

Evaluating local economic shocks

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Our approach

- We review evidence on impact of interventions on local economic growth outcomes
- Focus on evaluations that use control group

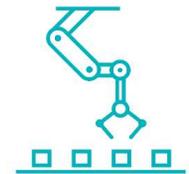


Challenges in evaluating local economic shocks

- Many shocks are sudden or unexpected so hard for policymakers to design evaluation into response
- Hard to get a control group as shocks often affect one area only, and affect everyone in the firm or industry

Our resources

- Toolkit on major job losses
 - Published 2016
 - 11 studies: 8 from European countries, 3 from USA, none from UK
 - Covers outplacement support, retraining and area-based programmes
- Local responses to economic shocks
 - Published in 2020
 - Written by Andy Pike, CURDS
- Also evidence reviews and toolkits on wide range of local economic growth policies
 - In relation to shocks, key question is whether findings are applicable



Impact of schemes



Evidence on outplacement services is mixed [3 studies]

- Participants may hold out longer for better-paying work



Retraining has positive effects on both employment and earnings [5 studies]

- Vocational or technical element in training may improve outcomes [3 studies]



Large area-based programme had larger employment and wage effects than other types of support – but more costly [1 study]



Evidence on cost-effectiveness generally positive but questions of what to include in calculation [3 studies]



Importance of participant characteristics



Younger workers benefit more than older workers [4 studies]

- Larger wage effects
- Stronger employment effects



Evidence on gender is mixed [7 studies]



High-skill, experienced participants benefit more from shorter, more intensive programmes

- ... whilst those with less labour market experience gain more from longer-term support [1 study]



Issues to consider

- Need to ensure planning for shocks in advance – including planning how will monitor and evaluate
- Need to consider what to evaluate – e.g. overall package or specific element
- How to ensure data available for evaluation
- Programme design should reflect programme objectives, and participant characteristics

Thank you

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