

**Support for Second Chance Hiring and Clean Slate Legislation**

**Testimony by Nan Gibson, Executive Director, JPMorgan Chase *PolicyCenter***

Thank you, Chairwoman Grad and Members of the House Judiciary Committee and Committee on Economic Development and Commerce for the opportunity to testify today about second chance hiring and automatic record expungement or sealing, known as Clean Slate.

My name is Nan Gibson, and I am Executive Director at the JPMorgan Chase *PolicyCenter*. JPMorgan Chase proudly employs more than 130 people in Vermont, serving more than 120,000 consumer and business customers throughout the state.

One in three Americans has an arrest or conviction record that can significantly impact their ability to get a job, housing, or an education.<sup>i</sup> One academic study examining the size and scope of felony convictions alone estimated 5 to 6 percent of Vermont adults had a felony record in 2010.<sup>ii</sup> The petition-based expungement and sealing systems are costly, complicated and time consuming, so very few pursue the complex process. A 2020 study by University of Michigan Law School professors found more than 90 percent of those eligible to have their record cleared in Michigan do not apply.<sup>iii</sup> This means that even after fulfilling their justice system obligations, people with criminal records often continue to be blocked from fully participating in the economy and their community.

The drag on the earning potential of tens of millions of Americans are costs not only borne by individuals, their families, and their communities, but also have larger economic consequences for business and society. A recent Brennan Center report states that the average person with a conviction misses out on roughly \$100,000 in earnings over the course of a career.<sup>iv</sup> Someone who was imprisoned as a young adult – regardless of the offense – suffers an average of \$484,400 in lost earnings. This issue also disproportionately affects people of color nationwide.

Automatic record expungement or sealing can help to change this. Clean Slate measures are gaining traction in states across the country as Pennsylvania, Utah, New Jersey, Virginia, Connecticut, and Delaware have all passed or enacted bipartisan legislation to automate their state record clearing process. In addition, the bipartisan, bicameral [Clean Slate Act of 2021](#), working its way through the U.S. Congress, would allow certain federal records to be automatically sealed.

As we continue to recover from the pandemic, businesses are adapting to economic conditions and resuming their search for skilled workers. By reducing barriers to employment for those with criminal records, we will be able to get more people back to work more quickly.

JPMorgan Chase is committed to giving people across the country a second chance.

We have made changes in our own hiring and recruitment practices, and we are actively encouraging other companies to do the same. We are supporting community organizations that equip people with criminal backgrounds with the skills and resources needed to pursue career pathways. We are also advancing a policy agenda that reduces barriers to employment for people with criminal backgrounds.

- We have taken a number of steps to broaden our potential talent pool and create more inclusive inroads to careers at our firm by actively working to reduce barriers to employment for individuals with criminal backgrounds.
  - We “banned the box” by removing all questions about criminal backgrounds from our job applications in the U.S.
  - We developed a hiring model to work with community and legal aid organizations to proactively develop a pipeline of potential employees with criminal backgrounds, whose histories fit within industry guidelines, to fill open roles with career pathways.
  - In 2019, we piloted this Second Chance community-based hiring model in Chicago and have since expanded the model to Columbus, Ohio, and Phoenix, Arizona with plans to bring it to additional cities.
- In recent years, we have provided comments to the Federal Deposit Insurance Corporation (“FDIC”) on proposed modifications to Section 19 to narrow the circumstances under which the FDIC’s written consent is required to hire individuals with minor criminal offenses.
- Recent revisions to Section 19 have helped ease restrictions, but more can be done. We support the [Fair Hiring in Banking Act](#), which would expand employment opportunities for those with a previous minor criminal offense without posing risks to safety and soundness.
- In 2020, JPMorgan Chase hired more than 2,100 people with criminal backgrounds – about 10 percent of new hires in the US – whose history had no bearing on the requirements of the job they were seeking. And with a US workforce of more than 170,000, the firm is always in need of top local talent to fill open positions.
- Last year, JPMorgan Chase launched the [Second Chance Business Coalition](#), co-chaired by our Chairman and CEO Jamie Dimon, which has grown to 40 large companies committed to expanding hiring and advancement practices for people with criminal records withing their firms.

Second chance hiring and automatic record clearing will help bolster the economy by more fully tapping the talents of thousands of people who are currently unemployed or underemployed because of their criminal record. When someone cannot get their foot in the door to compete for a job, it hurts businesses and communities by limiting access to economic opportunity.

The benefits of automatic expungement or sealing are clear, and we urge the Vermont General Assembly to consider passing and implementing Clean Slate legislation. Thank you for your consideration.

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<sup>i</sup> [Brennan Center for Justice \(2020\)](#)

<sup>ii</sup> [Shannon, Sarah, University of Georgia, et al, \(2017\)](#)

<sup>iii</sup> [J. J. Prescott and Sonja B. Starr, “Expungement of Criminal Convictions: An Empirical Study,” Harvard Law Review 133, no. 8 \(2020\)](#)

<sup>iv</sup> [Brennan Center for Justice \(2020\)](#)