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Leading Practices for Hiring Returning Citizens

A Returning Citizens Working Group Report



Summary

West Michigan employers should take advantage of the opportunity to hire returning citizens and reconsider restrictive policies they have against hiring people with criminal histories. This practice addresses a variety of problems for employers and communities alike.

Returning citizens represent nearly a third of all Americans. Because Michigan faces a talent shortage, refusing to hire returning citizens only exacerbates the issue for employers.

Hiring returning citizens keeps communities safer by reducing recidivism. Studies have shown that returning citizens are less likely to reoffend when they are employed. By giving them a fair chance to be considered for jobs, employers can help keep their communities safer and potentially reduce crime rates.

Hiring returning citizens is a proven practice. Many employers provide opportunities for returning citizens, and have reported that their employees with criminal histories are responsible and reliable. Hiring returning citizens has proven to be no more dangerous than hiring candidates without criminal histories, as the workplace is statistically much safer than the home or street.

Talent 2025 recommends that employers revise or reconsider their hiring policies and processes by following the leading practices of making individualized assessments of criminal histories, delaying inquiry until after the initial application, and comparing the nature of the job sought with the nature of the conviction. Ultimately, employers should consider an applicant's qualifications rather than past offenses. Following the leading practices defined in this report ensures that returning citizens have a fair chance of being hired and achieving success.

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Introduction

“Returning citizens offer an underutilized source of productive talent.”

West Michigan faces a talent shortage. Many employers struggle to find enough qualified workers to meet their needs. A large talent pool that is often overlooked and misunderstood in Michigan, and nationally, is returning citizens. The term “returning citizen” refers to a person who has a criminal history. Overlooking returning citizens as potential employees does a disservice to employers, communities, taxpayers, and returning citizens themselves. Doing so can contribute to lower rates of recidivism, a hidden cost to individuals and families, communities, and tax payers.

Talent 2025 advocates for fair chance hiring, which encourages the safe and efficient inclusion of returning citizens into the workplace. Returning citizens offer an underutilized source of productive talent. Increasing employment opportunities for returning citizens contributes to stability for themselves, their families, and our communities. To implement fair hiring practices, employers may follow the leading practices of delaying inquiry about criminal histories, making individual assessments of criminal histories, and joining partnerships that encourage fair hiring.

One way Talent 2025 is addressing the potential of fair chance hiring in West Michigan is by implementing the Returning Citizens Community of Practice. This 5-week program educates and supports employers in hiring returning citizens by sharing relevant laws, appropriate hiring guidelines, and the successful strategies and failures of other employers who have experience in this area.

The goal of this report is to educate employers on the benefits of hiring from this population, address misconceptions, and provide effective and best practice hiring strategies. By strongly considering returning citizens as potential applicants, employers can tap into a reliable, loyal, and productive talent pool.

The Problem

Recidivism

Recidivism, in general, refers to the tendency to repeat criminal behavior. The inability to obtain gainful employment significantly increases the likelihood of recidivism.

Recidivism costs everyone; not just those who have been involved in the criminal justice system. Higher recidivism rates are a huge cost to taxpayers, as the overall cost to house one Michigan Department of Corrections prisoner is between \$28,000 and \$35,000 per year. For context, that is higher than the average annual cost of college tuition.¹

Nearly one of every five Michigan tax dollars is spent on corrections.² Michigan is one of a handful of states that has increased spending on corrections more than five times as quickly as it did on public education over the last 30 years.³ In addition to the fiscal cost of corrections, communities pay a price. Families of people with a criminal history experience the recurring cost when a parent is unable to find work because of a criminal history. Neighborhoods also suffer from instability and higher unemployment with increased recidivism.

Exclusionary Hiring Practices Hurt Employers

Excluding applicants with a felony severely limits an employer's total number of potential candidates. Nearly one in three adults in America has a criminal record.⁴ By age 23, one in three Americans have been arrested, and as a result, between 70 and 100 million people have some sort of criminal record.⁵

Employers who exclude returning citizens also miss a positive hiring opportunity. Research shows that employees with criminal histories are often reliable, productive, and positive members of their workplace.

“Recidivism costs everyone, not just those who have been involved in the criminal justice system.”



“By age 23, 1 in 3 Americans have been arrested, and as a result, between 70-100 million people have some sort of criminal record.”

“It is more helpful to understand why an applicant has a felony than simply knowing that an applicant has a felony.”

A strict no-hire policy for anyone with a criminal record negatively impacts communities and businesses, but also likely runs afoul of federal law.⁶ In 2012, the Equal Employment Opportunity Commission made it clear that employers cannot use criminal histories to automatically disqualify applicants because criminal history itself does not accurately predict the best or most reliable candidate and is not “job related and consistent with business necessity.”⁷ The law does not prevent employers from obtaining criminal records, rather, it provides steps to ensure that a criminal history is considered in a relevant way. To ensure legal compliance, employers should conduct individual assessments of returning citizens, rather than exclude them altogether.

Misconceptions About Returning Citizens

Individualized assessments mean moving beyond the labels associated with a criminal history.

Labels also feed into people’s fears – which are often shaped by perception rather than fact. Nationally, people overestimate violent crime despite national historic low rates in recent years.⁸ In Michigan, violent crime has decreased and prisons are closing. It remains common, however, to inaccurately assume that a criminal history indicates violence. It is more helpful to understand why an applicant has a felony than to simply know that an applicant has a felony.

It is common to overestimate the severity of an offense which resulted in a felony charge, because crime labels can be challenging to understand. A felony is not necessarily a violent crime. In Michigan, a felony is defined as any “offense for which the offender, on conviction may be punished by death, or by imprisonment in state prison” with a maximum sentence of more than one year in prison.⁹ Felony charges include offenses such as:

- Forging a signature on a check,
- Perjury,
- Adultery,
- Drawing on insufficient funds greater than \$500 (writing a bad check), or
- Possession of a stolen license plate.¹⁰

Assuming violence behind a criminal history is a common - but misplaced - assumption. Nationally, people overestimate violent crime despite national historic low rates in recent years.¹¹ In Michigan, prisons are closing as efforts shift to rehabilitation.¹²

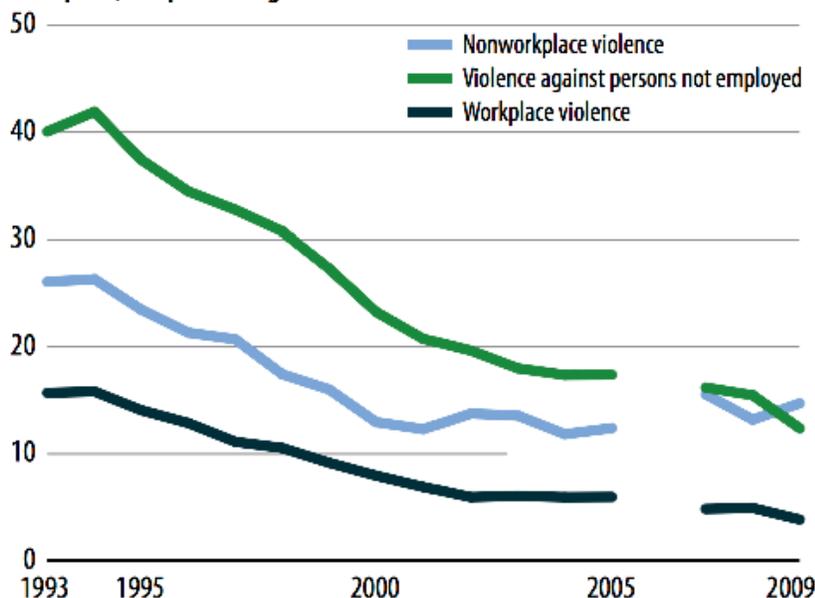
Felonies are more common than many people might guess, and though some may believe negative stereotypes about returning citizens these are often unfair and inaccurate. In fact, many well-known public figures have criminal histories, including Martha Stewart, George W. Bush, Bill Gates, and Sir Richard Branson. Their success should also serve as a sign that a criminal history should not limit someone's potential in the workplace.

Safety

Many companies report success with hiring returning citizens. Additionally, appropriately including this talent pool in a workforce is not likely to decrease safety. Overall, the Bureau of Justice Statistics reports that not only are instances of workplace violence lower than incidences in the street or home, they have been declining faster than non-workplace violence in recent years.¹³ According to statistics on workplace violence, it is unlikely for employees to be attacked by coworkers. Most victims of workplace violence are attacked by strangers.¹⁴ Additionally, individualized assessments of applicant's who have a criminal history empower employers to properly evaluate an applicant's risk. Knowing the facts around a criminal history allows safety risks to be calculated to ensure current employees remain safe and potential employees are appropriately considered.

Workplace and nonworkplace nonfatal violence against employed and persons not employed age 16 or older, 1993-2009

Rate per 1,000 persons age 16 or older



¹³Erika Harrell, Ph.D., "Workplace Violence, 1993-2009," Bureau of Justice Statistics, March 2011, <https://www.bjs.gov/content/pub/pdf/wv09.pdf>

Loss Prevention

The federal government offers insurance bonds for employers who are concerned that hiring a returning citizen could result in property or monetary loss. The Federal Bonding Program, funded and administered by the US Department of Labor, offers fidelity insurance bonds for employers and provides protection should any employee cause a loss of money or property through a dishonest act such as theft, forgery, larceny, or embezzlement within.¹⁵ The program is designed to encourage employers to give returning citizens a chance to prove that they are trustworthy by offering insurance for their first six months of employment.



Tax Credit for Employers

Employers can save money on their federal income taxes because of a tax credit incentive for hiring returning citizens. Through the Work Opportunity Tax Credit (WOTC) program, employers can be compensated through reduced federal income tax liability. The credit is 25% or \$1,500 of qualified first-year wages for returning citizens employed at least 120 hours, and 40% or \$2,400 for those employed 400 hours or more. The program is in place to incentivize diversity in the workplace and encourage access to jobs for all American workers.¹⁶

The Cost of Unemployed Returning Citizens

Employing returning citizens positively impacts community safety, decreases recidivism, saves taxpayers money, and boosts the economy. Economists estimate that due to felony records, the United States Gross Domestic Product was reduced by \$78-87 billion in 2014.¹⁷ Failure to employ the large number of citizens with criminal histories dramatically reduces earning and buying potential nationwide. Further, employing returning citizens allows this large group of Americans to increase their individual tax contributions.

 **78-87 Billion**
GDP



The Solution

Many people with criminal histories are qualified and reliable employees. However, many returning citizens struggle to find employment, causing problems for themselves, their communities, local employers, and taxpayers. To meet hiring needs and improve the outcomes of people with criminal histories, employers should take the initiative to review or revise their policies regarding hiring returning citizens.

Choosing to hire returning citizens isn't simply beneficial for employers and people with criminal histories. It is a practice which helps keep communities safer by decreasing recidivism. One study found that two years after release, nearly twice as many employed people with records had avoided a relapse into criminal behavior as their unemployed counterparts.¹⁸ In fact, just 30 days of employment can result in a 62% reduction in recidivism rates.¹⁹

Evidence of Success

Many companies and organizations have existing practices of hiring returning citizens and have seen great success from doing so. In fact, many employers report that their employees with criminal histories are often more successful than their coworkers without histories. For example, Johns Hopkins Hospital has found that people with criminal records are "good, loyal, solid workers."²⁰

The US military reports that people with felony convictions who serve in the armed forces are promoted faster.²¹ Similarly, they are no more likely to be discharged than those without criminal records.

Many large, well-known companies already employ returning citizens, and pledge to provide a fair chance to people with criminal histories.²²

Top companies in the
U.S. are committing to
hiring returning citizens.

American Airlines
The Coca-Cola Company
Facebook
Georgia Pacific
Google
The Hershey Company
The Johns Hopkins Hospital and Health System
Koch Industries
PepsiCo
Prudential
Starbucks
Uber
Under Armour/Plank Industries
Unilever
Xerox

Hiring returning citizens is a practice already proven in West Michigan. Recent news reports highlight the success of returning citizens in companies like Abcor²³ and Butterball Farms. Butterball's Chief Talent Officer shared the company's success at the White House due to its proven leadership in safely and effectively hiring returning citizens.²⁴

30/2/2

In West Michigan, local businesses have organized to ensure that employers are on board with considering hiring returning citizens. Butterball Farms started the 30/2/2 initiative in 2012 with the goal to have 30 companies hire at least two returning citizens for at least two years.²⁵ Led by Mark Peters, the 30/2/2 initiative recognized the value to the community of employing people with criminal histories .

Since its start in 2012, the initiative has grown from 30 to 479 participating companies who have hired 1,079 returning citizens to date. Employers continue to hire from this population, track their progress and see positive results.

The initiative is also supported by the United States Attorney's Office for the Western District of Michigan, as they recognize that making improvements to the employment of returning citizens prevents crimes by decreasing recidivism.



thirty companies
two citizens
two years

“Since its start in 2012, 479 participating companies have hired 1,079 returning citizens. Employers continue to hire from this population, track their progress and see positive results.”

Leading Practices

Given the benefits to companies and the West Michigan community, employers should consider revising restrictive policies and embracing fair-chance hiring practices.

To do so, Talent 2025 recommends employers “Move the Box” from employment applications and instead make individual assessments about criminal histories later in the application process. It is important to note that employers are not obligated to hire applicants with criminal records over those without records, but rather to consider an applicant’s qualifications in conjunction with their past.

Move the Box

Moving the box means choosing not to ask applicants to disclose a criminal history on the initial application, and enables employers to make objective, relevant assessments of an applicant’s conviction.

Regardless of the reports and statistics of returning citizens’ success in the workplace, employers may need to know about any past convictions or incarcerations for a variety of reasons. However, delaying questions about criminal histories by moving the box ensures that returning citizens are still given a fair chance, and that their actual skills and qualifications are considered first, and compared to other applicants.

“*Moving the box means choosing NOT to ask applicants to disclose a criminal history on the initial application, and enables employers to make objective, relevant assessments of an applicant’s conviction.*”

Perform Individual Assessments of Criminal Histories

If an employer has determined that a candidate is qualified for a job and later learns that the applicant has a criminal history, there are several important factors to consider. The Equal Opportunity Employment Commission recommends that employers consider:

- 1 The nature & gravity of the offense.
- 2 The time that has passed since the offense or sentence.
- 3 The nature of the job held or sought.

First, the gravity and nature of the offense should be assessed with reference to the harm caused by the crime. The legal elements of the crime may be instructive. For example, a conviction for felony theft may involve deception, threat, or intimidation. However, not all felony convictions include deception.

Next, employers should be more comfortable hiring returning citizens after considering the length of time since a returning citizen’s release or offense. More than half of returning citizens who reoffend do so within the first year.²⁶

Finally, the nature of the job sought should be compared with the nature of the offense. What are the job duties? Does the nature of the offense have any bearing on the job sought?

For example, a prior DUI conviction would be a concern in an application for a bus driver, but less so for a computer analyst position. If a returning citizen’s previous conviction does not associate with something directly related to the desired position’s roles and responsibilities, then it is not relevant for consideration.

Of course, these are not the only factors to consider. Employers may find that considering any of the following relevant evidence is useful to making individualized assessments:



Considering any of these factors as relevant to the applicant’s desired position is helpful to employers as it ensures they are making individual assessments. This paired with “moving the box” allows employers to prioritize an applicant’s qualifications before dismissing them due to a criminal history.

Join a Partnership to Ensure Fair Hiring

Employers can learn more about hiring returning citizens and strengthening fair hiring practices by joining local partnerships and organizations.

In West Michigan, employers can join the 30/2/2 initiative. By doing so, an organization commits to both hiring returning citizens and tracking their progress over the years.

Each county has several organizations who work directly with returning citizens to offer life skills, individual support, mentorship, training, and employment services. Employers may reach out to these service providers to learn more and build a relationship to hire from this talent pool.

Some service providers include²⁷:

- Goodwill Industries
- 70x7
- Hope Network
- Michigan Works!
- Michigan Department of Corrections Vocational Village
- Grand Rapids Women’s Resource Center

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Vocational Village: http://www.michigan.gov/corrections/0,4551,7-119-33218_75514---,00.html
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About Talent 2025

Talent 2025 is a catalyst working to ensure an ongoing supply of world-class talent for West Michigan. Composed of over 100 CEOs from the region, Talent 2025 illuminates gaps, evaluates leading practices, and advocates for the implementation of those leading practices to make West Michigan a top 20 employment region by the year 2025.