



BANNING ALL OF THE BOXES

BY JEANIE DONOVAN, M.P.A., M.P.H.

In January, 2014, City of New Orleans administrators announced the new *Policy for Review of Employment Candidates' Criminal History*, also known as a "Ban the Box" policy. This administrative change represented a significant step toward equal employment opportunity and decreasing recidivism in the city. Still, the policy left much to be desired by job applicants with criminal records and advocates because it did not have any impact on the vast majority of employers in the city—private businesses.

In 2014 the City of New Orleans employed 4,363 people, representing less than 1 percent of the 553,100 total jobs in the city.^{1,2} In that same year 1,123 individuals were released from the Orleans Parish Prison (OPP) after serving a jail sentence.³ In the general population experts estimate that more than 1 in 4 adults in the U.S. have a criminal record, meaning that at least 65,000 of New Orleans' 260,000 adult residents have criminal records.^{4,5} Allowing private employers to continue to ask about criminal history on an initial job application represents a significant barrier to employment for at least a quarter of the city's working-age population.

In fact, workers who have been incarcerated are far more likely to be unemployed than those who have not.⁶ Extensive research shows that those who report on an initial job

application that they have a criminal record are significantly less likely to receive a call back or be hired for a position compared to those who do not.⁷ The effect is even more pronounced when the applicant with a criminal record is a person of color.⁸ This pattern is problematic especially given that a criminal record has been shown to be an *inadequate* measure of an individual's risk of creating a safety or security threat on the job.⁹ Improving employment opportunities for those with a criminal record by banning the box for *all* employers would have significant social and economic benefits for New Orleans and its residents through decreased recidivism, increased earnings, greater tax revenues, and avoided criminal justice costs.¹⁰

The most obvious economic benefit of banning the box on all job applications is greater employment and earnings for workers with criminal records. Although their earning potential is reduced by their mark as a criminal, a former offender's ability to secure employment still is incredibly important to their successful reentry and economic stability.¹¹ Even with wage and wage growth discounts factored in, employed former inmates living in New Orleans would have the estimated average annual and lifetime earnings shown in Chart 1.

Chart 1. Estimated former New Orleans inmates earnings:

Educational Attainment Level	New Orleans Resident Average Annual Earnings 2014 ¹²	Employed Former Inmate Average Annual Earnings 2014 ¹³	Employed Former Inmate Average Post-Release Lifetime Earnings ¹⁴
No high school diploma	\$9,551	\$5,731	\$256,851
HS or GED	\$13,483	\$8,090	\$368,191
Some college	\$17,759	\$10,655	\$489,929
Bachelor's degree	\$48,108	\$28,865	\$1,712,248

Using the individual earning estimates, one can project the full economic impact of connecting 100 former offenders to employment and preventing recidivism. A representative sample of 100 persons released from OPP would roughly include 47 without a high school diploma, 40 with a high school diploma or GED, 10 with some college experience, and three college graduates.¹⁵ Accordingly, the estimated annual earnings of this group of 100 former offenders in New Orleans would have totaled \$786,073 in 2014 if they were gainfully employed. Over the course of their careers, the same group of 100 workers would earn an estimated \$36 million. Increased earnings also would generate greater sales tax revenue for the city.

Employment of persons who have a past criminal record has been linked to lower rates of recidivism — meaning decreased costs for the criminal justice system.¹⁶ First, decreased recidivism means that fewer police resources are consumed in making arrests. An analysis by the Vera Institute of Justice found that the marginal cost per arrest is an estimated \$360. Therefore, if 100 former offenders released from OPP each year were connected to employment and did not recidivate as a result, it would translate into a savings of \$36,000 for the city's police department annually.¹⁷ Preventing recidivism also would reduce court processing and trial costs. Previous research estimates a marginal cost per case of between \$657 and \$714.¹⁸ Reducing the number of recidivists by 100 would result in annual cost savings of roughly \$70,000 for the city's court system. Finally, reducing recidivism would result in decreased correctional costs. In 2014 the cost of housing an inmate in OPP was \$22.39 per day and the average length of stay for inmates in OPP was 53.1 days.¹⁹ If 100 former offenders were prevented from recidivating through connection to employment, it would save the city's jail system an estimated \$118,808 annually.

The city's decision to ban the box for jobs in local government established a model for private employers as well as other cities and states that may be considering a similar policy. Until New Orleans' Ban the Box policy is expanded to include all employers, however, the city is forgoing significant social and economic benefits. In this Holy Year of Mercy proclaimed by Pope Francis, which began December 8, 2015, local leaders should reflect on the need to expand New Orleans' existing Ban the Box policy to ensure that employment practices are fair, engender forgiveness and compassion, and promote the common good of all of us.

Chart 2. Annual municipal cost savings:

Annual Municipal Savings from Preventing Recidivism of 100 Former Offenders	
Police Cost Savings	\$36,000
Court Cost Savings	\$70,000
Incarceration Cost Savings	\$118,808
Total Cost Savings	\$224,808

ENDNOTES

- ¹ Employment data provided by the City of New Orleans Civil Service Commission upon request.
- ² Scott, Loren C. and James A. Richardson. 2014. *Louisiana Economic Outlook 2015-2016*. Division of Economic Development. Louisiana State University.
- ³ Austin, James and Johnette Peyton, 2015. *Orleans Prison Population Projection Update*. February 2015. The JFA Institute. pp. 13-15. Note: The number of prisoners released from OPP after serving a felony (140), misdemeanor (257), or city sentence (726) were included in this number.
- ⁴ Rodriguez, Michelle Natividad and Maurice Emsellem, 2011. *65 Million Need Not Apply. The Case for Reforming Criminal Background Checks for Employment*. National Employment Law Project. p. 4.

—Endnotes continue on page 8



FAITHFUL CITIZENS: Calling Catholics to Political Responsibility

—Continued from page 2

ENDNOTES

- ¹ United States Conference of Catholic Bishops, *Forming Consciences for Faithful Citizenship: A Call to Political Responsibility from the Catholic Bishops of the United States*, November, 2015, no. 11.
- ² *Ibid.*, no. 12.
- ³ U.S. Catholic Bishops, *Economic Justice for All: Catholic Social Teaching and the U.S. Economy*, November 13, 1986, no. 27.

- ⁴ Pope Leo XIII, *Rerum Novarum*, 1891, no. 63.
- ⁵ *Economic Justice for All*, no. 134.
- ⁶ *Ibid.*, no. 135.
- ⁷ *Forming Consciences*, no. 37.

BANNING ALL OF THE BOXES

—Continued from page 5

ENDNOTES

- ⁵ U.S. Census Bureau, American Fact Finder. *Annual Estimates of the Resident Population for Selected Age Groups by Sex for Orleans Parish: 2014*.
- ⁶ The Pew Charitable Trusts, 2010. *Collateral Costs: Incarceration's Effect on Economic Mobility*; Washington, DC. p. 4.
- ⁷ Holzer, Harry, Steven Raphael, and Michael A. Stoll. *Employment Barriers Facing Ex-Offenders*. Urban Institute Reentry Roundtable. May 19-20, 2003. pp. 11-12.
- ⁸ Pager, Devah. 2002. *The Mark of a Criminal Record*. Northwestern University.
- ⁹ Rodriguez, Michelle. *Op. cit.* pp. 6-7.
- ¹⁰ The methodology is loosely based on that used by The Economy League's 2011 analysis titled, *The Economic Benefits of Employing Formerly Incarcerated Individuals*.
- ¹¹ Research by Harvard economist Bruce Western found that the annual earnings of a worker with a criminal record are, on average, 40 percent lower than workers of similar age, education, and location who do not have a record. Additionally, the rate of wage growth over time is 30 percent lower than for workers without a criminal record.
- ¹² Average annual earnings estimates by education level were generated by Jeanie Donovan using 2014 U.S. Census Bureau's Public Use Microdata Sample (PUMS) for Public Use Microdata Areas (PUMAs) 02400, 02401, and 02402.

- ¹³ Average annual earnings for workers with a criminal record were estimated by reducing the average annual earnings of the average worker in New Orleans with a similar education level by 40 percent, based on findings of Western et al.
- ¹⁴ Lifetime earnings are based on income growth rates of 1.3%, 1.4%, 1.5%, and 1.8% for each education level, respectively, with the average age of a released inmate estimated at 30 and anticipating 35 years of participation in the labor force.
- ¹⁵ Harlow, Caroline Wolf, 2003. *Education and Correctional Populations*. U.S. Department of Justice.
- ¹⁶ Nally, John, Susan Lockwood, and Taiping Ho. 2012. "The Impact of Education and Employment on Recidivism." *Justice Policy Journal*. Vol. 9, No. 1.
- ¹⁷ Henrichson, Christian, and Valerie Levshin. 2011. "Estimating Marginal Costs for Cost-Benefit Analysis in Criminal Justice." Vera Institute of Justice.
- ¹⁸ Economy League of Greater Philadelphia. 2011. *Economic Benefits of Employing Formerly Incarcerated Individuals in Philadelphia*.
- ¹⁹ Austin, James. 2015. *Op. cit.* p. 15. Average length of stay was calculated only for those 1,123 released inmates who completed a felony, misdemeanor, or city sentence.

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