



**Institute for Research on Poverty Podcast posted February 2013**

**“The Employment Prospects of Formerly Incarcerated People and Off-the-Books Work”**

**Featuring Bryan Sykes and hosted by David Chancellor**

**[Chancellor] For this podcast we’re going to talk about employment for former prisoners in the United States. The U.S. has a high incarceration rate compared to other wealthy countries. And, by virtue of having a lot prisoners, we also have a lot of ex-prisoners, many of whom struggle to find regular work once they are out of prison. Bryan Sykes, a sociologist at DePaul University, gave a talk at IRP in December of 2012 about former prisoners and off the books work and he was kind enough to sit down and talk with me about employment issues for former inmates. Professor Sykes says that incarceration affects a huge number of people but that the effect isn’t proportional across the U.S. population. This is an issue that primarily impacts young men without much education, especially African Americans.**

**[Sykes] If you are a young black man, with less than a high school education, almost 4 out of 10 or around 38 percent of them are incarcerated on any given day. Additionally, the number of children with parents incarcerated has skyrocketed since 1980. So, currently, there are about 2.7 million children with a parent behind bars. Alternatively, we can think of it as the number of parents that are imprisoned and so there are about 1.2 million parents who are behind bars.**

**[Chancellor] Former inmates have a hard time finding work—employers are less likely to hire or interview someone with a criminal record. And, being out of the labor pool for any real length of time—whether you were in prison or not—is not good for a person’s job prospects. We know that ex-prisoners make less per hour and work fewer weeks each year. Given all of that, Sykes became interested in trying to figure out if “underground” or “off the books” work might offer former inmates better opportunities than they could find in the mainstream labor market and if they might be able to better support their children with those opportunities.**

**[Sykes] The short answer is no—it’s just as bad in the underground economy. Incarcerated fathers earn less, they work more hours, and they pay less in support of children. And so, thinking about the underground economy as a means of furthering the support of children—that association just doesn’t hold.**

**[Chancellor] For a lot of people, when you talk about the underground economy and ex-offenders, the image of drug dealing or other explicit criminal activity come to mind. But the reality is that there is a huge off-the-books labor force in this country. This includes construction workers, mechanics,**

**salespeople, artists, and workers in the hospitality industry, that, to some degree, do work off the books. And, for skilled workers, some of these jobs can command good money.**

[Sykes] However, what I find is that the effect of incarceration in the underground economy, you still pay this wage penalty to the tune of about \$2 an hour which we also observe—we being Becky Pettit, Bruce Western and I, which we also observed in the formal labor market using data from the NLSY1979. And so, using a different data set and looking at the underground economy, I find that same \$2/hr wage difference. But once you disaggregate by race, you find that it's even larger for black men so that they lose about \$4 an hour.

**[Chancellor] Professor Sykes says that formerly incarcerated workers face just as much discrimination in the underground economy as in the mainstream labor market. Because it's completely unregulated, they don't get the basic protections that workers in the formal economy do which puts them at greater risk of exploitation.**

[Sykes] So, if you're a day laborer, for instance, and there are many of them in California that can be hired for one day who find work waiting for contractors who pick them up as they wait under bridges and at retail stores like Home Depot and Lowes—they can go and work on someone's project for a day, but if they're injured, if they're injured they have absolutely no protections.

**[Chancellor] Sykes says that one of the critical things here is not just that these former inmates are facing a significant wage penalty and lack of protection, but that these factors contribute to greater disarray in other parts of their lives.**

[Sykes] You have labor instability, you have housing instability, you have familial instability. So it makes it more difficult for you to find not only work but also another partner, right? So, our beliefs that people marry or find suitable partners who have some sort of attachment to work—they want to marry someone who has some sort of attachment to work. And so, if you're chronically unemployed or underemployed, then this has implications for your marriageability to a pool of partners because what will you contribute to household resources and to the stability and maintenance of the family? These negative social effects cascade into other domains of social life.

**[Chancellor] We know that lower earnings and weaker family attachments follow these mostly male former prisoners long after their sentences end. Children of these men have less parental and economic resources available to them over extended periods of their childhoods even compared to a sometimes less-than-ideal alternative. And, an especially high number of black children have their father in prison at some point in the childhood.**

[Sykes] By 2009, roughly 60% of black children were at risk of having a father imprisoned and that's specifically for children whose fathers have less than a high school education and are young and black. And so this is a huge problem.

**[Chancellor] Sykes says that as we look for ways to address these issues, one major area that deserves consideration is the way that employers do criminal background checks.**

**[Sykes]** For many of the nonviolent offenders and many of the people who haven't committed white collar crimes and are applying for positions that aren't involving use of or involving resources—financial resources, the question is what bearing does this criminal background check serve other than to further their disenfranchisement and their inequality and plight? And so, one recommendation would be to limit the use of the background check to employment specific occupations.

**[Chancellor]** Sykes says that it also may make sense to limit court-ordered debt and maybe reconsider who we send to prison in the first place.

**[Sykes]** So, one of the ways in which people—former inmates—are reincarcerated is because they have outstanding debts to courts that they can't pay. Or, they have outstanding child support orders that they fail to make payments on and so they automatically trigger another jail or prison stay. You could also sort people based on the risk they pose to society so that you could use incarceration as a confinement mechanism for the most dangerous members and for people who don't have any violent offenses, you could have them under community supervision instead of incarcerating them and disrupting their familial and economic lives.

**[Chancellor]** As for off the books employment, Professor Sykes says that targeting employers in the underground economy may be our best shot at providing those workers with more protection. Of course, that may be easier said than done. Policy that tries to deal with post-incarceration employment issues might be viewed as trying to balance effective punishment and deterrence against effective rehabilitation.

Thanks to Bryan Sykes for talking about these issues with us. You've been listening to a podcast from the Institute for Research on Poverty.

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