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## JPMorgan Chase Joins Second Chance Efforts to Reduce Obstacles to Employment

*Expanding support for people with criminal backgrounds by advancing public policy agenda, investing more than \$7 million in community organizations, collaborating with other businesses and enhancing firm hiring strategy*

*New JPMorgan Chase PolicyCenter to develop and advance policy solutions to drive inclusive economic growth, beginning with Second Chance hiring to remove barriers to employment*

**Oct. 21, 2019 (New York, NY)** – JPMorgan Chase is expanding its commitment to giving people with criminal backgrounds a second chance by supporting their reentry into the workforce, community and local economies. The firm today lays out a new public policy agenda, invests more in communities and enhances its own hiring strategy in collaboration with other businesses to create economic opportunity for more people.

The unemployment rate is an estimated 27 percent for the roughly 5 million formerly incarcerated people in the U.S. — more than five times the overall national rate — and [research](#) shows that over 600,000 people are released each year from prison. Policymakers and businesses increasingly recognize that providing education, skills training and employment opportunities to people with arrest or conviction histories helps [reduce recidivism](#), increase public safety, build stronger communities and strengthen the economy.

JPMorgan Chase's new efforts apply lessons learned and best practices as a major employer and from its community investments in cities like Detroit and Chicago. Specifically, the firm will apply its business resources and expertise — including data, research, talent and philanthropic investments — and collaborate with policy, business and community leaders to address the socioeconomic costs of barriers to employment for people with arrest or conviction histories.

The firm will help people with criminal backgrounds build in-demand skills and gain access to employment by

1. **Public Policy Agenda:** Advancing a public policy agenda through the new JPMorgan Chase PolicyCenter that reduces barriers to employment for people with criminal backgrounds;
2. **Community Investments:** Making new community investments to support people with criminal backgrounds in cities like Chicago, Detroit, Nashville, New York, Seattle and Wilmington, Delaware the focus on career development, financial health and entrepreneurship, and encourage more companies growing industries to hire them; and
3. **Hiring:** JPMorgan Chase “banned the box” by proactively removing all questions about criminal backgrounds from job applications and is now enhancing its strategy to attract a broader applicant pool including people with criminal backgrounds.

“Business has a responsibility to partner with policy, business and community leaders to create an economy that works for more people. When someone cannot get their foot in the door to compete for a job, it is bad for business and bad for communities that need access to economic opportunity,” said **JPMorgan Chase Chairman and CEO Jamie Dimon**. “Giving more people a second chance allows businesses to step-up and their part to reduce recidivism, hire talented workers, and strengthen the economy.”

#### 1. Public Policy Agenda:

Today, JPMorgan Chase launched the [JPMorgan Chase PolicyCenter](#), which will develop and advance sustainable, evidence-based policy solutions to drive inclusive economic growth in the U.S. and around the world.

Heather Higginbottom has joined the firm as President of the *PolicyCenter*. She previously served in senior policy roles in United States government, including Deputy Secretary of State, Deputy Director of the White House Office of Management and Budget, and Deputy Director of the White House Domestic Policy Council.

“Business must play a critical role in advocating for policies that unlock economic opportunity for more people underserved communities,” said **Heather Higginbottom, President of the JPMorgan Chase PolicyCenter**. “By working with political, business and community leaders, we will help advance public policy solutions that drive inclusive growth at all levels of government.”

The *PolicyCenter* is powered by the firm’s global business resources and expertise, including data, research, talent, and philanthropic investments. It builds on the firm’s commitment to connecting underserved people with economic opportunity and will work with policy, business and community leaders to advance effective public policy solutions at all levels of government.

It will focus on issues such as job skills and education, small business capital and growth, community and economic development, infrastructure, affordable housing and financial health, and will begin by advocating for policies that lower barriers to employment for people with criminal backgrounds.

- a. **Reforming Financial Services Industry Hiring Rules:** The Federal Deposit Insurance Corporation financial institutions’ ability to hire people with specific types of criminal backgrounds. JPMorgan Chase supported recent reforms to Federal Deposit Insurance Act Section 19 and recommends making further

changes to increase access to employment for affected workers, while maintaining the safety and soundness of the nation's depository institutions.

b. **Restoring Pell Grants:** Restoring access to Pell Grants for incarcerated individuals who are academically eligible for higher education and increase their opportunity to find employment after their release, leading to reduced recidivism, enhanced public safety, lower government spending on prisons and higher earnings. The Violent Crime Control and Law Enforcement Act of 1994 included a ban on providing Pell Grants to incarcerated individuals.

c. **Fair Chance Hiring:** Supporting federal and state efforts to require background checks only after an individual has been given a conditional offer of employment. Requiring disclosure of criminal backgrounds on an employment application reduces the likelihood of callbacks and job offers from potential employers, even if an individual's background has no bearing on job requirements.

d. **"Clean Slate" Record Clearing:** Supporting federal and state efforts to require background checks only after applicants have been given a conditional offer of employment. Requiring disclosure of criminal backgrounds on an initial employment application reduces the likelihood of callbacks and job offers from potential employers, even if an individual's background has no bearing on job requirements.

e. **Reforming Fines and Fees in the Justice System:** Supporting efforts to reform laws that suspend licenses for failure to pay fines or that right-size payments and provide alternative paths to compliance ensure that millions of Americans can access workforce opportunities, improve their financial health and successfully reintegrate into their communities.

f. **Entrepreneurship:** Supporting efforts at the state and federal level to expand entrepreneurship resources that provide greater economic opportunities and mobility for people with criminal backgrounds and reduce recidivism.

"In Delaware, we know it's important to offer our neighbors a second chance, to allow Delawareans who have criminal history to compete for a job and contribute to our success as a state," said **Delaware Governor John Carney**. "That's why we are excited about these initiatives from JPMorgan Chase – a major employer in Delaware. The company is already making important progress on its commitment to hire Delawareans and Americans with criminal backgrounds, which is incredibly important. These additional community investments and the company's leadership on second chance policy initiatives, will help build on that progress in our state and across the country."

"This important effort by JPMorgan Chase will undoubtedly pave new pathways to opportunity for people with criminal backgrounds," said **Utah Governor Gary Herbert**. "It's a win-win for residents and employers in both the State of Utah and across America. Time and time again, we see that when businesses step up to the plate like this – working with policy leaders to bring forth solutions that expand opportunity for those who need it most – there is a significant community impact. It is a model for other businesses to look at in regards to establishing more inclusive hiring practices."

## **2. Community Investments:**

JPMorgan Chase is investing more than \$7 million to help community organizations in cities like Chicago, Detroit, Nashville, New York, Seattle and Wilmington connect people with criminal backgrounds with in-demand well-paying jobs, the tools and resources they need to achieve their financial goals, and entrepreneurship training.

a. **Skills Development:** Collaborating with organizations such as the Heartland Alliance's Rapid Employment and Development Initiative (READI) and North Lawndale Employment Network in Chicago, Project ReEntry Nashville and The Prosperity Agenda in Seattle to offer people with criminal backgrounds access to training space, skills training, mentorship and the other resources that would help them qualify for in-demand jobs across a multitude of sectors, including mechanics, hospitality, public safety, sanitation, construction, consumer manufacturing, management and distribution industries, among others.

b. **Financial Health:** Supporting organizations like Credit Builders Alliance, The Financial Clinic and The Employment Solutions Corp. (DESC) to expand financial coaching and build credit for people on parole with criminal backgrounds.

c. **Small Business:** Working with organizations like Refoundry in New York to boost small business growth and entrepreneurship training for people with criminal backgrounds, using repurposed and restored home furnishings as a training pathway.

d. **Best Practices:** Collaborating with organizations like the National Employment Law Project (NELP), Safer Foundation, the Center for Law and Social Policy (CLASP), Rodel Foundation of Delaware and The Dave's Killer Bread Foundation to launch best practice toolkits and planning resources that help with the recruitment, hiring and retention of people with criminal backgrounds by major employers.

This builds on JPMorgan Chase's proven investment model for impact through its \$500 million [Advancing Cities](#) investment, which has been recognized by [Harvard Business School](#) and Fortune.

It also expands on a previous \$5 million commitment to give people with criminal backgrounds a second chance and the firm's existing efforts to develop best practices for the hiring of individuals with criminal backgrounds. Examples of previous philanthropic investments include supporting Texas' Prison Entrepreneurship Program, collaborating with the National League of Cities to reduce the impact of court-related fines and fees, and developing a toolkit in collaboration with the NELP to provide guidance on hiring individuals with arrest or conviction backgrounds in the healthcare industry.

"Despite some progress, there remain too many unnecessary barriers that make it especially difficult for people with arrest or conviction records to fully contribute to our society," said **Vanita Gupta, president and CEO of The Leadership Conference on Civil and Human Rights**. "Private sector collaboration is necessary to move the needle and achieve real change. When corporate partners advance, implement, and resource inclusive solutions, we improve opportunities across the board. We commend JPMorgan Chase for its leadership and commitment to fair chance hiring and for advocating for policies that will give more people a true chance at getting ahead."

### 3. Hiring:

In 2018, JPMorgan Chase hired approximately 2,100 people in the U.S. with criminal backgrounds — roughly 10 percent of new hires. Many were arrested for or convicted of low-level crimes such as disorderly conduct, personal drug possession and DUI (driving under the influence), and are employed in entry-level jobs such as transaction processing, and lending and account servicing.

To further broaden the applicant pool for job opportunities at the firm, enhance the hiring process and expand our commitment to building a diverse workforce, several actions are being taken:

a. JPMorgan Chase is committed to Second Chance hiring and “banned the box” to increase the access for people with criminal backgrounds to jobs at the firm. This helps ensure qualified applicants with criminal backgrounds receive the same consideration as any other applicant, when their background has no bearing on job requirements.

b. Launching new collaborations with community organizations to help JPMorgan Chase further build its pipeline for hiring people with criminal backgrounds — whose histories fit within industry regulatory guidelines — through training and mentorship programs, starting in Chicago. Some of the Chicago-based organizations that the firm is collaborating with include Skills for Chicagoland’s Future, Cara, the Safer Foundation and Cabrini Green Legal Aid.

e. Enhancing the firm's review and assessment process to help ensure that candidates, including those with a criminal background, are evaluated based on their qualifications and are not a risk to JPMorgan Chase employees and customers.

In addition, JPMorgan Chase will work with other employers committed to adopting and promoting second chance hiring policies by sharing best practices, insights and learnings.

“Koch has always believed that capable and qualified individuals who want to work hard and contribute to society should have every opportunity to thrive. Second chance hiring enhances public safety, helps keep families together by decreasing recidivism, supports a valuable talent pool, and gives people who have made mistakes and found redemption, the dignity of work,” said **Mark Holden, senior vice president of Koch Industries, Inc.** “We are proud to see business leaders like JPMorgan Chase take a stand to break down barriers. Together, we hope to help forge pathways of success for Americans looking to reenter the workforce and create a better life for themselves and the communities around them.”

“At a time when businesses are struggling to find qualified talent, employers can’t afford to continue punishing men and women who have served their time. When we give those who are qualified a second chance at stable employment, individuals, business and society win,” said **Johnny C. Taylor, Jr., President and Chief Executive Officer of SHRM—the Society for Human Resource Management.** “JPMorgan Chase is leading change by advocating for policies that knock down barriers to employment for people with criminal backgrounds. I hope other human resource and business leaders will follow this example.”

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### **About JPMorgan Chase & Co.**

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.7 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small

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