



## Barriers that Keep People with Records from Full Workforce Participation Cost Florida More than \$40 Billion Annually

### At a Glance

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- Along with the rest of the country, Florida is experiencing its worst labor shortage since World War II.
- In Florida, the costs associated with preventing people with records from entering into the workforce exceed \$40 billion annually.
- Six million Floridians have an arrest record and face barriers that prevent them from fully integrating into the workforce – including 788 government regulations restricting their employment and licensing.
- Florida can bolster its workforce and address its labor shortage, while maintaining public safety, through legislation that removes bureaucratic barriers to people entering the workforce, diverts people from involvement in the criminal justice system, and “sunsets” old records for individuals who have completed their obligations to the state and lived without further contact with the justice system for a set period of time.

## Introduction

Six million Floridians have an arrest record.<sup>1</sup> The vast majority of records in Florida are associated with nonviolent offenses, and most records date back a decade or more.<sup>2</sup> Despite ample skills and an eagerness to work, these millions of Floridians with records are far more likely than the general public to be unemployed, underemployed, or to have left the labor market entirely – in no small part due to 788 government regulations that restrict their ability to work in Florida’s industries.<sup>3</sup> Many of these regulations do not benefit society and can be lifted to help support the workforce and local economy.

Longitudinal studies show that people who remain crime free for approximately 7 years after their first offense are no more likely to commit an offense than their peers without criminal histories.<sup>4</sup> Yet, in Florida, a mistake made years prior can prevent someone from getting a job, despite an eagerness to work and put the past behind them. Allowing Floridians with records to access jobs and support themselves and their families could improve public safety and benefit Florida industry.

Floridians with a record want to work, and the state’s businesses need their labor. According to analysts at Goldman Sachs, the U.S. is experiencing its most severe labor shortage since World War II.<sup>5</sup> The latest data from the U.S. Chamber of Commerce indicate that Florida has a shortage of more than 150,000 workers. This shortage hampers the productivity of business while contributing to inflation and rising wages.<sup>6</sup>



Unlocking pathways to work – by removing government regulations that restrict entrepreneurship and employment, by incentivizing people to work or study while involved in the justice system, and by reducing the number of Floridians involved in the criminal justice system – will strengthen Florida businesses. Thriving businesses are the backbones of thriving communities, and thriving communities are sites of safety and prosperity.

Florida’s criminal justice system can be transformed from a system that often excludes and impoverishes to one based on rehabilitation, reintegration, and prosperity. To fix the state’s worker shortage, Florida should remove barriers that prevent people with certain records from obtaining what they and the state’s businesses need: Just work.

## Floridians with arrest records are often locked out of the workforce, costing billions

The Florida Department of Corrections spends \$2.7 billion each year, but the indirect costs of the criminal justice system dwarf state expenditures. Involvement with the justice system – even just an unsubstantiated arrest – has a lifelong impact on workforce participation, productivity, and earnings. In 2021, the Brennan Center for Justice found that people who served time in prison suffer annual earnings losses of 52 percent; people with a felony conviction but no experience of imprisonment experience a 22 percent annual wage loss; and people with a misdemeanor conviction face a 16 percent annual loss of their earnings. In Florida, the impact of old records totals \$24 to \$40 billion in lost workers’ earnings each year; in profitable industries, the lost productivity – a cost borne by Florida businesses – is even higher.<sup>7</sup>

The criminal justice system can negatively impact Florida’s workforce in significant ways. First, at least 788 regulations enacted by the state of Florida restrict the economic liberty of people with records. A felony or misdemeanor conviction can make someone ineligible to work in a funeral home, operate a beverage distribution company, or act as a wholesale distributor for gasoline.<sup>8</sup> Many of these restrictions are not tied to reasonable public safety concerns, but they function to keep people with old records from fully integrating into Florida’s workforce.

Stigma associated with involvement in the criminal justice system also negatively impacts Florida’s workforce. Having a criminal conviction reduces hiring callbacks by half for white job applicants and by nearly two-thirds for Black applicants, despite countless testimonies by employers of the skills and capabilities of people with records.<sup>9</sup> The U.S. Chamber of Commerce has endorsed second chance hiring since at least 2015 and state and federal governments have implemented incentives for employers for people with records.<sup>10</sup>



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Florida's struggle to integrate people with records into the workforce has wide ripple effects. The reduction in purchasing power of people who are unemployed due to a record results in \$15 billion in lost retail sales and \$900 million in lost sales tax revenues.<sup>11</sup> Combined with lost productivity, these figures suggest that the full economic cost of policies and practices that exclude people with records from the workforce easily exceeds \$40 billion each year.

## Policy Solutions

**DEFLECTION AND DIVERSION.** Policymakers can develop ways to safely keep people accused of low-level offenses from entering deeper into the justice system by either deflecting or diverting them from the system. Deflection redirects some people away from the courts to alternatives. Where appropriate, people can be directed to mental health or substance treatment to ensure that they avoid the legacy of a record that accompanies an arrest or conviction. Diversion strategies are similar: they allow a person to enter the justice system but create an early opportunity to have any record of that contact quickly erased, usually in exchange for participating in programming targeted to addressing the issues that triggered the contact. House Bill 7125, which the Florida Legislature passed and Governor Ron DeSantis signed into law in 2019, is one example of a bill that keeps people in the workforce instead of drawing them deeper into the system.<sup>12</sup>

**REMOVE BUREAUCRATIC BARRIERS TO PEOPLE ENTERING THE WORKFORCE.** In 2022, the Florida Legislature, with support from Alliance for Safety and Justice and Associated Industries of Florida (AIF), advanced a bill that would have allowed records currently automatically sealed at the Florida Department of Law Enforcement (FDLE) to also be automatically sealed at the local court level. Policymakers should continue to support this bill and pass it next session so more people can return to the workforce sooner.

**SUNSET OLD RECORDS.** Policymakers can create processes to reduce the impact of stigma by sunseting old records after a person has completed their obligations to the state and lived without further contact with the justice system for a set period of time. Sunseting an old record effectively makes any public evidence of the arrest or conviction confidential while still allowing law enforcement and the courts access to those records if necessary. Systems that sunset old records automatically—without fees or complicated application processes that may necessitate legal counsel—are most effective at helping people with old records return to the workforce.

**INCENTIVIZE JOB SKILLS.** Policymakers can provide incentives for system-involved individuals to enter the workforce. Providing educational opportunities for incarcerated people, such as skills certificates or opportunities to earn a GED (the equivalent of a high school diploma), is one example. For many people, the mere opportunity to learn or earn a credential is sufficient incentive. In other cases, policymakers may want to provide additional incentives for participation. For example, they may authorize a system to marginally reduce sentence lengths in exchange for successful completion of hard or soft skills training.

Floridians with records want to work. Amid rising inflation, increasing operational costs for business, and the largest labor shortage since World War II, now is the time to embrace policies that can fully integrate people with records into Florida's workforce.

Alliance for Safety and Justice (ASJ) is a national advocacy organization that aims to replace ineffective criminal justice system policies with what works to keep people safe. We represent diverse crime survivors as well as people living with old records as key public safety stakeholders—including more than 8,000 crime survivors in Florida. ASJ brings our members together with state leaders and coalition partners to win reforms that stop cycles of crime, reduce costly incarceration, and make communities safer. We support a range of “shared safety” reforms, including crime prevention, community health, rehabilitation, economic mobility, and trauma recovery.

For more information, visit: [allianceforsafetyandjustice.org](https://allianceforsafetyandjustice.org)



Known as “The Voice of Florida Business” in the Sunshine State, Associated Industries of Florida (AIF) has represented the principles of prosperity and free enterprise before the three branches of state government since 1920. A voluntary association of diversified businesses, AIF was created to foster an economic climate in Florida conducive to the growth, development, and welfare of industry and business and the people of the state.

For more information on AIF, visit [AIF.com](https://AIF.com) and follow [@VoiceofFLBiz](https://twitter.com/VoiceofFLBiz)

## Endnotes

- 1 The number of Floridians with an arrest record is estimated by extrapolating national figures to Florida based on population. Sensitivity analyses included comparisons between Florida and other states as well as reviews of annual arrests. See Alliance for Safety and Justice, *Toward Stability and Safety* (2021), <https://allianceforsafetyandjustice.org/wp-content/uploads/2021/09/Convictions-Brief.pdf>.
- 2 See Florida Department of Corrections, *Annual Reports 1977 - 2021*, <http://edocs.dlis.state.fl.us/fldocs/dcor/areports/index.htm>.
- 3 For evidence of the eagerness of people with records to work, see Lucius Couloute and Daniel Kopf, *Out of Prison and Out of Work* (Prison Policy Initiative), July 2018, <https://www.prisonpolicy.org/reports/outofwork.html>; The National Inventory of Collateral Consequences lists 788 legal provisions that restrict the ability of people with records to work or obtain necessary licenses. National Inventory of Collateral Consequences, *Collateral Consequences Inventory* (n.d.), <https://niccc.nationalreentryresourcecenter.org/consequences>.
- 4 See Megan Kurlychek, Robert Brame, and Shawn Bushway, “Scarlet Letters and Recidivism: Does an Old Criminal Record Predict Future Offending,” *Criminology And Public Policy*, 5:3 (2006), 483-504. doi: 10.1111/j.1745-9133.2006.00397.x; Megan Kurlychek, Robert Brame, and Shawn Bushway, “Enduring Risk? Old Criminal Records and Predictions of Future Criminal Involvement,” *Crime & Delinquency*, 53:1 (2007), 64-83. doi: 10.1177/0011128706294439.
- 5 Gace Dean, “The US Is in the Middle of the Biggest Labor Shortage since WW2, Goldman Sachs Says,” *Business Insider* (February 24, 2022), <https://www.businessinsider.com/biggest-labor-shortage-since-ww2-goldman-sachs-workers-jobs-employment-2022-2>.
- 6 U.S. Chamber of Commerce, *Worker Shortage by State*, America Works Data Center (August 5, 2022), <https://www.uschamber.com/workforce/america-works-data-center>.
- 7 Terry-Ann Craigie, Ames Grawert, Cameron Kimble, and Joseph Stiglitz, *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality* (Brennan Center for Justice, 2020), [www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal](https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal). The \$24 billion figure is a state-level estimate based solely on Florida’s share of the U.S. population. Estimating state-level losses based on other metrics – for instance, using Florida’s share of all people in the U.S. with felony convictions results in figures in excess of \$40 billion.
- 8 Fla. Stat. § 497.385, § 563.022, and § 206.026.
- 9 Devah Pager, “The Mark of a Criminal Record,” *American Journal of Sociology* 108:5 (2003), 937-75, [https://scholar.harvard.edu/files/pager/files/pager\\_ajs.pdf](https://scholar.harvard.edu/files/pager/files/pager_ajs.pdf).
- 10 See U.S. Chamber of Commerce, *America Working Forward* (2019), <https://awfmagazine.uschamberfoundation.org/>; Employment and Training Administration, U.S. Department of Labor, *Work Opportunity Tax Credit Fact Sheet* (2022) and [https://www.dol.gov/sites/dolgov/files/ETA/wotc/pdfs/WOTC\\_Fact\\_sheet\\_2022.pdf](https://www.dol.gov/sites/dolgov/files/ETA/wotc/pdfs/WOTC_Fact_sheet_2022.pdf).
- 11 This estimate assumes that diminished retail expenditures are commensurate with diminished earnings across three populations: Floridians with a misdemeanor conviction, Floridians with a felony conviction who were never imprisoned, and Floridians who were previously imprisoned. Lost economic activity due to people currently incarcerated is not considered in this estimate. The number of people who were formerly imprisoned and the number of people with felony convictions who were not imprisoned were derived from Shannon et al.’s estimates of these populations in 2010: approximately 308,000 formerly imprisoned people in Florida and approximately 1.4 million people in Florida with felony convictions who were not imprisoned. The number of people with misdemeanor convictions was extrapolated from the Brennan Center’s 2021 estimate that 45 million Americans have a misdemeanor conviction using Florida’s share of the total U.S. population as estimated by the U.S. Census Bureau in 2021. Reductions in retail spending were estimated using the Brennan Center’s estimates of lost earnings due to justice system involvement. See Shannon et al., “The Growth, Scope, and Spatial Distribution of People With Felony Records in the United States, 1948–2010,” *Demography* 54 (2017), 1795–1818, [http://users.soc.umn.edu/~uggen/Shannon\\_Uggen\\_DEM\\_2017.pdf](http://users.soc.umn.edu/~uggen/Shannon_Uggen_DEM_2017.pdf); Craigie et al., *Conviction, Imprisonment, and Lost Earnings*; and U.S. Census Bureau, *Quick Facts V2021*, <https://www.census.gov/quickfacts/>.
- 12 H.B. 7125 contains provisions that keep people in the workforce by limiting the circumstances under which they can be committed to prison for technical violations of probation. See, Florida Legislature, H.B. 7125 (2019), <https://www.flsenate.gov/Session/Bill/2019/7125>.