



Second Chance Hiring

Inclusive hiring of individuals with a criminal record is a powerful way to break the cycles of poverty and incarceration that are all too familiar in many American communities. By offering second chance opportunities, individuals and families can strengthen their financial health and contribute to community stabilization. Stronger communities create stronger local economies, enhancing the business climate for all companies.

Annually, the U.S. loses **\$78 billion - \$87 billion in GDP** due to excluding formerly incarcerated job seekers from the workforce.

Why More Businesses Are Looking to Second Chance Hires:



Increased National Productivity



High Loyalty/Low Turnover



Available, Motivated Employees



Safer and Stronger Communities

What Businesses Say About Second Chance Hiring

82%

of managers report that second chance employees bring value to their organization, as much or higher than that of workers without records.

81%

of business leaders claim that the workplace performance of individuals with criminal records is the same as or better than their peers.

4 in 5

HR professionals who hired individuals with criminal records said their job performance was as good or better than those without a record.

25% to 11%

the rate that Total Wine & More Co. reduced their turnover from by recruiting employees with a criminal background.

Dave's Killers Bread reports that their employees with criminal histories outperform peers in attendance, policy, and behavioral violations, leading to them also being promoted faster.



At a consumer packing firm in Cincinnati, Ohio, 80% of employees have a criminal record, and their annual turnover rate is 15% below the industry average.



Koch Industries developed and deployed the Creating Second Chances strategy, which guides its companies in making a concerted effort to recruit and hire the formerly incarcerated. Koch removed unintended barriers in hiring practices, and has taken steps to ensure employees with criminal records are not stigmatized in the workplace.

The Impact of Second Chance Hiring in Philadelphia

- » 2011 data from Philadelphia showed that connecting 100 formerly incarcerated individuals with employment would create \$1.2 million in annual earnings, adding up to \$55 million in total post-release lifetime earnings.
- » \$1.9 million in additional wage tax contributions and an additional \$800,000 in sales tax revenue would be yielded from connecting 100 formerly incarcerated individuals to jobs.
- » 100 fewer recidivists would result in over \$5.2 million in annual cost savings to criminal justice agencies such as police, courts, corrections, and probation and parole.
- » Employment of formerly incarcerated individuals in Philadelphia would contribute to 1,500 fewer recidivists and could allow for the closure of a prison facility, saving over \$26 million a year.

The Stats

1 in 3

Americans have a criminal record

15%

the amount in annual earnings reduced a misdemeanor conviction

3 in 4

New Yorkers currently jailed are people of color

1 in 2

children has a parent with a criminal record

As much as **\$1.9 billion** annually in reduced earnings can be attributed to former convictions, borne overwhelmingly by people of color.

A former incarceration reduces one's subsequent annual earnings by around **50%** contributing to an average lifetime loss of around \$500,000

Formerly incarcerated individuals are unemployed at a rate of over **27%**

600,000 New Yorkers are eligible to have their records clear, but only **0.5%** have been able to do so

Reducing Recidivism Through Workforce Development

- » The Center for Employment Opportunities (CEO) workforce development program's impact on employment and reduction in recidivism has generated economic benefits that outweigh the costs of the program.
- » The economic benefits of the CEO program, which serves 3,500 people a year found that there were \$3.30 taxpayer benefits for every \$1.00 spent on the program.
- » 22% reduction in recidivism
- » 52% increase in employment rates at 12 months
- » 36 months into the program, there was an average 48% increase in employment rates across New York State. New York City and Buffalo specifically saw increases of 63% and 52% respectively.
- » 2 years after release, employed individuals were twice as likely to have avoided arrest as their unemployed counterparts

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“In this hyper-competitive global economy, we simply cannot afford to leave more than 78 million Americans on the sidelines. JPMorgan Chase is committed to giving people with criminal backgrounds a second chance.”

– **Jamie Dimon, Chairman and CEO, JPMorgan Chase & Co**

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Verizon on joining the Second Chance Business Coalition: “We have a longstanding history of embracing employee authenticity, and we're proud to join the Business Roundtable's Second Chance Business Coalition and support its efforts to advance fair chance hiring principles and employment opportunities for returning citizens”

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For more information and resources on Second Chance Hiring, visit <https://www.bcnys.org/second-chance-initiatives>

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Why It Matters. Second Chance Business Coalition. <https://secondchancebusinesscoalition.org/why-it-matters>