

U.S. NEWS

More Businesses Try 'Second-Chance' Hiring

By Allison Prang

A labor shortage has pushed more employers to recruit employees who have served prison time.

In recent years, small businesses and big U.S. companies including banks and pharmacy chains say they have recognized that so-called second-chance hiring offers a chance to ease societal inequities. It also helps them find more workers in a tight job market.

Union Pacific Corp. in the spring started hiring people who had been incarcerated, said Beth Whited, the railroad company's executive vice president for sustainability and strategy.

Ms. Whited said the company has been recruiting for maintenance, train and electrical workers. About 120 people have either been hired or are in the application process in several U.S. cities.

"We're really trying to think about the whole person," Ms. Whited said. "What really happened, what have they done to rehabilitate and learn new skills, what's their motivation for coming to work so that we're really thoughtfully considering people."

Finding steady, formal employment has long been a challenge for people who have been convicted of crimes. Job applications often ask about felony convictions, even though there have been efforts across the country to ban such a question. After that, a background check may flag a job seeker's criminal history, potentially invalidating the application.

These roadblocks contribute to higher unemployment rates for formerly incarcerated people. Their unemployment rate was estimated at over 27%, according to a 2018 report from the Prison Policy Initiative.

Some organizations that advocate for employment for people with criminal records say the current labor shortage has led to more interest from potential employers.

In a survey of almost 900



Pamphlets and books fill a table at the Lafayette, Calif., office of Jails to Jobs, which was founded by Mark Drevno, below.

human-resources professionals by the Society for Human Resource Management Foundation that concluded in January, 46% said they recruited people with criminal records more often than they did a year ago.

"There's so many employers that are desperate to hire workers," said Mark Drevno, the founder and executive director at Jails to Jobs Inc., a Lafayette, Calif.-based organization that helps people with criminal records find jobs. "It makes economic sense and so that's why it's on their radar, I think."

About 600,000 people are released from federal and state prisons annually, according to the Justice Department. Just having an arrest record can hurt people's employment prospects, even if charges were dropped.

Some of the largest U.S. companies are behind the push. The Second Chance



Business Coalition—a group of companies that work to share best practices on hiring people with a criminal background—was formed in 2021 with 29 companies and now has more than 40. Among those are **JP Morgan Chase & Co.**, **American Airlines Group Inc.**, **AT&T**

Inc. and **CVS Health Corp.**

Having big companies involved lends credibility to second-chance hiring, said Tim Owens, co-founder and president of the Bloomington, Minn.-based Redemption Project, a group that pairs inmates with mentors and jobs.

Employer interest in the Redemption Project has also grown, he said. "I think a lot of employers are looking at this as an untapped talent pool, and given the shortages everywhere they're open to looking at maybe different groups they hadn't looked at before," Mr. Owens said.

About one-tenth of JPMorgan Chase's new hires last year, roughly 4,300 people, had criminal records, according to Nan Gibson, executive director for JPMorgan Chase's PolicyCenter. Many of them are placed into teller positions and

other jobs at bank branches, said Michelle Kuranty, the company's global head of talent acquisition sourcing.

Some companies consider hiring people with criminal records part of their diversity and inclusion efforts.

Black people are disproportionately likely to be imprisoned. In state prisons, where most convicted prisoners are incarcerated in the U.S., Black people are imprisoned at almost five times the rate of white people, according to the Sentencing Project, a criminal-justice policy research and advocacy group.

"Demographically there's a large minority population that has [been] or is incarcerated and so it was an opportunity for us to lean in and do an even better job," said Ernie DuPont, CVS's executive director of workforce initiatives.

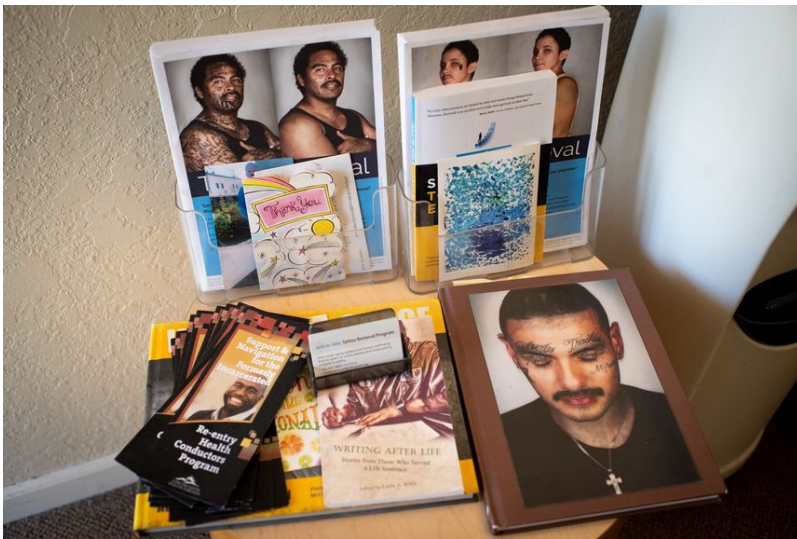
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BUSINESS

More Businesses Want to Hire People With Criminal Records Amid Tight Job Market

Companies including banks, pharmacy chains and railroads have recognized so-called second-chance hiring can help them find more workers



Pamphlets and books fill a table at the Jails to Jobs office in Lafayette, Calif.

PHOTO: MARLENA SLOSS FOR THE WALL STREET JOURNAL

By Allison Prang [Follow](#)

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Union Pacific Corp. **UNP -0.80% ▼** in the spring started hiring people who had been incarcerated, said Beth Whited, the railroad company's executive vice president for sustainability and strategy.

Railroads have been struggling with service issues they say have been caused by worker shortages, and in September struck a labor deal to avoid a nationwide strike.

Ms. Whited said the company has been recruiting for maintenance, train and electrical workers. Providers of transition services to the formerly incarcerated help the railroad find employees, she said. About 120 people have either been hired or are in the application process in several U.S. cities.

“We’re really trying to think about the whole person,” Ms. Whited said. “What really happened, what have they done to rehabilitate and learn new skills, what’s their motivation for coming to work so that we’re really thoughtfully considering people.”



Union Pacific Corp. started hiring formerly incarcerated people this spring.

PHOTO: ROGELIO V. SOLIS/ASSOCIATED PRESS

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These roadblocks contribute to higher unemployment rates for formerly incarcerated people. Their unemployment rate was estimated at over 27%, according to a 2018 report from the Prison Policy Initiative.

The most recent overall unemployment rate in the U.S. was 3.5%, in September, with labor-force participation remaining below prepandemic levels.

Some organizations that advocate for employment for people with criminal records say the current labor shortage has led to more interest from potential employers.

In a survey of almost 900 human-resources professionals by the Society for Human Resource Management Foundation that concluded in January, 46% said they recruited people with criminal records more often than they did a year ago.

“There’s so many employers that are desperate to hire workers,” said Mark Drevno, the founder and executive director at Jails to Jobs Inc., a Lafayette, Calif.-based organization that helps people with criminal records find jobs. “It makes economic sense and so that’s why it’s on their radar I think.”



Mark Drevno, founder and executive director of Jails to Jobs.

PHOTO: MARLENA SLOSS FOR THE WALL STREET JOURNAL

About 600,000 people are released from federal and state prisons annually, according to the Justice Department. And just having an arrest record can hurt people’s employment prospects, even if charges were dropped.

Some of the largest U.S. companies are behind the push to hire more people who have been incarcerated. The Second Chance Business Coalition—a group of companies that work to share best practices on hiring people with a criminal background—was formed in 2021 with 29 companies and now has more than 40. Among those are JP Morgan Chase JPM **-0.93%** ▼ & Co., American Airlines Group Inc., AT&T Inc. and CVS Health Corp. CVS **0.00%** ▲

Having big companies involved lends credibility to second-chance hiring, said Tim Owens, co-founder and president of the Bloomington, Minn.-based Redemption Project, an organization that pairs inmates with mentors and jobs.

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The company doesn’t track these workers after they are hired, said Ms. Kuranty.



JPMorgan Chase said about one-tenth of its new hires last year had criminal records.

PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

Ms. Gibson said she hasn’t heard of employees expressing unease about working alongside colleagues with a record.

“What we have seen is a very positive reaction from our employees,” she said. “Our second-chance hiring efforts are a great source of pride for many of our employees.”

Some companies consider hiring people with criminal records part of their diversity and inclusion efforts. CVS, the nation’s biggest healthcare company by revenue, wanted to focus more on what it was doing for communities of color after the murder of George Floyd in 2020, said Ernie DuPont, CVS’s executive director of workforce initiatives.

Black people are disproportionately likely to be imprisoned. In state prisons, where most convicted prisoners are incarcerated in the U.S., Black people are imprisoned at almost five

times the rate of white people, according to the Sentencing Project, a criminal-justice policy research and advocacy group.

And people who have been in prison tend to have lower rates of employment. A 2019 analysis from the Bureau of Labor Statistics showed that men who had been jailed for more than six months were less likely to have jobs after their release than other men. The unemployment rate for Black Americans is above the national average—5.8% compared with 3.5%.

“Demographically there’s a large minority population that has [been] or is incarcerated and so it was an opportunity for us to lean in and do an even better job,” said Mr. DuPont.

He said CVS has hired thousands of people with criminal records over the years for jobs including retail and logistics workers and pharmacy technicians.

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