

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.

Entrepreneurship Training Programs for People with Criminal Backgrounds Provide Support to Local Communities and Economies

CHALLENGE

Few entrepreneurship training programs exist for people in prison or with criminal backgrounds.

People with arrest or conviction histories often face unique challenges finding employment, including employers who are unwilling to hire someone with a record and the inability to obtain higher wage jobs. As a consequence, the unemployment rate for people with arrest or conviction histories is very high,¹ as one in three working-age adults has a criminal record² and over 600,000 people are released from prison each year.³ Providing support 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. In Texas, an independent assessment of the Prison Entrepreneurship Program found promising measures of success for such initiatives, including that one in four of the program graduates started a business and nearly 60 percent of those businesses remain open. Moreover, program graduates found employment within 90 days of release with an average wage that is 50 percent higher than the minimum wage and had only a seven percent recidivism rate over three years.⁴

SOLUTIONS

Expanded federal, state entrepreneurship programs reduce recidivism and promote economic growth.

JPMorgan Chase supports efforts at the local, 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. Congress and the Administration could expand or create Small Business Administration programs to develop entrepreneurial capabilities of people with arrest or conviction histories and provide micro loans to help qualified individuals start and grow businesses. States could follow the Prison Entrepreneurship Program model in Texas, which has helped its participants start more than 360 businesses and generated over \$4 million dollars in total cost savings to the state and federal government. These policy shifts will help reduce recidivism, break cycles of joblessness, and promote greater economic growth.

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Program

1 IN 4 Prison Entrepreneurship Program graduates started a business, and **60 PERCENT** remain open.

NOTES

- 1 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>
- 2 Friedman, Matthew. "Just Facts: As Many Americans Have Criminal Records as College Diplomas." Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/just-facts-many-americans-have-criminal-records-college-diplomas>
- 3 Bronson, Jennifer, Ph.D. and E. Ann Carson, Ph.D. "Prisoners in 2017." U.S. Department of Justice, Office of Justice Programs. Bureau of Justice Statistics. <https://www.bjs.gov/content/pub/pdf/p17.pdf>
- 4 Initiative for a Competitive Inner City (ICIC). July 2018. "Impact Analysis of the Prison Entrepreneurship Program." http://icic.org/wp-content/uploads/2018/07/ICIC_PEP-Impact-Analysis-final_post.pdf

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