

Giving people with criminal backgrounds a second chance

JPMorgan Chase is advancing a public policy agenda to reduce employment barriers, making new philanthropic investments to support career development and financial health, and enhancing our own hiring strategy.

Ensure a Fair Hiring Process for All Americans

CHALLENGE

Disclosing criminal records on job applications significantly reduces employer callbacks and job offers.

One of the biggest barriers to employment for people with arrest or conviction histories is the disclosure of their records on initial job applications. Qualified applicants are too often disregarded even if an individual's background has no bearing on job requirements. Research shows that employers reject applicants with arrest or conviction records at significantly higher rates than those without such histories. One study found that disclosing a record reduces the likelihood of callbacks and job offers from potential employers by almost half.¹ Moreover, disclosure of records on job applications disproportionately impacts communities of color, as research finds that black men with records are less likely to get a call back compared to their white male peers.²

Given that one in three working-age adults has a criminal record,³ conviction history questions on job applications create significant barriers to employment and economic opportunity for a substantial number of Americans.⁴ The impact of widespread employment barriers to people with criminal backgrounds is estimated to cost the economy about \$78 to \$87 billion in annual growth.⁵

Fair chance hiring efforts at the federal and state levels call for the removal of such checkboxes from applications. Fair chance hiring allows certain employers to ask individuals about their arrest or conviction histories only after they have made a conditional offer of employment. This gives employers an opportunity to access a wider talent pool and the ability to evaluate an individual's record on a case-by-case basis. To date, 35 states, D.C., and over 150 cities and counties have adopted "ban the box" policies in the public sector and 13 of those states have also banned the box for private sector hiring.⁶

Studies have found that fair chance hiring policies increased employment opportunities in high-crime neighborhoods by about four percent⁷ and increased the odds of public sector employment for formerly incarcerated individuals by 30 percent.⁸ Moreover, cities and states across the country see economic benefits.

SOLUTIONS

Federal and state fair chance hiring reforms allow criminal background checks later in the hiring process.

JPMorgan Chase implemented the fair chance hiring policies practice in 2018 and no longer asks about arrest or conviction on job applications, and encourages other employers to follow this practice. The Federal government and states should enact fair chance hiring policy reforms, which increase labor market access and improve economic outcomes for people with an arrest or conviction.

In 2016, the Office of Personnel Management issued a final rule⁹ directing federal agencies to "ban the box" in hiring decisions, delaying inquiries into an applicant's criminal background until later in the process. JPMorgan Chase supports the bipartisan Fair Chance Act ([H.R. 1076/S. 387](#)) currently moving through Congress, which would codify the policy in law and also extend it to hiring federal contractors.

\$78 TO \$87 BILLION

loss to annual GDP by excluding people with records from work

27%

the unemployment rate of formerly incarcerated people

ALMOST HALF

reduction in the likelihood of a job offer as a result of a criminal record

35 states, D.C., and over 150 CITIES and COUNTIES have implemented some form of a "ban the box" policy.

NOTES

- 1 Stacy, Christina and Mychal Cohen. "Ban the Box and Racial Discrimination: A Review of the Evidence and Policy Recommendations." Urban Institute. https://www.urban.org/sites/default/files/publication/88366/ban_the_box_and_racial_discrimination.pdf
- 2 Friedman, Matthew. "Just Facts: As Many Americans Have Criminal Records as College Diplomas." Brennan Center for Justice. <https://www.brennancenter.org/blog/just-facts-many-americans-have-criminal-records-college-diplomas>
- 3 Friedman, Matthew. "Just Facts: As Many Americans Have Criminal Records as College Diplomas." Brennan Center for Justice. <https://www.brennancenter.org/blog/just-facts-many-americans-have-criminal-records-college-diplomas>
- 4 Stacy, Christina and Mychal Cohen. "Ban the Box and Racial Discrimination: A Review of the Evidence and Policy Recommendations." Urban Institute. https://www.urban.org/sites/default/files/publication/88366/ban_the_box_and_racial_discrimination.pdf
- 5 Bucknor, Cherrie and Alan Barber. June 2016. "The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies." <http://cepr.net/publications/reports/the-price-we-pay-economic-costs-of-barriers-to-employment-for-former-prisoners-and-people-convicted-of-felonies>
- 6 National Employment Law Project. "Ban the Box: U.S. Cities, Counties, and States Adopt Fair Hiring Policies." <https://www.nelp.org/publication/ban-the-box-fair-chance-hiring-state-and-local-guide/>
- 7 Shoag, Daniel and Stan Veuger. "'Ban the Box' Measures Help High-Crime Neighborhoods." <https://www.aei.org/publication/banning-the-box-consequences-of-bans-on-criminal-record-screening-in-employment-applications/>
- 8 Craigie, Terry-Ann Ph.D., Connecticut College. "Ban the Box, Convictions, and Public Employment." <https://docs.house.gov/meetings/GO/G000/20190326/109189/HMKP-116-G000-20190326-SD005.pdf>
- 9 U.S. Office of Personnel Management. "Recruitment, Selection, and Placement (General) and Suitability." Federal Register. <https://www.federalregister.gov/documents/2016/12/01/2016-28782/recruitment-selection-and-placement-general-and-suitability>

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