

Increasing the Opportunity Cost of Recidivating: Revisiting ACPD Reentry Employment Model

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Key Takeaways

The following components of employment models are supported by research and have been found to be effective in increasing employment, child support, and/or reducing recidivism.

- Transitional work models for short term provision of wages during periods of unemployment
- Industry/sector specific programming (e.g., apprenticeships and certifications)
- Applying the risk-need-responsivity model to target services to high-risk clients
- Job search and work readiness programming coupled with programming to increase clients' motivation
- Case management services may have a limited impact on clients' success
- Cognitive behavioral programming provided by highly trained staff in organizations with high staff retention

Research indicates that organizations with the following characteristics are most successful at implementing employment services.

- Experience working with formerly incarcerated individuals
- Administer programming consistently, with fidelity
- Have ties to specific industries and sectors for seamless connections between clients, programming, and employment

To reduce attrition in employment programs, the following evidence-based factors should be considered.

- Length of the onboarding process
- Drug testing
- Additional intervention services/flexibility in extending service provision based on clients' individual needs

Social Policy and the Labor Market

Social policies to enable the U.S. to better compete in the global market produce negative effects on disadvantaged workers, but employment programs may lessen the impact for formerly incarcerated individuals.

- In 2010, the Training and Employment Guidance Letter (TEGL)¹ reinforced President Obama's goal of ensuring that the U.S. labor market was able to compete in a global economy by 2020. Ensuring that Americans possessed one year of post-secondary education was the primary way of achieving this goal. The TEGL projected that by 2018, 21 of the 30 fastest growing occupations will require a post-secondary degree or certificate. Middle skilled jobs – i.e., jobs requiring a high school diploma or higher – were projected to continue to dominate the labor market and provide livable wages. Over two decades (1986 to 2006) low skilled jobs continued to make up less than 20% of the labor market, while middle skill and high skill jobs comprised more than 80% of the market, with high skilled employment having the greatest growth during the two decades. This trend persisted when evaluating job openings.²
- Fearing not being able to recoup their investments from employer-based trainings, employers are more inclined to hire those who require less training (i.e., those with higher education levels), which displaces less-educated workers further out of the labor market.²

¹ Training and Employment Guidance Letter No 15-10, 2010

² Holzer and Lerman, 2009

- The Bureau of Labor Statistics employment projection for 2020 to 2030, reported that one of the reasons for the decline in participation in the labor market will be the continued declining trend in men’s labor market participation.³
- Nationally 1 in 3 adults⁴ have a criminal record and 90% of the prison system is comprised of men. In California, 1 in 5 of the state residents have a criminal record and 80% reported that they have experienced a barrier to success.⁵ Studies have shown that employees with a criminal record are 50% less likely to be considered for employment.⁶ These results are stratified by race, gender, and age. However, research has found that when a formerly incarcerated person successfully completed an employment program, this positively impacts the hiring decision for 90% of employers.⁷
- The cost – both direct and indirect – associated with increased criminal behavior negatively impacts society. The direct cost associated with crime include monetary losses from destroyed property, medical expenses, trauma, fear, and as well as a reduction in the quality of life. Indirect costs are associated with decline in business investments, property value and economic opportunity. **U.S. Council of Economic Advisors 2010⁸ and the U.S. Department of Labor 2019⁹ found that when adopting crime-reducing programs – e.g., employment reentry programs – results in increases in educational attainment, participation in the labor market, increase child support payment participation and reductions in criminal behavior produces favorable societal benefits at both the individual and community level.**

Wage Interaction on Recidivating

Reducing the gap between minimum wage and livable wage increases the perceived opportunity cost of returning to jail.¹⁰ This means that clients who earn more money perceive returning to jail as a higher cost than those who earn less money.

- Research reveals that when wages from illegal behavior are higher than wages of legal behavior, the probability of engaging in criminal behavior increases. Researchers from Princeton University found that earning 8% over the minimum wage, reducing the gap between minimum wage and a living wage, can lead to a 2% reduction in recidivism within 1 year of release.⁸
- Evidence shows that increased wages have a profound effect on low-skilled workers and those with a high school diploma or less in engaging in property, drug, and violent crimes.⁸
- In 2017, Alameda County reported that property crimes made up 87% and violent crimes contributed to 13% of all crimes.¹¹
- Wages predicted substantial reductions in recidivating for a new crime, controlling for probation violations as a reason for recidivism.¹⁰

Employment Programming for Reentry Populations

³ U.S. Bureau of Labor Statistics Employment Projections 2020-2030, 2021

⁴ National Conference of State Legislatures, 2018

⁵ Californians for Safety and Justice, 2018

⁶ Pager, 2003

⁷ Bushway & Apel, 2012

⁸ Council of Economic Advisors for President Barack Obama produce the Economic Perspectives on Incarceration and Criminal Justice System report detailing the analysis of the state of the criminal justice polices in the U.S. and its effects, 2016.

⁹ Mathematica, 2019

¹⁰ Agan & Makowsky, 2018

¹¹ Board of State and Community Corrections published the Publicly Accessible Data Set – Alameda County that summarizes the county’s demographic and criminological information in 2017.

Nationally, Reentry Employment Programming Models have the following common components: employment-focused programming, cognitive behavioral therapy (CBT), and case management.⁹ Three employment models are referenced in this section that have led to increases in employment, child support participation, and reductions in criminal behavior.

The Enhance Transitional Job Demonstration recruited TransitionalSF and RecycleForce, among 5 other programs, to test a innovative transitional job model of their own choice. TransitionalSF is located in San Francisco, CA and RecycleForce is located in Indianapolis, IN.

- The **transitional job model, TransitionalSF¹²**, utilizes a **tiered approach program** that places clients in transitional work that is compatible with their work experience and educational level. Components of the model include **assessment and tier determination, preemployment and career readiness services, transitional job placement, job searches and placement services, case management services, and retention and advancement services**. TransitionalSF provided **child support payment reductions incentives** using the “carrot- and- stick” approach and child support consultations.
- The **transitional job model, RecycleForce**, utilizes a **risk-need-response approach** in gauging the intensity of services provided to clients. Components of the model include **risk-need-responsivity assessment, transitional job placement, education and job training services, development time (i.e., time to meet the requirements for probation), formal and informal case management, CBT services, employment and retention services, child support services**.

The Social Innovative Fund (SIF) awarded the WorkAdvance a grant to provide evidence of the effectiveness of sector-focused models. WorkAdvance model was tested across 4 providers: 2 in New York City, NY, 1 in Tulsa, OK, and 1 in Northeast Ohio.

- The **sector-focused model, WorkAdvance**, is an **employer-facing approach** that focuses on providing formal training in **demand driven fields – i.e., information technology, environmental remediation, transportation, and healthcare and manufacturing** – that leads to certification and career pathways. Components of the model include **intensive screening, preemployment and career readiness services, occupational skills training, job development and placement services and retention and advancement services**.

Consistent implementation, adequate training, experience working with formerly incarcerated individuals, and strong partnerships with the labor market are features that contribute to reentry employment models that positively impact employment, child support, and recidivism.

- **Transitional jobs provide meaningful work and income to people who cannot find jobs in the regular job market.** Transitional job models have been shown to impact income and employment, child support payments, and reductions in criminal behavior with significant reductions in areas like total days incarcerated and prison incarcerations. However, a limitation of the transitional job model is that they do not provide hard skills that are often sought out by employers and that lead to long-term employment. As a result, the positive impacts of transitional jobs are not long lasting.¹³ Nonetheless research suggest that unemployment reduces the opportunity cost of returning to jail and as a result increases the probability for engaging in criminal behavior. Essentially, wages from illegal employment become attractive as a viable

¹² TransitionalSF inconsistency in implementing the tier system makes it difficult to say that the program impacted employment, child support participation and recidivism was due to their transitional model. The reduction in child support payments may have provided external motivation to stay in the program. It is also not clear if child support payments reset back to original amounts once the client successfully completed the program. Making it difficult to attribute the significant impact to the tier intervention system.

¹³ Enhanced Transitional Job Demonstration, 2018

source for income when people are unemployed.⁹ Transitional work models, during periods of unemployment, have shown evidence of being a viable intermittent solution to deterring crime as well as the lost wages experienced to job loss.

- Evidence indicates that **employment-focused programming that provides registered apprenticeship services, career pathways, and sector-focused employment improve employment outcomes** for disadvantaged populations (e.g., formerly incarcerated, welfare recipients, undereducated, etc.), by increasing these populations' human capital.^{9,12}
 - **Sector-focused employment programming models provide sector-based training in a specific job sector – i.e., construction, technology, medical billing – that can lead to credentialing and certification attainments that signal to employer's appropriate level of competence to perform required task.** Sectoral programming has shown evidence in increasing earnings and increased placement in higher earning jobs.¹⁴ **One limitation** of the model is it takes time for providers to develop sector-focused capacities. However, when implementing the WorkAdvance model, for example, inexperienced sites with single program and multiple employment program structures are more likely to successfully implement the model within a 2-year period, producing greater impact in the second year.¹⁵
 - **Another limitation** is that models, like WorkAdvance and TransitionalSF (although not a sector-focused model)¹⁶, screen for only those with high intrinsic motivation which motivates them to pass the drug test, in return produces higher job placement, often providing a greater number of services to those with a high school diploma, work experience, or those with limited substance abuse background.¹⁷ **Nonetheless, employment program models that include transitional work, soft skills and occupational training that led to certification and/or secondary education, peer mentorship, and formal and informal case management, and no drug test component, like RecycleForce, increases recruitment into the program and impacts employment, child support payments, and recidivism outcomes for those with a high school or less education and limited or no work experience.**¹²
- Incorporating the **risk-need-responsivity model in reentry employment programs have been shown to have positive impacts for high-risk clients.**¹² High-risk clients that receive employment intervention services had lower arrest, conviction, and admissions to jail or prison, than those who do not receive interventions. Limitations of adopting this model are employment programs must be successfully implemented and possess experience in serving high-risk populations or formerly incarcerated clients. However, when these factors are not present, employment programming consistently reduced incarceration to prison.¹²
- **Job search and work readiness programs have had significant effects on employment when providers incorporate a motivational component** (i.e., encouraging proactivity, promoting goal setting, and enlisting social support) and a job search component (job search skills, improving self-presentation, and boosting self-efficacy).¹⁸
 - Limited number of studies have investigated the isolated effect of **case management services** on employment and recidivism. Three studies have investigated barrier removal services and the results have been mixed. Of the studies, findings that investigated the isolated effect of wraparound services of a local program in Alameda County, Oakland Unite, revealed that life coaching did reduce arrest for violent offenses but no other offense.⁹

¹⁴ Marinson, K. "Evidence-based approaches for improving economic success for low-income workers."

¹⁵ Encouraging Evidence on a Sector-Focused Advancement Strategy, 2016

¹⁶ See TransitionalSF section in the Enhanced Transitional Job Demonstration, 2016

¹⁷ Sector Employment Impact Study, 2015

¹⁸ Liu, Huang, & Wang, 2014

- **Cognitive behavioral services**, when implemented by staff that have been thoroughly trained and programs that have high staff retention, has shown positive impacts on recidivism.⁹

Reducing Attrition and Signals for Intervention

- Employment program model evaluations revealed a few consistent reasons for attrition. Researchers found that attrition was highest for those with a high school degree or higher, or clients who had recent work experience, when time between enrollment and subsidized placement were lengthy. As a result, many of these participants sought other programs or found unsubsidized work. Consequently, those who had less than a high school education or limited to no work history, were more likely to go through a lengthier onboarding process.
- Another source of attrition was drug testing. Failed drug testing often led to delays in being placed in subsidized work. Lastly, inexperienced providers, few partnerships with local businesses, and prioritizing private sector placements led to implementation challenges that resulted in delays in subsidized job placement.^{9,12,13,16, 17}
- Programs that incorporated additional intervention services performed better than programs that did not. For example, when programs found that clients were not finding unsubsidized work after they completed transitional work, transitional work extensions were provided, and outcomes improved. When applied, the RecycleForce program saw that 50% of clients had difficulty in finding unsubsidized work after 4 months (the programs length) was successfully completed, which prompted extensions being provided. The extensions provided led to 100% of the clients being placed in unsubsidized work.¹²
- Wages in unsubsidized work can be used as a signal for interventions for providers. Identifying work that reduces the gap between minimum wage and living wage, can possibly increase the opportunity cost of jail and lead to more livable wages and lengthier employment time.