

Impact of Employing Justice-Involved Individuals

Background

Alabama has the 6th highest rate of incarceration in the country. As a result, more than 8.95% of Alabama - over 300,000 - have a felony conviction. The unemployment rate for formerly incarcerated people is over 27% — nearly five times higher than the standard U.S. unemployment rate, and higher than unemployment during the Great Depression. 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 opportunities impact 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. Research indicates that individuals with a criminal record who lack employment are significantly more likely to reoffend than those who are employed. Today, 29% of those released from prison in Alabama end up returning within three years.

29%

of people released from Alabama prisons are reincarcerated within three years ([2021 DOC report](#))

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of people in Alabama - over 300,000 people - have a felony conviction.

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. Alabama has a statewide minimum wage of \$7.25/hr.

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 nearly **5,200 families**.

By the numbers:

- As of 2020, more than 300,000 people in Alabama had felony convictions
- Alabama prison populations are 9.9% are women, so 29,700 of those with convictions are female
- Studies show 81% of women in prison are mothers, so 24,000 of those with convictions are mothers
- With a 27% unemployment rate, 6,480 mothers are unemployed
- Reducing the unemployment rate by 5x to standard US levels would mean an 80% reduction in unemployment, impacting 5,184 mothers

Employment opportunities could generate more than **\$1.1M in state operating cost avoidance per year** due to reduced reincarceration

By the numbers:

- Alabama's 3-year recidivism rate is 29%, so a conservative estimate of the 1-year reincarceration rate is 9.66%
- If reincarceration rates drop comparably to other states due to increased employment, the 1-year reincarceration rate could drop by 4.54%
- 4,680 individuals are released from prison annually in Alabama
- 4.54% fewer reincarcerations in the first year out of prison at \$5,000 per person yield \$1.1M in marginal cost avoidance