

Washington DC remarks – Manhattan Institute – Tuesday, May 5, 2015

Good evening everyone. My name is Aaron Yelowitz, and I'm an associate professor in the Economics Department at University of Kentucky. I received my PhD in economics from MIT in 1994, and for my 20 year career have worked on a variety of public policy issues, often related to low income or vulnerable groups.

I want to start off my remarks by expressing my gratitude to Howard Husock of Manhattan Institute, whom I have known for the last 5 years. I've worked on a variety of projects in collaboration with Howard (and Manhattan Institute), and through repeated interactions, am probably known to them as both an economist and data geek.

Several years ago, Howard approached me on an intriguing but stalled project that Manhattan Institute had with a former contractor, and initially my role was to see if the project could be salvaged. The project – on rapid attachment back to the workforce for ex-offenders – was exciting because the study relied on a randomized controlled trial to evaluate its effectiveness. Essentially the intervention was between intensive job search assistance in a concentrated period of time versus more-or-less self-directed search. It was administered by a private, for-profit staffing agency, America Works. For those involved in economics like myself, it is rare to obtain data on a randomized intervention that can so be used so convincingly to learn about the efficacy of a program.

At the same time, I had serious reservations because the number of participants was pretty small – around 250 – and because the former contractor had not collected data on follow-up outcomes after the randomized intervention.

After further investigation, I suggested that in conjunction with my colleague, Chris Bollinger and the Center for Business and Economic Research at University of Kentucky, I could do the follow-up data analysis, but given the small samples, I tried to recalibrate expectations on finding significant results.

Ideally, I would have liked to examine the impact on intensive job search assistance on employment, welfare use, and criminal recidivism. Due to data and budgetary limitations, we were only able to examine recidivism. Nonetheless, from the self-interested taxpayer's point of view, it matters to know whether spending more money up front for job search reduces crime down the road.

Although I tried to recalibrate expectations, I was surprised when we analyzed the data. What we found was that intensive job assistance matters, but only for certain kinds of ex-offenders. Those with a non-violent arrest history before enrollment in America Works and especially

those with fewer charges were the ones who benefited most from the program. At the same time, we did not find any effect of intensive assistance on recidivism for violent ex-offenders.

Only 31% of nonviolent ex-offenders who received enhanced training were arrested during the 3 years in which they were tracked, compared with 50% of similar participants who received standard training. In contrast, former inmates with histories of violence were rearrested at virtually the same pace, whether they received enhanced training or not, at a clip of around 43%.

There is also a large literature measuring the social cost of crime. Unsurprisingly, violent offenses impose extremely large costs on society, but even fairly common non-violent crimes add up too. For ex-offenders with non-violent arrest histories, we find that the reduction in subsequent crime far outweighs the costs of about \$5,000 for each former inmate.

In many ways, our data speaks to a logical economic story: for an ex-offender who had been locked up on drug charges or parole violations, intensive assistance to help him explain in a job interview why he has a checkered history can help him land a job and then stay out of trouble, but for an ex-offender who had assaulted someone in the past, the barriers are simply too high for even this kind of concentrated job assistance.

Our work provides informative answers for the criminal justice system that we have now – what economists call “internal validity”. However, our work, doesn’t answer more fundamental questions, such as the sensibility of current criminal sentences, or given the news events over the past year, what would be appropriate reforms in policing. Even within our narrow framework, questions about integrating ex-offenders with violent histories remain.

Finally, I want to thank Senator Booker for his insights and Peter Cove for his efforts, as well as everyone here for taking time from their busy schedules to hear about the results from this data analysis. I’m of course delighted to answer any questions that I can tonight or afterwards, and I’ll also be a visiting scholar at Cato Institute here in DC during June and July, and am hope to see you again after tonight.

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