



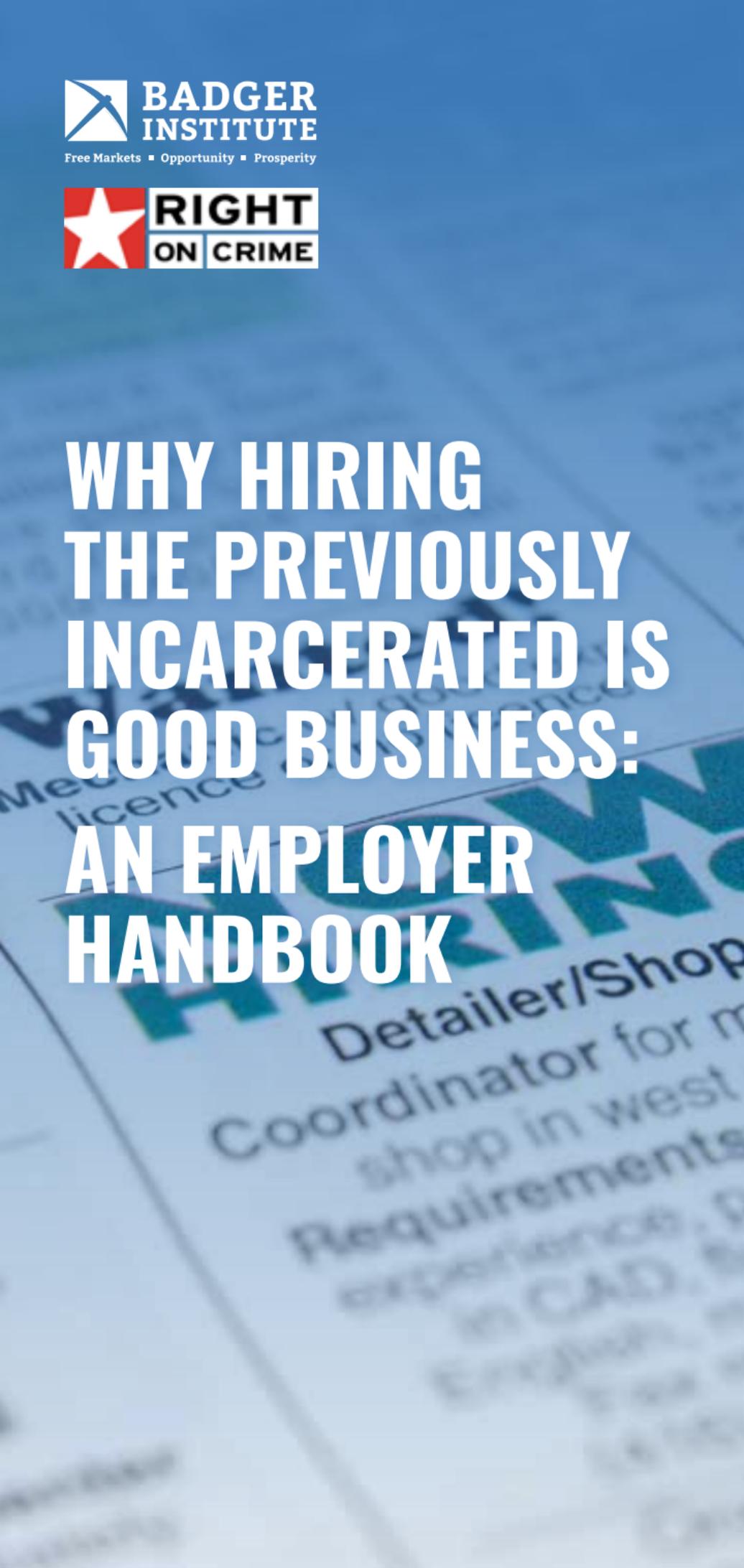
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WHY HIRING THE PREVIOUSLY INCARCERATED IS GOOD BUSINESS: AN EMPLOYER HANDBOOK





Why Hiring the Previously Incarcerated is Good Business: An Employer Handbook

Introduction

Wisconsin's unemployment rate has been at historically low levels since late 2017. At the same time, the state's labor force participation rate has remained high, although lower than Wisconsin's peak of 74.5% in 1997. Wisconsin is also one of the top five states in terms of strongest job outlook.¹

The state's strong economy is something to celebrate, but it creates very real challenges for employers seeking qualified, reliable workers. This handbook is meant to assist employers with considering and hiring a group of employees who are often left out of the labor force but would greatly benefit from stable employment: those with a criminal record.

Since half of the approximately 23,000 people in Wisconsin prisons today will be released in just two years,² it is important to consider factors that will enable them to become contributing, productive members of society. Perhaps the most important factor that both deters recidivism and enables a successful transition to society is employment.

It can be difficult for employers to consider hiring someone with a criminal record for many reasons. We hope this handbook equips employers with the relevant information needed to make an informed decision for their respective businesses. We will first provide background on Wisconsin's criminal justice system and explain who is being released from prison. We'll discuss the benefits of hiring individuals with a criminal record, both for

employers and society. Finally, we'll offer testimonials from employers already engaged in hiring people with criminal records as well as some concrete next steps for those interested in learning more.

Wisconsin's Criminal Justice System

To better understand the issue of employment for people with a criminal record, it is important to understand how the criminal justice system works. A person convicted of a crime, by definition, faces the prospect of incarceration, community supervision or both. If sentenced to less than a year of incarceration, the sentence is served in a county jail. Those convicted of a felony — a more serious crime — may be incarcerated in the state prison system. For those sent to prison, their sentences include both a period of incarceration and a period of extended supervision following their release.

How we approach reentry has ramifications that affect government coffers, public safety, and the health and well-being of families and communities. Nationally, about 95% of state prisoners will eventually be released.³ In Wisconsin, 49% of the prison population will be out within two years. And for all of those returning to their communities, there is a serious risk of recidivism—defined as returning to prison within three years after initial release. In Wisconsin, about one in three individuals returns to prison in this timeframe.⁴

Clearly there is a societal benefit to reducing recidivism. The cost of housing an individual in a state prison is more than \$30,000 per year. Someone who's working instead of re-offending saves taxpayers money in housing and programming costs, decreases the need for public benefits, turns the individual into a taxpayer and allows that individual to experience all the collateral benefits that accompany self-sufficiency.

Profile of Typical Person with a Criminal Record

According to the Wisconsin Department of Corrections' (DOC) 2017 numbers, 93% of those incarcerated in the state are male, while 7% are female.⁵ Almost half of these inmates have never been incarcerated before their current sentence. Sixty-four percent will be released in five years, and half will be released in two years or less. About two-thirds of those in Wisconsin prisons today are serving time for committing a violent offense.

Seventy percent of those incarcerated in Wisconsin have earned at least a high school diploma or equivalent. For 47% of those incarcerated in the state, a GED marks their highest level of education. Through specific DOC programs, many inmates leave prison with newfound skills and education that increases their post-release employability and job readiness.

The Windows to Work program,⁶ for instance, which in 2018 operated in 13 adult institutions and five county jails, provides pre- and post-release services to incarcerated individuals that help promote self-sufficiency. While incarcerated, participants receive classroom training in areas like cognitive intervention, general work skills and expectations, financial literacy, community resources, job seeking, applications and resumes. In 2018, 78.5% of those who participated in this program or received other jail-based programming obtained employment after their release.

Other DOC programs train and prepare inmates for careers in specific, technical industries — like manufacturing, welding, industrial maintenance, construction, dairy and automotive, for instance. Through partnerships with technical colleges across the state, nearly 300 inmates have completed and received certifications in these industries. Of those released from prison and eligible for work, 95% of those who completed these programs are currently employed. Many were even hired while they were still incarcerated.

At many of the minimum- and medium-security facilities across the state, individuals participate in work release programs that permit them to leave their institutions to work on a daily basis. Through these programs, they gain work experience and skills that will increase their likelihood of employment after release. In 2017, there were 1,344 work release placements from DOC facilities.⁷

The completion of technical programs like these, plus courses that allow inmates to earn their GEDs, increases the employability of those with a criminal record and reduces the chance of recidivism or incarceration as the result of a new crime. One study found that inmates who participated in education programs had a 43% lower chance of recidivating than those who did not.⁸

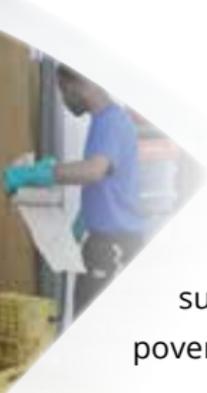
Employment Provides Economic Stability for Families

Incarceration and its consequences affect a wider group of people than just those behind bars. Nearly one in 28 children in the U.S. have an incarcerated parent.⁹ In Wisconsin, 43% of incarcerated men and 49% of incarcerated women have at least one dependent at home. This means thousands of children in the state grow up without a mother or father in their home for some period of time.

Not only does this affect children's educational, physical and mental well-being, it undermines the family unit and decreases the odds of financial stability and well-being over a lifetime. In fact, family income averaged over the years a father is incarcerated is 22% lower than the year prior to his incarceration. Even in the year after the father's release, family income remains 15% lower than prior to their incarceration.¹⁰

When employers hire individuals with a record, the economic impact extends to their family and children as well. It's widely understood that a job is one





of the biggest factors in pulling people out of poverty. However, the impact of hiring a previously incarcerated person is even more substantial considering the correlation between poverty and incarceration.

Since many individuals live in poverty before they're incarcerated,¹¹ gainful employment after their release not only decreases the chances of recidivism, it can also help break the cycle of poverty or criminal behavior within their families.

Employment Shortly after Release is Critical

The benefits of work have been widely studied and supported in scholarly research. Having a job gives people a purpose, social connections and monetary resources. For many, work can break the cycle of incarceration and bring healing to themselves, their families and their communities.

Research shows that individuals returning from prison want to work.¹² Even though unemployment among formerly incarcerated people is five times higher than the general public, they are more likely to be "active" in the labor market than the general public.¹³ Among those with a record between the ages of 25 and 44, 93.3% are either employed or looking for work, compared to 83.8% of their peers the same age without a record.¹⁴

One study found a significant correlation between an individual's education and employment after release and the likelihood of recidivism, stating that "post-release employment was the major predictor of recidivism, regardless of an offender's classification (i.e., violent, non-violent, sex, and drug offenders)."¹⁵

Benefits to Employers

There are several programs that incentivize the employment of formerly incarcerated individuals. For example, the Work

Opportunity Tax Credit (WOTC) is a federal tax credit for employers who hire certain populations facing barriers to employment — including those with criminal records. To qualify, the potential employee must have been convicted of a felony or released from prison for a felony within a year of their hire. According to the Wisconsin Department of Workforce Development (DWD), employers can claim up to 40% of the first \$6,000 in qualified wages for the first year for a maximum credit of \$2,400 per new hire.¹⁶

For taxpayers, the benefits of moving individuals into jobs through the WOTC are twice the magnitude of the maximum subsidy payment, which suggests that the program pays for itself.¹⁷ More information on the credit is available at the DWD and IRS websites.

Sometimes an employee or prospective employee's criminal record prevents employers from securing traditional employee bonding against criminal activity or dishonest behavior. The Federal Bonding Program (FBP), created by the U.S. Department of Labor (DOL) to address this issue, incentivizes employers to hire individuals without taking on additional risk. The FBP applies to individuals whose backgrounds pose barriers to employment, including those with a criminal record as well as "individuals in recovery from substance use disorders, welfare recipients, individuals with poor credit records, economically disadvantaged youth and adults who lack work histories, and individuals dishonorably discharged from the military."¹⁸

FBP bonds are free of charge and protect employers from losses incurred by corrupt or dishonest acts by the employee through theft, forgery, larceny or embezzlement. Each bond has a \$5,000 limit with no deductible and covers the first six months of a qualified individual's employment.¹⁹ Bonding services that help individuals get jobs are considered to have a 99% success rate, and the advantages include²⁰:

- NO application for job seekers to complete
- NO papers for employers to submit or sign

- NO formal bond approval process
- NO federal regulations applicable to bonds issued
- NO follow-up or required termination actions
- NO deductible paid if bond claim is filed by the employer
- NO age requirements (other than legal working age in State)

Bonds can be applied to:

- ANY job
- ANY state
- ANY action an employee dishonestly committed on or away from the work site
- ANY full- or part-time employee paid wages (with federal taxes automatically deducted from pay), including individuals hired by temp agencies.²¹

In Wisconsin, job seekers simply register with a Wisconsin Job Center; after that, there are no applications or papers to be completed. DWD employs fidelity bonding program representatives at locations across the state.²² Their contact information and locations are available at: <https://dwd.wisconsin.gov/bonding/coordinatorlist.htm>.

Employers may also experience lower turnover with formerly incarcerated employees, which could save them thousands of dollars a year in hiring and onboarding costs.²³ Many of these individuals are required to maintain employment by a judge or their agent as part of their terms of supervision, providing a powerful incentive to succeed in the workplace.

Resources for Employers

There are also numerous nonprofits and government agencies that assist employers with hiring people with criminal records. The Southeast Wisconsin Reentry Employment Expo, for instance, is a non-traditional job

fair aimed at equipping employers with useful information and resources to hire individuals with a record. At the Expo, community organizations that work in the reentry arena are available to answer questions and educate employers on how they prepare the formerly incarcerated for meaningful work.

Other nonprofits are also available to help guide employers or partner with them. The Joseph Project, a faith-based job training initiative, provides transportation for individuals to their place of employment. They operate training programs in Milwaukee, Wausau and Green Bay, providing transportation to employers in surrounding areas.

The director of Sheboygan County Economic Development Corporation — where many Joseph Project participants are employed — says that many employers in the area regard the program as “a pipeline for qualified individuals.”

“If we’re going to solve our workforce challenge, we need to be open to having conversations about hiring people with criminal records or a spotty work history,” says the director, Dane Checolinski. “Just because you made one bad mistake doesn’t make you a bad employee.”

Many other nonprofits, including Project Return, God Touch Milwaukee and Milwaukee JobsWork help train, mentor and prepare returning citizens for various types of employment.

Milwaukee Transitional Jobs Reentry Project focuses on connecting Milwaukee area employers and employees with criminal records. Other programs, like Madison Urban Ministries, focus on finding jobs and offering other services, such as housing, that improve the chances for successful reentry.

The Job Center of Wisconsin (JCW), which operates statewide under DWD, provides information and assistance to both employers and employees including resources for taking advantage of specialized programs. JCW coordinates with DWD and DOC to place services within prisons for people nearing their release. Many steps, such



as settling occupational licensure and bonding concerns, can begin prior to release, preparing the way for a successful transition.

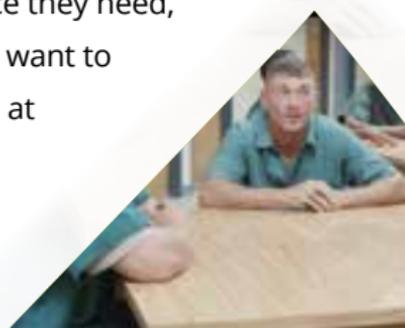
Nationwide resources exist as well. The website “Jobs for Felons Hub” provides Wisconsin-specific resources for both employers and employees as well as information on federal reentry programs.

Additionally, the Getting Talent Back to Work Initiative, a partnership of Koch Industries and the Society for Human Resource Management, helps connect businesses around the country with re-entering applicants.²⁴ The Initiative features a toolkit to help companies adopt evidence-based practices to locate qualified talent among those with a criminal record and provide tangible steps that will help them reduce any potential legal liability.

Hiring Individuals with Criminal Records Puts Employers in Good Company

Many companies, both nationally and in Wisconsin, have been hiring individuals with criminal records for years and found success in doing so. Harrigan Solutions, a machine maintenance service provider based in Grafton, WI, has embraced the practice of hiring former inmates for years. Founder and owner Bill Harrigan says he sees employment as “a vehicle to achieve one’s personal vision of success.” His employees receive both hard and soft skills training when they start at the company to determine their strengths and motivations.

When former inmates are given the chance to operate within their own strengths, Harrigan says, it’s “intoxicating.” Once his employees gain the experience they need, Harrigan says he supports them if they want to move on to another career or move up at his company.



“Just like you and me, when they begin to see that their unique strengths are needed and used by the team, and that their job with Harrigan is a vehicle to achieve their personal vision of success, they feel the value that comes with work well done. That said, more so than others who’ve had success at work, the sense of belonging is particularly intoxicating for those that have been beaten down and discouraged, and they respond with added discretionary effort.” —Bill Harrigan

Harrigan estimates that over the years he’s hired around 50 employees with criminal records. When asked what he would tell employers looking to hire individuals with a criminal record, he replies: “When an organization improves its ability to engage individuals with a checkered work history, it also improves the engagement and performance of everyone else. It becomes a competitive advantage to be able to better harness the talents and ideas of all employees, not to mention better retention and lower hiring costs.”

Checolinski says he’s seen average or above average retention rates among businesses he works with as well. “The perception that people don’t want to work is vastly wrong,” he says. “They just don’t know that these companies exist and are willing to provide them with good pay and benefits.”

Wenthe-Davidson Engineering Co, which was recently named one of the fastest-growing companies in the Milwaukee area, has hired former offenders for the past 20 years — both from work release programs and through the regular application process. According to President/CEO Fred Anderson, all of his employees are held to the same standards of behavior and work ethic, regardless of their criminal background. “People need to serve their sentence,” says Anderson, “But are we as employers supposed to hold them back after they’re released?” Anderson also says he’s found success with

employing a chaplain who comes to the plant once a week to talk with employees as needed.

“It really has been a positive impact on the company because we have dedicated employees who appreciate the opportunity that we have provided. Some haven’t succeeded and have left for one reason or another, but many have stayed. One has become a supervisor on one of our off shifts.” —Fred Anderson

Based in Milwaukee since 1936, Law Tanning manufactures and produces leather for both national and international clients. They hire almost all their employees — some of whom have a criminal record — through temp agencies, so the hiring manager frequently does not know if someone has a record or not. Individuals are given a chance to prove themselves and, if they show up and are willing to learn, they usually secure a full-time job.

“Hiring decisions depend on the individual. I never want to judge someone based on a group identity. If they’re good people, we want to hire them.” —Ryan Law

“We give the same opportunity to everyone,” said Law. “We’re willing to coach and teach our employees, but they need to be willing to learn.”

Other employers are embracing this practice across the country, including Koch Industries, Walmart and Starbucks. According to a recent survey by the Society of Human Resource Management and the Charles Koch Institute, 82% of managers and 67% of HR professionals feel that the “quality of hire” for employees with criminal records was equal to or better than those without records.²⁵ The Getting Talent Back to Work Initiative, for instance, has enrolled more than 2,300 companies around the United States in its “Second Chances Hiring Pledge” to hire formerly incarcerated Americans.²⁶

In the same survey, respondents indicated the top reasons to hire individuals with criminal records were, “a desire to hire the best candidate for the job regardless of criminal history, making the community a better place, and giving individuals a second chance.”

Additionally, 78% of Americans said they feel comfortable purchasing goods or services from a business that employs individuals with non-violent criminal records.²⁷

Criminal Record as a Barrier to Employment

There are many consequences of being convicted of a crime, one of which is increased difficulty in attaining an occupational license. Most occupational licenses in Wisconsin are administered by the Department of Safety and Professional Services (DSPS), and each license may prohibit people with certain convictions during certain time periods from working in a particular field.

To better understand if a certain conviction creates a barrier, the DSPS website contains information about requirements for each license. Of note, most professional licenses cannot be denied to someone with a criminal record unless their conviction is substantially related to the profession they seek to enter. State law also protects individuals from employment termination due to an arrest, unless the alleged crime is “substantially related” to their current job duties.²⁸ Unfortunately, what “substantially related” means and how it applies to each occupation is an area of law that remains murky.

A recent change in the law has made these barriers more manageable.²⁹ If someone is concerned that a conviction eliminates the possibility of an individual securing a license, DSPS is required to explain in writing why the conviction would require the department to reject the application. The law also requires DSPS to provide this information even



if no other requirement for licensure has been satisfied.

Employer Liability

Generally speaking, an employer can be held liable for an employee's misconduct on the job if the employer was negligent in the hiring or supervision of the employee.³⁰

Negligence in this context means proper, reasonable care was not used and, as a result, some harm occurred. How a conviction occurring before employment could result in liability would be very fact-specific to the employee, the nature of the business and whatever misconduct occurs.

Concerns about liability are reasonable but can be well managed. Using resources such as the Getting Talent Back to Work Toolkit, which follow industry standards based on the latest research, can help you and your attorney design best practices to significantly reduce your liability.³¹

Conclusion

A thriving economy can compel businesses to seek employees they might not have considered in the past. Individuals coming out of the corrections system are often eager to work, and businesses with a record of hiring them frequently attest to the benefits of doing so. This handbook is meant to assist employers who are considering taking this step.

Most people incarcerated in Wisconsin today will re-enter society within the next two to five years. Increasing the likelihood of a successful transition back to their communities through employment is a worthwhile and fiscally responsible goal. While a job is not the only factor that reduces recidivism among re-entering citizens, research shows a strong correlation between them.

Based on our research and interviews with employers, there are clearly benefits to hiring those with a criminal record. In

addition, providing employment to this population not only positively impacts the individuals, it benefits their families, their communities, public safety and Wisconsin taxpayers. ■

About the Authors



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Julie Grace is a policy analyst in the Badger Institute's Center for Opportunity where she researches and writes on criminal justice and occupational licensing issues. She previously served as a policy and communications advisor to Lt. Gov. Rebecca Kleefisch. While completing her master's degree in communications at Marquette University, Grace interned at the Badger Institute, researching and reporting on the state and local impact of federal grants as part of the institute's Project for 21st Century Federalism.



Thomas Lyons, State Director, Right on Crime

Thomas Lyons entered the legal field after receiving an undergraduate degree from the University of Illinois and a law degree from Marquette University. Working in offices in Kewaunee and Sheboygan Counties, Lyons' practice focused primarily on criminal defense, juvenile and mental health law. Switching to the world of policy, Lyons started as a legislative aide to a member of the Wisconsin State Assembly, followed by a state senator, and for a brief time Governor Scott Walker before joining Right on Crime on 2017.

Endnotes

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