“I want to be given a fair chance, based on my abilities and not judged for my past mistakes that I made, so I kind of want to be given a clean slate so that I can show the world or businesses or whatever that I am capable of doing the right thing and being a person of integrity.”

-Chris
It is imperative that businesses own their own power to transform policies at the firm level in order to advance diversity; create equity and inclusion for the overlooked and often invisible candidate; and discover new sources of talent: justice-involved youth.

AN (UN)CLEAN STATE: DOUBLE CHECK THE BACKGROUND CHECK

Anyone who has an arrest that was reported by a state criminal justice agency to the FBI national database, has a criminal record. It is important to note that having a criminal record does not denote criminality or even delinquency. Oftentimes having a criminal record means that an individual had a prior interaction with law enforcement or the justice system, in the form of an arrest (Duane, La Vigne, Lynch, & Reimal, 2017). Therefore, a criminal record may comprise a simple arrest with initial charges; an arrest with a non-conviction, meaning that charges were dropped; or a person was found not-guilty; or there was an arrest with a conviction. In fact, according to the Department of Justice, more than 50% of background checks for federal employees had at least one error listed on the report, with some states reporting much higher errors and others not reporting what resulted from the arrest. (Trone Private Sector and Education Advisory Council, 2017).

It is nearly impossible to know the percentage of criminal records that are comprised of only arrests and arrest/non-conviction data; however, simply having a criminal record creates significant employment barriers. Research conducted in New York City found that having a criminal record reduced the likelihood of a call back or job offer from employers by nearly 50% (Pager & Western, 2009). According to the study posted by the National Criminal Justice Reference Service (NCJRS), racial disparities exacerbated challenges individuals experienced when applying for employment with a criminal record. The negative effect of having a criminal record was nearly double for black applicants than for white applicants. The study also found that employment prospects dramatically increased when applicants with a criminal record had an opportunity to interact with hiring managers (Pager & Western, 2009).

NOTE:
All visuals and text labeled with a tweet symbol or highlighted in yellow may be shared via Twitter by clicking on the text or symbol.

As many as 1 in 3 Americans have a criminal record.

The linkages between education and employment are widely understood but the targeted and systematic involvement of youth of color in the justice system remains elusive.

One arrest can lead to a lifetime of chronic disconnection due to a social policy that creates negative perception and bias.

It is imperative that businesses own their own power to transform policies at the firm level in order to advance diversity; create equity and inclusion for the overlooked and often invisible candidate; and discover new sources of talent: justice-involved youth.

NOTE:
As many as 1 in 3 Americans have a criminal record.
Many studies suggest that hiring individuals with criminal records is no riskier than hiring those without, and in many ways, the hiring improves the bottom line of businesses. To date, there is no research that suggests workplace violence is causally linked to the hiring of individuals with criminal histories. Moreover, there is some evidence that suggest individuals with criminal histories are actually more productive and loyal than other workers without criminal records. Research conducted by Jennifer Lundquist, a sociologist at the University of Massachusetts Amherst, found that between 2002 and 2009, of the nearly 1.3 million enlistees in the U.S. military, individuals with felony convictions were 32% more likely to be promoted to a leadership position over those who did not have a felony conviction (Lundquist, 2018). Lundquist’s unique research and groundbreaking study assesses work performance of ex-offenders across a wide range of occupations to seriously reflect on the question: “Does Criminal Past Predict Worker Performance?” (Lundquist, 2018). Moreover, a recent study published by Northwestern University suggests that individuals with criminal records have much higher retention rates, are no more likely to be involuntary separated, and are far less likely to leave voluntarily (Minor, Persico, & Weiss, 2017). The Northwestern study essentially means that hiring ex-offenders may result in reduced cost associated with recruitment, training and involuntary turnover.

Higher retention rates ultimately lead to reduced recruitment, lower on-boarding and training costs, and training costs—all of which positively impacts the business bottom line. positively impacts the business bottom line. Some studies have also found that individuals with criminal records are more motivated because there are limited employment options in the workforce and they tend to want to keep their current jobs. During a recent roundtable hosted by the White House, “Greyston CEO Mike Brady dispelled some of the myths around hiring ex-offenders, whom he called “fully functional and productive members of our team.” Insurance and workers’ comp costs at Greyston are no higher than at comparable businesses, and turnover is actually lower. “Our history is a demonstration that people coming out of the criminal justice system make for an amazing workforce,” said Brady, in a follow-up interview” (Buchanan, 2018).

The benefits of fair chance employment policies and Ban the Box legislation—where employers consider a applicant’s qualifications first—have the potential of yielding significant public, private and social returns. Employment of those leaving prisons and jails can help reduce recidivism and public-sector costs. Approximately 95% of those who are incarcerated will return to their respective communities, yet, research has found that the inability to secure stable employment is the number one predictor of recidivism. Hiring ex-offenders and individuals with criminal records is an effective strategy to lower criminal justice related costs by lowering recidivism rates (Trone Private Sector and Education Advisory Council, 2017). National productivity is also weakened by excluding ex-offenders and individuals with criminal records. It is estimated that at the national level the gross national product is reduced between $78 and $87 billion dollars by policies that prohibit the hiring workers with criminal records (Trone Private Sector and Education Advisory Council, 2017).

Employer Practices Often Perpetuate Disconnection

According to a 2016 study by CareerBuilder, 72% of companies perform background checks and 82% of those companies screen potential employees for criminal histories (CareerBuilder, 2016). This drastically reduces access for people with criminal records who are seeking employment. More than 60% of formerly incarcerated individuals are unemployed one year after being released, and those who do find jobs make 40% less in pay annually (The PEW Charitable Trusts, 2010). The economic impact is felt across the U.S. labor market with the population of
former prisoners and people with felony convictions leading to a loss of $78 to $87 billion in GDP in 2014 (CENTER FOR ECONOMIC AND POLICY RESEARCH, 2016).

In general, anyone who has come into documented contact with a law enforcement agency—technically has a criminal record. A criminal record may include incidences of arrests without a formal criminal charge and/or a conviction for committing a crime. However, background checks, either conducted through the FBI’s criminal database or by private companies that issue “consumer reports,” often provide inaccurate or incomplete criminal history reports. According to the Bureau of Justice Statistics, approximately 32% of arrests records in the FBI database lack any corresponding court data that provides accurate case disposition information (Duane, La Vigne, Lynch, & Reimal, 2017). More recent data suggests that nearly half of all arrests records have no corresponding court-related disposition data and accuracy varies widely across states from 14% in Mississippi to 98% accuracy in Maryland (Duane, La Vigne, Lynch, & Reimal, 2017). Therefore, for a significant number of arrests records, employers are unaware of what resulted from the specific interaction with law enforcement, whether charges were dismissed, if a not-guilty verdict was rendered, or whether the individual was actually convicted of a crime. Erroneous reporting of criminal histories misrepresents individuals and significantly limits a qualified candidate’s ability to secure employment. It also stifles a company’s ability to access much needed talent.

The combination of low unemployment rates, continued economic growth and sustained job creation is forcing employers to identify new sources of talent and to rethink potentially outdated hiring practices. A recent report issued by the Society of Human Resource Management indicates a growing willingness by employers to consider applicants with criminal histories. Approximately 65% of hiring managers and over 70% of human resource professionals are willing to overlook both substance-related felonies (e.g., DUI, drug-related crimes) and misdemeanors convictions. LeadersUp onboards and supports employer partners committed to advancing fairer chance employment practices and connecting to work-ready talent.
LeadersUp designs its hiring fairs to combat perception bias especially amongst youth of color by leveraging the unique assets of various partners and align their interests to forge secure full-time career connections for young adults. Through a cross-sectoral approach, the hiring fair galvanizes young adults, employers, talent development partners, civic leaders and local influencers, to come together around a shared interest of connecting trained talent to viable employment opportunities in a win-win for all stakeholders. Moreover, the hiring fairs address the seemingly intractable issues of access and exposure to opportunity, especially for more vulnerable populations (i.e. low-income and justice-involved) by bringing all employers to one location. Our hiring fairs require that employers provide interview opportunities with on-the-spot offers. With this procedure, the hiring fairs address the challenge of accessibility by providing an offer prior to receiving a completed job application. The results of which, also address technology barriers head-on and provide an opportunity for candidates to interview before navigating technology, resumes, background checks, and other hiring processes. In addition to addressing some of these barriers via on-the-spot interviewing and hiring, the hiring fairs also provide a protective factor for job applicants with records who may otherwise face discrimination on the basis of their criminal history, which have often been shown to have records that are inaccurate, not applicable, or just incorrect.

Through our hiring fairs, we have found that job seekers with criminal records fare better than those without justice-involved records in terms of getting hired. Based on our own empirical analysis, LeadersUp hiring fairs have shown that young adults who identified as needing re-entry support were hired at rate of 65.6%, compared to 52.2%. To address perceptions about ability, willingness to work, and other factors often confronting justice-involved young adults, our empirical data suggests that just one single opportunity to interview without overt knowledge of one’s background, yields a favorable outcome for young adults who can prove themselves without application bias. This provides more insight into how perception of employability can be influenced during the initial job application phase due to one’s criminal background. Although policies spanning federal and statewide efforts such as Ban the Box and Prop 47 (NELP, 2018) (CA

---

4 A network of community-based organizations, workforce development providers, faith-based entities, postsecondary institutions or other partners that work with LeadersUp to source, train, and support young adults for career pathway opportunities.
Dept. of Corrections and Rehab, 2017), have recently been put in place to prevent employers from asking about backgrounds and to reduce sentences from felonies to misdemeanors, there is still much ground to cover on the practice side to make good on the efforts and intentions that those policies were drafted to produce. By partnering with LeadersUp and participating in the Hiring Fairs, employers are aware of our mission towards "just opportunities" and are collaborating with LeadersUp to advance diverse, inclusive and equitable hiring and on-boarding practices.

In our unique hiring fair model, an inclusive hiring strategy is activated through employers who are hiring on-the-spot, and community-based organization partners who refer their young adults to LeadersUp for training and pre-scheduled interviews. To date, LeadersUp has worked with the local parole and probation offices in both Los Angeles and Alameda Counties; and community organizations such as the Center for Employment Opportunities (CEO), Building Opportunities for Self Sufficiency (BOSS), and the Cook County Sheriff’s Office in Chicago, in order to directly connect young adults with criminal backgrounds to career training and/or employment opportunities. These young adults were provided with career training consisting of resume building and mock interview practice. After completion of training they are connected to employment opportunities through pre-scheduled interviews. This mix of initial exposure through community-based organization partnership and connection to job opportunities via supportive employer partners contributes to increasing accessibility for re-entry young adults.

Case Study: BAYEP – A Model for Cross Sectoral Partnership

In 2016, LeadersUp launched the Bay Area Young Men of Color Employment Partnership (BAYEP) with core partners: The Bay Area Council, Policy Link, United Way Bay Area, and Urban Strategies Council, to reach, ready and connect young men of color from the region to employment opportunities. By leveraging the assets of each participating organization, it serves as a communications and advocacy platform to forge cross sector solutions to sustainable career pathways for boys and men of color. With a focus on breaking down the system-level barriers impacting boys and men of color, BAYEP serves to align cross sector partnerships between employers, talent development partners, civic leaders, and other influencers to forge talent solutions that assist boys and men of color seeking employment in the Bay Area. This strategy squarely encourages the inclusion of justice-involved youth, who are primarily boys and men of color, to participate in work readiness training prior to securing employment opportunities.

To date, LeadersUp has connected more than 400 boys and men of color to employment opportunities in the Bay Area. In the most recent hiring fair, 18% of all attendees were justice-involved youth. LeadersUp operates the hiring fairs and generates new partnerships with re-entry groups and youth-facing community-based organizations such as Building Opportunities for Self Sufficiency (BOSS), the Center for Employment Opportunities (CEO), Community and Youth Outreach (CYO), and 11 “Fair Chance” employers, to provide exposure and access to employment opportunities for justice-involved young adults. By facilitating direct access to fair chance employers who have forgone standard hiring practices to engage interviewees prior to background checks and application submission, the majority of justice-involved youth present at the hiring fair successfully secured offers. With 74 participants secured 50 offers, resulting in a 68% interview-to-hire ratio, which is nearly identical to the interview-to-hire ratio of non-justice involved participants. Our empirical data points to the findings in some aforementioned studies that justice-involved young adults or job seekers with criminal backgrounds are qualified and work ready talent; and even more so, it speaks to the tenacity and determination of young adults with these backgrounds due to the considerable challenges they face in education, credentialing, and overall human capital development.

LeadersUp highlights the value of providing access to job opportunities that remove the initial barriers to interviews such as application screening processes. The BAYEP model not only solidifies opportunities for its justice-involved youth, but it also provides a clear example of the impact in removing such barriers through innovative models like on-the-spot hiring fairs. Across all of our markets in Chicago, Los Angeles, and the Bay Area, LeadersUp has connected nearly 100 justice-involved young adults to secure employment opportunities.

5 Employers committed to hiring justice-involved youth.
400 Boys and men of color connected to opportunity

18% of attendees were justice-involved youth

11 Fair chance employers

50 Employment offers

68% interview to hire ratio

Nearly identical to the interview-to-hire ratio of non-justice-involved participants
CONCLUSION

By spending upwards of $80 billion dollars each year to manage the world’s largest criminal justice system, America remains the global leader in incarceration. Though it is often difficult to estimate in real-time how many young adults actually interact with our robust criminal justice system, studies report that as many as 1 in 3 Americans will have acquired some form of criminal record in their lifetime. The implications of this pervasive trend on employment is far-reaching, as lifelong barriers to economic mobility for individuals and their families result in insurmountable levels of poverty and disconnection. LeadersUp has partnered with forward-thinking employer partners to address this problem head-on, and we are able to showcase that young adults who are justice-involved are much more than how they appear on paper. Through our hiring fairs - that effectuate access, exposure, and a bi-directional exchange between employers and young adults, our firm position is on the need to identify new sources of talent potential in order to meet our national labor shortage.

LeadersUp has been on the cutting edge of connecting the dots for employers and justice-involved young adults to achieve mutually beneficial wins in employment. We author this report to highlight how negative perception and bias impact those most susceptible to repeated and systematic interaction with the criminal justice system and the role it has on their lifelong employment (and education) outcomes. In fact, some data indicates that without mass incarceration—especially pronounced in California where LeadersUp is headquartered—the U.S. poverty rate would have dropped by 20% between 1980 and 2014 (Schanzenbach, 2016).

Overwhelmingly, this has broad implications for our nation’s ability to compete effectively in a 21st Century economy where there is a widening talent divide that continues to hurt businesses. Finally, though the conversation often begins with incarceration, this report highlights that arresting youth, especially youth of color, can lead to profound disconnection: this is where perception change must begin and we invite employers to be a part of a coalition to advance fair chance practices for this untapped source of talent potential. LeadersUp has convened employers in the SF Bay Area, Chicago, and Los Angeles, to work together in connecting with justice-involved young adults, and has launched the Fair Chance Coalition to embrace justice-involved individuals as a new and reliable source of talent potential. In California, state and local legislation has suggested a growing appetite to create greater opportunity for formerly incarcerated individuals to more successfully re-enter as productive contributors to the workforce and society as a whole. Annually, there are over 600,000 people being released from state prisons and another 11 million from jails. At least 95% of all state prisoners will be released from prison at some point (Office of Bureau Justice, 2018). In 2014, California approved Proposition 47, and this legislation has significantly contributed to the number of young adults that were able to re-petition their sentences by reducing the classification of most “non-serious and nonviolent property and drug crimes” from a felony down to a misdemeanor (Ballotpedia, 2014).

A year later, President Barack Obama and his administration led the national charge to launch the Fair Chance Business Pledge, a call-to-action for all members of the private sector to improve their communities by eliminating barriers for those with a criminal record and creating a pathway for a second chance (The White House, 2016). California adopted Fair Chance legislation in early 2018 and its businesses can leverage this legislation as an opportunity to better tap into an underutilized segment of America’s talent force. In Los Angeles, Mayor, Eric Garcetti, signed into law the “Fair Chance Initiative” – an ordinance that restricts employers from asking job applicants about criminal convictions until after a conditional offer of employment has been made (Office of LA Mayor Eric Garcetti, 2016). Los Angeles County has also adopted this practice by establishing an ordinance and protocols that eliminate appropriate restrictions for potential applicants pursuing county employment opportunities. Los Angeles is just one of 150 cities and counties advancing progressive legislation to ensure a fair chance, and California is one of 31 states committed to the same cause (NELP, 2018).

In light of an unprecedented labor shortage and historically low unemployment rates, we can no longer afford to bypass swaths of talent potential and jeopardize local business success and global economic competitiveness. We invite you to partner with LeadersUp to join the movement in connecting with justice-involved young adults. Through our Fair Chance Coalition, you’ll be a part of a collaborative network to advance local and enterprise-level practice change, interface and connect to a pipeline of trained talent, and gain access to tools, resources and professional development opportunities to better understand and support justice-involved young adults in their career pathways. This report provides a deeper analysis of the relationship between arrest and employment, and highlights the promising gains that progressive companies can experience in working with LeadersUp to advance diversity, equity and inclusion goals that include an often-overlooked population for everyone’s mutual benefit.
“Consistency. You know, showing up on time with the attitude of being ready to work on a daily basis, not just two days out of the week...and just showing that I can be trusted with getting the job done or with whatever responsibility is placed in my hands. I won’t misuse that *privilege.*”

-Chris
For more information please contact Ronnie Versher, Director of Business Development and Strategic Partnerships, at ronnie@leadersup.org or 415.336.9398