

Morgan Stanley

VOLUME 16

# Trailblazers

Perspectives in Philanthropy





# From Inmates to Entrepreneurs Trailblazing the Path to Reentry

Around 600,000 people will be released from prison this year. Reentering free society, a large majority will find themselves locked up in a different way. They will seek employment at a higher rate than the general population, but due to a criminal record, will be half as likely to get a job. Barred from equal access to employment, the formerly incarcerated face a distinctly American paradox: In the land of opportunity, it can be nearly impossible to locate a second chance.

Since 1992, Brian Hamilton has provided resources and guidance to help judicially involved people trailblaze their own paths to financial stability—as entrepreneurs. By equipping them to

overcome reentry barriers, Hamilton and his organization aim to reduce the rate of recidivism and narrow the income inequality gap.

Three years after incarceration, only 49% of men are employed and, when employed, their median earnings were only \$6,250—less than one fifth of the median U.S. household income. Hamilton sees an opportunity to turn it around. “We’re really an antipoverty organization,” Hamilton explains. “We use entrepreneurship as a way to achieve a bigger goal: to help one of the most disenfranchised populations in our country achieve upward mobility.”

## How It All Began

As a co-founder of Sageworks, an Inc. 500 company and a global leader in FinTech, Hamilton knows his way around the entrepreneurial process. But while his career has taken him global, he’s always believed in the importance of local community involvement.

That’s why, largely on a whim, Hamilton accompanied one of his close friends, a Reverend, on a Bible study class he ran in a North Carolina prison. During a break in the session, Hamilton found himself chatting with an inmate, who said the first thing he planned to do upon his release was get a job.

“That will be hard to do with a ▶

record,” Hamilton recalls thinking. Almost as soon as he had this thought, he came across an untapped solution, which would become the premise for Inmates to Entrepreneurs: “Instead of trying to get a job, what if people with criminal records go and create one.”

Hamilton had been an entrepreneur for his entire career. He knew all about the challenges it posed and the liberties it afforded. One of these freedoms, he knew, was that you didn’t have to check a box asking about your criminal history—a fresh start was truly possible.

### Trailblazing the Path to Reentry

Since visiting that first prison 27 years ago, Hamilton and his team have grown Inmates to Entrepreneurs from a local charity into a national nonprofit. With a focus on entrepreneurship, the organization leads the field in offering an innovative solution to an all-too-common problem.

Inmates to Entrepreneurs has already helped countless currently and formerly incarcerated people take control of their financial lives through free correctional facility workshops, one-on-one mentoring, online resources and live courses.

By 2021, Inmates to Entrepreneurs aims to open branches in 50 major metropolitan areas. “Recidivism is a national problem,” Hamilton says, “so we want our organization to match that scale.”

### Better Together

Isolation. It’s a familiar subject for those in prison. And, in Hamilton’s experience, it’s also one of the biggest challenges that entrepreneurs face. “You’re on your own,” he says, “and as an entrepreneur, your likelihood of success is maybe 10% or 20%.” It can be extremely stressful to pursue a high-risk endeavor without anyone to lean on for support; that’s why even the best leaders usually have someone—a spouse, a friend, a former employer—that they can trust to be there for them.

To help overcome that sense of isolation, Inmates to Entrepreneurs has initiated a mentor network. Every

participant in the organization gets paired with someone they can rely on for the long-haul—a mentor they can bounce ideas off of, or as Hamilton says, “just a friend they can call.”

### The Makings of Entrepreneurs

One of the biggest surprises Hamilton has encountered over the years is the amount of entrepreneurial experience people who were incarcerated already have. “It seems like a quarter of them have run their own businesses before,” he says.

But even for those who don’t have direct experience, Hamilton can see

“We’re really an anti-poverty organization,” Hamilton explains. “We use entrepreneurship as a way to achieve a bigger goal: to help one of the most disenfranchised populations in our country achieve upward mobility.”

they have an entrepreneurial mindset. “Because of various adverse circumstances in and outside of jail,” he says, “many of the people we work with have had to think outside the box from a very young age. That’s an incredible asset for them.”

Inmates to Entrepreneurs helps them harness that creativity to establish businesses that don’t require a lot of overhead—often in service-based industries like maintenance, catering, landscaping, installation, car detailing and carpentry—that can begin to support them immediately upon release, and for the future.

### Breaking the Cycle

The rearrest rates in our country are staggering. Over 75% of formerly incarcerated people land back in jail within five years of release.

To Hamilton, this number is scary but also unsurprising. Employment discrimination leads to financial insecurity which in turn encourages—if not forces—former inmates to survive by illegal means, leading them right back to prison.

Inmates to Entrepreneurs disrupts that negative cycle. In the process, it has also begun to encourage a positive one. Their most successful students often return to the organization years later—this time, in a leadership role, as mentors. In fact, some even become board members. As Hamilton says, “They come full circle.”

### Second Chances Start Now

From a young age, Hamilton has been passionate about the power of entrepreneurship for achieving upward mobility. It’s something he experienced first-hand; but while he did not have much financial security growing up, he recognizes a key advantage he did have that many people lack. “We struggled pretty hard and were on food stamps and such for a while, but I had two parents,” he says. “And if you have someone in life who’s guiding you, you are not truly poor. My dad really cared about me and my sisters.”

Inmates to Entrepreneurs aims to fill that void—to provide guidance and support for an often neglected population so that they can forge their own path out of poverty. The first and most important step, according to Hamilton, has nothing to do with capital, at least not in the traditional sense.

“If we can make more people aware that the American Dream isn’t dead, that entrepreneurship doesn’t start with money—that it begins with an idea—then I think the rest of our reentry process writes itself,” Hamilton says. “And when Inmates get that real second chance at freedom, we all win. Employment goes up. Crime goes down. Prisons become less crowded. Tax dollars get to be used for other purposes. And at the end of the day, our country makes good on its promise of equal opportunity.” ■

To learn more, please visit [www.inmatestoentrepreneurs.org](http://www.inmatestoentrepreneurs.org).