

Discussant Comments:  
"Employing Ex-Offenders  
Following Release from Ohio  
Prisons"

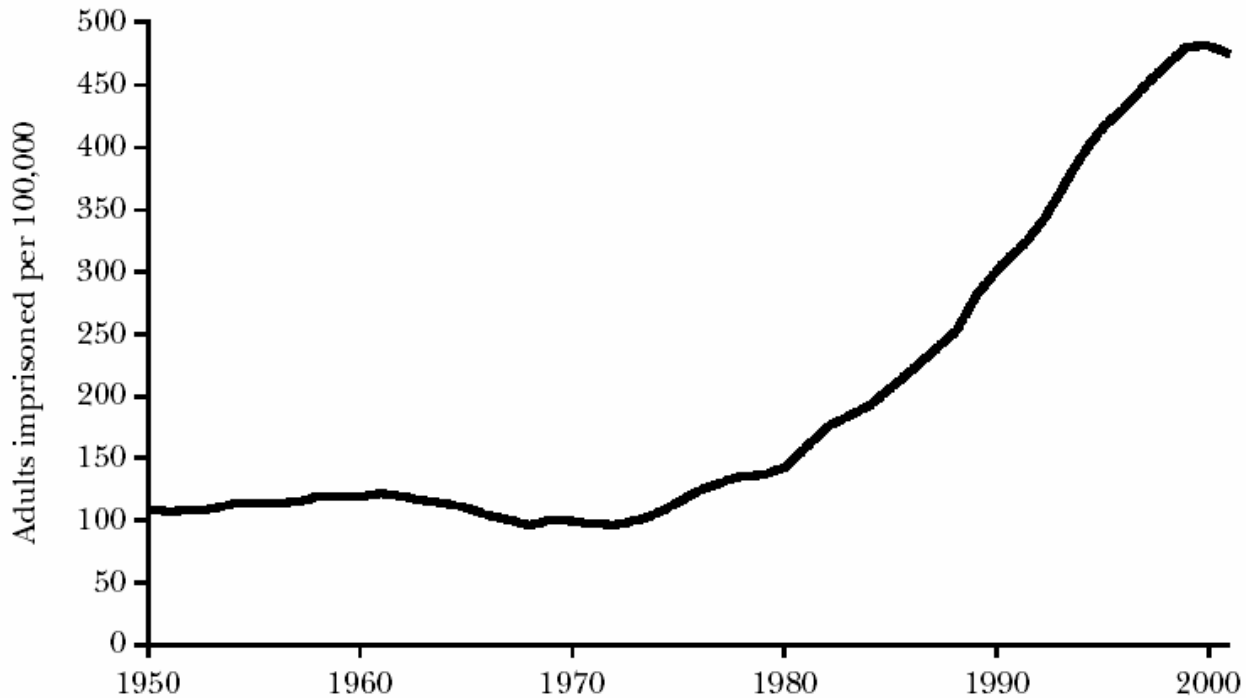
June 1, 2007

Rob Greenbaum, Associate Professor  
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# Incarceration Trends

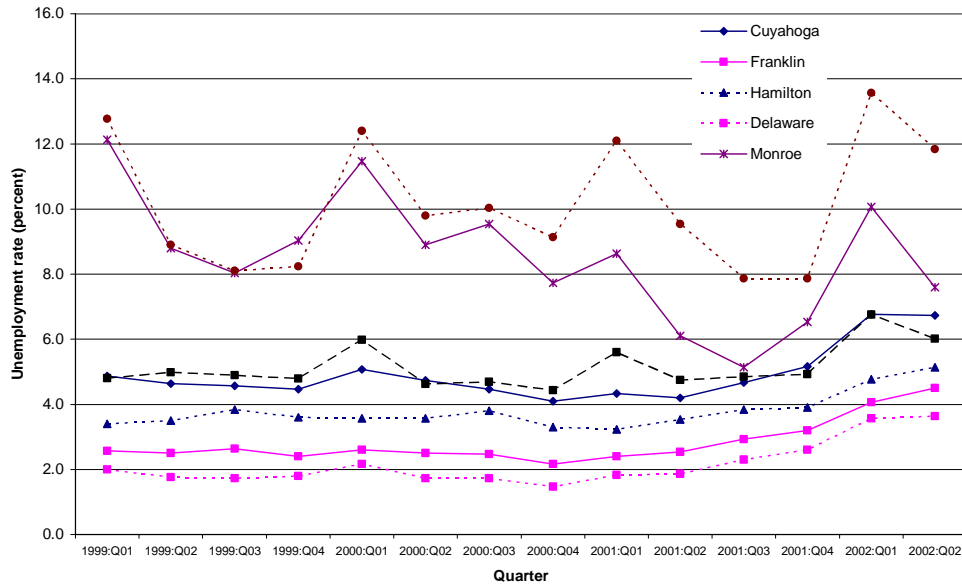
*Figure 3*

**Adult Incarceration Rate, 1950–2001**

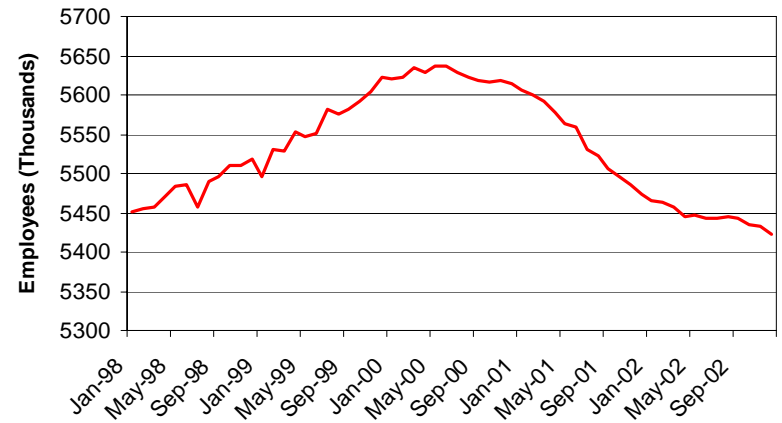


# Unemployment/Jobs

Figure 3. Quarterly unemployment rates for selected Ohio counties -- 1999:Q01 through 2002:Q02

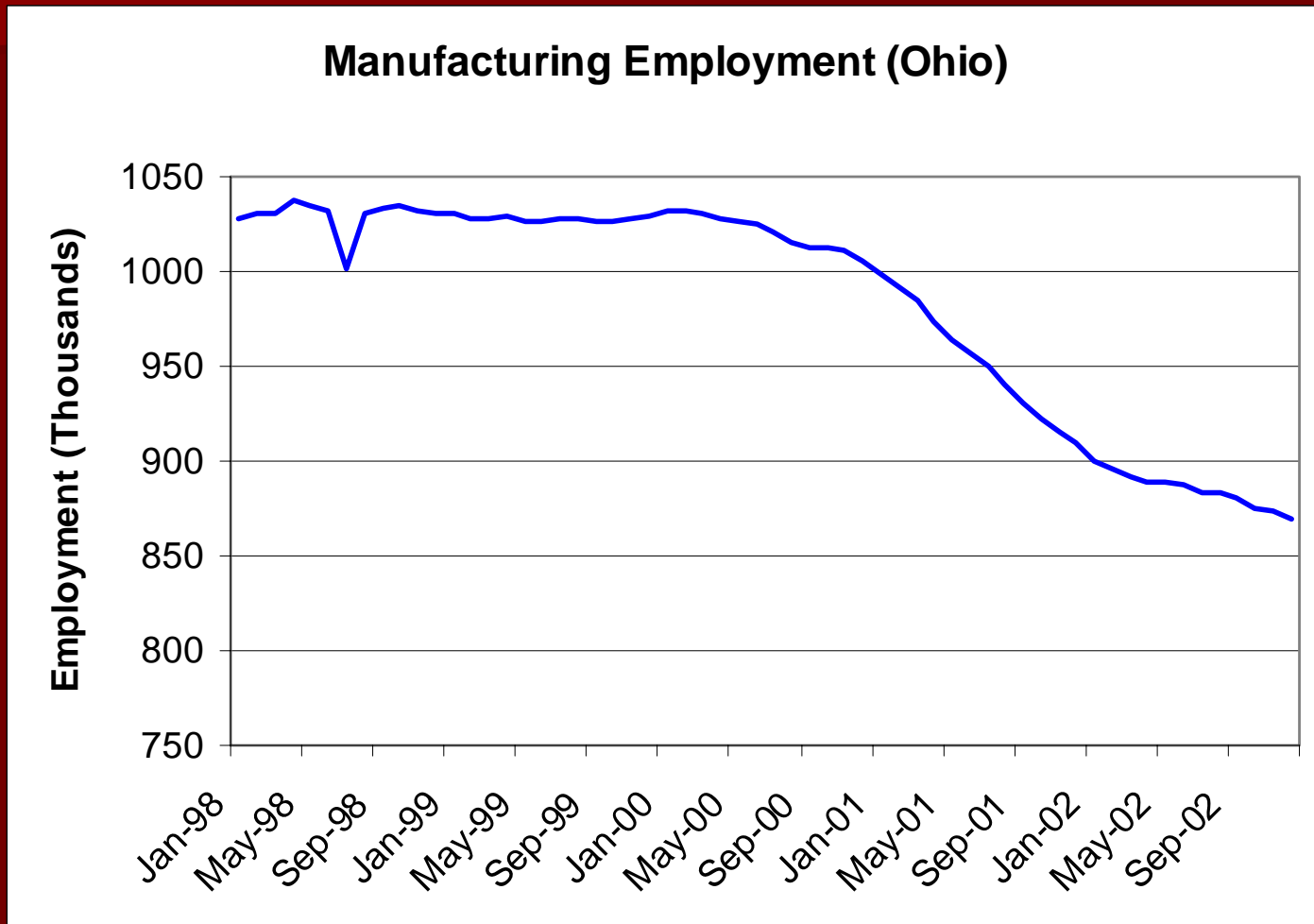


Total Nonfarm Employment (Ohio)

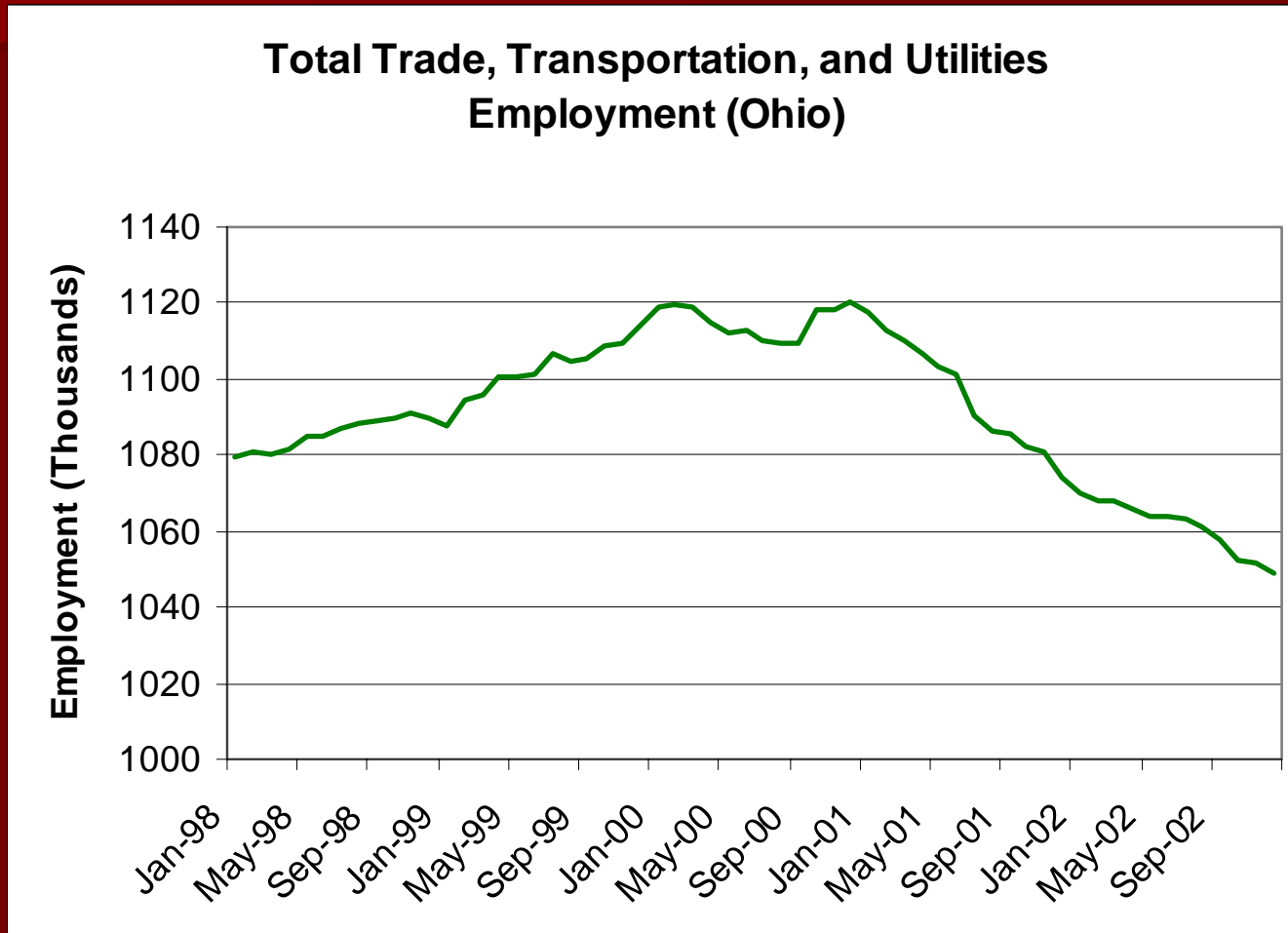


BLS Current Employment Statistics

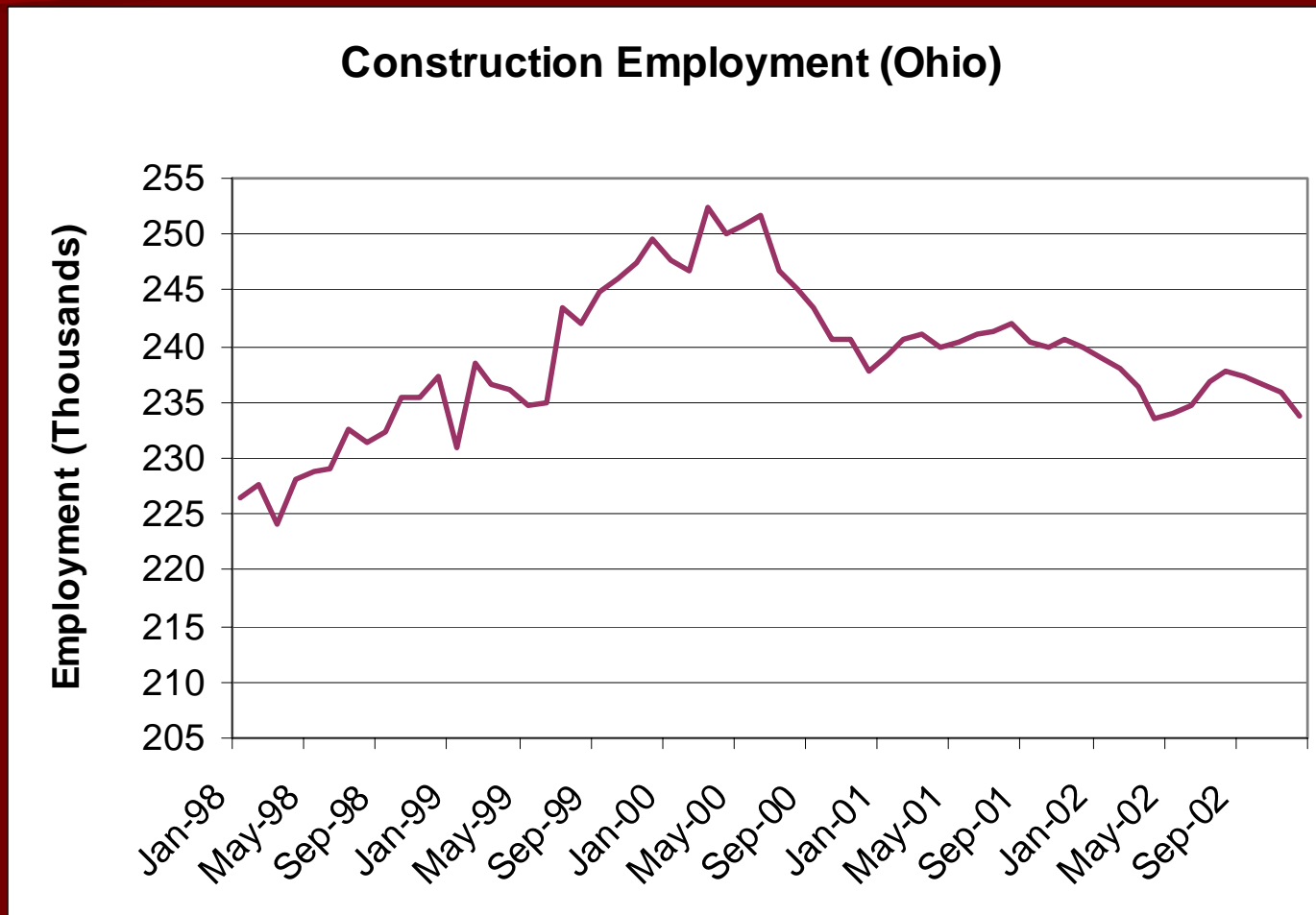
# Manufacturing Employment



# Trade, Transportation, & Utilities



# Construction Employment



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Employing Ex-Offender Follow Release from Ohio Prisons  
June 1, 2007**

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The paper, “Local labor market conditions and post-prison employment: Evidence from Ohio,” addresses a very important and timely topic. As Bill Sabol noted in the introduction to his paper, the US prison population grew rapidly in the 1980s and 1990s. The number incarcerated just about quintupled from 1972 to 2000, when over two million individuals were incarcerated (Levitt, 2004). As is seen in slide 2, per capita rates also exploded to over 450 prisoners per 100,000 population.

This means that more and more people have been and will be released from prisons – more than 600,000 a year at the end of the 1990s. The ability of former prisoners to find jobs may be an important predictor of whether or not they will end up back in prison.

I enjoyed reading the paper and thinking about some of the related methodological issues and practical policy implications. We didn’t coordinate our comments, but Bruce is more qualified than I to talk about methodology, and Gwendolyn is more qualified than I to talk about the policy context, but I wish to share a few brief comments in both areas.

The paper has a number of interesting findings, and I have a few comments about each, in no particular order.

Findings:

**1. Local labor market conditions do matter, although the affect size is relatively small compared to the impact of some of the individual characteristics.**

As is noted in the paper, the prisoner releases examined were during 1999 and 2000, and it will be interesting to compare their experiences to those of people released in the following years, when labor markets were not as tight.

As Bill mentions in the paper, it may be a good idea additionally to look beyond unemployment rates as a measure of local labor market conditions: unemployment rates are affected by the number of people in the labor market actively looking for work and may not always be an accurate representation of the employment opportunities.

Further, the unemployment rate may be endogenous, for as more prisoners are released and are looking for work, this likely affects the unemployment rate. Indeed, the paper cites data from Freeman showing the 600,000 prisoners released annually represent around 30% of the annual 1990s growth of the labor force.

Slide 3 shows the unemployment rates from figure 3 of his paper and total nonfarm employment in Ohio over a similar period. While the trends are similar, employment started to fall in 2001 before unemployment reflected the reduced employment opportunities. Total employment may represent a better measure of employment opportunities than unemployment rates.

And, as the paper also notes, those opportunities may vary by sector. This is true both because of a skill match with available jobs, and because of the willingness of employers to hire ex-offenders in different occupations (Holzer, Raphael, and Stoll, 2004). Employers in Holzer's survey indicated that they would be less likely to hire ex-offenders in financial and service jobs, particularly when the jobs have direct customer contact.

Slides 4, 5, and 6 show that the patterns in manufacturing; trade, transportation & utilities; and construction are not all the same. Thus, it is important to look more closely at the sectors in which released prisoners are most likely to be looking for employment.

It may be important to broaden the definition of the local labor market beyond the county to commuting zones or metropolitan statistical areas to better represent employment opportunities.

Finally, wages may also matter in addition to employment opportunities. People may choose illegal black market, undocumented gray market, or government-support income generating-activities instead of low-paying jobs. The good news is that people who find better-paying jobs have more to lose if they lose that job, which might reduce recidivism rates.

## **2. Prison programs (vocation work assignments, substance abuse programs, and obtaining a GED) have little effect.**

This is a distressing finding, which was robust to the propensity score analysis, and an entire new paper further exploring this may be warranted.

I'm not surprised that these results are different than the more positive recidivism findings cited in the paper. People who complete the programs may be people who are trying to better themselves and may be less likely to offend again whether or not the program had any independent effect. Factors that impact employment may be more exogenous to the individual.

As is mentioned in the paper, it may not necessarily be surprising that people with specific skills take longer to find a job. From both the individual worker's and an economy-wide productivity perspective, it is desirable for the worker to be well-suited for the job, and that search may take some time (Gruber, 2005).

Finally, it would also be great to get some program variation – for example, do people with certificates in particular vocations have more success? Are there characteristics of individual programs that are correlated with success or failure?



### **3. Having at least some pre-prison work experience helps facilitate post-prison employment.**

One obvious policy implication, as mentioned in the paper, is to work harder to put people in jobs before they end up in prison, as this may also keep them out of prison.

There are number of reasons why there might be such a strong relationship between prior work experience and post-prison employment.

First, for some jobs, prior employment experience is a required job qualification.

Second, there could be a signaling effect. Hiring a former prisoner with no work experience could be viewed as more risky by employers.

Third, people with prior employment histories may be more experienced and skilled at applying for, interviewing for, and getting jobs.

There is also the related concept in economics of hysteresis. This is a term borrowed from physics and engineering where describing that even after a magnetizing force is removed from metals, the electromagnetic properties remain altered. That is, the history of the system affects the current equilibrium. Thus, people are “different” after having had the experience of having worked (people also can get used to being unemployed).

Distinguishing among the three explanations may be difficult, but they would be useful from a policy perspective.

### **4. Supervision matters.**

It is interesting, but not that surprising, that people being watched and sometimes required to obtain a job do so in less time than those who are not supervised.

Some of the more surprising findings regarding coefficients on offense severity and prior convictions were attributed to supervision issues, but I'm not entirely convinced, as supervision is controlled for in the model. However, footnote 16 does note that interactions with the supervision variable behave as expected, so Bill may want to report those in the paper, too.

Alternatively, it may be that there are some multicollinearity issues due to including offense severity, offense type, and prior convictions in the same model. This may be partially responsible for the unexpected finding that third and fourth degree felons are less likely to exit initial unemployment than first or second degree felons. It may also help explain why prior convictions increases the probability of exiting unemployment.

Again, I really enjoyed this paper, and most of my comments highlighted areas in which I would be interested in seeing some extensions to further this work.

## References

- Gruber, Jonathan. 2005. *Public Finance*. New York: Worth Publishers.
- Holzer, Harry, Steven Raphael and Michael Stoll, 2004. "Will Employers Hire Ex-Offenders? Employer Preferences, Background Checks and Their Determinants." In Mary Pattillo, David Weiman, and Bruce Western (eds.), *The Impact of Incarceration on Families and Communities*. New York: Russell Sage Foundation.
- Levitt, Steven D. 2004. "Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not," *Journal of Economic Perspectives* 18(1): 163-190.