

# Financial incentives for companies can help former offenders counteract skilled labour shortages and enhance rehabilitation efforts.

## Objective

- **Facilitating the labour market integration of former offenders through fiscal incentives**

## Implementation in the USA

- High U.S. conviction record count (70 million), with **600,000+ released annually**
- **WOTC Tax Credits**: Federal tax credits for hiring from targeted groups with employment barriers
- **Federal Bonding Program (FBP)**: Fidelity bonds for at-risk job seekers, safeguarding against fraud or dishonesty in the initial six months
- **Growth Opportunities Grant Program**: Grants supporting paid work experiences, education, and training for justice-involved youth

## Outcome of USAs measures

- The measures aim to increase workforce capacity and integrate former offenders, promoting a potential **win-win scenario**
- The initiative's effectiveness remains unproven, but it is timely
- **Successful pilot projects**, such as in Kentucky's equine industry

## Germany's status

- **20,000 individuals are released** from incarceration **annually**
- **Reintegration subsidies** serve as a financial incentive for hiring individuals facing challenges in the job market
- Only **13.9%** of those receiving criminal rehabilitation assistance reported that **employment is their primary source of income**

## Policy recommendations for Germany

- Regulatory integration of **tax incentives** tailored for employing former offenders to further encourage their employment
- Implement a German version of the FBP as a supplement to tax incentives, serving as **insurance for employers**
- Strive for **nationwide standardization**

## Possible Scenario

- **Objective**: 50% more ex-offenders employed each year through tax incentives
- **Impact**: 10,000 more people work each year
- **Costs**: Tax losses for the incentives, but through this employment the people become taxable and receive less assistance money