

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

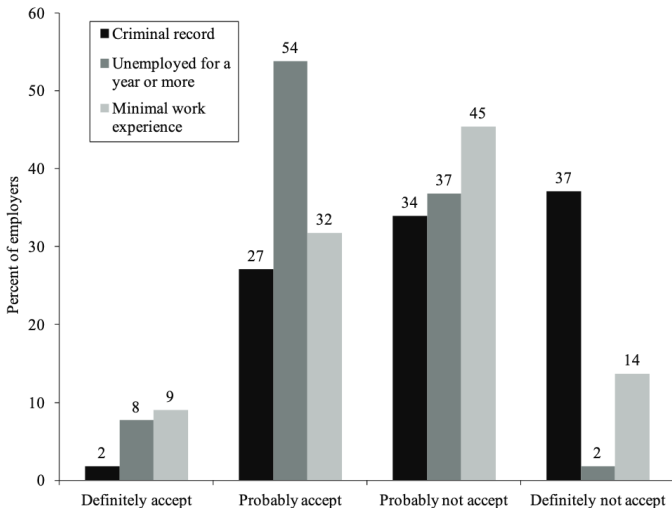
Why Does PD Affect Labor Market Outcomes?

- ▶ 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



SOURCE: Institute for Research on Labor and Employment (2007).

Source: Steven Raphael, 2014. "The New Scarlet Letter? Negotiating the U.S. Labor Market with a Criminal Record", *Upjohn Press*.

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?)

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