Block FEs		X		X
Individual Baseline Controls		X		X
Observations	1,111	2,496	374	954

Notes: Data source is administrative UI earnings data from CDLE. This table reports effects on main employment outcomes for the full sample (columns 1 and 2) and the sample of follow-up survey respondents (columns 3 and 4). Columns (1) and (3) report the control group means. Columns (2) and (4) report the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

A.12.3 ITT Effects on Components of Follow-up Survey Outcome Indices

In [Table 4](#), we report the average standardized treatment effect of ReHire among groups of outcomes constructed from the follow-up survey: job quality for an individual’s first unsubsidized job following ReHire application; job quality for an individual’s current unsubsidized job at the time of follow-up; well-being; employment barriers; workplace behaviors; and expectations about the future.

[Table A-11](#) reports effects on the underlying components of the two job quality indices. Columns (1) through (5) includes results based on the job characteristics of an individual’s first unsubsidized job following ReHire application. For these columns, the sample is restricted to the 637 follow-up survey respondents who report working an unsubsidized job since they applied to ReHire. Columns (6) through (10) report results based on the job characteristics of an individual’s job they were working at the time of survey response. For these columns, the sample is restricted to the 472 individuals working at the time of follow-up. Each row in the table represents a different characteristic. The table reports control group means (columns 1 and 6), ITT effects from a regression that controls for stratification fixed effects (columns 2 and 7), estimates from a weighted sample using inverse propensity attrition weights (columns 3 and 8), and estimates that selects baseline controls using a post-double selection LASSO procedure (columns 4 and 9). Columns (5) and (10) report sample sizes for each outcome. For a few respondents, we were unable to construct an estimate of their hourly wage. Results are relatively stable across specifications.

The final row of [Table A-11](#) presents the standardized treatment effect found in [Table 4](#). In constructing the standardized treatment effect, estimates from some of underlying components (worked for hourly wage; would like to work more hours; work hours change a lot or fair amount) are re-signed so that an increase in the outcome represents an improvement in job quality.

Similarly, [Table A-12](#) reports effects on the components of the remaining outcome indices measured in the following up survey: well-being (Panel A); employment barriers (Panel B); workplace behaviors (Panel C); and expectations about the future (Panel D). This table reports the same specifications as [Table A-11](#). In Panels A and B, the set of covariates used to select controls in the post-double selection LASSO procedure includes measures of the outcomes observed at ReHire application. For outcomes in Panels C and D, the respondent was asked the extent to which they agreed or disagreed with the given statement (strongly disagree, disagree, neither agree nor disagree, agree, and strongly agree). We construct indicators for whether an individual responded that they agree or strongly agree with the statement.

The final row of each panel in [Table A-12](#) reports the standardized treatment effect found in [Table 4](#). In constructing this index, some of the outcomes (expect hardship in next 2 months; depression score; and all 5 employment barriers) are re-signed so that increases in the outcomes represent improvements.

Table A-11: ITT Effect of ReHire on Components of the Job Quality Index, Follow-Up Survey Respondents

	First Unsubsidized Post-Application Job					Job at Time of Survey				
	Control	Unweighted	Weighted	Weighted	N	Control	Unweighted	Weighted	Weighted	N
	Mean	ITT Effect	ITT Effect	ITT Effect		Mean	ITT Effect	ITT Effect	ITT Effect	
	(1)	No Controls (2)	No Controls (3)	Controls (4)	(5)	(6)	No Controls (7)	No Controls (8)	Controls (9)	(10)
Very satisfied with job	0.186	0.153** (0.033)	0.169** (0.035)	0.169** (0.035)	772	0.414	0.062 (0.045)	0.100* (0.049)	0.100* (0.047)	570
Worked for hourly wage	0.914	-0.037 (0.023)	-0.050+ (0.026)	-0.050* (0.025)	772	0.857	-0.015 (0.033)	-0.034 (0.034)	-0.034 (0.033)	570
Hourly wage	\$13.17	0.32 (0.50)	0.79 (0.65)	0.79 (0.63)	756	\$15.13	-0.36 (0.84)	0.42 (0.84)	0.42 (0.82)	556
Non-temporary employee	0.717	0.017 (0.034)	0.013 (0.040)	0.013 (0.039)	772	0.837	-0.002 (0.035)	-0.016 (0.037)	-0.016 (0.036)	570
Hours worked per week	30.1	0.9 (1.0)	1.3 (1.1)	1.3 (1.1)	772	32.1	-0.6 (1.2)	-0.1 (1.2)	-0.1 (1.2)	570
Would like to work more hours	0.662	-0.061+ (0.037)	-0.085* (0.039)	-0.085* (0.038)	772	0.665	-0.052 (0.044)	-0.038 (0.048)	-0.038 (0.047)	570
Work hours change a lot or fair amount	0.317	-0.053 (0.036)	-0.050 (0.042)	-0.050 (0.041)	772	0.305	-0.061 (0.042)	-0.063 (0.046)	-0.063 (0.045)	570
One-way commute time (minutes)	26.7	-1.3 (1.8)	-1.2 (1.9)	-1.2 (1.9)	772	26.1	-3.3 (2.1)	-3.1 (2.4)	-3.1 (2.3)	570
Any employer benefits	0.317	0.073* (0.036)	0.055 (0.039)	0.055 (0.038)	772	0.453	0.045 (0.045)	0.050 (0.047)	0.050 (0.045)	570
Employer-provided health insurance	0.197	0.050 (0.031)	0.063* (0.032)	0.063* (0.031)	772	0.310	-0.011 (0.042)	0.010 (0.043)	0.010 (0.041)	570
Employer contributes to retirement	0.124	0.068* (0.027)	0.064* (0.025)	0.064** (0.025)	772	0.222	0.052 (0.039)	0.044 (0.038)	0.044 (0.036)	570
Paid vacation days	0.234	0.085* (0.034)	0.080* (0.035)	0.080* (0.035)	772	0.394	0.037 (0.044)	0.039 (0.045)	0.039 (0.044)	570
Paid sick leave	0.166	0.084** (0.031)	0.063+ (0.033)	0.063* (0.032)	772	0.256	0.089* (0.041)	0.084* (0.042)	0.084* (0.040)	570
Standardized treatment effect	0.000	0.146** (0.039)	0.165** (0.042)	0.165** (0.041)	2,492	0.000	0.071 (0.045)	0.090+ (0.047)	0.090* (0.046)	2,492

Notes: Data source is an 18-month follow-up survey. The sample includes follow-up survey respondents who applied between 7/2015 and 12/2018. The first four columns report information on the first unsubsidized job worked following ReHire application. The last four columns report information on the job worked at the time of the survey. The dependent variables, given by row labels, are job characteristics, and the sample is limited to respondents who worked in the listed job. The final row reports the standardized treatment effect across all characteristics, which is measured in standard deviations. Columns (1) and (6) report control group means. Columns (2) and (7) report ITT effect estimates controlling for service agency-randomization rate block fixed effects and months since application fixed effects. Columns (3) and (8) reweights the sample using inverse propensity attrition weights. Columns (4) and (9) further select controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Columns (5) and (10) report sample sizes. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

Table A-12: ITT Effect of ReHire on Other Outcomes, Follow-up Survey Respondents

	Control Mean	Unweighted ITT Effect No Controls	Weighted ITT Effect No Controls	Weighted ITT Effect Controls	N	
	(1)	(2)	(3)	(4)	(5)	
<i>Panel A: Components of Well-Being Index</i>						
<i>Subjective Well-Being</i>						
Life satisfaction ladder (0–10)	5.171	0.596** (0.154)	0.603** (0.191)	0.651** (0.179)	-0.168 (0.184)	954
Expect hardship in next 2 months	0.297	-0.057+ (0.031)	-0.104** (0.039)	-0.104** (0.038)	-0.323** (0.033)	954
<i>Self-Reported Physical and Mental Health</i>						
Very good or excellent health	0.297	0.063+ (0.032)	0.088* (0.034)	0.075* (0.032)	-0.113** (0.029)	954
Health improved over last year	0.310	0.052 (0.032)	0.051 (0.038)	0.051 (0.037)	-0.163** (0.033)	954
Depression score	2.255	-0.240* (0.112)	-0.154 (0.124)	-0.151 (0.110)	-0.829** (0.108)	954
Standardized treatment effect	0.000	0.157** (0.043)	0.176** (0.051)	0.173** (0.046)	-0.178 (0.048)	2,492
<i>Panel B: Components of Employment Barriers Index</i>						
Lack of childcare affected work	0.182	-0.025 (0.026)	0.004 (0.028)	0.010 (0.024)	-0.151** (0.020)	954
Homeless	0.307	-0.072* (0.030)	-0.071+ (0.037)	-0.040 (0.034)	-0.313** (0.030)	954
Convicted of crime	0.043	0.014 (0.015)	0.030 (0.020)	0.030 (0.020)	-0.040** (0.012)	954
Incarcerated	0.024	0.004 (0.011)	0.014 (0.016)	0.014 (0.016)	-0.026** (0.010)	954
Substance abuse affected work	0.059	-0.003 (0.016)	-0.003 (0.022)	-0.003 (0.021)	-0.063** (0.016)	954
Standardized treatment effect	0.000	0.027 (0.041)	-0.021 (0.058)	-0.037 (0.056)	-0.203 (0.078)	2,492
<i>Panel C: Components of Workplace Behaviors Index</i>						
Ask about opportunities	0.775	-0.038 (0.029)	-0.062+ (0.032)	-0.062* (0.031)	-0.191** (0.036)	954
Speak out in group setting	0.671	0.013 (0.032)	0.038 (0.040)	0.038 (0.040)	-0.114** (0.042)	954
Positive attitude about self	0.783	0.022 (0.027)	-0.017 (0.029)	-0.017 (0.029)	-0.111** (0.034)	954
Confident in own abilities	0.840	0.038 (0.024)	0.025 (0.028)	0.025 (0.027)	-0.041 (0.033)	954
Don't worry about what others think about me	0.532	0.053 (0.034)	0.032 (0.037)	0.032 (0.036)	-0.134** (0.038)	954
Standardized treatment effect	0.000	0.040 (0.040)	0.003 (0.047)	0.003 (0.046)	-0.280 (0.056)	2,492
<i>Panel D: Components of Expectations About Future Index</i>						
Expect to work	0.805	0.028 (0.026)	0.033 (0.037)	0.033 (0.036)	-0.057 (0.040)	954
Expect to not need government assistance	0.610	0.023 (0.034)	-0.020 (0.039)	-0.016 (0.037)	-0.176** (0.040)	954
Standardized treatment effect	0.000	0.059 (0.055)	0.018 (0.066)	0.023 (0.063)	-0.249 (0.071)	2,492

Notes: Data source is an 18-month follow-up survey. The sample includes follow-up survey respondents who applied between 7/2015 and 12/2018. Column (2) reports ITT effect estimates controlling for service agency-randomization rate block fixed effects and months since application fixed effects. Column (3) reweights the sample using inverse propensity attrition weights. Column (4) further selects controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (5) reports sample sizes. Heteroskedasticity-robust standard errors in parentheses.
 **0.01, *0.05, +0.10 significance levels

A.12.4 Bounding ITT Effects on Follow-up Survey Outcomes to Deal with Attrition Bias

In [Section A.12](#), we documented improvements in job quality and overall well-being, outcomes that were measured in the 18-month follow-up survey. As noted in [Section A.12.1](#), response rates varied between the treatment group (41.9 percent) and the control group (33.7 percent), which raises concerns of selective attrition biasing these results. To better understand the robustness of these findings, this section reports bounds on the ITT effects estimated on follow-up survey outcomes following [Lee \(2009\)](#) and [Kling and Liebman \(2004\)](#).

The treatment group was more likely to respond to the follow-up survey. In order to implement [Lee \(2009\)](#) bounds, we trim outcomes among the treatment group until the response rate in the treatment group equals that of the control group. Lower bounds are constructed by trimming the treatment group individuals with the largest outcome values. Upper bounds are constructed by trimming the treatment group individuals with the smallest outcome values. We break ties using the estimated propensity to respond to the survey and trimming individuals who were least likely to respond. When constructing lower (upper) bounds for the average standardized treatment effect, we use the upper (lower) bound for outcomes that are negatively signed in the index. We estimate the Lee bounds using Equation (1) controlling only for stratification fixed effects and by weighting the sample using inverse propensity weights.

We also report bounds following [Kling and Liebman \(2004\)](#) that assume attriters have outcome values that are one standard deviation away from the mean outcome. Lower bounds are constructed by assuming the treatment (control) group attriters have outcomes one standard deviation below (above) than the mean. Upper bounds are constructed by assuming the treatment (control) group attriters have outcomes one standard deviation above (below) the mean. We estimate the Kling-Liebman bounds using Equation (1) controlling only for stratification fixed effects.

[Table A-13](#) and [Table A-14](#) report the ITT effects from a weighted regression that controls for stratification fixed effects and months since application, as well as the upper and lower bound estimates using the procedures described above. Bounds on the effects on the job quality index are wide, ranging from roughly -0.3 SD to 0.6 SD ([Table A-13](#)). Similarly, bounds on the effect on well-being are wide, ranging from -0.2 SD to 0.6 SD ([Table A-14](#)).

Table A-13: Bounds on the ITT Effect of ReHire on Components of the Job Quality Index, Follow-Up Survey Respondents

	First Unsubsidized Post-Application Job					Job at Time of Survey							
	Weighted ITT Effect No Controls (1)	Lee Lower Bound (2)		Kling-Liebman Lower Bound (4)		Upper Bound (3)	Upper Bound (5)	Weighted ITT Effect No Controls (6)	Lee Lower Bound (7)		Upper Bound (8)	Kling-Liebman Lower Bound (9)	
Very satisfied with job	0.169** (0.035)	-0.094** (0.028)	0.372** (0.038)	-0.439** (0.013)	0.762** (0.013)	0.100* (0.049)	-0.193** (0.046)	0.405** (0.046)	-0.675** (0.013)	0.867** (0.013)			
Worked for hourly wage	-0.050+ (0.026)	-0.129** (0.032)	0.080** (0.017)	-0.459** (0.009)	0.383** (0.009)	-0.034 (0.034)	-0.160** (0.044)	0.134** (0.026)	-0.569** (0.009)	0.534** (0.009)			
Hourly wage	0.79 (0.65)	-2.01** (0.37)	2.32** (0.75)	-8.27** (0.18)	8.73** (0.18)	0.42 (0.84)	-2.87** (0.52)	2.30* (1.05)	-13.97** (0.23)	13.31** (0.23)			
Non-temporary employee	0.013 (0.040)	-0.138** (0.044)	0.288** (0.031)	-0.600** (0.013)	0.639** (0.013)	-0.016 (0.037)	-0.138** (0.046)	0.163** (0.029)	-0.558** (0.009)	0.584** (0.010)			
Hours worked per week	1.3 (1.1)	-4.1** (1.1)	7.5** (1.0)	-17.9** (0.4)	20.0** (0.4)	-0.1 (1.2)	-6.0** (1.2)	7.1** (1.1)	-21.5** (0.3)	21.1** (0.3)			
Would like to work more hours	-0.085* (0.039)	-0.291** (0.042)	0.166** (0.034)	-0.729** (0.014)	0.615** (0.014)	-0.038 (0.048)	-0.308** (0.050)	0.267** (0.041)	-0.816** (0.013)	0.679** (0.012)			
Work hours change a lot or fair amount	-0.050 (0.042)	-0.320** (0.034)	0.112* (0.046)	-0.683** (0.014)	0.586** (0.014)	-0.063 (0.046)	-0.318** (0.037)	0.140** (0.052)	-0.746** (0.012)	0.637** (0.012)			
One-way commute time (minutes)	-1.2 (1.9)	-11.2** (1.5)	5.0* (2.0)	-36.2** (0.7)	31.2** (0.7)	-3.1 (2.4)	-14.3** (2.0)	4.2 (2.6)	-38.5** (0.6)	30.2** (0.6)			
Any employer benefits	0.055 (0.039)	-0.170** (0.034)	0.272** (0.043)	-0.582** (0.014)	0.742** (0.014)	0.050 (0.047)	-0.205** (0.045)	0.360** (0.047)	-0.719** (0.013)	0.832** (0.013)			
Employer-provided health insurance	0.063* (0.032)	-0.155** (0.023)	0.202** (0.038)	-0.515** (0.012)	0.626** (0.012)	0.010 (0.043)	-0.278** (0.034)	0.224** (0.050)	-0.703** (0.012)	0.732** (0.012)			
Employer contributes to retirement	0.064* (0.025)	-0.094** (0.018)	0.163** (0.032)	-0.427** (0.011)	0.569** (0.010)	0.044 (0.038)	-0.195** (0.028)	0.242** (0.046)	-0.601** (0.011)	0.724** (0.011)			
Paid vacation days	0.080* (0.035)	-0.155** (0.028)	0.264** (0.040)	-0.528** (0.013)	0.710** (0.013)	0.039 (0.045)	-0.235** (0.041)	0.309** (0.050)	-0.717** (0.013)	0.812** (0.013)			
Paid sick leave	0.063+ (0.033)	-0.154** (0.025)	0.202** (0.039)	-0.470** (0.012)	0.645** (0.012)	0.084* (0.042)	-0.193** (0.033)	0.321** (0.049)	-0.608** (0.012)	0.811** (0.012)			
Standardized treatment effect	0.165** (0.042)	-0.328 (0.035)	0.599** (0.047)	-1.339 (0.024)	1.661** (0.024)	0.090+ (0.047)	-0.426 (0.042)	0.598** (0.050)	-1.504 (0.020)	1.704** (0.020)			

Notes: Data source is an 18-month follow-up survey. The sample includes follow-up survey respondents who applied between 7/2015 and 12/2018. The first five columns report information on the first unsubsidized job worked following ReHire application. The last five columns report information on the job worked at the time of the survey. The dependent variables, given by row labels, are job characteristics. The final row reports the standardized treatment effect across all characteristics, which is measured in standard deviations. Columns (1) and (6) report ITT effect estimates controlling for service agency-randomization rate block fixed effects and months since application fixed effects and weighting the sample using inverse propensity attrition weights. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

Table A-14: Bounds on the ITT Effect of ReHire on Other Outcomes, Follow-up Survey Respondents

	Weighted ITT Effect No Controls (1)	Lee		Kling-Liebman	
		Lower Bound (2)	Upper Bound (3)	Lower Bound (4)	Upper Bound (5)
<i>Panel A: Components of Well-Being Index</i>					
<i>Subjective Well-Being</i>					
Life satisfaction ladder (0–10)	0.603** (0.191)	-0.168 (0.184)	1.522** (0.176)	-2.211** (0.073)	3.454** (0.073)
Expect hardship in next 2 months	-0.104** (0.039)	-0.323** (0.033)	0.035 (0.041)	-0.613** (0.014)	0.489** (0.014)
<i>Self-Reported Physical and Mental Health</i>					
Very good or excellent health	0.088* (0.034)	-0.113** (0.029)	0.248** (0.038)	-0.514** (0.015)	0.666** (0.015)
Health improved over last year	0.051 (0.038)	-0.163** (0.033)	0.219** (0.038)	-0.540** (0.015)	0.636** (0.015)
Depression score	-0.154 (0.124)	-0.829** (0.108)	0.218 ⁺ (0.129)	-2.349** (0.053)	1.855** (0.053)
Standardized treatment effect	0.176** (0.051)	-0.178 (0.048)	0.573** (0.048)	-1.085 (0.026)	1.414** (0.026)
<i>Panel B: Components of Employment Barriers Index</i>					
Lack of childcare affected work	0.004 (0.028)	-0.151** (0.020)	0.079* (0.034)	-0.492** (0.012)	0.462** (0.012)
Homeless	-0.071 ⁺ (0.037)	-0.313** (0.030)	0.034 (0.038)	-0.632** (0.014)	0.469** (0.014)
Convicted of crime	0.030 (0.020)	-0.040** (0.012)	0.065* (0.026)	-0.262** (0.007)	0.288** (0.007)
Incarcerated	0.014 (0.016)	-0.026** (0.010)	0.037 (0.023)	-0.204** (0.005)	0.214** (0.005)
Substance abuse affected work	-0.003 (0.022)	-0.063** (0.016)	0.030 (0.026)	-0.293** (0.007)	0.284** (0.007)
Standardized treatment effect	-0.021 (0.058)	-0.203 (0.078)	0.347** (0.038)	-1.276 (0.026)	1.330** (0.026)
<i>Panel C: Components of Workplace Behaviors Index</i>					
Ask about opportunities	-0.062 ⁺ (0.032)	-0.191** (0.036)	0.145** (0.025)	-0.575** (0.014)	0.503** (0.014)
Speak out in group setting	0.038 (0.040)	-0.114** (0.042)	0.254** (0.035)	-0.582** (0.015)	0.589** (0.015)
Positive attitude about self	-0.017 (0.029)	-0.111** (0.034)	0.181** (0.021)	-0.490** (0.013)	0.526** (0.013)
Confident in own abilities	0.025 (0.028)	-0.041 (0.033)	0.155** (0.021)	-0.412** (0.011)	0.470** (0.011)
Don't worry about what others think about me	0.032 (0.037)	-0.134** (0.038)	0.252** (0.033)	-0.565** (0.016)	0.676** (0.016)
Standardized treatment effect	0.003 (0.047)	-0.280 (0.056)	0.464** (0.035)	-1.253 (0.026)	1.316** (0.026)
<i>Panel D: Components of Expectations About Future Index</i>					
Expect to work	0.033 (0.037)	-0.057 (0.040)	0.226** (0.029)	-0.457** (0.012)	0.510** (0.012)
Expect to not need government assistance	-0.020 (0.039)	-0.176** (0.040)	0.217** (0.034)	-0.579** (0.016)	0.638** (0.016)
Standardized treatment effect	0.018 (0.066)	-0.249 (0.071)	0.492** (0.052)	-1.140 (0.028)	1.264** (0.028)

Notes: Data source is an 18-month follow-up survey. The sample includes follow-up survey respondents who applied between 7/2015 and 12/2018. Columns (1) reports ITT effect estimates controlling for service agency-randomization rate block fixed effects and months since application fixed effects and weighting the sample using inverse propensity attrition weights.

**0.01, *0.05, +0.10 significance levels

A.13 Additional Credit Outcomes Details

A.13.1 Experian Match Rates and Reweighting for Selective Matching

Among the 2,496 applicants in our analysis sample, 1,556 individuals matched to a balanced panel of Experian records during the 5 quarters before and 14 quarters after random assignment. Match rates are similar between the treatment group (61.9 percent) and the control group (62.8 percent). [Table A-15](#) reports average baseline characteristics of those who did not match to the Experian data panel (column 1) and those who did match to the Experian data panel (column 2). In general, applicants matched to the Experian data were more likely to have worked in the time leading up to application, earned more money, and had more years of education. Matched individuals were less likely to be male, be covered by Medicaid, and faced more employment barriers such as lack of transportation, prior involvement with the criminal justice system, and experience with homelessness.

Table A-15: Experian Match Selection

	Non-Match Mean (1)	Match Mean (2)	Within-Strata Difference (3)	t-stat (4)	Diff./SD (5)	N (6)
<i>Panel A: Administrative Data</i>						
Worked last year	0.553	0.652	0.096	4.59	0.15	2,496
Employment rate last three years	0.340	0.461	0.112	7.62	0.25	2,496
Average quarterly earnings in last year	\$1,062	\$1,958	\$797	7.80	0.25	2,496
Received TANF last year	0.096	0.138	0.017	1.29	0.04	2,496
Received SNAP last year	0.721	0.666	-0.043	-2.23	-0.07	2,496
<i>Panel B: Baseline Survey</i>						
<i>Demographics</i>						
Average Age (years)	46.2	46.4	0.9	1.81	0.06	2,451
Average years of education	13.0	13.8	0.8	9.64	0.33	2,179
Male	0.613	0.458	-0.111	-5.38	-0.18	2,496
Minority	0.405	0.388	0.034	1.68	0.05	2,495
Covered by Medicaid	0.790	0.726	-0.072	-4.01	-0.13	2,495
<i>Barriers to Employment</i>						
Not allowed to drive	0.314	0.163	-0.133	-7.20	-0.24	2,480
Parent	0.195	0.351	0.123	6.73	0.22	2,486
Single parent	0.102	0.210	0.082	5.58	0.18	2,495
Difficulty finding childcare	0.046	0.117	0.056	5.28	0.17	2,485
Expect economic hardship	0.364	0.287	-0.038	-1.93	-0.06	2,456
Health limits work	0.092	0.111	0.020	1.56	0.05	2,429
Ever homeless	0.594	0.332	-0.206	-10.18	-0.33	2,480
Ever convicted of felony	0.345	0.180	-0.129	-6.83	-0.22	2,475
Drugs or alcohol have affected life	0.280	0.199	-0.072	-3.89	-0.13	2,424
<i>Caseworker Job Readiness Assessment</i>						
Perceived motivation (out of 10)	8.46	8.48	0.04	0.52	0.02	2,440
Likelihood to overcome barriers (out of 10)	8.02	8.22	0.24	3.06	0.10	2,440
<i>ReHire Target Populations</i>						
Veteran	0.253	0.208	0.001	0.04	0.00	2,495
Non-custodial parent	0.248	0.165	-0.071	-4.09	-0.13	2,495
Older worker	0.499	0.474	-0.003	-0.13	-0.00	2,495
Not in a priority category	0.241	0.305	0.015	0.85	0.03	2,495
<i>Cognitive skills</i>						
Timed math test, percent correct	56.2	61.0	2.7	3.27	0.13	1,877
Number of math questions attempted (out of 160)	93.2	100.2	3.6	2.74	0.11	1,877
Raven's score (out of 36)	30.5	31.2	0.3	1.51	0.05	2,457
<i>Non-cognitive characteristics</i>						
Locus of control (1-5)	4.06	4.07	0.04	1.63	0.05	2,476
Grit (1-5)	3.87	3.91	0.07	3.39	0.11	2,470
Extraversion (1-5)	3.07	3.15	0.06	1.86	0.06	2,471
Agreeableness (1-5)	3.88	3.98	0.07	2.90	0.10	2,471
Conscientious (1-5)	4.03	3.99	-0.01	-0.37	-0.01	2,471
Neuroticism (1-5)	2.45	2.45	-0.03	-1.07	-0.04	2,471
Imagination (1-5)	3.06	3.07	0.01	0.38	0.01	2,471
Life satisfaction ladder (0-10)	5.60	5.70	0.11	1.24	0.04	2,485
Depression scale (0-10)	1.54	1.53	-0.01	-0.19	-0.01	2,421

Notes: Data come from administrative UI earnings data from CDLE, administrative benefits data from CBMS, and baseline survey data collected at application. The sample includes all ReHire applicants who applied between 7/2015 and 12/2018. Match denotes an individual who matched to a credit record in each of the 5 quarters before and 14 quarters following random assignment. One applicant can be linked to administrative data, but is missing a baseline survey.

To account for selective matching to the Experian data, we construct a set of inverse propensity weights to use in our analysis of outcomes from this data source. These weights are constructed analogously to the weights used for outcomes from the follow-up survey. See [Section A.12](#) for details.

Among Experian-matched applicants, baseline characteristics are largely balanced between the control group and treatment group. [Table A-16](#) reports average baseline characteristics of Experian-matched applicants in the control group (column 1) and the treatment group (column 2). Columns (3) and (5) report the unweighted and weighted differences in means, respectively. Corresponding test statistics are reported in columns (4) and (6). In the unweighted sample, the treatment group is slightly younger and less likely to be covered by Medicaid. This pattern is similar in the weighted sample.

Table A-16: Summary Statistics and Baseline Balance, Experian Sample

	Control	Treatment	Unweighted		Weighted		N
	Mean	Mean	Diff.	t-stat	Diff.	t-stat	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Panel A: Administrative Data</i>							
Worked last year	0.642	0.660	0.013	0.54	0.031	1.12	1,556
Employment rate last three years	0.448	0.473	0.017	0.90	0.017	0.89	1,556
Average quarterly earnings in last year	\$1,813	\$2,076	\$168	1.01	\$130	0.96	1,556
Received TANF last year	0.143	0.133	-0.006	-0.34	-0.006	-0.34	1,556
Received SNAP last year	0.676	0.657	-0.020	-0.86	-0.015	-0.61	1,556
<i>Panel B: Baseline Survey</i>							
<i>Demographics</i>							
Average Age (years)	47.1	45.9	-1.4	-2.30	-1.6	-2.47	1,525
Average years of education	13.9	13.8	-0.1	-0.69	-0.1	-0.91	1,336
Male	0.441	0.471	0.030	1.17	0.037	1.37	1,556
Minority	0.413	0.367	-0.038	-1.60	-0.028	-1.11	1,556
Covered by Medicaid	0.749	0.706	-0.046	-2.01	-0.048	-2.06	1,556
<i>Barriers to Employment</i>							
Not allowed to drive	0.152	0.172	0.027	1.44	0.043	1.99	1,546
Parent	0.357	0.346	-0.009	-0.36	-0.005	-0.21	1,548
Single parent	0.209	0.211	0.005	0.23	0.005	0.28	1,555
Difficulty finding childcare	0.125	0.110	-0.014	-0.82	-0.007	-0.44	1,547
Expect economic hardship	0.295	0.281	-0.026	-1.12	-0.031	-1.22	1,535
Health limits work	0.115	0.107	-0.006	-0.37	-0.011	-0.60	1,511
Ever homeless	0.359	0.310	-0.043	-1.83	-0.047	-1.83	1,546
Ever convicted of felony	0.192	0.170	-0.015	-0.78	-0.000	-0.00	1,543
Drugs or alcohol have affected life	0.201	0.196	-0.002	-0.11	-0.002	-0.07	1,506
<i>Caseworker Job Readiness Assessment</i>							
Perceived motivation (out of 10)	8.51	8.47	-0.06	-0.70	-0.09	-0.99	1,520
Likelihood to overcome barriers (out of 10)	8.20	8.24	-0.03	-0.29	-0.05	-0.52	1,520
<i>ReHire Target Populations</i>							
Veteran	0.213	0.204	-0.004	-0.18	-0.004	-0.17	1,556
Non-custodial parent	0.163	0.167	0.003	0.16	0.015	0.70	1,556
Older worker	0.484	0.465	-0.023	-0.93	-0.040	-1.50	1,556
Not in a priority category	0.298	0.310	0.018	0.80	0.017	0.74	1,556
<i>Cognitive skills</i>							
Timed math test, percent correct	61.5	60.6	-0.9	-0.96	-0.9	-0.93	1,195
Number of math questions attempted (out of 160)	101.0	99.5	-1.5	-1.01	-1.5	-0.94	1,195
Raven's score (out of 36)	31.1	31.4	0.3	1.52	0.3	1.11	1,534
<i>Non-cognitive characteristics</i>							
Locus of control (1-5)	4.09	4.06	-0.02	-0.75	-0.02	-0.62	1,542
Grit (1-5)	3.91	3.91	-0.00	-0.12	-0.00	-0.02	1,538
Extraversion (1-5)	3.14	3.15	0.03	0.62	0.04	0.81	1,539
Agreeableness (1-5)	3.98	3.97	0.01	0.33	0.00	0.04	1,539
Conscientious (1-5)	4.00	3.98	-0.01	-0.40	-0.01	-0.15	1,539
Neuroticism (1-5)	2.42	2.47	0.06	1.64	0.05	1.44	1,539
Imagination (1-5)	3.07	3.07	0.01	0.22	0.01	0.22	1,539
Life satisfaction ladder (0-10)	5.74	5.67	-0.09	-0.85	-0.10	-0.90	1,548
Depression scale (0-10)	1.47	1.57	0.11	1.51	0.11	1.43	1,507

Notes: Data come from administrative UI earnings data from CDLE, administrative benefits data from CBMS, and baseline survey data collected at application. The sample includes ReHire applicants who applied between 7/2015 and 12/2018 and linked to a credit record during each of the 5 quarters before application and 14 quarters following application. One applicant can be linked to administrative data, but is missing a baseline survey.

Program impacts on outcomes observed in administrative data are similar between the full sample ($N=2,496$) and the weighted credit sample ($N=1,556$). [Table A-17](#) replicates the main effects from [Table 2](#) among the full sample and the weighted credit sample. The pattern of in-program results are similar between the full sample and the weighted matched sample. Effects in the post-program periods are smaller and all estimates are less precise due to the reduction in sample size.

Table A-17: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, Comparison of Results among All ReHire Applicants and Credit Outcome Sample

	All Applicants		Experian Sample	
	Control Mean	ITT Effect Controls	Weighted Control Mean	Weighted ITT Effect Controls
	(1)	(2)	(3)	(4)
<i>Panel A: In-Program Employment (Quarters 0–4)</i>				
Any employment	0.805	0.116** (0.014)	0.809	0.115** (0.018)
Share of quarters worked	0.533	0.112** (0.013)	0.544	0.109** (0.017)
Worked every quarter	0.234	0.073** (0.017)	0.233	0.077** (0.022)
Average quarterly earnings	\$1,761	\$288** (76)	\$1,887	\$224* (101)
Share of quarters above 130% FPL	0.183	0.024* (0.011)	0.200	0.016 (0.014)
<i>Panel B: Post-Program, Pre-COVID Employment (Quarters 5–11)</i>				
Any employment	0.660	0.016 (0.019)	0.670	-0.002 (0.025)
Share of quarters worked	0.464	0.024 (0.016)	0.475	0.019 (0.022)
Worked every quarter	0.242	0.038* (0.018)	0.257	0.023 (0.023)
Average quarterly earnings	\$2,254	\$128 (116)	\$2,422	\$25 (160)
Share of quarters above 130% FPL	0.251	0.015 (0.014)	0.271	-0.002 (0.019)
<i>Panel C: Post-Program, Post-COVID Employment (Quarters 12–16)</i>				
Any employment	0.523	-0.001 (0.020)	0.531	0.009 (0.026)
Share of quarters worked	0.394	-0.000 (0.017)	0.404	0.005 (0.022)
Worked every quarter	0.268	-0.013 (0.018)	0.274	-0.016 (0.023)
Average quarterly earnings	\$2,234	-\$32 (133)	\$2,355	-\$90 (174)
Share of quarters above 130% FPL	0.242	-0.008 (0.015)	0.248	-0.010 (0.019)
Agency-Rate Block FEs		X		X
Individual Baseline Controls		X		X
Observations	1,111	2,496	698	1,556

Notes: Data source is administrative UI earnings data from CDLE. This table reports ITT effects on primary employment outcomes for the full sample (columns 1 and 2) and the sample of ReHire applicants linked to the credit outcome panel (columns 3 and 4). Columns (1) and (3) report the control group means. Columns (2) and (4) report the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

A.13.2 Additional Credit Outcomes Results

In Panel C of [Table 4](#), we report the average standardized treatment effect of ReHire on credit outcomes measured during the in-program period (Q0–Q4), post-program pre-COVID period (Q5–Q11), and post-program post-COVID period (Q12–Q14).

[Table A-18](#) reports effects on the underlying credit outcomes during those two periods. The sample is restricted to the 1,556 ReHire applicants who match to a credit record for each of the 5 quarters preceeding application through the 14 quarters following application. Each row in the table represents a different outcome averaged over the in-program period (Panel A), post-program pre-COVID period (Panel B), and post-program post-COVID period (Panel C). The table reports control group means (column 1), ITT effects from a regression that controls for stratification fixed effects (column 2), estimates from the weighted sample using inverse propensity attrition weights (column 3), and estimates that selects baseline controls using a post-double selection LASSO procedure (column 4). Column (5) reports sample sizes for each outcome.

The final row of each panel in [Table A-18](#) presents the standardized treatment effect found in [Table 4](#). In constructing the standardized treatment effect, estimates from some of underlying outcomes (total debt, credit card debt, any delinquent accounts, any derogatory accounts, and any accounts in collections) are re-signed such that an increase in the outcome represents an improvement in credit outcomes.

Table A-18: ITT Effect of ReHire on Credit Outcomes, Experian Sample

	Control Mean	Unweighted ITT Effect No Controls	Weighted ITT Effect No Controls	Weighted ITT Effect Controls	N
	(1)	(2)	(3)	(4)	(5)
<i>Panel A: In-Program Credit Outcomes (Q0-Q4)</i>					
Credit score	592.77	0.32 (4.69)	-0.80 (4.51)	-1.15 (1.91)	1,556
Total debt	\$31,502	-\$5,574 ⁺ (3,214)	-\$5,200 ⁺ (2,829)	-\$633 (1,307)	1,556
Credit card debt	\$1,667	-\$518* (235)	-\$384 ⁺ (208)	\$7 (100)	1,556
Has auto loan or lease	0.166	0.022 (0.018)	0.021 (0.018)	0.021 (0.018)	1,556
Any delinquent accounts	0.149	0.013 (0.014)	0.022 (0.015)	0.022 (0.015)	1,556
Any derogatory accounts	0.352	-0.006 (0.018)	0.007 (0.020)	0.007 (0.020)	1,556
Any accounts in collections	0.629	-0.003 (0.023)	0.003 (0.023)	0.003 (0.023)	1,556
Standardized treatment effect	0.000	0.033 (0.023)	0.017 (0.023)	-0.007 (0.020)	2,496
<i>Panel B: Post-Program Pre-COVID Credit Outcomes (Q5-Q11)</i>					
Credit score	602.42	2.12 (4.62)	0.67 (4.44)	0.81 (2.63)	1,556
Total debt	\$33,522	-\$3,967 (3,271)	-\$4,761 (2,962)	-\$992 (1,986)	1,556
Credit card debt	\$1,550	-\$320 (212)	-\$256 (185)	-\$7 (134)	1,556
Has auto loan or lease	0.182	0.002 (0.018)	-0.004 (0.018)	-0.004 (0.018)	1,556
Any delinquent accounts	0.121	-0.012 (0.011)	-0.006 (0.013)	-0.006 (0.013)	1,556
Any derogatory accounts	0.281	-0.007 (0.015)	0.003 (0.017)	0.003 (0.017)	1,556
Any accounts in collections	0.607	0.001 (0.022)	0.007 (0.023)	0.007 (0.023)	1,556
Standardized treatment effect	0.000	0.034 (0.022)	0.020 (0.023)	0.002 (0.021)	2,496
<i>Panel C: Post-Program Post-COVID Credit Outcomes (Q12-Q14)</i>					
Credit score	614.21	1.66 (4.68)	-0.00 (4.53)	0.29 (3.09)	1,556
Total debt	\$39,630	-\$4,422 (3,831)	-\$5,795 (3,589)	-\$2,474 (2,882)	1,556
Credit card debt	\$1,584	-\$210 (221)	-\$244 (205)	-\$34 (162)	1,556
Has auto loan or lease	0.204	-0.010 (0.020)	-0.010 (0.020)	-0.010 (0.020)	1,556
Any delinquent accounts	0.085	0.005 (0.012)	0.010 (0.013)	0.010 (0.013)	1,556
Any derogatory accounts	0.209	-0.005 (0.016)	0.005 (0.018)	0.005 (0.018)	1,556
Any accounts in collections	0.581	-0.015 (0.024)	-0.002 (0.024)	-0.002 (0.024)	1,556
Standardized treatment effect	0.000	0.016 (0.021)	0.008 (0.022)	-0.005 (0.021)	2,496

Notes: Data source is administrative credit data from Experian. This table reports ITT effects on credit outcomes for the sample of ReHire applicants who applied between 7/2015 and 12/2018 and matched to an Experian record in the 5 quarters before and 14 quarters following random assignment. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Column (1) reports the mean for control group applicants. Column (2) reports the coefficient on a treatment indicator, controlling for vendor-randomization rate block fixed effects. Column (3) reports the coefficient on a treatment indicator, selecting controls from a high-dimensional set of baseline characteristics using the post-double selection LASSO procedure from [Belloni, Chernozhukov and Hansen \(2014\)](#). Column (4) further weights the sample using inverse propensity attrition weights. Column (5) reports the percent change of the ITT effect in column (4) relative to the control group mean. Heteroskedasticity-robust standard errors in parentheses.

**0.01, *0.05, +0.10 significance levels

A.13.3 Bounding ITT Effects on Credit Outcomes to Deal with Attrition Bias

In [Section 5.3](#), we documented negligible differences in credit outcomes between the treatment and control groups. As noted in [Section A.13.1](#), match rates varied slightly between the treatment group (61.9 percent) and the control group (62.8 percent). For completeness, this section reports bounds on the ITT effects estimated on credit outcomes following [Lee \(2009\)](#) and [Kling and Liebman \(2004\)](#).

The control group was more likely to match to the credit data than the treatment group. In order to implement [Lee \(2009\)](#) bounds, we trim outcomes among the control group until the match rate equals that of the treatment group. Lower bounds are constructed by trimming the control group individuals with the smallest outcome values. Upper bounds are constructed by trimming the control group individuals with the largest outcome values. We break ties using the estimated propensity to match to the credit data and trimming individuals who were least likely to match. When constructing lower (upper) bounds for the average standardized treatment effect, we use the upper (lower) bound for outcomes that are negatively signed in the index. We estimate the Lee bounds using Equation (1) controlling only for stratification fixed effects and by weighting the sample using inverse propensity weights.

We also report bounds following [Kling and Liebman \(2004\)](#) that assume attritors have outcome values that are one standard deviation away from the mean outcome. Lower bounds are constructed by assuming the treatment (control) group attritors have outcomes one standard deviation below (above) than the mean. Upper bounds are constructed by assuming the treatment (control) group attritors have outcomes one standard deviation above (below) the mean. We estimate the Kling-Liebman bounds using Equation (1) controlling only for stratification fixed effects.

[Table A-19](#) report the ITT effects from a weighted regression that controls for stratification fixed effects, as well as the upper and lower bound estimates using the procedures described above. Given match rates are high and similar between the two experimental groups, it is unsurprising that the Lee bounds on the standardized treatment effects are relatively narrow and center around 0.

Table A-19: Bounds on the ITT Effects of ReHire on Credit Outcomes, Experian Sample

	Weighted	Lee		Kling-Liebman	
	ITT Effect No Controls (1)	Lower Bound (2)	Upper Bound (3)	Lower Bound (4)	Upper Bound (5)
<i>Panel A: In-Program Credit Outcomes (Q0-Q4)</i>					
Credit score	-0.80 (4.51)	-2.48 (4.49)	1.41 (4.46)	-49.72** (3.44)	51.39** (3.45)
Total debt	-\$5,200+ (2,829)	-\$6,149* (2,875)	-\$1,291 (2,341)	-\$36,610** (2,275)	\$24,830** (2,282)
Credit card debt	-\$384+ (208)	-\$436* (210)	-\$5 (165)	-\$2,708** (164)	\$1,733** (164)
Has auto loan or lease	0.021 (0.018)	0.016 (0.018)	0.036* (0.017)	-0.170** (0.013)	0.201** (0.013)
Any delinquent accounts	0.022 (0.015)	0.016 (0.015)	0.035* (0.014)	-0.132** (0.010)	0.159** (0.011)
Any derogatory accounts	0.007 (0.020)	-0.004 (0.020)	0.019 (0.019)	-0.199** (0.014)	0.196** (0.014)
Any accounts in collections	0.003 (0.023)	-0.014 (0.023)	0.012 (0.023)	-0.254** (0.017)	0.236** (0.017)
Standardized treatment effect	0.017 (0.023)	-0.024 (0.022)	0.043+ (0.023)	-0.505 (0.023)	0.572** (0.023)
<i>Panel B: Post-Program Pre-COVID Credit Outcomes (Q5-Q11)</i>					
Credit score	0.67 (4.44)	-0.89 (4.44)	3.17 (4.38)	-30.54** (3.37)	33.58** (3.40)
Total debt	-\$4,761 (2,962)	-\$5,460+ (3,006)	-\$775 (2,580)	-\$23,476** (2,301)	\$16,198** (2,305)
Credit card debt	-\$256 (185)	-\$302 (187)	\$38 (154)	-\$1,494** (154)	\$1,072** (153)
Has auto loan or lease	-0.004 (0.018)	-0.010 (0.018)	0.013 (0.017)	-0.108** (0.013)	0.118** (0.013)
Any delinquent accounts	-0.006 (0.013)	-0.011 (0.013)	0.009 (0.012)	-0.087** (0.009)	0.068** (0.009)
Any derogatory accounts	0.003 (0.017)	-0.007 (0.017)	0.014 (0.017)	-0.110** (0.012)	0.105** (0.012)
Any accounts in collections	0.007 (0.023)	-0.009 (0.023)	0.017 (0.023)	-0.156** (0.017)	0.150** (0.017)
Standardized treatment effect	0.020 (0.023)	-0.022 (0.022)	0.047* (0.023)	-0.308 (0.022)	0.365** (0.022)
<i>Panel C: Post-Program Post-COVID Credit Outcomes (Q12-Q14)</i>					
Credit score	-0.00 (4.53)	-1.77 (4.52)	2.60 (4.46)	-31.64** (3.48)	30.49** (3.53)
Total debt	-\$5,795 (3,589)	-\$6,809+ (3,634)	-\$1,262 (3,206)	-\$23,868** (2,687)	\$15,865** (2,706)
Credit card debt	-\$244 (205)	-\$291 (210)	\$106 (166)	-\$1,301** (160)	\$977** (159)
Has auto loan or lease	-0.010 (0.020)	-0.017 (0.020)	0.007 (0.019)	-0.114** (0.015)	0.101** (0.015)
Any delinquent accounts	0.010 (0.013)	0.007 (0.013)	0.027* (0.012)	-0.053** (0.009)	0.081** (0.009)
Any derogatory accounts	0.005 (0.018)	-0.004 (0.018)	0.022 (0.017)	-0.117** (0.013)	0.073** (0.013)
Any accounts in collections	-0.002 (0.024)	-0.020 (0.024)	0.009 (0.025)	-0.155** (0.019)	0.120** (0.018)
Standardized treatment effect	0.008 (0.022)	-0.039 (0.021)	0.033 (0.022)	-0.276 (0.021)	0.308** (0.021)

Notes: Data source is administrative credit data from Experian. This table reports ITT effects on credit outcomes for the sample of ReHire applicants who applied between 7/2015 and 12/2018 and matched to an Experian record in the 5 quarters before and 14 quarters following random assignment. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Column (1) reports the coefficient on a treatment indicator, controlling for vendor-randomization rate block fixed effects and weighting the sample using inverse propensity weights. Heteroskedasticity-robust standard errors in parentheses. **0.01, *0.05, +0.10 significance levels

A.14 Analysis of Mechanisms

This section provides additional details and supporting evidence for the discussion of mechanisms in [Section 6](#) in the main paper.

A.14.1 Identifying Subsidized to Unsubsidized Employment Transitions

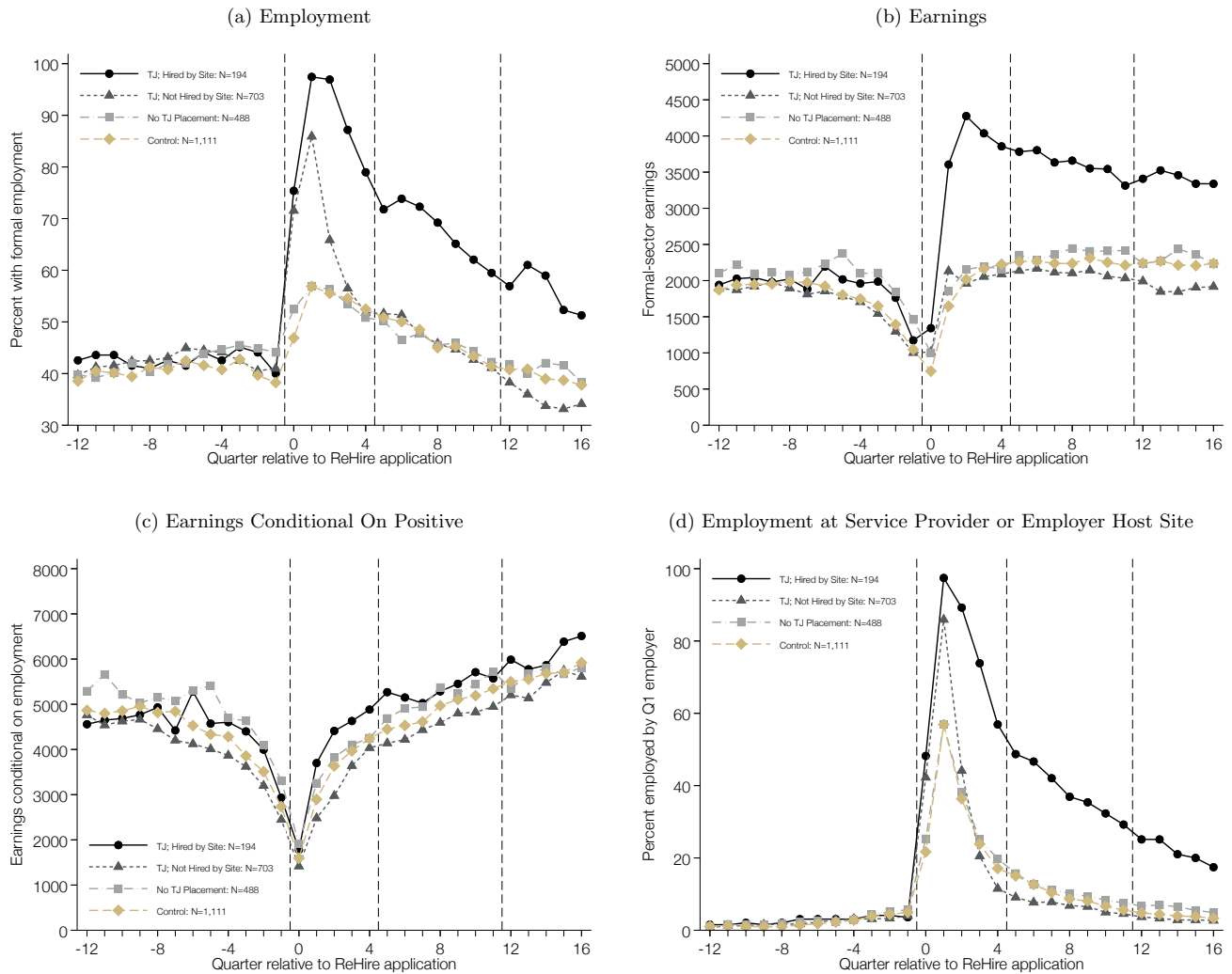
One difficulty of measuring within-firm transitions from subsidized to unsubsidized employment is that the employer of record for the transitional job in the administrative earnings data is the local service agency. In order to identify which ReHire participants transitioned from subsidized to unsubsidized work with the same employer, we combine information from UI wage records with participant information tracked in the ReHire administrative database. Program records tracked employer names for the transitional job host site, as well as the first unsubsidized employment spell following program participation. We use this information, as well as employer names in UI wage records, to identify participants who transitioned to unsubsidized employment with the same employer host site.

We code successful transitions in the following ways:

1. **Compare employer names within ReHire case notes:** ReHire case records include reports of employment spells while the participant remained on the ReHire caseload. The records include employer names, start and end dates, employer industry, and employer size. The employment records are reported separately for subsidized jobs and unsubsidized jobs. For each participant, we hand-matched names of subsidized and unsubsidized employers and coded a successful transition when the employer names matched.
2. **Compare subsidized employer names from ReHire case notes with employer names in administrative earnings records:** The administrative earnings records from CDLE included employer name and employer industry. For individuals with a recorded transitional job in the ReHire database, we hand-matched names of the employer(s) in the ReHire case notes to all employers linked to the individual in the UI wage records. In some cases, though the name of the employer did not match, we verified through information on-line that the employer name was linked to the given name of the employer in the ReHire case notes as a “d.b.a” name. For example, the ReHire case notes may have had an employer as “ABC Cafe” but the UI records had “XYZ Restaurant Group”. When such matches could be verified through an internet search, they were also coded as successful transition.

While most successful transitions recorded in the ReHire case notes could be identified in the administrative earnings records, there were 19 individuals where the case record indicated unsubsidized employment at the employer host site, but this employment spell could not be verified in the administrative earnings records. [Appendix Figure A-9](#) reproduces the analysis depicted in [Figure 6](#) by only relying on successful transitions that could be verified in the administrative earnings records. The pattern of results across all four panels are very similar when using either classification.

Figure A-9: Formal-Sector Employment and Earnings in Colorado by Treatment Assignment and Transitional Job Completion
Alternative Definition of Successful Transition



Notes: Data source is administrative UI earnings data from CDLE. The sample includes 2,496 ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a study participant completed their ReHire application, and is thus a different calendar quarter from person to person. Beginning in the 12th quarter following random assignment, more than half of the sample was potentially experiencing labor market disruptions due to the COVID-19 pandemic. Formal earnings is defined as UI-covered earnings in Colorado in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector earnings. Treatment and control groups are based on an individual's randomly assigned treatment status. The treatment group is further divided based on transitional job (TJ) receipt and whether individuals were hired by their transitional job host site. The figure plots the (a) quarterly employment rates, (b) average quarterly earnings, (c) average quarterly earnings among individuals with positive earnings, and (d) percent employed by the same employer as their Q1 employer.

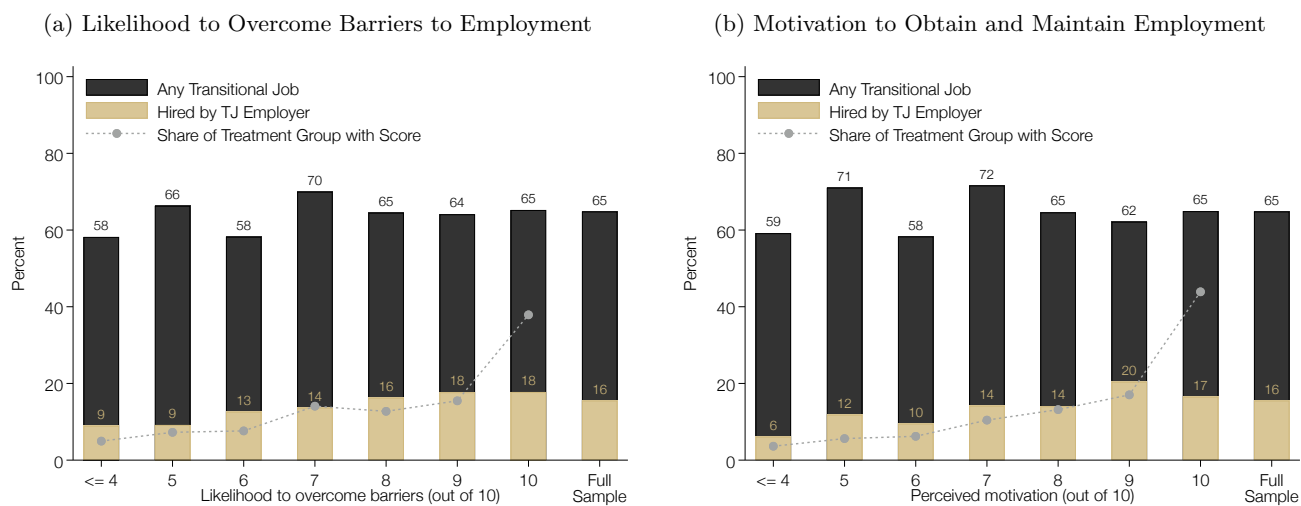
A.14.2 Explaining Differences in Post-Program Employment Among Individuals with a Transitional Job

Table 5 shows that, among ReHire participants placed into a transitional job, those who successfully transitioned to unsubsidized work at the same employer had slightly higher baseline assessments from the ReHire caseworker. As shown in Table 5, this difference was the only substantive difference in baseline characteristics between these two groups. This section provides additional analysis of how well these ratings predict program experience and shows that controlling for these ratings has minimal impact on estimated treatment effects.

At the time of application, after completing the approximately 45-minute baseline survey with the applicant, case workers were asked to rate the individual on a scale of 1–10 on their perceived motivation and likelihood to overcome barriers. Specifically, the program training manual stated: “These questions ask you to provide your personal feelings about the respondent’s likelihood of success in the program (i.e., moving from subsidized to unsubsidized employment) and their ability to overcome the barriers to employment they have faced in the past.”

Figure A-10 shows how program experience varies across the entire distribution of caseworkers’ assessment of the applicant’s likelihood to overcome barriers (Figure A-10a) and their motivation to obtain and maintain employment (Figure A-10b). In each panel, the horizontal axis divides the sample based on the assessment of the case worker, grouping individuals with a score of 4 or lower into one group, and showing the information for the full sample in the final bar. Grey circles connected by a dotted line shows the share of the treatment group with a given score. For both assessments, the modal score was a 10 out of 10. The height of the vertical black bar reports the share of the group who were placed into a transitional job. While some groups were more or less likely to have been placed, across both figures, there is not a consistent increasing or decreasing pattern of placement. Finally, the height of the gold bar reports share of each group who were placed into a transitional job and then was subsequently hired on by that employer. In both figures, successful transition rates are slightly increasing in the caseworker assessment, consistent with the differences reported in Table 5.

Figure A-10: Transitional Job Take-up and Subsequent Hire by Case Worker Assessment at Intake



Notes: Data source is the baseline survey, ReHire program records, and administrative UI earnings data from CDLE. The sample includes 1,351 ReHire applicants who applied between 7/2015 and 12/2018, were scored by assessment after their intake, and were assigned to the treatment group. Panel (a) divides the treatment group based on a scale of how motivated the individual was to obtain and maintain full-time employment. Panel (b) divides the treatment group based on a scale of the likelihood that the individual would overcome obstacles to full-time employment. For each score designated on the *x*-axis, the figure plots the share of the treatment group that was placed into a transitional job (black bar) and was placed into a transitional job and were subsequently hired by the same employer (gold bar). The gray circle and dashed line shows the distribution of scores across the sample.

Figure 8 shows that differences in individual characteristics reported in Table 5—in particular, the caseworker assessment scores—and the differences in placement characteristics reported in Table A-20 do not explain the large gaps in post-program employment rates between transitional job recipients who were and were not hired by their employer host site. Black circles report differences in quarterly employment rates for the two groups, controlling for strata fixed effects. Gold triangles and grey squares report conditional differences in employment rates after controlling for caseworker assessment scores and industry and firm size, respectively. Across all quarters, conditional differences are very close to the unconditional differences. Taken together, the evidence in this figure suggests that the differences in individual characteristics or placement characteristics do not explain the large differences in post-program employment between these two groups.

Table A-20 provides additional descriptive analysis of the differences in placements between participants who were hired by their host site and those who were not. All of the analysis in this table is limited to the 898 treatment group members who were placed in a transitional job, and columns (1) and (2) show average characteristics of the placement for the subgroups based on eventual unsubsidized hire status. Panel (A) demonstrates that those eventually hired on were placed in their transitional job somewhat more rapidly (0.26 fewer months) and stayed in their transitional job longer (109 more hours; 2.8 weeks). This second difference is consistent with the interpretation that the higher quality matches persist longer both during and after the subsidized period.

Panel B considers differences in the types of host sites where these two groups were placed. Participants who were hired by the host site following their transitional job were more likely to have placements in larger firms (500+ employees) and in manufacturing, transportation, or warehousing sectors. These differences are relatively small, however, and Figure 8 in the main text shows that the vast majority of the gap in post-program employment between these two groups remains, even after adjusting further for differences in firm size and industry (grey squares).

Table A-20: ReHire Service Receipt and Transitional Job Characteristics
by Transitional Job Receipt and Subsequent Hire

	Any TJ Mean	Not Hired by TJ Mean	Hired by TJ Mean	Conditional Difference in Means (3) - (2) (4)
	(1)	(2)	(3)	(4)
<i>Panel A: All ReHire Services</i>				
Total Direct costs	\$3,063	\$2,776	\$3,983	\$1,094**
Cost of supportive services	\$395	\$362	\$504	\$115*
Hours worked	280.2	252.2	370.2	106.0**
Weeks worked	9.6	9.0	11.3	2.6**
Months until TJ Placement	1.2	1.2	1.2	-0.2*
<i>Panel B: Transitional Job Characteristics</i>				
<i>Firm Size</i>				
Small firm (1–50)	0.639	0.647	0.615	-0.097**
Medium firm (51–500)	0.188	0.197	0.160	-0.016
Large firm (500+)	0.257	0.232	0.338	0.149**
<i>Industry</i>				
Construction	0.034	0.034	0.033	-0.002
Manufacturing	0.053	0.038	0.099	0.050*
Retail Trade	0.196	0.183	0.235	0.034
Transportation and Warehousing	0.065	0.062	0.075	0.036 ⁺
Education	0.036	0.034	0.042	0.008
Health and Social Assistance	0.395	0.409	0.352	-0.065 ⁺
Accommodation and Food Services	0.080	0.085	0.066	0.002
Other	0.229	0.236	0.207	-0.032
Observations	897	684	213	897

Notes: Data come from participant program records from CDHS. The sample includes ReHire applicants who applied between 7/2015 and 12/2018, were assigned to the treatment group, and were placed in a transitional job (TJ). Two individuals with a transitional job are missing information on their transitional job characteristics, and have values imputed at the strata mean. Estimates of the difference in means in column (4) control for vendor-rate block (stratification) fixed effects. Firm size and industry variables denote whether the individual worked at any transitional job that corresponded to the category. Because some individuals worked at multiple transitional job sites, the shares do not sum to 1 within the column. We can reject the null hypothesis that firm size is the same between those hired (column 3) and not hired (column 2) by their transitional job site ($p < 0.001$), and we can reject the null hypothesis that the industry distribution is the same between those hired (column 3) and not hired (column 2) by their transitional job site ($p = 0.099$).

A.14.3 Using Machine Learning to Predict Program Experience and to Estimate Heterogeneity Across Predicted Program Experience

The primary component of ReHire is placement into a transitional job. Roughly 62 percent of treatment group members are placed into a transitional job, and about 15 percent of the treatment group go on to work in an unsubsidized job with the same employer. [Table 5](#) shows some selection on baseline characteristics into who is placed into a transitional job, although characteristics are very similar when comparing TJ workers who are subsequently hired on by their host site to those who are not.

We combine machine learning methods with a repeated split-sample (RSS) procedure motivated by [Abadie, Chingos and West \(2018\)](#) and [Chernozhukov et al. \(2020\)](#) to more rigorously explore whether baseline characteristics are predictive of program experiences. Let T_i^j be an indicator for whether individual i had one of two program experiences j : take-up of a transitional job (T_i^1) or take-up of a transitional job and then transition to unsubsidized work with the same employer (T_i^2). In this exercise, we aim to predict T_i^j using either OLS, logit, or one of four machine learning methods—elastic net, boosted trees, neural network with feature extraction, and random forest—following [Chernozhukov et al. \(2020\)](#).⁵⁰ We then use these predictions to ask how the predicted probability of having these program experiences relates to the size of an individual’s program impacts for the outcomes Y reported in [Table 2](#).

We adapt the estimation and inference methods of [Chernozhukov et al. \(2020\)](#) who estimate target parameters among a sample stratified by a proxy for the conditional average treatment effect, rather than predicted program experience. For a given prediction target T^j and prediction method, the adapted RSS estimation procedure proceeds as follows:

1. Randomly partition the treatment group into two, creating an auxiliary sample, A , which includes half of the treatment group, and a main sample, M , which includes the remaining treatment group members and all control group members.
2. In sample A , estimate a model that predicts T^j using a set of baseline characteristics X .
3. In sample M , predict the likelihood of T_i^j for each individual \hat{p}_i^j .
4. Stratify sample M into quartiles based on \hat{p}_i^j .
5. In each quartile sample, calculate estimates, as well as the upper and lower bounds of the 95 percent confidence interval of the estimates, of the following:
 - (a) The share of the treatment group who were actually placed into a transitional job
 - (b) The share of the treatment group who were actually placed into a transitional job and then transitioned to unsubsidized work with the same employer
 - (c) The impact of ReHire on all outcomes $y \in Y$ from a regression with an indicator for treatment assignment, as well as stratification fixed effects.
 - (d) The mean of all outcomes $y \in Y$ among the control group and treatment group
 - (e) The average of each baseline characteristic $x \in X$
6. Calculate the difference between the top and bottom quartile for each of the estimates from step 5, as well as the upper and lower bounds of the 95 percent confidence interval around the difference.
7. Repeat steps 1 through 5 1,000 times and calculate the median of each set of estimates, including the median of the upper and lower bounds of the confidence intervals.

⁵⁰Specifically, we use `glmnet`, `gmb`, `pcaNNet`, and `rf` from the `caret` package ([Kuhn, 2009](#)) to implement the elastic net, boosted trees, neural network, and random forest, respectively. Tuning parameters for the first three methods are chosen to maximize the mean squared error estimates using 2-fold cross validation. For random forests, we grow 25,000 trees and randomly select a third of the available predictors when identifying nodes.

We use a number of potential baseline characteristics measured in the baseline survey and administrative data to predict take-up and subsequent transition.⁵¹ The variables include:

- **Employment and Earnings:** Total earnings in the year before randomization; total earnings in the two years before randomization; earnings in each of the eight quarters before randomization; number of employers in each of the eight quarters before randomization
- **Government Benefit Receipt:** Total SNAP receipt in the year before randomization; total SNAP receipt in the two years before randomization; SNAP receipt in each of the 24 months before randomization; total TANF receipt in the year before randomization; total TANF receipt in the two years before randomization; TANF receipt in each of the 24 months before randomization
- **Demographics:** An indicator for being male; age in years and an indicator for missing age; six educational attainment indicators (less than high school, high school diploma or GED, some college, associate’s degree, bachelor’s degree, missing); three indicators for the ReHire priority groups (veteran, non-custodial parent, older worker); four indicators for self-reported race (white, not-white, black, hispanic); seven indicators for marital status (married, divorced, partnered, married living apart, single, separated, and widowed); six indicators for housing type (owned, jointly owned, owned by another resident, renting, transitional, homeless)
- **Barriers to Employment:** Indicators for having a prior felony (yes, no, missing); ability to drive (yes, no, missing); issues with childcare (yes, no, missing); work-limiting health problems (yes, no, missing); ever experienced homelessness (yes, no, missing); expect economic hardship in future (yes, no, missing); alcohol has ever affected work (yes, no, missing); self-identify as alcoholic (yes, no, missing); marijuana has ever affected work (yes, no, missing); self-identified marijuana addiction (yes, no, missing); other drugs have ever affected work (yes, no, missing); self-identified drug addiction (yes, no, missing); any reported substance abuse (yes, no, missing);
- **Case Worker Assessment:** Motivation to get back to work assessed by case worker (1–10) and indicator for missing; likelihood of overcoming barriers assessed by case worker (1–10) and indicator for missing
- **Skills:** Score on Raven’s progressive matrices (0–36) and indicator for missing; score on timed math test (0–100), number of attempted answers on math test (0–160), and indicator for missing; grit (1–5) and indicator for missing; locus of control (1–5) and indicator for missing; and component scores of Big Five—extraversion, agreeableness, conscientiousness, neuroticism, imagination (1–5) and an indicator for missing
- **Mental Well-Being:** Life satisfaction ladder (0–10) and indicator for missing; and CESD depression scale (0–7) and indicator for missing.

We first explore whether our rich set of baseline covariates is predictive of program experience. [Table A-21](#) reports actual transitional job placement rates (Panel A) and rates of hire by transitional job sites (Panel B) for treatment group individuals, as well as rates of hire by transitional job sites when making predictions only among treatment group individuals placed in a transitional job (Panel C). For each panel, the target for prediction is the program experience considered in that panel. Column (1) and (2) report the actual program experience rate among those who were predicted to be least likely (bottom quartile) and most

⁵¹For continuous measures with missing values, we impute missing values at the sample median and include a dummy that the variable was missing. The variable with the most observations missing was the results of the math test. Individuals completed the timed math test on a piece of paper that was to be scanned into the ReHire program database. In some instances scans were not attached to individuals in the database. In total, 1,729 complete tests were scanned into the program database and subsequently scored.

likely (top quarter) to have that program experience, respectively. Column (3) reports the difference in rates across the two groups, and column (4) reports the 90 percent confidence interval around that estimate. All come from the median estimate among the 1,000 repeated split samples.⁵²

While each predictive model generates differences in predicted likelihoods, no model is able to generate large differences in actual take-up/transition. When predicting transitional job placement, OLS does best. According to this method, 61.3 percent of those predicted to be least likely to be placed in a transitional job did so versus 69.6 percent among the most likely group. The estimated 8.2 percentage point difference, however, is not statistically significant and the 90 percent confidence interval is wide. When trying to predict successful transitional job placements, no method generates large differences and logit does best in generating differences between the most and least likely groups (2.9 percentage points). Finally, when making predictions about hiring by the transitional job site among those who worked a transitional job, random forest creates the largest difference among the groups predicted to be most and least likely (6.2 percentage points, respectively). In every case, 90 percent confidence intervals for the estimated difference between the two groups are wide.

⁵²As noted in step 5 above, the estimation procedure collects the upper and lower bound of the 95 percent confidence interval for each estimate. Chernozhukov et al. (2020) note that the “price of splitting uncertainty is reflected in the discounting of the confidence level from $1 - \alpha$ to $1 - 2\alpha$ ” (see page 19). Similarly, p -values reported come from the median of the estimated p -values and are doubled (and top-coded at 1, if necessary) to account for this uncertainty.

Table A-21: Predicting Program Experience,
Comparison of ML Methods

	Bottom Quartile (1)	Top Quartile (2)	Difference (3)	Confidence Interval (4)
<i>Panel A: Transitional Job Take-up</i>				
OLS	0.613	0.696	0.082	[-0.018, 0.182]
Logit	0.649	0.665	0.014	[-0.086, 0.114]
Elastic Net	0.574	0.618	0.042	[-0.071, 0.152]
Boosting	0.583	0.540	-0.023	[-0.148, 0.099]
Neural Network	0.605	0.676	0.076	[-0.027, 0.177]
Random Forest	0.645	0.644	-0.001	[-0.104, 0.108]
<i>Panel B: Hired by Transitional Job Rate</i>				
OLS	0.153	0.153	0.000	[-0.075, 0.076]
Logit	0.139	0.169	0.029	[-0.047, 0.106]
Elastic Net	0.158	0.153	-0.004	[-0.082, 0.073]
Boosting	0.148	0.164	0.015	[-0.061, 0.091]
Neural Network	0.145	0.161	0.016	[-0.061, 0.092]
Random Forest	0.146	0.169	0.022	[-0.056, 0.101]
<i>Panel C: Hired by Transitional Job Rate Conditional on Transitional Job Take-up</i>				
OLS	0.228	0.240	0.009	[-0.101, 0.122]
Logit	0.237	0.239	0.000	[-0.109, 0.116]
Elastic Net	0.230	0.239	0.009	[-0.102, 0.122]
Boosting	0.212	0.265	0.052	[-0.061, 0.162]
Neural Network	0.219	0.255	0.035	[-0.078, 0.148]
Random Forest	0.207	0.270	0.062	[-0.053, 0.173]

Notes: The data come from the ReHire baseline survey, program records, and administrative data from CDLE and CBMS. The sample includes 2,495 ReHire applicants who applied between 7/2015 and 12/2018. The table compares the ability of six machine learning methods to predict transitional job take-up (Panel A), the likelihood that a ReHire client takes-up a transitional job and is then hired on without the subsidy by that employer (Panel B), and the likelihood that a ReHire client is hired on without the subsidy by the employer host site conditional on transitional job placement (Panel C). All estimates comes from the median of 1,000 sample splits where half of the treatment group is used to train the machine learning model and the remaining half is used to predict the program outcome and stratify the sample. The table reports the share of the treatment group in the hold-out sample that actually had the given program experience. Column (1) includes treatment group individuals who were predicted to be least likely to have the program experience (bottom quartile). Column (2) includes treatment group individuals who were predicted to be most likely to have the program experience. Column (3) reports the estimate of the differences between these two groups. Column (4) reports the 90 percent confidence interval.

Section 6 decomposes program impacts by program experience to show that all in-program effects are concentrated among individuals placed in transitional jobs, and that all lasting program impacts are concentrated among individuals who worked a transitional job and were subsequently hired on. We next explore whether we can identify a similar heterogeneity in program impacts among the subgroups stratified by the machine learning predictions of program experience. We focus this analysis on the two methods that generated the largest out-of-sample differences in actual program experience: OLS for predicting transitional job placement and logit for predicting placement and transition into unsubsidized work with the same employer.

Table A-22 and Table A-23 report group average control group means and treatment effects among those predicted to be least likely (columns 1 and 2) and most likely (columns 3 and 4) to be placed in a transitional job or be hired by their transitional job host site, respectively. As noted above, estimates in this table come from the median estimate among 1,000 repeated split samples, and rather than reporting standard errors we report confidence intervals. Column (5) reports differences in treatment effects between

the most likely and least likely groups. When stratifying by predicted transitional job placement ([Table A-22](#)), those predicted to be most likely to be placed have slightly larger in-program impacts. For example, the group in the top quartile experienced an increase in average quarterly earnings during the in-program period of \$349, as opposed to the \$139 treatment effect among the bottom quartile. While no differences in treatment effects are statistically significant, this pattern of results is consistent with the decomposition depicted in [Table 6](#). These procedures do a worse job generating heterogeneity in treatment effects across groups when stratifying by predicted transitional job placement and subsequent hire. Results in [Table A-23](#) show that treatment effects are roughly similar between the top and bottom quartiles, which is consistent with the similarity in actual program experiences between these two quartiles (14 vs 17 percent).

Table A-22: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado, By Predicted Transitional Job Take-up using Ordinary Least Squares

	Bottom Quartile		Top Quartile		Difference
	Control Mean (1)	ITT Effect No Controls (2)	Control Mean (3)	ITT Effect No Controls (4)	
<i>Panel A: In-Program Employment (Quarter 0–4)</i>					
Any employment	0.82	0.10** [0.04, 0.17]	0.82	0.11** [0.05, 0.18]	0.01 [-0.09, 0.10]
Share of quarters worked	0.56	0.09 [0.03, 0.16]	0.53	0.12** [0.05, 0.19]	0.03 [-0.07, 0.12]
Worked every quarter	0.26	0.06 [-0.02, 0.14]	0.22	0.08 [0.00, 0.17]	0.03 [-0.09, 0.14]
Average quarterly earnings	\$2,053	\$139 [-251, 526]	\$1,640	\$349 [-42, 740]	\$212 [-342, 761]
Share of quarters above 130% FPL	0.21	0.00 [-0.05, 0.06]	0.17	0.03 [-0.02, 0.09]	0.03 [-0.04, 0.10]
<i>Panel B: Post-Program, Pre-COVID Employment (Quarter 5–11)</i>					
Any employment	0.70	-0.00 [-0.09, 0.09]	0.65	0.04 [-0.05, 0.12]	0.04 [-0.09, 0.16]
Share of quarters worked	0.49	0.02 [-0.05, 0.10]	0.45	0.03 [-0.04, 0.11]	0.01 [-0.10, 0.12]
Worked every quarter	0.25	0.06 [-0.02, 0.14]	0.24	0.02 [-0.07, 0.10]	-0.05 [-0.16, 0.07]
Average quarterly earnings	\$2,616	\$98 [-471, 667]	\$2,042	\$181 [-389, 751]	\$89 [-719, 897]
Share of quarters above 130% FPL	0.29	0.00 [-0.06, 0.07]	0.23	0.02 [-0.05, 0.09]	0.02 [-0.08, 0.11]
Agency-Rate Block FEs		X		X	X
Actual TJ Take-up Rate		0.61		0.70	

Notes: Data source is administrative UI earnings data from CDLE. Panels A and B report estimates on in-program and post-program employment outcomes, respectively, for the sample of ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. The sample is stratified by predicted likelihood of receiving a transitional job. Half of the treatment group is used to predict TJ receipt. The remaining treatment group and the full control group are divided into quartiles based on predicted likelihood of transitional job placement. Treatment effects are estimated within each quartile, controlling for vendor-randomization rate block fixed effects. Reported coefficients come from medians of the estimates across 1,000 repeated sample splits. 90 percent confidence intervals are reported in brackets, and *p*-values used to denote significance levels are double to account for splitting uncertainty (see Chernozhukov et al., 2020).

**0.01, *0.05, +0.10 significance levels

Table A-23: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado,
By Predicted Transitional Job Transition using Logit

	Bottom Quartile		Top Quartile		Difference
	Control Mean (1)	ITT Effect No Controls (2)	Control Mean (3)	ITT Effect No Controls (4)	
<i>Panel A: In-Program Employment (Quarter 0–4)</i>					
Any employment	0.80	0.13** [0.06, 0.19]	0.83	0.09 [0.03, 0.16]	-0.03 [-0.13, 0.06]
Share of quarters worked	0.52	0.12** [0.05, 0.19]	0.56	0.11** [0.04, 0.17]	-0.02 [-0.11, 0.08]
Worked every quarter	0.22	0.08 [-0.01, 0.16]	0.26	0.08 [-0.00, 0.16]	0.01 [-0.11, 0.13]
Average quarterly earnings	\$1,615	\$350 [-40, 743]	\$1,935	\$283 [-107, 673]	\$-71 [-629, 486]
Share of quarters above 130% FPL	0.17	0.03 [-0.02, 0.08]	0.20	0.03 [-0.03, 0.08]	-0.00 [-0.08, 0.07]
<i>Panel B: Post-Program, Pre-COVID Employment (Quarter 5–11)</i>					
Any employment	0.65	0.03 [-0.06, 0.12]	0.68	0.00 [-0.09, 0.09]	-0.03 [-0.16, 0.10]
Share of quarters worked	0.45	0.04 [-0.04, 0.11]	0.48	0.02 [-0.06, 0.10]	-0.02 [-0.13, 0.10]
Worked every quarter	0.22	0.07 [-0.01, 0.15]	0.26	0.02 [-0.06, 0.10]	-0.05 [-0.17, 0.07]
Average quarterly earnings	\$2,101	\$248 [-324, 824]	\$2,474	\$12 [-559, 584]	\$-246 [-1,057, 572]
Share of quarters above 130% FPL	0.23	0.03 [-0.03, 0.10]	0.27	-0.00 [-0.07, 0.07]	-0.04 [-0.13, 0.06]
Agency-Rate Block FEs		X		X	X
Actual TJ Take-up Rate		0.14		0.17	

Notes: Data source is administrative UI earnings data from CDLE. Panels A and B report estimates on in-program and post-program employment outcomes, respectively, for the sample of ReHire applicants who applied between 7/2015 and 12/2018. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. The sample is stratified by predicted likelihood of receiving a transitional job. Half of the treatment group is used to predict program experience. The remaining treatment group and the full control group are divided into quartiles based on predicted likelihood of being placed into a transitional job and subsequently being hired on. Treatment effects are estimated within each quartile, controlling for vendor-randomization rate block fixed effects. Reported coefficients come from medians of the estimates across 1,000 repeated sample splits. 90 percent confidence intervals are reported in brackets, and p -values used to denote significance levels are double to account for splitting uncertainty (see [Chernozhukov et al., 2020](#)).

**0.01, *0.05, +0.10 significance levels

The fact that these methods are unable to generate large differences in actual transitional job placement across the top and bottom quartiles (70 percent vs. 61 percent) suggests that it would be challenging to target the program based on baseline characteristics. Nevertheless, to get a sense of what characteristics are correlated with predicted transitional job placement, we explore difference in characteristics across groups. [Table A-24](#) reports estimates of the average characteristics among the individuals least likely (column 1) and most likely (column 2) to have been placed in a transitional job. This analysis suggests that individuals with a weaker labor market history (lower earnings and employment rates), women, racial minorities, and older workers are more likely to receive a transitional job placement. Those in the most likely group also tended to have lower scores in the timed math and Raven's tests.

Table A-24: Average Characteristics of Most and Least Affected Groups, Transitional Job Takeup, Ordinary Least Squares

	Stratify by Predicted TJ Takeup				
	Least Likely	Most Likely	Difference	Confidence Interval	<i>p</i> -value
	(1)	(2)	(3)	(4)	(5)
<i>Employment and Benefit Receipt</i>					
Average quarterly earnings in last year	\$2,213	\$1,305	-\$900**	[-1,309, -493]	0.000
Share of quarters worked last year	0.66	0.61	-0.05	[-0.11, 0.01]	0.244
TANF recipient	0.11	0.15	0.05 ⁺	[0.00, 0.09]	0.078
SNAP recipient	0.59	0.65	0.06	[-0.00, 0.13]	0.105
<i>Demographics</i>					
Average Age (years)	43.41	47.36	3.93**	[2.36, 5.50]	0.000
Male	0.63	0.37	-0.26**	[-0.33, -0.20]	0.000
Racial minority	0.31	0.50	0.19**	[0.13, 0.25]	0.000
Less than high school credential	0.14	0.18	0.04	[-0.01, 0.08]	0.283
High school graduate	0.18	0.14	-0.04	[-0.09, 0.01]	0.240
Some college	0.26	0.32	0.05	[-0.00, 0.11]	0.140
Associate's degree	0.11	0.11	0.01	[-0.04, 0.05]	1.000
Bachelor's degree	0.13	0.14	0.01	[-0.03, 0.06]	1.000
<i>ReHire Target Populations</i>					
Veteran	0.20	0.21	0.01	[-0.05, 0.06]	1.000
Non-custodial parent	0.21	0.21	-0.00	[-0.06, 0.05]	1.000
Older worker	0.36	0.53	0.17**	[0.10, 0.23]	0.000
<i>Barriers to Employment</i>					
Stable housing	0.61	0.58	-0.03	[-0.10, 0.03]	0.681
Not allowed to drive	0.23	0.20	-0.03	[-0.08, 0.03]	0.660
Issue with childcare	0.10	0.11	0.01	[-0.03, 0.05]	0.965
Limiting health problem	0.23	0.26	0.02	[-0.03, 0.08]	0.778
Experience with homelessness	0.43	0.44	0.01	[-0.06, 0.07]	1.000
Felony	0.25	0.22	-0.03	[-0.09, 0.02]	0.480
Alcoholic	0.10	0.16	0.06*	[0.02, 0.10]	0.013
Drinking has affected life	0.18	0.17	-0.02	[-0.07, 0.03]	0.917
Addicted to marijuana	0.04	0.02	-0.02	[-0.04, 0.00]	0.116
Smoking marijuana has affected life	0.04	0.05	0.00	[-0.02, 0.03]	1.000
Addicted to drugs	0.11	0.14	0.03	[-0.01, 0.07]	0.316
Drug use has affected life	0.10	0.06	-0.04 ⁺	[-0.08, -0.00]	0.056
Any substance abuse problem	0.23	0.23	-0.00	[-0.06, 0.05]	1.000
<i>Cognitive skills</i>					
Timed math test, percent correct	62.22	54.12	-8.04**	[-10.07, -6.03]	0.000
Number of math questions attempted (out of 160)	102.54	89.65	-12.86**	[-16.11, -9.64]	0.000
Raven's score (out of 36)	31.49	30.41	-1.12**	[-1.72, -0.51]	0.001
<i>Non-cognitive characteristics</i>					
Locus of control (1-5)	4.03	4.12	0.09*	[0.02, 0.16]	0.029
Grit (1-5)	3.81	3.98	0.16**	[0.10, 0.23]	0.000
Extraversion (1-5)	3.17	3.10	-0.07	[-0.17, 0.04]	0.398
Agreeableness (1-5)	3.89	4.01	0.13**	[0.05, 0.20]	0.002
Conscientious (1-5)	3.93	4.07	0.14**	[0.06, 0.21]	0.001
Neuroticism (1-5)	2.54	2.39	-0.15**	[-0.24, -0.07]	0.001
Imagination (1-5)	3.12	3.01	-0.10**	[-0.16, -0.04]	0.001
Life satisfaction ladder (0-10)	5.58	5.79	0.21	[-0.05, 0.47]	0.232
Depression scale (0-10)	1.65	1.48	-0.17	[-0.35, 0.01]	0.123
<i>Caseworker Assessment</i>					
Perceived motivation (out of 10)	8.63	8.37	-0.27*	[-0.50, -0.03]	0.050
Likelihood to overcome barriers (out of 10)	8.09	8.19	0.09	[-0.16, 0.35]	0.940

Notes: Data source is a baseline survey and administrative data from CDLE and CBMS. The sample includes ReHire applicants who applied between 7/2015 and 12/2018. The table reports differences in average baseline characteristics among individuals who are predicted to be least likely (column 1) and most likely (column 2) to receive a transitional job placement using ordinary least squares. Estimates of the difference across groups is reported in column (3) and 90 percent confidence intervals are reported in brackets in column (4). The *p*-values for the hypothesis that the parameter is equal to zero are reported in column (5). All estimates come from the median value across 1,000 random splits of the data. See [Section A.14.3](#) for details on the estimation procedure.

A.14.4 Verifying Predictions of Search Model with Employer Learning

Section 6.4 discusses additional predictions of how a subsidized and supported temporary job should affect participants' outcomes based on an augmented Diamond-Mortensen-Pissarides search model that incorporates noisy signals from job seekers and ex post employer learning (Pries and Rogerson, 2005, 2022). To explore these predictions, we use data from ReHire program records on the timing of transitional job placement and data from the 18-month follow-up survey on the start and end months of post-application unsubsidized employment to demonstrate that both of two key predictions from the model occur within the ReHire study population.

The first key prediction of the model is that access to ReHire should increase the likelihood that a job seeker is able to form an initial match with an employer. In the equilibrium of the search model, employers will choose to hire a potential worker if the value of the productivity signal exceeds some threshold. The 100 percent wage subsidy that the state provides to employers during the period of transitional job employment lowers the threshold above which potential employees are hired. Figure A-11a uses data from the follow-up survey to report the share of the treatment group (black circles) and of the control group (gold diamonds) who had started a job—inclusive of transitional job placements—by a given month after ReHire application, depicted on the horizontal axis.⁵³ Unsurprisingly, access to the ReHire wage subsidy meant the treatment group was more likely to have found a job relative to the control group. During the month of ReHire application, 25 percent of the treatment group had found a new job compared to 9 percent in the control group. This gap widens over time such that within 9 months 90 percent of the treatment group had found a job compared to only 60 percent in the control group.

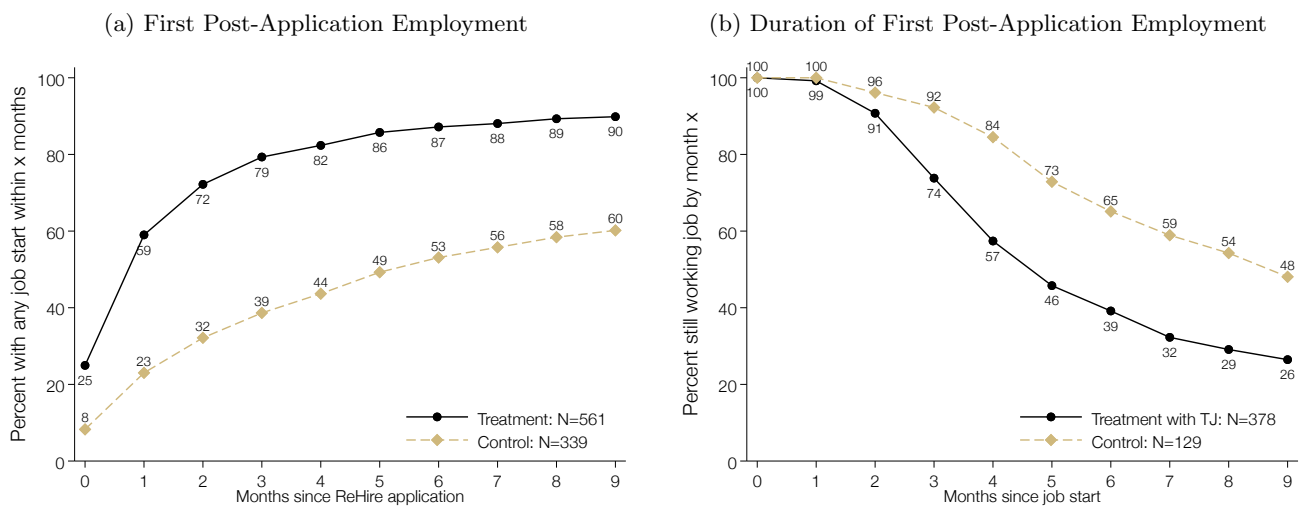
The second prediction of the augmented search model is that matches formed without a wage subsidy should be of higher quality and more likely to persist compared to jobs formed with the subsidy. Because the wage subsidy shifts down the hiring threshold, the average match formed with the subsidy will be drawn from a lower portion of the signal distribution and thus, in expectation, will be of lower true quality as well. Therefore, once the worker's true productivity and other aspects of match quality have been revealed, these matches will be more likely to dissolve relative to matches formed without the subsidy.

This prediction plays out in the ReHire data. Figure A-11b considers transitional job matches among the treatment group and new unsubsidized job matches among the control group that formed within 3 months of ReHire application. The vertical axis measures the share of these matches that were still ongoing at each month since the start of the job, measured on the horizontal axis. Black circles report the share of transitional job recipients who are still working for their host-site employer, either in the subsidized position or as an unsubsidized employee following the end of the transitional job.⁵⁴ Gold diamonds report the share of the control group who were still employed in their first post-application job by the month depicted on the horizontal axis. Employment persistence is similar during the first 2 months after job start. Two months after the job began, 96 percent of transitional job workers were still employed by their host site and 91 percent of the control group were still working in their first post-application job. After this period, however, differences in employment arise, such that 9 months after these jobs started, 48 percent of matches formed without a wage subsidy (the control group) persisted compared to 26 percent of matches formed with the subsidy.

⁵³This analysis removes follow-up survey respondents who reported a start month for post-application employment that preceded their application month.

⁵⁴In this sample of follow-up survey respondents who started a transitional job within 3 months of ReHire application, the subsidized-to-unsubsidized transition rate is 24.9 percent. Given data limitations in identifying end months for the unsubsidized position at the employer host site, we assume these transitioning workers are employed for at least 9 months in these positions. Thus, the transition rate gives the lower bound for the line plotted in the figure.

Figure A-11: Timing of New Employment Since Application and Duration of Employment



Notes: Data source is ReHire administrative data and an 18-month follow-up survey. Timing of transitional job placement is measured in administrative program data from CDHS and start and end dates of unsubsidized employment are measured in the 18-month follow-up survey. The sample in Panel (a) excludes individuals with post-application employment who reported an invalid start date—either the start date preceded ReHire application or was reportedly later than the survey date. The horizontal axis in Panel (a) depicts months since ReHire application where month 0 is the calendar month an individual applied for ReHire. The vertical axis reports the share of the treatment group (black circles) or control group (gold diamonds) who started a job within the given number of months. For individuals placed into a transitional job, start months are based on transitional job placement. For individuals without a transitional job, start months are based on unsubsidized jobs reported in the follow-up survey. The sample in Panel (b) is restricted to individuals in treatment group who were placed into a transitional job and control group members. The horizontal axis in Panel (b) depicts months since job start where month 0 is the calendar month the individual started the job. The vertical axis reports the share of the treatment group still working in their transitional job or who has transitioned to unsubsidized employment with their employer host site (black circles) or the share of the control group still employed in their first unsubsidized job since ReHire application by the given month.

A.15 Using Machine Learning to Test for Heterogeneity

The literature exploring the effects of active labor market programs has found mixed results across program models and types of clients served (Card, Kluge and Weber, 2018). Even within the transitional jobs literature, results have varied across locations and target populations (Barden et al., 2018; Foley, Farrell and Webster, 2018; Cummings and Bloom, 2020). Relying on ReHire’s broad eligibility criteria and the breadth of information collected on applicants at baseline, we explore whether individual heterogeneity might reconcile the mixed results found across the literature. One concern for this analysis, however, is that there are many potential ways to construct sub groups to explore heterogeneity and the number of additional hypotheses tested means that we might detect heterogeneity by chance. To address this concern, we rely on a data driven approach to guide this analysis.

We use machine learning tools to test whether a high-dimensional set of baseline characteristics are predictive of treatment effect heterogeneity among the primary outcomes reported in Table 2. In an ideal setting, we would be able to estimate directly a Conditional Average Treatment Effect (CATE) function that would map baseline characteristics Z to an estimated treatment effect $\tau(Z)$. Given the large number of potential characteristics that could be included in Z and the possibility that various characteristics could interact to affect the CATE in linear and nonlinear ways, estimating such a complex function is difficult.

Given this complexity and high-dimensionality, we follow Chernozhukov et al. (2020) and construct a proxy estimate of each individual’s CATE and use that proxy to ask whether it is predictive of underlying treatment effect heterogeneity. Their split-sample approach proceeds in two stages and is related to the estimation procedure detailed in Appendix Section A.14.3. First, we randomly select an auxiliary sample with half of the treatment and control group applicants. Using control group applicants in the auxiliary sample, we train a machine learning method using baseline characteristics Z to predict the outcome in the untreated state Y^C . Similarly, we use treatment group applicants in the auxiliary sample to predict the outcome in the treated state Y^T . Then, with the remaining half of the sample (main sample), we use the two estimates to predict $\hat{Y}^C(Z_i)$ and $\hat{Y}^T(Z_i)$ in both the treatment and control group. Finally, for each applicant in the main sample we construct a proxy of their own CATE: $\hat{S}(Z_i) = \hat{Y}^T(Z_i) - \hat{Y}^C(Z_i)$.

The methods in Chernozhukov et al. (2020) provide an empirical test for whether the proxy CATE, $\hat{S}(Z_i)$, predicts meaningful heterogeneity. To implement this test, we estimate the following regression using weighted least squares:

$$Y_i = \alpha' X_1 + \beta_1(D_i - p(Z_i)) + \beta_2(D_i - p(Z_i))(\hat{S}(Z_i) - E(\hat{S}(Z_i))) + \epsilon \quad (4)$$

where D_i is an indicator for whether an individual was randomly assigned to receive access to ReHire services, X_i includes vendor-rate fixed effects, and $p(Z_i)$ is an individual’s treatment propensity, which is known from the randomization protocol. The regression is weighted by $w(Z_i) = 1/[p(Z_i)(1-p(Z_i))]$. Under this specification, Chernozhukov et al. (2020) show that $\hat{\beta}_1$ provides an estimate of the Average Treatment Effect (ATE) and that $\hat{\beta}_2$ provides an estimate of the slope of the Best Linear Predictor of the CATE. To deal with uncertainty that stems from sample splitting, we repeat this procedure across 1,000 random splits of the data and report the median estimates of $\hat{\beta}_1$ and $\hat{\beta}_2$, as well as median p -values, and upper and lower bounds of the 95 percent confidence interval. To account for uncertainty induced by randomly splitting of the sample, the confidence intervals reported in tables below are discounted to be 90 percent confidence intervals, and p -values are doubled (or set to the maximum value of 1, if necessary).

We also estimated the group average treatment effects (GATES) following Chernozhukov et al. (2020). Using the proxy CATE, $\hat{S}(Z_i)$, we divide the main sample into quartiles and define an indicator G_k for each quartile k . We then estimate the following regression:

$$Y_i = \alpha' X_1 + \sum_{k=1}^4 \gamma_k \cdot (D_i - p(Z_i)) \cdot 1(G_k) + \nu \quad (5)$$

The vector of estimates γ represent the average treatment effect within each of the groups. Testing the null hypothesis that the difference between $\gamma_4 - \gamma_1$ is zero provides another test for heterogeneity in program impacts.

We construct three sets of characteristics (Z) to assess the added value of characteristics not typically measured in the literature: (i) a baseline set to mirror the types of characteristics that have been used to target the program; (ii) a skills set that further incorporates age and measures of cognitive and non-cognitive skills; and (iii) an extended set that provides higher-frequency information on employment, earnings, and benefit usage, as well as including information on employment barriers. The sets include the following measures:⁵⁵

1. **Baseline:** Earnings in the year before randomization; SNAP benefit receipt in the month before randomization; TANF benefit receipt in the month before randomization; an indicator for being male; six educational attainment indicators (less than high school, high school diploma or GED, some college, associate’s degree, bachelor’s degree, missing); three indicators for the ReHire priority groups (veteran, non-custodial parent, older worker); three indicators for having prior felony (yes, no, missing)
2. **Add Skills and Experience:** All variables in the “Baseline” set; age in years and an indicator for missing; motivation scored by case worker (1–10) and indicator for missing ; likelihood of overcoming barriers assessed by case worker (1–10) and indicator for missing; score on Raven’s progressive matrices (0–36) and indicator for missing; score on timed math test (0–100), number of attempted answers on math test (0–160), and indicator for missing; grit (1–5) and indicator for missing; locus of control (1–5) and indicator for missing; and component scores of Big Five—extraversion, agreeableness, conscientiousness, neuroticism, imagination (1–5) and an indicator for missing.
3. **Extended Predictors:** All variables in the “Add Skills and Experience” set; earnings in each of the eight quarters before randomization; total earnings in the two years before randomization; number of employers in each of the eight quarters before randomization; SNAP receipt in each of the 24 months before randomization; total SNAP receipt in the year before randomization; total SNAP receipt in the two years before randomization; TANF receipt in each of the 24 months before randomization; total TANF receipt in the year before randomization; total TANF receipt in the two years before randomization; four indicators for self-reported race (white, not-white, black, hispanic); seven indicators for marital status (married, divorced, partnered, married living apart, single, separated, and widowed); six indicators for housing type (owned, jointly owned, owned by another resident, renting, transitional, homeless); ability to drive (yes, no, missing); issues with childcare (yes, no, missing); work-limiting health problems (yes, no, missing); ever experienced homelessness (yes, no, missing); expect economic hardship in future (yes, no, missing); alcohol has ever affected work (yes, no, missing); self-identify as alcoholic (yes, no, missing); marijuana has ever affected work (yes, no, missing); self-identified marijuana addiction (yes, no, missing); other drugs have ever affected work (yes, no missing); self-identified drug addiction (yes, no, missing); any reported substance abuse (yes, no, missing); life satisfaction ladder (0–10) and indicator for missing; and CESD depression scale (0–7) and indicator for missing.

We follow [Chernozhukov et al. \(2020\)](#) in considering four different machine learning methods—elastic net, boosted trees, neural network with feature extraction, and random forest—using the caret package ([Kuhn, 2009](#)). Specifically, we use glmnet, gmb, pcaNNet, and rf to implement the elastic net, boosted trees, neural network, and random forest, respectively. Tuning parameters for the first three methods are chosen to minimize the mean squared error estimates using 2-fold cross validation. For random forests, we grow 25,000 trees and randomly select a third of the available predictors when identifying nodes.

⁵⁵For continuous measures with missing values, we impute missing values at the sample median and include a dummy that the variable was missing.

Table A-25 reports estimates of the criteria used to pick the best performing machine learning method (see Chernozhukov et al. (2020) for details). Columns (1) through (4) provide estimates when targeting the BLP. Columns (5) through (8) provide estimates when targeting the GATES. For in-program outcomes, elastic net seems to perform best when targeting the BLP, and all are comparably similar when targeting the GATES. For post-program outcomes, random forest seems to perform best (or close to best) for both. Given these results, we report estimates of the BLP using the elastic net and random forest.

Table A-25: Predicting Conditional Average Treatment Effects,
Comparison of ML Methods

	Best BLP (Λ)				Best GATES (Λ)			
	Elastic Net (1)	Boosting (2)	Neural Network (3)	Random Forest (4)	Elastic Net (5)	Boosting (6)	Neural Network (7)	Random Forest (8)
<i>Panel A: Limited Predictors</i>								
In-Program Employment (Quarter 0–4)								
Any employment	0.026	0.017	0.024	0.012	0.017	0.016	0.016	0.015
Share of quarters worked	0.014	0.017	0.018	0.011	0.015	0.015	0.015	0.015
Worked every quarter	0.020	0.015	0.018	0.014	0.008	0.008	0.008	0.008
Average quarterly earnings	80	88	84	76	128,933	130,724	141,282	128,513
Share of quarters above 130% FPL	0.012	0.009	0.009	0.011	0.001	0.001	0.001	0.002
Post-Program, Pre-COVID Employment (Quarter 5–11)								
Any employment	0.022	0.017	0.015	0.014	0.002	0.003	0.002	0.002
Share of quarters worked	0.016	0.029	0.024	0.035	0.002	0.003	0.003	0.003
Worked every quarter	0.022	0.022	0.029	0.030	0.004	0.004	0.004	0.004
Average quarterly earnings	96	103	134	116	98,923	95,266	114,999	103,034
Share of quarters above 130% FPL	0.014	0.012	0.012	0.021	0.001	0.001	0.001	0.002
<i>Panel B: Add Age and Skills</i>								
In-Program Employment (Quarter 0–4)								
Any employment	0.037	0.016	0.013	0.013	0.017	0.016	0.016	0.016
Share of quarters worked	0.018	0.018	0.015	0.018	0.015	0.015	0.015	0.015
Worked every quarter	0.018	0.017	0.017	0.020	0.008	0.008	0.008	0.008
Average quarterly earnings	61	78	81	80	122,628	123,718	138,612	116,002
Share of quarters above 130% FPL	0.012	0.009	0.009	0.009	0.001	0.001	0.001	0.001
Post-Program, Pre-COVID Employment (Quarter 5–11)								
Any employment	0.019	0.015	0.017	0.016	0.002	0.002	0.003	0.002
Share of quarters worked	0.015	0.016	0.023	0.016	0.002	0.003	0.003	0.002
Worked every quarter	0.026	0.021	0.032	0.032	0.004	0.004	0.005	0.004
Average quarterly earnings	112	107	117	126	90,163	97,589	112,314	104,969
Share of quarters above 130% FPL	0.014	0.012	0.013	0.013	0.001	0.001	0.001	0.002
<i>Panel C: Extended Predictors</i>								
In-Program Employment (Quarter 0–4)								
Any employment	0.044	0.021	0.013	0.024	0.017	0.016	0.016	0.016
Share of quarters worked	0.012	0.014	0.011	0.010	0.014	0.014	0.014	0.014
Worked every quarter	0.022	0.018	0.026	0.015	0.008	0.007	0.008	0.007
Average quarterly earnings	95	77	72	66	114,087	126,232	136,350	121,873
Share of quarters above 130% FPL	0.014	0.012	0.008	0.011	0.001	0.001	0.001	0.001
Post-Program, Pre-COVID Employment (Quarter 5–11)								
Any employment	0.019	0.018	0.013	0.016	0.002	0.002	0.002	0.002
Share of quarters worked	0.014	0.013	0.013	0.017	0.002	0.002	0.002	0.002
Worked every quarter	0.020	0.014	0.017	0.017	0.004	0.004	0.003	0.003
Average quarterly earnings	122	107	112	95	85,796	93,042	113,226	95,161
Share of quarters above 130% FPL	0.019	0.011	0.015	0.011	0.001	0.001	0.002	0.001

Notes: Data source is the baseline survey and administrative data from CDLE and CBMS. The sample include ReHire applicants who applied between 7/2015 and 12/2018. The table compares the ability of four machine learning methods to produce proxy predictors of CATE. Estimates comes from the median of 1,000 sample splits. Columns (1)–(4) and (5)–(8) present estimates of Λ when choosing the optimal machine learning method for BLP and GATES, respectively. See Chernozhukov et al. (2020) for details. For each outcome and target (e.g., BLP or GATES), the maximum estimate is in bold to indicate the optimal method.

Table A-26 and Table A-27 report results from estimating the BLP of treatment heterogeneity using the elastic net and random forest, respectively. In each table, columns (1), (3), and (5) report estimates of the ATE when using limited predictors, adding age and skills as predictors, and adding detailed information on labor market and benefit histories and employment barriers, respectively. Estimates of the heterogeneity parameter, β_2 , are reported in columns (2), (4), and (6). 90 percent confidence intervals are reported in parentheses and p -values that test the null hypothesis that the parameter is zero are reported in brackets.

ATE estimates are consistent with the results reported in Table 2. For example, the first estimate of 12.1 percentage points in column (1) of Table A-26 is the same as the 12.1 percentage point effect in Table 2 when only including stratification fixed effects. This similarity is the case across the set of baseline characteristics used as predictors and across machine learning methods.

The heterogeneity parameter, β_2 , shows how estimated treatment effects change with a one unit change in the predicted CATE. A value of 1 for this parameter would show that a 1 unit increase (e.g., percentage point or dollar) in the predicted treatment effect is associated with a 1 unit increase in the actual treatment effect. In this scenario, baseline characteristics would be perfectly predictive of treatment effect heterogeneity. A value of 0 indicates that the predicted CATE is not related to any underlying heterogeneity.

We find no strong evidence that baseline characteristics are predictive of underlying heterogeneity. We are able to reject the null hypothesis for only one outcome across both machine learning methods. When using the full set of predictors with an elastic net (Table A-26, column 6), we find that the CATE predicts meaningful heterogeneity in the effect on whether an individual was employed at all during the in-program period. The point estimate on the interaction term is 0.8 and the p -value is 0.044. This finding is consistent with our ability to predict who gets a transitional job in Section A.14.3. In nearly all other cases, p -values are large or close to one.

Table A-26: Best Linear Predictor of Formal-Sector Employment and Earnings,
Elastic Net

	Limited Predictors		Add Age and Skills		Extended Predictors	
	ATE (β_1)	HET (β_2)	ATE (β_1)	HET (β_2)	ATE (β_1)	HET (β_2)
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Panel A: In-Program Employment (Quarter 0-4)</i>						
Any employment	0.121 (0.084, 0.158) [0.000]	0.476 (-0.273, 1.278) [0.423]	0.120 (0.083, 0.157) [0.000]	0.794 (-0.032, 1.659) [0.118]	0.120 (0.083, 0.157) [0.000]	0.800 (0.122, 1.474) [0.044]
Share of quarters worked	0.118 (0.079, 0.156) [0.000]	0.096 (-0.901, 1.105) [1.000]	0.116 (0.078, 0.155) [0.000]	0.293 (-0.575, 1.204) [1.000]	0.114 (0.077, 0.151) [0.000]	0.132 (-0.621, 0.846) [1.000]
Worked every quarter	0.079 (0.029, 0.128) [0.004]	-0.319 (-1.609, 0.906) [1.000]	0.079 (0.029, 0.128) [0.004]	-0.231 (-1.566, 1.089) [1.000]	0.074 (0.026, 0.122) [0.005]	-0.431 (-1.412, 0.585) [0.817]
Average quarterly earnings	\$297 (76, 518) [0.017]	0.114 (-0.369, 0.608) [1.000]	\$298 (77, 520) [0.016]	-0.015 (-0.358, 0.332) [1.000]	\$288 (66, 508) [0.022]	-0.019 (-0.184, 0.151) [1.000]
Share of quarters above 130% FPL	0.026 (-0.005, 0.057) [0.190]	-0.200 (-1.251, 0.878) [1.000]	0.026 (-0.005, 0.056) [0.203]	-0.245 (-1.163, 0.672) [1.000]	0.025 (-0.005, 0.055) [0.218]	-0.220 (-0.992, 0.525) [1.000]
<i>Panel B: Post-Program, Pre-COVID Employment (Quarter 5-11)</i>						
Any employment	0.019 (-0.034, 0.072) [0.953]	0.369 (-0.794, 1.544) [1.000]	0.017 (-0.036, 0.069) [1.000]	0.272 (-0.748, 1.316) [1.000]	0.016 (-0.037, 0.068) [1.000]	0.199 (-0.658, 1.078) [1.000]
Share of quarters worked	0.027 (-0.019, 0.074) [0.501]	0.136 (-0.976, 1.298) [1.000]	0.026 (-0.021, 0.072) [0.554]	0.158 (-0.779, 1.128) [1.000]	0.025 (-0.021, 0.071) [0.582]	0.050 (-0.738, 0.837) [1.000]
Worked every quarter	0.041 (-0.009, 0.091) [0.210]	0.394 (-0.677, 1.487) [0.926]	0.042 (-0.008, 0.092) [0.203]	0.497 (-0.545, 1.600) [0.687]	0.041 (-0.009, 0.090) [0.213]	0.217 (-0.628, 1.099) [1.000]
Average quarterly earnings	\$120 (-212, 453) [0.958]	-0.009 (-0.527, 0.515) [1.000]	\$112 (-220, 446) [1.000]	-0.116 (-0.480, 0.252) [1.000]	\$112 (-221, 444) [1.000]	-0.034 (-0.197, 0.133) [1.000]
Share of quarters above 130% FPL	0.016 (-0.024, 0.056) [0.855]	-0.197 (-1.290, 0.959) [1.000]	0.015 (-0.025, 0.054) [0.945]	-0.270 (-1.214, 0.727) [1.000]	0.015 (-0.025, 0.054) [0.906]	-0.378 (-1.254, 0.479) [0.785]
<i>Predictors</i>						
Typical Target Populations		X		X		X
Age and Skills				X		X
Quarterly Earnings, Monthly Benefits						X
Employment Barriers						X
Agency-Rate Block FE		X		X		X
Observation		2,495		2,495		2,495

Notes: See [Table 2](#) for sample construction and details on outcome variables. The table reports estimates from Equation 4 using three specifications that vary the set of predictor variables: columns (1)–(2), columns (3)–(4), and columns (5)–(6). Columns (1), (3), and (5) report estimates of the average treatment effect (ATE) and columns (2), (4), and (6) report estimates of the slope on on conditional average treatment effect (HET). 90 percent confidence intervals are reported in parentheses. The p -values for the hypothesis that the parameter is equal to zero are reported in brackets. All estimates come from the median value across 1,000 random splits of the data. See [Appendix Section A.15](#) for details on the machine learning procedure as well as the baseline characteristics included across the three specifications.

Table A-27: Best Linear Predictor of Formal-Sector Employment and Earnings,
Random Forest

	Limited Predictors		Add Age and Skills		Extended Predictors	
	ATE (β_1)	HET (β_2)	ATE (β_1)	HET (β_2)	ATE (β_1)	HET (β_2)
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Panel A: In-Program Employment (Quarter 0-4)</i>						
Any employment	0.119 (0.082, 0.157) [0.000]	-0.029 (-0.235, 0.176) [1.000]	0.122 (0.085, 0.159) [0.000]	0.074 (-0.207, 0.352) [1.000]	0.121 (0.085, 0.158) [0.000]	0.215 (-0.121, 0.564) [0.409]
Share of quarters worked	0.118 (0.080, 0.156) [0.000]	0.017 (-0.198, 0.227) [1.000]	0.118 (0.081, 0.156) [0.000]	0.142 (-0.170, 0.459) [0.752]	0.114 (0.077, 0.150) [0.000]	0.061 (-0.322, 0.452) [1.000]
Worked every quarter	0.081 (0.032, 0.130) [0.003]	-0.039 (-0.266, 0.189) [1.000]	0.077 (0.027, 0.126) [0.005]	-0.132 (-0.485, 0.221) [0.933]	0.074 (0.025, 0.122) [0.006]	-0.078 (-0.514, 0.354) [1.000]
Average quarterly earnings	\$304 (80, 529) [0.016]	-0.039 (-0.248, 0.170) [1.000]	\$290 (70, 511) [0.020]	0.062 (-0.229, 0.359) [1.000]	\$308 (91, 526) [0.011]	0.029 (-0.334, 0.415) [1.000]
Share of quarters above 130% FPL	0.027 (-0.004, 0.058) [0.166]	0.067 (-0.150, 0.286) [1.000]	0.025 (-0.006, 0.056) [0.222]	0.031 (-0.310, 0.366) [1.000]	0.027 (-0.004, 0.057) [0.171]	-0.127 (-0.559, 0.302) [1.000]
<i>Panel B: Post-Program, Pre-COVID Employment (Quarter 5-11)</i>						
Any employment	0.022 (-0.031, 0.075) [0.849]	0.036 (-0.183, 0.254) [1.000]	0.021 (-0.032, 0.074) [0.867]	0.047 (-0.307, 0.401) [1.000]	0.018 (-0.035, 0.070) [1.000]	0.048 (-0.399, 0.492) [1.000]
Share of quarters worked	0.029 (-0.017, 0.076) [0.430]	0.156 (-0.054, 0.368) [0.292]	0.029 (-0.018, 0.075) [0.447]	0.096 (-0.258, 0.444) [1.000]	0.025 (-0.021, 0.071) [0.561]	0.147 (-0.279, 0.587) [1.000]
Worked every quarter	0.042 (-0.008, 0.092) [0.192]	0.129 (-0.086, 0.344) [0.479]	0.043 (-0.007, 0.093) [0.179]	0.221 (-0.125, 0.565) [0.423]	0.040 (-0.009, 0.089) [0.222]	0.129 (-0.283, 0.546) [1.000]
Average quarterly earnings	\$137 (-201, 475) [0.854]	0.055 (-0.155, 0.265) [1.000]	\$113 (-220, 447) [1.000]	0.080 (-0.237, 0.396) [1.000]	\$115 (-211, 444) [0.983]	0.032 (-0.356, 0.443) [1.000]
Share of quarters above 130% FPL	0.017 (-0.024, 0.057) [0.842]	0.112 (-0.104, 0.329) [0.613]	0.015 (-0.025, 0.056) [0.903]	0.082 (-0.273, 0.433) [1.000]	0.015 (-0.024, 0.054) [0.899]	0.047 (-0.387, 0.470) [1.000]
<i>Predictors</i>						
Typical Target Populations		X		X		X
Age and Skills				X		X
Quarterly Earnings, Monthly Benefits						X
Employment Barriers						X
Agency-Rate Block FE		X		X		X
Observation		2,495		2,495		2,495

Notes: See [Table 2](#) for sample construction and details on outcome variables. The table reports estimates from Equation 4 using three specifications that vary the set of predictor variables: columns (1)–(2), columns (3)–(4), and columns (5)–(6). Columns (1), (3), and (5) report estimates of the average treatment effect (ATE) and columns (2), (4), and (6) report estimates of the slope on on conditional average treatment effect (HET). 90 percent confidence intervals are reported in parentheses. The p -values for the hypothesis that the parameter is equal to zero are reported in brackets. All estimates come from the median value across 1,000 random splits of the data. See [Appendix Section A.15](#) for details on the machine learning procedure as well as the baseline characteristics included across the three specifications.

Because we find weak evidence that baseline characteristics are predictive of treatment effect heterogeneity in having any in-program employment, we report GATES for outcomes from [Table 2](#) when stratifying the sample on those most affected (top quartile) and least affected (bottom quartile). [Table A-28](#) reports control group means (columns 1 and 3) and effects estimated using stratification fixed effects (columns 2 and 4) when stratifying the sample by predicted CATE. Because we construct a proxy of the CATE for each outcome separately, the stratified sample (i.e., those grouped into the most and least affected groups) can and will vary by outcome.

Consistent with the BLP results presented above, the only outcome for which the GATES in the most affected group are meaningfully larger than the least affected group is whether the individual had any employment during the in-program period. Among those in the group predicted to be most affected, the effect on any employment is 18.4 percentage points (column 4). Those predicted to be least affected, however, only experienced a 6.5 percentage point increase in employment. The estimated difference of 11.8 percentage points is large and the lower bound of the 90 percent confidence interval on this estimate is 1.4 percentage point. Interestingly, the control group mean of this outcome is substantially lower in the most affected group (68.3 percent) relative to the least affected group (90.3 percent), which makes sense as ReHire has only a limited ability to improve the employment prospects of individuals who would have had an easier time finding employment on their own.

Table A-28: ITT Effect of ReHire on Formal-Sector Employment and Earnings in Colorado,
By Predicted Conditional Average Treatment Effect using Elastic Net

	Bottom Quartile		Top Quartile		Difference
	Control Mean (1)	ITT Effect No Controls (2)	Control Mean (3)	ITT Effect No Controls (4)	
<i>Panel A: In-Program Employment (Quarter 0–4)</i>					
Any employment	0.903	0.065 [-0.010, 0.138]	0.683	0.184** [0.111, 0.256]	0.118+ [0.014, 0.222]
Share of quarters worked	0.634	0.100* [0.026, 0.174]	0.453	0.123** [0.050, 0.197]	0.023 [-0.083, 0.128]
Worked every quarter	0.258	0.096 [-0.001, 0.193]	0.289	0.040 [-0.058, 0.138]	-0.052 [-0.190, 0.087]
Average quarterly earnings	\$1,827	\$285 [-157, 735]	\$1,780	\$213 [-226, 653]	-\$68 [-695, 562]
Share of quarters above 130% FPL	0.163	0.029 [-0.034, 0.090]	0.232	0.010 [-0.051, 0.071]	-0.020 [-0.106, 0.066]
<i>Panel B: Post-Program, Pre-COVID Employment (Quarter 5–11)</i>					
Any employment	0.601	0.012 [-0.093, 0.116]	0.737	0.040 [-0.064, 0.146]	0.023 [-0.124, 0.170]
Share of quarters worked	0.400	0.019 [-0.073, 0.110]	0.547	0.040 [-0.053, 0.132]	0.015 [-0.116, 0.145]
Worked every quarter	0.191	0.018 [-0.080, 0.117]	0.326	0.067 [-0.033, 0.167]	0.048 [-0.092, 0.189]
Average quarterly earnings	\$2,214	\$166 [-504, 837]	\$2,341	\$61 [-607, 729]	-\$108 [-1,060, 835]
Share of quarters above 130% FPL	0.205	0.025 [-0.055, 0.105]	0.315	-0.012 [-0.092, 0.066]	-0.039 [-0.152, 0.075]
Agency-Rate Block FEs		X		X	X

Notes: Data source is administrative UI earnings data from CDLE. Panels A and B report estimates on in-program and post-program employment outcomes, respectively, for the sample of ReHire applicants who applied between 7/2015 and 12/2017. Quarter 0 represents the quarter in which a participant completed an application, and is thus a different calendar quarter from person to person. Formal employment is defined as having UI-covered earnings in Colorado greater than \$0 in a given quarter. Earnings from a ReHire-sponsored transitional job are covered by the UI system and are thus counted as formal sector employment. The sample is stratified by predicted likelihood of receiving a transitional job. Half of the sample is used to predict the outcome in the treated and untreated state. The remaining half of the sample is divided into quartiles based on the difference in the predicted treated and untreated outcomes. Treatment effects are estimated within each quartile, controlling for vendor-randomization rate block fixed effects. Reported coefficients come from estimates averaged over 1,000 sample splits. 90 percent confidence intervals are reported in brackets, and *p*-values used to denote significance levels are doubled to account for splitting uncertainty (see Chernozhukov et al., 2020).

**0.01, *0.05, +0.10 significance levels

Finally, [Table A-29](#) provides information on the type of characteristics that are correlated with larger predicted effects on any in-program employment. The table reports differences in average baseline characteristics among individuals who are predicted to be least affected (column 1) and most affected (column 2) when using the elastic net. Estimates of the difference across groups is reported in column (3) and 90 percent confidence intervals are reported in brackets in column (4). The p -values for the hypothesis that the parameter is equal to zero are reported in column (5). All estimates come from the median value across 1,000 random splits of the data.

Individuals who are predicted to experience the largest increases in any in-program employment are more disadvantaged on a number of margins. Pre-application earnings and employment rates are substantially lower in the most affected group. The least affected group had a 95 percent employment rate in the four quarters before application and earned on average \$3,154, relative to 25.2 percent and \$327 in the most affected group. The most affected group was substantially older (13.6 years older and 48.2 percentage points more likely to fall in the older worker target population), and were more likely to experience a work-limiting health program. Conversely, they were less likely to experience some common employment barriers such as child care issues or substance abuse problems.

Table A-29: Average Characteristics of Most and Least Affected Groups, Any Employment During Quarters 0 through 4, Elastic Net

	Stratify by Predicted Effect on Any Employment (Q0-Q4)				
	Least Affected (1)	Most Affected (2)	Difference (3)	Confidence Interval (4)	p-value (5)
<i>Employment and Benefit Receipt</i>					
Average quarterly earnings in last year	\$3,154	\$327	\$-2,794**	[-3,244, -2,369]	0.000
Share of quarters worked last year	0.95	0.25	-0.69**	[-0.74, -0.64]	0.000
TANF recipient	0.15	0.04	-0.12**	[-0.16, -0.07]	0.000
SNAP recipient	0.61	0.58	-0.03	[-0.11, 0.05]	0.877
<i>Demographics</i>					
Average Age (years)	40.67	54.43	13.61**	[12.02, 15.18]	0.000
Male	0.51	0.52	0.01	[-0.07, 0.09]	1.000
Racial minority	0.39	0.44	0.07	[-0.01, 0.14]	0.197
Less than high school credential	0.15	0.16	0.01	[-0.05, 0.07]	1.000
High school graduate	0.16	0.16	0.00	[-0.05, 0.06]	1.000
Some college	0.30	0.27	-0.03	[-0.10, 0.04]	0.733
Associate's degree	0.12	0.10	-0.02	[-0.07, 0.03]	0.996
Bachelor's degree	0.14	0.16	0.02	[-0.03, 0.08]	0.809
<i>ReHire Target Populations</i>					
Veteran	0.21	0.23	0.01	[-0.05, 0.08]	1.000
Non-custodial parent	0.23	0.11	-0.12**	[-0.18, -0.06]	0.000
Older worker	0.29	0.77	0.48**	[0.41, 0.55]	0.000
<i>Barriers to Employment</i>					
Stable housing	0.63	0.58	-0.06	[-0.13, 0.02]	0.316
Not allowed to drive	0.21	0.19	-0.03	[-0.09, 0.04]	0.857
Issue with childcare	0.14	0.05	-0.09**	[-0.13, -0.04]	0.000
Limiting health problem	0.20	0.31	0.12**	[0.05, 0.18]	0.002
Experience with homelessness	0.43	0.40	-0.03	[-0.11, 0.05]	0.898
Felony	0.20	0.25	0.05	[-0.01, 0.12]	0.196
Alcoholic	0.11	0.13	0.02	[-0.03, 0.07]	0.678
Drinking has affected life	0.19	0.12	-0.07*	[-0.12, -0.01]	0.043
Addicted to marijuana	0.03	0.02	-0.01	[-0.04, 0.01]	0.561
Smoking marijuana has affected life	0.05	0.02	-0.02	[-0.05, 0.00]	0.183
Addicted to drugs	0.10	0.10	0.00	[-0.04, 0.05]	1.000
Drug use has affected life	0.07	0.05	-0.02	[-0.06, 0.01]	0.423
Any substance abuse problem	0.24	0.16	-0.08*	[-0.14, -0.01]	0.033
<i>Cognitive skills</i>					
Timed math test, percent correct	58.45	56.43	-2.08	[-4.55, 0.45]	0.215
Number of math questions attempted (out of 160)	96.48	93.46	-3.11	[-6.96, 0.95]	0.265
Raven's score (out of 36)	31.39	30.01	-1.35**	[-2.12, -0.59]	0.001
<i>Non-cognitive characteristics</i>					
Locus of control (1-5)	4.10	4.04	-0.05	[-0.14, 0.04]	0.538
Grit (1-5)	3.87	3.94	0.08 ⁺	[0.00, 0.15]	0.075
Extraversion (1-5)	3.17	3.09	-0.08	[-0.20, 0.04]	0.399
Agreeableness (1-5)	3.95	3.94	-0.00	[-0.09, 0.09]	1.000
Conscientious (1-5)	3.98	4.04	0.05	[-0.05, 0.14]	0.647
Neuroticism (1-5)	2.48	2.42	-0.05	[-0.15, 0.05]	0.695
Imagination (1-5)	3.05	3.08	0.04	[-0.03, 0.11]	0.569
Life satisfaction ladder (0-10)	5.61	5.95	0.32 ⁺	[0.00, 0.63]	0.093
Depression scale (0-10)	1.65	1.32	-0.32**	[-0.53, -0.12]	0.004
<i>Caseworker Assessment</i>					
Perceived motivation (out of 10)	8.59	8.42	-0.18	[-0.46, 0.10]	0.407
Likelihood to overcome barriers (out of 10)	8.28	8.10	-0.18	[-0.49, 0.12]	0.467

Notes: Data source is a baseline survey and administrative data from CDLE and CBMS. The sample includes ReHire applicants who applied between 7/2015 and 12/2018. The sample is stratified by an individual's predicted conditional average treatment effect on having any employment in the in-program period. The table reports differences in average baseline characteristics among individuals who are predicted to be least affected (column 1) and most affected (column 2). Estimates of the difference across groups is reported in column (3) and 90 percent confidence intervals are reported in brackets in column (4). The p-values for the hypothesis that the parameter is equal to zero are reported in column (5). All estimates come from the median value across 1,000 random splits of the data. See Section A.14.3 for details on the estimation procedure.

A.16 MVPF

In order to better understand the relative costs and benefits of ReHire, we construct an estimate of the Marginal Value of Public Funds (MVPF) following [Hendren and Sprung-Keyser \(2020\)](#). The MVPF compares the aggregate willingness to pay for a particular policy to the cost to provide that policy net of any fiscal externalities. A MVPF of 0 suggests small benefits relative to the overall program cost. An MVPF greater than 1 suggests that aggregate benefits exceed costs. Finally, if the fiscal externality (i.e., savings from additional taxes or reduced transfers) exceeds program costs such that the net cost is negative, then the MVPF is defined to be ∞ , which means the program more than pays for itself.

We measure the willingness to pay (WTP) of ReHire as the change in the present value of future earnings net of taxes and transfers. The WTP depends on the time horizon over which earnings gains are assumed to persist. We report different scenarios: effects observed over the four years following random assignment and reported in [Section 5.1](#); predicted effects in the absence of the COVID-19 pandemic measured during the same time horizon and reported in [Section 5.1.5](#); predicted long-term effects through the 8 years following random assignment; and projecting earnings gains that persist throughout the remainder of a worker's life (18 years). Our baseline estimates use an annual discount factor of 3 percent and assume the typical ReHire applicant is 47 years old at baseline. We follow [Hendren and Sprung-Keyser \(2020\)](#) in imputing tax and transfer rates based on CBO estimates tied to various incomes relative to the federal poverty level.⁵⁶

Information on program costs are provided by CDHS. Our baseline estimate of the per person cost of ReHire is \$5,932, which is based on 2015–2018 program expenditures spread across the 1,385 individuals placed into the treatment group. This estimate assumes that treatment group members do not forgo any non-ReHire services that they would have received in the absence of the program. Many service agencies provide additional re-employment services outside of the scope of ReHire (e.g., two agencies in the study are the local America Jobs Centers). We model additional assumptions about relative costs to provide ReHire by assuming the control group received services that were proportional to the indirect costs of providing ReHire.

[Table A-30](#) reports MVPF estimates across different scenarios that vary the time horizon of earnings impacts, discount rates, assumptions about program costs, and potential improvements in program targeting. Columns (1), (3), and (5) report estimates of the MVPF, WTP, and cost net of fiscal externalities, respectively. 95 percent confidence intervals in columns (2), (4), and (6) are based on 10,000 bootstrap samples.

The estimated MVPF of ReHire varies depending on the time horizon over which earnings gains persist (Panel A). In our most conservative estimate, which relies only on estimated experimental effects and assumes that program effects fall to zero after quarter 16, we estimate the MVPF of ReHire to be 0.320 [-0.104, 0.860]. Under this scenario, the present value of the ReHire earnings impacts net of taxes and transfers totals \$1,788. The key inputs to these calculations are the estimated program effects on quarterly earnings reported in [Appendix Table A-4](#), column 6. As individuals experienced increases in their earnings, they also paid more in taxes. These additional taxes paid over the two years following ReHire decrease the net cost of the program to \$5,593, or by roughly \$340. The remainder of Panel A provides MVPF estimates under alternative assumptions about replacing data affected by the COVID-19 pandemic with predicted surrogates and how long earnings gains persist beyond the two years after application. We first replace post-2019 data affected by the pandemic with predicted outcomes from the surrogate index approach, which are presented in [Appendix Table A-7](#). Replacing pandemic-affected data while holding constant the time horizon of earnings increases the MVPF estimate to 0.564 [0.148, 1.073]. Some of this gain in cost efficiency comes through a higher WTP (\$2,984) and some through a slightly lower net cost of the program (\$5,293). Next, we extend the impacts through the 30th quarter using the surrogate index approach, and find that the MVPF increases to 0.882. Finally, we assume that the predicted relative earnings gains in

⁵⁶We use the 2016 threshold for one person under age 65, \$12,486. Roughly 70 percent of our sample have no kids in the household and about half live alone.

quarters 27 through 30 persist through retirement (i.e 18 years after application). Projecting this gain into the future, taking into account the evolution of earnings across different ages, gives an MVPF estimate of 1.741 [0.286, 4.687].⁵⁷

The remainder of [Table A-30](#) presents estimates based on changes in other assumptions. Each panel takes as its starting point the scenario that combines experimental impacts (Q0–Q8) with surrogate impacts (Q9–Q18). Panel B shows that varying the discount rate from 0 percent to 10 percent leads to MVPF estimates ranging from 0.698 to 0.989. Panel C presents results under different assumptions about cost. Our baseline cost measure—\$5,932—assumes that the cost of services received by the control group is \$0. While the control group was not eligible for ReHire-funded services, they were eligible for other services that the local service agency provided, as well as other programs in the area (e.g., WIOA-funded programs or programs aimed at veterans) potentially provided by other service providers. Estimates range from 0.952 to 3.864 depending on whether we make adjustments to account for contamination in the control group (0.952), assume that the control group receives services equivalent to 50 percent of the indirect costs of ReHire (1.437), or assume the control group receives services equivalent to the entire indirect costs of ReHire (3.864).^{58,59}

Finally, we ask what the MVPF could be if the program were able to improve the share of participants who were hired into unsubsidized employment at their host site. [Section 6](#) documented that post-program impacts are concentrated among the 15 percent of the treatment group who work a transitional job and then transition from subsidized to unsubsidized employment with the same employer. We construct a set of weights that holds constant the relative size of the treatment group but increases the share of treatment individuals hired by their TJ job site by 50 percent to 22 percent. We re-estimate experimental impacts and long-term surrogate effects using this weighted sample and find that this change would increase the MVPF to 1.364.

This analysis has the limitation that it does not explicitly account for some likely costs and benefits that could affect the MVPF. First, our measure of WTP does not include any utility implications from a labor-leisure tradeoff. We do find that earnings gains occur alongside an increased employment rate, which might suggest that changes in earnings overestimate a participant’s WTP. However, stable employment may provide a worker with improvements in mental and physical well-being such that earnings gains represent a lower bound in WTP. Evidence from the follow-up survey shows the treatment group experienced improvements in well-being as measured by subjective well-being and self-report physical and mental health ([Section 5.2](#)). Second, there could be other public finance implications that we have not measured in this study. In [Section 5.1](#), we ruled out reductions in participation in government benefit programs like SNAP and TANF. However, one fifth of our sample reported some prior involvement with the criminal justice system, two fifths of the sample reported ever being homeless, and one third of employed follow-up survey respondents reported having employer-provided health insurance. The MVPF would be larger in the event that ReHire reduces involvement with the criminal justice system, reduces usage of shelter or other housing services, and increases private insurance coverage. Finally, our MVPF analysis does not explicitly account for the benefits accrued by the employer over the period during which they have a fully subsidized worker. The worker’s marginal value of production is likely somewhere between zero and the worker’s subsidized wage.

⁵⁷When making these projections, we follow [Hendren and Sprung-Keyser \(2020\)](#) in measuring the age-earning profile in the 2014–16 American Community Survey (ACS) downloaded from IPUMS [Ruggles et al. \(2020\)](#). Specifically, we calculate the average earnings at each age for adults with 2 or fewer years of post-secondary education. We assume that the relative magnitude of the earnings gain, roughly 8 percent, stays constant until age 65, and project the evolution of earnings in the control group using the age-earnings profile estimated in the ACS.

⁵⁸[Appendix Figure A-5](#) shows the share of the control group in any given quarter employed at a ReHire service agency, which proxies for transitional job placement. We assume these individuals receive services equal to the typical ReHire participant.

⁵⁹Direct costs are measured as transitional job wages and other services or supports that were directly billable to specific participants (e.g., gas cards, work uniforms, training tuition). [Appendix Table A-2](#) reports average direct costs in the sample. Indirect costs are then assumed to be the per person program cost less average direct cost services.

How do these estimates compare to other similar job training or re-employment programs? [Hendren and Sprung-Keyser \(2020\)](#) construct MVPF estimates using reported impact estimates from a number of experimentally-evaluated programs. The typical job training program has an MVPF of 0.44 (Table II, [Hendren and Sprung-Keyser, 2020](#)) with a confidence interval that often does not rule out 0. For job training programs, their primary specification assumes that earnings gains do not persist beyond estimated effects given the presence of fadeout in the literature, which most closely aligns with our estimates of 0.32 and 0.56. The MVPF of ReHire exceeds that of Job Corps (0.15) and JobStart (0.20), and is within the confidence interval of the adult JTPA program [-0.21, 2.13]. More broadly, our estimates are largely in line with other programs targeting similar adult participants: unemployment insurance policies (0.43–1.03); disability insurance expansions (0.74–0.96); and the EITC (1.12–1.20).

Table A-30: Marginal Value of Public Funds

	MVPF		WTP		Net Cost	
	Estimate (1)	CI (2)	Estimate (3)	CI (4)	Estimate (5)	CI (6)
<i>Panel A: Time Horizon of Impacts</i>						
Q0–Q16: Experimental Impacts	0.320	[-0.104, 0.860]	\$1,788	[-645, 4,294]	\$5,593	[4,992, 6,186]
Q0–Q16: Surrogate Impacts, replace COVID	0.564	[0.148, 1.073]	\$2,984	[867, 5,119]	\$5,293	[4,780, 5,813]
Q0–Q30: Surrogate Impacts, replace COVID and not yet observed	0.882	[0.170, 1.863]	\$4,378	[985, 7,720]	\$4,962	[4,159, 5,779]
18 Years: Project COVID Surrogate Impacts	1.741	[0.286, 4.687]	\$7,593	[1,654, 13,622]	\$4,362	[2,904, 5,786]
<i>Panel B: Discount Rates</i>						
0%	0.989	[0.175, 2.159]	\$4,806	[1,015, 8,556]	\$4,859	[3,963, 5,762]
3%	0.882	[0.170, 1.863]	\$4,378	[985, 7,720]	\$4,962	[4,159, 5,779]
5%	0.822	[0.169, 1.701]	\$4,126	[980, 7,243]	\$5,022	[4,275, 5,788]
10%	0.698	[0.162, 1.386]	\$3,595	[937, 6,252]	\$5,150	[4,506, 5,795]
<i>Panel C: Cost Assumptions</i>						
Per person cost : \$5,932	0.882	[0.170, 1.863]	\$4,378	[985, 7,720]	\$4,962	[4,159, 5,779]
Net Control Contamination : \$5,570	0.952	[0.181, 2.040]	\$4,378	[985, 7,720]	\$4,600	[3,797, 5,417]
Direct + 0.5 x Indirect Costs : \$4,018	1.437	[0.254, 3.451]	\$4,378	[985, 7,720]	\$3,047	[2,245, 3,865]
Direct Costs Only : \$2,103	3.864	[0.502, 23.038]	\$4,378	[985, 7,720]	\$1,133	[331, 1,950]
<i>Panel D: Program Improvement</i>						
50% Increase in Hired by TJ Rate	1.364	[0.493, 2.571]	\$6,183	[2,658, 9,559]	\$4,533	[3,724, 5,383]

Notes: Data source is administrative UI earnings data from CDLE and program data from CDHS. The sample includes all ReHire applicants who applied between 7/2015 and 12/2018. Columns (1), (3), and (5) report estimates of the marginal value of public funds (MVPF), willingness to pay of the program, and per person program cost net of fiscal externalities, respectively. Columns (2), (4), and (6) report 95% confidence intervals that come from 1,000 bootstrap trials of the individual-level data. Our baseline scenario uses a 3% annual discount rate and a per treatment group member cost of \$5,932. Panel A reports estimates that vary the time horizon of earnings impacts: only the experimental impacts reported in [Table A-4](#); keeping time horizon the same but replacing quarters affected by COVID-19 pandemic with quarterly surrogate estimates ([Table A-7](#), column 10); extending the time horizon beyond Q16 by replacing quarters affected by the COVID-19 pandemic and by filling in not yet observed quarters with quarterly surrogate estimates and ([Table A-7](#), column 10, final row); and projecting the previous estimates through age 65 assuming a constant relative earnings impact. The remaining panels vary assumptions using experimental and COVID-19 surrogate impact estimates (Q0–Q30) as the time horizon of impacts. Panel B varies the annual discount rate. Panel C assumes different assumptions about program costs. The estimate in Panel D comes from a re-weighted sample that increases the share of the treatment group who worked at a transitional job and transitioned to unsubsidized work with the same employer by 50%. See [Appendix Section A.16](#) for additional details.