

# Shifting Risk

## Work Bonds for People with Criminal Records and Other Labour-Market Challenges

Renze Nauta | March 2025

### Key Points

- Governments in Canada do little, compared to those in the United States, to support the re-entry of people with criminal records into the workplace.
- Employment is a key part of re-entry. There are significant positive externalities associated with employment, including less recidivism and safer communities. Yet employers tend to overestimate the risk associated with hiring people with criminal records and are often unwilling to accept this perceived risk. This justifies government action to incentivize them to hire more from this population.
- Governments at all levels should implement a made-in-Canada version of the US Federal Bonding Program. Such a program shifts the perceived risk of hiring these workers from employers to governments. It provides insurance to employers, at no cost to them, against losses from theft or fraud if committed by members of these groups.
- Work bonds can be effective in encouraging employers to hire people with criminal records, and the US experience shows that the program is highly cost-effective, supporting the employment of most participants at a cost to the taxpayer of a mere US \$100 each.
- This paper outlines a detailed implementation strategy for a Canadian version of the Federal Bonding Program that would cost \$800,000 to support the employment of nearly 6,000 people. A successful program will be simple to navigate, administratively lean, and very affordable for the taxpayer.



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