

# Justice-involved Individuals in the Labor Market since the Great Recession

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- Any opinions and conclusions expressed herein are those of the authors and do not necessarily represent the views of the U.S. Census Bureau. While this work was not subject to formal Census Bureau content review, Census staff reviewed all statistical output to ensure that no confidential information was disclosed.
- This presentation meets all of the U.S. Census Bureau's Disclosure Review Board (DRB) standards and has been assigned authorization number CBDRB-FY21-ERD002-008 (approved 11/25/2020).

- Great Recession (GR)—historic slowdown and recovery, but many prime age adults have dropped out of the labor force
- How have justice-involved individuals (JII) fared?
  - ▶ Individuals convicted of a felony around time of GR
  - ▶ Individuals released from prison around time of GR
- Employment is a critical element of reintegration  $\Rightarrow$  weak labor market opportunities can impede reintegration

- Criminal Justice Administrative Records System (CJARS)
  - ▶ Joint Census-UM project to develop national data infrastructure for research/statistics on criminal justice system
  - ▶ 13 states represent 41% of U.S. pop.: AZ, FL, MI, MN, NE, NJ, NC, ND, OR, PA, TX, WA, WI
  - ▶ Examine cohorts involved with criminal justice system before, during, and after GR
  - ▶ Two outcomes for cohort definition
    - ★ At least one felony conviction during focal period
    - ★ At least one prison release during focal period
- IRS W-2 information returns, 2006–2018
  - ▶ Employment = any W-2 filed during year (\$600 filing floor)
  - ▶ Income = sum earnings over all W-2s filed during year

# Characteristics of those with a felony conviction

<i>Demographics</i>	Felony conviction		
	before GR	during GR	after GR
Average year of birth	1981	1982	1983
% male	82.2	82.1	82.4
% female	17.6	17.9	17.9
% White, non-Hispanic	40.0	37.6	36.0
% Black, non-Hispanic	38.6	38.4	36.5
% Asian/PI, non-Hispanic	0.5	0.5	0.4
% Hispanic	15.9	16.1	17.1
% AIAN	1.1	1.1	1.1
% Other/missing race/ethnicity	3.8	6.3	8.8
N	185,000	190,000	193,000

All figures have been rounded according to Census Bureau DRB rules. All results were approved for release by the Census Bureau, authorization number CBDRB-FY21-ERD002-008.

# Characteristics of those with a felony conviction

<i>Criminal justice characteristics</i>	Felony conviction		
	before GR	during GR	after GR
% violent offense conviction	21.1	21.8	23.1
% property offense conviction	34.3	35.0	36.0
% drug offense conviction	35.9	34.2	32.1
% DUI offense conviction	3.1	3.2	3.6
% public order offense conviction	20.0	20.0	20.5
% felony conviction before GR	100.0	24.5	18.9
% felony conviction during GR	25.1	100.0	24.9
% felony conviction after GR	19.7	25.3	100.0
% prison entry before GR	24.3	5.2	5.4
% prison entry during GR	10.8	21.8	4.8
% prison entry after GR	8.1	11.6	23.8
% prison release before GR	11.1	6.6	6.0
% prison release during GR	14.6	10.0	6.0
% prison release after GR	9.5	12.6	9.6
N	185,000	190,000	193,000

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# Characteristics of those released from prison

<i>Demographics</i>	Released from prison		
	before GR	during GR	after GR
Average year of birth	1979	1980	1981
% male	87.3	86.4	87.3
% female	13.1	13.1	12.5
% White, non-Hispanic	36.4	35.5	34.3
% Black, non-Hispanic	42.7	42.7	42.2
% Asian/PI, non-Hispanic	0.5	0.5	0.5
% Hispanic	17.1	17.3	16.9
% AIAN	1.1	1.3	1.3
% Other/missing race/ethnicity	2.3	2.8	4.9
N	55,000	55,000	51,000

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# Characteristics of those released from prison

<i>Criminal justice characteristics</i>	Released from prison		
	before GR	during GR	after GR
% felony conviction before GR	37.3	49.1	34.3
% felony conviction during GR	22.7	34.5	47.1
% felony conviction after GR	20.9	20.9	36.3
% prison entry before GR	38.2	40.0	17.6
% prison entry during GR	13.5	33.6	36.3
% prison entry after GR	11.6	12.5	36.3
% prison release before GR	100.0	7.5	9.6
% prison release during GR	7.5	100.0	5.9
% prison release after GR	8.9	5.5	100.0
N	55,000	55,000	51,000

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# Trends in employment and income since GR

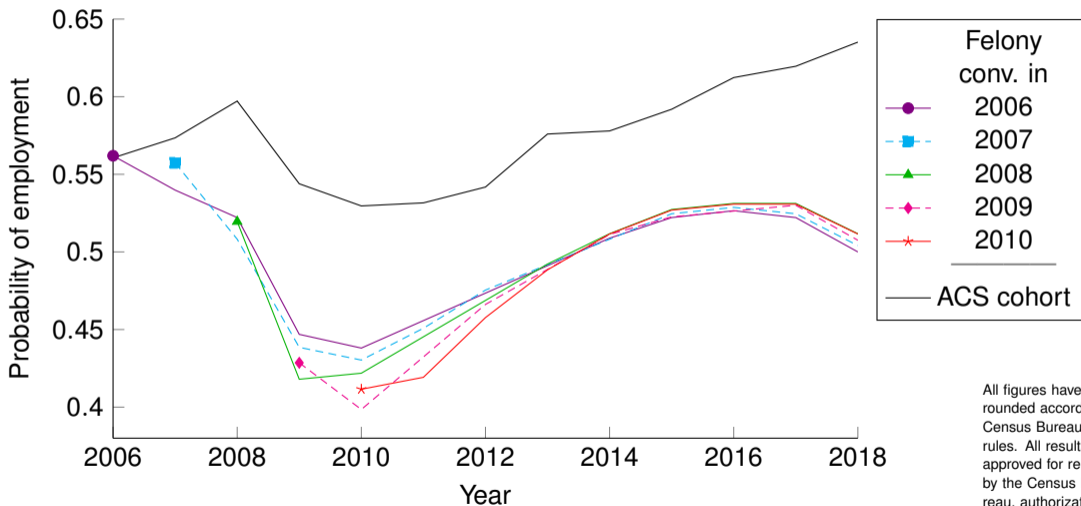
- 5 cohorts: focal event in 2006, 2007, 2008, 2009, 2010
- Reference data: 2006–2018 ACS IPUMS, employment and income of individuals aged 22-31 in 2008 in 13 CJARS states with **less than HS graduation**

## Findings:

- ① Employment and income of justice cohorts is significantly below reference group
- ② Negative shock from GR is significantly larger than for reference group, regardless of cohort
- ③ Justice cohorts show growth in outcomes after GR, but do not catch up to reference group
- ④ Justice cohorts have flattening/declining trends in outcomes in recent years

# Probability of employment at least once in a year

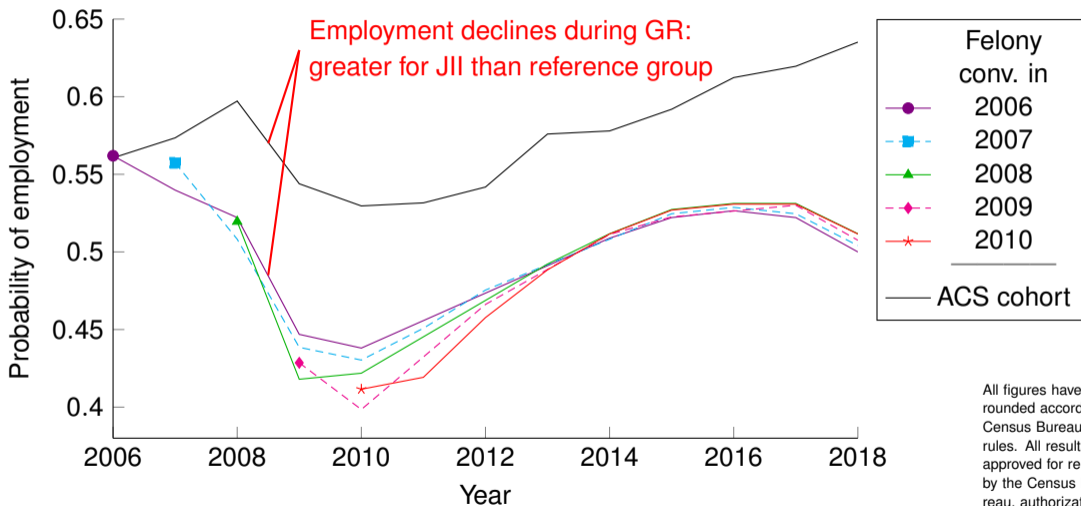
Individuals convicted of a felony



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# Probability of employment at least once in a year

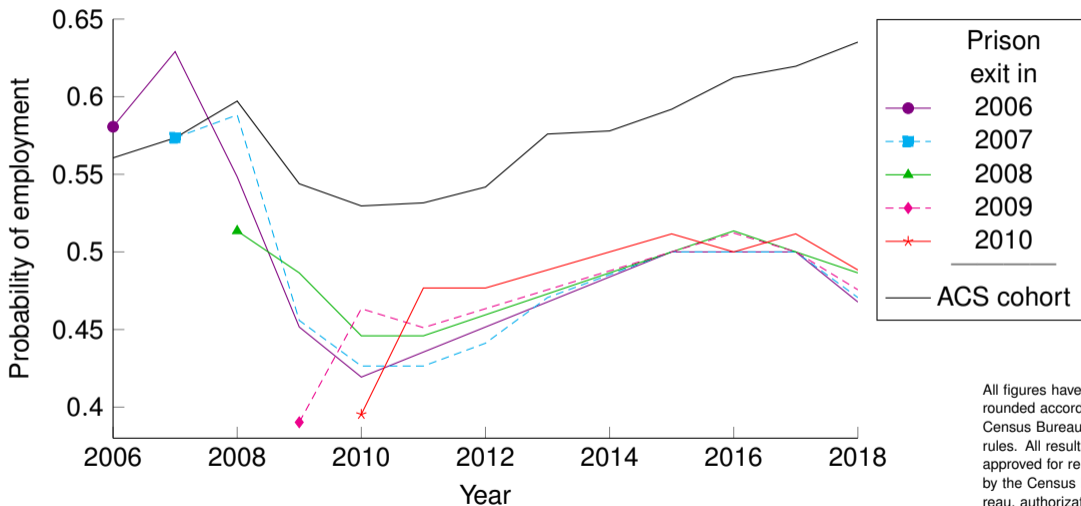
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# Probability of employment at least once in a year

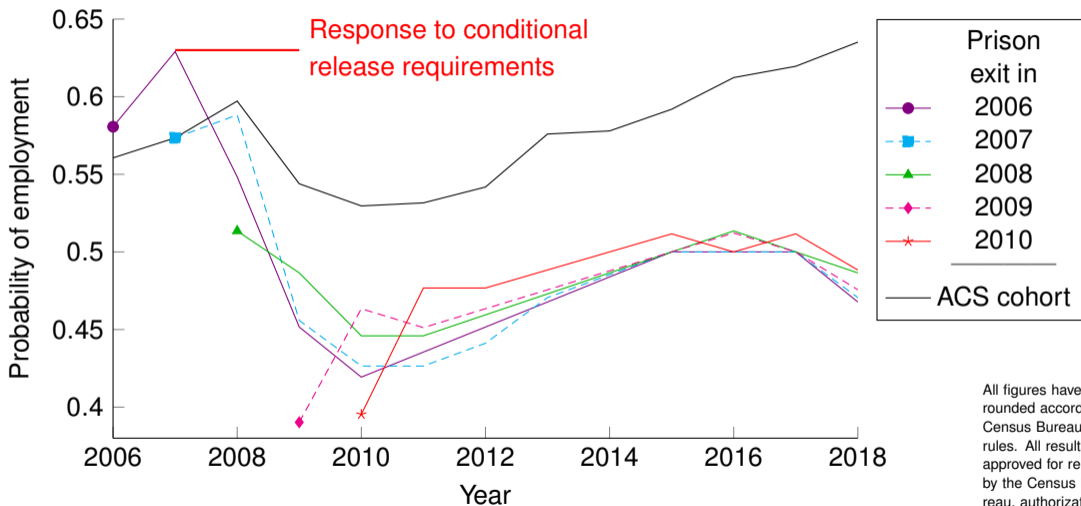
Individuals released from prison



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# Probability of employment at least once in a year

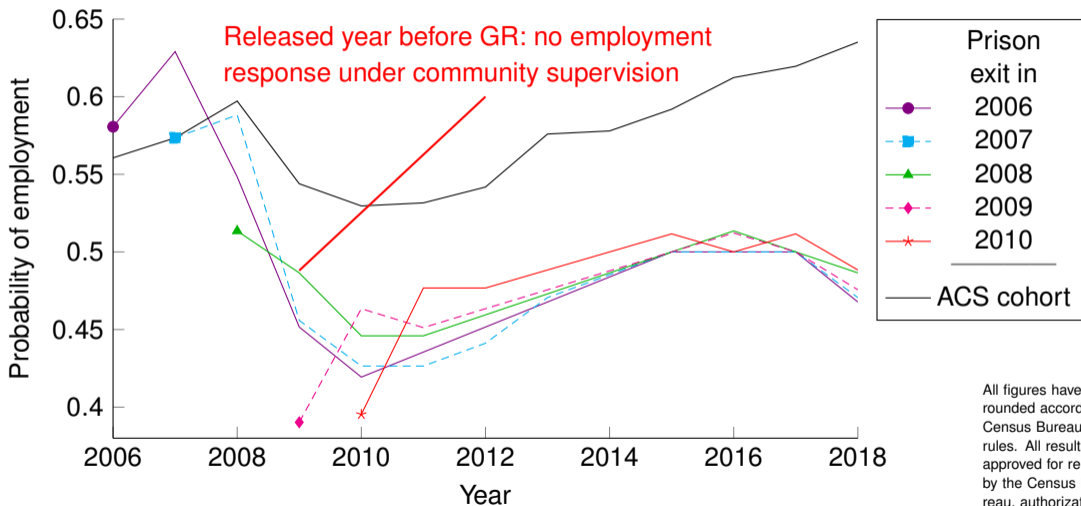
Individuals released from prison



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# Probability of employment at least once in a year

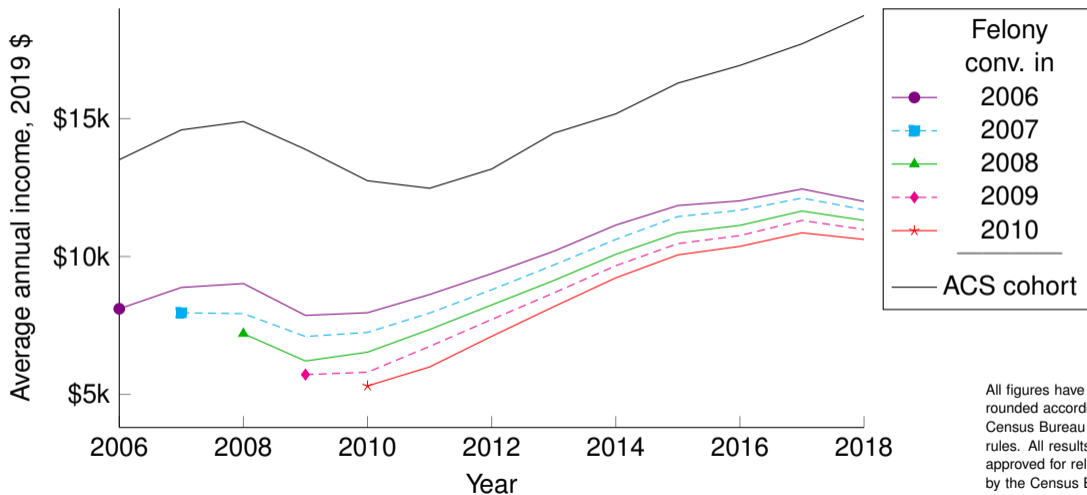
Individuals released from prison



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# Average annual income, 2019 \$

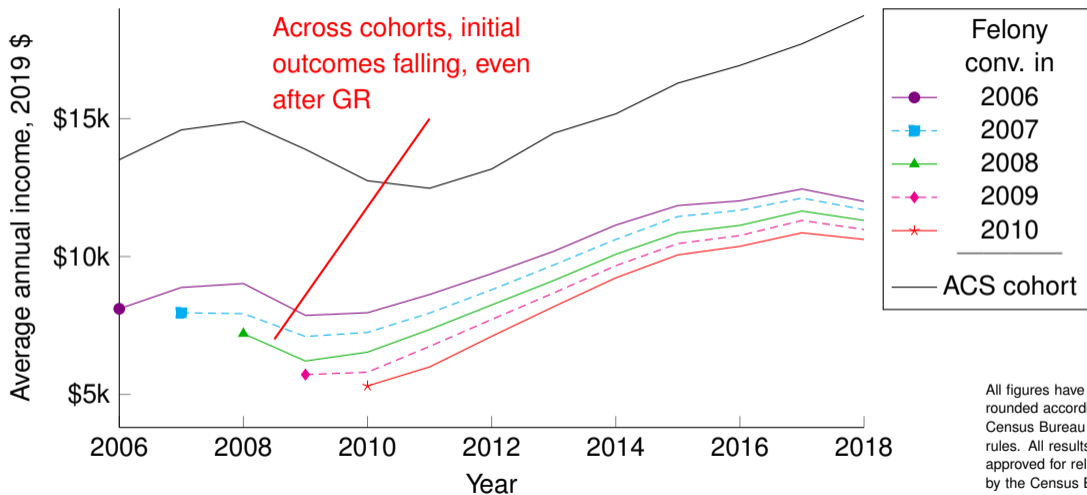
Individuals convicted of a felony



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# Average annual income, 2019 \$

Individuals convicted of a felony



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# Average annual income, 2019 \$

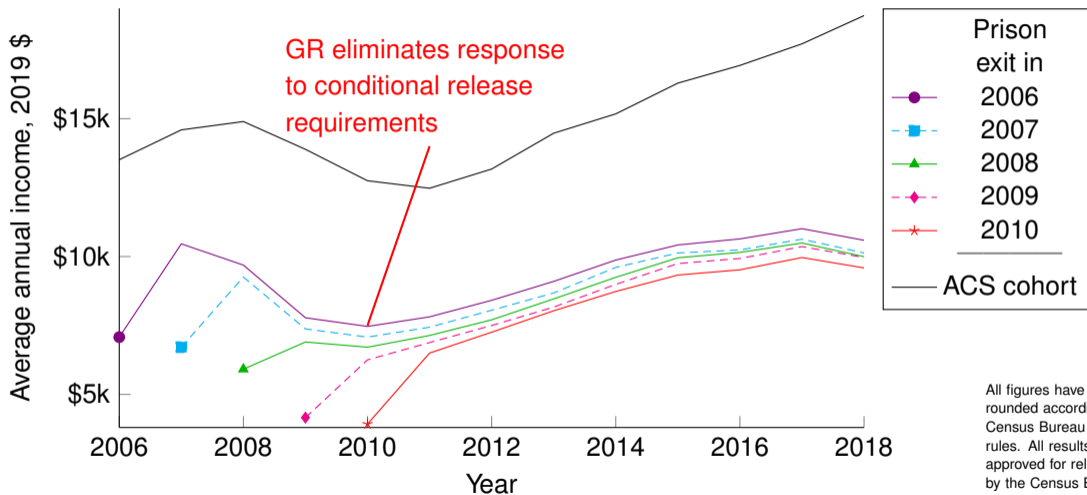
Individuals released from prison



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# Average annual income, 2019 \$

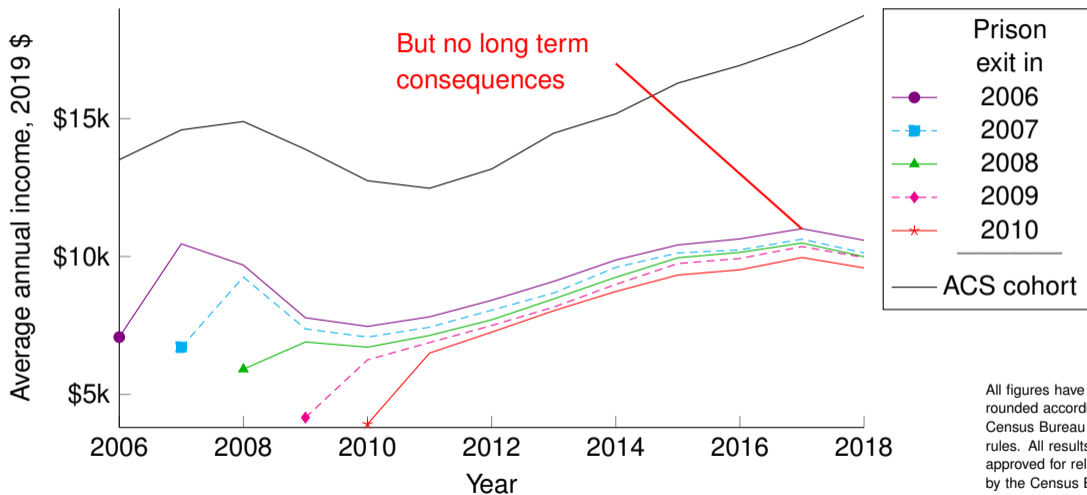
Individuals released from prison



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# Average annual income, 2019 \$

Individuals released from prison



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# Role of local labor market

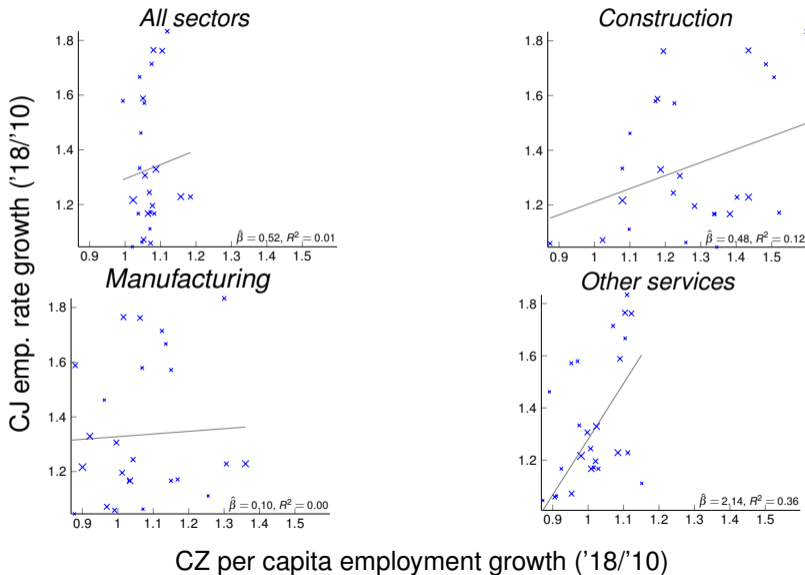
- What local labor market conditions facilitate JII labor market reintegration?
- Cohorts
  - ▶ Focal justice event between 2006-2008 linked to commuting zone
  - ▶ Employment rate growth by CZ, 2009/2010–2017/2018
  - ▶ Average income growth by CZ, 2009/2010–2017/2018
- Local labor market outcomes from QCEW
  - ▶ Per capita employment rate growth by CZ, 2010–2018
  - ▶ Per capita wage bill growth by CZ, 2010–2018
  - ▶ Calculated over all industries, construction (NAICS 23), manufacturing (NAICS 31–33), other services (NAICS 81)
- Census Bureau disclosure requirements limit analysis to CZs with 2018 population greater than 533k

# Which sectors matter?

## Findings:

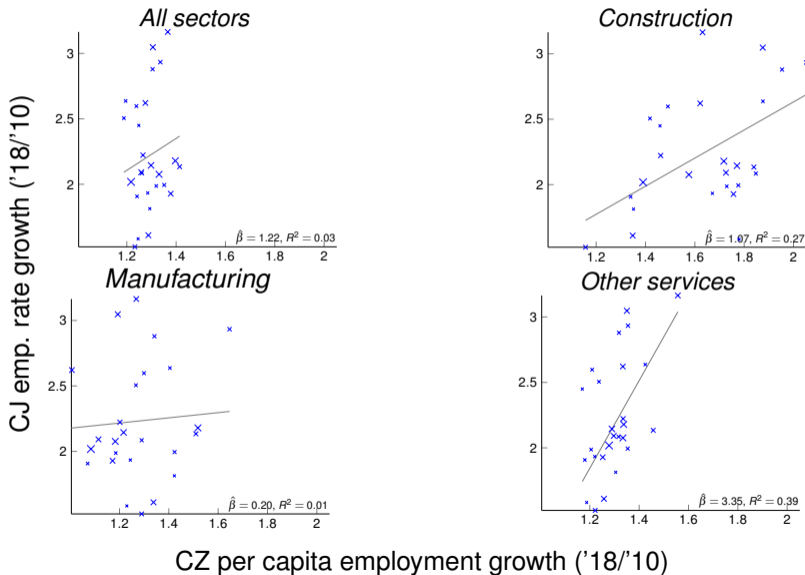
- 1 Significant variation in recovery across CZs and by sector for overall and JII populations
- 2 Limited correlation in overall and JII all-sector labor market growth rates
- 3 Construction and “other-services” sector performance drive JII growth rates

# CZ conviction employment rate growth and local employment growth

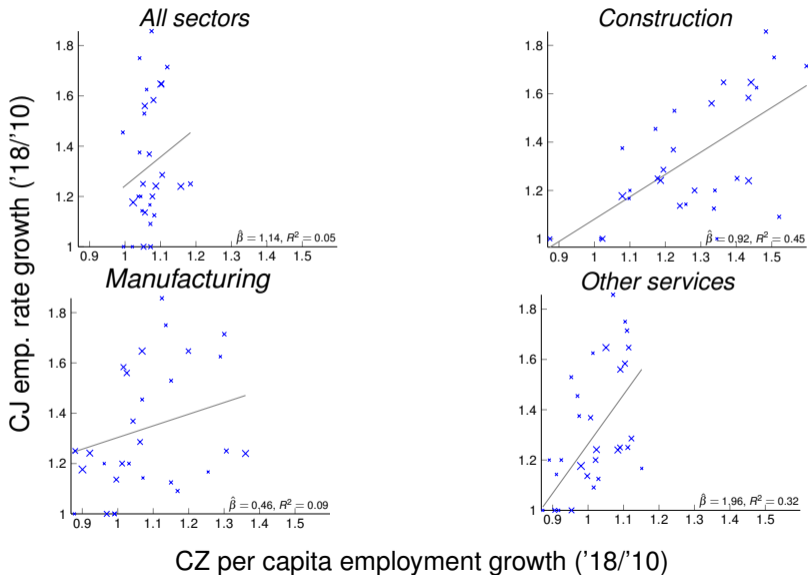


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# CZ convictee income growth and local wage bill growth



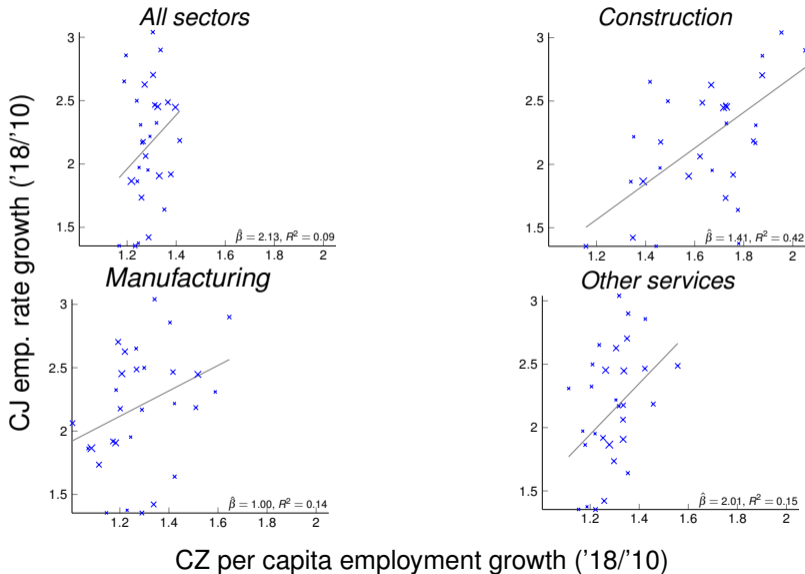
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# CZ releasee income growth and local wage bill growth



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- GR reduced labor market outcomes for JII
- Some recovery in the decade following GR, but outcome trends have flattened and remain far below those for comparably low-skill reference group
- All-sector economic performance in local labor market is not a good predictor of JII labor market outcomes
- Construction and “other services” sectors are particularly important for reintegration; manufacturing is less conclusive