# BUILDING BRIDGES INITIATIVE

FAIR CHANCE HIRING · EMPLOYER FACT SHEET

EAWS
EQUAL ACCESS WORKFORCE SOLUTIONS

S B A C Small Business Advocacy Council

# Second Chance Hiring: A Big Opportunity for your Business

Businesses are facing an array of challenges which can impact their decisions to hire and expand. Factor in the cost of onboarding and potential turnover, and scalable businesses may think twice about increasing their workforce. However, there is an overlooked group of potential employees that businesses can hire and onboard in a more affordable way. Justice-impacted individuals can be reliable, dedicated workers that help businesses scale and thrive.

## WHO IS A JUSTICE-IMPACTED PERSON?

A justice-impacted person is anyone who has had direct contact with the criminal legal system. Some justice-impacted individuals are reentering the workforce following a period of incarceration; others were never incarcerated.

## WHY HIRE JUSTICE-IMPACTED INDIVIDUALS?

The vast majority of managers and HR professionals who have worked with justice-impacted individuals consider them a consistent source of talent and a beneficial addition to the workplace.[2]

In North Lawndale, the unemployment rate stands at 15.6%- nearly double the citywide rate of 8.0%. This represents a substantial local workforce that had not been tapped. With a median household income of just $37,247 and nearly a third of residents lacking a checking or savings account, North Lawndale's economic challenges underscore how much stable local employment could change trajectories for the community

MORE THAN
**80%**
Of managers report a good or excellent experience[1]

**13%**
lower turnover than employees without criminal records[3]

**$1,000**
saved each year in re-hiring costs per employee[3]

UP TO
**62%**
lower chance of recidivism with stable employment

### 01
### They meet — and exceed — your expectations

- 81% of business leaders reported that justice-impacted employees perform at least as well as employees without criminal records
- 82% of business leaders reported that the value justice-impacted employees brought to the company was at least as high as that of workers without criminal records

### 02
### Justice-impacted individuals are loyal employees

Justice-impacted employees are no more likely to be fired than those without criminal records and are less likely to quit.

- 13% lower turnover than employees without criminal record[3]
- $1,000 saved each year in re-hiring costs per employee[3]

## ECONOMIC INCENTIVES

### RETURNING CITIZENS TAX CREDIT
**$7,500**

Businesses can claim a state income tax credit equal to 15% of the qualified wages paid to eligible returning citizens, up to a maximum of $7,500 per employee per year. The credit applies to new hires who were convicted of a crime and served a period of incarceration in an adult corrections facility within five years of their hiring date.

### WORK OPPORTUNITY TAX CREDIT
**$9,000**

Businesses can earn federal tax credits of up to $2,400 for hiring individuals previously convicted of a felony if the employee was hired within one year of their conviction or release from prison. If the employee is also a long-term recipient of public assistance, the business can earn up to $9,000 over a two-year period.

## THE BOTTOM LINE

Hiring formerly incarcerated individuals is a major business opportunity. A majority of justice-impacted employees are loyal workers that exceed their employers' expectations. By hiring justice-impacted individuals, businesses will unlock financial incentives and a new pool of committed local talent.

1. O'Connor, Santos & Jaynes (2023), "How prior experience and belief in redeemability impact employers' willingness to hire applicants with a criminal record," Journal of Criminal Justice, Vol. 89. 2. SHRM, SHRM Foundation & Charles Koch Institute, 2021 "Getting Talent Back to Work" Report (fielded by NORC at the University of Chicago). 3. Kellogg Insight, Northwestern University, "Should You Hire Someone with a Criminal Record?" (2017), from Minor, Persico & Weiss, "Criminal Background and Job Performance." Recidivism: Prison to Employment Connection (prison2ec.org). Tax-credit amounts and eligibility change; confirm current details with a qualified tax professional and the Illinois Department of Revenue / IRS.