

Dissertation Abstract
Essays on Low-Skilled Workers

Jillian Berk, November 2007

“Does Work Release Work?” (Job Market Paper)

United States prisons release more than 600,000 individuals each year. Within three years of release, 50 percent of released prisoners are back in prison. Work release has the potential to reduce recidivism by providing offenders with a structured re-entry into the mainstream labor market. In an economic model of crime, an improvement in legal labor market opportunities should reduce criminal activity. After using a variety of econometric techniques to address the non-random selection of inmates into work release, I find that inmates who participate in work release have better post-prison employment outcomes. These positive effects are largest in the first year following release, but persist for at least three years. The earnings of work release participants are 30 to 40 percent higher than the earnings of non-participants, but the increased propensity to work explains much of the earnings differential. I also find that the labor market gains do not necessarily translate into reduced recidivism. The reduction in recidivism is dependent on the types of crimes offenders committed. Better labor market opportunities reduce recidivism for those convicted of income generating offenses, but have no impact on offenders who committed non-economically motivated crimes.

“Returns to Educational Credentials for Low-Skilled Workers: A Labor Market Audit Study” (with John Tyler)

We perform a labor market audit study to measure the returns to an educational credential in the low-skilled labor market. Using constructed resumes, we respond to entry-level job postings in the *Providence Journal*. We vary the gender, ethnicity, and educational background of our applicants to test whether an applicant’s demographic characteristics affect the importance of education. We focus on young workers who are high school graduates, dropouts with the GED credential, and uncredentialed dropouts. The overall callback numbers show significant discrimination against resumes with Hispanic surnames. These resumes receive 40 percent fewer callbacks for interviews. The resumes of credentialed and uncredentialed dropouts drive this gap in the interview offers: Hispanic and non-Hispanic high school graduates are equally likely to receive an interview callback. Our audit results highlight the importance of education for Hispanic workers.