



The Impact of the Criminal Legal System on Economic Stability and Mobility

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Economic mobility is a foundational component of the American dream, but the criminal legal system acts in multiple ways to undermine that dream. It disproportionately targets poor people and *creates, exacerbates, and entrenches* poverty and wealth disparity. Contact with our police, jails, courts and prisons has robbed millions of Americans of their earning potential and their ability to meet their family's basic needs.

There are two primary ways this system limits economic stability. Being arrested or incarcerated *suppresses income* through job loss, barriers to job acquisition, reduced future earnings, limited wages available post-release, poor economic mobility, loss of ability to achieve generational wealth, and the widening racial wealth gap. It also *extracts wealth* from people who have been entangled in the system through layers of associated costs, fines, fees, and other financial punishments. Countless predatory financial mechanisms exist—within, relying on, or alongside the criminal legal system—to *keep poor people poor*, thus creating a cycle of poverty and incarceration that endangers public safety.

Being arrested, jailed, or incarcerated suppresses income.

I. Arrest and incarceration reduce future earnings.

- A. **Being in prison leads to a 52% reduction in annual earnings** and slower earnings growth over a lifetime, leading to a loss of \$500,000 over several decades.¹
 - 1. People convicted of a felony but not imprisoned see annual earnings reduced by an average of 22%.²

¹ Craigie, T.A., Grawert, A., Kimble, C., & Stiglitz, J.E. (2020). *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.

² Craigie, T.A., Grawert, A., Kimble, C., & Stiglitz, J.E. (2020). *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.

2. Even a misdemeanor—something as minor as shoplifting—can reduce earnings by 16% annually.³
- B. One study found that, by age 48, a person who has been incarcerated will have earned \$179,000 less than if they had never been incarcerated.⁴
 - C. Due to lower earnings, the total amount of money lost annually by all people with a criminal conviction or who have spent time in prison is at least \$370 billion.⁵
 1. The amount that the average formerly incarcerated person loses is more than the entire lifetime earnings of someone who spends their life at the poverty line.⁶
 - D. These impacts are, unsurprisingly, racialized.
 1. Though incarceration negatively impacts employment and earnings for all racial groups, Black and Latinx people see disproportionately severe consequences after controlling for health, social background, criminal legal system involvement, and educational attainment.⁷
 2. White people who have been to prison miss out on about \$270,000 over their lifetimes (compared with socioeconomically similar White people who have not spent time in prison). For formerly incarcerated Black and Latinx people, that number is nearly \$360,000 and over \$510,000, respectively.⁸
 3. One study found that earning losses were greatest for Black and Indigenous formerly incarcerated people, and these disparities actually grew over time. This suggests that the negative impacts of incarceration on future earnings weakened over time for White people more than they did for non-White people.⁹

II. Finding and maintaining employment post-release is extremely difficult.

³ Grawert, A. & Craigie, T.A. (2020). *Mass Incarceration Has Been a Driving Force of Economic Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>.

⁴ *Collateral Costs: Incarceration's Effect on Economic Mobility*. (2010). The Pew Charitable Trusts. https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pcs_assets/2010/collateralcosts1pdf.pdf.

⁵ Grawert, A. & Craigie, T.A. (2020). *Mass Incarceration Has Been a Driving Force of Economic Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>.

⁶ Craigie, T.A., Grawert, A., Kimble, C., & Stiglitz, J.E. (2020). *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.

⁷ Western, B. & Sirois, C. (2019). Racialized Re-entry: Labor Market Inequality After Incarceration. *Social Forces*, 97(4): 1517-1542. <https://static1.squarespace.com/static/5c8e74cd94d71a16ff94b536/t/5d255f9c3a7a090001ae75d1/1562730401246/Racialized+Re-entry+Labor+Market+Inequality+After+Incarceration.pdf>.

⁸ Grawert, A. & Craigie, T.A. (2020). *Mass Incarceration Has Been a Driving Force of Economic Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>.

⁹ Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

- A. Being arrested or incarcerated leads to missed shifts, layoffs, or firing.¹⁰
- B. In 2010, more young (20 to 34-year-old) Black men without a high school diploma/GED were currently behind bars (37%) than employed (26%).¹¹
- C. A vast portion of the unemployed population has interacted with the criminal legal system: by age 35, 64% of unemployed men have been arrested and 46% have been convicted.¹²
- D. Formerly incarcerated people are unemployed at a rate of over 27% – 5 times higher than the total U.S. unemployment rate during any period in history, including the Great Depression.¹³
 - 1. Some believe these numbers can be explained by race (i.e. Black people are overrepresented in the criminal legal system and Black populations have lower employment rates). This is not the case: a Prison Policy Initiative study disaggregating employment data by race and gender found that the unemployment rate of each formerly incarcerated group remained higher than comparable groups in the general public. This demonstrates that **racial and demographic characteristics alone cannot explain this disparity: it is *the fact of incarceration* that correlates with lower employment rates.**¹⁴
- E. Of over 50,000 people released from federal prisons in 2010, 33% found no employment at all over 4 years post-release.¹⁵
- F. One study found that it took formerly incarcerated people an average of over 6 months to find their first job after release.¹⁶
 - 1. And the average person had 3.4 jobs over 4 years, indicating employment instability.¹⁷
- G. Much of this is due to discrimination in employment processes.

¹⁰ Smyth, M. (September 13, 2009). *From Arrest to Reintegration: A Model for Mitigating Collateral Consequences of Criminal Proceedings*. The Bronx Defenders. <https://www.bronxdefenders.org/from-arrest-to-reintegration-a-model-for-mitigating-collateral-consequences-of-criminal-proceedings/>.

¹¹ *Collateral Costs: Incarceration's Effect on Economic Mobility*. (2010). The Pew Charitable Trusts.

https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pes_assets/2010/collateralcosts1pdf.pdf.

¹² Bushway, S., Cabrerios, I., Paige, J.W., Schwam, D., Wenger, J.B. (2022). *Barred from employment: More than half of unemployed men in their 30s had a criminal history of arrest*. Science. <https://www.science.org/doi/10.1126/sciadv.abj6992>.

¹³ Couloute, L. & Kopf, D. (2018). *Out of Prison & Out of Work: Unemployment among formerly incarcerated people*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>.

¹⁴ Couloute, L. & Kopf, D. (2018). *Out of Prison & Out of Work: Unemployment among formerly incarcerated people*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>.

¹⁵ Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

¹⁶ Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

¹⁷ Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

1. **The majority of employers—by some measures, over 80%¹⁸--rely on criminal background checks in the hiring process,¹⁹ impacting employment opportunities for the 70 million Americans who have a criminal record (20% of the population).²⁰**
2. A 2012 survey found that 86% of employers reported using criminal background checks to evaluate some candidates and 69% reported using them for *all* candidates.²¹
3. Research suggests that a criminal conviction reduces the likelihood that a job applicant will receive a call-back from an employer by 50% for White applicants and by nearly two thirds for Black applicants.²²
4. **A conviction—even for crimes as small as misdemeanors—makes people ineligible for certain jobs and licenses.²³**
 - a) Of the over 45,000 regulations imposing [collateral consequences](#) on people involved in the carceral system, 62% limit employment or occupation licensing eligibility.²⁴
 - b) Ironically, formerly incarcerated people are often ineligible for licenses for jobs they trained for or performed in prison: for example, formerly incarcerated people in California were ineligible to become firefighters, even though many of them fought wildfires during their incarceration, earning below minimum wage.²⁵
 - c) Today, over 27,000 rules bar formerly incarcerated people from holding certain occupational licenses, including licenses to become a nurse, a

¹⁸ *How Human Resource Professionals View the Use and Effectiveness of Background Screening Methods*. (2018). National Association of Professional Background Screeners. <https://pubs.thebpsa.org/pub.cfm?id=9E5ED85F-C257-C289-9E8E-A7C7A8C58D00>.

¹⁹ *Background Checking—The Use of Criminal Background Checks in Hiring Decisions*. (2012). Society for Human Resource Management. <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/criminalbackgroundcheck.aspx>.

²⁰ Grawert, A. & Craigie, T.A. (2020). *Mass Incarceration Has Been a Driving Force of Economic Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>.

²¹ *Background Checking—The Use of Criminal Background Checks in Hiring Decisions*. (2012). Society for Human Resource Management. <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/criminalbackgroundcheck.aspx>.

²² Pager, D. (March 2003). The Mark of a Criminal Record. *American Journal of Sociology*, 108(5): 937-75. https://scholar.harvard.edu/files/pager/files/pager_ajs.pdf.

²³ Craigie, T.A., Grawert, A., Kimble, C., & Stiglitz, J.E. (2020). *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.

²⁴ Duane, M., La Vigne, N., Lynch, M., & Reimal, E. (March 2017). *Criminal Background Checks*. Urban Institute. https://www.urban.org/sites/default/files/publication/88621/2001174_criminal_background_checks_impact_on_employment_and_recidivism_2.pdf.

²⁵ Oakford, P., Brumfield, C., Goldvale, C., Tatum, L., diZerega, M., & Patrick, F. (January 2019). *Investing in Futures: Economic and Fiscal Benefits of Postsecondary Education in Prison*. Vera Institute of Justice. <https://www.vera.org/publications/investing-in-futures-education-in-prison>.

barber, a cosmetologist,²⁶ a roofer, a property manager,²⁷ and even a bingo operator.²⁸

III. Often, the only jobs available to formerly incarcerated people are low-wage, low-growth jobs

- A. When formerly incarcerated people do find work, it is often in positions with very low pay and few opportunities for growth and advancement: the majority of employed people recently released from prison have an income that puts them well below the poverty line.²⁹
 - 1. This is especially true for formerly incarcerated women of color. When 80% of women in jails and 58% of women in prisons are mothers,³⁰ this low pay relegates entire families to poverty.
- B. In a study on people released from prison in Indiana, about half of those who found work had an annual income of less than \$5,000.³¹
- C. One study found that, in the first few months after release, formerly incarcerated people earned only 53% of the median U.S. worker's wage, and even after 4 years of pursuing stable employment, they were making less than 84 cents for every dollar of the U.S. median wage (which was about \$28,851 per year at the time).³²
- D. Though it is massively difficult for formerly incarcerated people to secure employment, they can be punished for failure to do so: many are on some form of supervised release, including [probation or parole](#), meaning they often have to maintain employment or face reincarceration.³³

IV. Quality employment reduces recidivism,³⁴ yet formerly incarcerated people face immense barriers to secure it.³⁵

²⁶ Rodriguez, M.N. & Avery, B. (April 2016). *Unlicensed & Untapped: Removing Barriers to State Occupational Licenses for People with Records*. National Employment Law Project. <https://www.nelp.org/publication/unlicensed-untapped-removing-barriers-state-occupational-licenses/>.

²⁷ Skorup, J. (November 21, 2017). *The Most Bizarre Licenses in Michigan*. Michigan Capital Confidential. <https://www.michigancapitalconfidential.com/the-most-bizarre-licenses-in-michigan>.

²⁸ 9 NYCRR §§ 4820-4831.19. New York State Gaming Commission. [https://www.gaming.ny.gov/pdf/New%20York%20State%20Gaming%20Commission%20rules%20Chapter%20II.%20Subchapter%20E%20\(Charitable%20Gaming.%20Bingo%20Conduct%20of%20Games.%20Hearings.%20Appeals\)%20updated%202015-06.pdf](https://www.gaming.ny.gov/pdf/New%20York%20State%20Gaming%20Commission%20rules%20Chapter%20II.%20Subchapter%20E%20(Charitable%20Gaming.%20Bingo%20Conduct%20of%20Games.%20Hearings.%20Appeals)%20updated%202015-06.pdf).

²⁹ Couloute, L. & Kopf, D. (2018). *Out of Prison & Out of Work: Unemployment among formerly incarcerated people*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>.

³⁰ Sawyer, W. & Bertram, W. (2022). *Prisons and jails will separate millions of mothers from their children in 2022*. Prison Policy Initiative. https://www.prisonpolicy.org/blog/2022/05/04/mothers_day/.

³¹ Nally, J.M., Lockwood, S.R., & Ho, T. (June 2011). Employment of Ex-Offenders During the Recession. *Journal of Correctional Education*, 62(2): 117-131. <https://www.jstor.org/stable/23282666>.

³² Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

³³ Wang, L. & Bertram, W. (2022). *New data on formerly incarcerated people's employment reveal labor market injustices*. Prison Policy Initiative. <https://www.prisonpolicy.org/blog/2022/02/08/employment/>.

³⁴ Schnepel, K.T. (2017). Good Jobs and Recidivism. *The Economic Journal*, 128(608): 447-469. Doi: 10.1111/ecoj.12415.

³⁵ Couloute, L. & Kopf, D. (2018). *Out of Prison & Out of Work: Unemployment among formerly incarcerated people*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>.

- A. One study found that, within 600 days post-incarceration, nearly twice as many employed people survived without an arrest as their unemployed counterparts (42% compared to 24%).³⁶
- B. Some research suggests that it is not access to just any job, but access to “good” jobs (jobs that are stable, full-time, higher quality, and are the same or similar to the job the person held pre-incarceration) that reduces likelihood of recidivism.³⁷
 1. For example, a 2008 study found that people making over \$10/hour were half as likely to recidivate as those making less than \$7/hour.³⁸
- C. Programs that help formerly incarcerated people secure jobs post-release have seen significant success not only in helping people stay employed, but also in reducing recidivism.
 1. Only 2.5% of participants of The Work and Gain Education and Employment Skills (WAGEES) program in Colorado returned to prison for committing new crimes after two years (the rate was 15% if you include technical violations).³⁹ Those are promising results, as many studies estimate that around 50% of formerly incarcerated people return to prison in that same timeframe.^{40, 41}
 2. The Department of Labor pilot program, Linking to Employment Activities Pre-Release (LEAP), improved workplace readiness by 85% and participants had a recidivism rate of 20% after one year post-release (significantly lower than national trends).^{42, 43}

³⁶ Berg, M.T. & Huebner, B.M. (April 2011). Reentry and the Ties that Bind: An Examination of Social Ties, Employment, and Recidivism. *Justice Quarterly*, 28(2). <https://www.pacific-gateway.org/reentry.%20employment%20and%20recidivism.pdf>.

³⁷ Ramakers, A., Nieuwbeerta, P., Wilsem, J.V., & Dirkzwager, A. (2016). Not Just Any Job Will Do: A Study on Employment Characteristics and Recidivism Risks After Release. *International Journal of Offender Therapy and Comparative Criminology*, 67(16): 1795–1818. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5669259/>.

³⁸ Visher, C., Debus, S., & Yahner, J. (2008). *Employment after Prison: A Longitudinal Study of Releasees in Three States*. Urban Institute. <https://www.urban.org/sites/default/files/publication/32106/411778-Employment-after-Prison-A-Longitudinal-Study-of-Releasees-in-Three-States.PDF>.

³⁹ Thomson, C., Sakala, L., King, R., & Harvell, S. (February 2018). *Investing Justice Resources to Address Community Needs*. Urban Institute. https://www.urban.org/sites/default/files/publication/96341/investing_justice_resources_to_address_community_needs.pdf.

⁴⁰ Hunt, K.S. & Dumville, R. (March 2016). *Recidivism Among Federal Defendants: A Comprehensive Overview*. United States Sentencing Commission. https://www.ussc.gov/sites/default/files/pdf/research-and-publications/research-publications/2016/recidivism_overview.pdf.

⁴¹ Antenangeli, L. & Durose, M.R. (September 2021). *Recidivism of Prisoners Released in 24 States in 2008: A 10-Year Follow-Up Period (2008–2018)*. Bureau of Justice Statistics.

<https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/rpr24s0810yfup0818.pdf>.

⁴² Duwe, G. & Henry-Nickie, M. (April 2021). *A better path forward for criminal justice: Training and employment for correctional populations*. Brookings. <https://www.brookings.edu/research/a-better-path-forward-for-criminal-justice-training-and-employment-for-correctional-populations/>.

⁴³ Antenangeli, L. & Durose, M.R. (September 2021). *Recidivism of Prisoners Released in 24 States in 2008: A 10-Year Follow-Up Period (2008–2018)*. Bureau of Justice Statistics. <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/rpr24s0810yfup0818.pdf>.

The criminal legal system extracts wealth.

- I. Even before a person has been convicted, the costs of pretrial services and the trial process are immense.
 - A. The median bail amount for felonies in the U.S. is \$10,000.⁴⁴ If a person is unable to pay bail, they may be jailed pretrial (around $\frac{2}{3}$ of the overall jail population is incarcerated for failure to pay bail), which can lead to a host of poorer life outcomes, including job loss, higher rates of future criminal legal system contact, a greater likelihood of a guilty plea, longer sentences, and emotional and financial stress.⁴⁵
 - B. In order to avoid pretrial detention, many people who cannot afford bail pay a private agent (a bondsman) a portion of the amount and collateral.
 1. This cost is nonrefundable, even if the trial ends without a conviction.⁴⁶
 2. The bail bond industry has grown into a \$2 billion industry and is famously predatory.⁴⁷
 3. These agreements are often purposefully confusing, trapping people in expensive payment plans.⁴⁸
 - C. Many jurisdictions require accused people to pay private companies for electronic ankle monitoring pretrial, the fees for which can cost \$2,800 to over \$5,000 per year.⁴⁹
 - D. Diversion programs, which are often touted as progressive ways to route people out of the criminal legal system, are often unaffordable. Many are run by private companies that collect exorbitant fees: one study of 225 diversion programs across 37 states found that fees can range up to \$5,000 for a single offense.⁵⁰
 - E. People are also often charged for a shocking number of trial- and court-related fines and fees.⁵¹ Most courts impose these fees based on the idea that accused people are “users” of the court. These might include court cost fees, fines and forfeiture fees, prosecution fees, court clerk fees, filing clerk fees, DNA database fees, jury fees, or crime lab analysis fees.⁵²

⁴⁴ *The Ins and Outs of Bail*. (2020). The Marshall Project. <https://www.themarshallproject.org/2020/10/28/the-ins-and-outs-of-bail>.

⁴⁵ *The Ins and Outs of Bail*. (2020). The Marshall Project. <https://www.themarshallproject.org/2020/10/28/the-ins-and-outs-of-bail>.

⁴⁶ *The Ins and Outs of Bail*. (2020). The Marshall Project. <https://www.themarshallproject.org/2020/10/28/the-ins-and-outs-of-bail>.

⁴⁷ Silver-Greenberg, J. & Dewan, S. (2018). *When Bail Feels Less Like Freedom, More Like Extortion*. The New York Times. <https://www.nytimes.com/2018/03/31/us/bail-bonds-extortion.html>.

⁴⁸ *Justice-Involved Individuals and the Consumer Financial Marketplace*. (2022). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

⁴⁹ Weisburd, K. (2021). *Electronic Prisons: The Operation of Ankle Monitoring in the Criminal Legal System*. *George Washington University Law School*. <https://issuu.com/gwlawpubs/docs/electronic-prisons-report?fr=sOGI5NDcxODg3>.

⁵⁰ *Justice-Involved Individuals and the Consumer Financial Marketplace*. (2022). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

⁵¹ Martin, K.D., Sykes, B.L., Shannon, S., Edwards, F., & Harris, A. (2018). Monetary Sanctions: Legal Financial Obligations in U.S. Systems of Justice. *Annual Review of Criminology*, 1(1): 471-495. Doi: 10.1146/annurev-criminol-032317-091915.

⁵² Menendez, M., Eisen, L.B., Atchison, N., & Crowley, M. (2019). *The Steep Costs of Criminal Justice Fees and Fines*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/steep-costs-criminal-justice-fees-and-fines>.

1. Since 2008, almost every U.S. state has either increased the cost of criminal and civil court fees or added new ones.⁵³
2. **In many places, people who are represented by a public defender—who are, by definition, poor—end up paying for that representation.** As of 2017, 43 states used cost-recovery for public defenders and 27 states charged accused people for registration fees upfront, ranging up to \$480.⁵⁴

II. Incarceration itself is expensive.

- A. Often, people are literally forced to pay for their own incarceration. County and city jails often charge **“pay-to-stay” fees** for things like booking, room and board, medical treatments, and drug testing during incarceration. A Wisconsin study found that the average daily cost of pay-to-stay fees was \$13 per day.⁵⁵
- B. Though progress has been made in capping the cost of **phone calls** in state-run prisons, phone calls in county- and city-run jails can still cost \$1 per minute or more, and the private companies that manage the system often impose other hidden fees, further compounding the financial strain of incarceration on families.⁵⁶
 1. Studies have shown that phone calls with family members reduce risk of recidivism post-release.^{57, 58} But when phone access is expensive, it further exacerbates financial challenges, thus compounding the relationship between financial hardship post-release and recidivism.
- C. Paying for basic necessities while incarcerated adds up. One study found that **people in prison spend an average of nearly \$1,000 per year on commissary products in states where the average prison job pays \$180 to \$660 per year.**⁵⁹
 1. The majority of this money is spent on hygiene products and food (the food provided by prisons is famously unappealing, in small portions, and lacking nutritional content).⁶⁰
- D. In order to pay for these services during incarceration, people on the outside transfer money into their incarcerated family member’s commissary account. Management of

⁵³ Menendez, M., Eisen, L.B., Atchison, N., & Crowley, M. (2019). *The Steep Costs of Criminal Justice Fees and Fines*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/research-reports/steep-costs-criminal-justice-fees-and-fines>.

⁵⁴ Porter, D. (2017). *Paying for Justice: The Human Cost of Public Defender Fees*. American Civil Liberties Union. <https://law.yale.edu/sites/default/files/area/center/liman/document/pdf/fees-report.pdf>.

⁵⁵ Bliss, K. (2021). *Pay-to-Stay Fees Impoverish Prisoners, Increase Recidivism*. Prison Legal News. <https://www.prisonlegalnews.org/news/2021/mar/1/pay-stay-fees-impoverish-prisoners-increase-recidivism/>.

⁵⁶ Wagner, P. & Jones, A. (2019). *State of Phone Justice: Local jails, state prisons and private phone providers*. Prison Policy Initiative. https://www.prisonpolicy.org/phones/state_of_phone_justice.html.

⁵⁷ Wang, L. (2021). *Research roundup: The positive impacts of family contact for incarcerated people and their families*. Prison Policy Initiative. https://www.prisonpolicy.org/blog/2021/12/21/family_contact/#:~:text=Consistent%20phone%20calls%20to%20family%20impr,ove%20relationships&text=As%20with%20visitation%2C%20family%20phone,odds%20of%20returning%20to%20prison.

⁵⁸ Barrick, K., Lattimore, P.K., & Visher, C.A. (June 11, 2014). Reentering Women: The Impact of Social Ties on Long-Term Recidivism. *The Prison Journal*, 94(3). <https://journals.sagepub.com/doi/full/10.1177/0032885514537596>.

⁵⁹ Raher, S. (2018). *The Company Store: A Deeper Look at Prison Commissaries*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/commissary.html>.

⁶⁰ Raher, S. (2018). *The Company Store: A Deeper Look at Prison Commissaries*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/commissary.html>.

this process is often run by private companies that impose fees for transferring funds.⁶¹

III. Even after release from prison, the criminal legal system hinders financial stability.

- A. 4.4 million Americans (1 in 75) are on [probation or parole](#) after release,⁶² and are often required to pay supervision fees ranging from hundreds to thousands of dollars as well as other fees for mandatory post-release services like mental health counseling, electronic monitoring, or drug testing.⁶³
- B. When a person is released from prison, the money left in their commissary account is usually returned to them on a prepaid debit card, often called a jail or prison release card. The person does not have a choice but to accept this form of payment, and it is usually accompanied by fees for activation, account maintenance, transactions, ATM withdrawals, transfers, balance inquiries, inactivity, or cancellations.⁶⁴ In other words, after leaving prison, people have to pay to access their own money.
- C. Opening a bank account post-release can be difficult, as it often requires photo identification (driver's licenses are often suspended for criminal legal system debt), proof of address (people leaving prison may not have a permanent living situation established), or a credit check (which may show negative results if the person has unpaid fees or other incarceration-related credit issues).⁶⁵
- D. Across the U.S., thousands of families lose access to Temporary Assistance to Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) benefits as a result of a drug felony conviction.⁶⁶ These bans, along with other [bans on public benefits](#) that impact people with convictions,⁶⁷ harm economic stability.
- E. The burden of a criminal record (which makes it incredibly difficult to secure employment, [housing](#), public benefits, [and more](#)), in addition to the overwhelming rules and surveillance associated with probation and parole,⁶⁸ make economic stability post-release incredibly difficult.

IV. The [debt](#) accumulated from criminal legal system involvement intertwines with existing debts resulting from poverty.

⁶¹ *Justice-Involved Individuals and the Consumer Financial Marketplace*. (2022). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

⁶² Minton, T., Beatty, L.G., & Zeng, Z. (2021). *Correctional Populations in the United States, 2019 – Statistical Tables*. Bureau of Justice Statistics. <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/cpus19st.pdf>.

⁶³ *Press Release: National Examination of Probation & Parole Fees Finds Widespread Imposition in Nearly All 50 States*. (2022). Fines and Fees Justice Center. <https://finesandfeesjusticecenter.org/2022/05/10/press-release-national-examination-of-probation-parole-fees-finds-widespread-imposition-in-nearly-all-50-states/>.

⁶⁴ *Justice-Involved Individuals and the Consumer Financial Marketplace*. (2022). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

⁶⁵ *Justice-Involved Individuals and the Consumer Financial Marketplace*. (2022). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

⁶⁶ Mauer, M. & McCalmont, V. (September 2015). *A Lifetime of Punishment: The Impact of the Felony Drug Ban on Welfare Benefits*. The Sentencing Project. <https://www.sentencingproject.org/app/uploads/2022/08/A-Lifetime-of-Punishment.pdf>.

⁶⁷ *The Criminal Legal System Restricts Access to Public Benefits*. (March 2023). Partners for Justice. <https://www.partnersforjustice.org/evidence/public-benefits-access-and-the-criminal-system>.

⁶⁸ Jones, A. (December 2018). *Correctional Control 2018: Incarceration and Supervision by State*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/correctionalcontrol2018.html>.

- A. People involved in the criminal legal system are significantly more likely to be poor and in debt,⁶⁹ and their experience with arrest and incarceration only intensifies that debt, making it one of the many insurmountable barriers the criminal legal system imposes to keep people poor.
- B. Non-legal “outside” debt accumulates while a person is going through the criminal legal process: when a person is arrested, they leave other bills and financial obligations behind, such as unpaid credit cards, child support, rent, or utility bills.⁷⁰
- C. Having criminal legal debt reduces credit scores.⁷¹ This makes it significantly harder to get a phone, find a good job, buy a car, rent an apartment, or open a utility account.⁷²
- D. A report in Alabama found that **83% of formerly incarcerated people gave up necessities such as rent, food, medical bills, car payments, and child support in order to pay their court debt.**⁷³
 - 1. 50% of those surveyed had been jailed for failure to pay court debts. 44% relied on payday loans to pay court debt. 38% committed a crime to pay their court debt.⁷⁴
- E. Debt is tied to recidivism: one study found that, within 2 years post-release, owing a greater amount in legal debt at case closing was significantly correlated with recidivism risk for youth.⁷⁵

The impact of criminal legal system involvement on economic stability is long-term and far-reaching.

I. The loss of economic mobility persists throughout a person’s lifetime.

- A. 67% of formerly incarcerated men who were in the lowest fifth of male earnings in 1986 remained in the lowest fifth 20 years later, compared to only 33% of their non-formerly-incarcerated counterparts.⁷⁶

⁶⁹ Harper, A., Ginapp, C., Bardelli, T., Grimshaw, A., Justen, M., Mohamedali, A., Thomas, I., & Puglisi, L. (2021). Debt, Incarceration, and Re-entry: a Scoping Review. *American Journal of Criminal Justice*, 46(2): 250-278. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7417202/>.

⁷⁰ Harper, A., Bardelli, T., & Barringer, S. (2020). “Let Me Be Bill-free”: Consumer Debt in the Shadow of Incarceration. *Sociological Perspectives*, 63(6): 978-1001. Doi: 10.1177/0731121420968124.

⁷¹ Pleggenkuhle, B. (2017). The Financial Cost of a Criminal Conviction: Context and Consequences. *Criminal Justice and Behavior*, 45(1): 1-25. Doi: 10.1177/0093854817734278.

⁷² Harper, A., Bardelli, T., & Barringer, S. (2020). “Let Me Be Bill-free”: Consumer Debt in the Shadow of Incarceration. *Sociological Perspectives*, 63(6): 978-1001. Doi: 10.1177/0731121420968124.

⁷³ *Under Pressure: How fines and fees hurt people, undermine public safety, and drive Alabama’s racial wealth divide.* (2018). Alabama Appleseed Center for Law and Justice. <https://www.alabamaappleseed.org/wp-content/uploads/2018/10/AA1240-FinesandFees-10-10-FINAL.pdf>.

⁷⁴ *Under Pressure: How fines and fees hurt people, undermine public safety, and drive Alabama’s racial wealth divide.* (2018). Alabama Appleseed Center for Law and Justice. <https://www.alabamaappleseed.org/wp-content/uploads/2018/10/AA1240-FinesandFees-10-10-FINAL.pdf>.

⁷⁵ Piquero, A.R. & Jennings, W.G. (2016). Research Note. *Youth Violence and Juvenile Justice*, 15(3): 325-340. Doi: 10.1177/1541204016669213.

⁷⁶ *Collateral Costs: Incarceration’s Effect on Economic Mobility.* (2010). The Pew Charitable Trusts. https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pes_assets/2010/collateralcosts1pdf.pdf.

- B. Over 20 years, about 7 times more non-formerly-incarcerated men advanced from the bottom fifth of the earnings distribution to the top fifth than formerly incarcerated men.⁷⁷
- C. Due to long-term—often lifetime—bans on access to some public benefits, barriers to financial assistance persist long after a person has finished serving their time.⁷⁸

II. These consequences put generational wealth out of reach for families.

- A. Earnings lost due to incarceration could have been spent on things that help people break out of poverty (education, buying a home).⁷⁹
- B. Incarceration decreases the likelihood of homeownership, creating barriers to housing security and making it nearly impossible for families who have been impacted by prosecution to pass wealth down to their kids.⁸⁰
 - 1. One study found that conviction is associated with a 20% decrease in the odds of homeownership, and incarceration is associated with an additional 23% decrease.⁸¹
 - 2. Another study found that incarceration reduces a person's likelihood of homeownership by 28 percentage points.⁸²
- C. One study on recently incarcerated fathers found that incarceration made it less likely that participants would own a bank account, a vehicle, and a home, all of which are wealth-generating opportunities. These results extended to the romantic partners of these men as well.⁸³
 - 1. Only 1/3 (22%) of recently incarcerated fathers owned a bank account, compared with 65% of not recently incarcerated fathers.
 - 2. Recently incarcerated fathers were less likely to report vehicle ownership (45% compared to 80%)

⁷⁷ *Collateral Costs: Incarceration's Effect on Economic Mobility*. (2010). The Pew Charitable Trusts.

https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pes_assets/2010/collateralcosts1pdf.pdf.

⁷⁸ *The Criminal Legal System Restricts Access to Public Benefits*. (March 2023). Partners for Justice.

<https://www.partnersforjustice.org/evidence/public-benefits-access-and-the-criminal-system>.

⁷⁹ Grawert, A. & Craigie, T.A. (2020). *Mass Incarceration Has Been a Driving Force of Economic Inequality*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>.

⁸⁰ Schneider, D. & Turney, K. (2015). Incarceration and Black-White inequality in Homeownership: A state-level analysis. *Social Science Research*, 53: 403-414.

https://www.sciencedirect.com/science/article/pii/S0049089X15001192?casa_token=PWYct3mi3JAAAAA:mFdaFw1_Lf7PerEaVv3Pf_E9X3c8vq3n_20GvYep0QxDEL9QoF8xoq-eba73h1QnkNg4YUKRDk#s0080.

⁸¹ Bryan, B. (2019). *Criminal Justice Contact, Homeownership, and Implications for the Black-White Wealth Gap*. Joint Center for Housing Studies of Harvard University. <https://www.jchs.harvard.edu/blog/criminal-justice-contact-homeownership-and-implications-for-the-black-white-wealth-gap#:~:text=For%20example%2C%20%20find%20that,homeownership%2C%20all%20else%20held%20equal>.

⁸² Maroto, M.L. (2014). The Absorbing Status of Incarceration and its Relationship with Wealth Accumulation. *J. of Quant. Crimin.*, 31: 207-236. <https://link.springer.com/article/10.1007/s10940-014-9231-8>.

⁸³ Turney, K. & Schneider, D. (2016). Incarceration and Household Asset Ownership. *Demography*, 53(6): 2075-2103. <https://read.dukeupress.edu/demography/article/53/6/2075/167659/Incarceration-and-Household-Asset-Ownership>.

3. **Recently incarcerated fathers were nearly 7 times less likely to own a home** (less than 6% compared to 40%).

- D. A formerly incarcerated person's net worth decreases by an average of \$42,000 in the years after incarceration.⁸⁴
- E. Involvement in the criminal legal system makes it nearly impossible to accumulate wealth, thus harming entire families for generations.

III. **These consequences exacerbate the racial wealth gap.**

- A. People of color are more likely to come into contact with the criminal legal system: Black Americans are incarcerated in state prisons at almost 5 times the rate of White Americans, and Latinx Americans are incarcerated at 1.3 times the rate of White Americans.⁸⁵
- B. The net worth of a typical White family is 10 times that of a typical Black family.⁸⁶
 - 1. In 2016, the average wealth of White families (\$171,000) exceeded the median wealth of Black families (\$17,409) and Latinx families (\$20,920) by factors of around 10 and 8, respectively.⁸⁷
 - 2. This racial wealth gap has barely changed in the last 50 years.⁸⁸
- C. Every component of the relationships between the criminal legal system and economic instability (arrest, incarceration, debt accumulation, reduced earnings, unemployment, etc.) disproportionately harm Black people,^{89,90} meaning the associated financial consequences widen the racial wealth gap.
- D. Higher incarceration rates depress Black homeownership, thus widening racial disparities in homeownership.⁹¹
- E. Low wealth increases the risk of incarceration, and incarceration is associated with lower wealth, but race significantly compounds this mutually reinforcing

⁸⁴ Maroto, M.L. (2015). The Absorbing Status of Incarceration and its Relationship with Wealth Accumulation. *Journal of Quantitative Criminology*, 31: 307-236. <https://link.springer.com/article/10.1007/s10940-014-9231-8>.

⁸⁵ Nellis, A. (October 13, 2021). *The Color of Justice: Racial and Ethnic Disparity in State Prisons*. The Sentencing Project. <https://www.sentencingproject.org/reports/the-color-of-justice-racial-and-ethnic-disparity-in-state-prisons-the-sentencing-project/>.

⁸⁶ McIntosh, K., Moss, E., Nunn, R., & Shambaugh, J. (2020). *Examining the Black-White Wealth Gap*. Brookings Institution. <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>.

⁸⁷ Lei, S. (2017). *Nine Charts About Wealth Inequality in America*. Urban Institute. <https://apps.urban.org/features/wealth-inequality-charts/>.

⁸⁸ Aliprantis, D. & Carroll, D. (2019). *What Is Behind the Persistence of the Racial Wealth Gap?* Federal Reserve Bank of Cleveland. <https://www.clevelandfed.org/newsroom-and-events/publications/economic-commentary/2019-economic-commentaries/ec-201903-what-is-behind-the-persistence-of-the-racial-wealth-gap.aspx>.

⁸⁹ Nellis, A. (October 13, 2021). *The Color of Justice: Racial and Ethnic Disparity in State Prisons*. The Sentencing Project. <https://www.sentencingproject.org/reports/the-color-of-justice-racial-and-ethnic-disparity-in-state-prisons-the-sentencing-project/>.

⁹⁰ Couloute, L. & Kopf, D. (2018). *Out of Prison & Out of Work: Unemployment among formerly incarcerated people*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/outofwork.html>.

⁹¹ Turney, K. & Schneider, D. (2016). Incarceration and Household Asset Ownership. *Demography*, 53(6): 2075-2103. <https://read.dukeupress.edu/demography/article/53/6/2075/167659/Incarceration-and-Household-Asset-Ownership>.

relationship.⁹²

The criminal legal system harms the economic well-being of people's children and families.

- I. Nearly half of Americans have had a family member incarcerated.⁹³
- II. In 2016, people in U.S. prisons had an estimated 1,473,700 children.⁹⁴
- III. Family income averaged over the years a father is incarcerated is 22% lower than the year before a father is incarcerated. Even in the year after the father is released, family income remains 15% lower than it was the year before incarceration.⁹⁵
- IV. Children of incarcerated parents face lasting monetary hardship, are less likely to live in a two-parent home, and are less likely to have stable housing.⁹⁶
- V. People with loved ones incarcerated bear massive economic burdens. One study found that women represent 83% of the people paying court-related costs for family members.⁹⁷ Because Black people are overrepresented in the criminal legal system, this means Black women are disproportionately forced to pay for these jail and prison services.

Mass incarceration negatively impacts the U.S. economy as a whole.

- I. The carceral system costs the government and families of people who have been arrested or incarcerated at least \$182 billion every year.⁹⁸
 - A. Of that \$182 billion, families spend \$2.9 billion annually on prison services like commissary and phone calls and another \$1.4 billion for bail for their loved ones.⁹⁹
- II. Cyclical poverty inhibits profit for business owners: when people can't break out of poverty, they can't spend money in the economy.

⁹² Zaw, K., Hamilton, D., & Darity, W. (2016). *Race, Wealth and Incarceration: Results from the National Longitudinal Survey of Youth*. *Race and Social Problems*, 8: 103-115. <https://www.prisonpolicy.org/scans/wealthraceincarcerationrates.pdf>.

⁹³ *Every Second: The Impact of the Incarceration Crisis on American Families*. (December 2018). Fwd. <https://everysecond.fwd.us/about>.

⁹⁴ Maruschak, L. M., Bronson, J., & Alper, M. (2021). *Parents in Prison and Their Minor Children*. Bureau of Justice Statistics. <https://bjs.ojp.gov/content/pub/pdf/pptmcspi16st.pdf>.

⁹⁵ *Collateral Costs: Incarceration's Effect on Economic Mobility*. (2010). The Pew Charitable Trusts. https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pcs_assets/2010/collateralcosts1pdf.pdf.

⁹⁶ Geller, A., Garfinkel, I., Cooper, C., & Mincy, R. (2009). Parental Incarceration and Child Well-Being: Implications for Urban Families. *Social Science Quarterly*, 90(5): 1186-1202.

⁹⁷ DeVuono-Powell, S., Schweidler, C., Walters, A., & Zohrabi, A. (2015). *Who Pays? The True Cost of Incarceration on Families*. Ella Baker Center, Forward Together, Research Action Design. <http://whopaysreport.org/wp-content/uploads/2015/09/Who-Pays-FINAL.pdf>.

⁹⁸ Wagner, P. & Rabuy, B. (2017). *Following the Money of Mass Incarceration*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/money.html>.

⁹⁹ Wagner, P. & Rabuy, B. (2017). *Following the Money of Mass Incarceration*. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/money.html>.

III. 70 million Americans have a criminal record, and living with a criminal record severely hinders access to economic stability and mobility.¹⁰⁰

- A. This represents over 20% of the American population, meaning 20% of our country's population is currently unable to fully participate in the economy.

Conclusion

The criminal legal system targets low-income people while hindering economic mobility and stability. It suppresses income, putting stable employment and livable wages out of reach. It directly extracts wealth, imposing overwhelming fines and fees and pushing people further and further into debt. Upon re-entry, the debt accumulated from criminal legal system involvement is nearly impossible to overcome.

When people have access to basic needs and can support themselves and their families, they are significantly less likely to engage in crime.^{101, 102, 103} But poverty and lack of access to support makes contact with law enforcement and recidivism more likely, thus creating a vicious cycle of poverty and incarceration. This cycle is not only a dangerous threat to public safety and harmful to the people impacted by it, but it is also incredibly expensive for American taxpayers.

Instead of spending billions of dollars every year on a punitive system that churns poor people in and out of jails and prisons and perpetuates violence, a significant shrinking of the criminal legal system that continuously keeps people poor is a critical anti-poverty intervention.

¹⁰⁰ Friedman, M. (2015). *Just Facts: As Many Americans Have Criminal Records as College Diplomas*. Brennan Center for Justice. <https://www.brennancenter.org/our-work/analysis-opinion/just-facts-many-americans-have-criminal-records-college-diplomas>.

¹⁰¹ Duwe, G. & Henry-Nickie, M. (April 2021). *A better path forward for criminal justice: Training and employment for correctional populations*. Brookings Institute. <https://www.brookings.edu/research/a-better-path-forward-for-criminal-justice-training-and-employment-for-correctional-populations/>.

¹⁰² Mauer, M. & McCalmont, V. (September 2015). *A Lifetime of Punishment: The Impact of the Felony Drug Ban on Welfare Benefits*. The Sentencing Project. <https://www.sentencingproject.org/app/uploads/2022/08/A-Lifetime-of-Punishment.pdf>.

¹⁰³ Yang, C.S. (2017). Does Public Assistance Reduce Recidivism. *American Economic Review: Papers and Proceedings*, 107(5): 551-555. DOI: 10.1257/aer.p20171001.