

The Fair Chance Hiring Campaign

Leveraging the full talent pool for strategic success

The Shareholder Rationale for Smart Hiring

Criminal Records by the Numbers

An estimated 70 million Americans have a criminal record, or almost 1 in 3 adults. Many of these people are qualified individuals who do not pose any risk in the workplace. Yet having a criminal record carries an often unwarranted stigma that limits a person's ability to be absorbed back into the community and obtain employment. Our economy is less efficient because a large and growing cross-section of society is left idle and unemployed as a result of discrimination against old or irrelevant offenses. The successful transition of people from incarceration back to the community, including the opportunity for stable employment, is a vital deterrent to criminal conduct and recidivism. The inability of people with records to find employment is a sizable structural flaw in the U.S. labor market. The result of the reduced output of people with felonies and formerly incarcerated people is estimated at \$57–\$65 billion in losses to the U.S. economy in 2008 alone. Allowing people to work can also increase income tax contributions, boost sales tax, and save money by reducing state and federal government assistance. Employers can also benefit from hiring returning citizens by avoiding risks and capturing opportunities.

Financial Risk

Part of investor analysis of potential investments in sustainable businesses should focus on the ability of companies to recruit and retain the best workers. Companies who automatically disqualify anyone with a criminal record from their applicant pool are artificially limiting their access to the best employees and put themselves at a competitive disadvantage in the war for talent. Additionally, companies need to hire people who can help them unlock new markets such as opportunities from underrepresented and underserved groups.

Compliance Risk

Because ban-the-box legislation (where employers do not ask a candidate about their criminal history on the initial job application) is moving as a patchwork of laws around the country, companies can reduce their compliance risk with state and local ban-the-box laws as well as federal anti-discrimination law by adopting equal opportunity hiring best practices across the board.

Reputational Opportunity

Smart hiring of people with records can help companies differentiate their brands and build appeal with clients and consumers, especially among millennials. It may open up new opportunities and help companies grow into new communities where they hadn't had a presence previously.

Smart hiring is also an opportunity to hire people with different skills and experiences to expand the corporate talent pool. Emerging evidence shows that people with records can be the most loyal and committed employees. It can also create greater human resources efficiency by adopting best practices nationwide, instead of keeping up with patchwork legislation in each locality.

The Fair Chance Hiring Campaign is a collective of asset owners, investment managers and advocates working to address and advance smart, fair chance hiring practices in the private sector. To join our coalition or to learn more contact Mary Vaccari at mvaccari@iccr.org or Corey Klemmer at cklemmer@afcio.org.