



Arouet

UNLOCKING ARIZONA'S WORKFORCE

**Expanding Talent, Economic Mobility,
and Opportunity**

Arouet White Paper | 2026

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**Arizona's
next
workforce
is already
here.**



Arizona's economy is growing—and so is the need for a stronger, more inclusive workforce.

Over the last decade, Arizona has transformed. New industries have taken root, major investments have reshaped our economy and communities, and the state has become one of the country's most sought-after places to live and do business. That growth has created tremendous opportunity. It has also created a new challenge: building a workforce capable of sustaining it. Between August 2025 and August 2026, Arizona's seasonally adjusted labor force declined by more than 105,000 people, according to preliminary state estimates. Over the next decade, the state is projected to add more than 454,000 jobs by 2034, including tens of thousands in construction, manufacturing, health care, transportation and other industries critical to Arizona's growth.^{1 2}

Arizona cannot build the workforce of tomorrow while continuing to overlook the talent and potential that is already here.

Across the state, capable people remain disconnected from opportunity not because they are unwilling or unable to work, but because the systems between workers and employers too often make it difficult and create barriers for them to connect. Veterans transitioning into civilian careers, people with disabilities, parents returning after caregiving, workers with nontraditional résumés and people with criminal records can all encounter similar barriers before an employer ever has the opportunity to evaluate what they can contribute.

For people returning from incarceration, the scale is impossible to ignore. In FY2025 alone, 15,691 people were released from Arizona state prisons, approximately 43 people every day.³ They are returning to Arizona communities at the same time employers across the state are searching for workers.

That should force us to ask a different question. What if the workforce Arizona needs is not simply somewhere else? What if part of the workforce Arizona needs is already here, but our systems are keeping employers from seeing it?

For 15 years, Arouet has worked at the intersection of justice, workforce development, and economic mobility. Our experience working with individuals, employers, and community partners reinforces a central principle: inclusive hiring is not about lowering standards. It is about removing barriers that prevent employers from accessing qualified talent.



Employers themselves are demonstrating the potential. In a 2021 national survey, 85 percent of HR professionals and 81 percent of business leaders said employees with criminal records performed as well as or better than employees without records.⁴

Arouet brought this conversation to Arizona leaders through its 2026 Policy Roundtable, convening voices from business, government, workforce development and community organizations to examine where our systems help people reach work and where they get in the way. The message was consistent: employers need practical tools, preparation must begin before the first day on the job, retention requires support beyond placement, and entry-level employment must connect to advancement.

This paper translates those insights, along with workforce data, research and Arouet’s experience, into five priorities for Arizona:

Five Priorities for a Stronger Arizona Workforce

By addressing systemic barriers and investing in proven solutions, Arizona can unlock the full potential of its workforce — for today and for the future.

- **1. Remove Barriers to Employment**

Address transportation, identification, court-related financial obligations and other practical barriers that prevent people from entering or remaining in the workforce.
- **2. Modernize Background Screening and Occupational Licensing**

Strengthen accountability in third-party background reporting and ensure hiring and licensing decisions consider qualifications, job relevance and legitimate safety requirements.
- **3. Expand Access to Meaningful Record Relief**

Review eligibility restrictions and administrative barriers that limit record relief and strengthen pathways that allow individuals to move beyond past convictions.
- **4. Build Workforce Pathways Before Release**

Connect education, industry-recognized credentials and employment preparation to opportunities that continue after incarceration.
- **5. Support Employers and Measure What Matters**

Equip employers with practical tools and partnerships while tracking retention, wage growth, career advancement and long-term economic mobility.

None of these solutions belongs to one organization or sector. Employers create opportunity. Policymakers shape access. Education and workforce systems build skills. Community organizations help people navigate barriers. Philanthropy creates room to test and scale what works.

Arouet’s role is to connect those pieces and push the conversation from intention to action. Arizona has an opportunity to build a workforce strategy that matches the ambition of its economic growth: one that widens access to talent, strengthens employers and creates real pathways to economic mobility.



Arizona's economic momentum is creating a workforce challenge that cannot be solved by job creation alone. Employers need people to build, operate and sustain the industries driving the state's growth. At the same time, the pool of people participating in Arizona's labor force is shrinking. Between August 2025 and August 2026, Arizona's seasonally adjusted labor force fell by 105,768 people, or 2.8 percent, according to preliminary state estimates that are subject to revision.¹

This is the tension at the center of Arizona's workforce future: demand for talent is growing while the pool of available workers is moving in the opposite direction. At the same time, the Arizona Office of Economic Opportunity projects 454,167 additional jobs between 2024 and 2034. Health care and social assistance is projected to add 113,466 jobs; trade, transportation and utilities 87,273; leisure and hospitality 55,725; construction 51,798; professional and business services 46,125; and manufacturing 29,435.²

454,167

PROJECTED ADDITIONAL JOBS

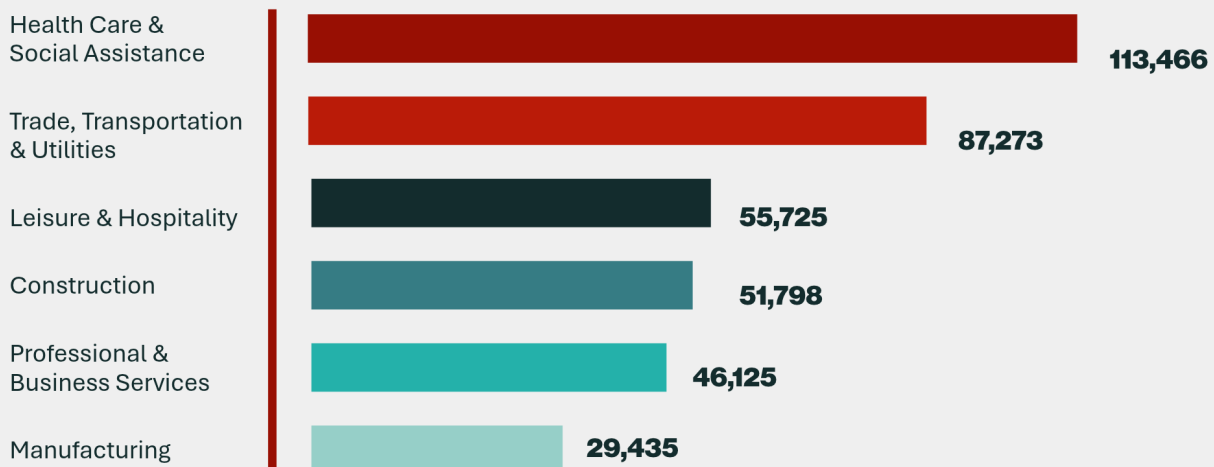
STATEWIDE BY 2034

Arizona is projected to add more than 454,000 jobs by 2034, creating significant demand for a skilled and equitable workforce across a range of industries.



PROJECTED ARIZONA EMPLOYMENT GROWTH BY INDUSTRY

SELECTED SECTORS | 2024 - 2034



Source: Arizona Office of Economic Opportunity, 2024 - 2034 Industry Employment Projections (November 2025).

Arizona's workforce needs span industries, skill levels, and career pathways.



Those numbers represent people: the nurse caring for an aging parent, the electrician wiring a new manufacturing facility, the construction worker building homes and infrastructure, the technician maintaining sophisticated equipment, and the thousands of workers who turn investment into sustained growth.

Construction and the skilled trades are particularly important. They create pathways into growing industries without requiring every worker to follow a four-year-degree route, and they offer room to build skills and advance.

Arizona's rise as an advanced-manufacturing and semiconductor hub makes the workforce question more urgent. A semiconductor facility does not operate on engineers alone. Construction workers and electricians build it. Technicians and maintenance professionals keep it operating. Logistics workers move materials. Suppliers across the region support the broader ecosystem.

Arizona cannot assume continued growth alone will supply every worker its economy needs. If employers cannot find talent, investment becomes harder to realize and existing workers carry more of the load. The state therefore has two workforce tasks: continue attracting and developing talent, and make better use of the talent already here. Arizona cannot fully address its workforce needs while leaving capable, motivated workers on the sidelines.



The Economic Case

A 2021 Rounds Consulting Group analysis estimated the annual cost of a prison bed in Arizona at \$27,800 and examined the earnings potential of individuals returning from incarceration.¹⁴ While these estimates were developed for a different policy analysis, they illustrate the economic importance of connecting people to employment.

Consider the potential: if half of the 15,691 individuals released from Arizona state prisons in FY2025 earned approximately \$18,500 annually, that would represent roughly \$145 million in annual earnings flowing into Arizona households and communities.^{3 14}

Employers also benefit when workers remain employed. Gallup estimates that replacing an employee can cost between one-half and two times that employee's annual salary.¹⁵ Strong onboarding, training, and retention support can help businesses avoid those costs.

The opportunity is not simply to help more people find jobs. It is to create employment pathways that support long-term stability, career advancement, and economic growth.



Inclusive Hiring As A Workforce Strategy

Arizona's workforce conversation often starts with where we will find more workers. An equally important question is: **Who are we already overlooking?**

Veterans transitioning into civilian careers, people with disabilities, parents returning after caregiving, workers with résumé gaps and people with criminal records can all be screened out before an employer fully understands what they can contribute. Their experiences are different and should not be treated as one population. What they share is the challenge that a hiring system sees a barrier before it sees talent.

Inclusive hiring does not lower the bar. It asks whether the bar measures what actually matters for the job.

ARIZONA'S UNTAPPED TALENT

Different experiences. Valuable skills. Opportunities to participate.



VETERANS

452,729

Arizona residents who are veterans.

Source: U.S. Census Bureau QuickFacts, 2020-2024.



WORKING-AGE PEOPLE WITH DISABILITIES

498,910

Arizona residents ages 18-64 have one or more disabilities (11.3% of the state's working-age population).

Source: U.S. Census Bureau, 2024 American Community Survey 1-Year Estimates, Table C18108.



JUSTICE-IMPACTED INDIVIDUALS

1 IN 3

Approximately 35% of Arizona residents have a record.

Source: Governor of Arizona, Executive Order 2025-08 (Reentry 303), April 22, 2025.



FAMILY CAREGIVERS

1,283,000

Arizona adults providing care to family or friends with complex medical needs or disabilities.

Source: AARP / National Alliance for Caregiving, 2025.



These measures describe different populations and time periods. Groups may overlap; figures should not be added together or interpreted as the number of Arizonans currently outside the workforce.



“The question is no longer whether this population is viable for the workforce. Leading companies across the country have already proven that it is.”

— Jeff Korzenik, Economist and Author of *Untapped Talent*

A Workforce Returning Home

People returning from incarceration make the disconnect between talent and opportunity especially visible. In FY2025, 15,691 people were released from Arizona state prisons—approximately 43 people every day.³

ARIZONA BY THE NUMBERS

105,768
FEWER PEOPLE

participated in Arizona’s labor force in August 2026 than one year earlier.

15,691 | **≈ 43**

PEOPLE RELEASED

EVERY DAY

from Arizona state prisons in FY 2025.

Source: Arizona Office of Economic Opportunity, 2026;
Arizona Department of Corrections, Rehabilitation & Reentry, FY2025.



They return to families and communities needing what most people need to build stability: income, housing, transportation, health care and a path forward. Employment is central to that stability, yet too often, barriers stand between people who are ready to work and the jobs that can help them move forward.

Many are not strangers to work. Nationally, 61 percent of people in state prison reported being employed in the 30 days before the arrest that led to incarceration.⁵ Yet reconnecting to work after release can be difficult. A Bureau of Justice Statistics study of people released from federal prison in 2010 found that one-third of the study population had no formal employment during the four years after release.⁶ These studies cover different populations, but together they show why workforce connection after incarceration deserves attention.

Of the 15,691 people released from Arizona state prisons in FY2025, 2,265 were women.³ A stable job can support far more than an individual paycheck. It can strengthen a household, create choices for children and open the possibility of economic mobility that carries across generations, which is why a job needs to become a path to a career rather than an entry on a placement report.



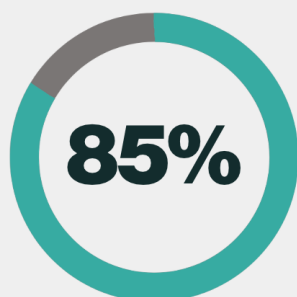
What Employers See

Employers need people who can do the job, show up, learn and contribute. Inclusive hiring does not ask them to abandon safety, regulatory or performance standards. It asks whether a criminal record - or another barrier unrelated to job performance - should automatically end consideration.

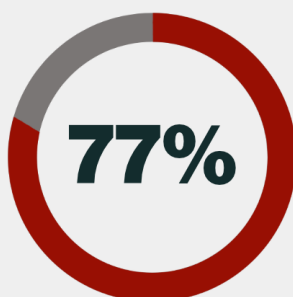
Employers with experience hiring people with criminal records often report positive results. In a 2021 national survey, 85 percent of HR professionals and 81 percent of business leaders said workers with criminal records performed as well as or better than workers without records.⁴

WHAT EMPLOYERS REPORT

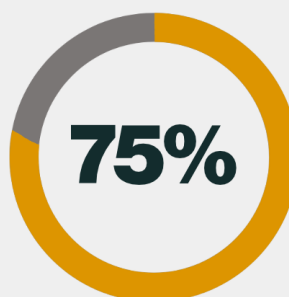
HR professionals rate workers with records as good as or better than other employees in key areas.



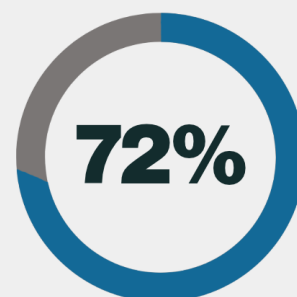
JOB
PERFORMANCE



PROMOTION
POTENTIAL



DEPENDABILITY



RETENTION

The same survey found that 68 percent of HR professionals whose organizations hired people with records said hiring the best candidate regardless of criminal history played a large role in the decision.

Source: SHRM Foundation / Charles Koch Institute, 2021.



Findings are based on a survey of HR professionals.



The same survey found that 68 percent of HR professionals whose organizations hired people with criminal records said hiring the best candidate regardless of criminal history played a large role in the decision. Only 6 percent cited tax incentives as a major factor.⁴ The point is straightforward: many employers are not looking to run a social program. They are looking for people who can do the work.

That reframes the conversation. A person with a record may also be a welder, technician, driver, construction worker, customer-service representative or future supervisor. The workforce question is not only what opportunity an employer can give someone. It is what talent the employer may be missing.

“We have too many people on the sidelines because they have some type of low-level criminal record.”

— Nan Gibson, Executive Director, JPMorgan Chase PolicyCenter¹⁶

A Job Is the Beginning

Hiring is only the first measure of success. A job can provide immediate income; a career can create skills, wage growth, stability and choices. Employers benefit from the same progression when entry-level workers become experienced employees, mentors and supervisors.

Arizona needs pathways that help people enter the workforce, stay connected and advance. That means stronger onboarding, access to training, clear expectations, employer-community partnerships and opportunities to build credentials and move into higher-wage work.

At Arouet, this approach is already taking shape. Working with justice-impacted women during and after incarceration, Arouet connects workforce preparation, industry-recognized training, employment navigation and individualized support to help participants build lasting economic stability. Its THRIVE Continuum recognizes that progress extends beyond employment to include stability, independence and long-term well-being. Complementing this approach, Arouet’s Economic Mobility Index (EMI) measures progress through employment stability, wage growth, financial independence, career advancement and asset-building.

Since 2020, Arouet has recorded 291 job placements, with 174 reaching six months of employment with the same employer and 117 reaching 12 months. Approximately 67% of placements (196) involved Arouet’s direct assistance with employment readiness, job placement or both. These results reflect the importance of connecting people not only to employment opportunities, but also to the preparation and support that can help them remain employed and advance.

The goal is not to ask employers to take a chance on someone. It is to make sure Arizona is not overlooking people who are ready to contribute.





CASE STUDY:

AWAKE WINDOW AND DOOR

Building a Business by Expanding Opportunity

Before Awake Window and Door had a product, it had a purpose.

CEO Scott Gates traces the idea back to a leadership summit where he heard an employer speak about workforce shortages and hiring people returning from incarceration. The conversation exposed him to barriers he had rarely considered and challenged him to think about the role employers could play in addressing them.

When Gates and his partners began exploring what they could build together, they chose the mission before they chose the business. They ultimately created a manufacturing company designed to prove that business growth and expanded opportunity could reinforce one another. Even the name Awake reflects that origin: becoming aware of a challenge and choosing to act.

That commitment is now embedded throughout the company. Awake began with 13 employees in 2021 and has grown to 101 employees today. Sixty percent of its workforce is justice-impacted. At a time when manufacturers often struggle to attract workers, Awake has a waiting list of people interested in joining the company. For its leaders, continued growth creates the capacity to employ more people.

The mission does not stop at hiring. Awake separates criminal-history information from the initial hiring process and considers background information in relation to legitimate workplace safety concerns rather than using it as an automatic screen. Once hired, employees are supported through what the company describes as a three-legged stool: culture, trauma-informed management and wraparound support.



Awake also invests in advancement. The company prefers to train and promote from within, and justice-impacted employees have advanced into coordinator and leadership-track roles. Its mission even extends into its products and marketing, creating opportunities to educate customers about justice involvement and the barriers surrounding it.

Partnership makes the model possible. Awake works with organizations like Arouet to connect with talent, strengthen fair-chance hiring and retention practices, and connect employees with resources beyond what the company can provide alone.

“You can’t just do fair chance and let people fail. You must look at everything, like onboarding.”

— Joe Mason, Director of Training and Development, Awake Window and Door

Awake’s experience offers Arizona employers a model that can be implemented without being copied. Start with the jobs you need to fill. Remove screening practices that unnecessarily eliminate qualified people. Build support beyond the offer letter. Create pathways for advancement. Find community partners who can fill the gaps an employer cannot. Then learn, adjust and expand.

Employers do not have to transform their workforce overnight. As Awake’s leaders advise, start where it makes sense. Interview the candidate. Look at the skills required for the job. Build practical practices and expand from there. Because when employers judge people only by what is on paper, they may never meet the person who could become one of their best employees.

Awake demonstrates what becomes possible when inclusive hiring moves from a hiring practice to a business strategy: employers expand their talent pool, workers gain pathways to advancement, and business growth creates the capacity for more opportunity.



What Leading Employers Are Doing Differently

Awake's experience in Arizona reflects a broader shift among employers across the country. The Second Chance Business Coalition's October 2026 guide, *Putting Second Chance Strategy Into Action: A Guide for Talent Acquisition Teams*, highlights practical changes companies are making to expand access to qualified talent without lowering hiring standards.¹⁷

01

Build new pathways to talent: KeHE Distributors partners with community organizations to help qualified candidates with records reach the company in the first place. According to the Coalition's guide, KeHE has seen a **109% increase in hires with records**.¹⁷

02

Evaluate the person before the record: Eaton gives candidates an opportunity to discuss their record before an adverse hiring decision is made. Approximately 80% of candidates whose background checks identify a record pass the company's review, and more than **11% of its new hires have prior convictions**.¹⁷

“Individualized assessments should be framed as encouraging rather than punitive.”

— Harris Rollinger, Senior Program Manager, Hidden Talent & Early Careers, KeHE Distributors¹⁷

THE TAKEAWAY FOR ARIZONA EMPLOYERS

These practices do not require employers to lower standards. They change when and how information is considered so employers can evaluate candidates based on qualifications, job relevance and legitimate safety requirements.



PARTICIPANT SPOTLIGHT

Beyond the First Job: Aubrey's Path to Thriving

When Aubrey returned home from incarceration in 2022, she knew rebuilding her life would require more than finding a job. She was navigating family relationships, personal loss, health challenges, and the uncertainty of reentering the workforce. Recognizing that she needed support, one of her first decisions was to seek a mentor through Arouet.

Despite her determination, finding employment proved difficult. Health limitations restricted the jobs she could pursue, while gaps in her employment history made interviews intimidating. When she finally received a job offer, it was rescinded just two days later because of her criminal background. The experience left her questioning whether she would ever find meaningful employment.

Through mentorship and employment navigation, Aubrey began rebuilding her confidence. Her navigator helped her recognize her strengths, communicate her experiences, and approach employment with renewed confidence.

Her path forward was not linear. Aubrey accepted jobs that provided immediate financial stability, even when opportunities for advancement were limited. She experienced setbacks, changed employers, and continued pursuing work that aligned with her skills and aspirations.

Throughout those transitions, she remained engaged with Arouet through mentorship, financial navigation, credit-building opportunities, and CASE Academy workforce development programming. As her confidence grew, she began mentoring other women navigating similar challenges.

In February 2025, Aubrey secured a full-time position as a healthcare Intake Coordinator, earning \$23 per hour. In September 2026, her hourly wage increased to \$25. She continues working for the same employer, helping individuals access healthcare and recovery services.

Today, Aubrey's progress reflects more than a successful job placement. She has sustained employment, increased her earnings, developed her professional skills, and found meaningful work that allows her to contribute to her community.

Today, Aubrey's progress reflects more than a successful job placement. She has sustained employment, increased her earnings, developed her professional skills, and found meaningful work that allows her to contribute to her community.

Economic mobility is not measured by whether someone gets a job, but by whether that opportunity creates a pathway to lasting stability and growth.

BY THE NUMBERS



EMPLOYMENT TENURE

19+ MONTHS

Same employer as of October 2026



WAGE GROWTH

+8.7%

From \$23 to \$25 per hour



CURRENT HOURLY WAGE

\$25

As of September 2026



ANNUALIZED EARNINGS

\$52,000

At 40 hours/week, before taxes



Insights from Arizona Leaders

On May 1, 2026, Arouet convened leaders from business, government, workforce development, policy and community organizations to examine where Arizona's workforce systems work, where they break down and what employers and workers need. Four themes stood out.

1 Modernize Hiring and Give Employers Practical Tools
Employers need more than encouragement to hire differently. Our participants called for clear guidance on criminal-history screening, legal requirements, occupational restrictions, and consistent decision-making. They also questioned job requirements and automated applicant-tracking systems that can remove candidates before a person reviews their experience.

2 Build the Pathway Before and After Hire
Workforce preparation should begin before release, not after someone arrives at an employer. Participants pointed to identification, education, credentials, technology access, health care continuity and employer connections as critical transition pieces. They also emphasized the first 90 days of employment. Transportation, housing, financial stability and strong onboarding can determine whether a new hire stays employed.

3 Build Careers, Not Placements
Participants pushed beyond placement as the measure of success. Apprenticeships, industry-recognized credentials, continued training and advancement create a rung above the entry-level job. That matters to workers seeking economic mobility and to employers confronting succession and talent shortages.

4 Connect the Systems
No one sector controls the entire pathway. Employers cannot change licensing law. Workforce organizations cannot change an employer's hiring policy. Corrections cannot determine whether a business recognizes a credential. Policymakers cannot design effective talent pipelines without understanding employer demand.

A Clearer Path To What's Possible

We provide support, resources and connections to help participants go from preparation, to a successful transition, to long-term career growth.



Arizona does not have to choose between meeting the needs of employers and expanding access to opportunity. The two are increasingly connected. As employers compete for workers, experienced employees retire and industries critical to Arizona's economy continue to grow, workforce policy should make it easier for capable people to enter the labor market, develop skills and remain connected to employment.

That does not mean eliminating standards designed to protect employers, workers or the public. It means examining whether the policies and practices Arizona uses today reflect the workforce Arizona needs tomorrow. The conversations that informed this paper point toward several areas where Arizona can build on what already exists while considering additional reforms.

1. Remove Barriers That Prevent People From Getting to Work

THE BARRIER: A job offer does not help if a worker cannot complete onboarding, obtain required identification or reliably get to work. Court debt, documentation requirements and driving restrictions can turn administrative problems into workforce barriers.

WHAT ARIZONA ALREADY DOES: Arizona already coordinates identification and transition planning for people leaving state custody, but the practical question is whether people leave with what they need to start work.

THE OPPORTUNITY: Arizona has already demonstrated that practical reforms can remove barriers to work. In 2021, SB 1551 ended the suspension of noncommercial driving privileges over unpaid civil traffic penalties and required the state to lift suspensions already in place; it did not change suspensions tied to failures to appear.⁷ The question now belongs to Arizona's leaders: of the barriers that remain between a person coming home and a paycheck, which two or three could be removed with the greatest effect on workforce participation and family stability?



2. Modernize Background Screening and Occupational Licensing

THE BARRIER: Qualified candidates can be screened out before an employer has the opportunity to consider their skills or experience. Blanket exclusions are part of the challenge, but so is the information employers receive from third-party background screening providers. Criminal history that falls outside an employer's requested timeframe or has little relevance to the position can still influence hiring decisions. Licensing restrictions can create another barrier, stopping a career pathway after someone has invested in training.

WHAT ARIZONA ALREADY DOES: Arizona law allows a person with a criminal record to ask an agency, before completing required education, experience, exams or fees, whether the record would disqualify them from a license or other state recognition. The statute limits disqualification in many circumstances and requires agencies to explain their decisions.⁸

THE OPPORTUNITY: Strengthen accountability and transparency throughout the background-screening process so employers receive accurate, relevant information aligned with what they requested and what the position requires. Apply the same job-relevance principle across hiring and licensing by considering the nature of the offense, time passed, rehabilitation and legitimate job or safety requirements. Arizona can also use existing agency reporting to evaluate how licensing determinations work in practice and where qualified workers continue to encounter unnecessary barriers.

3. Expand Access to Meaningful Record Relief

THE BARRIER: Record relief has limited workforce impact if only a small share of people affected by a criminal record can qualify for it. For those who are eligible, lack of awareness, complex processes, waiting periods and difficulty obtaining legal assistance can create additional barriers. The result is a system in which relief may exist in law without creating a meaningful pathway forward for many workers.

WHAT ARIZONA ALREADY DOES: Arizona allows eligible individuals to petition to seal certain arrest, conviction and sentencing records. State law also provides set-aside and Certificate of Second Chance pathways in qualifying circumstances. Record sealing remains petition-based and includes eligibility requirements, waiting periods and statutory exceptions; a 2026 amendment (HB 2198) allows eligible people convicted of petty offenses to petition immediately once the required conditions are met.⁹

THE OPPORTUNITY: Evaluate both who can access record relief and how they access it. Arizona should examine whether current eligibility requirements unnecessarily leave people without a meaningful pathway to move beyond an old record, while maintaining appropriate public-safety considerations. For those who qualify, better notification, legal assistance, streamlined processing and greater automation could make relief more accessible and consistent. The goal should be a system in which record relief is not simply available on paper, but meaningfully improves access to employment and economic mobility.



4. Build Workforce Pathways Before Release

THE BARRIER: The first day after release should not be the first day someone begins preparing for work. Delayed identification, training, credentials or employer connection puts workers behind before employment begins.

WHAT ARIZONA ALREADY DOES: Federal policy restored Pell Grant eligibility for eligible incarcerated students enrolled in approved Prison Education Programs beginning in July 2023.¹⁰ Arizona also has correctional, workforce and education partners that can connect training to reentry.

THE OPPORTUNITY: Align corrections, community colleges, universities, apprenticeship programs and employers around occupations Arizona needs. Build pathways that begin with education and credentials before release and continue into training, apprenticeship or employment without interruption.

5. Support Employers and Measure What Matters

THE BARRIER: Employers may be willing to widen their talent pool but still face questions about risk, implementation and retention. Workforce systems also tend to count placement even when a job ends quickly.

WHAT ARIZONA ALREADY DOES: Arizona employers can use the Federal Bonding Program, which provides six months of no-cost fidelity-bond coverage, generally up to \$5,000, for eligible workers facing employment barriers.¹¹ The federal Work Opportunity Tax Credit expired for employees who began work after December 31, 2025; Arizona DES continues to hold employer applications in case Congress renews it.¹²

THE OPPORTUNITY: Make existing hiring tools and incentives easier for employers to access, particularly small and midsize businesses. Measure success beyond placement through retention, wage growth, credential attainment, and career advancement.

“Starting reentry before individuals leave incarceration is critical to getting people to success and employment.”

—Tad Gary, CEO, Mercy Care

The Opportunity for Arizona

These priorities do not require one sweeping reform. Some require legislation; others require administrative changes, employer leadership, stronger partnerships or better implementation of tools already on the books.

The common principle is simple: protect standards that serve a legitimate purpose and remove barriers that do not. That expands opportunity while giving employers access to talent Arizona cannot afford to overlook.





Arizona's workforce challenges will not be solved by a single policy, employer or organization. The opportunity now is to turn the ideas in this paper into action.

Our Policy Roundtable began that conversation by bringing together leaders across business, government, workforce development, philanthropy and community organizations. UNLOCKED: The Action Forum for Arizona's Workforce Future provides an opportunity to carry it forward, bringing more Arizona leaders into the conversation and building momentum around practical solutions. This white paper is not intended to be the conclusion of that work. It is a foundation for what comes next.

A Role for Every Sector



EMPLOYERS

Examine hiring practices, expand access to qualified talent and build pathways for retention and advancement.



POLICYMAKERS

Review policies that unnecessarily restrict workforce participation while maintaining appropriate protections for employers, workers and the public.



PHILANTHROPY

Invest in workforce pathways, promising pilots and the infrastructure needed to test and scale effective solutions.



WORKFORCE, EDUCATION & COMMUNITY

Connect training to employer demand and help workers navigate the barriers that can stand between employment and long-term economic mobility.



What You Can Do Next

Arizona has the talent. What it needs now is for each of us to do the next thing in front of us.

If you run a business: Review where criminal-history screening occurs in your hiring process. Ask your screening provider what information it reports and whether that information aligns with what you requested. Identify one position where you can test a more individualized approach to hiring.

If you hire or manage people: Evaluate a record in relation to the actual responsibilities of the job rather than as an automatic exclusion. Give candidates an opportunity to provide context. Build the first 90 days of onboarding around retention, clear expectations and connection to support.

If you shape policy: Identify the barriers that continue to stand between qualified workers and employment. Prioritize two or three changes that could meaningfully expand workforce participation while maintaining appropriate public-safety protections.

If you lead in your community: Bring employers, workforce organizations and people directly affected by these systems into the same conversation. Help create connections between people ready to work and businesses searching for talent.

Arizona already has many of the pieces needed to build a stronger and more inclusive workforce. The work ahead is about connecting them.

As industries grow, experienced workers retire and employers compete for talent, Arizona has an opportunity to think differently about who is part of our workforce and what it takes for people to participate fully in our economy.

Arizona's workforce future will depend not only on the jobs we create, but on whether we create real pathways for people to reach them, succeed in them and grow.



About Arouet

Founded in 2011, Arouet is an Arizona-based nonprofit dedicated to empowering individuals impacted by the justice system to lead successful lives and strengthen communities.

For 15 years, Arouet has worked to expand opportunity for justice-impacted women, helping them overcome barriers to employment, build financial independence and create pathways to long-term economic mobility. Through its integrated approach to workforce development, education, mentorship, health navigation and employer partnerships, Arouet connects preparation and opportunity with the support needed to achieve lasting stability.

Central to this work is Arouet's THRIVE Continuum, a comprehensive framework that supports individuals as they move from survival toward stability, sustainability and thriving. Complementing this approach, Arouet's Economic Mobility Index (EMI) measures progress beyond job placement, including employment stability, wage growth, financial independence, career advancement and asset-building.

Arouet also works alongside employers, policymakers and community partners to advance inclusive hiring practices, strengthen workforce pathways and address systemic barriers that prevent qualified individuals from fully participating in Arizona's economy.

By connecting direct service, measurable outcomes and cross-sector collaboration, Arouet is helping demonstrate what becomes possible when workforce development focuses not only on access to employment, but on the opportunity to build a sustainable future.



Sources & Notes

About This Paper

This white paper draws on publicly available workforce and demographic data, government reports, research on inclusive hiring and employment after incarceration, current Arizona statutes and programs, comparative state policy, and insights shared by Arizona leaders during Arouet's May 1, 2026 Policy Roundtable. Data and policy information reflect sources available at the time of publication. Roundtable quotations and themes are drawn from Arouet's internal event and working-session materials.

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