

Impact of Employing Justice-Involved Individuals

The Problem

Wisconsin has an incarceration rate of 676 per 100,000 people. As a result, an estimated 1.4 million people have convictions that may hinder their ability to secure employment. Under Wisconsin law, criminal records can be expunged if a judge deems someone eligible at the time of sentencing. Wisconsin has stricter expungement requirements than all of its neighboring states, besides Iowa, and many of the requirements are uncommon when compared to other states. Primarily, expungement requests cannot be made after sentence completion, they must be made and approved by a judge at sentencing. Additionally, Wisconsin is one of few states where expungement is only available to people under the age of 25 at the time of sentencing. The result is that 2,000 criminal records are expunged every year.

Nationally, the unemployment rate for formerly incarcerated people is over 27% — nearly five times higher than the standard U.S. unemployment rate. The lack of employment opportunities impacts not only individuals with a criminal history but also their families and especially children. Even modest reductions in family income can impact children's educational, health and employment outcomes. Additionally, reduced employment opportunity impacts the economy by reducing the number of people contributing to the workforce. Across the United States, the unemployment of justice-involved individuals creates a loss of about \$78 to \$87 billion in the GDP annually. Lastly, research indicates that individuals with a criminal record who lack employment are significantly more likely to re-offend than those who are employed. Today, 31.3% of those released from prison in Wisconsin end up returning to prison or probation within three years.

The Opportunity

Employment provides economic stability after release, while also reducing recidivism and associated state costs. A study conducted in Ohio, Illinois, and Texas showed that the more wages an individual earned two months after their release, the lower their likelihood of reoffending. The predicted probabilities of reincarceration dropped by 47% (from 23% to 12%) for people who had a job that paid between \$7 and \$10 per hour. Wisconsin has a statewide minimum wage of \$7.25.

An expansion of employment opportunities is also likely to benefit employers. Studies have shown that employees with criminal records were promoted more quickly and to higher ranks than others. Moreover, the attrition rates due to poor performance were comparable regardless of criminal background.

Employing formerly incarcerated people could help upwards of **121,338 families**.

By the numbers:

- 1.4M people in Wisconsin have convictions that may prevent them from getting a job
- Wisconsin prison populations are 10.7% women, so 149,800 of those with convictions are female
- Studies show 81% of women in prison are mothers, so 121,338 of those with convictions are mothers
- Incarcerated mothers are frequently the primary caretakers of their families

Employment opportunities could generate the DOC a **cost avoidance of \$27M per year** due to reduced reincarceration.

By the numbers:

- Each male in prison costs Wisconsin \$35,735 and each female costs \$41,121 per year (as of 2020)
- Wisconsin's 1-year reincarceration rate is 15% (as of 2015)
- If reincarceration rates drop comparably to other states, the 1-year reincarceration rate could drop by 7 percentage points, to 8%
- 9,341 individuals are released from prison annually in Wisconsin, of which 1,001 (10.7%) are female (FY 2019/20)
- 747 fewer reincarcerations where 10.7% are due to female releases and 89.3% are due to male releases yield a cost avoidance of \$27M for the state per year