



ASSOCIATION OF
CHAMBER OF COMMERCE
EXECUTIVES

SMART JUSTICE • CRIMINAL JUSTICE REFORM

RE-ENTRY EMPLOYMENT

AN UNTAPPED TALENT POOL: CHAMBERS & SECOND CHANCE HIRING

Chambers of Commerce around the country are in the business of providing direct value to their members and advancing community prosperity. Encouraging businesses to consider employees with criminal records can help chambers achieve both of those goals.

It makes dollars and sense to hire people with criminal records.

VALUE FOR BUSINESS MEMBERS: ACCESSING AN UNTAPPED TALENT POOL

Human capital strategy is critical to business success. In response to a tightening labor market and a persisting talent shortage, many companies have removed the question about criminal records from the job application. This movement is also known as “ban the box.” Hiring individuals with a criminal record can increase a company’s bottom line by increasing their retention rate and reducing costs associated with turnover, training, and recruitment. However, there are still many companies that are overlooking this untapped talent pool.

Hiring managers will increasingly see job applicants with criminal records:

- 1 in 3 Americans has been arrested by age 23.
- The number of Americans in federal and state prisons has quadrupled over the past three decades.
- 95 percent of individuals in state prisons will return to our communities.

Hiring people with criminal records is a good investment in a tight labor market:

- Employers like Total Wine & More, Butterball Farms and Johns Hopkins Hospital & Health System have tracked employee turnover and found that employees with criminal records have lower turnover rates than employees without criminal records.
- Individuals with criminal records are motivated to stay and perform well on the job because of the limited options they have in the labor market.
- Reducing turnover improves the bottom line: It takes an average of 42 days to fill a position and costs approximately \$4,000.

COMMUNITY PROSPERITY: IMPROVE LOCAL ECONOMY & PUBLIC SAFETY

Employment is the one of the most important factors in decreasing recidivism, but a criminal record creates barriers for formerly incarcerated individuals trying to re-enter the workforce. Approximately 75 percent of formerly incarcerated individuals are unemployed a year after release.

By providing meaningful employment and the opportunity for economic mobility, businesses can improve public safety and grow the local economy. Chambers can play an important role in helping employers navigate this issue.

The corrections system comes with considerable price tag, paid by the American taxpayers:

- According to the U.S. Department of Education, U.S. state and local spending on prisons and jails grew at three times the rate of spending on schools over the last 33 years.
- Pew Research Center indicates that if states could lower recidivism rates by 10 percent they could save an average of \$635 million annually.
- Economists suggest the United States loses between \$78 billion and \$87 billion dollars in gross domestic product annually due to employment barriers for people with criminal records.

Employment is a critical factor in reducing recidivism:

- Employment can reduce recidivism up to 20 percent.

WHAT CHAMBERS CAN DO

Chambers can play an essential role in increasing public safety, ensuring smart government spending, and helping employers cultivate an untapped, loyal workforce.

More than 25 states and 150 cities and counties have policies that regulate how and when employers can consider an applicant's criminal background in the hiring process. Chambers can provide an essential support system to member businesses and their HR Departments as they navigate this new process. Some ways that chambers have engaged their members include:

- Talking with members about fair chance hiring through employer forums, one-on-one meetings, and trainings/seminars on hiring practices.
- Creating a local campaign to remove the criminal record question from the job application.
- Helping members build relationships with American Jobs Centers and/or community-based organizations serving people with criminal records to source job-ready applicants.
- Encouraging members to source vendors/suppliers who hire people with barriers to employment such as criminal records, homelessness, or disabilities.

RESOURCES

- [Poverty and Opportunity Profile: Americans with Criminal Records, The Sentencing Project](#)
- [State and Local Expenditures on Corrections and Education, U.S. Department of Education](#)
- [The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies, Center for Economic and Policy Resources](#)
- [Back to Business: How Hiring Formerly Incarcerated Job Seekers Benefits Your Company, ACLU Foundation](#)

More ACCE Resources Available Online at:

www.acce.org/secondchances