

Expanding Corporate Responsibility: JPMorgan's New Hiring Initiative

By Anne Luquette, J.D. Candidate 2022 | November 7, 2019

JPMorgan Chase (“JPMorgan”) recently began tackling a systemic problem long faced by the formally incarcerated and convicted felons by removing the standard criminal background inquiry from its application process. This policy, also known as the “second chance program,” stems from a new effort to increase corporate social responsibility. 10% of JPMorgan’s new hires last year were people with criminal backgrounds. This amounted to roughly [2,000](#) new hires. The company hopes that the second chance program will help eliminate biases that prevent otherwise qualified applicants from being prematurely overlooked.

The second chance program is the first of many initiatives undertaken by JPMorgan’s [new policy center](#). Former Deputy Secretary of State, Heather Higginbottom, is leading the center, which will focus on “issues such as job skills and education, small business growth, economic development and affordable housing.” Higginbottom states that the goal of the policy center is to accomplish “real policy change,” and the first steps involve reinstating Pell Grants for ex-convicts and removing prior criminal convictions as barriers to employment.

Higginbottom hopes to address the significant obstacles former convicts experience in the job market. For example, formerly incarcerated people have an unemployment rate of over [27%](#), which is higher than the total unemployment rate during the Great Depression and more than [five times the current rate](#). JPMorgan hires employees with criminal backgrounds for a variety of jobs and found that it has in no way affected the effectiveness of their employees.

The center is adamant that change allows it to select from a broader pool of applicants and affect its community in a positive way. Higginbottom says that “the economy works well for some people and it’s not working well for others . . . [and] business has a role to play in advancing some of the solutions to those problems.”

The creation of the policy center and JPMorgan’s emphasis on corporate social responsibility follows a recent shift in leadership’s definition of corporate purpose. [In August](#), 181 CEOs of major U.S. corporations issued a Business Roundtable letter that expanded the definition of “purpose of a corporation” to include a “modern standard for corporate responsibility.” Thus, in addition to maximizing shareholder value, the letter emphasized the importance of corporate social responsibility. With this in mind, hopefully more companies will follow JPMorgan’s lead



and address the entrenched social problems that our increasingly polarized U.S. Congress cannot efficiently confront.