

## Second Chance Hiring – America’s Hidden Workforce

### U.S. Population/Employment Data

The United States has the highest incarceration rate in the world. There are nearly 1.5 million Americans incarcerated and another 3.7 million on probation or parole. Each year more than half a million individuals are released from incarceration.

- **U.S. Prison Population:** ~1.5 million Americans
- **Releases:** 600,000 Americans are released from jail/prison annually
- **Probation & Parole:** ~3.7 million Americans
- **Criminal Record:** 80 million Americans (one in three)
- **Felony Convictions:** 19 million Americans
- **Arrests:** In the last 5 years, there were +26 million arrests in the U.S.
- **Unemployment Rates:**
  - U.S. unemployment rate is **4%**
  - Unemployment rate among working-age formerly incarcerated individuals is **27%**
  - Unemployment rate during the Great Depression was **25%**

With [11 million job openings in the U.S. and fewer than 6 million job seekers](#), the business community should be focusing on America’s hidden workforce, the second chance workforce.

The business community cannot overlook the 80 million working age adults with criminal records, the 19 million Americans with felony convictions, the 3.7 million on probation or parole, and the tens of millions with misdemeanors and other criminal justice system interactions.

### Second Chance Hiring: Benefits

**Second Chance Hiring Practices:** Second chance hiring practices have benefited companies by expanding their talent pool, improving employee retention, and enhancing their reputation as socially responsible businesses.

Companies that embrace these practices often find that justice-involved individuals are highly motivated and loyal workers. These individuals are eager to prove themselves and demonstrate strong work ethic and commitment.

- **Benefits to Communities:**
  - **Reduces Recidivism:** Offering stable jobs to formerly incarcerated individuals help break the cycle of incarceration. Employment

plays a key role in reducing the likelihood of reoffending and promoting long-term rehabilitation.

- **Economic Empowerment:** By helping formerly incarcerated individuals find employment, the second chance businesses contribute to workers' financial independence and ability to reintegrate into society as contributing members.
- **Social and Economic Inclusion:** Promoting the inclusion of individuals with criminal records in the workforce enhances social cohesion and provides individuals with the dignity and stability that comes with a steady job.
- **Building Safer Communities:** With more individuals successfully reintegrating into the workforce, communities see improved economic stability, lower crime rates, and better overall social outcomes.

➤ **Benefits to Companies:**

- **Access to a Larger Talent Pool:** By hiring formerly incarcerated individuals, companies tap into an often-overlooked workforce, gaining access to skilled, motivated, and committed workers who are eager for a fresh start.
- **Enhanced Employee Loyalty and Retention:** Many employers have found that employees hired through second chance programs tend to be more dedicated and loyal, leading to lower turnover rates and better long-term employee retention.
- **Corporate Reputation and Social Responsibility:** Companies that participate in second chance hiring practices gain recognition for their commitment to diversity, equity, and inclusion. This can improve their reputation, appeal to customers and investors who prioritize social responsibility, and foster a positive company culture.
- **Financial Benefits:** Through initiatives like the Federal Bonding Program and Work Opportunity Tax Credits (WOTC), companies can receive financial incentives and protections, reducing hiring risks and offsetting costs.

- Research from the [Society for Human Resource Management \(SHRM\)](#) found that people in the U.S. embrace the idea of second chances, would be proud to work for an employer, and would patronize a business that hires people who have a criminal record or who have been incarcerated.

## U.S. Workers OK Working with Colleagues Who Have a Criminal Record

Recent research SHRM conducted finds that Americans want to see their employers and the businesses they patronize open to hiring people with criminal records.

### In their workplace:



of respondents would feel comfortable working for an employer if a few of their co-workers had a nonviolent criminal record.



of respondents would be comfortable working for an employer known to hire people with criminal records.



of respondents would be comfortable working alongside co-workers who have spent five or more years in prison.

### At the businesses they patronize:



of respondents would be comfortable patronizing a business that hires people with criminal records.



of respondents would be comfortable if an employee with a criminal record assisted them.



of respondents would be comfortable receiving assistance from an employee who had spent five or more years in prison.

Source: *Second-Chance Hiring from the Consumer Standpoint*, SHRM, June 2021.

## Second Chance Hiring: Government Incentives

**Tax Incentives:** Capitalize on the [Work Opportunity Tax Credit](#) of up to \$2,400 for each employee hired within one year of being convicted of a felony or being released from serving a prison term for a felony. WOTCs can result in a significant tax reduction, lowering recruitment and employment costs.

**Federal Bonding Program:** Leveraging the no cost, \$0 deductible [Federal Bonding Program](#) that provides \$5,000 worth of coverage for any employee

dishonesty committed during the first six months of employment for part-time or full-time employees. Through this program, employers can bond employees at no cost to protect their assets *and* improve employment outcomes.

➤ **Bonding Program Highlights:**

- The program offers **\$5,000 in fidelity bond coverage** for the first six months of employment, covering **employee dishonesty**, whether on or off the job.
  - It primarily targets **justice-involved individuals**, such as those previously incarcerated, and other hard-to-hire individuals.
  - The program applies to **full- and part-time employees** with wages subject to federal taxes.
  - Bonds are available for both **new hires and existing employees** needing bonding to prevent layoffs or secure promotions.
  - Employers can access this program through their **state and local workforce system**, providing a cost-effective solution to meet hiring needs and protect assets.
- By using the Federal Bonding Program, employers can help their business thrive while contributing to the community. Contact your State Bonding Coordinator to get started: [Directory of State Bonding Coordinators | The Federal Bonding Program](#)

## Second Chance Hiring Resources

**Incarceration to Employment:** [Incarceration-to-Employment-Strategy.pdf](#)

**Second Chance Business Coalition:** [Second Chance Business Coalition](#)

**Second Chance Hiring Guide:** [Employer Guide to Second Chance Hiring](#)

**Second Chance Hiring Practices:** [What to Know About Second Chance Hiring](#)

**Second Chance Research:** [The Business Case for Second Chance Hiring](#)

**Second Chance Case Study:** [America's Hidden Workforce](#)

**Second Chance Forum:** [Reimagining Futures: Second Chance Employment](#)

**Small Businesses:** [How Businesses Can Implement Second Chance Hiring](#)

**Tax Incentives:** [Work Opportunity Tax Credit](#)

**Federal Bonding:** [Federal Bonding Program](#)

## Federal Bureau of Prisons

- **FBOP: Employment:** [BOP: Employment Opportunities](#)
- **FBOP: Volunteer:** [BOP: Volunteer Opportunities](#)
- **FBOP: Locations:** [BOP: Locations](#)
- **FBOP: Point of Contact:** Matthew J. Scott, Management Analyst:  
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