Discussion of “The Economic Costs of Pretrial Detention”

by Dobbie and Yang

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Micro and Macro Cost Summary

- Use of monetary bail increasing since 1990, at least until recently

- At defendant level, pretrial detention decreases probability of employment in the formal labor market by 25%

- At county level, 10 p.p. increase in detention rate is associated with 1-2 p.p. decrease in the employment rate of prime-working age adults

- Consistent with significant spillovers
  - Caretaking and financial responsibilities fall to family and friends
  - Intergenerational effects on kids
Why Does PD Affect Labor Market Outcomes?

- A few potential mechanisms:
  - Disruptive: job loss, family separation, loss of housing
  - Future criminal activity

- Having a criminal record lowers callback rates (Pager, 2003; Agan and Starr, 2018)

- Growing evidence that conviction on record itself has substantial detrimental effects on labor market outcomes
  - Dobbie, Goldin and Yang (2018)
  - Mueller-Smith and Schnepel (2021)
  - Agan, Doleac and Harvey (2021)
But Punishment Can Be Arbitrary!

- In cited papers, variation in conviction was essentially *random*

- Arbitrary variation in punishment across judges as well as *places* (Feigenberg and Miller, 2021)

- Conditional on charge characteristics, not at all clear that riskier defendants are more likely to have charges pursued, be convicted (see Kleinberg, Lakkaraju, Leskovec, Ludwig and Mullainathan, 2018)

- Conditional on other charge details*, conviction does not appear to be a strong signal for *worker productivity*

  * Or job applicant observables (Minor, Persico and Weiss, 2018)

- *Why would employers care about a marginal conviction?*
Figure 4.1 How Willing Would You Be to Accept an Applicant with Various Characteristics? California Employers Respond

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Definitely accept</th>
<th>Probably accept</th>
<th>Probably not accept</th>
<th>Definitely not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal record</td>
<td>2</td>
<td>27</td>
<td>34</td>
<td>37</td>
</tr>
<tr>
<td>Unemployed for a year or more</td>
<td>8</td>
<td>32</td>
<td>37</td>
<td>2</td>
</tr>
<tr>
<td>Minimal work experience</td>
<td>9</td>
<td>9</td>
<td>45</td>
<td>14</td>
</tr>
</tbody>
</table>


Why Do Employers Screen on a (Marginal) Conviction?

1. Laws prevent those with convictions from working in some occupations
   - Marginality does not matter

2. Perceived risk of negligent hiring lawsuits
   - Marginality may not matter (but could)

3. Customer preferences
   - Unclear

4. Screening for productivity
   - Employers may not know how to distinguish marginal and inframarginal convictions
Coarse Screening

- Employers may rely on coarse screen because refining screen is costly
  - Gathering more detailed data
  - Figuring out how to identify marginal convictions
  - Learning what aspects of criminal record actually predict productivity, which may only occur through hiring (Lepage, 2021)

- Refinement only worthwhile if enough applicants have convictions
  - Spillovers could have gone in other direction

- Contrast with employer reactions to Ban the Box (Agan and Starr, 2018)
In Summary

- Dobbie and Yang document large labor market response to pretrial detention
- At least in part driven by employers
- Yet evidence suggests conviction per se is not that informative a signal of productivity
- More research needed on whether employer misperceptions are important and if so, what role policy can play
- A potential role for better screening technology (does some provider already do this?)
References


