America Works’ Criminal Justice Program: Providing Second Chances Through Work

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Introduction

This report presents a case study of a new program developed by America Works, Incorporated, to assist released prisoners reenter the world of work. The report describes the substantial problem presented by America’s growing prison population, and the related challenge to society by released prisoners. The costs and benefits of programs to train ex-convicts for jobs are discussed. Finally, a profile of America Works and its efforts to assist released prisoners is provided. The paper concludes that the America Works program has been effective in finding private sector employment for ex-offenders.

Growth in Parolees Poses Significant Social Challenge

The growth of crime in the last decades of the twentieth century led to increased spending on law enforcement, prosecution and incarceration. Criminal statutes provided steeper and mandatory sentences, and the size of the nation’s prison population grew dramatically. This resulted in growing numbers of “ex-cons” or released prisoners seeking reintegration into American society.

By the end of 2001, a record 6.6 million people were in the United States correctional system. One in every 32 adults was either in prison or on parole. Almost 4 million people were on probation at the end of 2001, up 2.8 percent over 2000. The prison population grew by 1.1 percent, the smallest annual increase in nearly three decades.1

The increased number of prisoners has resulted in increased numbers of released prisoners seeking to reenter mainstream society. This is creating a major social and public policy problem in the United States. People enter prisons poorly equipped to be productive members of society and they typically leave prison in worse shape than they enter it. The problem of recidivism is partially due to this poor preparation for the world outside of prison. Ex-offenders cannot find or hold jobs and before long many renew a life of crime and are returned to jail.
Prisons are expensive facilities to maintain. In 1996, it cost New Yorkers $28,426 per year to house and hold a prisoner. Of that total less than $2,000 a year was spent per prisoner on work, educational or recreational programs for prisoners.

One might argue that funding programs to help convicted felons prepare for jobs and find them is simply a waste of funds on people who will never be able to reenter society. In this view, criminals are simply violent and evil people who should be locked away and forgotten. An examination of the data on the types of crime that lead to incarceration might lead to other conclusions. In the United States in Fiscal Year 2000, the percent distribution of offenses resulting in prison were as follows:

- Drugs: 39.8%
- Immigration: 19.9%
- Fraud, embezzlement, forgery, tax, bribery and other white collar: 18%
- Firearms: 6.0%
- Larceny: 4.1%
- Robbery: 2.9%
- Other 9.4%3

67% of former inmates released from state prisons in 1994 committed a new crime within three years following release.

Clearly, the vast majority of those in jail do not present a direct, violent threat to the average citizen. Many are drug addicts and dealers, and a large number are illegal aliens. Hardened, violent criminals are a minority of those incarcerated. Unfortunately, the conditions in prisons themselves and the stigma of having a criminal record often lead those incarcerated to increasing levels of anti-social behavior. Prisons have been termed schools of crime, and at an average cost of approximately $30,000 a year per prison, they rank among the most expensive educational experiences provided by the state.

Even more disturbing, a recent study by the U.S. Justice Department found that 67% of former inmates released from state prisons in 1994 were arrested for a new crime within three years following release. Most of those were rearrested soon after getting out of prison—30 percent within the first six months and 44 percent with a year. This suggests that an early positive intervention of assistance in securing gainful employment could exert substantive downward pressure on the rate of recidivism.

If programs to rehabilitate and mainstream the prison population can achieve success at a cost lower than roughly $30,000 a year, they should be of interest to public policy makers and taxpayers alike. If the rehabilitation succeeds, the government saves about $30,000 for each year that incarceration is prevented. In addition, society benefits from the economic and social contributions of a productive new citizen. A program that reduces, delays or prevents criminal recidivism could be a very good investment for government and for society.

Job Placement Assistance as Effective Social Policy

Unfortunately, those released from jail are not the only people in our society that have difficulty entering the world of work. People on welfare share this difficulty, and over the past quarter century a great deal of anti-poverty programming in the United States has been devoted to “moving people from welfare to work.” America Works was one of the first organizations in the United States to embrace the viability of work as an anti-poverty strategy and has helped to shape public policy on the issue for two decades.

America Works is the first company to successfully operate a for-profit, welfare-to-work business. Working with academics, foundations and
policy makers from both parties, America Works’ founders Peter Cove and Dr. Lee Bowes helped change the direction of United States welfare policy from education and training first to work as the best first step away from welfare dependency. For over two decades, America Works has achieved extraordinarily high job placement and retention rates for job candidates and business placement clients. They have operated successful partnerships with a number of states and cities, including New York City, New York State, and the cities of Baltimore, Maryland and Indianapolis, Indiana.

America Works specializes in moving unskilled and minimally experienced welfare recipients into existing private sector jobs through intensive work readiness training and basic skill-building, rapid job attachment, and intensive support services during the probationary period to ensure job retention. Unlike traditional employment and training programs, America Works does not emphasize an academic curriculum or speculative, job-specific training. Rather, America Works specializes in providing employers with candidates who are prepared for the work world, understand appropriate work behavior, will show up regularly and on time and are ready and able to learn quickly, on-the-job.

The America Works candidate begins with an intensive, one-week program that focuses on basic, generic work skills and behaviors including resume preparation, interviewing techniques, dressing for success, appropriate work behavior and demeanor, attitude, verbal expression and meeting employer expectations. Instructors reinforce the class lessons by punishing lateness, noting inappropriate behavior or dress and requiring significant or frequent offenders to begin the first week all over again.

Following successful completion of the first week of the program, candidates complete a job readiness program, practicing common office tasks such as answering telephones, transmitting messages, inputting data or typing letters and memoranda. America Works sets up job interviews with employer-clients and many candidates are placed in jobs within the initial six-week training and job search period. After six weeks, candidates are placed on “call-in” status, where they regularly search for work and discuss strategy and prospects with America Works personnel, but come into America Works offices only to access job search materials and seek specialized skill building assistance. If necessary, these candidates can repeat the initial program.

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Once candidates are placed in a job, they are assigned an individual corporate representative, whose key responsibility is help the candidate and the employer overcome the obstacles that so frequently result in entry level placements not completing the probationary period. Corporate representatives meet with the candidate and employer at least weekly to discuss the candidate’s progress, reinforce their strengths and seek to mitigate their weaknesses.

America Works earns most of its income through performance payments. They receive payments from government agencies tied to the length of job retention of the clients they place in private sector jobs. America Works considers employers their primary customers. They do not see themselves as a social service agency or a government-funded education and training program. They conceptualize their role as a for-profit, market-driven job placement agency. While they also see governments and job candidates as customers, their philosophy is that by focusing on their employer-customers they are able to provide better results and services to their government and candidate customers.
The firm has been successful for two decades in its efforts to help people on welfare find and keep jobs. While their approach does not work for every candidate, they have placed thousands of poor people in jobs, materially improving the lives of their job-seeking clients. Since America Works is a private firm that generates most of its revenues only after welfare recipients have been in jobs for six months, the firm’s longevity is a primary indicator of its success.

Fighting Recidivism With Work

America Works is beginning to respond to the challenge of ex-offender population in a similar fashion to its participation in the welfare reform efforts in the 1980s and 1990s. When America Works senior management reviewed the data on increased numbers of prisoners presented earlier in this report, they saw an opportunity to help create a better public policy to meet the challenge and expand their proven job placement approach for non-traditional candidates into a new market. In fact, this was not an entirely new area of focus for America Works.

America Works considers employers their primary customers. Throughout their decades of work in assisting welfare recipients to find self-sustaining jobs, Dr. Bowes and Peter Cove were struck by the devastating impact of welfare law and policy on the family structure of its “beneficiaries.” Welfare eligibility is almost exclusively limited to women with children, thereby helping to force men to leave the home. The old welfare law had the effect of discouraging men from remaining in families and a high proportion of them ended up in prisons. Yet, if men could find meaningful employment, they could provide some financial support for their children, stay out of prison and might even be reunited with their families.

As was the case in welfare reform, Bowes and Cove were two of the first practitioners to work with public officials to fashion creative responses to the challenge of connecting absent fathers to their children on welfare. During the mid-1990s, America Works assisted Indianapolis Mayor Stephen Goldsmith with his innovative Job or Jail program. Under the program, judges were given an option other than jail for unemployed fathers not making their required child support payments. Judges could refer willing unemployed fathers to America Works (and other job placement agencies) who would help them find a private sector job. Fathers not interested in this option were required to work for the city without pay. Those who refused the first two options were jailed and then made to do community work as trustees of the jail.

The Job or Jail program convinced Bowes and Cove that America Works could contribute to the employment challenge facing troubled men. It also offered the company an opportunity to grow. In the past they had sought expansion by providing job placement services in geographic locations that were distant from their New York base. They found it difficult to manage these far-flung operations and now only operate in New York, Maryland and Washington D.C. The company’s contracts with governments require that the local welfare bureaucracy refers cases to them; and they discovered that they had the staff capacity and job leads to serve a larger clientele. They also found that some of the types of job opportunities they were identifying had more appeal to male job seekers than female job seekers. This was another attraction of ex-convicts as a customer base. While welfare-to-work programs largely focused on African-American women, the Criminal Justice program in New York is principally serving African-American men.

Armed with this clarity of purpose, their track record of success in placing welfare recipients,
and a willingness to accept reimbursement only for performance, America Works approached New York City and New York State officials for funding. The New York City Human Resources Administration (HRA) and the New York State Department of Labor (DOL) decided to take a risk and fund the new initiative. While research is limited and subject to important caveats, most analysts have concluded that educational and vocational programs can reduce recidivism and increase employment and health outcomes.\(^8\)

The America Works Criminal Justice Program is based on essentially the same methodology as its welfare-to-work employment initiative. One key difference is the need to spend some time explicitly addressing issues that arise from the job-seeker's criminal record. This step involves helping job seekers to turn this negative into a positive, and also ensuring that prospective employers are informed of the client's record. Another difference is that job seekers are referred by parole officers, and rather than working with government welfare officials, America Works staff works closely with corrections officials.

Two senior America Works employees administer the Criminal Justice program. Mark Weiss, who does marketing for the program, has a standard business and marketing background. The director of training for the program is Juan Cortez, an ex-offender who has been out of prison for ten years. Mr. Cortez was in jail for ten years from age 16 to 26 for a manslaughter conviction. When he left prison in 1987 he had a Bachelors degree in psychology and sociology and a Masters in Sociology. Since his release he has earned a Master of Social Work degree, and has worked as a substance abuse counselor and directed a pre-employment program for the Department of Probation. After incarceration, Mr. Cortez was homeless for nine months until he found a job “off-the-books”, working 60 hours a week for the now bankrupt Times Square Stores. This unique and talented individual has the credibility needed to work with ex-offenders. In his current job, his prison experience is an asset as is his ability to serve as a role model.

An Overview of America Works Criminal Justice Clients

During its first year of operation (beginning July 1, 2001), 891 ex-offenders were referred to the America Works Criminal Justice Program. Of these, 90% were male and 10% were female. Most (81%) were single, 61% were African American and 33% were Hispanic. They were on average 33.7 years old. Most (57%) had been in jail for drug offences, while another 23% had been in jail for non-violent crimes such as larceny and fraud. Approximately 15% had been incarcerated for violent crimes such as assault or murder and 4% had been in jail on weapons charges. Only 18% had earned standard high school diplomas, while another 41% had earned General Equivalency Diplomas (GED), for a total of 59% holding some form of high school diploma.

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In order to obtain a clearer sense of the people behind these statistics we present the following two client profiles.

“Joe” was in jail for a drug offense and spent four years and eight months in prison. He is a native New Yorker of African-American heritage. According to Joe, he stumbled upon America Works after being laid off from a job at a liquor distributor. With the help of America Works, HMS Monaco, a vending and novelty supply firm, hired him.
Hired as an entry-level general laborer, Joe has been with HMS Monaco for seven months. Joe is described by his employer as very competent and always willing to learn new skills and assignments. He has presented no disciplinary problems and is on time and reliable. Joe has been promoted and now serves as production manager.

Joe keeps to himself. He is a big man and believes that is the reason he was left alone by prison guards. However, he noted that prison guards are often racist and disrespectful. While he found the prison experience difficult, with the help of America Works and his hard work, Joe seems to be adapting reasonably well to life after prison.

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“John” was in jail for a violent crime for which he had served ten years out of a maximum sentence of fifteen years. After ten years he was granted a conditional release. He is Hispanic, of Puerto Rican descent and is a native New Yorker. He had some college prior to imprisonment. He was released last year, but remains under parole supervision—possibly until the duration of the maximum sentence. He could be released from parole for “good behavior” or if he is deemed “rehabilitated”.

John observed that “transition is never easy.” He was nervous coming back into society, having to deal with a difficult job market on top of having a record. He was referred to the America Works Criminal Justice Program through his parole officer. His first job interview in the program was unsuccessful, but after his second interview he was placed in a telemarketing job that lasted for six months. According to John, “It was something rather than nothing.” Last month he was asked to temp at America Works as a Data Entry Specialist. He prefers to work with computers and in IT, and enjoys it more than telemarketing.

According to John, his major problem is that society doesn’t forgive. Consequently, ex-offenders are “forced” to go back to criminal activities. Before coming to America Works, he found that in job interviews with other employment agencies they typically would not call him for jobs once they had conducted a background check.

While he was in jail, New York State terminated college funding and college opportunities that used to be available to inmates. To John, a College education was a way for inmates to see outside of the prison system and the criminal cycle. It was a way for them to educate themselves and to realize the opportunities that are available for them. John is critical of the corrections system. He does not believe it is meant to help anyone, and in his view, “the only thing it does is to belittle inmates.” He found corrections officers were often deceitful, abusive, and demeaning. In his view, prison does not rehabilitate or correct: it punishes. Inmates are always guilty and they have no voice. According to John, prisons were located at least eight hours away from any other “civilization,” making it difficult for families to visit.

John’s view is that parole officers are waiting for inmates to make the smallest mistake so that they can be sent back to prison and he complained about restricted movement under parole. For example, he cannot travel outside the parole jurisdiction; if he violates curfew, he is returned to jail. In John’s view, he is currently not a troublemaker; he is doing his best to stay working and is staying clean—no drugs or alcohol. He has his own residence and is studying for a degree at the City University of New York.
Initial Results of the America Works Criminal Justice Program

As the case profiles make quite clear, placing and retaining ex-offenders in appropriate paid employment is difficult. America Works overcame a number of challenges in building its very successful job placement program for women on welfare. However, it seems clear that men coming out of prison face even more serious obstacles to employment. Nevertheless, America Works has already established an admirable track record in placing ex-offenders in jobs.

In the program’s first year of operation, the program received 891 referrals. Of those referrals, 501 completed the first day of orientation at America Works. Of those completing the one-day orientation, America Works placed 389, or 77.7%, in jobs. Of those placed, 173 (44.4%) held their job for at least 90 days. Ninety of those placed held their jobs for over six months (41.5% of the 217 who could have reached that threshold at the time of this case study).

Most of the placements obtained for ex-offenders involve manual labor. The 90 ex-offenders remaining on the job for six months held the following types of employment:

- Manual labor: 51%
- Sales-Service: 19%
- Administrative: 13%
- Food service: 11%
- Professional: 4%
- Security: 2%

In America Works’ typical organizational structure, sales representatives are responsible for marketing job seekers to employers. We interviewed two of the Criminal Justice Program’s sales representatives to learn more about the challenges posed by this special program. The sales representatives noted that they found it most useful to conduct a personal rather than professional assessment of candidates to understand candidates’ motivation, commitment, and attitude. Before sending a job seeker on an interview they take care to prepare and inform candidates about the company, job description and requirements based on their understanding of what employers are looking for. They select job openings and companies carefully due to the nature of the job-seeker's background.

Typical jobs have included manual labor, administrative support, telemarketing, and food services. Sales representatives note that there is a more professional track that can include social work, counseling, and case management. Criminal Justice Program candidates can often break into social services or case management for half-way houses, HIV/AIDS related organizations, and juvenile institutions and programs. The most popular sector in terms of longevity and satisfaction is telemarketing. These jobs seem to be a perfect match for those with drug-related charges— one sales representative specifically mentioned the “ hustling” experience typical of drug dealers.

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The America Works sales representatives spoke of the need to establish an open and trusting relationship with employers before referring any Criminal Justice Program candidates to companies. They favor direct and point-blank approaches to companies who seem approachable or “CJ (Criminal Justice) Friendly”. They will say, for example: “I have John Doe who is perfect for your cleaning crew position, but has a felony background— it was a minor drug charge.”

Many Wall Street related firms such as Moody's Investor Services, Lehman Brothers, Davis Polk
& Wardwell will not hire anyone with a criminal background, regardless of how minor the crime may be. They state that their insurance policies’ mandates prohibit them from hiring ex-offenders. Many companies will selectively hire from the ex-offender population if the crime committed was not related to the nature of the business or the position. For example, one supplier to gift shops of major hotels will hire ex-convicts only if they have no retail-related felony.

America Works sales representatives report that the factors that contribute to getting placed include skills, experience, motivation, and flexibility. Some ex-offender candidates have limited availability due to a work release related curfew or the amount of days per week they are allowed to be outside. Once placed, candidates are often terminated (as are placements from the population at large) due to problems connected to discipline, lateness, motivation and personality. Ex-offenders often internalize negative comments made at work and are sometimes oversensitive to comments that are not intended to be personal.

Cardinal Industries is a small import firm. The typical job available to America Works candidates is that of a factory laborer. The company currently employs three people referred by America Works. According to Cardinal Industries General Manager Bill Pistone, if he were not aware of the criminal records of the America Works candidates, he would never have guessed. The workers hired from America Works always show up on time, are eager to work, eager to learn, do excellent work, and are willing to work overtime when needed. Pistone reports that the America Works referrals have no discipline problems and get along well with his other employees. He has encountered both discipline and performance problems with referrals from other placement agencies.

HMS Monaco is a vending and novelty firm. Typical jobs available to America Works candidates involve general packaging and manual labor. The company currently employs three individuals referred by America Works.

The company is very satisfied with the candidates from America Works, reports General Manager Indira Budha. She says that America Works referrals are always very competent and willing to learn. She has encountered no problems with discipline or tardiness.

Despite these success stories, participants in the America Works placement program face many challenges in their quest for gainful employment. These candidates have lived in a society that is very different from mainstream society, often for many years. When faced with the norms of corporate culture, they sometimes do not know how to behave or react. One employer argued that America Works job candidates need additional training. Another disagreed, observing that the best worker has dedication and determination—the details can be taught on the job.
While some employers would only hire staff that help their organizations succeed, we found other employers willing to hire ex-offenders as part of their civic responsibility. They knew they were helping people in need and felt that their organizations had a responsibility to contribute to the overall health of our society.

Conclusion

It is premature to judge whether or not the America Works Criminal Justice Program is an unqualified success worthy of widespread replication. However, the initial results are very encouraging. Dealing with an extremely difficult population, America Works has been able to place nearly 78% of the participants who completed the one-day orientation session. Government pays the company approximately $1,000 for each initial job placement. Over 44% of those placed last at least three months, earning America Works an additional $2,700. To date, just over 40% (90 individuals) of those able to reach the six month employment milestone had done so, earning America Works a third and final performance payment of $1,000. So, is the program a success? Is it worth the public expenditure?

At the current cost of roughly $30,000 a year for each state prisoner, New York saves about $2,500 a month for each month of prison time prevented. Given current recidivism rates, at least 30% of those reaching the six-month threshold would have been returned to prison sometime during that period. So, it is reasonable to assume, at a minimum, the $423,000 paid to America Works for the 90 placements reaching the six month target is offset by at least three months of prison prevented for at least 27 of them (30% recidivism randomly over the six months), or $607,500. This gives America Works no credit for the placements of less than six months, 40% of which have reached that milestone to date.

The State continues to save money for those ex-offenders continuing to work beyond the 180 day payment point but pays out no additional funds to America Works. Even if America Works could not improve on the first year performance rate, the public saves $184,000 annually at the six-month final payment date. For every month those 90 ex-offenders continue to work, up to another $225,000 is saved, or an additional $2.7 million a year. The cost-benefit ratio for this program to date is excellent. If employment can be sustained and retention rates improved, the savings to the taxpayer become enormous.

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The issue of employment and socialization of ex-offenders is a critical one for U.S. public policy. The large increase in incarcerated individuals will result in a larger population of ex-convicts. The America Works approach to address this looming crisis looks very promising. Results to date suggest a larger program and a more systematic research project assessing its performance would be well worth the expenditure of public funds. As a society, we seem to have a consensus that work is better than welfare. Surely then, work is better than crime and prison.
Endnotes

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