

### LABOR MARKET REALITIES FOR RETURNING CITIZENS

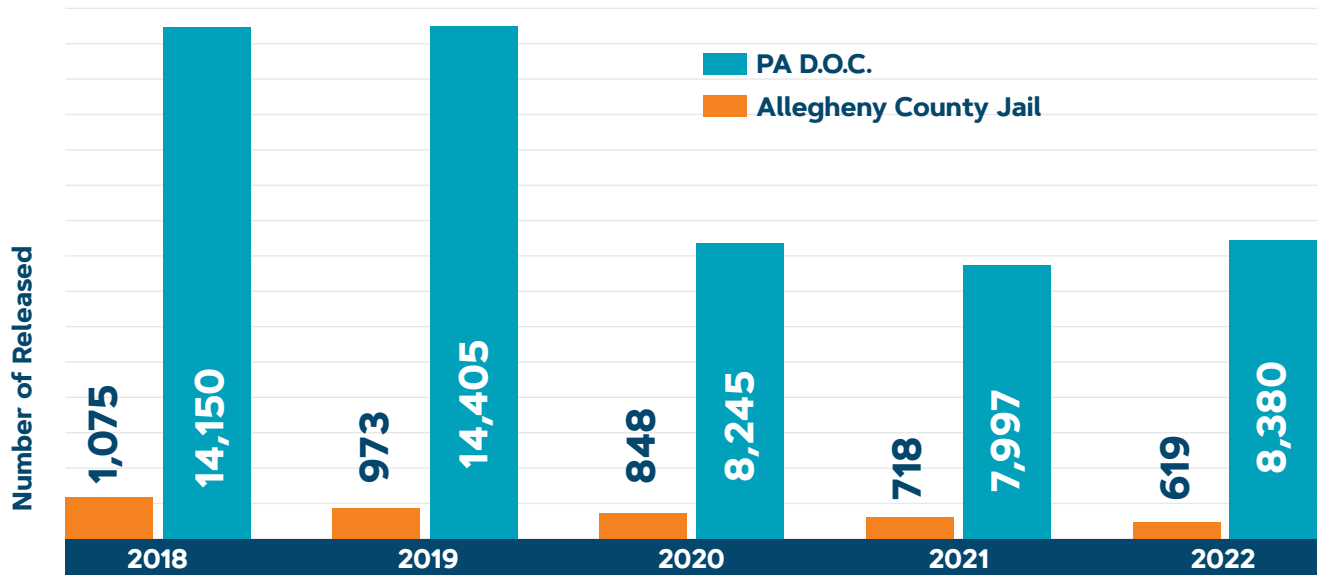
According to researchers at the RAND Corporation, one in three American adults have been arrested at some point in their life and, for those who are convicted, may have a record that follows them indefinitely. Individuals returning from incarceration, also known as returning citizens or reentrants, and those with criminal justice system involvement at any stage (i.e. justice-involved), face real and perceived bias when seeking employment. Given the number of those who are justice-involved, employers without intentional re-entry friendly practices are distancing themselves from a large and reliable pool of workers. In this report, we look at the labor market situation for the justice involved job seeker and the opportunities of hiring these individuals.

#### Returning Citizens in the US, Pennsylvania, and Allegheny County

Every year, more than 600,000 individuals are released from state and federal prison systems, and an additional nine million are released from local jails across the United States.<sup>i</sup> On average, Pennsylvania's Department of Corrections (PA DOC) releases about 15,000 individuals statewide each year, where an average of 847 are released in Allegheny County.<sup>ii</sup> Locally, the Allegheny County Jail releases on average 10,635 individuals each year, many looking for training and/or employment.<sup>1</sup>

#### Total Number of Released in Allegheny County from PA Department of Corrections and Allegheny Jail

Source: PA D.O.C. & Allegheny County Jail



<sup>1</sup> Allegheny County Jail Population Management Dashboard; while releases may look like they have fallen since 2020, the number of bookings have trended the same. Overall, bookings and releases are down since 2020, and for the purpose of this report was not investigated, as well as those arrested and released multiple times.

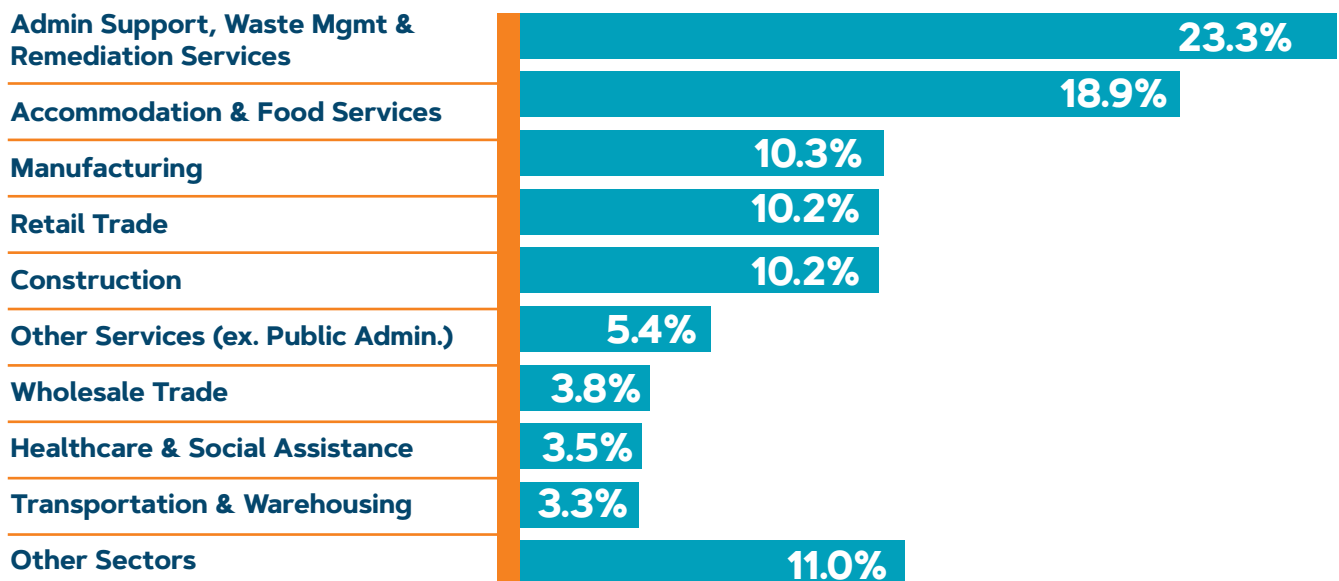
In terms of demographics, it cannot be overstated the disproportional effects the justice system has had on people of color, particularly whenever returning to their communities.<sup>iii</sup> A report published in 2018 that utilized the National Longitudinal Survey of Youth from 1997 found that 46 percent of men in the United States in their 30s had a conviction on their record that was not traffic related, with Black men having the highest rates among all demographic groups.<sup>iv</sup> For women analyzed in the study, the sample size was much smaller, which resulted in a larger window of estimation. However, for women in their 30's that were looking for work in 2018, that study found that 2 to 16 percent of Black women and 22 to 52 percent of White women had at least one conviction.

### Employment Opportunities for Returning Citizens

The majority of returning citizens who re-enter the labor market find themselves employed in just a handful of industries. In a 2021 study conducted by the Bureau of Justice Statistics, 73 percent of reentrants primarily found employment in five industries following release from federal prison in 2010:<sup>2</sup> These included Administrative Support and Waste Management and Remediation Services, Accommodation and Food Services, Manufacturing, Retail Trade, and Construction. Returning citizens also face systemic barriers to finding quality jobs. While wages are only one factor of job quality, the 2010 cohort of reentrants made approximately 53 percent less than the median U.S. earnings in 2010, and when observed four years later in 2014, were making only 84 cents for every dollar of the median U.S. wage, or \$28,851 annually.<sup>v</sup>

### Percent of Individuals Employed by Employment Industry Sector After Federal Prison Release

Source: Bureau of Justice Statistics



<sup>2</sup> Other sectors include employment sectors that did not employ more than 4% of any persons released from federal prison in any of the 16 quarters after release.

### Returning Citizens Experience Higher Rates of Unemployment

For those who reenter the labor force after incarceration, studies suggest that those who were employed were about half as likely to recidivate than those who were unemployed.<sup>vi</sup> Moreover, the likelihood to recidivate within the first year of release is less likely when a justice involved person finds employment within the first two months of release that ideally pays higher than minimum wage.<sup>vii</sup> Reentrants, though, face many obstacles and lack of opportunities post-incarceration.

Formerly incarcerated people tend to have one of the highest levels of unemployment, often five times higher than the unemployment rate for all individuals in the labor market.<sup>viii</sup> A reason for such high levels of unemployment can be linked to antiquated hiring practices that often overlook those reentering the workforce following incarceration, many of which disproportionately affect people of color.<sup>ix</sup> Across all types of people, those with a criminal record are 50 percent less likely to get a call back compared to those in the workforce without a criminal record.<sup>x</sup> Moreover, the penalty is double for Black or African Americans, who are 60 percent less likely to get a call back, compared to White workers, who are 30 percent less likely.<sup>xi</sup> If barriers to employment due to convictions and incarcerations were not a factor, the U.S. labor force would have employed between 1.7 million and 1.9 million workers in 2014, which would have amounted to almost one percentage point decrease in the unemployment rate.<sup>xii</sup>

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### Hiring, Productivity, and the Business Case for Reentrants

While finding employment can be challenging for those with legal system involvement, over time, reentrants and those without a conviction share similar levels of productivity and employability. One study out of Northwestern University in 2016 even found that the turnover rate for reentrants was 13 percent lower than those without a record, citing potential loyalty to the firm that hired them.<sup>xiii</sup> In that same study, researchers estimated that of the sample of businesses analyzed, turnover cost them approximately \$4,000 per employee that left, which when compared to positions held by reentrants led to an approximate savings of \$1,000 per year per position if held by a reentrant.

Finally, programs such as the Federal Bonding Program, are designed to offset any perceived risk by the employer. Done so through the issuing of fidelity bonds, the US Department of Labor provides insurance to employers who hire reentrants.<sup>xiv</sup> Since 1966, when the Federal Bonding Program began, only one percent of claims have been filed, leading to a 99 percent success rate.<sup>xv</sup>

### Conclusion

The economic realities reentrants face in the labor market continue to limit their employment potential long after incarceration. While data is sparse at the local level, it is clear that Allegheny County residents are reentering society at a steady rate, and access to employment is paramount for many of those individuals. Those who re-enter the workforce represent a significant pool of workers and are often left out of career opportunities. Additionally, the penalties placed on people of color who re-enter the labor market can often depress employment outcomes and long term earnings potential. While the barriers tend to be disproportionately stacked against reentrants, research suggests that there is little difference in terms of employability between those with or without a prior conviction.

For more information, visit [partner4work.org/research/whats-working-in-workforce](https://partner4work.org/research/whats-working-in-workforce) for ways in which workforce development investment, policy change, and rethinking hiring practices can improve labor market interactions for both reentrants and employers.

### ENDNOTES

<sup>i</sup> Bureau of Justice Statistics

<sup>ii</sup> Pennsylvania's Department of Correction

<sup>iii</sup> *Barred from work: The discriminatory impacts of criminal background checks in employment.* (n.d.). The Thurgood Marshall Institute at LDF. Retrieved April 9, 2024, from <https://tminstituteldf.org/criminal-background-checks-employment/>

<sup>iv</sup> National Longitudinal Survey of Youth from 1997, RAND Corporation.

<sup>v</sup> Initiative, P. P. (n.d.). *New data on formerly incarcerated people's employment reveal labor market injustices.* Retrieved April 9, 2024, from <https://www.prisonpolicy.org/blog/2022/02/08/employment/>

<sup>vi</sup> Lo, K., & Amaning, A. (2020). Update to 'News You Can Use: Research Roundup for Re-Entry Advocates.' Center for American Progress. <https://www.americanprogress.org/article/update-news-can-use-research-roundup-re-entry-advocates/>

<sup>vii</sup> Visher, C., Debus, S., & Yahner, J. (2008). *Employment after Prison: A longitudinal Study of Releases in Three States.* Urban Institute, Justice Policy Center. <https://www.urban.org/sites/default/files/publication/32106/411778-Employment-after-Prison-A-Longitudinal-Study-of-Releases-in-Three-States.PDF>

<sup>viii</sup> Initiative, P. P. (n.d.). *Out of prison & out of work.* Retrieved April 8, 2024, from <https://www.prisonpolicy.org/reports/outofwork.html>

<sup>ix</sup> See note <sup>iii</sup>.

<sup>x</sup> PAGER, D., WESTERN, B., & SUGIE, N. (2009). *Sequencing disadvantage: Barriers to employment facing young black and white men with criminal records.* *The Annals of the American Academy of Political and Social Science*, 623(1), 195–213. <https://doi.org/10.1177/0002716208330793>

<sup>xi</sup> Id.

<sup>xii</sup> See note <sup>vi</sup>.

<sup>xiii</sup> *Should you hire someone with a criminal record?* (2017, February 3). Kellogg Insight. <https://insight.kellogg.northwestern.edu/article/should-you-hire-someone-with-a-criminal-record>

<sup>xiv</sup> Bushway, S. D. (2024). *Resetting the record: The facts on hiring people with criminal histories.* RAND Corporation. [https://www.rand.org/pubs/research\\_briefs/RBA2968-1.html;Department\\_of\\_Labor](https://www.rand.org/pubs/research_briefs/RBA2968-1.html;Department_of_Labor).

<sup>xv</sup> *Reentry employment opportunities fact sheet.* (n.d.). DOL. Retrieved April 26, 2024, from [https://www.dol.gov/sites/dolgov/files/ETA/reentry/pdf/REO-Fact-Sheet-April\\_2024.pdf](https://www.dol.gov/sites/dolgov/files/ETA/reentry/pdf/REO-Fact-Sheet-April_2024.pdf)