



## Opinion Poll

### Illinois small business owners support criminal justice reforms to address persistent workforce challenges

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## Introduction

Small businesses in Illinois are still struggling to hire and retain a ready workforce, persistent challenges in the wake of the pandemic. A parallel problem for the labor market cannot be ignored: more than [70 million](#) Americans have a criminal record, including more than three million Illinoisans, which reduces their opportunities to contribute to society, earn a living wage or start a new business.<sup>1</sup> Even a minor criminal record can create a wall of lifelong barriers that prevent gainful employment.

What's more, criminal records also further widen the racial wealth gap: While only 13.6% of the population is Black, 28% of all arrests and 36% of all felony convictions are imposed on Black people.<sup>2,3</sup> Yet [employers who hire justice-impacted workers report](#) that their quality of work and contributions are on par with or better than other employees, and turnover rates are notably lower.<sup>4</sup> Small businesses [employ nearly half \(46.74%\) of the private workforce in Illinois](#), opening a powerful role for small employers to play in addressing the labor shortage and reducing the harms of mass incarceration.<sup>5</sup>

Small Business Majority's new poll of Illinois small business owners finds strong support for criminal justice reforms at the state and federal level that would remove barriers to employment or entrepreneurship opportunities for formerly incarcerated individuals. In Illinois, the current petition-based system to clear a criminal record is confusing, costly and laborious. Clean Slate Illinois is a proposed technological solution for closing this gap that would automate the record sealing process and more efficiently grant relief to those individuals who are already entitled to it. As the polling reveals, proposed legislative changes such as those being considered in Illinois and other states will help address ongoing workforce challenges and foster a more inclusive economy.

## Key findings

- **Small business owners agree that Clean Slate policies will help boost labor recruitment.** A robust 85% of respondents agree that Clean Slate policies will open a pool of job applicants that deserve a second chance, which will benefit small businesses in their efforts to hire and recruit employees. Only 15% of respondents report that they are not open to hiring individuals with a criminal record, regardless of Clean Slate policies. Nearly 6 in 10 (58%) of poll respondents are familiar with Clean Slate policies.
- **Illinois small business owners support helping formerly incarcerated people receive job credits that reduce their individual state taxes.** Different state-level policies have been enacted or are being considered to reduce recidivism and boost economic security in at-risk communities. After learning about the state-level policies, two-thirds (66%) of Illinois small business owners support formerly incarcerated people receiving job credits that reduce their individual state taxes.
- **Small business owners agree that families, communities, and the economy are impacted by the criminal justice system.**
  - 84% of respondents agree that one way to expand the productivity and diversity of our nation's workforce is by making it easier for employers to recruit from underused candidate pools.
  - 83% of respondents agree that removing barriers to employment for people with criminal records will save tax dollars by reducing recidivism and the need for long term government assistance.
  - 77% of respondents agree the U.S. criminal justice system disproportionately impacts people of color, leading to employment barriers and economic mobility.
- **Small businesses support policies that remove barriers to obtaining occupational and driver's licenses.** Nearly 7 in 10 (68%) respondents support ending debt-based driver license suspensions for unpaid fines and fees. Additionally, a vast majority (85%) would support reforms that would allow people with old convictions fairer access to occupational licenses.

- **Illinois small business owners are planning to hire in the next six months.** More than 8 in 10 Illinois small business owners (85%) are optimistic about their business prospects, and 66% of respondents say they are likely to hire in the next six months. More than half (53%) of respondents say it's hard to find quality candidates and that jobseekers are expecting higher wages.
- **Small businesses are attracting workers by increasing pay and benefits.** A majority (56%) of small business owners are increasing employee wages, while 46% are offering additional benefits. Small employers are also being more flexible in their hiring and recruitment practices, with the poll revealing that 31% of respondents are creating more part-time positions, about one in five (20%) are hiring younger candidates, and 16% are hiring within their local community.
- **Illinois small business owners are supportive of state and federal policies that improve hiring chances for justice-impacted individuals.** Small business owners are supportive of several federal and state criminal justice reform policies:
  - Roughly three-quarters (73%) support state legislation that would allow individuals to petition federal courts to seal or expunge certain records.
  - Two-thirds (66%) of business owners support federal legislation that would prohibit private-sector employers from asking jobseekers about their criminal background.

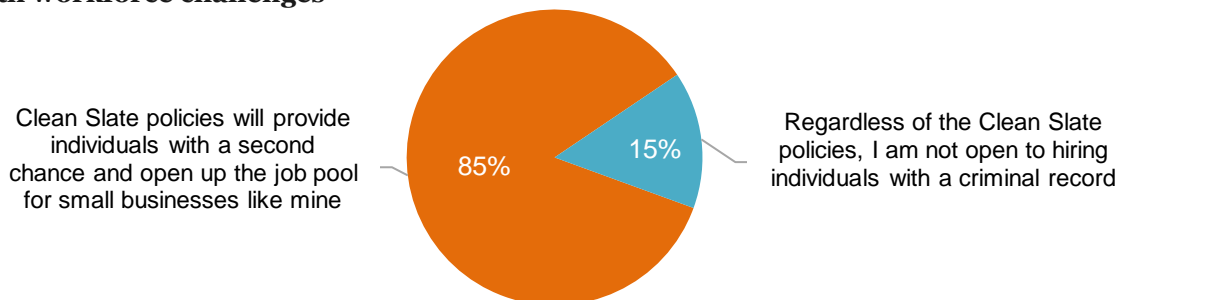
## Illinois small businesses support Clean Slate policies

Despite rising inflation, supply chain disruptions and workforce challenges, most small businesses (85%) in Illinois remain optimistic about their business conditions. Coupled with this optimism, 66% of small businesses are likely to add employees in the next six months. However, they are facing challenges in hiring and recruiting. A majority (53%) of poll respondents say it's hard to find quality candidates, and another half say that more jobseekers are expecting higher wages.

Clean Slate is a policy model that automatically seals qualifying criminal records if a person stays crime-free for a set period of time. As a result, certain criminal records will no longer appear on background checks, providing justice-impacted individuals with more opportunities to seek employment and make a living wage.

Clean Slate laws have been passed in just a handful of states. In Illinois, a proposed technological solution known as Clean Slate Illinois is advocating for the automatic sealing of criminal records. An estimated [920,000 Illinoisans](#) are eligible for record relief but have not been able to access the benefit under the current system.<sup>6</sup> As such, many individuals who fall into the second-chance expungement/sealing gap could benefit from Clean Slate Illinois and enable them to seek employment opportunities and entrepreneurship. Additionally, the bipartisan Clean Slate Act, introduced in the U.S. House of Representatives, establishes a framework for sealing records related to certain federal criminal offenses. The poll reveals that 85% of small business owners support Clean Slate policies as a solution to their hiring challenges and say that these policies will open the job pool for small businesses.

**Figure 1: Small business owners agree that Clean Slate policies make sense and will help with workforce challenges**

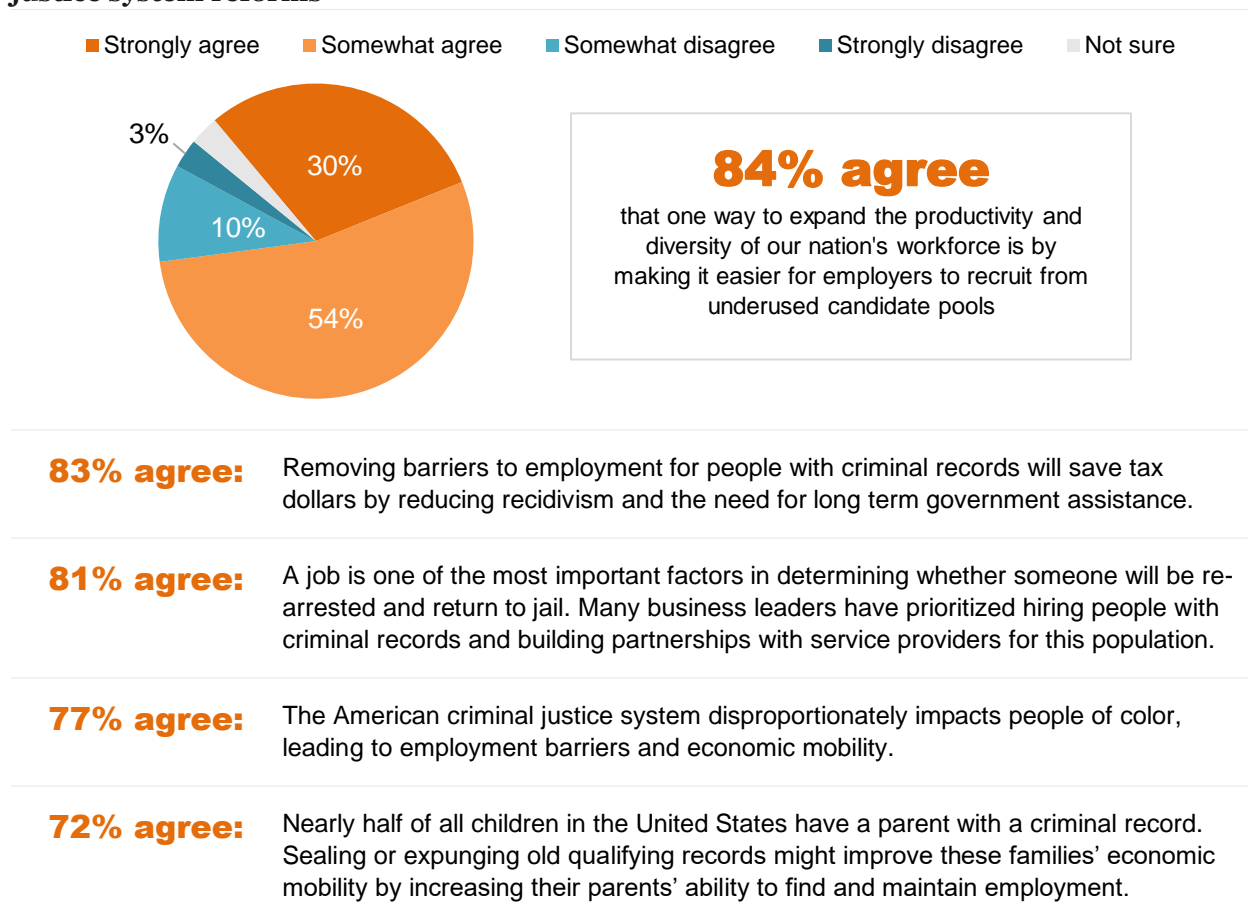


More than half of the respondents (58%) were familiar with Clean Slate policies, with 24% reporting that they were very familiar with such policies and 34% reporting that they were somewhat familiar. However, with knowledge still lacking among a wide swath (39%) of entrepreneurs, there is a demonstrated need for further education and engagement around the issue.

## Criminal justice system and the candidate pool

The poll reveals that small business owners in Illinois are aware of the inequities of the criminal justice system and see reforms as a way to solve their workforce challenges. More than 8 in 10 (84%) respondents agree one way to expand the productivity and diversity of our nation’s workforce is by making it easier for employers to recruit from underused candidate pools. In addition, 83% of small businesses agree that removing barriers to employment for people with criminal records will save tax dollars by reducing recidivism and the need for long term government assistance.

**Figure 2: Small business owners agree with the following sentiments that support criminal justice system reforms**

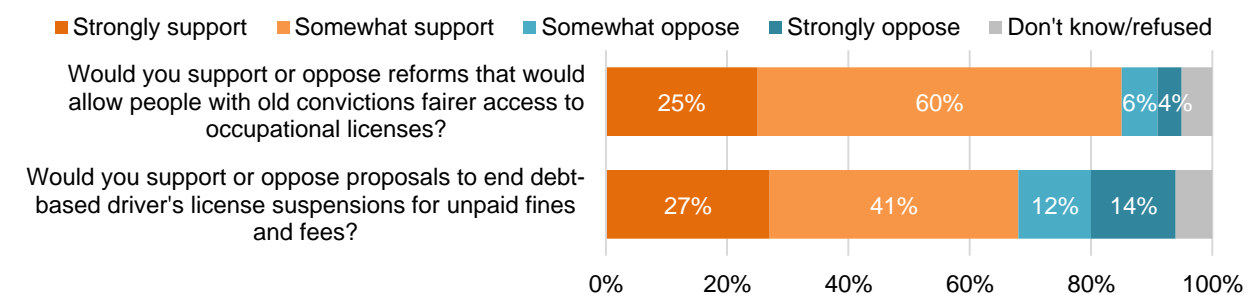


Despite this strong support for Clean Slate policies, small business owners have general liability concerns about their employees’ behavior on the job, and most conduct criminal background checks as part of the interview process (85%). Some of the employers’ top general liability concerns include occupational safety; physical, sexual or other forms of harassment; and theft of the company’s, customer’s or another employee’s property. It’s important to note that small business owners raised these concerns as potential workforce liability concerns, and not specifically about jobseekers with criminal backgrounds.

## Licensing reform

In several states, Clean Slate legislation is often too narrow and includes provisions that exclude or limit employment opportunities and entrepreneurship. What’s more, individuals with previous arrest records can be denied occupational licenses in 30 states—not including Illinois—even if they were never convicted of a crime. Nearly one in four professions require an occupational or professional license, including plumbing, dentistry, nursing, cosmetology and more. When thinking about the impact a change in the law would have on their ability to hire qualified individuals, 85% of small businesses in Illinois support reforms that would allow people with old convictions fairer access to occupational licenses. In addition, more than two in three (68%) support proposals to end debt-based driver license suspensions for unpaid fines and fees.

**Figure 3: Small business owners support policies that remove barriers to obtaining driver’s and professional licenses**

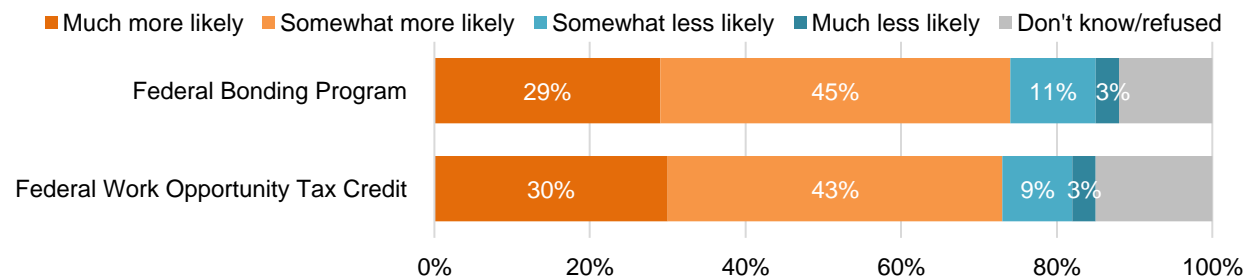


## Federal incentives

The federal government is implementing programs to help support re-entry for justice-impacted individuals and remove barriers to employment opportunities. The Work Opportunity Tax Credit is a federal tax credit available to employers that incentivizes the hiring of individuals from targeted groups, who have consistently faced barriers to employment opportunities, including the formerly incarcerated or those previously convicted of a felony. Employers may receive a 40% credit of up to \$6,000 of the wages paid to these justice-impacted individuals. To qualify for this federal program, individuals must be certified by a state workforce agency as members of one of 10 targeted groups.

Another federal program that incentivizes employers to hire justice-impacted individuals is the Federal Bonding Program. This program provides “Fidelity Bonds” for at-risk and hard-to-place jobseekers. These bonds protect employers from any loss caused by fraudulent or dishonest acts of bonded employees, whether committed on or away from the workplace. Three-quarters of Illinois respondents said learning about these programs would make them more likely to hire justice-impacted individuals. An additional 73% of respondents would support federal legislation to establish a process for individuals to petition federal courts to seal records of nonviolent offenses, nonviolent cannabis and drug offenses and arrest records for those who have been acquitted.

**Figure 4: Small businesses are more likely to hire justice-impacted individuals after learning about these federal programs**



## Conclusion

This report conveys strong support for criminal justice reform from small businesses owners of all political parties and leanings. Across the state of Illinois, small business owners share the belief that Clean Slate policies would be beneficial for the overall economy and the well-being of those who have been justice-impacted. Clean Slate Illinois will support Illinoisans by automatically sealing hundreds of thousands of arrest or conviction records and offering immediate record relief for those who are eligible. This proposal will have a positive long term impact on education, housing, small businesses and employment opportunities for the state. These findings will help criminal justice advocates and small business stakeholders come together to advance more state and federal policies aimed at meeting the workforce needs of small businesses and reducing the barriers created by the criminal justice system.

### Glossary of terms

**Clean Slate:** A policy model that automatically seals qualifying criminal records if a person does not reoffend for a set period. As a result, criminal background checks will no longer flag this information, as eligible criminal records are sealed, expunged, erased, or set-aside, meaning there is no public record of the arrest or conviction.

**Expungements/expunged criminal records:** To erase or completely remove a record of criminal conviction from a state or federal court.

**Felony offense:** A more serious crime than a misdemeanor. Though definitions vary by state courts, felony is typically defined as a crime that is punishable by imprisonment of one year or more.

**Misdemeanor offense:** A less serious crime than a felony. Though definitions vary by state courts, misdemeanor is typically defined as an offense that is punishable by fines or by short imprisonment in local jails.

**Recidivism:** The act of an individual previously convicted who reoffends again.

**Second-chance hiring:** The practice of allowing individuals with a criminal record a fair and equal opportunity to get a job.

**Justice-impacted:** Individuals who are or have been arrested and/or incarcerated.

## Methodology

This opinion poll, conducted by Chesapeake Beach Consulting for Small Business Majority, reflects the opinions of 100 small business owners from Illinois. The poll, conducted from September 13 through September 20, 2022, has a margin of error of +/-10% at a 95% confidence interval. Poll respondents identified with the following political parties: 39% Democrat, 24% Republican and 29% independent. The Illinois sample was part of a six-state poll of 600 small business owners.

Download the full toplines from our website: <https://smallbusinessmajority.org/our-research/illinois-small-business-owners-support-criminal-justice-reforms-address-persistent-workforce-challenges>

<sup>1</sup> “One Strike and You’re Out: How We Can Eliminate Barriers to Economic Security and Mobility for People with Criminal Records”, 2014, Center for American Progress, <https://www.americanprogress.org/article/one-strike-and-youre-out>

<sup>2</sup> “Race and ethnicity”, Prison Policy Initiative, [https://www.prisonpolicy.org/research/race\\_and\\_ethnicity](https://www.prisonpolicy.org/research/race_and_ethnicity)

<sup>3</sup> “The Growth, Scope, and Spatial Distribution of People With Felony Records in the United States, 1948–2010”, Sarah K. S. Shannon, Christopher Uggen, Jason Schnittker, Melissa Thompson, Sara Wakefield, Michael Massoglia, <https://doi.org/10.1007/s13524-017-0611-1>

<sup>4</sup> “2021 Getting Talent Back to Work Report”, 2021, SHRM Foundation, [https://www.gettingtalentbacktowork.org/wp-content/uploads/2021/05/2021-GTBTW\\_Report.pdf](https://www.gettingtalentbacktowork.org/wp-content/uploads/2021/05/2021-GTBTW_Report.pdf)

<sup>5</sup> “2022 Small Business Profile: Illinois,” U.S. Small Business Administration, <https://cdn.advocacy.sba.gov/wp-content/uploads/2022/08/30121325/Small-Business-Economic-Profile-IL.pdf>

<sup>6</sup> “The Illinois Second Chance Expungement and Sealing Gap,” Paper Prisons Initiative of Santa Clara University, <https://www.paperprisons.org/states/IL.html>