

## Giving people with criminal backgrounds a second chance

JPMorgan Chase is advancing a public policy agenda to reduce employment barriers, making new philanthropic investments to support career development and financial health, and enhancing our own hiring strategy.

## Giving People with Criminal Backgrounds a Second Chance

JPMorgan Chase is committed to giving people with arrest or conviction histories a second chance by supporting their reentry into the workforce, communities, and local economies. One in three working-age adults has an arrest or conviction record,<sup>1</sup> creating significant barriers to employment and economic opportunity for a substantial number of Americans.<sup>2</sup> Policymakers and businesses increasingly recognize that providing education, skills training, and employment opportunities to people with arrest or conviction histories helps reduce recidivism, increase public safety, build stronger communities, and strengthen the economy. JPMorgan Chase is reducing barriers to employment and economic opportunity for people with criminal backgrounds through its hiring practices, its philanthropy, and by advocating for federal and state policy changes.

## SECOND CHANCE HIRING

JPMorgan Chase is committed to second chance hiring and “banned the box” to help ensure that qualified applicants with criminal backgrounds receive the same consideration as any other applicant, when their record has no bearing on job requirements. Roughly 10 percent of the firm’s new hires annually in the U.S. are people with criminal backgrounds in roles that do not impact the financial system. New and more robust processes are being put in place for reviewing applicants with criminal histories to ensure both that they receive full consideration and that they can be hired without presenting undue risk to our employees, customers, or the general public. Additionally, JPMorgan Chase works with community partners to establish recruiting channels for individuals whose histories fit within industry regulatory guidelines, and share best practices with other financial institutions and businesses that choose to adopt fair chance hiring policies.

## POLICY AND ADVOCACY AGENDA

JPMorgan Chase supports federal and state policy changes to reduce barriers to employment, and increase hiring for people with arrest or conviction backgrounds. Over 600,000 people are released each year from prison<sup>3</sup> and there are roughly 5 million formerly incarcerated people in the U.S. with an unemployment rate estimated at 27 percent,<sup>4</sup> which is significantly higher than the national unemployment rate.<sup>5</sup> Leaving this many people out of the workforce weakens the economy and contributes to financial insecurity. JPMorgan Chase’s goal is to drive policies that enable more people to have opportunities for a fresh start at life.

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10%

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## THE JPMORGAN CHASE SECOND CHANCE OPPORTUNITIES PUBLIC POLICY AND ADVOCACY AGENDA INCLUDES:

**Reforming Financial Services Industry Hiring Rules:** The Federal Deposit Insurance Act (FDIA) limits financial institutions' ability to hire people with specific types of conviction records unless the agency issues a waiver, which relatively few candidates pursue because waivers can be time consuming and expensive.<sup>6</sup> JPMorgan Chase supports reforms to FDIA Section 19 rules that will increase access to employment for affected workers, while maintaining the safety and soundness of the nation's depository institutions. [Learn more >](#)

**Restoring Pell Grants:** The Violent Crime Control and Law Enforcement Act of 1994 included a ban on providing Pell Grants to incarcerated individuals—roughly 463,000 are currently eligible<sup>7</sup>—despite evidence that access to post-secondary education in prison reduces recidivism, lowers government spending on prisons, and leads to higher rates of employment and increased earnings post incarceration.<sup>8</sup> JPMorgan Chase supports restoring access to Pell Grants for people in prison in order to help ensure that they have greater opportunity to find employment after their release. [Learn more >](#)

**Fair Chance Hiring:** Disclosing arrest or conviction records on an initial employment application reduces the likelihood of callbacks and job offers from potential employers by almost half.<sup>9</sup> Qualified applicants are too often disregarded even if an individual's background has no bearing on job requirements. Moreover, asking for the disclosure of arrest or conviction records on job applications disproportionately impacts communities of color, as research shows that black men with records are less likely to get a call back compared to their white male peers.<sup>10</sup> JPMorgan Chase supports federal and state efforts to limit employers' ability to ask applicants about their criminal histories or to delay criminal background checks until after applicants have been given a conditional offer of employment.<sup>11</sup> [Learn more >](#)

**"Clean Slate" Record Clearing:** Having an arrest or conviction record increases the likelihood that a person will face joblessness.<sup>12</sup> The process of record clearing and expungement, which many states allow for crimes committed as a juvenile and for most misdemeanors, is time consuming and costly, leading to an extremely low uptake rate. One study found that only six and a half percent of those legally eligible for expungement obtained it.<sup>13</sup> To reduce barriers to employment among

formerly incarcerated people, a number of states and localities have enacted laws to automate record clearing for certain eligible offenses, including using technology to identify records, automatically clear records, and notify individuals of the record clearing. JPMorgan Chase supports federal and state level efforts to enact and implement automatic record clearing to streamline the process and make it easier for individuals to move on from their records. Automatic record clearing could regain billions in economic activity lost due to disruption and loss of education, job opportunities, professional licensing, housing, and more. One study has shown that wages rise by 20 percent for those whose records are cleared.<sup>14</sup> [Learn more >](#)

**Reforming Fines and Fees in the Justice System:** The use of fines and fees in the criminal justice system requires people to pay sometimes thousands of dollars, with interest and late fees, or face penalties including incarceration. Millions of people in the U.S. are burdened by more than \$25 billion owed as a result of fines for traffic tickets, misdemeanors, and felonies, as well as fees for probation services, warrants, and even a public defender.<sup>15</sup> Driver's license suspension is a common penalty for unpaid fines and fees, which creates significant barriers to employment for millions of people.<sup>16</sup> Seventy-seven percent of people drive to work<sup>17</sup> and nearly 30 percent of civilian jobs require driving a vehicle.<sup>18</sup> JPMorgan Chase supports efforts to reform laws that suspend drivers' licenses for failure to pay fines and enact laws that right-size fines and fees and alternative paths to compliance to help ensure that millions of Americans can access workforce opportunities, improve their financial health and successfully reintegrate into their communities. [Learn more >](#)

**Entrepreneurship:** People with arrest or conviction histories often face unique challenges to finding employment, including employers who are unwilling to hire someone with a record and the inability to obtain higher wage jobs. Providing support for people with arrest or conviction histories through entrepreneurship and business training programs can empower individuals to start a new business, reduce recidivism, and contribute to the economic growth of their communities. More than a dozen states offer entrepreneurship programs to provide education and training in prison and post-release support services.<sup>19</sup> JPMorgan Chase supports efforts at the state and federal level to expand entrepreneurship resources that provide greater economic opportunities and mobility for people with arrest or conviction histories and reduce recidivism. [Learn more >](#)

463k

incarcerated people would be eligible for Pell Grants if the ban were lifted

27%

the unemployment rate of formerly incarcerated people

20%

increase in wages for those whose records are cleared

\$25 BILLION

of criminal justice debt owed by millions of people

OVER 12

states offer entrepreneurship programs to provide education and training services in prisons



INVESTING OVER  
**\$7 MILLION**  
to help community  
organizations in cities like  
Chicago, Detroit, Nashville, New  
York, Seattle, and Wilmington.

## PHILANTHROPIC INVESTMENTS

In addition to working with community organizations to help identify a pool of candidates who could qualify for jobs at JPMorgan Chase, the firm is investing more than \$7 million to help community organizations in cities like Chicago, Detroit, Nashville, New York, Seattle, and Wilmington, Delaware to connect people with arrest or conviction histories to in-demand, well-paying jobs in other industries, to the tools and resources they need to achieve their financial goals, and to entrepreneurship training for small business owners.

## NOTES

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- 10 Friedman, Matthew. "Just Facts: As Many Americans Have Criminal Records As College Diplomas." Brennan Center for Justice. <https://www.brennancenter.org/blog/just-facts-many-americans-have-criminal-records-college-diplomas>
- 11 JPMorgan Chase "banned the box" in 2018, and follows FDIC hiring rules and the U.S. Equal Employment Opportunity Commission's [guidance on the use of arrest and conviction histories](#).
- 12 Couloute, Lucius and Daniel Kopf. "Out of Prison & Out of Work: Unemployment Among Formerly Incarcerated People." Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>
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