

Second Chance Hiring: Key Facts & Figures

A criminal record for a minor offense can be a sentence to a life of poverty. Second chance hiring can alter the narrative, helping people move past their mistakes, enhancing the workforce, strengthening businesses, saving taxpayer dollars and promoting a more prosperous state.

The Numbers Are Big, But the Crimes Are Often Small

- Every year in the U.S., **more than 600,000 people are released from incarceration.**¹ An additional **9 million people are released from local jails.**² But prison and jail incarceration numbers don't tell the whole story.
- Many people never spend time in prison or jail because they're charged with low-level, non-violent offenses. Those offenses make up the bulk of the system,³ and they saddle people with criminal records. **In 2021, North Carolina issued 1.3 million criminal charges. 1.1 million of those charges were for misdemeanors. Of those 1.1 million misdemeanor charges, over 1 million were for non-violent crimes and over 800,000 were for traffic offenses,** like speeding and expired registration.⁴

Big Impact on Minority Populations & Their Families

- The system **disproportionately impacts people of color.** Black North Carolinians are more likely to be arrested for low-level offenses,⁵ more likely to receive criminal charges,⁶ and are incarcerated at over 3 times the rate of white people.⁷
- Almost **half of all children** in the U.S. **have a parent with a criminal record.**⁸

Harder to Get a Job, Especially for Minority Populations

- In the U.S., the **unemployment rate for formerly incarcerated people is over 27%.**⁹ In North Carolina, the employment rate for people leaving prison is 16 percentage points lower than the general population.¹⁰
- North Carolina Probation and Parole Officers estimate that only **15% of people they supervise are employed full-time.**¹¹
- An estimated **87% of employers check for criminal records;** when employers check, **those without a record are 63% more likely to get a call back** than those with a record.¹²
- **Unemployment rates for Black people leaving prison are nearly double** rates for white people.¹³

Jobs for Those with Records Are Low Paying & Hard to Find

- In 2017, the **real median wage** for North Carolinians leaving prison was **< \$6,000 a year**—that's **21%** of the median wage of the general population.¹⁴
- Those with a record previously might find employment in North Carolina's "blue-collar" sector, but since the 90's that **sector has shrunk significantly.**¹⁵

Second Chance Hiring Successes

- Research shows that **people with criminal records have longer tenures and lower turnover rates** than those with no records.¹⁶ One study showed that military enlistees with felony records were

promoted more quickly and with **no difference in attrition rates** due to performance, as compared to those without a record.¹⁷

- Case studies reinforce research findings. At Total Wine & More, the **annual turnover for employees with criminal records was 12% lower than those without records**.¹⁸ At Ohio-based Nehemiah Manufacturing, 80% of new hires have criminal records, yet the company's **turnover rate is significantly lower** than that at similar companies.¹⁹ At Oregon-based Dave's Killer Bread, **employees with criminal records outperformed those without a record** in attendance, policy, and behavioral violations.²⁰
- Most human resource managers and employees are **willing to work with people who have a record**.²¹

¹ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, Incarceration & Reentry, <https://aspe.hhs.gov/topics/human-services/incarceration-reentry-0> (last visited May 3, 2022).

² *Id.*

³ UNC School of Government Criminal Justice Innovation Lab, Measuring Justice Dashboard (Criminal Charging metric) <https://cjil.shinyapps.io/MeasuringJustice/>.

⁴ *Id.*, (set year to "2021," go to the "Count" tab, then use the drop-down menu on the bottom right to select "Misdemeanors").

⁵ MEASURING JUSTICE DASHBOARD, *supra* note 3 (Citation v. Arrest (select the "race" tab) and Summons v. Warrant (select the "race" tab) metrics).

⁶ MEASURING JUSTICE DASHBOARD, *supra* note 3 (Criminal Charging metric [select the "race" tab]).

⁷ VERA INSTITUTE OF JUSTICE, Incarceration Trends in North Carolina 2 (2019).

⁸ JESSICA SMITH, North Carolina Criminal Justice Summit, Report of Proceedings 13 (2019).

⁹ Lucius Couloute & Daniel Kopf, *Out of Prison & Out of Work: Unemployment Among Formerly Incarcerated People*, <https://www.prisonpolicy.org/reports/outofwork.html> (July 2018).

¹⁰ Andrew Berger-Gross, *The State of Reentry: An Update on Former Offenders in North Carolina's Labor Market* (Oct. 29, 2019), <https://www.nccommerce.com/blog/2019/10/29/state-reentry-update-former-offenders-north-carolina%E2%80%99s-labor-market> (45% vs. 61%).

¹¹ NORTH CAROLINA SENTENCING AND POLICY ADVISORY COMMISSION, Study of Employment Collateral Consequences in North Carolina 11 (2018).

¹² *Id.* at 15; AMANDA AGAN & SONJA STARR, Ban the Box, Criminal Records, and Statistical Discrimination: A Field Experiment 4 (2016).

¹³ Lucius Couloute & Daniel Kopf, *supra* note 9. Among formerly incarcerated individuals, the unemployment rate for Black women was 43.6%, for Black men was 35.2%, for white women was 23.2%, and for white men was 18.4%.

¹⁴ Andrew Berger-Gross, *supra* note 10.

¹⁵ Andrew Berger-Gross, *The Labor Market for Former Offenders in North Carolina* (Feb. 25, 2019) <https://www.nccommerce.com/blog/2019/02/25/labor-market-former-offenders-north-carolina>; Andrew Berger-Gross, *Out of Prison, Out of Work: A New Normal for Ex-Offenders in North Carolina?* (Oct. 22, 2018), <https://www.nccommerce.com/blog/2018/10/22/out-prison-out-work-new-normal-ex-offenders-north-carolina>.

¹⁶ Lucius Couloute & Daniel Kopf, *supra* note 9.

¹⁷ Jennifer Hikes Lundquist et al., Does a Criminal Past Predict Worker Performance? Evidence from One of America's Largest Employers, 96 SOCIAL FORCES 1039, 1039 (2018).

¹⁸ U.S. CHAMBER OF COMMERCE, The Business Case for Criminal Justice Reform: Second Chance Hiring 2 (2021), available at <https://www.uschamber.com/workforce/education/the-business-case-criminal-justice-reform-second-chance-hiring>.

¹⁹ *Id.*

²⁰ *Id.*

²¹ SOCIETY FOR HUMAN RESOURCE MANAGEMENT & CHARLES KOCH INSTITUTE, Workers with Criminal Records 1 (2018).