

Brief

Supporting Returning Citizens' Financial Health

Drawing on insights from recent pilot projects, this brief discusses ways in which stakeholders across sectors can empower people coming out of prison to access identification and financial services.

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Executive Summary

Incorporating ID and Financial Services Access Into the Reentry Journey

Every year, more than 600,000 individuals are released from state and federal prisons and another 9 million cycle through local jails.¹ As the Financial Health Network has documented in previous reports, involvement with the justice system also means navigating complex financial decisions and demands, and it frequently results in negative financial health impacts.²

Recently, there has been significant activity in the field related to illuminating and addressing the financial health challenges of reentry.³ To further explore ways to solve financial health-related pain points for justice-involved individuals, the Financial Solutions Lab made several grants in 2021 through our Exchange and Collaborative programs. This brief synthesizes learnings from our grantees and data from our most recent Financial Health Pulse[®] survey to inform insights and recommendations for practitioners, financial services providers, and policymakers that work with returning citizens.

Key Findings

- People in justice-involved households were less frequently Financially Healthy and more often Financially Vulnerable compared with those in households not impacted by the criminal justice system.⁴
- Practitioners and others working to connect returning citizens with identification (ID) and financial services should leverage credible messengers and cross-sector partnerships.
- Funders, financial services providers, practitioners, and policymakers all have a role to play in reducing the bureaucratic and financial hurdles that returning citizens currently face. These hurdles make it difficult for returning citizens to access ID and financial services and build their financial health after their reentry.

¹ ["Incarceration & Reentry,"](#) Office of the Assistant Secretary for Planning & Evaluation.

² Arjun Kaushal, David Silberman, & Tanya Ladha, ["Financial Health and Criminal Justice: The Impacts of Involvement,"](#) Financial Health Network, June 2021.

³ Credit Builders Alliance released a reentry toolkit, made a series of grants, and held convenings related to the credit needs of returning citizens. The Asset Funders Network released a brief on the ways in which criminal justice-related fines and fees impede financial stability. The Consumer Financial Protection Bureau has developed both a reentry toolkit and a report on justice involvement and the financial marketplace. Village Capital and American Family Insurance funded work to support startups in the justice tech space, several of whose solutions relate to financial health.

⁴ To learn more about how we score survey respondents' financial health, see [FinHealth Score[®] Methodology](#).

Recommendations To Support Justice-Impacted Individuals During Reentry

For Practitioners	<ul style="list-style-type: none"> • Understand how to collaborate with government entities to deliver services. • Combine ID and access to financial services with other offerings, such as substance use disorder treatment, legal services, workforce development, expungement clinics, and entrepreneurship training. • Build relationships with financial services providers who can make clients feel welcomed into the banking world.
For Financial Institutions	<ul style="list-style-type: none"> • Review policies that may be exclusionary and explore alternatives that can expand access while maintaining compliance. • Engage with local nonprofits and make their clients your customers. • Understand the potential benefits of serving consumers with criminal records.
For Policymakers and Agencies	<ul style="list-style-type: none"> • Equip individuals leaving prison with a usable ID. • Ease the burden on individuals to identify and rectify inaccuracies on credit reports and to accurately assess their legal financial obligations. • Remove barriers to earning income through training, job support, licensing, and access to public benefits.

This brief builds on the body of knowledge about the complex needs of individuals coming out of prison. Its aim is to galvanize readers to explore ways to reduce the financial and administrative burden of reentry on returning citizens and the community-based organizations that serve them.

Introduction

Building Financial Health After Incarceration

For the many individuals released from prisons and jails every year, the barriers to achieving financial health are high. A recent study found that in the first full calendar year after their release, only 55% of formerly-incarcerated individuals reported any earnings, with the median earnings being \$10,090.⁵

In a recent survey fielded by the Financial Health Network, many justice-involved individuals reported that they are poorly served by the financial system both before and after incarceration.⁶ Our qualitative research found that, upon reentry, a key challenge many individuals experienced was the burden of fines, fees, and other legal financial obligations.⁷ Often, payments for these obligations were scheduled at different intervals and out of proportion with their ability to repay.

While comprehensive national data is sparse, widespread consensus exists among reentry organizations and returning citizens that lack of ID is a serious impediment to obtaining a job, securing housing, driving a car, and accessing mainstream financial services like a bank account.

In response to recent advocacy efforts, some states have made strides in curbing or eliminating the fines and fees that add to returning citizens' financial difficulties.⁸ Others have implemented requirements that individuals coming out of prison be provided with identification. However, more work remains to ensure that people coming out of prison can successfully reintegrate into the financial system and achieve financial health.⁹

In 2021, the Financial Solutions Lab and advisory partner [Credit Builders Alliance](#) solicited applications from nonprofit-fintech partnerships working to improve the financial health of justice-involved individuals. We received applications from partners working on a range of financial challenges across the country, which were reviewed by a panel of experts in reentry and grant-making. To help lower barriers to financial health and improve employment outcomes for returning citizens, the Financial Solutions Lab awarded grants to [five nonprofit-fintech partnerships](#) that made up our 2021 Exchange cohort.

Also in 2021, in partnership with the [Alabama Appleseed Center for Law and Justice](#), we convened a group of Alabama stakeholders from across sectors, all of whom had a strong interest in confronting the challenges around obtaining a valid state ID and promoting access to safe, affordable financial services for people coming out of prison.

⁵ Adam Looney, "[5 Facts About Prisoners and Work, Before and After Incarceration](#)," Brookings, March 2018.

⁶ Arjun Kaushal, Tanya Ladha, & David Silberman, "[Financial Health and Criminal Justice: The Impacts of Involvement](#)," Financial Health Network, June 2021.

⁷ Elaine Golden & Tanya Ladha, "[Financial Health and Criminal Justice: The Stories of Justice-Involved Individuals and Their Families](#)," Financial Health Network, October 2021.

⁸ Nick Sibilla, "[New Delaware Law Ends Many Fines and Fees That Criminalize Poverty](#)," Forbes, October 2022.

⁹ For an example of an incarcerated individual's post-release debt, read [this Los Angeles Times article](#).

Our research found that the lack of access to a valid ID was a foundational barrier for individuals who were unable to open accounts at financial institutions post-incarceration.¹⁰ While Alabama (and several other states) provided prisoners with a prison ID card upon release, this card expired quickly and was not accepted by financial institutions for the purposes of account opening.

As we were beginning our multi-stakeholder workshops, Alabama [passed a law](#) requiring the Alabama Department of Corrections (ADOC) to work with the Alabama Law Enforcement Agency (ALEA) to issue a nondriver state ID to all individuals leaving prison. We looked to that state as a testing ground and, through our Collaborative program, [funded projects](#) aimed at addressing ID access challenges among returning citizens. Our end goal was to improve financial health while lifting up the expertise of justice-impacted individuals.¹¹

Insights From Our Latest Financial Health Pulse Data

Data from the nationally representative Pulse survey, fielded in April and May 2022, reveal a relationship between justice system involvement and financial vulnerability. We identified survey respondents as justice-involved or not based on whether they or anyone in their household had a justice involvement (i.e., had spent time in jail or prison). We found:

1. People in justice-involved households were less frequently Financially Healthy than those not in justice-involved households (16% versus 33%) and more often Financially Vulnerable (29% versus 13%).
2. People in justice-involved households more frequently report annual household incomes of less than \$30,000 compared to those not in justice-involved households (39% versus 26%).
3. People in justice-involved households more frequently report being unemployed compared to those not in justice-involved households (10% versus 6%).

The question included in the Pulse survey was as follows:

Q137. Have you or has anyone in your household spent time in jail or prison?

1. Yes, I have
2. Yes, someone else in my household has
3. Yes, I have AND someone else in my household has
4. No, no one in my household has

¹⁰ Arjun Kaushal, David Silberman, & Tanya Ladha, "[Financial Health and Criminal Justice: The Impacts of Involvement](#)," Financial Health Network, June 2021.

¹¹ For more information about our Collaborative grantees' projects, [watch the recording](#) of our October 2022 virtual event, at which the grantees presented learnings from their pilots.

Successes and Challenges From the Field

Our [Exchange](#) and [Collaborative](#) grantees worked on their pilot projects over a period of six to nine months. We met with each grantee on a monthly basis to hear about how their projects were going, and we convened cohort meetings for each program so that the grantees could learn from each other's experiences. The successes and challenges of our grantees' pilots revealed several themes that may be instructive for others working to promote the financial health of returning citizens.

The Importance of Credible Messengers

Several of the grantee projects deployed peer specialists and trusted individuals. Clients responded well to these credible messengers, particularly when the messengers had lived experience with the justice system.

For example, as part of the Collaborative grantee project that Auburn University led, previously incarcerated individuals joined the convenings to share their experiences and weigh in on the best way to map out a pathway for provision of IDs to individuals leaving state prisons.

Another Collaborative grantee organization brought in employees of local banks to speak to individuals on parole as part of an initiative to provide financial information, ID access, and bank accounts through a local Day Reporting Center. During one of the sessions at the Center, a banker came in with a justice-impacted individual the banker had helped to open a bank account and develop a budget. The individual told her story to the group, getting the parolees "fired up," in the words of the grantee.

Several Exchange grantees found that lack of trust was a barrier to program and product uptake and that product and service referrals are most successful when coming from a trusted ambassador. Individuals who are justice-impacted, particularly those who may have experienced identity theft in the past, may be reluctant to provide data points such as their Social Security number as part of applying for or onboarding with a new financial technology tool.

In response to privacy concerns from their nonprofit partner's members, one fintech company in the Exchange cohort enhanced the information on their app to explain why data was collected and how it would be kept safe. Such assurances, whether provided in-app or by financial coaches and other service providers, may be broadly necessary to assuage misgivings and improve uptake of products and services during reentry.

Key Partnerships and Audiences Evolve as Projects Progress

Several of the grantees across both the Exchange and Collaborative programs brought in partners who were not part of the original project plan but ended up being key to project success. This demonstrates the need for flexibility on the part of organizations, whether nonprofits, researchers, fintechs, or others.

In some cases, the evolution of the partnerships needed for project success had to do with the complicated dynamics of operating within government bureaucracies. In one Collaborative project, a local sheriff's department ended up requesting a third-party liaison from a nonprofit called the Dannon Project to help coordinate and train staff in ID provision efforts. This made interagency processes go more smoothly by relying on a neutral third party to facilitate coordination and training.

As part of the same project, the Alabama Department of Corrections, originally slated to participate in the co-development of an ID pathway, dropped out of the pilot project altogether. However, the Department of Youth Services, also originally a part of the project team, became a highly engaged partner and now plans to provide ID to all committed youth to help the young people in their care more easily access jobs, financial services, and higher education.

Other examples of pilot projects evolving to include a different set of partners were driven by the sometimes-difficult client recruitment landscape and the need to reach clients who were willing and able to participate in the planned intervention. One Exchange grantee originally planned to recruit participants for trainings and financial services access from among their own active members, but ended up expanding recruitment to partner nonprofits to fill training slots and to serve returning citizens across a wider range of age groups.

Finally, another Exchange grantee originally planned to deploy a technological tool to returning citizen clients directly, but found that training attorneys and volunteers on the tool and getting their input on the tool's features was a more effective first step.

A Note for Funders

The need for flexibility in approach applies not just to service providers, fintechs, and others working with the reentry population. It also applies to funders, program officers, and others who provide the grants, technical assistance, and oversight of projects in this space.

Significant Bureaucratic and Financial Hurdles To Serving Returning Citizens Exist

Lack of interagency cooperation and coordination increases the difficulty of smoothing the reentry journey. For example, one Collaborative grantee cited the difficulty of coordinating the accounting process to transfer funds from Alabama jails and prisons to the Alabama Department of Public Health so it could issue birth certificates for incarcerated individuals. Securing Memorandums of Agreement between agencies also proved challenging.

These complications increase when attempting to serve individuals who were incarcerated in one state but born in another. Procuring ID and supporting documentation for incarcerated individuals born in other states can be challenging because it requires cooperation with other states' bureaus of vital statistics. For formerly-incarcerated individuals procuring records from another state, the

process can involve paying a fee and sending away for documents by mail, which can be cumbersome, costly, and time-consuming for individuals and the nonprofit organizations working with them.

Grantees shared that proving residency to obtain ID is difficult for those who are still incarcerated (despite the fact that they are in government custody). Even for those who have transitioned to a halfway house, transitional home, or another residential facility, proving residency to obtain ID and open a bank account may be impossible. **Applicants typically need a residential address to apply for a bank account, but many transitional homes are listed as commercial addresses, which can't be used on account applications.**

In some cases, as we heard from one Exchange grantee, the city or county agencies that can help individuals secure documentation and get questions answered are still closed or have limited hours due to COVID-19, making it harder for individuals and the nonprofits that serve them.

It can be difficult for justice-impacted individuals to verify their identity when navigating online systems such as those used to request replacement vital identification documents and secure a credit report. Such identity verification systems often rely on the consumer's ability to answer precise questions about past addresses, which clients who have recently come home from incarceration may have trouble recalling. Verifying other personal information can also come with similar challenges: One grantee worked with a client whose mother had been married several times, making it hard for the client to recall the mother's maiden name for the purposes of identity verification.

Grantees shared with us that, unfortunately, clients will sometimes become frustrated and give up on completing tasks in cases where they can't prove their identity. One client whose identity had been stolen and used to take out loans he had no knowledge of was understandably frustrated when he was asked to confirm details about those same loans as part of the process to verify his identity, get his own credit report, start an identity theft case, and remedy errors in his credit history.

In addition to the opaque and burdensome bureaucratic hurdles, there are significant costs associated with many basic reentry tasks. These include:

- Obtaining replacement Social Security cards and other forms of identification.
- Clearing legal financial obligations, such as fines, fees, and restitution payments, to be able to get a driver's license.
- Applying for an occupational license.
- Meeting minimum deposit requirements (depending on the financial institution) when opening a bank account.
- Complying with obligations related to probation, parole, and required classes.

*“An Alabama nondriver’s identification card costs **\$36.25**, to be paid to the Alabama Law Enforcement Agency. A certified copy of one’s Alabama birth certificate costs **\$15**, to be paid to the Alabama Department of Public Health – Vital Statistics. Participants at convenings agreed that **these costs are a significant obstacle**, perhaps a **complete roadblock**, for individuals who are incarcerated, committed youth, and recently released individuals.”*

– Collaborative grantee Auburn University

Recommendations for Ecosystem Stakeholders

In the following three sections, we offer recommendations for practitioners, financial services providers, and policymakers based on the learnings from our grantees’ projects.

Recommendations for Practitioners

The successes and challenges described above demonstrate the commitment, creativity, and flexibility of practitioners working at the intersection of reentry services and financial health. For practitioners seeking to begin or expand their work on these topics, the Financial Solutions Lab grantee projects offer key insights:

Recommendation 1: Understand how to collaborate with government entities to deliver services.

- Securing on-site programming space at prisons and in facilities such as Day Reporting Centers can be difficult. Access to such facilities is often dependent on a sympathetic warden or other administrator and requires compliance with each facility’s security and other requirements. The COVID-19 pandemic has also curtailed access to many such facilities.
- Several grantees noted the importance of leveraging existing relationships in the community and building enough time into a pilot or project to establish those relationships if they don’t yet exist. This can help with access to prisons and other secure and semi-secure sites, as noted above, but it is also key to establishing partner trust and buy-in. It can be helpful to coordinate local efforts across different organizations working toward a shared goal in the same locality, in order to better understand who has relationships with which stakeholders and to share knowledge and access.

Recommendation 2: Combine ID and financial services access with other offerings, such as substance use disorder treatment, legal services, workforce development, expungement clinics, and entrepreneurship training.

- As important as ID and financial services access are to the reentry journey, they are not the only tools that one needs upon coming home. To reduce the burden on the individual and

make it easier to navigate reentry support systems, several grantees cited the effectiveness of combining ID and financial services provision with other needed supports.

- We heard from several grantees and their clients that transportation costs were a key barrier to earning income. Supporting clients in meeting their transportation costs, whether through a car subscription model or a low-interest auto loan, can be a valuable complement to ID and financial services access, making it easier for clients not only to seek and maintain employment, but to reconnect with family and friends as well. One client served by an Exchange grantee organization in St. Louis needed to get a state ID, a learner's permit, and take both the written and road tests to start driving again upon release, but each of those steps occurred at a separate location.

Recommendation 3: Build relationships with financial services providers who can make clients feel welcomed into the banking world.

- Due in part to the lack of trust discussed above, returning-citizen clients in the Exchange and Collaborative pilots appreciated a "warm handoff" to financial services, including personal touches such as being greeted by branch managers and staff. For service providers, it can be helpful to establish relationships with stakeholders in the financial sector who can help make these connections, rather than referring clients to seek out financial services on their own.

Recommendations for Financial Service Providers

Several of the pilot program leads were fortunate to either offer financial services themselves (in the form of products such as basic banking or credit builder loans) or to find enthusiastic local partners who could collaborate to offer financial services to returning citizens. But for financial institutions that are not yet engaged in serving the reentry population, we offer the following recommendations based on pilot learnings and the research of our own organization and others:

Recommendation 1: Review policies that may be exclusionary and explore alternatives that can expand access while maintaining compliance.

- **Identification Requirements:** Accepting prison IDs for account opening would help people coming out of prison seamlessly access financial services without having to wait to secure other government ID and without having to rely on high-cost prepaid cards.¹² One of the fintechs in the Exchange grantee cohort was able to partner with a card issuer that would accept prison IDs without flagging applicants for enhanced due diligence.
- **Address Requirements:** Within regulatory constraints, financial institutions can explore ways to reduce the barrier to entry posed by the fact that many transitional homes are

¹² In the most recent [FDIC National Survey of Unbanked and Underbanked Households](#), 11.6% of respondents cited not having the personal identification required to open a bank account as a reason they were unbanked, with 2.7% saying lack of ID was the main reason they were unbanked.

commercial addresses, not residential. Currently, people living in such facilities often can't get bank accounts because they have the wrong kind of address.

- **KYC Requirements:** The work of the [Finance Against Slavery and Trafficking \(FAST\) Survivor Inclusion Initiative](#), though not designed with the reentry population in mind, provides a potential model for financial institutions because it is dedicated to the safe, compliant extension of basic financial services to survivors. Returning citizens and survivors face some of the same challenges: lack of ID and proof of address, residence in group housing that may have a commercial address, and thin, damaged, or nonexistent credit histories.¹³ FAST works with banks on alternatives that meet Know Your Customer requirements but are still accessible to survivors, in addition to encouraging banks to waive monthly fees, minimum balance requirements, and overdraft – all product features that would benefit the reentry population as well.

Recommendation 2: Engage with local nonprofits and make their clients your customers.

- As mentioned, a warm handoff between a nonprofit service provider and a financial institution was the most impactful for helping returning-citizen clients open accounts and overcome distrust of the financial sector. Financial institutions may wish to engage with local nonprofits serving returning citizens to meet those nonprofits' clients and seek out their business. Institutions that offer targeted products such as the [Reentry Opportunity Loan](#) can leverage engagement with nonprofit partners to identify and support loan applicants.

Recommendation 3: Understand the potential benefits of serving consumers with criminal records

- Financial institutions new to considering consumers with criminal records as a potential customer base should understand the scale of the population: **As many as 1 in 3 Americans have a criminal record.**¹⁴ The impact of mass incarceration falls disproportionately on communities of color: Black men are six times more likely to be incarcerated than White men, and Hispanic men are 2.5 times more likely to be incarcerated than White men.¹⁵ Banks that have made commitments to racial equity in recent years should consider inclusion of customers with criminal records as part of their equity strategy.
- Efforts to include more customers with criminal records in the banking system may translate into greater access for other populations, too, such as people who lack Social Security numbers but have Individual Taxpayer Identification Numbers (ITINs), or people who are survivors of human trafficking and modern slavery, as mentioned above.

¹³ The [Survivor Inclusion Initiative](#) provides resources to help participating financial institutions manage the risks associated with client onboarding in these circumstances. Requirements differ by jurisdiction. In each jurisdiction where the Survivor Inclusion Initiative is operational, there are solutions available to allow for the safe onboarding of survivor clients, which could serve as a model for institutions looking to expand access to consumers with criminal records.

¹⁴ ["Americans With Criminal Records,"](#) The Sentencing Project, August 2022.

¹⁵ Ibid.

Recommendations for Policymakers and Corrections Agencies

As several states have demonstrated, criminal justice reform broadly, and reentry-related reforms in particular, can gain support across the political spectrum.

For example, Oklahoma passed a law in 2021 that made it possible for people leaving the state's prison system to get a driver's license and harder to revoke an individual's license due to failure to pay fines or fees. The state also passed the Sarah Stitt Act, which passed both chambers of the state legislature unanimously and required the Department of Corrections to provide individuals leaving custody with a REAL ID card, a resume noting the individual's vocational skills, copies of their training and work records, and other documentation needed to secure employment and housing.¹⁶

The examples of states around the country that are taking action to promote successful reentry, and the insights from our grantees, informed the following set of recommendations for policymakers and corrections agencies:

Recommendation 1: Equip individuals leaving prison with a *usable* ID.

- Assist with document retention and provision (Social Security cards, birth certificates, and, ideally, REAL IDs) in a timely manner concurrent with release.
- Facilitate access to prisons for nonprofit service providers and other community-based organizations to provide pre-release programming. As noted above, this has gotten harder since the pandemic began, and access is often dependent on the willingness of an individual warden to welcome providers.
- Embed ID pathways into standard procedures and training to reduce reliance on outside advocates and community-based organizations and to ensure a more stable source of funding.
- Plan and budget for implementation of laws requiring ID provision. As the work of our Collaborative grantees demonstrated, the passage of a law alone was not enough to ensure all individuals coming out of prison in Alabama did so with an ID, even a year after the law's passage. Obtaining documents like replacement birth certificates carries a cost for consumers, but even government agencies requesting documents from each other (e.g., the Department of Corrections requesting a document from the Bureau of Vital Statistics) face costs and complicated accounting for interagency transfers of funds. This cost should be planned and budgeted for to avoid it falling on incarcerated individuals or the nonprofit service providers working with them. Alternatively, states could prohibit the issuing agency from charging the corrections agency for replacement documents, thereby avoiding the need for new funding to accompany laws that require Departments of Corrections to furnish the individuals in their care with documentation and ID.

¹⁶ Kaitlin Menza, "[In Oklahoma, a Red State Model of Criminal Justice Reform](#)," Arnold Ventures, September 2022.

Recommendation 2: Ease the burden on individuals to identify and rectify inaccuracies on credit reports and to accurately assess their legal financial obligations.

- Working with the credit bureaus to request reports and remedy errors can be difficult for returning-citizen clients. Several grantee organizations and the clients they serve spoke to the difficulty of accessing information such as their credit report and an accurate list of the legal financial obligations they owed. Although consumers are entitled to access a free credit report via annualcreditreport.com, grantees reported that many clients were not able to pass the security questions asked as part of the identity verification process to access their free credit report. For example, they were asked to verify addresses from several years back that they could no longer remember. When they couldn't do so, they were locked out of the credit report request process.
- Accessing a credit report by sending away for it by mail proved easier, but took much longer, taking away momentum for the individual working with a service provider to view and resolve errors in the moment. For Exchange grantee Justice and Accountability Center of Louisiana, extensive delays in the mail system following a hurricane made sending away for reports impractical.
- For nonprofit service providers, becoming certified to request credit records on clients' behalf is time consuming and requires meeting criteria such as having a physical office.¹⁷
- Some of the difficulty of resolving credit errors could be prevented if individuals, upon entering the prison system, were provided with more support and guidance on how to freeze their credit reports and otherwise protect their credit during incarceration.¹⁸

Recommendation 3: Remove barriers to earning income through training, job support, licensing, and access to public benefits.

- While employment and entrepreneurship were not the direct focus of our Exchange and Collaborative grants, two Exchange grantee partnerships worked with individuals seeking training and capital to pursue entrepreneurship or to seek jobs in growing sectors such as tech and trucking. We heard from these grantees that occupational licensing restrictions on which jobs individuals with criminal records can hold – and the cost of applying for occupational licenses even when a returning citizen can do so – were barriers to earning income. At a time when an estimated one out of every five Americans needs an occupational license to work and one in three American adults has a criminal record, it is not surprising that since 2015, 39 states and Washington, D.C. have reformed their occupational licensing laws to make it easier for individuals with records to find work in licensed occupations. While not every form of criminal record poses a barrier to obtaining an occupational license, the

¹⁷ Credit Builders Alliance (CBA) works with community based organizations to allow them to request credit reports on clients' behalf and use the organizational address as the return address. However, the process of getting report access via CBA takes around 6-8 weeks and requires the organization to have an office, which our New Orleans grantee, whose office had been damaged by a hurricane, did not have at the time they were implementing the project.

¹⁸ See guidance from the Consumer Financial Protection Bureau on [protecting one's credit while in the criminal justice system](#).

confusing requirements and state-by-state patchwork of rules limit justice-impacted individuals' career options and mobility. More work is needed to expand access and to help individuals access capital to take advantage of opportunities in licensed occupations.¹⁹

- Many states either bar individuals with certain kinds of conviction records from accessing public benefits such as SNAP, Medicaid, and TANF or create barriers to restoring benefits eligibility for returning citizens. These states (or Congress) should repeal these benefits bans to enable more returning citizens to access critical income supports as they rebuild their financial health and gain stability and independence after incarceration.²⁰

Similar restrictions exist for individuals with criminal records when it comes to [accessing Small Business Administration loans](#), a broad prohibition that restricts access to capital for individuals with records and that should be removed (or at least narrowed). Such a move would likely spur more lending activity to this population in the private business lending market as well.

- Several employers have made commitments to fair chance and [Second Chance](#) hiring initiatives, aimed at expanding employment opportunities for individuals with criminal records. Government incentives and support for such initiatives, such as the [Work Opportunity Tax Credit](#), should be expanded to capitalize on the growing private-sector interest in hiring returning citizens.

Conclusion

This report adds to the recent body of work around reentry and financial health and offers recommendations that we hope will serve as a call to action to key stakeholders. While action looks different for different sectors and audiences, it is clear that a concerted and collaborative effort on the part of service providers, financial institutions, policymakers, and agency staff is needed to break down barriers to successful reentry and to empower individuals with criminal records with the tools, products, and opportunities required to achieve financial health.

To learn more or connect with any of our [Exchange](#) or [Collaborative](#) grantees, please email Amelia Josephson at ajosephson@finhealthnetwork.org.

¹⁹ ["State Occupational Licensing Reforms for Workers with Criminal Records,"](#) Institute for Justice.

²⁰ ["Transformative Justice: Recommendations for the New Administration and the 177th Congress,"](#) Justice Roundtable, November 2020

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The [Financial Health Network](#) is a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. Through research, advisory services, measurement tools, and opportunities for cross-sector collaboration, we advance awareness, understanding, and proven best practices in support of improved financial health for all.



The [Financial Solutions Lab \(FSL\)](#) was established in 2014 to cultivate, support, and scale innovative ideas that help improve financial health. FSL focuses on solutions addressing acute and persistent financial health challenges faced by low- to moderate-income individuals, Black and Latinx communities, and other underserved consumers.

The Financial Health Network manages the Financial Solutions Lab in collaboration with founding partner JPMorgan Chase and with support from Prudential Financial.

The views and opinions expressed in the report are those of the authors and do not necessarily reflect the views and opinions of JPMorgan Chase & Co., Prudential Financial, or their affiliates.

Appendix

Recommendations for Further Reading

- [Justice-Involved Individuals and the Consumer Financial Marketplace](#)
- [Set Up to Fail: Fines, Fees & Financial Insecurity](#)
- [Financial Health and Criminal Justice The Impacts of Involvement](#)
- [Financial Health and Criminal Justice: The Stories of Justice-Involved Individuals and Their Families](#)
- [Achieving Credit Strength: A Toolkit for Supporting Returning Citizens](#)
- [Justice Tech for All How Technology can Ethically Disrupt the US Justice System](#)
- [Formerly Incarcerated People Need Financial Stability to Make Their Return Home A Success](#)
- [Think Local, Act Local: How Cities and Counties Can Lead Fines and Fees Reform](#)
- [Your Money, Your Goals: Focus on Reentry: Criminal Justice](#)
- [Protecting One's Credit While in the Criminal Justice System](#)