

## Memorandum of Support New York Clean Slate Act

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February 27, 2023

CEO Action for Racial Equity supports the introduction of the Clean Slate Act, Senate Bill S211i and Assembly Bill A1029ii collectively referred to as the “Clean Slate Act”.

CEO Action for Racial Equity is a first-of-its-kind, business-led initiative that mobilizes CEO Action for Diversity & Inclusion™ signatory organizations to advance policy change at the federal, state and local levels. The CEO Action for Racial Equity Fellowship includes over 100 organizations that mobilizes a community of business leaders with diverse expertise across multiple industries and geographies to advance public policy in four key areas — healthcare, education, economic empowerment and public safety. Our mission is to identify, develop and promote scalable and sustainable public policies and corporate engagement strategies that will address systemic racism, social injustice and improve societal well-being.

One focus issue for the Fellowship is expanding job opportunities for justice-involved individuals through fair chance hiring policies and practices. There are more than 2.3 million New Yorkers – that have a criminal record<sup>iii</sup> and having a criminal record blocks individuals from accessing employment, among other things. Indeed, research has shown that job applicants without criminal records were 60% more likely to receive a job callback from an employer.<sup>iv</sup>

Further, the National economy loses hundreds of billions of dollars each year due to unemployment and underemployment among individuals with a criminal record.<sup>v</sup> A 2020 study found New York loses an estimated \$7.1 billion in wages because of unemployment and underemployment among people with conviction records.<sup>vi</sup> By expanding opportunity, the Clean Slate Act can help expand the state’s workforce and increase wages. For example, within two years of expunging an individual’s criminal record under Michigan law, research showed that an individual was 11% more likely to have a job and earned nearly 20% more in wages.<sup>vii</sup>

As a coalition of businesses, we have first-hand knowledge of the labor shortage facing the US.<sup>viii</sup> Criminal records impact our workforce, customers, and communities. Removing obstacles to employment and including justice-involved individuals in the talent pipeline can help increase the workforce and boost the economy.

Many states including Pennsylvania, New Jersey, Michigan, Connecticut, Delaware, and Virginia have already acted to automatically seal criminal records, and many others are moving in the same direction with bipartisan support. Passing the Clean Slate Act will help to mobilize untapped talent and destigmatize reentry through fair chance hiring practices.

CEO Action for Racial Equity urges you to pass the Clean Slate Act in this legislative session.



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## Citations

<sup>i</sup> Bill S211. An act to amend the criminal procedure law, the executive law and corrections law, in relation to automatic sealing of certain convictions: <https://legislation.nysenate.gov/pdf/bills/2023/s211>.

<sup>ii</sup> Bill A1029. An act to amend the criminal procedure law, the executive law and the corrections law, in relation to automatic sealing of certain convictions: <https://legislation.nysenate.gov/pdf/bills/2023/a1029>.

<sup>iii</sup> Colleen Chien, Navid Shaghaghi, Hithesh Bathala, and Sarah-Mae Sanchez, "The Estimated Size and Lost Earnings of New York's Second Chance Sealing Gap," *Paper Prisons*, (2023): 1, <https://www.paperprisons.org/states/pdfs/reports/The%20New%20York%20Second%20Chance%20Sealing%20Gap.pdf>

<sup>iv</sup> Amanda Agan and Sonja Starr, "The Effect of Criminal Records on Access to Employment," *American Economic Review: Papers & Proceedings*, no. 5 (2017): 561, <https://repository.law.umich.edu/cgi/viewcontent.cgi?article=2892&context=articles>.

<sup>v</sup> Rebecca Vallas, Sharon Dietrich, and Beth Avery, "A Criminal Record Shouldn't Be a Life Sentence to Poverty," *Center for American Progress*, (May 2021): 2, <https://americanprogress.org/wp-content/uploads/2021/05/A-Criminal-Record-ShouldnE28099t-Be-a-Life-Sentence-to-Poverty.pdf>.

<sup>vi</sup> Chien, Shaghaghi, Bathala, and Sanchez, "The Estimated Size and Lost Earnings of New York's Second Chance Sealing Gap," 1, <https://deliverypdf.ssrn.com/delivery.php?ID=99402012300010111108906503006710801011604506706009502811009908310302212410802201910101806309911102604203411011703109208100201802906600403308300507612111013030092037089020100023026010104086027095124023019116004013076127000005109085116007109072096023&EXT=pdf&INDEX=TRUE>

<sup>vii</sup> J.J. Prescott and Sonja B. Starr, "Expungement of Criminal Convictions: An Empirical Study," *Harvard Law Review*, vl 133, no. 8 (June 2020): 2533-2543, [https://harvardlawreview.org/wp-content/uploads/2020/06/2460-2555\\_Online-1.pdf](https://harvardlawreview.org/wp-content/uploads/2020/06/2460-2555_Online-1.pdf).

<sup>viii</sup> Stephanie Ferguson, "Understanding America's Labor Shortage: The Most Impacted Industries," *U.S. Chamber of Commerce*, January 19, 2023, <https://www.uschamber.com/workforce/understanding-americas-labor-shortage-the-most-impacted-industries>.



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