

# Research Paper



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Research Methods in Criminal Justice

Section #0319

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## Financial Expenditures for Prison

How much money is spent annually to manage  
prison inmates?

I believe that so much money is being invested and spent on trying to manage prisoners in the United States that every year the number is hiking more up the ladder. A growing number of inmates require more spending and if they looked towards the idea of sentencing criminals to parole or probation with proper supervision, it would dramatically cut costs by at least 30% per inmate every day.

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## Introduction

There is an epidemic that has been ruining our country for decades. Since the early 80's even until now, billions and billions of dollars are being spent to manage criminals in all across the United States. Dating back about 10 years ago in 2001, It was the year where it had the highest number of incarcerated and sentenced criminals nationwide. In 2001 the government spent about \$38 million dollars on funding prisons and corrections all over the country. Even comparing 1986 to 2001, taxpayers were paying double then what it was in 1986. It is now 2011 and it has pretty much been the first year since they have seen a decline in prison spending. In this report, it will explain and examine the details of prison expenditures as well as statistics and specific data regarding how much money is actually being spent.

This research will cover how many people are incarcerated in jails, prisons, and corrections as well as the data for people on probation and parole. Figures that are listed throughout the paper will define people imprisoned based on different characteristics and attributes such as sex, race, and age.

Starting the paper off, it will define and highlight expenditures in detail and explaining depth of the currency invested in various factors concerning the financial costs. As extra data, information listed from 1996 will contrast prison expenditures that started the huge peak that occurred in 2001. Noticing the substantial incline of imprisonment, 1996 was the first year that the growth of the prison system started draining money out of other government programs to sustain the amount of criminals and prisoners in our prisons nationwide.

### Prison Costs in 1996

Expenditures regarding prisons in this year stood out more than ever before. At a total cost in 1996 alone with a total spending capital of \$22 billion dollars, the graph below shows in detail where the money was being spent.

<b>Total:</b>	<b>\$22 Billion</b>	<b>100%</b>
<u>Operating Expenditures:</u>	<u>\$20.7 Billion</u>	<u>94%</u>
<i>Salaries and Wages:</i>	\$10.8 Billion	49%
<i>Employee Benefits:</i>	\$3 Billion	14%
<i>Other:</i>	\$6.9 Billion	31%
 <u>Capital Expenditures:</u>	 <u>\$1.3 Billion</u>	 <u>6%</u>
<i>Construction:</i>	\$800,000	4%
<i>Equipment:</i>	\$300,000	1%
<i>Land:</i>	\$200,000	1%

Source: \*U.S Department of Justice, Bureau of Justice Statistics (State Prison Expenditures, 1996)

Even comparing the information above to what the costs were in 1990, back then the government spent \$12 billion and 6 years later the spending has pretty much doubled. Going back to the listed information, every working taxpayer paid about \$79 dollars annually to fund these operations. A couple of things that are described as other would actually be prisoner/inmate care which in fiscal year 1996 was



about \$20,000 per inmate annually. This also includes Food Service, Medical care, Transportation and utilities, and inmate programs. As far as the capital expenditures, included are facility construction and renovations throughout prisons, as well as repairs and land/building purchases.

Going on to the average annual national cost for various operations. Many expenses have to be made such as Medical care, food, transportation, and inmate programs. The following data shall explain in detail how much was spent on an annual basis on an average in 1996.

Inmate Medical Treatment:	\$2.5 Billion
Inmate Programs:	\$1.2 Billion
Food Services:	\$1.1 Billion
Utilities:	\$682 Million
Transportation/Travel:	\$197 Million

With the annual average listed above, specifics are listed below as to where all funds were allocated on a daily basis for each individual inmate.

Per Inmate as follows:

Medical and Dental care:	\$6.54
Inmate Programs:	\$3.28
Food Service:	\$2.96
Utilities:	\$1.81
Transportation/Travel:	\$0.52

Now looking at these statistics it seems that there is still a big lump some of the costs that are missing.

That is because inmate care is not where most of the money is going towards. It is recorded that in 1996

the majority of the prison expenditures were going towards Employee salaries, wages, and benefits.

Listed right below are specific details on how much money was spent on employee's income.

**Operating Costs:** **Total: \$20,737,888,000**

Salaries and wages: \$10,774,922,000

Employee Benefits: \$3,060,939,000

Other operating costs: \$6,902,027,000

These salaries and benefits accounted for more than ¼ of the funds that were distributed towards prison and correctional funding. Now looking at the figures, the employee costs vary from state to state. States that had a higher prisoner population such as Michigan, required more employees thus requiring more funds allocated towards guards and prison employee staff.

There are five core expenditures that will be specifically listed and detailed on how much money was actually spent in 1996 on prisoners listing for annual and per day. These five core costs are medical/dental care, food services, inmate rehabilitation and programs, utilities and supplies, and last will be transportation and travel required for the prisoners.

**Medical Care** **National Average: \$2,456,300,000**

Each individual inmate -

Per Year: \$2,386

Per Day: \$6.54

This expenditure alone was 11.8% of the national operating costs. With the data given above, inmates

healthcare cost more than what U.S residents were paying for their own healthcare which averages out to \$4.95 per day.

The next financial cost will be food services that are given to all inmates nationwide in 1996.

**Food Services**

**National Average: \$1,112,900,000**

Each individual inmate –

Per Year: \$1,081

Per Day: \$2.96

Cost of food services is a little bit lower than half of what the medical costs were. Food given was at a national annual expenditure of 5.4% of total operation cost. One way they found to lower the cost of food purchases were local work farms inmates worked at to harvest crops.

Inmate programs/rehabilitation is the next expenditure discussed in the figures below. These programs included work activities such as working on the local farm, janitorial duties, academic and vocational training. It also included counseling programs such as substance abuse, gang affiliation, and employment training. Exercise programs and recreation training was also included in this expenditure.

**Inmate Programs/Training**

**National Average: \$1,231,100,000**

Each individual inmate –

Per Year: \$1,196

Per Day: \$3.28

These costs were slightly higher than the food services and equaled about 6% of the national

operating costs. Also included were religious programs, proper parenting techniques, and basically preparing inmates for the life outside bars.

Utilities are where funds were allocated to run and manage prisons. Such utilities included electricity, gas, heat, cooking, air conditioning, lighting, as well as water and sewage system.

**Utilities**

**National Average: \$682,028,208**

Each Individual inmate (varies) -

Per Year: \$662

Per Day: \$1.81

These costs did not include telephone usage. On a national average the percentage cost was about 3.3% of the operating costs. The next expenditure will include the transportation and travel required for prison inmates as well as guards, staff, etc.

**Transportation/Travel**

**National Average: \$197,000,000**

Combination of inmate/staff -

Per Year: \$191

Per Day: \$0.52

Total national expenditure was about 1% of total operation cost. Some states did not really require much transportation for prisoners such as Delaware which they added a combined prison system. After reviewing all of the data and statistics reporting from 1996, we will now review over the national

costs of 2001 which back then was the highest peak of incarcerations and imprisonments ever in history.

### Prison Costs in 2001

This is the year where it was reported to have the highest amount of people imprisoned for crimes ever in history prior to 2001. With a reported amount of \$22-\$24 billion in 1996, the amount in 2001 peaked to about \$29.5 billion. With U.S residents paying about \$91 per resident with an income in 1996, the amount hiked up to about \$104 per U.S resident. Now \$20 may not seem like a lot, but with the combination of every hard working American it took the toll. A huge increase of about an average of \$6 to \$7 billion dollars adds up just because more people are getting locked up by the year.

Below are figures shown of total national expenditure regarding operating and capital costs.

<b>Total:</b>	<u>\$29,491,268,000</u>	100%
<b>Operating Expenditure:</b>	\$28,374,273,000	96%
Salaries/wages and benefits:	\$18,583,923,000	
Other operating costs:	\$9,790,350,000	
<b>Capital Expenditure:</b>	\$1,116,995,000	4%
Construction:	\$860,954,000	
Equipment:	\$253,247,000	

Comparing the 1996 data to the 2001 statistics you notice that there is a huge decline in capital spending which is mostly due to renovations, repairs etc. Operating expenditures have dramatically increased due to the growth of prison population requiring that there has to produce demand of staff such as more guards, healthcare workers and janitorial service workers.

The data below explains money being distributed generally towards different aspects to run a prison. These expenditures are noted as medical care, food services, and utilities.

**National Prison Services Cost:**

<b>Total:</b>	\$7,300,000,000
Medical care:	\$3,288,200,000
Food Services:	\$1,195,854,000
Utilities:	\$996,027,000

Detailed information below will state how much money was spent on every single individual inmate in year 2001.

Annual costs of single prisoner management:

Medical Care:	\$2,625
Food Services:	\$955
Utilities:	\$795

Daily costs of single prisoner management:

Medical Care: \$7.19 Per Day

Food Services: \$2.62 Per Day

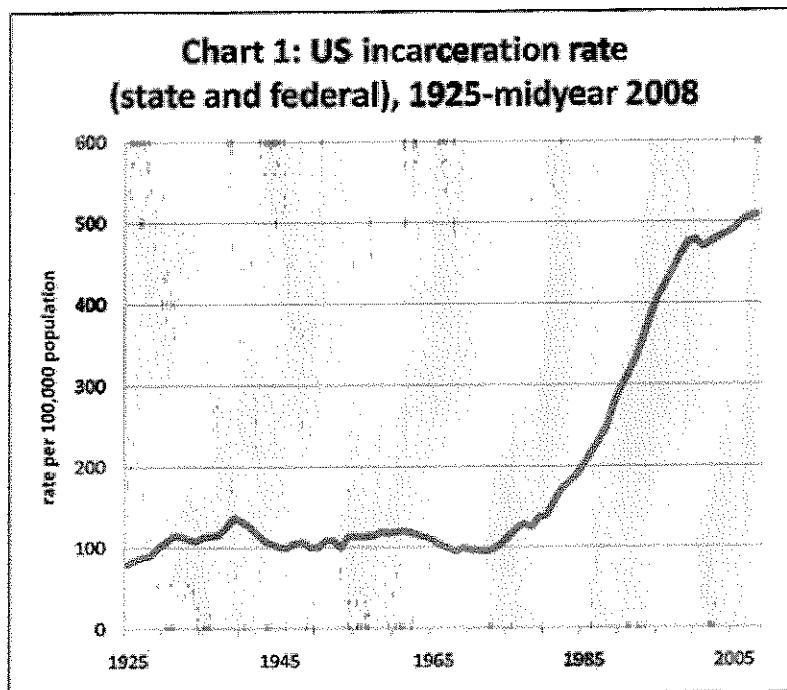
Utilities (Varies): \$4.52 - \$0.92 Per Day

The amount of money distributed to these prisons is dramatically getting higher year after year. So what is causing this substantial hike of incarcerations? I will be going more in depth of where and why the United States is causing such high incarceration numbers and what we can do about it.

**United States Incarceration Rates**

In 1996, 600 per 100,000 people were locked up behind bars in the United States. In 2001, that number grew to 685 per 100,000 people contained in prison. Now dating up to 2008 the number has drastically grew to 753 individuals per 100,000 people. The total number of prisoners behind bars reported in 2008 was at 1,518,559 at the highest its ever been. So why is this rising decade after decade? Due to an economic crisis and other several factors, the statistics show that there has been an increase in violent crimes as well as property crimes. But on top of this, people who have been convicted of a crime that have served prison time and then been released have a high chance of returning back to prison for a longer sentence which means that the longer prisoners stay contained, the more money that is allocated towards prison spending. In the next couple of pages, there will be graphs and charts explaining specifics of recent incarceration rates as well as crimes committed and the correlation it has with prison spending.

## Incarceration Rates in the United States (FY)



Source: <http://bjs.oip.usdoj.gov/fjsrc/> (Incarceration Tables)

The figure above shows a slow fluctuating pattern of U.S citizens being incarcerated. When 1985 started, the rise scaled to a huge amount of people being imprisoned. These years actually put people into a great depression thus people committing crime all over the U.S. Every year the growth of inmates nationwide increase by at least 10%.

This is affecting our country in a sloping decline. There are many programs out there such as court commitments and parole/probation to stop contain minor offenses. But even sometimes this program fails and people end up going back to jail.



The data below will show specific details on admissions from Fiscal year 2000 up to Fiscal year 2005. This shall show the heavy increase from that boom in 2000-2001.

<u>Year</u>	<u>All</u>	<u>New Court Commitments</u>	<u>Parole Violators</u>
2000	581,487	350,431	203,569
2001	593,838	365,714	215,450
2002	612,938	392,661	207,961
2003	634,149	399,843	209,753
2004	646,830	411,300	219,033
2005	676,952	421,426	232,229

Source: Bureau of Justice Statistics (Prison and Jail Inmates at Mid Year 2006 Report)

Above shows how many of new admissions were received for imprisonment and how many people that broke their probation/parole. From 2000-2005, the amount of new admissions that were reported increased population by 20%. In the same years, the amount of people that broke their parole increased total nation prison population by about 14%. Now with all the money that is being spent

looking at the data in the earlier pages, the information listed above only shows the number of people incarcerated in State prison.

The information and data will show the total population account of state prisons, federal prison and jails nationwide. These years will document FY 1995, as well as FY 2000 up until 2006.

<u>Year</u>	<u>Total Inmates</u>	<u>Federal</u>	<u>State</u>	<u>Jails</u>
1995	1,585,586	89,538	989,004	507,044
2000	1,935,753	133,921	1,176,269	621,149
2001	1,961,247	143,337	1,180,155	631,240
2002	2,033,331	151,618	1,209,640	665,475
2003	2,081,580	161,673	1,222,135	691,301
2004	2,135,335	170,535	1,243,745	713,990
2005	2,183,152	175,954	1,252,436	747,529
2006	2,245,189	181,622	1,290,200	766,010

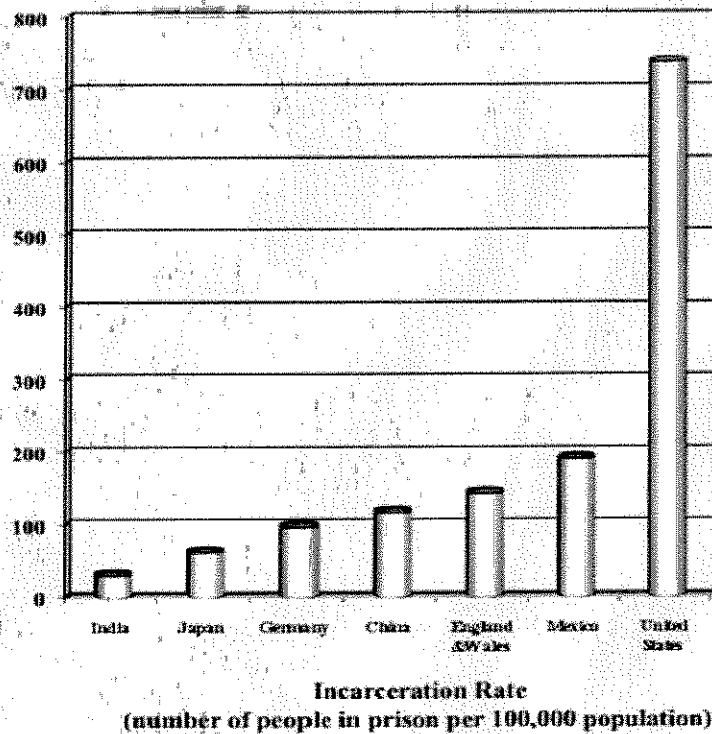
Source: Bureau of Justice Statistics (Prison and Jail Inmates at Mid Year 2006 Report)

As you see that every single year passes, the population of people being contained staggers at the

peak. Every year the growth averages out 30,000 – 45,000 with inmate population.

Even comparing the U.S to other countries, our rates are even to high to compare to anyone else.

No one else has imprisoned more prisoners as we do in the U.S.



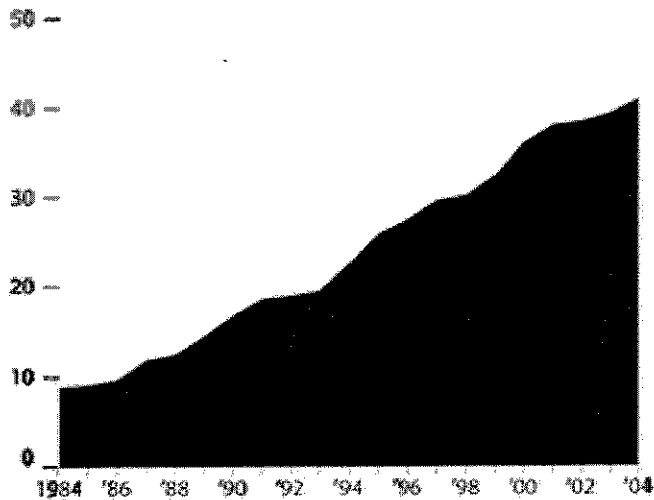
Source: Slideshow presented by the office of Senator Jim Webb

The chart above states and proves that even though America has a 5% representation of the world's population, it also tells us that America currently represents 25% of the world's correctional population. Last reported in 2009, the amount of people incarcerated in American is about 2.4 million people.

So what does this mean with all of these people getting locked up? How much is this going to cost U.S. citizens of their hard earned money? Well the data below will explain from 1984 every year until 2004 the scaling and rise of money being dumped in to fund these prisons nationwide.

### State Spending on Corrections by Year

BILLIONS OF DOLLARS



Data Source: National Association of State Budget Officers, State Expenditures Report, 1985-2004

Looking at the graph above, in 1984 prison spending was about \$8-\$9 billion dollars. Looking earlier in the report, 1996 funding for prisons nationwide was reported at about \$22 billion dollars. Earlier the research showed that in 2001 went to a dramatic point of \$29.5 billion dollars. Now you notice that from 2001, 2004 scaled up to a solid \$40 billion dollars. By the time 2008 has come, the prison expenditure grew to at least \$70 billion.

But there is still hope for this country of the free. Running into the decade starting at 2010, data collectors and researchers reported that 2010 was the first year that they have seen a decline in prison population. This means that this good news tells us that crime nationwide has decreased by a substantial amount. The data collected below shows various crimes in a decrease from 2009-2010.

**Total:**

Violent Crimes: -6% Decrease

Murder: -4.2% Decrease

Forcible Rape: -5% Decrease

Robbery: -10% Decrease

Aggravated Assault: -4% Decrease

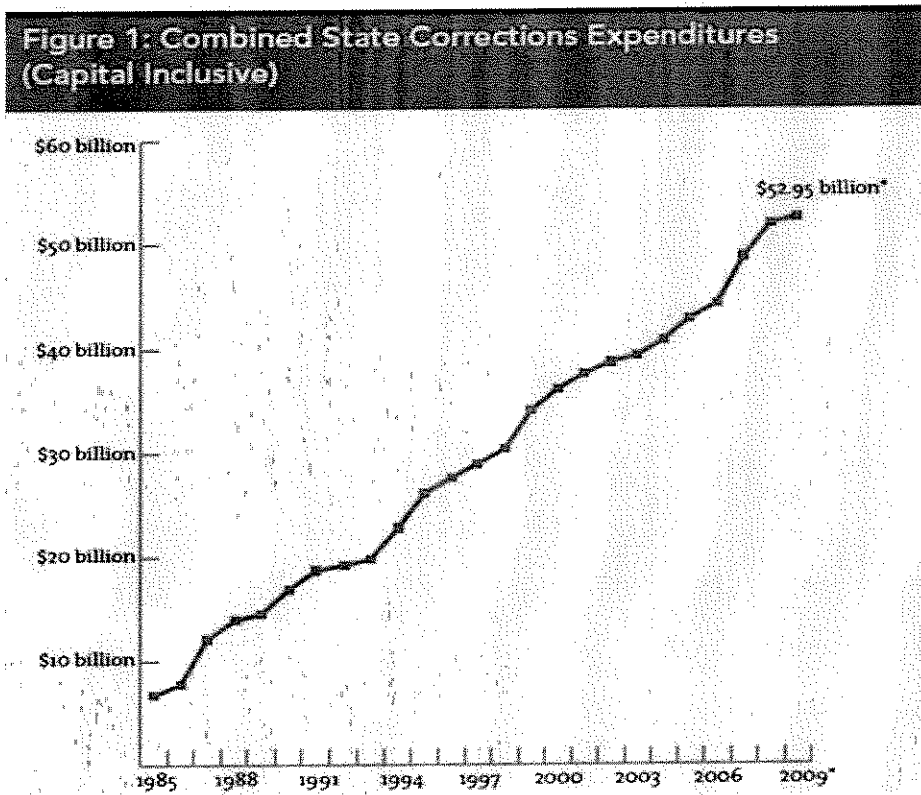
Property Crime: -2.7% Decrease

Source: FBI, Crime in the United States, 2010, Table 4

This data shows that since there is a decrease in crime there are less prisoners locked up into jail. Since that is the case less employees are needed at prisons and jails which saves government spending a

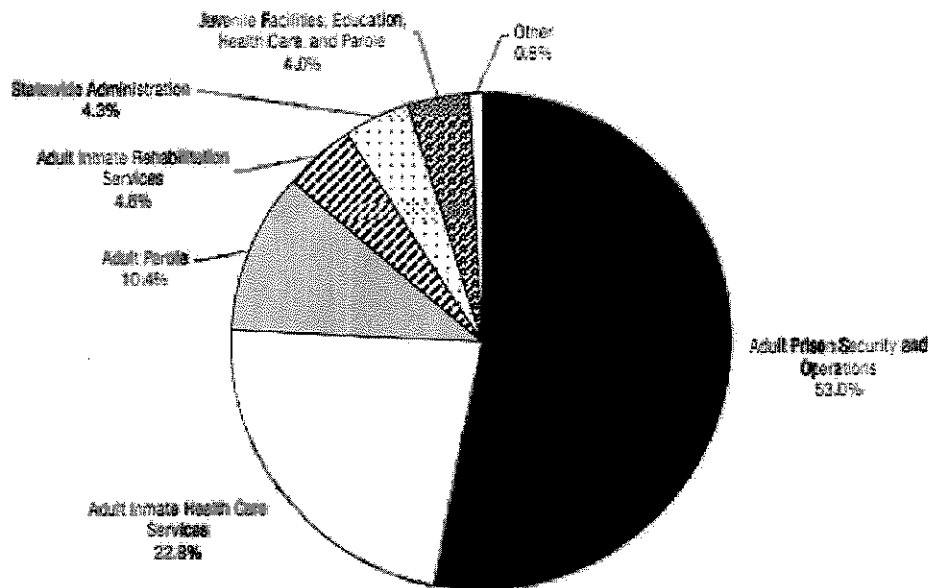
lot which can be distributed to other resources such as the education system etc.

But looking at the data below, it still shows us that the numbers are continuously rising at a startling rate.



Even though the crime rate has lessened the growth still increases slightly but not as much as like the previous years. But as long as less people are locked up for minor crimes, the less money prisons require from government payment.

Now looking into where money is given to a prison at one point of time, the money has to be distributed in order for the institution to manage its inmates and that the prison is fully operational. As well as paying for management and services, guards must also be paid for their work.

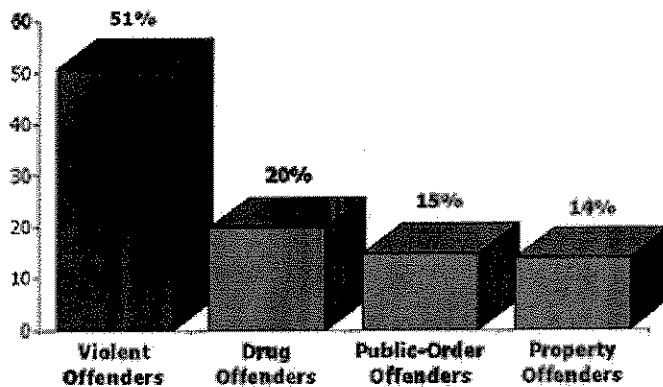


In the figure above us it shows on average for every prison nationwide where the money is specifically being distributed in segregated departments. Health care services offer dental as well and pays for all supplies needed. Funds are also invested into inmate rehabilitation programs. These programs also include drug/alcohol treatment classes, anger management training, work and exercise programs and even work ethic education. Adult prison security and operations is basically making sure all faculty as well as prison guards to get paid for the services and duties given as well as employee benefits. As you can see most than half of the money that is given annually is spent on paying the people who enforce the

prisons.

So how can we lower the cost of prison spending so that we may be able to invest more money into programs such as the education system or create more jobs?

## Who Fueled Prison Growth Over Past Decade?



Source: U.S. Bureau of Justice Statistics

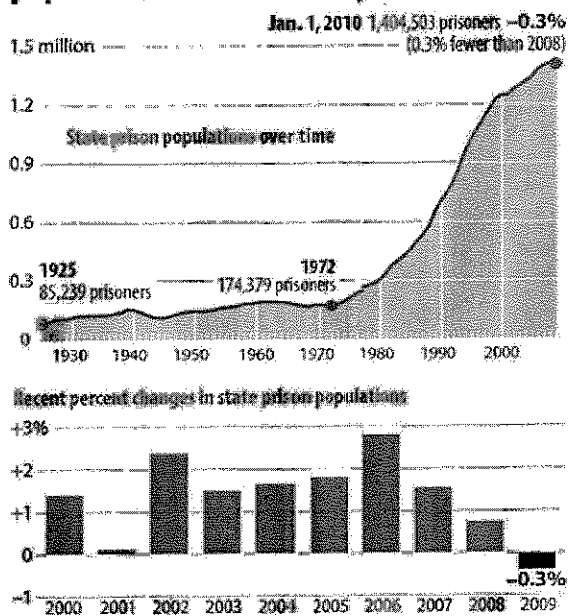
Since most of the offenders have committed violent actions, there are alternatives to save money by putting people into prison. As for example such people that have committed crimes with actions of using or abusing drugs, programs can be created for rehabilitation instead of sending people behind bars. By creating programs to send criminals to go through the experience of rehabilitation, trends show that drug rehab programs can have a high chance of making sure that criminal does not make the same mistake twice. About half the population of criminals incarcerated, are people who are returning criminals and are just prisoners who do not learn lessons. Public-order offenders and well as property offenders



may have similar programs that would be able to save more money in the pocket and being able to distribute money to other programs.

So going into 2010-2011 have we started to make plans on saving money? The question is yes, knowing that 2010 is the first year noticed of a decrease in prisoner admissions. From the last 20 years it just have scaled more on the ladders and not decreasing at any rate. The data on the bottom shows the incline and decline of the national prison population.

### After surging for decades, state prison populations declined last year



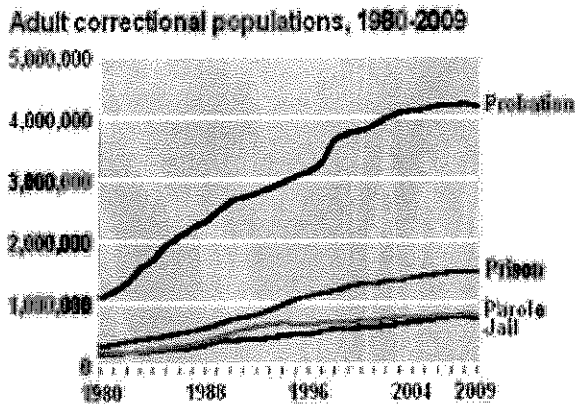
SOURCES: US Department of Justice, Bureau of Justice Statistics; Pew Center on the States, Public Safety Performance Project.

RICH CLARKE/STAFF

Looking at the years passing by, from 2008 going into 2009 and 2010, it was reported that they have analyzed information to notice a 0.3% decrease in the prison population. With these kind of rates the

United States are gradually saving money annually as time progresses.

Now to find out how many people out of the prison system is currently under correctional supervision a.k.a. a probation and parole.



As you notice in the figure above, the rate or people being incarcerated in prison, jail corrections, and under parole slightly stay stable but as for people under correctional supervision such as probation is hiking rapidly. Because of this, U.S government is saving millions and millions dollars of not putting all first time offender's such as people who are committing petty crimes or minor property crimes. Many people who are accused first time are drug related cases and do not need to have the need to put these people in long terms of imprisonment. Programs have been created such as anti drug programs to help rehabilitate the users who were caught my law enforcement.

Managing inmates as you have read earlier in this report is actually pretty expensive even just managing a single inmate. Even out of all the data collected, the price of phone calls is unavailable for inquiring but as you know can cost prisons a lot of money annually.

Now let's take a minute to do the math.

**Total Correctional Population: 7,328,200**

Prison Population – 1,512,576

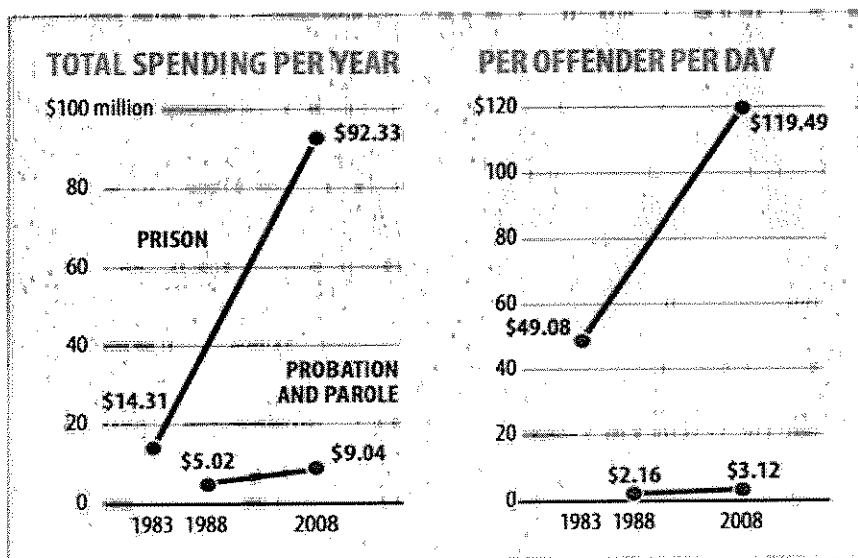
Jail Population – 780,581

\*Probation Population – 4,293,163

\*Parole Population – 824,365

SOURCE: Calculation based on data from the Bureau of Justice Statistics "Prisoners at Yearend 2007"

With the data above listed, take a look below and on the graph shows how much money annually and per day it is in contrasting how much money it takes to manage a inmate prisoner compared to putting an offender on probation/parole.



1 day of prison (\$119.49) = 38 days of probation and parole

The table listed on page 26 of this research is a survey of statistics taken from the state of Maine on how much they spent in Fiscal Year 2008. Using this as an example you notice that so much more money can be saved if they evaluated all prisoners and decide if they want to put someone on probation and show that they can learn something or if they will be sentenced to serve time in prison for a crime that is drastic in its case.

### **Conclusion**

There are two ways that our government will be able to lower costs of managing these prison/jail inmates and by putting them on probation or parole.

#### **Reduce Prison Admissions:**

##### *Front End: Sentencing and Diversion*

Drug courts can lower the rate of crime and addiction of the drug by issuing frequent drug tests and continuing services for treatment and being able to implement higher penalties for crime violations.

Comprehensive sentencing guidelines that states have the choice by investigating the case of an offender to later issue if that person is going to need to serve jail time or if they will be able to embark on community services.

##### *Back End: Accountability for Parole and Probation*

Intermediate sanctions like day reporting centers for offenders who break their probation or parole guidelines to be handled swift and certain of the case.

Performance incentives for people who are showing responsibility and good behavior to then be allocated such as people like victim restitution or child support cases.

**Reduce Length of Stay:**

*Release: Risk Reduction before reentry*

Risk Reduction Credits that allow slightly earlier release for inmates who complete treatment and education programs designed to aid people with problems causing repetitive crime habits.

Risk-Based release instruments that use analysis of bad crime habits and aid the decision of authorities who should still remain behind bars and who will be able to be released.

Sufficient program availability in prisons and the community so release isn't delayed because inmates cannot complete requirements.

So there you have it. Every year that passes by so much money is being spent and invested into these prison systems which after looking at all the data we can decipher that we are able to save so much money if we make the right choices as it is clear the right choices are in front of us.

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