

# The Business Case: Employment & Criminal Records

## THE NEED

Georgia labor pools are tight and expected to tighten further.

From 2016-2017 Georgia:

- Increased job opportunities by 116,500
- Increased labor force by only 114,545<sup>1</sup>

## THE BARRIER

**4.2 million**

Georgians have a criminal record (40% of population)<sup>2</sup>

Georgians with a criminal record are often not considered for jobs.

47,000 laws create barriers for those with a record – over 60% relate to employment.<sup>3</sup>

90% of employers conduct background checks.<sup>4</sup>

## THE OPPORTUNITY: Hiring individuals with a record is:

- ✓ Good for the Employer
- ✓ Good for the Economy
- ✓ Good for the Community

### ✓ GOOD FOR THE EMPLOYER:

- **Retention is higher** - Studies of employers, including Johns Hopkins, show that employees with a record have a retention rate that is equal to or higher than the general population.<sup>5</sup>
- **Promotions stronger** - Military case study by a Harvard Sociologist found that individuals with a conviction were promoted faster.<sup>6</sup>
- **Motivation and loyalty** - Many employers, such as Butterball Farms, observed their employees with records are more highly motivated and loyal.<sup>7</sup>
- **Protections and incentives** - There are several federal and state level tax incentives and protections for employers that hire individuals with a record (see reverse).<sup>8</sup>

### ✓ GOOD FOR THE ECONOMY:

- **Increases Tax Base & Boosts Sales Tax**
- **Decreases GDP Losses (estimated at \$80 Billion)**<sup>9</sup>

### ✓ GOOD FOR THE COMMUNITY – EMPLOYMENT REDUCES RECIDIVISM:

- **Employment is the strongest antidote against reoffending.**<sup>10</sup>
- **5 years after conviction, an individual's likelihood of offending is the same as the general population.**<sup>11</sup>

## ✓ INCENTIVES & PROTECTIONS FOR EMPLOYERS

### Georgia Negligent Hiring Protection

- Creates a rebuttable presumption of due diligence in screening.
- Applied to individuals that have been pardoned and individuals with Program and Treatment Completion Certificates.

### Georgia Qualified Jobs Tax Credit

- For hiring someone within one year of release or on parole.
- \$2,500 – per employee; \$50,000 max per employer, must employ for 40 weeks within a 52 week period

### Federal Work Opportunity Tax Credit (WOTC)

- Between \$1,200 and \$9,600 per employee
- Employee with felony conviction & hired within one year of release

### Federal Bonding Program

- Bond issued by the Georgia Department of Labor
- \$5,000 no-cost Employer liability bond for hiring people with a conviction

### RESOURCES

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2. DOC
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6. Pager, Devah. "The Mark of a Criminal Record." *American Journal of Sociology* 108.5 (2003): 937-975.
7. Tom Hillen, "White House turns to local company on hiring felons," wood tv, December 23, 2016.
8. "Economic Benefits of Employing Formerly Incarcerated Individuals in Philadelphia," Philadelphia, PA: Economy League of Greater Philadelphia, 2011.
9. Cherrie Bucknor & Alan Barber, Center for Econ. & Policy Research, "The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies," 2016.
10. Blumstein, Alfred, and Kiminori Nakamura. "Redemption in an Era of Widespread Criminal Background Checks." *NIJ Journal* 263 (2009): 10-17.
11. Christman, Anastasia, and Michelle Natividad Rodriguez. Research Supports Fair-Chance Policies. Rep. National Employment Law Project, Aug. 2016.