

25

Reintegrating the Formerly Incarcerated into the Workforce

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The United States has one of the world's highest rates of incarceration. As of 2014, approximately 1 in every 110 adults was in prison or jail, and 1 in 52 on parole or probation (Bucknor and Barber 2016). Based on year-end 2016 data, roughly 110 million people have criminal history records on file across the 50 states, Puerto Rico, and Guam (U.S. Department of Justice 2018).

High incarceration rates generate significant direct costs for society and families. Second-order effects are also substantial and include a reduction of the labor pool, difficulty obtaining employment after incarceration, and high rates of recidivism. Fewer than half of previously incarcerated individuals have full-time employment (U.S. Department of Education 2016), and more than three-quarters of formerly incarcerated individuals are rearrested within five years of being released (Durose, Cooper, and Snyder 2014). Researchers from the Center for Economic and Policy Research (CEPR) estimate that employment rates for men with felony convictions are 1.6 to 1.8 percentage points lower than the national male unemployment rate (Bucknor and Barber 2016). In 2014, unemployment among ex-offenders cost the economy roughly 1.7 to 1.9 million workers, or 0.9 to 1.0 percentage points in the overall unemployment rate. In terms of output, CEPR estimates there to be \$78 to \$87 billion of annual lost gross domestic product from this effect (Bucknor and Barber 2016).

Rigorous statistical analyses find that a history of incarceration reduces subsequent wages on average by 11 percent, annual employment by nine weeks, and yearly earnings by 40 percent (Western and Pettit 2010). Furthermore, a history of incarceration reduces earnings that would have been made through age 48 by 52 percent for white men, by 41 percent for Hispanic men, and by 44 percent for black men. This

amounts to a 2 percent total earnings loss for all white males, 6 percent for Hispanic males, and 9 percent for black males (Western and Pettit 2010). Based on the 2016 Bureau of Labor Statistics' weekly earnings statistics, earnings losses due to incarceration translate into nearly \$100 billion per year. Policies that facilitate employment for formerly incarcerated men and women, especially given the tight labor market, could reduce recidivism and provide macroeconomic benefits.

An Urban Institute report on prisoner reentry notes that “work has benefits that reach multiple levels, including the individual, family, community, and societal levels. Individual-level benefits include rehabilitation—work offers former prisoners an opportunity to develop new roles as productive members of society. Holding a job serves as an important signal that the individual is moving toward a crime-free lifestyle” (Solomon et al. 2004, p. 4). Yet high rates of unemployment tend to persist for the formerly incarcerated. Employment discrimination based on criminal history may contribute to higher rates of unemployment, particularly for black and Hispanic men (Decker et al. 2014).¹

Persistent unemployment among the formerly incarcerated also stems from limited educational attainment. As of 2014, roughly 70 percent of the U.S. prison population had a high school degree or more, versus 86 percent of the U.S. household population. Likewise, only 6 percent of the U.S. prison population has a postsecondary degree of some kind, compared to 37 percent of the U.S. household population (U.S. Department of Education 2016). It stands to reason that individuals with limited education, who may have also lacked strong ties to communities and local institutions, faced fundamental barriers to (living-wage) employment prior to entering the prison system. In fact, 23 percent of incarcerated adults who have less than a high school credential were unemployed before incarceration, versus 18 percent of incarcerated adults with a high school credential and 7 percent of incarcerated adults with an associate degree (U.S. Department of Education 2016).

There are several prominent organizations around the United States that address the issue of acute, long-term unemployment among the formerly incarcerated. Programs within these organizations offer support to those who may lack strong community ties and may otherwise face challenges finding work. This article will focus on one such organization in each state within the Seventh Federal Reserve District, includ-

ing the following: Cara in Illinois; Hoosier Initiative for Re-Entry (HIRE) in Indiana; Providing Opportunities for Ex-Offenders to Succeed (POETS) in Iowa; Momentum Urban Employment Initiative in Michigan; and Milwaukee JobsWork in Wisconsin.

ILLINOIS: CARA

Cara, which started in 1991, is a Chicago-based workforce development enterprise that seeks to help people overcome barriers to employment, including those who have served time in prison, while working with them to instill hope, motivation, and self-esteem. Through employment partnerships and supported job searches, Cara places hundreds of people in jobs each year. Additionally, Cara coaches work with each participant individually for a minimum of 12 months after placement, to create continuity and ongoing development. Cara also has a career advancement program and an active alumni association for graduates. The enterprise's ultimate goal is for its graduates to experience real and lasting life success, beyond just employment.

Cara has two program platforms, Cara Classic and Cara Workshops, and transitional employment opportunities through the organization's two businesses: Cleanslate Chicago and Cara Connects. To be accepted into a Cara program, prospective participants undergo a series of interviews and an orientation, during which they learn about the culture and structure of Cara. The recruitment and admissions process includes a drug test and background check. During this process, Cara staff also collect personal information about participants that will inform future coaching and job placement. This process enables staff to begin to develop relationships and build trust with potential participants.

Cara Classic simulates a traditional job through a four-day-a-week, highly structured and supportive environment. Activities throughout the program's duration promote interpersonal skills like team building and conflict management, as well as hard skills like résumé development, financial literacy, budgeting, and professional growth.

Cara Classic provides an affirming community of peers and emphasizes individual leadership, meaningful relationships, workplace competencies, and socio-emotional skill development as the foundation for

any job search or career. The daily, participant-led morning pep rally (known as “Motivations”) demonstrates the importance of community. Participants gather at 8:30 a.m. sharp and respond to provocative questions provided to them the preceding day, such as *What is the one thing you would like to improve about yourself, and how will you do this?* or *What are you afraid of, and how are you overcoming that fear?* Each person will speak to the topic for several minutes—often revealing a deeply personal story of success or adversity. The speaker then leads the group in a few bars of a song. Speakers are chosen at random during each Motivations session by the session’s leader, and no one knows if or when he or she will be selected to speak. This instills the practice of coming to Cara each morning prepared.

The second program platform, Cara Workshops, offers three-hour training seminars and individualized coaching sessions. This structure affords each participant and his or her coach the chance to reflect on daily experiences and gain insight. Cara pairs this approach with comprehensive supportive services, including professional clothing and transportation assistance, as well as financial literacy training. Cara has employer partnerships in several business sectors and leverages these partnerships for collaborative, industry-specific training opportunities. Participants in both Cara Classic and Cara Workshops (who may overlap) gain leadership development skills and work toward securing permanent or long-term jobs.

Cara’s two businesses—Cleanslate, an exterior maintenance business (litter pickup, light landscaping, snow removal), and Cara Connects, a contract staffing firm—create more than 500 transitional positions each year and generate nearly \$3 million in revenue (Cara 2016). Each business provides participants with earned income, work experience, and an opportunity to make important connections while cultivating hard and soft skills in a structured work environment that is 14 weeks long. Cara programs are funded through the revenue created by its two businesses, as well as through private donations, private and government grants, and special events revenue.

Cara’s multifaceted approach has proven effective. In Fiscal Year 2016, 538 Cara participants received permanent and long-term jobs and earned an average of \$11.34 per hour, higher than Chicago’s \$10 per hour minimum wage. In addition, more than three-quarters of Cara participants who had been placed into permanent positions the previous

year still remained with the same firm a year later—a key data point for prospective employers (Cara 2016).

Cara's calculated social return on investment (SROI) looks beyond job placement and wages and examines contributions to society (e.g., income tax, social security contributions, sales tax) and future savings to society (e.g., housing expenses, cash assistance, unemployment benefits, recidivism costs, etc.) resulting from one year of job placements. The organization estimates that every dollar invested in the program yields a return of \$5.97 (Cara 2016).

INDIANA: HOOSIER INITIATIVE FOR RE-ENTRY (HIRE)

The HIRE program, collaboratively run by the Indiana Department of Workforce Development and the Indiana Department of Corrections, began in 2012 and provides employment-related services to residents across the state. To be eligible, individuals must have a felony conviction and an active résumé on IndianaCareerConnect.com.

HIRE's model is centered on three parts of the hiring process: 1) direct client services, including group and individual classes on networking, résumé preparation, conflict resolution, financial literacy and budgeting, and interviewing; 2) outreach to businesses in the community for job placement; and 3) access to organizations that provide support for housing, clothing, and transportation. A HIRE coordinator (mentor) also works with each participant for a full year after the initial job placement.

The HIRE program benefits the participants, businesses, and the state of Indiana. During 2017, HIRE connected 2,211 people to jobs; these people had an average annual hourly wage of \$10.93 and a retention rate of 97 percent after three months. These numbers represent an increase since 2014, when 1,492 people were placed in jobs that paid an average wage of \$9.59 per hour, and they had a three-month retention rate of 84 percent.² A recent study showed that, compared to other formerly incarcerated individuals, HIRE participants had lower risks of recidivism despite their more serious criminal histories (Bohmert, Hood, and Meckes 2017).

Businesses also benefit from employment of HIRE participants through the Work Opportunity Tax Credit (WOTC), which can amount to as much as \$9,600 in federal tax credits per employee hired.³ Each year, the estimated economic benefits for the state of Indiana include \$416,000 in employer taxes paid on the new wages, and \$28.8 million in mitigated prospective prison costs.⁴

IOWA: PROVIDING OPPORTUNITIES FOR EX-OFFENDERS TO SUCCEED (POETS)

POETS, a partnership between Iowa Workforce Development and the Iowa Department of Corrections, provides vocational classes inside three Iowa correctional facilities (Mitchellville, Newton, and Rockwell City) and the Des Moines Women's Work Release Center. POETS helps prisoners obtain hard skills and improve soft skills. Participants are required to attend both scheduled sessions, be punctual, actively participate, complete all assignments on time, and remain free of major disciplinary reports.

POETS classes offer assistance with job-seeking documentation like cover letters, applications and résumés, reference lists, and thank you letters; and it works with participants on best practices for networking, job fairs, interviews, and how to address the issue of one's incarceration to prospective employers. For participants, especially those who have been incarcerated and out of the labor force for an extended period, these classes minimize the stressful nature of the job application and hiring process, including answering questions about having a felony conviction during a job interview. POETS classes also raise students' awareness of various institutional resources that they can access once they leave prison.

Among the first group of 134 POETS participants who completed the program over the first few years and were released, 78 percent (104 individuals) obtained employment.⁵ While research has yet to capture the return on investment specifically for the POETS program, in 2011, statewide, Iowa vocational education programs inside prisons generated a 43 percent rate of return on investment to Iowa taxpayers (Iowa Department of Corrections 2012).

MICHIGAN: URBAN ALLIANCE, MOMENTUM URBAN EMPLOYMENT INITIATIVE

Urban Alliance began in 1999 as a relationship-building program for people with significant barriers to entry into the labor market. Based on the notion that being a productive member of the community typically includes working and living in the community, the organization created “Momentum,” a six-week intensive curriculum designed to help unemployed or underemployed individuals in Kalamazoo secure and maintain employment. Momentum’s six-week program offers a unique mix of job readiness and social, emotional, and life skills training, along with job placement assistance. The central mission of the program is to help people gain self-confidence, and in turn help participants succeed in the workforce.

Each person who enters the program faces at least two of the most common barriers to employment: incarceration, limited educational attainment, homelessness, limited (or no) reliable transportation, lack of employment experience, or substance abuse.⁶ Approximately 88 percent of participants are formerly incarcerated, according to the participants’ responses during the screening process. Notably, Momentum does not turn away prospective participants for mental health or drug addiction issues. Instead, Momentum works with an outside organization, Urban Outreach Initiatives, to connect them with outside help before starting the Momentum program.

Momentum Urban Employment Solutions—the classroom portion of the program—helps students build key skills and competencies that lead to successful employment. Curriculum topics include basic computer skills, résumé building, mock interviews, time management, work ethic, emotional intelligence, positive self-image, personal crisis management, and conflict navigation. Classroom instruction takes place in the mornings, five days a week. Students also must complete 100 hours of community service during the last five weeks of the program. This flexible but rigorous schedule helps the students learn to manage time and adjust to a work environment.

In addition to classroom learning, Momentum finds employment for participants through the Momentum Business Network, a job placement service that consists of 55 socially conscious local businesses

and organizations. These employers provide valuable feedback on the employee's strengths and weaknesses in the workplace so Momentum staff can focus on individual needs. Momentum also pairs each student one-on-one with a mentor—typically community service volunteers. During weekly meetings that take place for a minimum of six months, mentors serve as a support network throughout the job search and hiring process and beyond.

Momentum's success rate is high for the 202 individuals who have participated in the program since 2014: 84 percent of those who start the program graduate, 92 percent of those who graduate secure employment, and 83 percent of those who were placed in employment are still employed after 90 days and earning an average wage of over \$13 an hour.⁷

WISCONSIN: MILWAUKEE JOBSWORK

Milwaukee JobsWork was formed to break generational poverty by creating a supportive work environment for people with exceptionally high barriers to employment. Milwaukee is a city that makes some lists for being among the poorest in the United States, and over 40 percent of the city's African American male residents aged 20 to 54 have been incarcerated (Pawasarat and Quinn 2013). To address these challenges and the subsequent barriers to entry into the labor market, Milwaukee JobsWork sets a goal "to provide a comprehensive and effective pathway to self-sufficiency for motivated individuals in Milwaukee" (Milwaukee JobsWork 2010). Some 90 percent of program participants are black, 75 percent are men, and 33 percent have felony convictions (Milwaukee JobsWork 2017). This program seeks to restore the dignity, self-confidence, and self-sufficiency of these individuals before focusing on life skills.

Next, Milwaukee JobsWork pursues the following four goals: 1) teaching marketable skills to participants based on employee development (see details below); 2) locating supportive companies within the community to place participants in entry-level jobs, including landscaping and janitorial services; 3) working with larger companies within the community to create relationships and in turn drive new business to

the smaller companies; and 4) teaching small business owners skills to grow their businesses, such as creating business plans and accounting.

Partner organizations refer prospective participants to Milwaukee JobsWork. It is the responsibility of future participants to contact Milwaukee JobsWork and meet with the program director to learn about the program and its requirements. Prospective participants then must attend an orientation and go through a two-week intensive workshop, which covers three areas. In order of importance, they are as follows:

- 1) Spiritual renewal and motivation to strengthen self-confidence and self-esteem
- 2) Identifying barriers to long-term employment and how to overcome them
- 3) Life skills training (soft skills, dress code, social skills, filling out a job application, résumé writing, and interviewing skills)

Upon workshop completion, participants graduate and receive personalized advancement plans to ensure that they have the right personal and professional contacts to match their goals. Additionally, Milwaukee JobsWork carries out TABE (Test of Adult Basic Education) testing to determine literacy, trauma screening, drug testing, and background checks. These assessments help to identify additional barriers to employment to be addressed in the member's advancement plan.

Once participants receive jobs, Milwaukee JobsWork staff helps them with their goal of stability in employment, which contributes to the organization's central goal of lifting people out of poverty. Since participants have been unemployed long-term, adjusting to work comes with various difficulties. The employers that hire graduates understand that sometimes mistakes happen, and they work with Milwaukee JobsWork staff to get the workers back on track if necessary. For example, instead of immediately letting an employee go for not coming to work, employers and JobsWork staff jointly investigate the reasons the employee did not show up, and they work with him or her to find a solution. Each mistake is treated as a teachable moment, so that workers feel valued and build their self-confidence and self-esteem. Once a worker gains skills on the job and holds a job for approximately a year, Milwaukee JobsWork will work with the employee to create pathways to advanced skills acquisition through workshops and on-the-job learning to help that worker on the next step of his or her career journey.

While Milwaukee JobsWork is still new, 256 people have by now started the workshop. More than three-quarters of them became members with advanced plans. However, only 37 percent of the members remained active with the organization after the workshop, and only 8 percent of the members are self-sufficient, making at or above 200 percent of poverty-level income for at least six months.⁸ Looking ahead, Milwaukee JobsWork staff understands that participants' securing jobs within approximately two weeks of workshop completion will largely increase the likelihood they remain in the program. Through engagement with more local businesses, along with a new volunteer one-on-one mentorship program, Milwaukee JobsWork expects more participants to stay active as members and transition to becoming self-sufficient. The volunteer mentors are people from the community who understand Milwaukee JobsWork's mission of lifting people out of poverty by helping them achieve stable employment. These community members advocate for their mentees, offer guidance, and help them maintain steady employment. Mentors check in with Milwaukee JobsWork staff on a regular basis and typically meet with participants at least once a week.

CONCLUSION

This chapter has explored the methods of five organizations in the Midwest to address persistent unemployment for the formerly incarcerated. While some organizations work with current inmates and others focus on those recently released, there are important similarities across all of these organizations that policymakers should note. The programs all emphasize both hard and soft skills, work to create a sense of belonging to the community, distill complex processes into basic steps so that people with high barriers to entry who are unfamiliar with the job search process can understand how to recognize and act on opportunities, include mentorship programs to optimize personal growth and success, and try to integrate people into a support system. As the various programs demonstrate, it takes a multifaceted and focused approach to address the complex and related problems of chronic unemployment and recidivism. In a recent speech, Federal Reserve System Governor

Lael Brainard (2017a) addressed how important it is for the Federal Reserve System to abide by its maximum employment mandate, stating, “The recognition that maximum employment evolves over time to reflect changes in the economic landscape serves us well. . . . While the policy tools available to the Federal Reserve are not well suited to addressing the barriers that contribute to persistent disparities in the labor market outcomes of different groups, understanding these barriers and efforts to address them is vital in assessing maximum employment as well as potential growth” (Brainard 2017b). Whether through increasing formal educational attainment or addressing broader life challenges, the task of removing barriers and connecting formerly incarcerated workers with today’s jobs will not only benefit individuals and their families, but also move toward maximizing employment and strengthening the economy as a whole.

Notes

1. “Ban the Box” legislation, which removes from employers’ hiring applications the check box that asks if applicants have a criminal record and prohibits employers from asking about an applicant’s criminal history until later in the hiring process, is one example of an attempt to level the playing field. In the 11 states where a ban-the-box measure has been passed, research has shown that callback rates are higher for people with criminal records. However, case studies have also shown that while hiring rates are generally higher for those with criminal records than in states without such legislation, there is still a reduced callback rate for young black and Latino men. Without access to information on criminal history, employers may be making hiring decisions based on stereotypes, which is counterproductive to the ultimate goal of ban-the-box initiatives (Stacy and Cohen 2017).
2. Informational sheet provided by HIRE to author, 2017.
3. For information on the Work Opportunity Tax Credit, see USDOL (2018).
4. Informational sheet provided by HIRE to author, 2017.
5. Based on data obtained from the reentry advisers within the correctional facilities.
6. Informational sheet provided by Urban Alliance to author, 2018.
7. Informational sheet provided by Urban Alliance to author, 2018.
8. Informational sheet provided by Milwaukee JobsWork to author, 2017.

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