



Discussion: “Employment Challenges Faced by People with Criminal Histories”

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The views expressed here are those of the discussant and do not necessarily reflect those of the Federal Reserve Bank of Boston or the Federal Reserve System.

Paper Summary I

- Great paper on an interesting research and policy question
 - How do employment outcomes of people at higher risk of criminal-justice involvement compare to those at lower risk?
 - Use persons aged 22–55 in ACS (2015–2019 5-year) to construct probability of criminal-justice involvement (institutionalization)
 - 28,000 demographic cells (state, citizenship, gender, age, education, race/ethnicity)
 - Link cell-level decile rankings to CPS (2000–2019 monthly)
 - Describe employment trends across business cycle
 - Estimate labor market status transition probabilities
 - Unadjusted and adjusted for education (human capital), demographics (labor market discrimination)
 - Discuss policies to improve employment outcomes for those at higher risk of criminal-justice involvement
 - Ban-the-Box (BTB)
 - Insuring employers against risk (theft, liability)
 - Certificates of Rehabilitation (COR)

Paper Summary II

- Institutionalized population very uneven across risk deciles
 - 57.6% of institutionalized from demographic cells in top decile
 - 3.8% of institutionalized from demographic cells in bottom 5 deciles
- Worse employment prospects for high-risk persons
 - Lower employment-to-population ratios, higher unemployment rates
 - Greater sensitivity of unemployment to aggregate business cycles
- Poor employment outcomes mostly driven by education and demographics
 - Conditional on those controls, higher risk of criminal-justice involvement affects some flows (e.g., U-E lower, U-N higher)
- Mixed results for policies aimed at improving employment
 - BTB ineffective, unintended effects; insurance, COR more promising

Comments I: Empirics

- Adjusting for education and demographics
 - Is this perhaps understating the role of criminal-justice involvement on employment outcomes?
 - The criminal justice system may affect the realization of these measures and their labor-market impact
 - Changes in human capital during institutionalization
 - Discrimination in the criminal justice system and/or employers inferring criminal history from demographics (Agan and Starr 2018, Doleac and Hansen 2016)
 - Even conditioning on traits before adulthood may still understate the impact of the criminal justice system on labor market outcomes
 - Presence of effects from children's indirect exposure to the system (Finlay, Mueller-Smith, and Street 2023)

Comments II: Empirics

- Focus on ages 22–55
 - Are results different for prime-age (25–54), typical pre-retirement ages (16–64), or some other age range?
 - Would be helpful to clarify reasoning for chosen age range
 - Higher probability that institution is correctional facility rather than mental hospital or institution for elderly, handicapped, or poor?
 - More generally, how likely is it that the applicable institution type varies non-trivially across the risk deciles, affecting interpretation of decile comparisons?

- Further subcategorization for NILF
 - Can be harder to interpret labor market transitions to/from NILF since activities vary (e.g., in school, taking care of house or family, something else/other, etc.)
 - Possible to examine this further using information on major activity while NILF?

Comments III: Empirics

- Do transition probabilities differ at all based on the duration of a given labor market status?
 - Does a lower job-finding probability (U-E flow) for those with a higher risk of criminal justice involvement vary by whether unemployment stint is short-term (e.g., < 27 weeks) or long-term (27+ weeks)?

Comments IV: Policy

- In comparing policies (e.g., BTB, employer insurance, wage subsidies, COR, etc.), further understanding of the marginal employers for each intervention would be helpful
 - Are the firms that would adjust screening due to BTB the same firms that would respond to alternative interventions (e.g., insurance)?
- Policies might benefit from increased understanding of how risks faced by employers and effectiveness of positive signals vary by employer and persons with criminal history
 - Heterogeneity by employer characteristics (e.g., industry)
 - Heterogeneity by individual characteristics (e.g., offense type, such as property crime vs. violent crime)