



NATIONAL
EMPLOYMENT
LAW
PROJECT



News You Can Use: Research Roundup for Reentry Advocates

Between 70 million and 100 million, or 1 in 3 Americans, now have some type of criminal record. Having even a minor record—including an arrest that never led to conviction—can stand in the way of nearly every building block of economic security, including employment, housing, education, family reunification, and even already-meager public assistance. As a result, even a minor record can be a life sentence to poverty. This research roundup summarizes key findings from recent research highlighting the far-reaching consequences for individuals, families, communities, and the broader economy, as well as studies exploring the effects of policies to unlock opportunity for people with records and their families.

Barriers to opportunity by the numbers

- Nearly **9 in 10**¹ employers use background checks in hiring; an estimated **4 in 5**² landlords use background checks on prospective tenants; and more than **3 in 5**³ colleges and universities use background checks in admissions.
- Between **60 percent**⁴ and **75 percent**⁵ of formerly incarcerated individuals remain unemployed one year after their release.
- Formerly incarcerated men are employed for **9 fewer weeks** and earn **40 percent** less per year than if they had never been incarcerated, resulting in nearly **\$179,000** in lost earnings by age 48.⁶
- An applicant with a criminal record is **50 percent to 63 percent**⁷ less likely to get a callback or job offer than an identical applicant without a record—and this hiring “penalty” is **twice**⁸ the size for black applicants as for whites.
- Yet employees with criminal records in the private sector have longer average tenures, are less likely to leave voluntarily, and are no more likely than people without records to be terminated involuntarily.⁹ And a study of the U.S. military found that individuals with felony records were promoted more rapidly and to higher ranks than others, and were no more likely to be discharged for negative reasons than individuals without records.¹⁰
- Individuals’ net worth decreases by an average of more than **\$47,500**¹¹ in the years after incarceration, after adjusting for inflation, and incarceration of a family member is associated with a **64.3 percent**¹² decrease in a family’s assets.

- The probability of homeownership for formerly incarcerated individuals, while only slightly lower than their never-incarcerated peers' to begin with, drops more than **45 percent**¹³ after incarceration.

Effects on our workforce and economy

- The total estimated cost burden of incarceration in the U.S. is more than **\$1 trillion** per year—nearly **6 percent** of GDP and **11 times** the amount spent on corrections—taking into account 23 different social and economic costs such as foregone wages, adverse health effects, and increased infant mortality.¹⁴
- The U.S. workforce was missing between **1.7 million to 1.9 million** workers in 2014 due to the adverse employment effects of felony conviction and incarceration—roughly equivalent to a **0.9 to 1.0 percentage-point** reduction in the overall employment rate.¹⁵
- The U.S. economy loses **\$78 billion to \$87 billion**¹⁶ each year in gross domestic product (GDP) due to these adverse effects on employment alone.
- If not for decades of mass incarceration, the poverty rate would be **20 percent** lower. That would translate into **8.1 million** fewer people in poverty in 2016.¹⁷
- Raising the minimum wage to \$12 by 2020, which would increase pay and economic opportunity—particularly for disadvantaged groups such as individuals with records—would result in societal benefits of **\$8 to \$17 billion dollars**.¹⁸
- If wage and employment levels of the 1980s had continued through the late 1990s, prison admission rates for men would have been **15 percent to 20 percent**¹⁹ lower.

Effects on state budgets

- If states' spending on corrections had stayed the same since the mid-1980s in inflation-adjusted terms, states would have an additional **\$28 billion**²⁰ each year to put toward priorities such as education and infrastructure.
- State corrections spending increased by **141 percent**²¹ between 1986 and 2013, adjusting for inflation, compared to much smaller increases of 69 percent and 5.6 percent, respectively, for K-12 and higher education—figures that do not even account for enrollment increases.
- Reducing the incarceration rate of non-violent offenders would save state governments an estimated **\$8.7 billion** and local governments an estimated **\$8.2 billion**, after adjusting for inflation.²²
- Corrections spending declined in 13 of the 20 states that reported reducing their prison populations between 2010 and 2015, saving taxpayers a total of **\$1.6 billion**.²³

Effects on children and families

- About **2.8 million** minor children in the U.S.—**1 in 28 kids**—has a parent behind bars, up from 1 in 125 just a quarter century ago. More than **1 in 9** African American children has an incarcerated parent, a rate that has quadrupled in the last 25 years.²⁴ Children with incarcerated parents are more likely to experience school dropout, speech problems or

learning disabilities, developmental delays or ADHD, physical health problems, and mental health problem such as anxiety and depression—even after controlling for environmental factors, race, and other characteristics.²⁵

- Nearly **half** of U.S. minor children—between **33 million and 36.5 million kids**—have at least one parent with a criminal record. The barriers associated with a parent’s record can severely undermine a child’s life chances, hampering cognitive development, school performance, educational attainment, and even employment outcomes in adulthood.²⁶
- Children who have had a parent incarcerated are nearly **four to six times**²⁷ more likely to be expelled or suspended from school than children who have not.
- Family income for the average child’s family income fell **22 percent** when their father was placed behind bars compared with the preceding year—and remained **15 percent** lower in the year after release.²⁸
- **Nearly 2 in 3 families**²⁹ with an incarcerated member—70 percent of which were caring for minor children—were unable to meet basic needs such as food and housing due to the financial burden of incarceration.

Desistance and recidivism

- Individuals who remain crime-free **three to four years**³⁰ after a nonviolent conviction are no more likely to recidivate than the general population is to be arrested.
- Individuals who were employed two months after reentering were about **half** as likely to recidivate as those who were unemployed. And among employed reentrants, individuals who earned higher wages (more than \$10 per hour in 2008) were **half** as likely to recidivate as those who earned low wages (less than \$7 per hour).³¹

Effects of specific remedies

Education behind bars

- Inmates who participated in correctional education were **43 percent** less likely to return to prison than those who did not, and every dollar spent on prison education saves an estimated **\$4 to \$5** in incarceration costs during the three years after an individual’s release.³²
- Post-release employment rates were **13 percent**³³ higher for individuals who participated in academic or vocational education programs while behind bars—and 28 percent higher for those who participated in vocational training.

Expungement and other record clearing

- Preliminary research from Michigan finds that recipients of record set-asides saw an **11 percent** increase in the probability of employment and a **22 percent** increase in quarterly wages in the first year after the set-aside.³⁴
- Evidence from record-sealing in Canada shows that only a **very small**³⁵ percent of pardons are revoked due to re-offense or false application.

- Research on Alameda County, CA, found that within three years of record clearing, participants' average annual earnings grew from \$4,000 below their cohort's baseline to \$2,000 above it—an increase equivalent of **\$6,000**, or about **one-third** of earnings.³⁶
- A benefit-cost study of a limited number of record expungement recipients in Santa Clara County, CA, estimated the net benefits of expungement at **\$5,760**³⁷ per recipient per year.

Occupational licensing reform

- The average state has **56 occupational** and **43 business** licensing laws with mandatory restrictions against hiring people with felony convictions.³⁸ More than **20 states** have no standards requiring the conviction record to be relevant to the occupational licensing—and a license board may deny an applicant a license based solely on its discretion.³⁹
- This leaves workers with convictions without access to an enormous number of well-paying jobs: More than **1 in 4**⁴⁰ U.S. workers requires a license or certification for their occupation—a **fivefold**⁴¹ increase from the 1950s—and **6 of the 10**⁴² fastest-growing professions (including healthcare support and personal care) are heavily licensed.
- Licensing results in **10 percent to 15 percent**⁴³ higher wages, and working-age adults with less than a high school diploma were nearly **twice**⁴⁴ as likely to be employed if they held a license than those who did not.

¹ Society for Human Resource Management, “Background Checking—The Use of Criminal Background Checks in Hiring Decisions” (2012), available at <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/criminalbackgroundcheck.aspx>.

² David Thatcher, “The Rise of Criminal Background Screening in Rental Housing,” *Journal of the American Bar Foundation* 33 (1) (2008): 5-30, available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1747-4469.2008.00092.x/abstract>.

³ Center for Community Alternatives, “The Use of Criminal History Records in College Admissions” (2009), available at <http://www.communityalternatives.org/pdf/Reconsidered-criminal-hist-recs-in-college-admissions.pdf>.

⁴ Joan Petersilia, “When Prisoners Return to the Community: Political, Economic, and Social Consequences” (Washington: Office of Justice Programs, 2000), available at <https://www.ncjrs.gov/pdffiles1/nij/184253.pdf>.

⁵ Jeremy Travis, *But They All Come Back: Facing the Challenge of Prisoner Reentry* (Washington: Urban Institute Press, 2005), available at <http://webarchive.urban.org/publications/211157.html>.

⁶ Bruce Wester and Becky Pettit, “Collateral Costs: Incarceration’s Effect On Economic Mobility” (Washington: The Pew Charitable Trusts, 2010), available at http://www.pewtrusts.org/~media/legacy/uploadedfiles/pes_assets/2010/collateralcosts1pdf.pdf.

⁷ Devah Pager and Bruce Western, “Investigating Prisoner Reentry: The Impact of Conviction Status on the Employment Prospects of Young Men” (Washington: National Criminal Justice Reference Service, 2009), available at <https://www.ncjrs.gov/pdffiles1/nij/grants/228584.pdf>.

⁸ Amanda Agan and Sonja Starr, “Ban the Box, Criminal Records, And Statistical Discrimination: A Field Experiment” (New Haven: Yale Law School, 2016), available at https://law.yale.edu/system/files/area/workshop/leo/leo16_starr.pdf.

⁹ Dylan Minor, Nicola Persico, and Deborah M. Weiss, “Criminal Background and Job Performance” (Chicago: The Society of Labor Economists, 2017), available at <http://www.sole-jole.org/17537.pdf>.

¹⁰ Jennifer Lundquist, Devah Pager, and Eiko Strader, “Does a Criminal Past Predict Worker Performance? Evidence from America’s Largest Employer” (2016), Working Paper, available at <http://www.esrcheck.com/wordpress/2016/05/19/study-finds-ex-offenders-can-be-good-workers/>.

-
- ¹¹ Michelle L. Maroto, "The Absorbing Status of Incarceration and its Relationship with Wealth Accumulation," *Journal of Quantitative Criminology* 31 (2015): 207-236, available at https://www.researchgate.net/publication/272018453_The_Absorbing_Status_of_Incarceration_and_its_Relationship_with_Wealth_Accumulation.
- ¹² Bryan L. Sykes and Michelle L. Maroto, "A Wealth of Inequalities: Mass Incarceration, Employment, and Racial Disparities in U.S. Household Wealth, 1996 to 2011," *The Russell Sage Foundation Journal of the Social Sciences* 2 (6) (2016): 129-152, available at <https://muse.jhu.edu/article/639847/pdf>.
- ¹³ Michelle L. Maroto, "The Absorbing Status of Incarceration and its Relationship with Wealth Accumulation."
- ¹⁴ Michael McLaughlin and others, "The Economic Burden of Incarceration in the U.S." Working Paper AJI072016 (Institute for Advancing Justice Research and Innovation, 2016), available at <https://advancingjustice.wustl.edu/SiteCollectionDocuments/The%20Economic%20Burden%20of%20Incarceration%20in%20the%20US.pdf>.
- ¹⁵ Cherrie Bucknor and Alan Barber, "The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies" (Washington: Center for Economic and Policy Research, 2016), available at <http://cepr.net/images/stories/reports/employment-prisoners-felonies-2016-06.pdf?v=5>.
- ¹⁶ Ibid.
- ¹⁷ DeFina, Robert H. and Hannon, Lance, "The Impact of Mass Incarceration on Poverty" (Rochester: Social Science Research Network, 2009), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1348049.
- ¹⁸ Executive Office of the President of the United States, *Economic Perspective on Incarceration and the Criminal Justice System* (The White House, 2016), available at https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160423_cea_incarceration_criminal_justice.pdf.
- ¹⁹ Bruce Western, Meredith Kleykamp, and Jake Rosenfeld, "Economic Inequality and the Rise in U.S. Imprisonment" (Princeton: Department of Sociology, Princeton University, 2004), available at https://www.russellsage.org/sites/all/files/u4/Western,%20Kleykamp,%20%26%20Rosenfeld_Economic%20Inequality%20and%20the%20Rise%20in%20US%20Imprisonment.pdf.
- ²⁰ Michael Mitchell and Michael Leachman, "Changing Priorities: State Criminal Justice Reforms and Investments in Education" (Washington: Center on Budget and Policy Priorities, 2014), available at <https://www.cbpp.org/research/changing-priorities-state-criminal-justice-reforms-and-investments-in-education>.
- ²¹ Ibid.
- ²² John Schmitt, Kris Warner, and Sarika Gupta, "The High Budgetary Cost of Incarceration" (Washington: Center for Economic and Policy Research, 2010), available at <http://cepr.net/documents/publications/incarceration-2010-06.pdf>.
- ²³ Chris Mai and Ram Subramanian, "The Price of Prisons: Examining State Spending Trends, 2010-2015" (New York: Vera Institute of Justice, 2017), available at https://storage.googleapis.com/vera-web-assets/downloads/Publications/price-of-prisons-2015-state-spending-trends/legacy_downloads/the-price-of-prisons-2015-state-spending-trends.pdf.
- ²⁴ Bruce Wester and Becky Pettit, "Collateral Costs: Incarceration's Effect On Economic Mobility."
- ²⁵ Leila Morsy and Richard Rothstein, "Mass Incarceration and Children's Outcomes" (Washington: Economic Policy Institute, 2016), available at <http://www.epi.org/publication/mass-incarceration-and-childrens-outcomes/>.
- ²⁶ Rebecca Vallas, Melissa Boteach, Rachel West, and Jackie Odum, "Removing Barriers to Opportunity for Parents with Criminal Records and their Children" (Washington: Center for American Progress, 2015), available at <https://www.americanprogress.org/issues/poverty/reports/2015/12/10/126902/removing-barriers-to-opportunity-for-parents-with-criminal-records-and-their-children/>.
- ²⁷ Rucker C. Johnson, "Ever-Increasing Levels of Parental Incarceration and the Consequences for Children" (Berkeley: UC Berkley, Goldman School of Public Policy, 2008), available at http://ist-socrates.berkeley.edu/~ruckerj/RSFbkChapter_parentalincarc_child.pdf.
- ²⁸ Ibid.
- ²⁹ Saneta deVuono-Powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi, "Who Pays? The True Cost of Incarceration on Families" (Oakland: Ella Baker Center, Forward Together, and Research Action Design, 2015), available at <http://ellabakercenter.org/sites/default/files/downloads/who-pays.pdf>.

-
- ³⁰ Alfred Blumstein and Kiminori Nakamura, “Extension of Current Estimates of Redemption Times: Robustness Testing, Out-of-State Arrests, and Racial Differences” (Washington: National Criminal Justice Reference Service, 20012), available at <https://www.ncjrs.gov/pdffiles1/nij/grants/240100.pdf>.
- ³¹ Christy Visher, Sara Debus, and Jennifer Yahner, “Employment after Prison: A Longitudinal Study of Releasees in Three States” (Washington: Urban Institute Justice Policy Center, 2008), available at <https://www.urban.org/sites/default/files/publication/32106/411778-Employment-after-Prison-A-Longitudinal-Study-of-Releasees-in-Three-States.PDF>.
- ³² Lois M. Davis and others, “Evaluating the Effectiveness of Correctional Education” (Santa Monica: RAND Corporation, 2013), available at https://www.rand.org/content/dam/rand/pubs/research_reports/RR200/RR266/RAND_RR266.pdf.
- ³³ Ibid.
- ³⁴ Sonja B. Starr, J.J. Prescott, and Jeffrey Morenoff (in progress), “Evaluating the Impact of Set-Aside Laws on Ex-Offender Recidivism and Socioeconomic Outcomes.” Preliminary research findings provided by the authors. Research description available at <https://www.psc.isr.umich.edu/research/project-detail/34902>.
- ³⁵ Rick Ruddell and L. Thomas Winfree, “Setting Aside Criminal Convictions in Canada: A Successful Approach to Offender Reintegration,” *The Prison Journal* 86 (4) (2006), available at <http://journals.sagepub.com/doi/pdf/10.1177/0032885506293251>.
- ³⁶ Jeffrey Selbin, Justin McCrary, and Joshua Epstein, “Unmarked? Criminal Record Clearing and Employment Outcomes,” *Journal of Criminal Law and Criminology* 108 (1) (2017), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2486867.
- ³⁷ Meyli Chapin and others, “A Cost-Benefit Analysis of Criminal Record Expungement in Santa Clara County” (Stanford: Stanford University Public Policy Program, 2014), available at <https://publicpolicy.stanford.edu/publications/cost-benefit-analysis-criminal-record-expungement-santa-clara-county>.
- ³⁸ Executive Office of the President of the United States, Occupational Licensing: A Framework for Policymakers, (The White House, 2015), available at https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf.
- ³⁹ Michelle N. Rodriguez and Beth Avery, “Unlicensed & Untapped: Removing Barriers to State Occupational Licenses for People with Records” (New York: National Employment Law Project, 2016), available at <http://www.nelp.org/publication/unlicensed-untapped-removing-barriers-state-occupational-licenses/>.
- ⁴⁰ Morris M. Kleiner, “Reforming Occupational Licensing Policies” (Washington: The Hamilton Project, 2015), available at https://www.brookings.edu/wp-content/uploads/2016/06/THP_KleinerDiscPaper_final.pdf.
- ⁴¹ Ibid.
- ⁴² Bureau of Labor Statistics, *Fastest Growing Occupations* (U.S. Department of Labor, 2017), table 1.3, available at https://www.bls.gov/emp/ep_table_103.htm.
- ⁴³ Morris M. Kleiner and Alan B. Krueger, “The Prevalence and Effects of Occupational Licensing.” Working Paper 14308 (National Bureau of Economic Research, 2008), available at <http://www.nber.org/papers/w14308.pdf>
- ⁴⁴ Bureau of Labor Statistics, *2016 data on certifications and licenses* (U.S. Department of Labor, 2017), available at <https://www.bls.gov/cps/certifications-and-licenses.htm>.