Employer Perspectives on Former Offenders

An Analysis of How a Criminal Record Impacts the Hiring Decisions of Durham-Based Employers

April 2018

Prepared For
Ryan Smith, Project Manager
Innovation Team
City of Durham

Prepared By
Sara Khatami, Master of Public Policy
Sanford School of Public Policy
Duke University

Faculty Advisor
Sarah Komisarow, Ph.D.

Disclaimer: This student paper was prepared in 2018 in partial completion of the requirements for the Master’s Project, a major assignment for the Master of Public Policy Program at the Sanford School of Public Policy at Duke University. The research, analysis, and policy alternatives and recommendations contained in this paper are the work of the student who authored the document, and do not represent the official or unofficial views of the Sanford School of Public Policy or of Duke University. Without the specific permission of its author, this paper may not be used or cited for any purpose other than to inform the client organization about the subject matter. The author relied in many instances on data provided by the client and related organizations and makes no independent representations as to the accuracy of the data.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>ii</td>
</tr>
<tr>
<td>POLICY QUESTIONS</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>BACKGROUND RESEARCH</td>
<td>2</td>
</tr>
<tr>
<td>Criminal Records as a Signal</td>
<td>2</td>
</tr>
<tr>
<td>Second Chance Employment Initiatives</td>
<td>3</td>
</tr>
<tr>
<td>DATA COLLECTION</td>
<td>6</td>
</tr>
<tr>
<td>RESULTS</td>
<td>7</td>
</tr>
<tr>
<td>DISCUSSION</td>
<td>17</td>
</tr>
<tr>
<td>WORKS CITED</td>
<td>19</td>
</tr>
<tr>
<td>APPENDICES</td>
<td>A-1</td>
</tr>
<tr>
<td>Appendix 1: Survey Cover Letter</td>
<td>A-1</td>
</tr>
<tr>
<td>Appendix 2: Survey Instrument</td>
<td>A-2</td>
</tr>
<tr>
<td>Appendix 3: Map of Durham Business Improvement District</td>
<td>A-13</td>
</tr>
<tr>
<td>Appendix 4: Follow-Up E-Mail to Respondents</td>
<td>A-14</td>
</tr>
<tr>
<td>Appendix 5: Cross-Tabulation of Wage Subsidies and Tax Incentives</td>
<td>A-15</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Policy Questions

- How does a criminal record affect the hiring decisions of Durham-based employers?
- What, if any, services or incentives might increase the likelihood of these employers hiring former offenders?

Introduction

Roughly 700 individuals return to Durham each year after serving time in state prison. These individuals face a variety of indirect consequences known as collateral consequences. Often more severe and long-lasting than imprisonment or fines, collateral consequences include the denial of parental rights, civil rights, and public benefits. These collateral consequences also render justice-involved individuals ineligible or unfit for various types of employment (NC Justice 2017).

Re-entry into the labor market remains one of the most challenging situations ex-offenders face. At the same time, a sizable body of research consistently demonstrates that employment is correlated with a successful reentry to society (Doleac 2016; Leasure and Anderson 2016; Pager et al. 2009; Swanson et al. 2012). In determining potential ways to improve this population’s employment prospects, an important first step is to understand the barriers that limit their opportunities.

Background Research

Criminal records possess a signaling effect: that is, they provide information about hard-to-observe applicant qualities. For instance, records may indicate an untrustworthy employee who might steal, interact poorly with customers, or break rules on the job (Holzer et al. 2003). Of course, using criminal records as an imperfect substitute for knowledge of unobservable applicant characteristics does not take into consideration whether the applicant’s rehabilitation efforts were successful (Doleac 2016).

Due to some of the signaling effects of a criminal record, a number of programmatic and financial incentives have been designed to promote second chance employment. At the federal level, the Work Opportunity Tax Credit provides tax credits to private sector employers who hire and retain individuals from eligible groups that face barriers to employment. Additionally, the Federal Bonding Program provides employers with free insurance for the first six months of a new “at-risk” hire’s employment. At the state level, an individual with a criminal record can file a petition for a Certificate of Relief, which aims to lift barriers to employment and occupational licensing, as well as provide employers with immunity from negligent hiring claims. Locally, a number of transitional employment programs – such as TROSA – provide wraparound services for justice-involved individuals.

Data Collection

Approximately 500 Durham employers received a 30-question, web-based survey. The survey was largely organized around two areas of inquiry: (1) hiring considerations regarding former offenders and (2) incentives designed to facilitate the hiring of former offenders. The final analysis included the responses of 77 different employers.
To supplement these data and to allow for more open-ended questions, several survey participants participated in a small focus group held at the Durham Chamber of Commerce. Moreover, some respondents participated in a 10-minute follow-up phone call regarding some of the main themes that emerged from the survey.

Results
Several key findings emerged from the data.

1. **During the hiring process, employers overwhelmingly look for soft skills.** Survey participants felt that having hard skills was more of a “perk” than a deciding factor when it came to hiring.

2. **Depending on the crime, employers were concerned that they could not trust applicants with records.** Many of these concerns were not necessarily rooted in reality; that is, rather than provide concrete examples of dishonest encounters with justice-involved individuals, employers wrote about hypothetical scenarios.

3. **Most respondents were completely unfamiliar with second chance employment incentives.** However, financial incentives were not as enticing as the more programmatic strategies. Employers believed that government incentives such as tax incentives and wage subsidies involved a process that was too cumbersome to be worth the financial benefits.

Discussion
Based on the results, this paper concludes with several strategies to promote second chance employment.

- **Create an outreach campaign for employers to learn more about transitional employment programs.** Unlike financial incentives, reentry programs provide a way for offenders to build work experience and positive references after their release. Employers felt that graduating from a credible, structured program would provide a good indicator of a successful employee.
- **Place a greater emphasis on soft skill acquisition within employment reentry programs.** Above all, employers want applicants with strong soft skills, including interpersonal and communication skills.
- **Promote opportunities for employers to share success stories with other employers.** Survey data revealed just how influential a fellow employer’s opinion and references can be. Moreover, many of the concerns employers expressed about hiring justice-involved individuals were more abstract. Therefore, providing a space where employers who have successfully hired and retained former offenders can share their success stories may prove to be an engaging form of marketing.
I. Policy Questions

This report seeks to answer two questions:

- How does a criminal record affect the hiring decisions of Durham-based employers?
- What, if any, services or incentives might increase the likelihood of these employers hiring former offenders?

II. Introduction

In January 2017, Bloomberg Philanthropies recognized the City of Durham as a member of its Innovation Team (“i-team”) Program. The multi-year grant allowed the City to fund an in-house i-team that aims to pioneer approaches to tackle local challenges. One of the team’s specific initiatives is to increase economic opportunity for former offenders.

Each year, roughly 700 ex-offenders return to Durham after serving time in state prison (DPS Research and Planning 2017). Their criminal records trigger a variety of punishments known as collateral consequences. Collateral consequences are separate from the direct consequences of criminal conviction – such as prison, fines, and probation – yet these indirect consequences are often more severe and long-lasting. The denial of parental rights, public benefits, and employment opportunities are just a few of the losses grouped under collateral consequences (NC Justice 2017). Taking into account the 1.5 million North Carolina residents who have criminal records, criminal justice reform should not only work to reduce the number of people entering the system, but also address the barriers faced by the individuals who leave the system (NC Justice 2017; Garretson 2016).

Re-entry into the labor market remains one of the most challenging situations ex-offenders face. At the same time, a sizable body of research consistently demonstrates that employment is correlated with a successful reentry to society: it provides income, social connections, stability, and, oftentimes, feelings of self-worth (Doleac 2016; Leasure and Anderson 2016; Pager et al. 2009; Swanson et al. 2012). In determining potential ways to improve this population’s employment prospects, an important first step is to understand the barriers that limit their opportunities.

Much of the focus has been placed on supply-side barriers (i.e., the characteristics and behaviors of formerly incarcerated individuals). An emerging area of focus is the demand-side barriers: what are the legal barriers that prevent former offenders from gaining employment, and how willing are employers to hire individuals with records? Considerable resources have already been funneled into programs and services for incarcerated individuals, and most research has focused on evaluating said programs. However, these efforts may prove futile if demand-side barriers are not fully addressed.
III. Background Research

Criminal Records as a Signal

Criminal histories provide information about hard-to-observe applicant qualities. On average, former offenders disproportionately suffer from mental illness, substance abuse, and emotional trauma. This generalization is true on average, yet possibly inaccurate for a specific applicant (Raphael 2011). A criminal history may also indicate an untrustworthy employee who might steal, interact poorly with customers, or break rules on the job (Holzer et al. 2003). Given the time-consuming and costly hiring process, some employers use records as an imperfect substitute for knowledge of unobservable applicant qualities. This method does not take into consideration whether the applicant’s rehabilitation efforts were successful (Doleac 2016). Indeed, criminal records reduced the likelihood of a callback or job offer by 50 percent (Pager et al. 2009).

A criminal record remains one of the more stigmatizing barriers to employment. In a survey administered to roughly 3,000 employers in four major cities—Atlanta, Boston, Detroit, and Los Angeles—over 90 percent were willing to consider a welfare recipient for their most recent job vacancy. In contrast, about 40 percent were willing to consider hiring an ex-offender (Holzer et al. 2003). A 2012 survey of hiring managers in the food service industry suggests that time has not alleviated these employer sentiments. Applicants who were on probation, parole, or had been in prison were most likely to be categorized as “definitely would not hire.” None of the other background characteristics – being unemployed for six or more months, being on welfare, having a GED instead of a high school diploma, having only short-term work experience – elicited such negative responses from survey participants (Decker et al. 2014).

When employers do choose to hire individuals with criminal backgrounds, they are more likely to, perhaps unsurprisingly, employ those with shorter criminal records, more educational attainment, and more work experience (Gebo and Norton-Hawk 2009). While employers were highly averse to hiring violent offenders – 90 percent were unwilling to hire these individuals – they relaxed when asked about hiring individuals convicted of drug or property crimes: roughly 50 percent would be willing to hire nonviolent offenders (Holzer et al. 2003). Several limitations exist in Holzer’s study: namely, the lack of detail asked in these questions. Employers may view someone who is charged versus convicted differently. In addition, employers may take into consideration the severity of the offense and the extent – or lack thereof – of prior criminal record (Gebo and Norton-Hawk 2009). A 2014 study attempted to address this limitation, finding that 60 percent of employers treated felonies and misdemeanors differently. Employers were asked to rate the seriousness of these two categories on a scale from 1 to 10, and ranked misdemeanors at 4.2, and felonies at 8.2. Moreover, over 60 percent of businesses differentiate between an arrest and conviction. Again, on a scale from 1 to 10, firms rated the severity of a dismissed offense at 3.5 and a convicted offense at 7.5 (Uggen et al. 2014).

Certain industries tend to hire more justice-involved individuals over others, yet there is some disagreement in the literature in terms of identifying these sectors. One study determined that social services, restaurants, and construction were the most accessible industries for ex-felons (Tam et al. 2003). Gebo and Norton-Hawk build on this list, adding manufacturing, maintenance, food service, and sanitation (2009). On the other hand, Holzer et al. found that service industries
as a whole were the least willing to hire ex-offenders, and that manufacturing, construction, and transportation sectors were the most willing (2003). The resistance from the service industry likely stems from the customer-contact involved in many service occupations. Moreover, managers may not trust former offenders with handling cash or other valuable items, such as those found in the retail industry (Weiman 2007).

The interview process provides an opportunity for applicants to demonstrate soft skills that are virtually impossible to reflect on a resume, such as communication skills and reliability. Although low-wage job interviews are typically brief, even short interactions can provide enough information to employers about an applicant’s capacity to succeed in the position. In fact, evidence from Pager et al. reveals that personal contact with an employer reduces the impact of a criminal record by about 15 percent (2009). Uggen et al. also found that personal contact is a powerful predictor for callbacks, especially for minority applicants: employees of color experienced a 28% callback probability with contact, and a 3% probability without contact (2014). These results dovetail Gebo and Norton-Hawk’s questionnaire answers, in which employers identified the best predictors of a good employee. Two of the top four predictors fell under soft skills: social skills and presentation of self. Not one respondent mentioned a clean record as a predictor (2009).

Second Chance Employment Initiatives

Due to some of the signaling effects of a criminal record, a number of programmatic and financial incentives have been designed to promote second chance employment. Below are several such incentives, organized by level of service delivery (federal, state, and local).

<table>
<thead>
<tr>
<th>Incentives for Hiring Former Offenders</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work Opportunity Tax Credit</strong></td>
<td></td>
</tr>
<tr>
<td>The Work Opportunity Tax Credit (WOTC) provides tax credits to private sector employers who hire and retain individuals from eligible groups that face barriers to employment. “Ex-felons” comprise one target group. In order to meet the criteria of this target group, a new hire must have been convicted of a felony, and the date of hire must be within one year after the conviction or the prison release date. Therefore, employers receive no credits for hiring applicants with a misdemeanor, or applicants with a felony or misdemeanor who were released from jail or prison beyond a year from their application.</td>
<td></td>
</tr>
<tr>
<td>For most of these groups, including “ex-felons,” the maximum credit employers can receive is 40 percent of the first $6,000 of a new employee’s wages, or $2,400. To qualify for this maximum credit, the employee must remain on payroll for at least 400 hours. For employees who work somewhere between 120 and 400 hours, the credit drops to 25 percent, resulting in a maximum credit of $1,500.</td>
<td></td>
</tr>
<tr>
<td>While the WOTC offers an employer incentive to hire stigmatized groups, the number of certifications – that is, the number of employers who request tax credits – remains low compared to the potential number of eligible individuals (Lower-Basch 2011). Lack of information about the WOTC might be one plausible explanation for the low uptake. For employers who were familiar with the program, however, a 2005 survey revealed that their employees did not stay on</td>
<td></td>
</tr>
</tbody>
</table>
the job long enough to make the application process worthwhile (Lower-Basch 2011). Indeed, the IRS Forms indicate that the average time preparing and completing the required paperwork is 11 hours and 22 minutes (Sarmiento 2011).

**Bonding**

The Federal Bonding Program (FBP) provides employers with insurance for the first six months of a new hire’s employment. The policy aims to protect businesses against any possible theft-related losses that resulted from the employee’s actions. Unlike the WOTC, the bond covers any type of former offender, regardless of the type of charge or conviction. Furthermore, there is no time restriction: applicants with recent or dated records can be bonded.

These bonds are free to the employer, and can cover anywhere from $5,000-$25,000, with a majority of bonds issued being in the $5,000 range. As a result, mostly small businesses have benefitted from the FBP. Temporary, part-time, and full-time positions are all bondable.

North Carolina’s coordinator of the Former Offenders Program, Wendi Bowen, shared insights on how the bonding program has fared in the state. In 2017, North Carolina issued bonds to roughly twenty employers, for a total of $100,000. To her knowledge, no claims have been filed by employers who participate in the program; at a national level, less than 1% of employers file a claim. She also acknowledged the need for the FBP to be promoted more. Employers often have an impression that the application process is complicated, but in reality, signing up for the FBP is relatively straightforward and requires no paperwork from the employer (Bowen 2017).

**Certificates of Relief**

The negligent hiring doctrine maintains that “employers can be held liable for the actions of their employees if they knew, or should have known, that the employee posed a significant risk” (Gebo and Norton-Hawk 2009, 8). However, employers are provided inadequate guidance as to what a significant risk entails. For instance, a criminal record that may seem unrelated during the initial hiring process might be a red flag in hindsight (Doleac 2016). Employers have lost 72 percent of negligent hiring cases that have resulted in an average settlement of roughly $1.6 million. The high likelihood of losing as well as the substantial settlement awards might deter employers from hiring ex-offenders (Holzer 2003). Criminal background checks – and resultantly opting to hire those without a criminal record – therefore act as safeguards against potential negligent hiring lawsuits (Gebo and Norton-Hawk 2009).

Certificates of Relief emerged as way to lift barriers to employment and occupational licensing, as well as provide employers with immunity from negligent hiring claims. In practice, an individual typically files a petition for a Certificate of Relief – usually with the help of an attorney – by compiling information about his/her criminal record and proof of rehabilitation. After taking into account eligibility criteria, a judge then will evaluate whether the petitioner should be granted relief (Hager 2015). Eligibility varies by state: in North Carolina, for instance, individuals are only eligible if they have been convicted of no more than two low-level felonies in one session of court (NC Justice 2017).
As a fairly new tool, the accessibility and relevance of this relief mechanism remains unclear. In a series of interviews, a majority of former inmates stated that neither their attorney nor representatives from the DOC informed them about certificates (Garretson 2016). On the employer side, Garretson found firms generally do not ask about certificates – in fact, most paper and online applications do not have a place for applicants to tell potential employers about their certificate (2016). Further research is needed to determine the effectiveness of these relief mechanisms, including whether employers are aware that such certificates exist, or if they are unwilling to rely on them as a signal of a rehabilitated applicant.

Local

Employment Re-Entry Programs
The need for post-release services is broadly acknowledged, yet how to best provide these services is still unclear. Employing a randomized controlled trial design, Farabee et al. (2014) explored the causal relationship between completion of reentry programs and employment. Reentering offenders – all of whom had been released from jail or prison within the past 6 months – were either randomized into an employment-oriented reentry program or provided with a list of community resources. Outcomes were reported based on 12-month follow up interviews. The percentage of the treatment group who were employed was 29.8 percent, compared 27.1 percent of the control group. However, this difference was not statistically significant. Similarly, Redcross et al. evaluated the Center for Employment Opportunities (CEO) Transitional Jobs Program using an experimental design, and found few differences between the treatment and control group. Program participants were much more likely to be employed initially as compared to the control group, yet this effect faded by the end of the first year (2012). This finding demonstrates that employment increases were limited to transitional jobs, and ex-inmates struggle to gain employment in the regular labor market (Cook et al. 2014).

Cook et al. posit that one limitation of earlier reentry program efforts is that they typically start providing services after release from prison. At this point, it may be too late to effectively address the number of challenges former offenders face, including finding housing, securing employment, and reconnecting with family members (2014). Therefore, newer models of reentry programs are built on holistic, wraparound services that start while individuals are still incarcerated and extend during and, if applicable, beyond the parole terms of the release (Raphael 2011). In a randomized control trial of a reentry program that included “reach in” services – that is, the treatment group received intensive vocational and soft-skills training, remedial education, and drug and alcohol treatment services about six months prior to release – Cook et al. found statistically significant increases in employment and earnings for the treatment group (2014).

TROSA and StepUp are two well-regarded Durham organizations that promote the hiring and retention of individuals who face barriers to employment. While neither of these programs start before an individual’s release from prison or jail, they involve a long-term commitment from participants, and offer comprehensive, wraparound services. TROSA participants are limited to those who have a substance use disorder, and roughly 90 percent of these participants have a criminal record. StepUp is open to a wider array of individuals, including those who are experiencing homelessness, have limited work history, or have a criminal background.
IV. Data Collection

I collected data using a mixed methods research design. The first stage consisted of a 30-question Qualtrics survey that was distributed to a sample of Durham-based employers. To potentially encourage higher response rates, a cover letter signed by Mayor Steve Schewel was included with the survey. To review the cover letter and complete survey instrument, see Appendix 1 and 2, respectively.

The survey included a series of open- and close-ended questions mainly organized around two areas: hiring considerations regarding former offenders and incentives designed to facilitate the hiring of former offenders. Additional targeted questions were asked to employers who had hired an individual with a criminal record.

Employers were identified through convenience sampling. The survey link was sent to an internal member of the below associations, who then distributed the survey.

1. Durham Living Wage Project (DLWP): Officially launched in 2015, DLWP urges businesses to pay their employees a livable wage – in 2017, $13.35 – in order to better ensure that individuals can meet their basic needs without public assistance. After completing a voluntary certification process, an employer receives recognition (both in online and print media, as well as a logo they can display at their establishment’s physical location and website) for committing to DLWP’s cause. All 109 Living Wage certified employers received the survey. Of these employers, the Food/Beverage and Retail Industry composed the highest percentage share of certified employers.

2. Downtown Durham, Inc. (DDI): To further its mission of revitalizing downtown, DDI manages Durham’s Business Improvement District (BID), a map of which can be found in Appendix 3. Properties inside the BID pay a higher tax rate in return for services such as marketing and street cleaning. The Special Projects Coordinator at DDI sent the survey to all businesses within the district, with roughly 350 employers receiving the survey.

3. Office of Economic and Workforce Development (OEWD): OEWD operates a Former Offender Program, which provides assistance for individuals seeking employment. Their senior coordinator sent the survey to approximately 20 employers who have worked with the Former Offender Program.

4. Durham Chamber of Commerce: The Chamber of Commerce also provided a list of business contacts to whom the survey could be administered. The list included 35 different employers, with construction firms accounting for the largest portion of the sample (n=11, or 31%).

Assuming no overlap between associations, the survey was administered to approximately 514 employers. However, some employers likely received the survey link multiple times, depending on whether they were affiliated with more than one group. For example, a living wage certified employer located within the BID would have received the survey twice.

Once the first responses were recorded, the survey was kept open for an additional two weeks. While the survey link was opened 128 times, 102 filled-out surveys were returned. As a result, the
survey received a 20% response rate. However, only surveys with a 100% completion rate were analyzed, leading to 24 more surveys being dropped. 77 surveys were included in the final analysis.

To supplement these data and to allow for more open-ended questions, survey participants were given an option to leave their name and contact information if they were interested in having more in-depth conversations about their perceptions of and experiences with hiring former offenders. In total, 21 respondents left their contact information. Eleven respondents, selected randomly, were sent an e-mail asking if they would be willing to engage in a short conversation revolving around the main themes and lingering questions that emerged from the survey. For a copy of the e-mail, see Appendix 4. Nine employers responded to this e-mail, and I was able to have a phone conversation with four of them. Phone participants came from a range of industries, including Food/Beverage, Retail, Educational Services, and Arts, Entertainment, and Recreation. On average, these conversations lasted 15 minutes.

Additionally, a focus group facilitated by the City of Durham’s i-team was held at the Durham Chamber of Commerce. The main criteria for focus group selection was the size of the employer. Only large (100+ employees) organizations were sent an e-mail invitation, with the idea being that larger employers were much more likely to be hiring a greater number of individuals. 22 invitations were sent out, and ultimately, the focus group was composed of five employers. Three of the employers were in the construction industry, while the other two employers were in the education industry. All invitees and focus group participants received the survey; however, whether they personally completed the survey is unknown.

V. Results

I organized the survey data into the following categories:

Employer profile. Each respondent was asked about employer size, categorization (i.e., non- versus for-profit), and industry. Related questions included screening mechanisms used and number of new hires in the past year.

Applicant Criteria. Employers provided information about required hard and soft skills for their entry level (or one to two steps above entry level) positions, as well as whether applicants needed a driver’s license or a certain level of education. Respondents also ranked desirable and concerning qualities of new hires.

Willingness to Hire. Respondents were asked whether or not they had ever knowingly hired an individual with a criminal record. Those who responded affirmatively were asked additional targeted questions. All respondents, regardless of whether or not they had hired a former offender, were asked what, if anything, might deter them from hiring from this population.

Services and Incentives. The City of Durham, the State of North Carolina, and a variety of local non-profits offer a number of services and incentives designed to promote second chance

---

1 This response rate assumes that the survey was administered to 514 unique employers. Given the probable overlap between associations, the true response rate is likely higher.
employment. Employers were asked if they were familiar with these offerings, and whether or not they would increase their likelihood of hiring former offenders.

Data is reported by category below.

**Employer profile**

Employers were first organized by North American Industry Classification System (NAICS) 2-Digit Sector Codes. Table 1 summarizes the types of industries survey participants represented.

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Respondents</th>
<th>Frequency (n=)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food/Beverage</td>
<td>21%</td>
<td>16</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>18%</td>
<td>14</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services (excluding Legal Services)</td>
<td>14%</td>
<td>11</td>
</tr>
<tr>
<td>Legal Services</td>
<td>9%</td>
<td>7</td>
</tr>
<tr>
<td>Educational and Social Services</td>
<td>9%</td>
<td>7</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>Construction</td>
<td>5%</td>
<td>4</td>
</tr>
<tr>
<td>Health Services</td>
<td>4%</td>
<td>3</td>
</tr>
<tr>
<td>Waste Management and Remediation Services</td>
<td>4%</td>
<td>3</td>
</tr>
<tr>
<td>Other Services (excluding Public Administration)</td>
<td>4%</td>
<td>3</td>
</tr>
<tr>
<td>Accommodation</td>
<td>3%</td>
<td>2</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1%</td>
<td>1</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>1%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>77</strong></td>
</tr>
</tbody>
</table>

Less variation existed in terms of employer size, classification, and hiring history. A vast majority of respondents worked in local (one location), for-profit establishments with fewer than 30 employees. Just 17% (n=13) of respondents reported having no new hires in the past year. Respondents who had hired in the past year most frequently utilized online postings and referrals to recruit candidates. Because most surveyed employers worked in organizations with fewer than 30 employees, the average number of new hires was, perhaps unsurprisingly, in the single digits: 67% (n=52) of respondents hired somewhere between one to ten applicants in the past year.

During the hiring process, 74% (n=57) of employers “banned the box.” For organizations that did not ban the box, 71% (n=17) had knowingly hired a former offender. Since BTB delays rather than precludes employers from asking questions about an applicant’s criminal history, I then asked respondents what, if any, screening mechanisms they used. Following reference checks, criminal background checks were the most commonly used screening mechanism. Of the 35 respondents who requested criminal record checks, 49% banned the box, and 60% had knowingly hired an
applicant with a record. Based on follow-up discussions, employers largely considered applicants with a criminal background on a case-by-case basis, rather than relying on formal policies. One focus group participant in the education industry revealed that they had no “hard and fast” policy when something showed up on a background check, but rather relied on three criteria to guide their decision: (1) the nature of the crime (2) the length of time elapsed since their record and (3) whether the conviction was at all related to the type of work they would be doing. For a further discussion on how employers made the decision to hire former offenders, see below, under “Willingness to Hire.”

**Applicant Criteria**

Using open-ended questions, employers were asked what hard and soft skills they valued most in new hires: specifically, entry-level (or one to two steps above entry level) hires. In order to minimize measurement error, employers were given brief definitions and examples of each type of skill. Figures 1 and 2 identify the most commonly cited soft and hard skills.

**Figure 1: Top 5 Soft Skills Valued by Employers**

1. **Communication Skills**: professional and friendly interactions with customers and colleagues. Also includes the ability to provide and accept feedback.
2. **Willingness to Learn**: self-motivated individuals who are quick to learn the required on-the-job skills.
3. **Team Player**: works well as a member of a group.
4. **Reliable**: trusted to complete tasks well and on time.
5. **Other**: flexibility, ability to multi-task, organized.

**Figure 2: Top 5 Hard Skills Valued by Employers**

1. **Computer Skills**: basic understanding of Microsoft Office, e-mail, ability to troubleshoot as needed.
2. **Industry Knowledge**: specific knowledge or ability related to employer’s industry, e.g., knife skills.
3. **Basic Math**: ability to count money and give change, convert between units of measurement.
4. **Reading and Writing**: writing, grammar, spelling, and proof-reading skills.
5. **Phone Skills**: ability to make calls, text.
In general, soft skills were cited more often than hard skills. Respondents mentioned soft skills 154 times, while hard skills came up just 82 times. Several employers believed that so long as new hires demonstrated a willingness to learn, employers were happy to teach any required hard skills. As one survey respondent stated, “we care more about a person’s attitude and willingness to learn than their hard skills.”

Follow-up conversations corroborated these insights. While there was some debate on whether soft skills could be easily taught, several employers firmly believed that a structured reentry program that focused on life skills would teach applicants how to interact in a positive and professional manner. One employer in the Food/Beverage industry mentioned several tactics that could demonstrate an applicant’s motivation and attitude, including showing up to an interview early, bringing a pen, and asking relevant questions (e.g., “I looked at your menu online, what is this ingredient?”). He revealed that in most interviews he has conducted, applicants did not display these qualities.

To complement these open-ended questions, respondents also ranked qualities that were most desirable and most concerning in job applicants. Respondents were given five qualities to rank in order of preference, and were instructed that a ranking of a ‘1’ indicated that the quality was either the most desirable or the most concerning. Therefore, the lower the mean score, the more desirable or concerning the quality. Table 2, for instance, shows that communication was the most desirable quality as ranked by respondents, with a mean score of 2.36.

Table 2: Desirable Qualities in New Hires, as Ranked by Employers

<table>
<thead>
<tr>
<th>Quality</th>
<th>Mean</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>2.36</td>
<td>1</td>
</tr>
<tr>
<td>Motivation/Enthusiasm</td>
<td>2.49</td>
<td>1</td>
</tr>
<tr>
<td>Relevant Work Experience</td>
<td>2.67</td>
<td>2</td>
</tr>
<tr>
<td>Recent Work Experience</td>
<td>3.44</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 3 summarizes the results of the opposite question: what do employers consider to be the most concerning qualities in new applicants? Of the four options presented in the survey, ‘spotty work history’ emerged as the most concerning quality.

Table 3: Concerning Qualities in New Hires, as Ranked by Employers

<table>
<thead>
<tr>
<th>Quality</th>
<th>Mean</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spotty Work History</td>
<td>2.12</td>
<td>2</td>
</tr>
<tr>
<td>Criminal Record</td>
<td>2.31</td>
<td>1</td>
</tr>
<tr>
<td>Unemployed for 1+ Years</td>
<td>2.93</td>
<td>4</td>
</tr>
<tr>
<td>Low Educational Attainment</td>
<td>3.05</td>
<td>4</td>
</tr>
</tbody>
</table>

Another area of interest included whether employers required new hires to hold a driver’s license, especially since justice-involved individuals are more susceptible to getting their licenses revoked or suspended. 34% (n=26) of respondents reported that 100% of their positions required a license. In contrast, 43% (n=33) of employers believed that none of their positions required a driver’s license.
Because few respondents were in the transportation industry, more targeted questions were needed to determine whether these positions actually required operating a vehicle (e.g., employees have to visit different sites that are inaccessible by public transit), or whether respondents considered a driver’s license a proxy for reliability. Phone call participants speculated that it was the latter. One employer mentioned that the employees who often had punctuality issues were the ones who relied on public transportation. For the Food/Beverage industry, not having reliable transportation posed a scheduling headache, especially on Sunday evenings, when the bus system stops operating at 8:00 p.m. From the employers’ perspective, this limited schedule has inhibited some applicants from being able to work in the service industry.

Lastly, employers shared the percentage of their workforce that required a high school diploma (or equivalent), a college degree, or a specialized training/certification. According to a 2005 NCDPS report, 52.6% of inmates claimed to have at least a high school diploma or equivalent (Edwards 2005). As shown in Table 4, having at least a high school diploma was the most frequently cited educational requirement.

For some applicants – especially those with criminal records – requiring a certain training or specialization for a job may be perceived as an additional barrier to employment. Interestingly, 50% (n=21) of employers who required training or a certification for half or over half of their workforce had also knowingly hired a former offender. Future studies should determine whether these individuals were in positions that required a specialized training or certification. If so, another question that remains is whether they held these qualifications prior to employment, or if the employer provided resources to fulfill these qualifications.

Table 4: Roughly What Percentage of Positions Require….

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Less than half</th>
<th>About half</th>
<th>Over half</th>
</tr>
</thead>
<tbody>
<tr>
<td>a high school diploma or equivalent</td>
<td>26%</td>
<td>16%</td>
<td>58%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Less than half</th>
<th>About half</th>
<th>Over half</th>
</tr>
</thead>
<tbody>
<tr>
<td>a college degree</td>
<td>52%</td>
<td>14%</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Less than half</th>
<th>About half</th>
<th>Over half</th>
</tr>
</thead>
<tbody>
<tr>
<td>specialized training or a certification</td>
<td>42%</td>
<td>25%</td>
<td>33%</td>
</tr>
</tbody>
</table>
Willingness to Hire

A very slight majority of survey respondents (n=39, or 51%) reported that they had knowingly hired an individual with a criminal record. Those who did were given the opportunity to elaborate on how they made the decision to hire the applicant. Some respondents admitted that they had no idea about the applicant’s record until weeks after their first day on the job. For employers who were able to discuss the applicant’s record during the hiring process, Table 5 summarizes why they decided to hire them.

Table 5: Deciding Factors for Employers Who Knowingly Hired Former Offenders (n=34)

<table>
<thead>
<tr>
<th>Factor</th>
<th>% of Respondents</th>
<th>Frequency (n=)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive Interview: Applicant Expressed…</td>
<td>32%</td>
<td>11</td>
</tr>
<tr>
<td>• Enthusiasm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Honesty about record</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Motivation to improve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skillset, prior work experience</td>
<td>24%</td>
<td>8</td>
</tr>
<tr>
<td>References from former employers</td>
<td>15%</td>
<td>5</td>
</tr>
<tr>
<td>Employer belief in rehabilitation</td>
<td>12%</td>
<td>4</td>
</tr>
<tr>
<td>Length of time since incarceration</td>
<td>9%</td>
<td>3</td>
</tr>
</tbody>
</table>

For hypothetical scenarios, a sizeable body of research has determined that employers are hesitant to agree to blanket statements about their willingness to hire former offenders (Holzer et al. 2003; Swanson 2012). That is, most employers will not simply state that they would be willing or unwilling to hire from this population; rather, a variety of factors affect their ultimate decision. Survey results corroborated this research, with 58% (n=41) of respondents stating that their likelihood of hiring an offender in the future would “depend on the circumstance.”

In order to gauge what these circumstances might be, all survey participants were asked open-ended questions regarding what concerns they had about hiring individuals with criminal records. I then coded these responses into thematic categories.

Employer Perspectives: Top Concerns Regarding Hiring Former Offenders

**Trust**

Concerns revolving around the applicant’s trustworthiness came up 31 times. Generally speaking, employers believed that going prison or jail signaled that an applicant had done something dishonest, which thus undermined their ability to trust them. Several respondents mentioned that their employees work in small teams with limited to no supervision, often with access to sensitive or personal data. Being able to trust former offenders in this situation, and the potential liability involved if the situation were to go awry, were points of anxiety for a number of employers.

Trust concerns also extended to customers. Employers who provided services within and around clients’ homes were especially concerned that their customers would not feel comfortable with a
former offender working on their property. As one respondent explained, “employees are unsupervised and have access to client keys and security alarm codes…for this reason, I am not willing to hire anyone with a criminal record.”

**Type of Crime**

Employers were more often concerned with the nature of the crime (e.g., a drug versus property offense) rather than the classification of the crime (e.g., a felony versus a misdemeanor). 53 respondents stated that, when making a hiring decision, they would want to take into account the type of offense committed. Some respondents offered more detail about what they believed were some of the most concerning crimes. Notably, employers expressed concern over theft more frequently than violent crime, especially those who worked with valuable equipment or sold expensive products.

Concerns with violent crimes were brought up by 13 employers. Of these respondents, an overwhelming majority – 70% – worked in customer-facing industries, including Food/Beverage and Retail.

**Individual Work-Readiness**

15 respondents were concerned about a variety of individual-level attributes typically associated with justice-involved individuals, which were then grouped into a catchall “work-readiness” category. Some employers were concerned about the stability of former offenders, and whether they would end up being accountable employees. Others were unsure whether an individual’s experience in the criminal justice system would deter them from working independently and engaging in self-discipline.

Several employers thought situational aspects -- rather than personal attributes – of a former offender’s life would more likely act as a barrier to successful employment. One respondent, who had hired multiple individuals with criminal records, found that these employees were less reliable due to schedule disruptions from court proceedings. Other concerns included whether applicants with records had a cell phone or stable housing – both of which may signal a reliable employee.

Less frequently cited concerns included potential harm to the company’s reputation, evidence of being a habitual offender, and the length of time since incarceration. If the conviction was deemed an isolated incident, then whether the applicant was recently released from prison was less of a concern. Regarding reputation, employers stressed that they wanted their customers to feel safe, and were worried how public perception may change if the employee’s record was discovered.

**Services and Incentives**

This section sought to understand how employer attitudes could be influenced so that they would be more comfortable with the idea of hiring a former offender. Using a five-point Likert scale, the researcher asked survey participants the extent to which certain services and incentives would impact their willingness to hire previously incarcerated individuals.
The top two services or incentives that employers rated as definitely or probably having a positive (rating of 4 or 5) impact on hiring were (1) specific job training related to the respondent’s industry and (2) completion of a transitional employment program. Two focus group participants revealed that they virtually automatically hire applicants who have completed a transitional employment program, such as TROSA. To them, completion of such a program was evidence of rehabilitation. In fact, some employers believed that individuals who went through these structured programs were less likely to quit or commit workplace misconduct than individuals without criminal records.

When exclusively looking at employers who have never knowingly hired a former offender, the top two incentives changed slightly: job training related to the respondent’s industry and greater protection from legal liability. On the other hand, tax incentives garnered the lowest scores, with 39% (n=30) of all respondents reporting that it would definitely or probably not have an impact on their hiring decisions.

However, respondents were then asked the extent to which they were familiar with four of the services and incentives: tax incentives, wage subsidies, transitional job programs, and certificates of relief. Table 6 illustrates that in each case, most respondents were not at all familiar with the service/incentive in question.

Table 6: Employer Familiarity with Services and Incentives

<table>
<thead>
<tr>
<th>Service/Incentive</th>
<th>Percentage of Respondents</th>
<th>Frequency (n=)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Incentives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>57%</td>
<td>43</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>34%</td>
<td>26</td>
</tr>
<tr>
<td>Very familiar</td>
<td>9%</td>
<td>7</td>
</tr>
</tbody>
</table>

| **Wage Subsidies**               |                           |                |
| Not at all familiar              | 62%                       | 47             |
| Somewhat familiar                | 31%                       | 24             |
| Very familiar                    | 7%                        | 5              |

| **Transitional Job Programs**    |                           |                |
| Not at all familiar              | 47%                       | 36             |
| Somewhat familiar                | 38%                       | 29             |
| Very familiar                    | 15%                       | 11             |

| **Certificates of Relief**       |                           |                |
| Not at all familiar              | 90%                       | 68             |
| Somewhat familiar                | 9%                        | 7              |
| Very familiar                    | 1%                        | 1              |

Because most employers were unfamiliar with the aforementioned offerings, I created cross-tabulations to determine what, if any, relationships existed between familiarity with the service and likelihood that the service would positively impact a hiring decision. For cross-tabulations on
Tax Incentives and Wage Subsidies, see Appendix 5.

Greater protection from legal liability emerged as a potentially important hiring incentive, especially for those employers who had never knowingly hired an individual with a criminal record. At the same time, only one respondent claimed to be very familiar with Certificates of Relief, which aim to mitigate liability concerns. Table 7 shows that a large portion of respondents who were not at all familiar with this incentive also stated that greater protection from legal liability would maybe or probably positively impact their hiring decisions.

Table 7: Familiarity with and Impact of Certificates of Relief

<table>
<thead>
<tr>
<th>Familiarity with Certificates of Relief</th>
<th>Likelihood of Greater Protection from Legal Liability Having a Positive Impact on Hiring Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Definitely not</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>8</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>0</td>
</tr>
<tr>
<td>Very familiar</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
</tr>
</tbody>
</table>

Similarly, Table 8 shows the relationship between the familiarity with and perceived impact of another popular service: transitional job programs. Again, most respondents who were not at all familiar with the transitional job programs were on the fence as to whether the service would lead to greater comfort with hiring a former offender.

Table 8: Familiarity with and Impact of Transitional Job Programs

<table>
<thead>
<tr>
<th>Familiarity with job programs</th>
<th>Likelihood of Completion of a Transitional Employment Program having a Positive Impact on Hiring Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Definitely not</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>5</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>0</td>
</tr>
<tr>
<td>Very Familiar</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>
An area for further exploration was whether a fuller understanding of these services and incentives would lead to a more favorable view of them. Phone and in-person follow-ups revealed that, generally speaking, financial incentives were not as enticing as the more programmatic strategies. Employers believed that government incentives such as tax incentives and wage subsidies involved a process that was too cumbersome to be worth the financial benefits. Paperwork was cited as a major barrier to uptake. In terms of liability concerns, most respondents managed risk internally, and did not find an external resource to protect them from legal liability worthwhile.

Lastly, employers ranked how positive references from an assortment of establishments would affect, if at all, their decision to hire an applicant with a criminal record. As shown in Figure 3, positive references from former employers were overwhelmingly reported as being the most influential source of reference.

**Figure 3: Influence of Different Sources of Positive References**

*To what extent would a positive reference from [source] increase the likelihood that the employer would hire an applicant with a criminal background?*
VI. Discussion

Improving economic opportunity for justice-involved individuals remains a complex, multifaceted issue. Survey results and follow-up data shared concerns with much of the research on this topic, namely that criminal records may signal an untrustworthy, unreliable employee. At the same time, participants, especially those involved in the focus group and follow-up calls, were vocal about the importance of second chance employment.

Perspectives from employers suggest that the following strategies may mitigate concerns regarding hiring former offenders:

Create an outreach campaign for employers to learn more about transitional employment opportunities. Unlike financial incentives, reentry programs provide a way for offenders to build experience and positive references after (and, depending on the structure of the program, possibly before) their release. Employers were generally open to giving justice-involved individuals a chance; however, they did not want to be the first one to offer that chance. Respondents felt that graduating from a credible, structured program would provide a better indicator of a successful employee. On a broader level, an outreach campaign would make it easier for employers to find qualified candidates looking for work: several employers were enthusiastic about the prospect of helping former offenders, yet they had no idea how to reach these populations.

With that said, some employers had mixed success with reentry programs. One employer mentioned that the employees he hired from a local program ended up quitting after one day, and he received minimal support from the program from which he hired. Other employers echoed these sentiments, suggesting that graduating from a program does not guarantee a smooth and consistent hire. To ease some of these issues, respondents stressed the importance of having scaled-down support services after individuals graduate from these programs. Focus group participants envisioned these support services acting as preventative, rather than reactionary measures.

Within these transitional employment programs, a greater emphasis should be placed on soft skills. Especially with the currently low unemployment rate, employers agreed that finding an applicant with the appropriate hard and soft skills may end up being a futile search. Above all, employers needed an applicant with strong soft skills, including interpersonal and communication skills.

Placing a greater emphasis on soft skills does not suggest that hard skills should be completely ignored. After all, survey participants expressed a strong desire for “specific job training related to the employer’s industry.” However, even when follow-up participants were pressed on what skills they would like to see taught in a specific-to-their-industry training program, soft skills prevailed over hard skills. Having relevant certifications – SafeServ, OSHA 30, and forklift training, to name a few mentioned in discussions – would be a perk, but not necessarily a deciding factor when it came to hiring.

Finally, promoting opportunities for employers to share success stories with other employers may alleviate the more abstract concerns. Many of the concerns employers shared about hiring former offenders were not necessarily rooted in reality. That is, rather than providing concrete
examples of problematic encounters with justice-involved employees, employers wrote about more hypothetical scenarios. Especially since survey data revealed just how influential a fellow employer’s opinion and references can be, providing a space where employers who have successfully hired and retained former offenders can share their success stories may prove to be an engaging form of marketing. As one focus group participant stated, “the anecdotal world is just as important as the data.” Another participant agreed, suggesting that these stories would not just be prudent - who could better understand an employer’s concerns than another employer? – but would also provide an opportunity to build compassion.

While survey and follow-up data ultimately brought forth strong themes, it is important to note that there is no one-size-fits-all approach to improving the employment prospects for individuals with a criminal history. Former offenders reenter society with varying degrees of work-readiness. At the same time, Durham-based employers vary in terms of their needs and perspectives. By creating more nuanced strategies to address the variation across employers and returning citizens, the City of Durham can make great strides towards increasing economic opportunity for justice-involved individuals.


Leasure, Peter and Tia Anderson. 2016. “The Effectiveness of Certificates of Relief as Collateral Consequence Relief Mechanisms: An Experimental Study.” Yale Law and Policy Review.


Appendix 1: Survey Cover Letter

As a Durham business and local employer, you play a critical role in contributing to our city’s prosperity. Our City Council is committed to making Durham a place where all residents share in this prosperity. We will only be able to accomplish this with your continued leadership and the contributions of our business community.

I am writing now to ask you for ten minutes to help us advance this vision of shared prosperity by providing your thoughts on an important employment challenge.

Please fill out this survey so that we can better understand your important perspective.

We want to better understand your perspectives on and experiences with hiring residents with criminal records. Each year, more than 700 people return home to Durham from state prison, and thousands more are detained in our County Jail. The city is working to determine the steps we can take to better support our residents who have criminal records in gaining employment.

We hope to learn from you, the employers who drive Durham’s prosperity, about your concerns and the risks associated with hiring a resident with a criminal record, so that we can think creatively about how to address these concerns. We are also interested in your perspective on current incentives offered to employers to encourage them to hire more justice-involved residents. Together, we can make the city we love, a city for all. Thank you for your many contributions to Durham that make it such wonderful place to live.

Yours,

Mayor Steve Schewel
City of Durham
Appendix 2: Survey Instrument

Employer Perspectives on Criminal Records

Start of Block: Introduction

The City of Durham is partnering with Duke University to conduct this survey, and we would appreciate your input. As a Durham employer, you play an important role, not only in the vitality of our local economy, but also in the prosperity of our residents. With that said, we recognize that sometimes there may be legitimate concerns with hiring some applicants. We hope to gain your thoughts on how a criminal record might affect (if at all) your decision to hire an individual.

The survey should take about ten minutes of your time. Your responses are voluntary and will be confidential. Responses will not be individually identifiable. All responses will be compiled together and analyzed as a group. If you have any questions or concerns, please contact Sara Khatami at sk498@duke.edu. Thank you!

End of Block: Introduction

Start of Block: Company Profile

Q1 How would you categorize your establishment?

- For-Profit
- Non-profit

Q2 Which of the following best describes your establishment? Select all that apply.

- Independently-owned
- Local business (one location)
- Franchise
Q3 Which of the following categories best describes the type of industry you work in?

- Retail
- Food/Beverage
- Social Services
- Construction
- Health
- Other (please specify) ________________________________________________

Q4 How many employees work at your organization?

- 0-10
- 10-30
- 30-50
- 50-100
- 100-300
- 300+

Q5 Approximately how many years has your organization been around?

_______
Q6 How do you recruit employees? Select all that apply.

☐ Referrals

☐ Online ads

☐ Help-wanted signs

☐ Community agency

☐ Other (please specify) ________________________________

Q7 Does your organization use any screening mechanisms? Select all that apply.

☐ Drug test

☐ References

☐ Education verification

☐ Criminal record check

Q8 Does your organization have a question on its application that asks about an applicant's criminal history?

☐ Yes

☐ No
Q9 Have you hired anyone in the past year?

- Yes
- No

*Skip To: Q11 If Have you hired anyone in the past year? = No*

Q10 How many new hires?

- 1-2
- 3-5
- 6-10
- 11-20
- 21-50
- 50+

Q11 Roughly what percentage of positions require...

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Less than 50%</th>
<th>About 50%</th>
<th>Over 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A high school diploma or equivalent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A college degree</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialized training and/or a certificate</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q12 Roughly what percentage of positions require a driver's license?
Q13 What are the most important skills for entry level (or one to two steps above entry level) positions at your organization? Skills can either be hard skills or soft skills. Hard skills refer to technical requirements (e.g., computer skills), while soft skills are person characteristics that enable employees to succeed in the workplace (e.g., team player, accepting of feedback).

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

End of Block: Hiring History and Employee Composition

Start of Block: Decision-Making Factors

Q14 Rank the qualities that are important in new hires, from most to least important. 1 indicates that the quality is the most important, 5 indicates that the quality is the least important.

_____ Recent work experience
_____ Relevant work experience
_____ Motivation/enthusiasm
_____ Communication skills
_____ Social skills
_____ Other (please specify)

Q15 Rank the qualities that would be concerning in new hires, from most to least concerning. 1 indicates that the quality would be the most concerning, 5 indicates that the quality would be the least concerning.

_____ Spotty work history
_____ Unemployed for 1+ year
_____ Criminal record
_____ Low educational attainment
_____ Other (please specify)
Q16 To your knowledge, has your establishment ever hired someone who had a criminal record?

- Yes
- No
- Don't know

Skip To: Q23 If To your knowledge, has your establishment ever hired someone who had a criminal record? = No
Skip To: Q23 If To your knowledge, has your establishment ever hired someone who had a criminal record? = Don't know

Q17 How did you make the decision to hire this employee?

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

Q18 Do you remember the type of conviction?

- Felony
- Misdemeanor
- Both
- Don't know
Q19 Did the type of conviction affect your decision to hire this employee(s)? Feel free to elaborate below.

- Yes ________________________________________________
- No ________________________________________________

Q20 How long had it been since their conviction?

- Less than 1 year
- 1-2 years
- 3-5 years
- 5-8 years
- 8+ years
- Don't know

Q21 Have you had any employees with a criminal record leave their position?

- Yes
- No

Display This Question:
If Have you had any employees with a criminal record leave their position? = Yes

Q22 Were they discharged or did they quit?

- Discharged
- Quit
Q23 In the future, would you be willing to hire an applicant with a criminal record?

- Very willing
- Somewhat willing
- Not at all willing
- Depends on the circumstance

Q24 What might be some of the issues that concern you about hiring an applicant with a criminal record?

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

Q25 What might be some of the factors that matter most when considering an applicant with a criminal record? Select all that apply.

- Classification of crime (e.g., a felony versus a misdemeanor)
- Type of offense (e.g., property, drug, or violent offenses)
- Age of applicant
- Length of time elapsed since conviction
- Length of time elapsed since release from prison

End of Block: Decision-Making Factors

Start of Block: Services and Incentives
Q26 For each item below, please rate the extent to which the service would increase the likelihood of your organization hiring an individual with a criminal history.

<table>
<thead>
<tr>
<th></th>
<th>Definitely Not</th>
<th>Probably not</th>
<th>Might or might not</th>
<th>Probably yes</th>
<th>Definitely yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Incentives (or greater tax incentives)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Greater protection from legal liability</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Wage subsidies (e.g., full salary of employee is covered for six weeks)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Job candidate completed a transitional employment program</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Intermediary agency support during the job screening process</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Intermediary agency support on the job (e.g., if issues arise with the employee)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Specific job training related to your industry</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q27 For each item below, please rate the extent to which a positive reference would increase the likelihood of your organization hiring an individual with a criminal history.

<table>
<thead>
<tr>
<th>Source of Recommendation</th>
<th>Definitely not</th>
<th>Probably not</th>
<th>Might or might not</th>
<th>Probably yes</th>
<th>Definitely yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>From a job placement agency</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>From an intermediary/job training agency</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Parole/probation agency</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Prison/jail</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Former employer</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Q28 For each item below, please rate the extent to which you are familiar with the service or incentive.

<table>
<thead>
<tr>
<th>Service/Incentive</th>
<th>Not at all familiar</th>
<th>Somewhat familiar</th>
<th>Very Familiar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Incentives</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Wage subsidies</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Certificates of Relief</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Transitional job programs</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

End of Block: Services and Incentives

Start of Block: Optional: Provide your contact information

Thank you.
If you're interested in telling us more about your thoughts and experiences, please provide your contact info below (optional).

- Name ________________________________________________
- E-Mail ________________________________________________
- Phone Number __________________________________________

End of Block: Optional: Provide your contact information
Appendix 3: Map of Durham Business Improvement District

Source: City of Durham
Appendix 4: Follow-Up E-Mail to Respondents

Good morning [name of respondent],

About a month ago, you participated in a survey that asked about your perspectives on and experiences with individuals who have a criminal record, and how that record might impact (if at all) your hiring decision. Thank you for your participation, and for listing your contact information for further discussions!

Based on the aggregated survey responses, I have a few follow-up questions that I'm hoping to ask you. I don't anticipate this conversation lasting longer than 10 minutes - would you be willing to name a few times that might work for me to call you?

Thanks again, and hope to hear from you soon,
Sara

--
Sara Khatami
MPP Candidate 2018
Sanford School of Public Policy

401.787.1228 | sara.khatami@duke.edu
Appendix 5: Cross-Tabulation of Wage Subsidies and Tax Incentives

<table>
<thead>
<tr>
<th>Familiarity With Wage Subsidies</th>
<th>Likelihood of Wage Subsidies Having a Positive Impact on Hiring Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Definitely Not</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>5</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>0</td>
</tr>
<tr>
<td>Very familiar</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Familiarity with Tax Incentives</th>
<th>Likelihood of Tax Incentives Having a Positive Impact on Hiring Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Definitely Not</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>10</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>4</td>
</tr>
<tr>
<td>Very familiar</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
</tr>
</tbody>
</table>