

The true cost of the American gulag: \$1 trillion a year

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A new report from Washington University in St. Louis, Missouri details the social and economic cost of imprisoning 2 million people in the United States. The study, “The Economic Burden of Incarceration,” from the university’s Concordance Institute for Advancing Social Justice, assesses the economic costs to individuals, families, and communities.

The United States imprisons more people than any other country on earth, per capita and in absolute numbers. The increase in incarceration since 1980 is staggering, from approximately 490,000 in all institutions to 2 million by 2014. The budgeted cost of US federal and state prison systems is \$80 billion per year.

The Washington University study rejects that figure, saying the actual cost, when considering all the social impacts of removing so many people from economic and social life for such long periods of time, is closer to \$1 trillion (1,000 billion dollars).

The authors introduce their study by stating, “Estimating social costs of incarceration is problematic because it is difficult to disentangle the effects of incarceration from the effects of poverty.” The “burden,” in any case, is the mass poverty of millions of people. The social consequences of imprisonment—lifetime earnings loss due to lower chance of employment, erosion of work-related skills, and loss of social capital—are estimated at \$1.9 billion to \$4.9 billion per year, depending on education level.

For the sake of the study, figures were underestimated so the social costs may be much higher than \$1 trillion. The statistics generated in this study are shocking. Having one parent in prison increases infant mortality by 40 percent. The cost, in extra child lives lost per year, is estimated at \$1.2 billion per year. Having one parent in prison increases high school dropouts by 10

percent—by the numbers, 62,731 children per year. Thirty percent of the new foster care cases are due to the higher incidence of women in prison, a mind-boggling 716 percent increase since the 1980s.

Costs borne by families through monthly visits, evictions, moves and divorces are all discussed in the study. The cumulative costs to families is over \$27 billion a year. The economic cost of the psychological effects of imprisonment are also tallied. Lifelong financial losses due to depression, PTSD, and anxiety suffered by prisoners are totaled at \$10.2 billion per year.

These cumulative totals demonstrate in financial terms the human cost of incarceration. Although the average prison term is 2.25 years per this study, racial and economic disparities in sentencing shift this figure significantly. Sentences for “white collar” crimes are commonly served in minimum security detention for short periods of time. According to the Transactional Records Clearinghouse (TRAC), the Justice Department’s white collar prosecution rate is down 92 percent from 20 years ago. Judges adjudicating white collar crimes have “discretion” over sentencing guidelines and frequently give much shorter sentences.

Poor defendants, lacking adequate representation, plead guilty more often in hopes of leniency. A study by Megan Stevenson in Baltimore found “only 51 percent of those charged with bail of \$500 or less were able to pay the minimum 10 percent required to go free within three days.” Sentences for minor crimes like drug possession can turn into life sentences with current mandatory minimum sentences and “three strikes” laws. In Louisiana, one of the poorest states, 91.4 percent of the nonviolent black prisoners serving life without parole are doing so because of such laws.

Hyperincarceration, as it’s termed in the study, is

criticized for being “unnecessary, counterproductive, and prohibitively expensive.” The financial crash of 2008 “highlight[s] the fiscal unsustainability of hyperincarceration,” i.e., the federal and state burden of continued funding for jails and prisons. These costs are delineated by Henrichson and Delaney, a reference cited for the “Economic Burden” study, as budget items such as “employee benefits, capital costs, in-prison education services, or hospital care for inmates.” Giving the incarcerated housing, education, and health care is considered too costly. For the ruling class, every bit of capital that is not returning to Wall Street is considered a burden.

Why have incarceration rates gone up so much in the last 40 years? Since the 1980s, workers have seen an assault on living standards from all sides: deindustrialization, globalization, and the financialization of the economy; Clinton’s welfare reform; Bush’s repeated budget cuts in social programs; Obama’s cuts to federal assistance in housing and food stamps; and the nationwide erosion of funding for public education.

Persistent unemployment continues. As of July this year, the level of long-term unemployment remains at more than 25 percent of total unemployment. The desperation among the poor is explained by the economic and social conditions they have been subject to for generations.

Crime itself is a social phenomenon. Petty crimes of theft, gangs and criminal enterprises, all are a direct result of capitalist exploitation in destroying “legitimate” and sustainable jobs. When people can’t find legal work, they turn to the alternative economy for subsistence. Once in it, they enter a vicious cycle, going through courts, jails and prisons, being further brutalized and alienated.

Like most such academic studies, however, the report on the economic burden of incarceration offers no broader insights into the meaning of its findings. Its conclusion offers a passing criticism that the US prison system is perhaps too large, “beyond that which is socially optimal.” This soporific phrase testifies to the political blinders on the report’s authors, who have documented the vast extent of an American gulag, apparently without ever questioning what vast, hidden social tensions require such a hideous apparatus of coercion and repression.



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