

Support for Clean Slate Legislation

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

Thank you, Assemblymember Weinstein, Senator Krueger and Committee Members:

My name is Nan Gibson, and I am Executive Director at the JPMorgan Chase *PolicyCenter*. JPMorgan Chase is proudly one of the largest employers and contributors to the economy of the state of New York.

I am submitting testimony in support of S1553C / A6399B, the Clean Slate Act, which would implement automatic record expungement in New York 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. The petition-based expungement system is costly, complicated and time consuming. In New York state, it is estimated that more than 600,000 people are eligible to have their records sealed, but very few pursue the complex process.¹ 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. 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 – three-quarters of New York State’s formerly incarcerated population is Black or Latinx.²

Clean Slate legislation can help to change this. 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.

- In the past, 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.
- 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 workforce of more than 30,000 in New York State, 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, many based in New York, to expand hiring and advancement practices for people with criminal records within their companies.

If implemented, Clean Slate legislation will help bolster the state's 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 are clear and we urge the NY State Legislature and the Governor to enact Clean Slate legislation. Thank you for your consideration.

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¹ Paper Prisons Initiative. <https://paperprisons.org>

² Brennan Center for Justice Report. Poverty and Mass Incarceration in New York