

A randomized experiment on improving job search skills of older unemployed workers

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Abstract

It is generally acknowledged that older unemployed workers have a lower probability of returning to work and have a higher risk of becoming long term unemployed. However, little is known about the effectiveness of Active Labor Market Policies targeted at this group. In this paper, we study the effects of the job search program Successfully To Employment Program (STEP) for short-term unemployed workers of 50 years and older in the Netherlands. STEP is a ten-week program in which the participants learn basic job search skills and how to use their social network to find jobs. Using a large-scaled randomized experiment which involved 50,000 unemployed older workers, we find that participating in STEP increases the probability of exit from UI within one year with about 4.4 percentage points and the probability of having found a job with 2.5 percentage points. However, these effects are confined to individuals with secondary education or higher. In addition, we find some evidence that STEP decreased the quality of the job after UI in terms of job security.