

# SOUTH CAROLINA BUSINESSES HAVE AN INCENTIVE FOR AT-RISK HIRES

## *Federal Bonding Program protects assets*

Employers in this tight labor market now have an incentive when they hire people with criminal records who have paid their debt to society and have been screened and prepared for work placement.

Due to historically low unemployment rates, employers are eager to explore unique workforce options. The Federal Bonding Program incentive can make a difference in today's market by expanding hiring options to cover people with criminal histories who are work-ready and qualified.

***“With unemployment at an all-time low, businesses are faced with an opportunity to hire individuals who need a second chance,” said Dan Ellzey, executive director of the S.C. Department of Employment and Workforce. “This program gives those employers an incentive that protects their assets by mitigating risk when hiring job applicants with prior judiciary involvement; employees who are ready for a new start and willing to work hard to secure their future success.”***

The no-cost Federal Bonding Program is readily available to Palmetto State businesses offering jobs to second chance employment.

It is not only a good business hiring tool, but it also brings a social benefit: Individuals with a criminal record face a hard time finding employment, which in turn makes it difficult to support themselves and their families. Rather than being evasive about their past, applicants are encouraged to be forthcoming due to the Federal Bonding Program. A job not only helps put ex-offenders on the path to reintegrating into society, it also lowers the odds the person will commit further crime, which plays a part in decreasing costly recidivism.



**HOW DOES THE FEDERAL BONDING PROGRAM WORK?** The S.C. Department of Employment and Workforce has been awarded a U.S. Department of Labor grant that provides businesses \$5,000-\$25,000 of fidelity insurance as an incentive to hire ex-offenders and to protect employers in case of theft, forgery, larceny or embezzlement for six months.

The grant is in line with a state and national movement to provide a second chance to individuals who are variously described as justice involved, ex-offenders, returning citizens and persons with criminal records or a record or arrest.



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**ARE THERE SUCCESS STORIES?** The overriding one is that this tool has proven to be extremely successful, with less than 1 percent of the bonds issued nationwide ever resulting in the need for a claim over the past 50 years.

A major economic boost is that employers have more employment options, and people considered risky hires now have incomes. Further, businesses report that staff hired through the Federal Bonding Program bring another benefit in terms of job tenure and retention. A manufacturer with a formidable production requirement and numerous vacant positions accepted a number of returning citizens, using the Federal Bonding Program, who proved to be good workers.

The Department of Labor's Federal Bonding Program helps employers confidently hire jobseekers who are consider at-risk, at no cost to either the business or the worker, and the bond is put into effect instantly on the first day of employment. The employer simply makes the applicant a job offer and sets a date for the individual to start working. Bonds will be issued directly to the employer by the fidelity bond insurance company.

***For more information, email [federalbonding@dew.sc.gov](mailto:federalbonding@dew.sc.gov).***

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