

Other Voices

By Daniel Yanisse

The Benefits of Hiring Ex-Offenders

SEVENTY MILLION AMERICANS, OR ONE IN three adults, have some form of a criminal record today. The consequences of that criminal record can follow them around for decades, creating barriers to employment, housing, and education. Research shows that as many as three out of four people remain unemployed a year after they have been released from prison.

At the same time, only 12.5% of employers say they definitely would consider job applications from ex-offenders, according to the U.S. Bureau of Justice Statistics. Some of the most common reasons for hesitation include safety concerns and fears of existing employees, the potential for negative public relations, and even barriers that keep occupational licenses out of the reach of people with criminal records.

The pervasive belief that a criminal background translates into risk in the workplace isn't just detrimental from a societal perspective; it is a potentially bad business move. Our economy loses around \$87 billion annually due to these barriers to employment, which translate into lost tax revenue for cities, states, and the nation. Economic impact aside, when employers pass up on people with criminal records, they could be putting themselves at a competitive disadvantage.

Until a few years ago, my company—a technology-driven background-check platform—was one of them. While we knew that adopting “fair chance” hiring practices, or what's also known as second-chance hiring, would have a positive impact on our business, we weren't quite prepared for how significant that impact would be—or just how crucial fair-chance hiring would become to the growth and success of our business. As we've implemented our own fair-chance hiring program, we've found that there are three big benefits.

First, hiring people with criminal records has helped us further expand our talent pool in a period of unusually low unemployment and a tight labor market. According to recent research, 45% of employers say they can't find the skills they need, and for large organizations (250+ employees), the percentage is even higher, with 67% reporting talent shortages in 2018. It isn't just the talent shortage that's keeping employers up at night; even after finding the right people, companies face a greater risk of losing them to competitors.

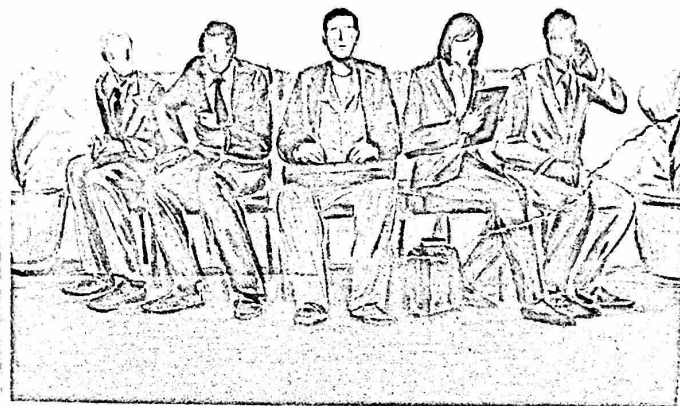
For companies embracing fair-chance hiring practices, finding the right talent isn't an insurmountable challenge. Criminal backgrounds can encompass a broad spectrum of offenses, including minor offenses or records from many years ago, and the candidate pool is diverse and eager. Because people with criminal records often face higher barriers to employment than others, companies are less likely to draw out the hiring process. That makes it easier to keep up with the growing talent demands of running a successful business.

A second benefit of fair-chance hiring is the enhanced return on investment, from both a performance and retention standpoint. Research from the American Civil Liberties Union shows that when businesses hire people with criminal records, their retention rates are likely to be higher and turnover is likely to be lower.

Furthermore, a study from Northwestern University finds that people with criminal records are no more likely to be fired for misconduct than people without records. They're also less likely to quit, which saves employers a considerable amount in turnover costs. When you give someone a fair chance, they are grateful for the job and often feel a strong sense of loyalty as a result of their appreciation. We've seen this firsthand. Today, fair-chance hires account for more than 5% of the workforce in our company. This population has had an 84% retention rate over the past two years, and 31% of these hires have been promoted or transitioned into other departments across our organization.

As we've furthered our fair-chance efforts, we've been able to better gauge which individuals will thrive in our environment by implementing some changes in our recruiting process. They include testing for skill sets early on, interviewing for adaptability and the willingness to learn in a new environment, and conducting individualized assessments, where necessary, to better understand the stories behind their records. We've found this process helps alleviate some of the risks of hiring people with criminal records and builds a more transparent, honest relationship between employer and employee.

Finally, fair-chance hiring helps to create a diverse and inclusive workplace. While diversity is top of mind for most U.S. businesses to-



day, the conversation usually begins and ends with race and gender. To build and reap the benefits of a diverse and inclusive workplace, that conversation ought to extend to different abilities, sexualities, ages, education levels, and socioeconomic statuses. Namely, it should include people with criminal records.

In America, the burden of incarceration is borne disproportionately by minorities. According to data from the Sentencing Project, black males born in 2001 were five times more likely than white males to serve time in prison at some point in their lives. When companies refuse to hire people with criminal records, it has an inordinate effect on minority applicants—who we have found are likely to have different abilities, education levels, and economic statuses—and makes it even more challenging to build a diverse team.

Fair-chance hiring is but one step toward reducing the barriers that 70 million Americans face. It's something all employers ought to consider, for the sake of their bottom line, to reduce the public costs of incarceration, and for the good of society. ■

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Fair-chance hiring, or hiring people with criminal records, can enhance a company's bottom line, reduce the public costs of incarceration, and improve society. A tech CEO makes an impassioned case.

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