

January 31, 2024



## **A Cost-Benefit Analysis:**

The Impact of Ending Slavery and Involuntary Servitude as Criminal Punishment and Paying Incarcerated Workers Fair Wages

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## ABOUT THE AUTHOR

**Edgeworth Economics** is one of the world's leading economic consultancies, distinguished for their work in the areas of antitrust, class certification, consumer protection, intellectual property, and labor and employment. **Dr. Stephen Bronars** is an expert in employment discrimination, wage and hours matters, and the use of criminal background checks in hiring decisions, bringing his expertise in the rigorous analysis of complex datasets to the economic issues considered in these matters. Dr. Bronars testifies on issues related to class certification, liability, and economic damages in matters involving screens used in hiring decisions; wrongful terminations; and age, race, and gender discrimination at the federal and state levels.

## ACKNOWLEDGEMENTS

Dr. Bronars would like to acknowledge and thank several contributors to the study. Specifically, he expresses immense gratitude to Coleman Bazelon of Public Interest Experts and The Brattle Group, and Bianca Tylek and Tommaso Bardelli of Worth Rises for their thought partnership and drafting support. Dr. Bronars would also like to thank Elliot Delahaye of Edgeworth Economics for his support with the economic analysis and Natalie Selfe of The Brattle Group for auditing the analysis. Finally, Dr. Bronars thanks the American Civil Liberties Union, Impact Justice, FWD.us, and the broader #EndTheException coalition for their review and feedback.

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## Executive Summary

To the surprise of many, the 13th Amendment to the U.S. Constitution includes an exception to the abolition of slavery and involuntary servitude for criminal punishment. This “punishment clause” allows hundreds of thousands of incarcerated people to be forced to work for little to no pay — a central characteristic of enslavement — today. This study documents the fiscal costs and benefits of ending slavery and involuntary servitude in prisons and mandating fair wages for incarcerated workers. As this study shows, doing so will benefit not only incarcerated workers, but also their families, victims, and ultimately, society at large.

Today, roughly 800,000 incarcerated people are forced to work for little — generally less than one dollar per hour — to no pay in federal and state prisons. About 80% are employed in facility maintenance and operations, with most of the remainder, or about 17%, employed in government-run businesses and public projects, and just 3% in private sector jobs. Given the low wages, these jobs are often designed to keep people busy rather than convey marketable employment skills. Yet, under the current system it is possible for incarcerated people who refuse to work to be denied family calls and visits, put in solitary confinement, and denied parole.

This study assumes that after abolishing slavery and involuntary servitude, legislators will pass additional laws establishing the labor rights of incarceration, namely wage laws. Ending slavery and involuntary servitude and paying incarcerated workers fair wages is expected to change the job composition to reflect 60% of jobs in facility operations and maintenance at minimum wage, 20% in government-run businesses and public projects at prevailing wages, and 20% in the private sector also at prevailing wages. This study anticipates that the marginal fiscal costs to governments and taxpayers of this policy change, factoring in wages and other payroll costs, is between \$8.5 billion to \$14.5 billion per year.

These new costs would be money very well invested, as the fiscal and social benefits of ending slavery and involuntary servitude and paying incarcerated workers a fair wage will far outstrip them. These

### KEY RESULTS

**\$11.6 – \$18.8 billion**

Expected wages for incarcerated workers

**\$8.5 – \$14.5 billion**

Expected government and taxpayers payroll costs

**\$18.3 – \$20.3 billion**

Expected net annual benefits to incarcerated workers, their families, crime victims, and governments

**\$171.3 – \$189.6 billion**

Expected net lifetime benefits of the first ten years after policy change

**\$2.40 – \$3.16**

Expected return for every \$1 spent on incarcerated worker payroll costs

new benefits from paying incarcerated workers will take time to develop fully. This study anticipates that once the adjustments to paying incarcerated workers are achieved the total fiscal benefits to incarcerated workers, their families and children, crime victims, and society at large is between \$26.8 billion and \$34.7 billion per year, or a net benefit of \$18.3 billion and \$20.3 billion per year, implying benefit cost ratios between 2.40 and 3.16.

More specifically, this study projects the following benefits:

- **Impact on Incarcerated Workers:** Incarcerated workers will directly benefit from between \$11.6 billion and \$18.8 billion in annual income, compared to the estimated \$847 million they earn today. They will be able to meet their own basic food, hygiene, and communication needs. The valuable work experience they receive will also translate into a present value of \$11.3 billion to \$11.7 billion per year in additional earnings based on increased employment and earnings expectations after release.
- **Impact on Families and Children:** Families and children will save the money they spend supporting their incarcerated loved ones, as well as receive additional financial support, through child support payments and other income, to the tune of \$4.5 billion to \$5.8 billion per year.
- **Impact on Crime Victims:** The most significant impact on victims of crime will be incarcerated workers' increased ability to pay restitution, estimated here to be \$89 million per year for robberies.
- **Impact on Governments and Taxpayers:** The federal and state governments and taxpayers will receive tax payments between \$1.5 billion and \$3.2 billion per year and between \$308 million and \$431 million per year in payments to the welfare system through child support payments from incarcerated workers. They will also receive \$2.1 billion per year in additional tax payments after their release based on increased employment and earnings expectations. Finally, they are estimated

to benefit from a 5% reduction in the recidivism and reincarceration rates of incarcerated workers, which will save \$1.3 billion in annual incarceration costs in just the short run and \$3.7 billion in annual crime costs for the U.S. economy.

This study also measures the lifetime benefits, in present value, from the first ten years after ending slavery and involuntary servitude in prisons and paying incarcerated workers a fair wage, and finds that the net fiscal benefits to incarcerated workers, their families and children, crime victims, and society at large is between \$171.3 billion and \$189.6 billion over the first ten years after this policy is implemented.

This study projects that while society overall will benefit from abolishing slavery and involuntary servitude in prison, and from paying fair wages for prison labor, those gains will fall disproportionately to groups and communities that have been most impacted by mass incarceration, specifically Black and Brown people, low-income people, and women.

Finally, while this study focuses on the quantifiable fiscal benefits of prohibiting slavery and involuntary servitude as criminal punishment and paying incarcerated workers fair wages, it is important to note that there are many other benefits that are difficult to quantify or for which there is little economic data but are as important as the specific ones outlined above — many which could broadly change society. Some of these benefits omitted from the fiscal analysis in this study include:

- The increased physical and mental health of incarcerated people, and associated costs, from a recognition of their humanity and dignity with the granting of the basic human right to be protected from slavery and the ability to meet one's own basic needs.
- The increased physical and mental health of incarcerated people and corrections officers, and associated costs, from the reduced reliance on informal "hustles" and increased connection with

loved ones that together lower related violence and victimization in prisons.

- The increased physical and mental health of incarcerated workers and their families and children, and associated costs, from reduced financial stress, reduced poverty, and increased connection, during and after incarceration.
- The financial relief for families and children of communication costs beyond just phone calls, namely video calls and electronic messages.
- The increased economic mobility, and related physical and mental health, of incarcerated workers and their families and children stemming from increases in earnings during and after release that can have generational impacts.
- The increased payment of fines and fees to governments.
- The increased payment of local taxes during and after incarceration.
- The reduced financial burden of formerly incarcerated workers on government welfare programs in retirement. ■

## Introduction

Slavery and involuntary servitude are prohibited in the U.S. except as punishment for people who have been convicted of crimes. The 13th Amendment to the U.S. Constitution states: “Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”

This study analyzes and quantifies the potential fiscal costs and benefits over the next decade of passing a constitutional amendment that would end the exception in the 13th Amendment and prohibit the enslavement and involuntary servitude of people as criminal punishment, namely those incarcerated in federal and state prisons.<sup>1</sup> More specifically, it centers on the assumption that prohibiting the enslavement and involuntary servitude of incarcerated people will require increasing wages for incarcerated workers.<sup>2</sup> This assumption is not made lightly as it will likely require additional legislation; however, it seems critical to any genuine effort to end slavery and involuntary servitude for all.

Accordingly, this study documents and quantifies the costs associated with an increase in wages for incarcerated workers employed by government agencies, namely corrections departments, though it also assumes a significant increase in private sector jobs inside prisons. Eventually, less than half of the cost of wages for incarcerated workers are expected to be paid by corrections agencies for facility operations and maintenance jobs, which currently dominate the correctional landscape. This study details the expected wages for facility operations and maintenance, government-run businesses and public projects, and private sector jobs in the federal prison and each state prison system.

This study also documents and quantifies the benefits of paying fair wages for work in prisons to incarcerated workers, their families and children,

their victims, the communities to which they will return after release, and society at large.<sup>3</sup> Some of these benefits include an increase in the economic value of prison labor, an increase in marketable vocational skills for incarcerated workers, an increase in employment and housing upon release, and a decrease in recidivism and reincarceration. They also include a decrease in financial hardship for families with incarcerated loved ones and an increase in the payment of victim restitution. Similar to how it handles costs, this study details the benefits to federal and state governments and society at large.

This study reveals that paying fair wages to incarcerated workers is an investment that can pay future dividends beyond the goods and services they produce. Paying fair wages for voluntary work in prisons will increase employment rates and earnings for both currently and formerly incarcerated people and, in turn, generate more tax revenue. It will improve the reentry success of incarcerated workers, and decrease public expenditures on law enforcement and corrections and private expenditures on crime protection. Even if it is a fraction as effective as prison education or work release programs, the benefits from paying incarcerated workers a fair wage will far outstrip the costs.

## Background

The exception in the 13th Amendment, often referred to as the “punishment clause,” has its roots in the historical context of post-Civil War America. It was a compromise made by lawmakers from former Union states with lawmakers from former Confederate states to preserve the latter’s access to free forced labor in their states. The clause was taken from prior treaties, like the Northwest Ordinance of 1787, but deployed in a much more exacerbated form during the Reconstruction Era.

As Black people sought economic autonomy during Reconstruction, state lawmakers, primarily in the South, passed Black Codes to criminalize everyday life for Black citizens.<sup>4</sup> Black people were arrested and incarcerated for contrived crimes such as vagrancy — simply being unemployed qualified at times — under the Black Codes. Relying on the exception in the 13th Amendment, these states then leased incarcerated Black people out to business owners for their labor, including plantation owners, in a practice commonly referred to as “convict leasing.”<sup>5</sup> The exception provided a legal framework that continued the forced free labor of Black people, thus preserving the economic benefits and social order embedded in slavery.

Under pressure from public opinion and organized labor, this leasing system was gradually phased out in the early 20th century,<sup>6</sup> but other types of involuntary penal servitude continued. Incarcerated people were put to work in “chain gangs,” building roads and other public infrastructure. While chain gangs were banned in most states by the 1950s,<sup>7</sup> administrators continued to exploit this captive labor force to maintain prison facilities and produce goods in government-run businesses, often called “corrections industries.” In 1979, Congress created the Prison Industry Enhancement Certification Program (PIECP), allowing private firms to once again use incarcerated labor at prevailing wages and for correctional systems to garnish wages for room and board, among other things.<sup>8</sup>

Still today, the exception in the 13th Amendment remains and denies millions of people incarcerated due to criminal convictions the protection from slavery and involuntary servitude. However, in the past few years, states have begun to address the exception in their own constitutions, starting with Colorado in 2018.<sup>9</sup> Since then, six additional states have passed similar constitutional amendments: Alabama, Nebraska, Oregon, Tennessee, Utah, and Vermont.<sup>10</sup> Now, Congress is considering a constitutional amendment that would finally end the exception in the 13th Amendment as well

as legislation that would establish labor rights for incarcerated workers.<sup>11</sup> This study evaluates the potential fiscal impact of ending slavery and involuntary servitude in prisons.

## Key Assumptions

This study, like any other, relies on a number of key assumptions for its analysis. Below are the most critical assumptions. Throughout the report, “slavery and involuntary servitude” is used, in line with the text of the 13th Amendment. Similarly, when discussing the increase in wages paid to incarcerated workers the phrase “fair wages” shall be used to describe the payment of either the minimum wage or prevailing wages instead of forced labor.

## Legislative Limitations

This study assumes that a constitutional amendment to end the exception in the 13th Amendment will end forced labor and replace it with a voluntary work system in prisons. Further, it assumes that a voluntary work system requires the compensation of workers at wage rates that would cause incarcerated people to choose to work, rather than being compelled to work by threats of punishment if they decline work assignments, and at levels that would not be disruptive to labor markets outside of prisons.

However, forecasting the type of work incarcerated people would do and the wage rates they will be paid is not straightforward since incarcerated people will remain a captive labor force with little to no bargaining power and very low reservation wages. Further, ending the exception in the 13th Amendment and, in turn, the enslavement and involuntary servitude of incarcerated workers will not establish any specific labor rights. It will not determine, for example, whether incarcerated workers would be subject to the minimum wage or overtime provisions of the Fair Labor Standards Act (FLSA) or their state or local wage laws, the workplace safety regulations in the Occupational Safety and Health Act (OSHA), or whether they could contribute toward earning Social Security



and Medicare Benefits under the Federal Insurance Contributions Act (FICA), as well as any other federal, state, or local laws that regulate labor and workplaces. This study assumes that ending the exception in the 13th Amendment will mandate a review of current federal and state laws and the passage of new federal and state laws establishing labor rights for incarcerated workers, among them, the right to fair wages.

How a voluntary work system in prisons will be regulated after a constitutional amendment to end the exception in the 13th Amendment, including what jobs are made available and what minimum wage rates are mandated, influences the amendment's potential costs and benefits. It will shape how many incarcerated people are employed by governments, what vocational skills are conveyed, and what incarcerated workers are paid, among other things. Because the exact nature of future legislation regulating incarcerated work is unknown and may vary from state to state, this study examines the most likely scenarios concerning the types of jobs available and minimum wage regulations in measuring the potential costs and benefits of ending slavery and involuntary servitude in U.S. prisons.<sup>12</sup>

### **Types of Work and Wages**

The exception in the 13th Amendment forces hundreds of thousands of incarcerated people to work each day for little, if any, pay. Under the current rules, incarcerated people who refuse to work may be punished, potentially severely, compelling them to work despite little to no wages, and unsafe working conditions.

Most incarcerated workers are employed in jobs that support facility operations and maintenance, including cooking meals, laundering sheets and clothes, and cleaning.<sup>13</sup> Prison officials favor keeping individuals occupied, so when short on jobs, they often give incarcerated people duplicative work assignments that serve little purpose other than to keep them occupied, often referred to as “make-work.” And since the wages paid to incarcerated

workers are typically less than one dollar per hour,<sup>14</sup> prisons have little incentive to create and offer productive job opportunities to incarcerated workers that have economic value and would allow them to develop skills that provide benefits after their release. The current system places an extremely low value on the opportunity costs of an incarcerated worker's time which could otherwise be used for education or rehabilitation. This study assumes that duplicative facility operations and maintenance jobs and other “make-work” will be eliminated as prisons are required to pay fair wages, with facilities operations and maintenance eventually accounting for only three-fifths of all jobs in prisons, and that incarcerated people will be paid the minimum wage for this work.

As labor rights are established for incarcerated workers and facility operations and maintenance jobs decline, this study assumes that government-run businesses and public projects (*i.e.*, correction industries — the production of license plates, office furniture, or other goods and services exclusively for government agencies; farming; and highway cleaning) and the private sector moves in to replace them. Currently, relatively few incarcerated workers are employed by government-run businesses or by the private sector through PIECP, which requires incarcerated workers to be paid prevailing wage rates but allows substantial wage garnishments. Public disapproval concerning the exploitation of prison labor rightfully hinders such business ventures from entering prisons or expanding the use of prison labor. However, if a constitutional amendment ends the exception in the 13th Amendment and labor rights are established for incarcerated workers, public sentiment may change and encourage an increase in government-run businesses and private sector jobs in prisons that would better prepare incarcerated people for release. Moreover, people who are incarcerated make up a dependable and stable workforce that most business ventures would find valuable. And with established labor rights, including a mandate for prevailing wages, their employment would not disrupt labor markets outside of prisons.

This study assumes that eventually as many as two-fifths of incarcerated workers will be employed by government-run businesses and public projects or the private sector and that they will be paid prevailing wages for these jobs.

### **Transition to New Equilibrium**

The costs of paying incarcerated workers are immediate — from the first day fair wages are paid, payroll costs for incarcerated workers will increase. Some of the benefits of abolishing slavery and involuntary servitude, however, take time to be realized. The body of the report focuses on estimating costs and benefits at equilibrium, after incarcerated workers have been paid fair wages long enough for the benefits to be fully realized. When benefits take a lifetime to fully realize — such as an expected increase in wages post-incarceration — values are presented on a present value basis, discounting back future benefits to their equivalent value now. In the *Summary Analysis & Projections* section, an accounting of all costs and benefits is presented in two ways. First, cost and benefits are presented on an annual basis, assuming the new equilibrium has been reached. Second, a more detailed analysis of the transition to this new equilibrium presents the lifetime cost and benefits from the first ten years of paying incarcerated workers fair wages.

### **Scope**

While this study focuses on the quantifiable fiscal costs and benefits of prohibiting slavery and involuntary servitude as criminal punishment, there are many other fiscal and social benefits that are difficult to quantify but are as important. To start, many incarcerated people have expressed that being extended the same protection from slavery and involuntary servitude as others, regardless of wages or other labor protections, would recognize their humanity in a way it has not been to date. That recognition alone could change the way in which incarcerated people serve their sentences, engage in rehabilitation programs, and plan for their release. Moreover, being able to work for a fair wage, for instance, may foster a sense of personal agency and purpose among incarcerated people, which would be expected to positively influence their mental health, while also alleviating the stress and anxiety experienced by their families. While harder to quantify, and thus beyond the scope of this study, benefits such as these are also likely to have a significant effect on societal outcomes, like successful reentry and employment after prison, and a fiscal impact.

## Costs

The following sections document and quantify the fiscal costs of ending the enslavement and involuntary servitude of incarcerated people and paying them fair wages for their work. This study anticipates that the distribution of jobs will change resulting in a more balanced distribution across the existing three job categories: facility operations and maintenance, government-run businesses and public projects, and the private sector. More specifically, it anticipates that a larger proportion of incarcerated workers will be employed in private sector jobs. This study assumes that, dependent on additional legislation, wages for jobs in facility operations and maintenance will be based on state minimum wages and wages for jobs in government-run businesses and public projects or the private sector will be based on prevailing wages. It also assumes that incarcerated workers will work (and be paid for) 20 to 32.5 hours per week. Additional payroll expenses, including Social Security and Medicare taxes, are also considered in the cost estimates.

### Types of Work

While incarcerated people are generally required to work, only about two-thirds of the federal and state prison population works, or about 800,000 of the 1.2 million people incarcerated in U.S. prisons.<sup>15</sup> It is assumed that the remaining one-third are unable to work due to age, medical illness, conflicting program participation, or just a lack of jobs. Studies indicate that the overwhelming majority of jobs currently held by incarcerated workers — over 80% — are in facility operations and maintenance, including janitorial services, laundry, food service, repairs, and groundskeeping. Some incarcerated workers hold jobs with government-run businesses and public projects — roughly 17% of jobs — producing goods or providing services for state and local government agencies, including corrections industries and farming. Even fewer incarcerated workers hold a private sector job — nearly 3% of jobs.<sup>16</sup>

# 800,000

Number of incarcerated people  
working in U.S. prisons

Studies also show that many jobs assigned to incarcerated people are intended simply to reduce idle time rather than generate real value for anyone, often called “make-work” jobs.<sup>17</sup> Due to the permissibility of enslavement and involuntary servitude in prisons, incarcerated workers can be forced to complete meaningless tasks in exchange for very low or no wages. Some prison systems even assign jobs to incarcerated people that exist only on paper, often called “no-show” jobs.<sup>18</sup> The opportunity costs of incarcerated workers’ time, or the value that could be generated if incarcerated workers were engaged in productive tasks, contribute to recidivism and thus are a contributor to the societal cost of criminal activity. However, because current wages paid to incarcerated workers are generally less than one dollar per hour, corrections agencies currently ignore these opportunity costs.

Ending the exception in the 13th Amendment and prohibiting slavery and involuntary servitude in prisons will require work arrangements in prison to be based on voluntary participation. While still a captive labor force, voluntary work will give incarcerated workers more bargaining power. With the choice to work, incarcerated workers can refuse to work for low wages or in unsafe working conditions. If the internal labor market forces created by this new system, along with new federal and state labor laws, require that incarcerated workers are paid at least the applicable minimum wage, corrections agencies will internalize the opportunity costs of incarcerated workers’ time. It would be

### Expected Distribution of Prison Jobs



expensive and inefficient for corrections agencies to pay incarcerated people to engage in repetitive and unproductive work. Such assignments, now common for incarcerated workers, will be greatly reduced, if not eliminated. Corrections agencies would limit the number of facility operations and maintenance jobs to those that generate value for their facilities, reducing the number of these jobs. However, with employers mandated to pay fair wages and provide incarcerated workers with other labor protections, the risk of abusing incarcerated workers will decrease and the taboo of employing incarcerated workers will lift. Employing incarcerated people in jobs that allow them to support themselves and their families and convey transferable skills that can increase reentry success would be celebrated for its societal benefits. Thus, new jobs in government-run businesses and public projects and the private sector are likely to become available for incarcerated workers, changing the work landscape in prisons.

Accordingly, once work is voluntary and fair wages are mandated, there will continue to be the same three primary types of jobs in prison, but the distribution will likely significantly change. Drawing on data from other industries,<sup>19</sup> this study anticipates that facility operations and maintenance jobs will make up an estimated 60% of jobs held by incarcerated workers, accounting for a projected 480,000 jobs.<sup>20</sup> The remaining 40% of jobs, or 320,000 jobs, are expected to be divided equally

between government-run businesses and public projects and the private sector.<sup>21</sup> Because work for either government-run businesses and public projects or private sector businesses are expected to earn prevailing wages, well above the applicable minimum wage expected for facility operations and maintenance jobs, the greatest financial benefits for incarcerated workers and their loved ones will result from these jobs. This will likely result in an excess of incarcerated workers vying for these higher paying jobs. Assignment to these higher-paying jobs could be used as an incentive for good behavior.

### Wages

Currently, incarcerated workers are paid an average of \$0.86 per day for their work, though wages can range from system to system and job to job.<sup>22</sup> Generally, facility operations and maintenance pay the least, in all cases less than one dollar per hour — an average wage rate across states of \$0.09 per hour on the low end and \$0.42 per hour on the high end.<sup>23</sup> Jobs in government-run businesses or public projects often pay more, sometimes up to a couple dollars per hour.<sup>24</sup> And finally, private sector jobs, especially those regulated by PIECP that mandate prevailing wages, pay the most even after substantial wages are garnished.<sup>25</sup> Importantly, seven states pay no wages at all for a majority of jobs: Alabama, Arkansas, Florida, Georgia, Mississippi, South Carolina, and Texas.<sup>26</sup>

Ending the exception in the 13th Amendment and prohibiting the enslavement and involuntary servitude of incarcerated people will not itself result in a specific wage mandate for their work. That will likely require additional legislation. Congress and state legislatures could pass labor laws requiring that the minimum wage requirements of the FLSA and state minimum wage laws apply to incarcerated workers. However, the federal minimum wage and most state minimum wages are substantially less than the typical wages paid to less skilled workers. If incarcerated people are paid the applicable minimum wage for all types of work assignments,

there would likely be concerns that the employment of incarcerated workers could adversely impact the employment opportunities for other U.S. workers and depress the wages of less skilled workers who might compete with incarcerated workers for jobs. These concerns are likely to be greatest for the jobs in government-run businesses and public projects and the private sector. As these job opportunities grow in prisons with the end of slavery and involuntary servitude, the concern that prison labor will depress wages outside of prisons will increase.

Moreover, incarcerated workers will have little power to drive wages higher than what is legislatively set. Wages outside of prisons are typically determined in markets in which individuals are free to leave for another employer if wages are too low or working conditions are unacceptable. The freedom to reject jobs with low wages protects workers and causes employers to compete for workers so that nearly all U.S. workers earn wages above the minimum required by law.<sup>27</sup> Even if incarcerated workers can choose whether to accept a job assignment, without fear of punishment, they are unlikely to participate in a competitive labor market as a captive labor force coerced by circumstance to accept the base mandated wage with limited job availability. Thus, even absent slavery and involuntary servitude, it is unclear whether incarcerated workers will be able to drive wages above the minimum mandated by law.<sup>28</sup>

However, the threat of a depression in wages outside of prisons can be addressed by mandating prevailing wages for incarcerated workers in jobs with government-run businesses and public projects and the private sector that the broader market might compete for (unlike facility operations and maintenance jobs). In fact, PIECP, which regulates much of the private sector's use of prison labor, already requires that workers are paid at least a prevailing wage, which is generally well above the minimum wage.<sup>29</sup>

For these reasons, this study anticipates a two-tier wage system for incarcerated workers after slavery and involuntary servitude are prohibited in prisons — with wages paid to incarcerated workers approximately equal to the wage mandated by legislation, whether that is the applicable federal or state minimum wage or the prevailing wage for an occupation. The majority of incarcerated workers are anticipated to work in facility operations and maintenance jobs and be paid the applicable minimum wage for their work. The increase in payroll costs for these incarcerated workers will be new costs for corrections agencies. Many other incarcerated workers, however, will have jobs with government-run businesses and public projects or the private sector and be paid prevailing wage. For the jobs in government-run businesses and public projects, the increase in payroll costs will be new costs for corrections agencies and other government agencies. However, only the increase in payroll costs for existing jobs will represent new costs — the payroll costs for new jobs will replace costs incurred for the alternative procurement products and services in the private market. Finally, the increase in payroll costs for private sector jobs do not create a fiscal burden for the government.

### **Minimum Wage**

This study anticipates that if slavery and involuntary servitude are prohibited in prisons, the FLSA and state minimum wage laws would be extended to incarcerated workers, requiring all incarcerated workers to be paid at least the applicable minimum wage. Most incarcerated workers will be employed in facility operations and maintenance jobs, as they are now. Because incarcerated workers have no mobility, meaning they are limited to the jobs offered within prison, they have little power to negotiate for higher wages. Pressure to increase wages for incarcerated workers above the minimum wage will then likely have to come from other workers who might compete for these jobs. However, since most of these facility operations and maintenance jobs are already held by incarcerated workers with almost no labor competition or

# \$10.20

## Expected wage for facility operations and maintenance jobs

pressure to increase wages from workers outside prison, that is unlikely. Accordingly, this study anticipates that facility operations and maintenance jobs will pay the applicable minimum wage.

**Table 1** shows the minimum wages as of 2023, and the share of the prison population in the federal system and each state.<sup>30</sup> There are 30 states with a minimum wage above the federal minimum wage, ranging from \$8.75 in West Virginia to \$15.50 in California. In the remaining 20 states the minimum wage is equal to the federal minimum wage of \$7.25 per year. About 46% of the state prison population is in states where the applicable minimum wage is \$7.25 per hour. The remaining 54% of the state prison population is in states where the state minimum wage exceeds \$7.25 per hour. The average minimum wage in the U.S., weighted by the prison population in each jurisdiction, is \$10.20 per hour in 2023.<sup>31</sup>

Because this study analyzes the costs and benefits of ending the enslavement and involuntary servitude of incarcerated people over the next decade, potential changes to minimum wage laws are considered. The pattern of changes in minimum wage over time depends on legislative decisions creating considerable uncertainty about future minimum wages across all jurisdictions.

Currently, 12 out of the 30 states with their own state minimum wage index it to inflation, or the Consumer Price Index (CPI), changes to which are difficult to predict. The other 18 states with a state minimum wage above the federal minimum wage provide no guidance about when and how their minimum wages may change over time. The federal minimum

wage has not increased since 2009, and it is unclear when and how much it may change. Moreover, there is uncertainty as to how states would respond to changes, or the lack of changes, in the federal minimum wage. If Congress does not increase the federal minimum wage rate in the next few years, additional states may adopt their own higher state minimum wages.

Given the high level of uncertainty around how minimum wage may change over the next decade, this study presents costs and benefits in current dollars. This effectively assumes that all labor costs, including minimum wages, prevailing wages, payroll taxes, and insurance, will increase in proportion to the inflation rate. This may slightly overstate fiscal costs over the next decade to the extent that the federal minimum wage and state minimum wages do not increase with inflation.

Currently, the average hourly wage rate for incarcerated workers is less than one dollar per hour. If incarcerated workers were paid the applicable minimum wage, the wages received by these workers would increase by more than tenfold.

**Table 2** compares the applicable state minimum wage to average hourly wages for incarcerated workers, including a high and low “regular” wage for jobs in facility operations and maintenance and a high and low “industry” wage for jobs in government-run businesses.<sup>32</sup> Across all states, the average hourly wage received by incarcerated workers for regular employment is \$0.09 on the low-end and \$0.42 on the high-end, while the average wage for prison industry jobs is \$0.23 on the low-end and \$0.91 on the high-end.<sup>33</sup> Even though most hourly wages received by incarcerated workers are well below one dollar per hour, pay rates for incarcerated workers can vary even within a state depending on the type of work.

Currently, the minimum wage in most jurisdictions is well below the average wage for the type of operations and maintenance jobs held by most incarcerated workers. If incarcerated workers were

Table 1: **Minimum Wage and Prison Population Share**

State	Minimum Wage	Population Share	State	Minimum Wage	Population Share
Federal	\$10.20	13.06%	Montana	\$9.95	0.36%
Alabama	\$7.25	2.08%	Nebraska	\$10.50	0.46%
Alaska	\$10.85	0.39%	Nevada	\$10.50	0.85%
Arizona	\$13.85	2.82%	New Hampshire	\$7.25	0.18%
Arkansas	\$11.00	1.41%	New Jersey	\$14.13	1.04%
California	\$15.50	8.42%	New Mexico	\$12.00	0.43%
Colorado	\$13.65	1.32%	New York	\$14.20	2.52%
Connecticut	\$14.00	0.82%	North Carolina	\$7.25	2.41%
Delaware	\$11.75	0.40%	North Dakota	\$7.25	0.14%
District of Columbia <sup>2</sup>	\$16.50	0.00%	Ohio	\$10.10	3.74%
Florida	\$11.00	6.68%	Oklahoma	\$7.25	1.86%
Georgia	\$7.25	3.90%	Oregon	\$13.50	1.10%
Hawaii	\$12.00	0.34%	Pennsylvania	\$7.25	3.09%
Idaho	\$7.25	0.74%	Rhode Island	\$13.00	0.19%
Illinois	\$13.00	2.36%	South Carolina	\$7.25	1.31%
Indiana	\$7.25	2.05%	South Dakota	\$10.80	0.28%
Iowa	\$7.25	0.71%	Tennessee	\$7.25	1.83%
Kansas	\$7.25	0.71%	Texas	\$7.25	11.11%
Kentucky	\$7.25	1.54%	Utah	\$7.25	0.49%
Louisiana	\$7.25	2.17%	Vermont	\$13.18	0.11%
Maine	\$13.80	0.13%	Virginia	\$12.00	2.52%
Maryland	\$13.25	1.26%	Washington	\$15.74	1.14%
Massachusetts	\$15.00	0.51%	West Virginia	\$8.75	0.49%
Michigan	\$10.10	2.67%	Wisconsin	\$7.25	1.68%
Minnesota	\$10.59	0.66%	Wyoming	\$7.25	0.18%
Mississippi	\$7.25	1.44%			
Missouri	\$12.00	1.94%			
			<b>Average Minimum Wage</b>		<b>\$10.20</b>

Notes: District of Columbia is absorbed in the federal prison population. The minimum wage applicable to federal prisons is the weighted average of state minimum wages.

Sources: Minimum wages taken from <https://www.employerpass.com/state-minimum-wage-requirements-chart>. Prison populations taken from Bureau of Justice Statistics, *Prisoners in 2021*, <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/p21st.pdf>.

Table 2: **Minimum Wage and Prison Wages by State**

State	Minimum Wage	Regular Low	Regular High	Industry Low	Industry High
Federal	\$10.20	\$0.12	\$0.40	\$0.23	\$1.15
Alabama	\$7.25	\$0.00	\$0.00	\$0.25	\$0.75
Alaska	\$10.85	\$0.30	\$1.25	\$0.65	\$4.90
Arizona	\$13.85	\$0.15	\$0.50	\$0.20	\$0.80
Arkansas	\$11.00	\$0.00	\$0.00	\$0.00	\$0.00
California	\$15.50	\$0.08	\$0.37	\$0.30	\$0.95
Colorado	\$13.65	\$0.13	\$0.38	Not Available	Not Available
Connecticut	\$14.00	\$0.13	\$1.00	\$0.30	\$1.50
Delaware	\$11.75	Not Available	Not Available	\$0.25	\$2.00
Florida	\$11.00	\$0.00	\$0.32	\$0.20	\$0.55
Georgia	\$7.25	\$0.00	\$0.00	\$0.00	\$0.00
Hawaii	\$12.00	\$0.25	\$0.25	\$0.50	\$2.50
Idaho	\$7.25	\$0.10	\$0.90	Not Available	Not Available
Illinois	\$13.00	\$0.09	\$0.89	\$0.30	\$2.25
Indiana	\$7.25	\$0.12	\$0.25	Not Available	Not Available
Iowa	\$7.25	\$0.27	\$0.68	\$0.58	\$0.87
Kansas	\$7.25	\$0.09	\$0.16	\$0.25	\$3.00
Kentucky	\$7.25	\$0.13	\$0.33	Not Available	Not Available
Louisiana	\$7.25	\$0.04	\$1.00	Not Available	\$0.40
Maine	\$13.80	Not Available	Not Available	\$0.58	\$3.50
Maryland	\$13.25	\$0.15	\$0.46	\$0.20	\$0.82
Massachusetts	\$15.00	\$0.14	\$1.00	Not Available	Not Available
Michigan	\$10.10	\$0.14	\$0.56	Not Available	Not Available
Minnesota	\$10.59	\$0.25	\$2.00	\$0.50	\$2.00
Mississippi	\$7.25	\$0.00	Not Available	\$0.20	\$1.30
Missouri	\$12.00	\$0.05	Not Available	\$0.30	\$1.25
Montana	\$9.95	\$0.16	\$1.25	Not Available	Not Available
Nebraska	\$10.50	\$0.16	\$1.08	\$0.38	\$1.08
Nevada	\$10.50	Not Available	Not Available	\$0.25	\$5.15
New Hampshire	\$7.25	\$0.25	\$1.50	\$0.50	\$1.50
New Jersey	\$14.13	\$0.26	\$2.00	\$0.38	\$2.00
New Mexico	\$12.00	\$0.10	\$1.00	\$0.30	\$1.10
New York	\$14.20	\$0.10	\$0.33	Average \$0.62	
North Carolina	\$7.25	\$0.05	\$0.38	\$0.05	\$0.38
North Dakota	\$7.25	\$0.19	\$0.88	\$0.45	\$1.69
Ohio	\$10.10	\$0.10	\$0.17	\$0.21	\$1.23
Oklahoma	\$7.25	\$0.05	\$0.54	\$0.00	\$0.43
Oregon	\$13.50	\$0.05	\$0.47	\$0.05	\$0.47
Pennsylvania	\$7.25	\$0.19	\$1.00	\$0.19	\$0.42

*Continued*



Table 2: **Minimum Wage and Prison Wages by State** *Continued*

State	Minimum Wage	Regular Low	Regular High	Industry Low	Industry High
Rhode Island	\$13.00	\$0.29	\$0.86	Not Available	Not Available
South Carolina	\$7.25	\$0.00	\$0.00	\$0.35	\$1.80
South Dakota	\$10.80	\$0.25	\$0.38	\$0.25	\$0.25
Tennessee	\$7.25	\$0.17	\$0.75	Not Available	Not Available
Texas	\$7.25	\$0.00	\$0.00	\$0.00	\$0.00
Utah	\$7.25	\$0.40	Not Available	\$0.60	\$1.75
Vermont	\$13.18	\$0.25	\$0.40	\$0.25	\$1.25
Virginia	\$12.00	\$0.27	\$0.45	\$0.55	\$0.80
Washington	\$15.74	Not Available	\$0.36	\$0.70	\$2.70
West Virginia	\$8.75	\$0.04	\$0.58	Not Available	Not Available
Wisconsin	\$7.25	\$0.09	\$0.42	\$0.79	\$1.41
Wyoming	\$7.25	\$0.35	\$1.00	\$0.50	\$1.20
<b>Average</b>	<b>\$10.20</b>	<b>\$0.09</b>	<b>\$0.42</b>	<b>\$0.23</b>	<b>\$0.91</b>

Sources: Prison Policy Institute, <https://www.prisonpolicy.org/blog/2017/04/10/wages/>.

paid the applicable minimum wage for facility operations and maintenance jobs, their national average wage would be \$10.20 per hour in 2023,<sup>34</sup> which is substantially below the national average wage for workers in comparable facilities operations and maintenance jobs. **Table 3** compares federal and state minimum wages to the average wage in five representative facility operations and maintenance jobs based on the U.S. Bureau of Labor Statistics' Occupational Wage and Employment Statistics (OEWS) survey of 2022.<sup>35</sup> Outside of prisons, the national average wage (weighted by prison population in each state) for these jobs is lowest for laundry workers at \$13.92 and highest for pest control workers at \$20.06. Across all facilities maintenance and operations jobs, not simply the five representative jobs in Table 3, outside of prisons, the national average wage is \$16.23 per hour.

Table 3 reveals that, on average, the applicable minimum wage is about 37% less than the national average wage for jobs comparable to the facility operations and maintenance jobs held by

incarcerated workers. In other words, if incarcerated workers are paid an average minimum wage of \$10.20 for facilities operations and maintenance jobs rather than the average prevailing wage of \$16.23, incarcerated workers will earn about 37% less than they would earn for comparable work outside of prisons. Accordingly, incarcerated workers paid the applicable minimum wage for facility operations and maintenance jobs will receive more than a tenfold increase in compensation, while the payroll costs of facility operations and maintenance will still be much lower than the employment costs paid by other businesses and institutions for comparable work.

### Prevailing Wages

This study anticipates that if slavery and involuntary servitude are prohibited in prisons, Congress and state legislatures would mandate prevailing wages for prison jobs other than facility operations and maintenance, or specifically jobs with government-run businesses and public projects and the private sector, to avoid disrupting labor markets outside of prison.<sup>36</sup> These types of laws exist in other areas. For

Table 3: **Prevailing Wage by Facility Operations and Maintenance Occupation by State**

State	Food Prep	Janitors	Pest Control	Landscaping	Laundry	Average
SOC Code	35-2021	37-2011	37-2021	37-3011	51-6011	
Alabama	\$11.56	\$12.85	\$17.74	\$15.11	\$12.08	\$13.87
Alaska	\$16.28	\$17.69	\$21.41	\$21.04	\$16.76	\$18.64
Arizona	\$15.98	\$15.73	\$21.12	\$17.11	\$14.99	\$16.99
Arkansas	\$13.42	\$13.53	\$18.08	\$14.78	\$13.02	\$14.57
California	\$17.19	\$18.95	\$22.76	\$20.37	\$17.28	\$19.31
Colorado	\$18.28	\$17.50	\$24.60	\$20.27	\$15.70	\$19.27
Connecticut	\$16.62	\$18.22	\$21.49	\$20.26	\$15.61	\$18.44
Delaware	\$14.63	\$16.08	\$22.54	\$17.22	\$13.81	\$16.86
Florida	\$14.77	\$14.01	\$20.20	\$16.10	\$13.01	\$15.62
Georgia	\$13.54	\$14.25	\$20.16	\$16.33	\$12.40	\$15.34
Hawaii	\$18.07	\$16.69	\$20.01	\$19.56	\$16.40	\$18.15
Idaho	\$13.42	\$14.83	\$17.55	\$17.50	\$15.13	\$15.69
Illinois	\$14.96	\$17.01	\$18.63	\$18.72	\$15.03	\$16.87
Indiana	\$13.91	\$15.44	\$19.21	\$16.60	\$13.20	\$15.67
Iowa	\$12.38	\$16.15	\$18.76	\$16.45	\$14.09	\$15.57
Kansas	\$13.23	\$14.88	\$19.39	\$16.15	\$12.82	\$15.29
Kentucky	\$12.19	\$14.42	\$17.38	\$15.12	\$12.49	\$14.32
Louisiana	\$10.63	\$12.40	\$18.36	\$14.52	\$11.47	\$13.48
Maine	\$15.84	\$17.07	\$22.34	\$19.21	\$14.88	\$17.87
Maryland	\$15.47	\$16.52	\$18.91	\$18.70	\$14.51	\$16.82
Massachusetts	\$17.81	\$19.53	\$24.63	\$21.44	\$16.13	\$19.91
Michigan	\$15.01	\$15.62	\$20.69	\$17.21	\$14.40	\$16.59
Minnesota	\$15.97	\$17.70	\$25.14	\$19.30	\$15.94	\$18.81
Mississippi	\$11.54	\$12.35	\$18.41	\$13.92	\$11.18	\$13.48
Missouri	\$13.54	\$15.52	\$20.51	\$16.62	\$14.16	\$16.07
Montana	\$14.48	\$16.58	\$23.51	\$18.48	\$14.25	\$17.46
Nebraska	\$13.58	\$15.48	\$20.70	\$16.87	\$13.74	\$16.07
Nevada	\$14.97	\$15.67	\$21.53	\$17.95	\$14.50	\$16.92
New Hampshire	\$15.68	\$17.55	\$22.96	\$19.25	\$15.92	\$18.27
New Jersey	\$16.39	\$18.22	\$22.41	\$19.44	\$15.77	\$18.45
New Mexico	\$13.04	\$14.43	\$16.84	\$16.16	\$13.16	\$14.73
New York	\$17.74	\$19.63	\$23.19	\$20.30	\$16.64	\$19.50
North Carolina	\$13.48	\$13.90	\$18.04	\$16.43	\$12.24	\$14.82
North Dakota	\$15.28	\$17.02	–	\$18.57	\$15.52	\$16.60
Ohio	\$13.21	\$15.69	\$20.29	\$16.66	\$13.18	\$15.81
Oklahoma	\$13.15	\$13.45	\$17.32	\$15.51	\$11.90	\$14.27

*Continued*

Table 3: **Prevailing Wage by Facility Operations and Maintenance Occupation by State** *Continued*

State	Food Prep	Janitors	Pest Control	Landscaping	Laundry	Average
SOC Code	35-2021	37-2011	37-2021	37-3011	51-6011	
Oregon	\$16.65	\$17.27	\$21.88	\$19.87	\$16.09	\$18.35
Pennsylvania	\$13.82	\$16.13	\$19.75	\$17.25	\$14.17	\$16.22
Rhode Island	\$14.86	\$17.97	\$19.74	\$20.69	\$14.86	\$17.62
South Carolina	\$13.08	\$13.44	\$18.10	\$15.83	\$12.72	\$14.63
South Dakota	\$13.42	\$15.11	\$22.39	\$15.57	\$14.13	\$16.12
Tennessee	\$12.52	\$14.19	\$19.76	\$16.28	\$12.85	\$15.12
Texas	\$13.21	\$13.82	\$17.65	\$16.09	\$12.44	\$14.64
Utah	\$14.81	\$14.27	\$19.99	\$18.18	\$13.61	\$16.17
Vermont	\$15.82	\$17.67	\$21.24	\$20.14	\$15.70	\$18.11
Virginia	\$13.83	\$15.37	\$19.18	\$17.33	\$13.43	\$15.83
Washington	\$18.47	\$19.71	\$24.81	\$21.76	\$17.23	\$20.40
West Virginia	\$12.80	\$13.95	\$18.66	\$13.19	\$13.15	\$14.35
Wisconsin	\$14.03	\$15.79	\$23.41	\$17.53	\$14.23	\$17.00
Wyoming	\$14.30	\$15.82	\$20.29	\$17.77	\$13.87	\$16.41
<b>Average</b>	<b>\$14.40</b>	<b>\$15.50</b>	<b>\$20.06</b>	<b>\$17.26</b>	<b>\$13.92</b>	<b>\$16.23</b>

Notes: The state averages include a wider range of occupations than those represented here.

Sources: Bureau of Labor Statistics, *Occupational Employment and Wage Survey*, <https://www.bls.gov/oes/tables.htm>.

example, a federal mandate for prevailing wages, typically well above minimum wage, is required for visa workers to limit the possible adverse impact of hiring visa workers on the employment and wages of domestic workers in similar jobs.<sup>37</sup> The prevailing wages for less skilled H-2B visa workers in non-farm jobs are based on the OEWS survey data. For H-2B visa workers, the prevailing wage equals the average wage in the occupation and geographic area in the previous year.

The prohibition of slavery and involuntary servitude in prisons is likely to create new job opportunities for incarcerated people in government-run businesses and public projects and the private sector. The prevailing wage for these jobs will differ from the minimum wage

expected to be paid for facility operations and maintenance jobs. Similar to the approach taken for visa workers, this study assumes that the applicable prevailing wage is equal to the average wage for the types of jobs that incarcerated workers are likely to hold, other than facility operations and maintenance, specific to each state, based on OEWS survey data. **Table 4** presents OEWS wage data for some of the jobs

**\$19.45**

Expected wage for jobs in government-run businesses and public projects and the private sector

Table 4: **Prevailing Wages for Common External Occupations by State**

State	Firefighters	Food Batchmakers	Construction Laborers	Sewing Machinists	Freight Movers	Refuse Collectors	Agriculture	Average
SOC Code	33-2011	51-3092	47-2061	51-6031	53-7062	53-7081	45-2000	
Alabama	\$20.48	\$15.18	\$15.93	\$12.73	\$15.72	\$15.81	\$13.67	\$16.23
Alaska	\$26.31	\$19.25	\$25.61	\$21.42	\$22.14	\$23.93	–	\$23.62
Arizona	\$23.01	\$16.85	\$20.70	\$16.63	\$18.64	\$17.09	\$15.62	\$18.81
Arkansas	\$17.53	\$16.24	\$16.90	\$14.63	\$15.81	\$15.45	\$13.67	\$16.50
California	\$37.67	\$19.29	\$27.03	\$17.38	\$19.55	\$27.75	\$18.65	\$23.09
Colorado	\$32.37	\$19.27	\$20.61	\$18.95	\$19.68	\$23.81	\$16.34	\$21.43
Connecticut	\$32.48	\$16.82	\$25.51	\$19.32	\$18.32	\$24.56	\$16.95	\$22.02
Delaware	\$21.96	\$17.75	\$20.65	\$17.20	\$18.06	\$19.19	\$16.55	\$19.46
Florida	\$27.19	\$16.00	\$18.12	\$14.47	\$16.74	\$20.08	\$14.33	\$18.41
Georgia	\$19.24	\$19.46	\$17.92	\$14.38	\$16.75	\$21.47	\$13.67	\$17.70
Hawaii	\$35.04	\$14.88	\$32.04	\$17.44	\$20.42	\$26.41	\$17.25	\$23.10
Idaho	\$19.14	\$19.42	\$19.21	\$14.22	\$17.17	\$21.13	\$15.68	\$18.56
Illinois	\$32.71	\$20.48	\$31.53	\$15.75	\$18.13	\$27.98	\$17.17	\$21.63
Indiana	\$26.64	\$19.80	\$23.00	\$16.89	\$18.11	\$20.45	\$17.17	\$19.68
Iowa	\$21.81	\$19.41	\$21.51	\$15.29	\$18.57	\$21.53	\$17.54	\$19.62
Kansas	\$19.50	\$19.90	\$18.94	\$14.98	\$18.25	\$19.77	\$17.33	\$18.29
Kentucky	\$15.85	\$17.43	\$20.34	\$12.93	\$18.24	\$17.56	\$14.26	\$17.26
Louisiana	\$15.54	\$13.71	\$18.99	\$12.60	\$15.62	\$18.13	\$13.67	\$16.70
Maine	\$20.59	\$19.22	\$19.60	\$17.34	\$17.80	\$17.64	\$16.95	\$19.56
Maryland	\$29.12	\$17.64	\$20.73	\$15.73	\$18.21	\$19.67	\$16.55	\$20.42
Massachusetts	\$32.04	\$18.02	\$31.22	\$17.90	\$20.13	\$24.52	\$16.95	\$23.04
Michigan	\$23.98	\$20.15	\$22.13	\$16.34	\$18.11	\$22.98	\$17.34	\$19.97
Minnesota	\$22.54	\$18.00	\$26.03	\$17.35	\$20.17	\$22.95	\$17.34	\$20.80
Mississippi	\$16.24	\$15.25	\$16.46	\$16.00	\$15.44	\$17.51	\$13.67	\$16.49
Missouri	\$26.62	\$19.91	\$25.07	\$14.96	\$17.83	\$19.72	\$17.54	\$19.71
Montana	\$24.87	\$16.89	\$22.35	\$15.97	\$17.27	\$22.50	\$16.01	\$19.86
Nebraska	\$29.32	\$19.48	\$19.73	\$15.55	\$17.48	\$18.22	\$17.33	\$19.58
Nevada	\$29.40	\$16.63	\$22.86	\$16.87	\$18.35	\$20.42	–	\$20.22
New Hampshire	\$24.11	\$17.46	\$20.80	\$17.21	\$18.09	\$18.24	\$16.95	\$19.88
New Jersey	\$37.37	\$17.40	\$31.53	\$17.10	\$18.16	\$23.91	\$16.55	\$22.52
New Mexico	\$19.49	\$17.23	\$17.87	\$15.20	\$15.87	\$19.79	\$15.62	\$18.03
New York	\$35.35	\$17.23	\$28.50	\$17.68	\$19.83	\$30.92	\$16.95	\$22.94
North Carolina	\$17.63	\$16.20	\$17.67	\$15.84	\$16.32	\$17.75	\$14.91	\$17.32
North Dakota	\$24.75	\$17.07	\$22.35	\$17.61	\$18.95	\$23.44	\$17.33	\$20.59
Ohio	\$25.14	\$18.97	\$24.62	\$15.00	\$17.57	\$20.69	\$17.17	\$19.60

*Continued*

Table 4: **Prevailing Wages for Common External Occupations by State** *Continued*

State	Firefighters	Food Batchmakers	Construction Laborers	Sewing Machinists	Freight Movers	Refuse Collectors	Agriculture	Average
SOC Code	33-2011	51-3092	47-2061	51-6031	53-7062	53-7081	45-2000	
Oklahoma	\$25.37	\$15.22	\$18.81	\$14.48	\$16.01	\$18.68	\$14.87	\$17.85
Oregon	\$31.67	\$18.20	\$23.68	\$17.22	\$19.08	\$26.97	\$17.97	\$21.73
Pennsylvania	\$29.46	\$19.17	\$24.11	\$15.82	\$18.70	\$18.90	\$16.55	\$20.17
Rhode Island	\$29.02	\$16.66	\$25.87	\$17.34	\$18.69	\$23.02	\$16.95	\$21.12
South Carolina	\$19.03	\$14.82	\$18.37	\$14.67	\$16.64	\$16.46	\$13.67	\$16.95
South Dakota	\$23.92	\$17.18	\$17.81	\$16.77	\$16.74	\$15.11	\$17.33	\$17.88
Tennessee	\$20.23	\$19.44	\$18.56	\$13.54	\$17.15	\$15.27	\$14.26	\$17.42
Texas	\$25.79	\$16.33	\$18.08	\$13.80	\$16.94	\$19.30	\$14.87	\$18.22
Utah	\$21.47	\$18.52	\$20.41	\$15.95	\$17.56	\$23.43	\$16.34	\$19.16
Vermont	\$22.56	\$19.01	\$21.00	\$16.72	\$18.14	\$18.62	\$16.95	\$19.26
Virginia	\$26.05	\$20.83	\$18.07	\$15.87	\$17.93	\$16.78	\$14.91	\$18.92
Washington	\$36.98	\$19.22	\$27.23	\$19.08	\$20.20	\$28.79	\$17.97	\$23.62
West Virginia	\$17.84	\$10.96	\$19.57	\$14.00	\$15.34	\$14.70	\$14.26	\$16.69
Wisconsin	\$21.15	\$20.12	\$23.34	\$17.27	\$19.20	\$23.66	\$17.34	\$20.23
Wyoming	\$21.36	\$14.12	\$19.45	\$15.16	\$17.95	\$19.56	\$15.68	\$18.43
<b>Average</b>	<b>\$26.22</b>	<b>\$17.79</b>	<b>\$21.58</b>	<b>\$15.53</b>	<b>\$17.76</b>	<b>\$21.12</b>	<b>\$15.88</b>	<b>\$19.45</b>

Notes: The state averages include a wider range of occupations than those represented here.

Sources: Bureau of Labor Statistics, *Occupational Employment and Wage Survey*, <https://www.bls.gov/oes/tables.htm>.

that incarcerated workers could hold, including manufacturing workers like sewing machinists.<sup>38</sup> Table 4 shows average wages by job and state, as well as the national average (weighted by prison population in each state) for each. Across all the jobs that might be held by incarcerated workers, generally less-skilled whether employed by the government or private sector, the average prevailing wage is about \$19.45 per hour.<sup>39</sup> The average prevailing wage for these less-skilled jobs is almost twice the average applicable minimum wage for incarcerated workers.

The fact that the average wage of workers in less-skilled jobs similar to those held by incarcerated workers outside of facility operations and maintenance is substantially higher at \$19.45 than the average applicable minimum wage at \$10.20 underscores the importance of mandating prevailing wages for incarcerated workers. Absent prevailing wage requirements, employers in prisons could consistently pay wages to incarcerated workers far below the market wage for similar work because of the limited bargaining power of incarcerated workers. If incarcerated workers were only paid the minimum wage or otherwise underpaid across the board, an increased reliance on prison labor could have an adverse effect on the employment and

wages of U.S. workers who might compete for these jobs. Further, without prevailing wage regulations, the lower wages paid to incarcerated workers would provide a cost advantage to public and private businesses that rely more heavily on prison labor.

## Hours Worked

The costs of prohibiting slavery and involuntary servitude for incarcerated workers and paying them fair wages depends not just on how much incarcerated are paid, but also on the expected number of incarcerated workers and their expected hours of work each year.

In 2022, there were 1.2 million people incarcerated in federal and state prisons.<sup>40</sup> This study generally assumes that the baseline prison population in federal and state prisons will remain stable over the next decade. This may be a conservative assumption because prison populations have been trending downward over the past decade.<sup>41</sup> Further, the benefits of paying incarcerated workers fair wages will likely reduce the overall prison population over time as recidivism decreases, as discussed later, which is considered in an alternative scenario.<sup>42</sup> To the extent future prison populations are lower than projected, both the costs and benefits of removing the exception in the 13th Amendment would be proportionally lower, and the conclusions in this analysis will not be meaningfully altered.

Recent research studies show that, on average, about two out of three incarcerated people in federal and state prisons were working over the period from 2018 to 2020.<sup>43</sup> While incarcerated people are generally required to work, the remaining one-third of incarcerated people may not be able to work due to age, medical illness, conflicting program participation, or just a lack of jobs. This study anticipates that the share of incarcerated people working will stay the same at two-thirds of the prison population over the next decade. Accordingly, this study anticipates that each year about 800,000 incarcerated workers will be voluntarily available and

choose to work in federal and state prisons after the prohibition of slavery and involuntary servitude for incarcerated people.

In prison, the typical workday can range widely and, in some instances, even exceed eight hours.<sup>44</sup> Because incarcerated workers are currently not subject to the overtime requirements of the FLSA, their employers do not have to pay overtime wage premiums, regardless of how much they work over 40 hours per week. Still, in most jurisdictions, 6 to 8 hours of work per day constitutes a full-time job.<sup>45</sup> Shorter work hours are tolerated in prison because security measures, like population counts, often interrupt the workday. This study assumes that all employers in prison will prioritize efficiency over busyness with the increased cost of labor, especially for overtime, and thus the number of work hours will generally decrease. In some cases, it may stay the same, but expectations for productivity may change, particularly as it pertains to jobs with government-run businesses and public projects and the private sector. More specifically, this study anticipates that the average incarcerated worker will work between 20 and 32.5 hours per week, or 4 to 6.5 hours per day for five days per week, for 52 weeks per year once fair wages are mandated.

Accordingly, this study predicts that the typical incarcerated worker will work between 1,040 and 1,690 hours per year. The total work hours for incarcerated workers is therefore projected to be between 832 million and 1.4 billion hours per year — between about 499 and 811 million hours of work in facility operations and maintenance jobs, 166 to 270 million hours of work per year for government-run businesses and public projects, and 166 to 270 million hours of work for the private sector.

## Other Payroll Expenses

There are additional anticipated non-wage costs of employing incarcerated workers, namely Social Security and Medicare taxes (collectively Federal Insurance Contributions Act (FICA) taxes) and

workers compensation premiums. The expected costs of the taxes are 7.65% of wages paid for the employer’s share of Social Security and Medicare taxes. The expected costs of premiums for workers compensation insurance are about 1.6% of wages paid.<sup>46</sup> This study anticipates these payroll taxes and insurance premiums remain constant and equal to 9.25% of wages paid.

### Defining Costs

As it pertains to costs, this study is concerned with those that will be borne by government agencies, or in turn taxpayers. Only incarcerated workers with jobs in facility operations and maintenance or government-run businesses and public projects are paid by government agencies, and thus fit this mold. Incarcerated workers with jobs in the private sector are not a cost burden to government agencies, or

**\$11.6 – \$18.8 billion**

Expected wages for incarcerated workers

taxpayers.<sup>47</sup> Further, only increases in current wages for existing jobs in government-run businesses and public projects represent a new cost, as those from new jobs are likely being filled by the labor market outside of prisons currently, and thus do not have a meaningful cost differential to the government.

**Table 5** presents the projected total annual wages and payroll costs for incarcerated workers by job category. Incarcerated workers in facility operations and maintenance jobs paid the applicable minimum wage would receive total annual wage

Table 5: **Total Wage and Payroll Costs by Type of Employment and Hours Worked**  
(Millions of Dollars)

	Facility Operations and Maintenance	Government-run Businesses and Public Projects	Total Government Costs	Private Sector	Total Wages
<b>Wages</b>					
Wage Level	Minimum	Prevailing	Prevailing		
Total Employment	480,000	160,000	640,000	160,000	
20 Hrs/Week	\$5,093	\$3,237	\$8,330	\$3,237	\$11,566.73
32.5 Hrs/Week	\$8,276	\$5,260	\$13,536	\$5,260	\$18,795.93
<b>FICA and Insurance</b>					
20 Hrs/Week	\$471	\$299	\$771	\$299	
32.5 Hrs/Week	\$766	\$487	\$1,252	\$487	
<b>Total Costs</b>					
<b>20 Hrs/Week</b>	<b>\$5,564</b>	<b>\$3,536</b>	<b>\$9,100</b>	<b>\$3,536</b>	
<b>32.5 Hrs/Week</b>	<b>\$9,042</b>	<b>\$5,746</b>	<b>\$14,788</b>	<b>\$5,746</b>	

Sources: Earnings use jurisdiction prison population weighted averages found in Tables 1 & 4

## \$8.5 – \$14.5 billion

Expected marginal annual cost to governments and taxpayers

compensation between \$5.1 billion and \$8.3 billion for their work. Incarcerated workers paid the prevailing wage for jobs in government-run businesses or public projects would receive total annual wage compensation between \$3.2 billion and \$5.3 billion. Incarcerated workers paid the prevailing wage for jobs in the private sector would also receive a total annual wage compensation between \$3.2 billion and \$5.3 billion. In total, this policy would generate between \$11.6 billion and \$18.8 billion in annual wages for incarcerated workers, as compared to an estimated \$847 million incarcerated workers earn today, including \$331 million from state governments for work in facilities maintenance and operations jobs and government run businesses, and \$515 million from private industry.<sup>48</sup>

Factoring in FICA taxes and workers compensation insurance premiums, the annual payroll costs to government agencies for facility operations and management and government-run businesses and public projects are expected to be between \$9.1 billion and \$14.8 billion. For comparison to current costs, currently 776,000 workers, 97% of the incarcerated workforce, are employed in facilities operations and government-run businesses and public projects, earning an average wage of \$0.25 per hour.<sup>49</sup> If incarcerated workers were paid for 32.5 hours per week for 52 weeks per year, annual pay would be \$423 per person, resulting in annual payroll costs for federal and state governments of about \$338 million. Accordingly, the marginal annual cost to the government agencies, and thus taxpayers, of ending enslavement and involuntary servitude for incarcerated people is between \$8.5 billion and \$14.5 billion per year.<sup>50</sup>



## Benefits

The following sections document, and where possible quantify, the fiscal benefits of ending the enslavement and involuntary servitude of incarcerated people and paying fair wages for their work — the benefits to incarcerated workers, their families and loved ones, their victims, and society more broadly. The benefits to incarcerated workers and their families stem directly from increases in wages, while the societal benefits to communities, taxpayers, and the U.S. economy stem from consequential increases in tax revenue, decreases in crime and victimization, and decreases in law enforcement and correction expenditures. This section begins with the incarcerated worker, who directly benefits from the prohibition of slavery and involuntary servitude, and then moves out layer by layer to those who benefit indirectly from the prohibition of slavery and involuntary servitude.

### Impact on Incarcerated People

This section discusses the impact of ending the enslavement and involuntary servitude of incarcerated people, and paying them fair wages, on incarcerated workers themselves. Fair wages — minimum wage for maintenance and operations and prevailing wages for other work — will allow incarcerated workers to meet their own basic food, hygiene, and communication needs without relying on their loved ones for financial support. Receiving fair wages will also lessen incarcerated people’s reliance on informal “hustles” to cover their basic needs, reducing violence and other forms of misconduct inside prisons. By providing incarcerated people more valuable work opportunities, it will also improve their job readiness and reentry success after release, allow them to reduce debt, and plan for retirement.

#### Basic Needs

Incarcerated people have many basic needs that are not met by correctional administrators. They

are often charged with meeting these needs themselves with their limited resources, particularly the little they earn, if anything, from working. Ending the enslavement and involuntary servitude of incarcerated people and paying fair wages for their work can help them meet their own basic needs without outside support, which can be taxing on their relationships, if they have any.

#### *Food and Hygiene*

For incarcerated people, purchases from prison commissaries, or prison stores, are a necessity, not a luxury.<sup>51</sup> Few prisons meet the basic food and hygiene needs that incarcerated people have. Nutritious food is limited and hygiene products rationed. Corrections agencies spend less than \$4 per person per day, on average, to feed incarcerated people, and as a result food quantity and quality is often lacking.<sup>52</sup> In some states, incarcerated people have even resorted to eating toilet paper to curb hunger.<sup>53</sup> Consequently, many incarcerated people rely on food from prison commissaries to supplement their diets. Similarly, corrections agencies fail to provide incarcerated people with basic hygiene needs like deodorant or adequate toilet paper. As a result, incarcerated people depend heavily on commissaries for their needs.

Further, because incarcerated people cannot shop elsewhere, items sold in commissaries are often overpriced. Exacerbating prices, corrections agencies mark-up items to bring in revenue for themselves. As a result, in Nevada, for example, commissary items are at least 40% more expensive in prison than outside.<sup>54</sup> Moreover, inflation in prison outpaces inflation outside of prison. In Pennsylvania, for example, commissary prices increased by 26.7% on average in 2022, outpacing annual inflation rates by nearly 20%.<sup>55</sup>

Previous studies have analyzed the annual amount incarcerated people spend in prison commissaries.<sup>56</sup>

More specifically, a 2013 survey of spending in federal prisons and 30 state prison systems found that incarcerated people spent on average \$674 per person per year (\$876 in 2023 dollars), while a 2018 study of spending in three state prison systems found that incarcerated people spend on average \$947 (\$1,146 in 2023 dollars) per person per year.<sup>57</sup> Using the average spending from these two studies, and adjusting for inflation,<sup>58</sup> incarcerated people in federal and state prisons spend an estimated \$1,011 per person, or \$1.2 billion collectively, each year on prison commissary items, as of 2023. This may understate spending because per person spending, adjusted for inflation, was 31% higher in 2018 than per person spending in 2013, and that growth trend may have continued.

Given the meager wages paid to incarcerated workers and the cost of commissary items, incarcerated people are forced to rely on family and friends for financial support. Incarcerated people without support systems often go without their basic needs met with grave consequences to their physical and mental health, which plays an important role after their release as they reenter their communities. While the economic effects of improved physical and mental health may be difficult to quantify, they are clearly understood to have huge fiscal benefits.<sup>59</sup> This study considers how much families and friends will save on commissary spending when their incarcerated loved ones earn wages but does not account for these other health benefits.

### ***Contact with Support Systems***

Communication services in prisons are excessively priced, making it difficult for incarcerated people to remain in close contact with family and friends. In 2022, the average cost of a 15-minute call from prison was \$1.17.<sup>60</sup> In most states, incarcerated people are also charged for video calls and electronic messaging.<sup>61</sup> While Congress and states are starting to pass legislation to address the high cost of communication, these costs are likely to persist for many more years in most states.

Studies report that incarcerated people across all prisons and jails spend \$1.4 billion on just phone calls each year.<sup>62</sup> Considering the breakdown of the correctional population between prisons and jails and assuming similar use in both, this study estimates that up until recent legislation, incarcerated people in prisons spent nearly \$916 million annually on calls.<sup>63</sup> With the Federal Bureau of Prisons and California, Colorado, Connecticut, Massachusetts, and Minnesota all passing policies to make calls free in prisons since this figure was published, this study anticipates spending on calls in prisons will shortly drop to \$804 million annually.<sup>64</sup> There is limited data on spending on other communication services, like video calls or electronic messaging, and thus this study does not include them.

Studies have repeatedly shown that incarcerated people who maintain direct and frequent communication with their loved ones during their incarceration are in better mental health, more likely to succeed upon release, and less likely to recidivate.<sup>65</sup> They have even shown that such regular contact can reduce tension and violence inside facilities.<sup>66</sup> Yet, given their low wages, incarcerated people cannot afford regular calls with their family and friends. For example, in Indiana, incarcerated people must pay \$2.10 for a 15-minute call, but many make just \$0.25 per hour, meaning that they would have to work 8.4 hours to afford a call home.

As a result, much like with commissary, the burden of these communication costs fall on those supporting incarcerated people, and force 1 in 3 families with an incarcerated loved one trying to stay connected into debt.<sup>69</sup> Incarcerated people whose families and friends cannot afford these calls or bear the additional debt are often cut off entirely, with grave consequences for their reentry success and public safety. Ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages will allow them to stay in regular contact with the support systems, with positive effects on both reentry outcomes and their overall health. This study considers how much families and friends will save on

communication costs when their incarcerated loved ones earn wages as well as some potential impact on reentry success, but does not account for the ripple in social benefits that are likely to also follow with increased connection and decreased financial stress.

### ***“Hustles” and Violence Inside***

Because of the penny wages currently paid for prison labor, incarcerated people cannot cover their basic needs for food, hygiene, and communication with loved ones. In New York, for instance, an incarcerated individual making \$0.22 per hour — the average wage for incarcerated workers in the state for jobs in operations and maintenance<sup>70</sup> — needs to work 20 hours just to be able to afford a granola bar at the prison’s commissary store.<sup>71</sup> Similarly, in Arizona, the average incarcerated worker making \$0.30 per hour has to work almost 4 hours to cover the cost of a 15-minute call home.<sup>72</sup> To put this in context, this is equivalent to charging someone making the federal minimum wage (\$7.25 per hour) \$145 for a cereal bar and \$27 for a 15-minute phone call.

Due to the disparity between the cost of living and wages inside prisons, most incarcerated people have to rely on extra income generated through informal “hustles,” especially when they lack financial support from family and friends on the outside.<sup>73</sup> Prison “hustles” can include smuggling and trading drugs and other illegal substances, but more often they involve far less nefarious and remunerative activities, such as making art, tattooing, cooking, cleaning, ironing, and selling other services to others.<sup>74</sup> While “hustling” represents a lifeline for many incarcerated people, informal activities have also been shown to lead to higher rates of conflict and victimization inside prison, as people have little choice but to resort to violence to protect property rights or collect debts.<sup>75</sup>

Paying fair wages for prison labor will allow incarcerated people to cover their basic needs without having to engage in informal “hustles” to generate extra income. By reducing violence and other forms of misconduct in prison, such a

reduction in informal economy and extra-legal activities will surely benefit the overall health and well-being of both incarcerated people and correctional officers.<sup>76</sup> This study does not account for these benefits.

### **Work Experience and Earnings After Release**

Economic studies indicate that a substantial component of the economic cost of incarceration is the opportunity cost of the time and foregone earnings of incarcerated people.<sup>77</sup> Most people in prisons are men of prime working age who could be contributing to their families, communities, and the economy by engaging in productive work and providing financial support for loved ones. A substantial majority of incarcerated people will be released from prison and face difficulties in the transition from prison to gainful employment. Each year that a person is incarcerated, without gaining valuable work experience or an education, they fall further behind and face a more difficult transition to work outside of prison.<sup>78</sup> In the current system, incarcerated people are often assigned “make work” or “no-show” jobs to keep busy rather than given meaningful opportunities to contribute to the economy.<sup>79</sup>

Making prison work voluntary and paying incarcerated workers a fair wage for their labor by ending slavery and involuntary servitude will increase productive jobs in prisons as it will incentivize corrections agencies to eliminate duplicative or unproductive jobs and encourage all employers to offer more productive employment opportunities. Government-run businesses and public projects and the private sector acting in their own self-interest will want to avail themselves of this reliable workforce, hiring incarcerated workers for jobs that may otherwise be difficult to fill, even at prevailing wages. In addition to the wages paid to workers while in prison, the opportunity to gain valuable work experience during incarceration increases the human capital of workers who will eventually be released and re-enter their communities.

Moreover, having valuable work opportunities while incarcerated will improve each person’s chances at gainful employment upon release and decrease their chances of recidivating. Studies show that individuals who continue their education while incarcerated have a significantly higher likelihood of success after their release from prison.<sup>80</sup> While productive work in prison is not the same as completing a GED or working towards an associate’s degree, studies of work release programs have shown that work experience also improves reentry success.<sup>81</sup> More valuable work experience will make incarcerated workers more likely to find employment after release.

This section quantifies the possible gains in employment and income due to the work experiences garnered by incarcerated workers by assuming that valuable work experience in prison will have a similar impact on the likelihood of securing employment after release as work release programs do. The magnitude of this impact on future employment and earnings depends on how many incarcerated workers are released from prison each year. This study expects 480,000 people to be released from prison annually, including about 320,000 incarcerated workers.<sup>82</sup> If all 320,000 engaged in productive jobs for at least two years while incarcerated, this study projects an increase in the probability of being employed for each year of their expected work life, as long as the released

worker remains out of prison. Because the median person released from prison is younger than 35, the benefits from greater employment and earnings opportunities after release from prison will extend for many years.<sup>83</sup> This study assumes that the beneficial effects of productive prison employment on earnings and employment opportunities will accrue for 15 years after release from prison, on average.<sup>84</sup> To translate this stream of future benefits to the equivalent value today, this study measures the present value, or lump sum value, of 15 years’ worth of benefits. Recognizing that the value of a benefit in 15 years is less than the same dollar value today, those future benefits are reduced or discounted to reflect the time value of money.<sup>85</sup>

Assuming formerly incarcerated workers earn wages comparable to the prevailing wages for incarcerated workers (Table 4), a 5% increase in the likelihood of post-incarceration employment<sup>86</sup> each year will increase the lifetime earnings of each formerly incarcerated worker by \$15,668 per capita (in present value) even if reincarceration rates remain unchanged. **Table 6** shows that the financial benefits of increased employment opportunities after prison release are magnified if reincarceration rates are also reduced by work experiences gained in prison. If productive work results in a 1% reduction in reincarceration rates, the effective expected work life

Table 6: **Present Value of Increased Future Earnings Over 15-Year Period**

	<b>No Reduction in Reincarceration Rate</b>	<b>1% Reduction in Reincarceration Rate</b>	<b>5% Reduction in Reincarceration Rate</b>
Per Capita	\$15,668	\$19,696	\$36,657
<b>Aggregate (millions)</b>	<b>\$5,014</b>	<b>\$6,303</b>	<b>\$11,730</b>

Notes: Assumes a 5% increase in the chance of employment. Measures are in terms of net present value over a 15-year period.

Sources: Expected earnings taken from Bureau of Labor Statistics, *Occupational Employment and Wage Statistics*, <https://www.bls.gov/oes/>. Expected reincarceration rates taken from Bureau of Justice Statistics, <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/rpr34s125yfup1217.pdf>.

of formerly incarcerated workers is increased because more will stay out of prison and stay employed. Consequently, a 5% increase in employment rates each year and a 1% reduction in reincarceration rates will increase expected per capita lifetime earnings by \$19,696. If productive work results in a 5% reduction in reincarceration rates, the effective expected work life of formerly incarcerated workers is increased further so that the same 5% increase in employment rates in each year will increase expected per capita lifetime earnings by \$36,657.

Because each cohort of people released from prisons will include 320,000 formerly incarcerated workers who provided voluntary work at fair wages in productive tasks, the estimated present value of increased earnings after prison release for each cohort ranges from \$5.0 billion if reincarceration rates remain unchanged, to \$6.3 billion to \$11.7 billion if reincarceration rates decline by 1% or 5%, respectively. Ending slavery and involuntary servitude and mandating fair wages for incarcerated workers will not only increase the earnings and quality of work experiences while workers are incarcerated, it will increase employment rates and earnings throughout released workers' lives after prison.

### **Debt**

Incarcerated people often leave prison with debt stemming from unpaid court fines and fees, child support, victim restitution, and other obligations.<sup>87</sup> In fact, studies have found that between 66% and 92% of formerly incarcerated people have child support debt, alone.<sup>88</sup> Other research has shown that formerly incarcerated people have a 69% drop in their credit scores as a result of pre- and post-incarceration debt, which can impact their ability to secure housing and employment and increase recidivism by 15% to 20%.<sup>89</sup> Some studies suggest that people released from prison with debt are more likely to engage in illegal activities to generate income to repay their financial obligations.<sup>90</sup> Participation in illegal activities to reduce debt and other financial constraints increases the risk of reincarceration and makes it even more difficult for

them to find gainful legal employment next time they are released.

Ending slavery and involuntary servitude and mandating fair wages in prison will allow incarcerated workers to pay down their debts during their incarceration and be released from prison with less debt and fewer financial obligations. It will improve their financial outlook upon release and increase their employment and earnings prospects after prison. This study does not account for the marginal impact that reducing such debt has on the ability of incarcerated people to engage in legal employment, increase earnings, and avoid recidivating, though does consider it in its assessment on the policy's impact on recidivism rates.

### **Social Security and Medicare in Retirement**

Currently, incarcerated workers and their employers do not contribute to Social Security and Medicare, making retirement particularly difficult, especially for incarcerated people who spend many of their working years in prison.

Ending the enslavement and involuntary servitude of incarcerated people and mandating that they be paid fair wages with employers that pay federal payroll taxes will give formerly incarcerated workers financial support in their retirement years. Further, for those being released before retirement, the improved employment outlook created by valuable work experience and the payment of fair wages will increase the number of years and amount they will continue to contribute to these programs after release, beyond the increased contributions made while working in prison. As a result of increased participation and contributions to these programs, former incarcerated workers will receive greater social security benefits and lessen their burden on loved ones or other government programs during their retirement years. This study does not account for the fiscal benefits that such support in later years has on the formerly incarcerated person, their support system, or society, but it is likely meaningful.

## Impact on Families and Children

Most people in prison come from low-income families and communities, which are also disproportionately Black, Brown, and Indigenous.<sup>91</sup> Roughly 47% of incarcerated men and 58% of incarcerated women are the parents of minor children.<sup>92</sup> More than half of the parents incarcerated in federal and state prisons were the primary breadwinners for their families before entering prison, and with three-quarters employed in the month before their incarceration, many contributed to their households who were not.<sup>93</sup> Consequently, many families and children face a serious financial hit when a loved one is incarcerated. Exacerbating this loss of income are the new costs that families bear for their loved ones' incarceration.<sup>94</sup> As a result, nearly two-thirds of families with an incarcerated loved one cannot meet their own basic needs while supporting their incarcerated loved one.<sup>95</sup>

This section discusses the impact of ending the enslavement and involuntary servitude of incarcerated people and paying them fair wages on the families of incarcerated workers. It details several specific benefits to families: relief from financially supporting incarcerated loved ones, increased child support contributions, and supplemental income.

### Cost of Incarceration

Because most incarcerated workers make less than a dollar per hour and the cost of having a court case and living in prison is expensive, incarcerated people can rarely afford their court fines and fees as well as basic food, hygiene, and communication needs. As a result, most incarcerated people are forced to rely on family and friends for financial support. Research shows that families currently shoulder many of the

costs associated with incarceration, including court fines and fees, commissary and package costs, and communication and visit costs.<sup>96</sup> And the products and services sold inside prisons — from a candy bar to a phone call — are often more expensive than similar, or even better quality products and services, outside of prisons.

Exacerbating these costs are the fees for transferring money into prisons.<sup>97</sup> A 2021 study of 33 prison systems found fees ranging from 5% to 37% for online transfers, with an average fee of 19% for a \$20 transfer, presumed the most common amount.<sup>98</sup> Each year, these fees translate into millions of dollars in added costs for families.<sup>99</sup> Given that most commissary sales are funded by money transfers, this study estimates that families with loved ones in federal or state prisons are spending \$228 million annually on money transfer fees.<sup>100</sup>

Ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages will allow them to provide for their own basic needs and relieve their families and friends of this burden. As detailed earlier, this study estimates that families with loved ones incarcerated in federal and state prisons spend \$1.2 billion on commissary and \$804 million on communication services annually. With money transfer fees, the annual spending of families is roughly \$2.2 billion for all incarcerated people. With two-thirds of incarcerated people working and covering their own commissary and communications costs, this study predicts that paying incarcerated workers fair wages will save families with incarcerated loved ones about \$1.5 billion each year.

### Child Support

About half of people incarcerated in federal and state prisons are parents of minor children, and many are parents to more than one child.<sup>101</sup> Many of these children would typically depend on their incarcerated parent for financial support if not for their incarceration.<sup>102</sup> The impact of incarceration on children is often even worse when their mother is imprisoned: 58% of women in state or federal prisons

**\$1.5 billion**

Expected annual savings for families

have minor children,<sup>103</sup> and most of them are single mothers, thus bearing sole responsibility for their young children.<sup>104</sup>

By paying incarcerated workers less than one dollar per hour, corrections agencies are penalizing the dependent children of incarcerated people, who cannot provide meaningful child support on such wages.<sup>105</sup> As discussed later, about 20% of the families of incarcerated workers with children are likely supported by federal and state welfare programs, and thus would not receive child support payments directly.<sup>106</sup> However, in the remaining 80% of families of incarcerated workers with children, the incarcerated parent is responsible for child support. If incarcerated workers earn fair compensation for their work, states will be able to easily collect child support out of their earnings. If the incarcerated parent has been delinquent in child support, delinquent payments can also be recovered.

How much dependent children will benefit from the income earned by an incarcerated parent depends on factors that vary case by case. Some incarcerated parents may voluntarily choose to contribute more financial support to their children than the minimum required by child support laws if they are paid a fair wage. As a lower bound on financial contributions to children, this study considers the average child support payment that would be required of incarcerated workers if they made fair wages.

Most states use an “income shares” model for determining child support payments. In an “income shares” model, the state considers the total family income, in this case the combined earnings of the incarcerated parent and the other parent, and mandates a proportional contribution from each parent to meet the base child support obligation.<sup>107</sup> For example, if the incarcerated worker earned 50% of total family income, then the incarcerated worker’s child support deduction would equal 50% of the monthly child support obligation. In these states, this study assumes that the co-parent of the incarcerated worker earns about the same income

**\$1.9 – \$2.6 billion**

**Expected annual child support payments to families**

as the incarcerated worker, so that each parent is responsible for half of the child support for two children. In a handful of states, a simpler “percentage of income” model is used to determine child support payments. In a “percentage of income” model, the state applies a flat percentage to the income of the non-custodial parent, in this case the incarcerated parent. In some of these states, the percentage may change based on the parent’s income bracket. Child support formulas can differ substantially across states.<sup>108</sup> Child support payments for two children in nearly all states are at least 20% of the non-custodial parent’s income even for minimum wage earners.<sup>109</sup> In other states, non-custodial parents may be required to pay 40% or more of their income in child support even if they are employed in minimum wage jobs.<sup>110</sup>

If incarcerated workers are paid fair wages, annual child support deductions across all federal and state prisons will be between \$1.9 billion (based on 20 work hours per week) and \$2.6 billion (based 32.5 work hours per week) for the approximately 341,000 incarcerated workers who are parents and whose children are not supported by federal or state welfare programs. This estimate assumes that incarcerated parents who work have the same distribution of jobs and wages as the broader group of incarcerated workers: 60% are earning minimum wage for facilities operations and maintenance jobs and 40% are earning prevailing wage for jobs in government-run businesses and public projects and the private sector.<sup>111</sup> The child support payments represent 41% of earnings if there are 20 hours worked per week and 34% if there are 32.5 work hours per week.

### Supplemental Income

Prior to their incarceration, many incarcerated people contributed financially to their households. In fact, more than half of the parents incarcerated in federal and state prisons were the primary breadwinners for their families before being incarcerated,<sup>112</sup> and many others likely provided lower levels of financial support. Thus, ending the enslavement and involuntary servitude of incarcerated people and paying them fair wages for their work could lead many to provide their families supplemental income beyond legal mandates like child support. This would be true of both incarcerated parents and non-parents. A recent study shows that 80% of formerly incarcerated people move in with family after their release from prison, indicating close family connections even among many incarcerated persons who do not have children.<sup>113</sup>

This study conservatively assumes that only incarcerated workers without dependent children will provide supplemental income to their families, equal to about half of projected child support payments for two children, or about 20.5% of earnings if there are 20 work hours per week and 17.5% of earnings if there are 32.5 work hours per week.<sup>114</sup> Thus, in the aggregate, paying fair wages to incarcerated workers will result in between \$1.1 billion and \$1.5 billion in supplemental income for the families of the 376,000 incarcerated workers who are not parents, depending on whether there are 20 or 32.5 work hours per week, respectively.<sup>115</sup>

It is likely that supplemental income support to families will exceed these amounts, although unlike child support payments, these payments are not required by law. Both parents and non-parents may choose to provide even more financial support to their families when paid fair wages.

### Other Benefits to Families and Children

The families and children of incarcerated parents face a unique set of challenges that have a powerful and lasting impact, particularly on children.<sup>116</sup> For example, children are especially harmed by a

## \$1.1 – \$1.5 billion

Expected annual supplemental income payments to families

caregiver's inability to afford calls or visits with their incarcerated parents. Children who are cut off from their incarcerated parents due to the cost of staying in touch suffer from isolation that exacerbates the initial trauma of parental incarceration.<sup>117</sup> The economic hit that families and children take when a loved one is incarcerated can throw them into or worsen their poverty and the trauma that comes along with it.<sup>118</sup> This is particularly true for children of incarcerated mothers, who are nearly twice as likely to have been in a single parent household before their incarceration.<sup>119</sup> And the long-term impact of incarceration on future economic mobility after a person is released can further entrench families and children in poverty.

While ending the enslavement and involuntary servitude of incarcerated people and mandating they be paid fair wages cannot prevent families and children from much of the suffering associated with a loved one's incarceration, it can address some of the short-term and long-term relational and economic impacts. As already discussed earlier, it will ensure families and children can afford calls and visits with their incarcerated loved ones, maintaining important ties; it will mitigate the immediate economic hit that families and children take by providing continued access to child support and supplemental income; and it will improve employment and earnings prospects after release. All of these benefits have an impact on the physical and mental health of these families and children and can determine economic mobility across generations. These fiscal benefits are difficult to quantify, and thus this study does not directly account for them, but they are undeniably magnanimous given their generational impact.



## Impact on Crime Victims

This section discusses the impact of ending the enslavement and involuntary servitude of incarcerated people and paying them fair wages on the victims of crime. The primary benefit to crime victims is payment of restitution, or compensation for loss or injury.

### Restitution

At sentencing, some people convicted of crimes are ordered to pay restitution to their victim(s), generally as a recompense for loss or injury. Restitution is most commonly ordered in financial, property, and personal crimes (primarily robbery). Practices around restitution — when it is ordered and how much is ordered — differ from one jurisdiction to another, and there is little aggregate or even comparable data to draw from. For example, from 2014 to 2016, federal courts ordered 15% of people convicted of crimes to pay restitution,<sup>120</sup> while in 2013, Nebraska state courts ordered restitution in 22% of cases resulting in a probation sentence and 6% of cases resulting in a prison sentence.<sup>121</sup> Further, the average restitution assessment in federal courts in 2018 was \$931,102, skewed by large assessments for financial crimes and arson,<sup>122</sup> while the average restitution assessment in Nebraska state courts in 2013 was \$5,342 for cases resulting in probation sentences and \$3,177 for cases resulting in prison sentences.<sup>123</sup> Importantly, not all people ordered to pay restitution are incarcerated and not all incarcerated people have been ordered to pay restitution.

Despite these differences, a few facts are relatively consistent across all jurisdictions: the most common restitution assessment trends between \$2,000 and \$10,000;<sup>124</sup> and most people are unable to afford their restitution payments. Consider that at the end of 2016, in the federal system, there was \$110 billion in outstanding restitution and \$100 billion was considered uncollectible because of the person's inability to pay.<sup>125</sup> From 2014 to 2016 alone, \$34 billion in restitution payments were ordered and only \$3 billion in restitution debt was collected.<sup>126</sup> And the

# \$89 million

Expected annual victim restitution payments for robberies alone

issue is magnified in prisons, where people are less likely to make restitution payments.<sup>127</sup>

Ending slavery and involuntary servitude in prisons and mandating fair wages for incarcerated workers will allow them to make restitution payments during their incarceration and avoid restitution debt upon release. This study focuses on restitution for robbery, which is likely to make up a considerable number of crimes that result in a prison sentence and garner restitution orders. According to the 2019 FBI Uniform Crime Reports, robberies accounted for 22% of violent crime and the average value of a robbery offense was \$1,797, totaling \$482 million.<sup>128</sup> Restitution for robberies could amount to about \$89 million each year for the two-thirds of the roughly 155,900 people incarcerated in federal and state prisons for robbery who are paid fair wages.<sup>129</sup> Paid fair wages, incarcerated workers could each pay their own restitution within a matter of months, even those paid minimum wage in facility operations and maintenance jobs working only 20 hours per week, depending on possible deductions for child support and other obligations.

Of course, restitution could be ordered for victims of other crimes, not just robberies. Paid fair wages, incarcerated workers could pay off most restitution orders before being released.<sup>130</sup>

## Impact on the Government and Taxpayers

This section discusses the impact of ending the enslavement and involuntary servitude of incarcerated people and paying them fair wages on the government and taxpayers. Fair wages will

benefit the government and taxpayers by increasing the payment of court fines and fees, increasing tax revenue from currently and formerly incarcerated people, reducing reliance on federal and state welfare benefits, and decreasing recidivism and reincarceration rates.

### Fines and Fees

A substantial proportion of incarcerated people are assessed court fines and fees when they are sentenced. These fines and fees can vary widely by jurisdiction in type and amount; some states levy as few as 15 different types and others as many as 100.<sup>131</sup> While there is no aggregate or comparable data to draw estimates from, it is clear that these fines and fees can quickly mount. For example, a study found that New York City courts imposed more than 450,000 fines and fees, worth close to \$100 million, during sentencing in 2017.<sup>132</sup>

These financial obligations have a deleterious impact on incarcerated people and their families, especially since families often turn to high-cost loan services and forgo necessities to make payments.<sup>133</sup> And their imposition is unproductive since few can afford to pay these fines and fees in the long run and a substantial portion remains uncollected across jurisdictions.<sup>134</sup> For example, from 2012 to 2018, Florida, New Mexico, and Texas accumulated a total of almost \$1.9 billion in uncollected court fines and fees.<sup>135</sup>

Layering excessive court fines and fees on prison sentences is counterproductive and will not be solved by the payment of higher wages to incarcerated workers. However, ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages will give them the ability to pay these fines and fees, rather than placing that burden on their families or cause them to fall into debt before release. Due to a lack of data, this study does not account for the benefits related to the payment of court fines and fees.

### Taxes

Given the incredibly low wages incarcerated workers currently earn, few are required to pay taxes. While certainly withholding wages may save taxpayers money in the short-term, taxpayers are losing in the long-term given all the benefits outlined in this study. And along with those other benefits, ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages will allow incarcerated workers to contribute more to the tax base during their incarceration and after.

Even with fair wages, incarcerated workers employed in facility operations and maintenance jobs at the applicable minimum wage will have low income, meaning that their tax payments (other than Social Security and Medicare) while in prison will be minimal, though still more than the nothing they pay today. However, incarcerated workers with jobs in government-run businesses and public projects and the private sector that pay prevailing wages will make meaningful federal, state, and local tax payments, immediately offsetting at least some of the costs of their wages. While those working in government-run businesses and public projects may be seen as effectively returning taxpayer dollars, those working in the private sector will be providing entirely new revenue for the state.

**Table 7** shows the expected annual tax payments for each of the three different types of jobs held by incarcerated workers. For example, annual payments of Social Security and Medicare taxes by incarcerated workers while in prison will be between \$885 million and \$1.4 billion across all types of jobs, depending on hours worked.<sup>136</sup> Annual federal income tax payments from incarcerated workers while in prison are expected to range from \$408 million to \$1.2 billion, assuming an average federal income tax rate of about 3.5% to 6.6%, depending on hours worked, for the typical worker, with most of the federal income taxes paid by incarcerated workers earning prevailing wages.<sup>137</sup> Finally, incarcerated people will also pay between \$269 million and \$489 millions of dollars in state income taxes each year, in locales

Table 7: **Increased Taxes Paid by Incarcerated Workers by Hours Worked Across All Prison Jobs**  
(Millions of Dollars)

Hours Worked	All Prison Jobs
<b>FICA Tax Payments</b>	
20 Hrs/Week	\$885
32.5 Hrs/Week	\$1,438
<b>Federal Income Tax Payments</b>	
20 Hrs/Week	\$408
32.5 Hrs/Week	\$1,239
<b>State Tax Payments</b>	
20 Hrs/Week	\$269
32.5 Hrs/Week	\$489
<b>Total Tax Payments</b>	
<b>20 Hrs/Week</b>	<b>\$1,562</b>
<b>32.5 Hrs/Week</b>	<b>\$3,165</b>

Sources: Federal income tax rates taken from Smart Asset Tax Calculator, <https://smartasset.com/taxes/income-taxes>. State income tax rates taken from efile Tax Calculator, <https://www.efile.com/state-income-tax-calculators/>, except Ohio and Hawaii, which were taken from <https://smartasset.com/taxes/income-taxes#tax-calculators>. Incomes taken from Table 5.

where such taxes exist.<sup>138</sup> This study does not capture local income tax payments given the vast diversity of local tax laws across the country, however, localities that mandate local income tax will see these payments increase as well.

Additional benefits to the government and taxpayers occur after incarcerated workers are released from prison. As explained earlier, ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages are assumed to improve employment rates for formerly incarcerated workers by 5%, which will result in a substantial

**\$1.6 – \$3.2 billion**  
Expected annual federal and state tax payments

increase in the present value of their lifetime earnings. The aggregate increase in lifetime earnings, as shown in Table 6 earlier, also depends on the magnitude of the decline in the reincarceration rate due to the improved employment opportunities and finances of formerly incarcerated workers. Table 6 showed that each cohort of 320,000 incarcerated workers released from prison each year will earn an additional \$5.0 billion to \$11.7 billion in present value over the first 15 years after release from prison as a result of the work experience gained while in prison depending on the assumed reduction in reincarceration rates.

Similarly, **Table 8** considers three different possibilities: no reduction, a 1% decline and a 5% decline in the reincarceration rates of formerly incarcerated workers. Table 8 shows that the present value of additional tax payments stemming from the increased employment and earnings of formerly incarcerated workers are proportional to these earnings. FICA taxes will increase by \$384 million to \$897 million in present value and federal income taxes will increase by \$381 million to \$892 million. State tax payments will increase by \$149 million to \$349 million. In total each cohort of 320,000 released formerly incarcerated workers can be expected to pay an additional \$914 million to \$2.1 billion in federal and state taxes, in present value terms, in the first 15 years after their release, depending on the reduction in reincarceration rate. Similarly, there will be many millions more paid in local taxes by formerly incarcerated workers each year, but these future tax payments are not accounted for in this study.

Table 8: **Present Value of Increased Taxes Paid on Future Earnings Over 15-Year Period**  
(Millions of Dollars)

	<b>No Reduction in Reincarceration Rate</b>	<b>1% Reduction in Reincarceration Rate</b>	<b>5% Reduction in Reincarceration Rate</b>
FICA Tax Payments	\$384	\$482	\$897
Federal Income Tax Payments	\$381	\$479	\$892
State Tax Payments	\$149	\$188	\$349
<b>Total Tax Payments</b>	<b>\$914</b>	<b>\$1,149</b>	<b>\$2,138</b>

Sources: Federal income tax rates taken from Smart Asset Tax Calculator, <https://smartasset.com/taxes/income-taxes>.

State income tax rates taken from efile Tax Calculator, <https://www.efile.com/state-income-tax-calculators/>, except Ohio and Hawaii, which were taken from <https://smartasset.com/taxes/income-taxes#tax-calculators>. Incomes taken from Table 6.

### Government Welfare Programs

Federal and state welfare programs provide \$30 billion in welfare benefits to support poor households with children.<sup>139</sup> Some of these benefits are paid to the families of incarcerated people in federal or state prison. If slavery and involuntary servitude are eliminated and incarcerated workers are paid a fair wage for their labor, over the course of a decade, there will be billions of dollars in savings for the government and taxpayers, as incarcerated workers will be able to provide greater financial support to their families. This study assumes that the benefits to the government and taxpayers of reduced federal and state welfare benefits depend directly on and are limited to the child support payments that incarcerated parents would pay.

Some of the families of incarcerated workers rely on welfare programs such as Temporary Assistance

for Needy Families (TANF) and associated Separate State Maintenance of Effort (MOE) programs. While it is unclear how many of the families of the approximately 424,000 incarcerated workers with children rely on welfare programs, about one-fifth of poor households with children collect welfare benefits from the TANF programs.<sup>140</sup> Because most of the families with children of incarcerated people are poor,<sup>141</sup> This study assumes that about 84,800 families of incarcerated workers with children, or one-fifth of all families of incarcerated workers with children, are also TANF recipients.<sup>142</sup> If these parents received a fair wage for their work, they could provide better support for their children and reduce the burden on welfare programs and taxpayers. When a family is collecting TANF benefits, much of the child support benefits are collected by the states and only a share of the support payments are passed through to the family. Therefore, in these cases, the child support payments made by incarcerated workers who are parents will primarily be collected by the states to help finance TANF programs, and only a small portion will accrue directly to their children.

Under federal law, families receiving TANF benefits must cooperate with child support establishment and enforcement efforts. In addition, TANF recipients must assign their rights to child support payments

**\$914 million – \$2.1 billion**

Expected additional federal and state tax payments per cohort for 15 years after release

to the state. When a state collects child support on behalf of a TANF recipient, the state is permitted to keep the money to reimburse itself and the federal government for TANF assistance. Twenty-six states allow some of the child support payments to be passed through to the child and disregarded in determining TANF assistance.<sup>143</sup> In the other 24 states, if a family is collecting TANF benefits, all child support is kept by the state.<sup>144</sup>

This study anticipates that 20% of the households with children of incarcerated workers collect TANF benefits, comparable to the share of poor households with children who rely on these benefits. This study assumes two-thirds of the child support payments from the 84,800 incarcerated workers who are parents of TANF recipients will accrue to both the federal and state government and the remaining amount will be paid to the children and custodial parent.<sup>145</sup> **Table 9** uses the same state formulas used to calculate child support payments for incarcerated parents whose children do not receive TANF benefits. Given the assumed two-thirds and one-third split of deductions for TANF pass-through, between \$319 million and \$431 million of the deductions each year will be collected by the welfare system and \$159 million to \$216 million will be passed through to children and their caretakers, depending on hours worked.

**\$478 – \$647 million**

Expected annual contributions toward TANF, including pass throughs to families

**Recidivism, Crime, and Reincarceration**

This section of the study presents a dynamic model to estimate the effects of ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages on recidivism, crime, and reincarceration. The model predicts how much this policy change would reduce the prison population if the reincarceration rates of formerly incarcerated workers decline, and how much crime in the U.S. will be expected to decline as a result of lower recidivism rates among formerly incarcerated workers. Different from other interventions and reforms that are shown to reduce recidivism, the elimination of slavery and involuntary servitude will impact a substantial majority of the prison population, roughly two-thirds. The approach in this study is to quantify the dividends from this policy change using conservative assumptions about its impact on recidivism and reincarceration rates. The analyses in this section are for cohorts of people released from prison who have spent enough

Table 9: **Increased Contributions to Welfare System by Incarcerated Parents**  
(Millions of Dollars)

Hours Worked	Payments to Welfare System	Payments to Children	Total Contributions
20 Hrs/Week	\$319	\$159	\$478
32.5 Hrs/Week	\$431	\$216	\$647

Sources: Child support payable taken from <https://www.alllaw.com/calculators/childsupport>, exception for Texas, which is taken from <https://csapps.oag.texas.gov/monthly-child-support-calculator>.

time working productive jobs at fair wages while incarcerated. As such, the changes projected in this section will not be realized immediately but only for those cohorts of formerly incarcerated people who have spent at least two years working in productive jobs at fair wages while incarcerated.<sup>146</sup>

Investments in education and work release programs, which help incarcerated individuals to gain marketable skills and increase their employment and earning prospects post release, can be quite effective in reducing recidivism and reincarceration rates and pay large dividends.<sup>147</sup> For example, studies find that post-secondary education programs and work release programs reduce recidivism by 28% and 10%, respectively.<sup>148</sup> This study assumes that increasing the number and quality of work experience in prisons created by ending slavery and involuntary servitude and mandating fair wages for incarcerated workers will be similarly valuable in the workplace after their release. Strengthening this assumption, studies also show that recidivism rates are lower when incarcerated people are less burdened by debts and financial obligations.<sup>149</sup> Fair wages for incarcerated workers will reduce their indebtedness upon release from prison and improve relationships with loved ones by lowering the financial burden placed on them during and after their incarceration. And earning a fair wage is also likely to help incarcerated people maintain contact with family members, another critical factor for successful reentry.<sup>150</sup>

A 2021 Bureau of Justice Statistics (BJS) study showed that 70.8% of individuals released from state prison in 2012 were rearrested within five years, 54.4% were re-convicted, and 45.8% were reincarcerated.<sup>151</sup> Although reincarceration rates vary substantially by age (*e.g.*, 56.8% for people age 24 or younger and 14.4% for people age 65 and above), the model relies on a 45.8% reincarceration rate every five years for all persons released from federal or state prison.

To isolate the effect associated with employment at fair wages while in prison, the model assumes

the number of people admitted to prison for the first time does not change and that the overall prison population is stable absent changes in recidivism rates from this policy change.<sup>152</sup> A stable prison population of 1.2 million people with about 480,000 prison admissions each year and a five-year reincarceration rate of 45.8% implies that there are 259,000 people each year who are expected to be admitted to prison for the first time.<sup>153</sup> A stable prison population with 480,000 prison admissions each year requires 480,000 prison releases each year. The model assumes as a baseline that 54.2% of people released from prison over the next decade will not be re-admitted to prison absent any policy changes.

Because two-thirds of incarcerated people are assumed to be employed while in prison, this means that 320,000 persons released from prison each year (two-thirds of 480,000) will have earned fair wages, gained valuable work experience while incarcerated, reduced debt and financial obligations, and maintained stronger ties with their families. The model assumes that one out of three people released from prison each year (about 160,000 people) did not work enough while in prison to receive the benefits of fair wages or valuable work experience. These “untreated” persons released from prison will face a 45.8% reincarceration rate even after slavery and involuntary servitude are prohibited in prison. The other two-thirds of persons released from prison each year (320,000) will have worked enough while in prison for fair wages to experience a decline in their recidivism and reincarceration rates. This section shows that even modest (1% or 5%) declines in recidivism and reincarceration rates of those “treated” cohorts can contribute to billions of dollars in benefits to the economy due to lower expenditures on prisons and lower costs of crime.

### ***Impact on Incarceration Costs***

While the costs of incarceration vary widely across states, on average federal and state prisons spend about \$63,850 per year to incarcerate one person in prison.<sup>154</sup> The average time served in prison is

2.5 years.<sup>155</sup> Because people who are reincarcerated are likely to receive prison sentences at least as long, given reoffense penalties, each successful intervention that prevents reincarceration could save taxpayers over \$150,000 in prison costs.

However, due to the fixed costs of operating prisons, incarceration costs may not change in exact proportion to the number of incarcerated people diverted from reincarceration. As a result, the marginal cost savings per incarcerated person from diversion will be lower than the average cost per incarcerated individual, if only variable costs will be saved in the short run. A recent study that reviewed alternative methods for estimating the marginal cost of incarceration per incarcerated individual found marginal cost estimates ranging from 46% to 55% of average costs.<sup>156</sup> This study assumes that the marginal cost savings from reductions in the prison population in the short run are half of the average costs, or about \$31,925 per person per year.

This study considers both the short and long term impact of the policy on the prison population. In the short run, any reduction in the number of incarcerated people will result only in variable cost savings for federal and state governments of \$31,925 per person per year. As the prison system adjusts to a smaller prison population, cost savings are more likely to tend toward the average cost of incarceration. Fewer prisoners will tip the economics of some facilities to no longer be worth building, or to close sooner, resulting in savings on both variable and fixed costs of operating prisons. In the long run, this study assumes that cost savings would be proportional to average costs, or about \$63,850 per person per year. This study predicts that as fewer formerly incarcerated workers are reincarcerated, the prison population will decline and settle at a lower level.<sup>157</sup> The annual savings in incarceration costs presented below represent both the marginal and average cost savings after reaching a stable lower prison population. In the first seven years after slavery and involuntary servitude are abolished and fair wages are paid to incarcerated workers,

the annual savings will be a fraction of the ultimate annual cost savings in later years.

To understand the impact, first consider a reduction in the reincarceration rate of one percentage point, from 46% to 45% for the 320,000 persons released from prison who were paid fair wages for at least two years while in prison. **Table 10** shows that even this very small decline will reduce the prison population by over 0.7%, or by 8,000 people, and reduce annual incarceration costs by at least \$255 million.<sup>158</sup> A 5% decline in the reincarceration rate, which is still less than half of the decline in reincarceration rates found in some studies of the impact of prison education and work-release programs,<sup>159</sup> will reduce the prison population by 3.3%, or 40,000 people, and save \$1.3 billion in annual incarceration costs.

The marginal cost savings in Table 10 assume that only half of average total costs per incarcerated person can be saved from reducing the prison population. If, however, the decline in the prison population described in Table 10 contributes to the closing of prisons and the saving of both variable and fixed costs, the marginal cost savings will be doubled to \$2.6 billion in annual savings for a 5% decline in reincarceration rates. Appendix Table 3 quantifies annual cost savings from reduced reincarceration rates by state.

While not included in Table 10, it is worth noting that a 10% reduction in reincarceration rates for people who received fair wages while incarcerated, which is consistent with impact estimates of work release programs on felony conviction rates,<sup>160</sup> would create an annual cost savings of over \$2.5 billion per year

**\$255 million – \$1.3 billion**

Expected annual savings in  
incarceration costs from reduced  
reincarceration rate

Table 10: **Annual Savings from Reduced Reincarceration of Released Incarcerated Workers**  
(Millions of Dollars)

	<b>1% Reduction in Reincarceration Rate</b>	<b>5% Reduction in Reincarceration Rate</b>
<b>Reincarceration Rate</b>	44.8%	40.8%
<b>Reduction in Prison Population</b>		
Number of People Diverted	8,000	40,000
Percentage Decrease	0.7%	3.3%
<b>Reduced Incarceration Costs</b>		
Marginal Cost	\$255	\$1,277
Average Cost	\$511	\$2,554

Sources: Total cost expenditure on prisons by state taken from National Institute of Corrections, <https://nicic.gov/resources/nic-library/state-statistics/2020>.

in just marginal incarceration costs. Ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages has the potential to impact substantially more of the incarcerated population than interventions providing education or work release programs in prisons. Consequently, while in no way more important, these policy changes could have a much larger impact on the prison population than other programs.

#### **Impact on Other Crime Costs**

Beyond the cost of reincarceration, U.S. society also bears an enormous cost from crime, a substantial amount of which is the result of people who have already been incarcerated and were released from prison. A 2018 study by the BJS of over 400,000 people released from state prisons found that in the first nine years after release, people in this group were arrested for about 2 million crimes, or five crimes per person.<sup>161</sup> Another BJS study suggests that for every five arrests of formerly incarcerated people, there are about four criminal convictions.<sup>162</sup> Using these studies, one expects that each annual cohort of 320,000 formerly incarcerated

workers will account for about 1.28 million crime convictions (four per formerly incarcerated worker) over the next nine years.<sup>163</sup> The present value of the economic costs of these 1.28 million crimes, for each annual cohort of persons released from prison, can be quite substantial.<sup>164</sup>

These costs can be divided into several major categories: criminal courts, law enforcement, personal and property damage (e.g., medical costs), personal safety, quality of life, and loss of life.<sup>165</sup> As in the previous section, this study conservatively projects that the impact of ending slavery and involuntary servitude in prisons and mandating fair wages for incarcerated workers is small compared to the measured impact of other programs.<sup>166</sup> However, because again this policy would impact a large portion of the prison population, even slight improvements will have a significant cumulative impact on these costs. Consider the impact of reducing the recidivism rate of formerly incarcerated workers by 1%. This would reduce the number of crimes committed by each cohort of released workers by about 12,800 crimes over their expected period of criminal engagement. Similarly, a 5%



reduction in recidivism would reduce the expected number of crimes committed by each cohort by 64,000 crimes.

Several recent academic studies have attempted to estimate the economic and social cost of crime in the U.S.<sup>167</sup> This study uses the estimated cost of crime from one of these studies, after excluding homicides.<sup>168</sup> The estimated cost per crime from this study, in 2023 dollars, is just over \$62,000 per crime.<sup>169</sup> Because some of the crimes committed by the members of each cohort will occur as far as nine years in the future, the study calculates a present value per crime of about \$59,750, or \$77.9 billion overall. Since the average formerly incarcerated person is expected to commit four crimes, the average anticipated economic cost is about \$240,000 per person for the 320,000 formerly incarcerated workers in each release cohort. **Table 11** shows that a 1% reduction in recidivism will cause a savings of \$745 million per year for each cohort of formerly incarcerated workers. A 5% decline in recidivism will result in five times the reduction in economic costs of crime, a savings of \$3.7 billion for each cohort.

**\$745 million – \$3.7 billion**  
Expected annual savings in crime costs from reduced recidivism rate

### Other Considerations

**Disproportionate Impact on Black and Brown Communities, Low-Income Households, and Women**

Ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages will have an even greater impact on communities that are most affected by incarceration, including Black and Brown people, low-income people, and women.

Since the 1970s, mass incarceration has had a disproportionate impact on Black and Brown people.<sup>170</sup> Currently, almost 32% of people incarcerated in federal and state prisons are Black,<sup>171</sup> compared to less than 12% of the U.S. adult

Table 11: **Annual Savings from Reduced Recidivism of Released Incarcerated Workers**

	<b>1% Reduction in Recidivism Rate</b>	<b>5% Reduction in Recidivism Rate</b>
<b>Number of Crimes</b>	1,280,000	1,280,000
Reduction in Crimes	<b>12,800</b>	<b>64,000</b>
<b>Crimes Costs</b>		
Present Value of Cost per Crime	\$58,186	\$58,186
Present Value of Reduced Crime Costs (\$ millions)	\$745	\$3,724

Notes: Present value is calculated using the expected value of a crime in 2023 of \$62,061, and over a 9 years period that rearrest data is available for.

Sources: Expected number of rearrest taken from Bureau of Justice Statistics, *2018 Update on Prisoner Recidivism*, <https://bjs.ojp.gov/content/pub/pdf/18upr9yfup0514.pdf>. Value of crimes (excl. judicial and incarceration cost) taken from Miller et al, *Incidence and Costs of Personal and Property Crimes in the United States* (2017).

population.<sup>172</sup> Black people are incarcerated at rates five times higher than non-Hispanic whites.<sup>173</sup> Hispanic people are also over-represented in federal and state prisons, with incarceration rates 1.5 times higher than for non-Hispanic whites.<sup>174</sup> Given racial and ethnic disparities in prisons, ending slavery and involuntary servitude, and paying fair wages for prison labor, will have a disproportionate positive impact on Black and Brown Americans.

**Table 12** shows that over 57% of the gains in earnings for incarcerated workers from paying fair wages for prison labor will accrue to Black and Hispanic people. The benefits of these additional earnings, as much as \$10.8 billion per year, assuming 32.5 work hours per week, will impact families and communities of color, which are currently bearing much of the direct and indirect costs of the prison system. Similarly, the benefits of higher earnings after release and lower recidivism and reincarceration will also disproportionately benefit Black and Hispanic households and communities.

Research has also consistently shown that people who enter the criminal legal system are

**57%**  
Expected annual earnings accruing to Black and Hispanic incarcerated workers

overwhelmingly poor.<sup>175</sup> A 2015 study found that the median income of incarcerated people prior to their incarceration was 41% less than the median income of non-incarcerated people of similar ages.<sup>176</sup> As a result, the financial penalties and collateral consequences of imprisonment disproportionately impact lower income households. Half of the fair wages paid to incarcerated workers, or as much as \$9.4 billion per year, assuming 32.5 work hours per week, will be paid to incarcerated people who were earning less than 60% of the national median income prior to their incarceration, or less than \$25,460 per year.<sup>177</sup> Again, this also means that the financial benefits of \$9.4 billion in total earnings will extend disproportionately to families concentrated at the lowest ends of the

Table 12: **Sample Benefit of Earnings while Incarcerated by Race/Ethnicity and Job**  
(Millions of Dollars)

	<b>Facility Operations and Management Wages</b>	<b>Government-run Businesses and Public Projects Wages</b>	<b>Private Sector Wages</b>	<b>Total Wages</b>	<b>Percent of Total Wages</b>
White	\$3,136	\$2,042	\$2,042	\$7,219	38%
Black	\$3,123	\$2,007	\$2,007	\$7,137	38%
Hispanic	\$1,651	\$986	\$986	\$3,622	19%
Other	\$367	\$225	\$225	\$818	4%

Notes: Assumes 32.5 work hours per week.

Sources: Racial demographics taken from Bureau of Justice Statistics, *Prisoners in 2021*, <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/p21st.pdf>. Income taken from Table 5.

national income distribution, which are currently the most penalized by mass incarceration.

Finally, while 93% of incarcerated people in federal and state prisons are men,<sup>178</sup> research has documented that women — and Black and Hispanic women in particular — shoulder most of the financial costs of incarceration burdening families and loved ones. A recent study, for instance, showed that family members paid for court-related costs in 63% of criminal cases, and that 83% of these family members were women.<sup>179</sup> The same study also found that 87% of the costs of staying connected through calls and visits similarly fell on women. Based on these data, this study projects that women will indirectly receive much of the economic benefit from fair wage payments to incarcerated workers. Fair wage payments will reduce the financial burden on women who will no longer be solely financially responsible for costs of incarceration and child rearing, if adult male in their household is incarcerated but earns fair wages and can take greater financial responsibility.

### **Imperative to Eliminate Garnishments**

Unlike most workers in the U.S. economy, incarcerated workers are involuntarily provided housing and meals as a condition of their incarceration. The provision of housing and meals cause some states to garnish wages paid to incarcerated workers for “room and board,” particularly those in PIECP jobs or work release programs.<sup>180</sup> Currently, such garnishments substantially reduce the effective pay for these incarcerated workers and ultimately result in effective wage rates per hour far below prevailing or minimum wage, sometimes as low as one dollar per hour or less.<sup>181</sup>

However, wage garnishments for “room and board,” as well as excessive deductions for other financial obligations such as restitution or fines and fees,<sup>182</sup> will be counterproductive if slavery and involuntary servitude is prohibited and work is voluntary in prisons. If incarcerated workers can be compelled

to work, their net wage rate does not matter. If incarcerated workers can choose not to work, even members of a captive labor force may choose not to work if wage garnishments are excessive. Wage garnishments that reduce the net wage much below the applicable minimum wage may therefore fail to return the intended revenue. Further, these wage garnishments could impact other contributions, such as child support payments or voluntary financial contributions to families. The benefits outlined earlier of increased employment and earnings upon release and reduced recidivism and reincarceration would also be lost.

For context, the Fair Labor Standards Act (FLSA) describes the extent to which an employer can use expenses for a worker’s housing and meals to offset wage payments and remain in compliance with the federal minimum wage. The FLSA states that such offsets require the lodging to be accepted voluntarily by the worker and must be for the worker’s benefit rather than that of the employer. While the FLSA does not currently apply to incarcerated workers, if the minimum wage applied to prison labor, the FLSA would seem to prohibit the use of lodging costs while incarcerated as an offset to the minimum wage.

### **Need for Heightened Labor Protections for Incarcerated Workers**

Employers operating in competitive labor markets face incentives to pay market wages and offer acceptable working conditions because they want to recruit and retain workers who are free to quit and work for another employer. Employers of incarcerated workers, to the contrary, are likely to have substantial monopsony power, allowing them to treat incarcerated workers as a captive labor force and pay wages substantially below market levels. With such power, employers could lower expenditures on workplace safety and reduce monitoring of workplace conditions.

Since incarcerated workers are a captive labor force, it is critical that labor laws be passed and enacted

after a constitutional amendment ending slavery and involuntary servitude that provide labor protections to incarcerated workers. Absent increased protections and monitoring for compliance with these labor laws, employers of incarcerated workers will have an incentive to reduce costs by lowering wages and spending less on workplace safety. The failure to effectively enforce labor laws for wages and health and safety standards for incarcerated workers will give employers of incarcerated workers a cost advantage relative to businesses that employ U.S. workers performing similar work. Increased monitoring of compliance with such labor laws will protect the rights of incarcerated workers, while also mitigating the possibility that prison labor has an adverse impact on the wages and working conditions of U.S. workers outside the prison system.

In addition to extending labor protections with regard to wages and health and safety standards, laws and policies must be enacted to ensure job assignments are not allocated in a discriminatory manner, and to eliminate racial profiling, sexual harassment, and other forms of abuse on the part of correctional officers supervising incarcerated workers. To ensure compliance with these measures, incarcerated workers should also be provided access to fair and efficient judicial processes for grievances regarding discrimination and treatment.<sup>183</sup>

## Summary Analysis & Projections

Drawing on the previous discussion, the following analysis provides both the annual cost and benefit of ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages, once the impact of the policy change has stabilized, and the lifetime cost and benefit of the policy change from the first ten annual cohorts of incarcerated workers paid fair wages, with each cohort grouped by release year based on an average incarceration spell of 2.5 years.<sup>184</sup>

The analysis accounts for four scenarios with two intersecting variables: the average length of the work week and the impact of reducing reincarceration rates on the size of the incarcerated workforce. The analysis considers a scenario in which the work week is 20 hours and one in which it is 32.5 hours. The analysis also considers a scenario in which the incarcerated workforce stays stable at 800,000, or two-thirds of the current prison population, year-over-year regardless of changes in the prison population and one in which the size of the incarcerated workforce drops proportionally with a reduction in the prison population stemming from a 5% reduction in the reincarceration rate, from 45.8% to 40.8%, resulting from the policy change.

Note that the annual cost and benefit of ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages is not expected to stabilize for several years, particularly in the scenarios that assume a reduction in the number of incarcerated workers. As the number of incarcerated workers changes each year, so do the associated costs and benefits. This study assumes that the impact of this reduction finds equilibrium by the eighth year, and thus all annualized costs and benefits outlined in this section reflect this equilibrium year.

### Costs

#### Annual Cost at Equilibrium

**Table 13** summarizes the marginal cost to federal and state governments of ending slavery and involuntary servitude in prisons and paying incarcerated workers fair wages, namely the expected annual increase in payroll costs over current expenditures.<sup>185</sup> More specifically, these costs are the wage and other payroll costs associated with jobs in facility operations and management and government-run businesses and public projects, which are paid by government agencies. With an average hourly wage of \$0.25 per hour, incarcerated workers in these jobs currently earn about \$8.22 per week, or less than \$428 per year, resulting in current annual payroll costs for the government of \$331 million.<sup>186</sup>

Depending on the length of the new typical workweek, Table 13 estimates the annual payroll costs for the government will be between \$9.1 billion and \$14.8 billion per year, assuming a stable number of incarcerated workers of 800,000 regardless of declines in the prison population. In this scenario, paying fair wages to incarcerated workers would result in an increase in annual costs to federal and state governments between \$8.8 billion and \$14.5 billion. Alternatively, if the number of incarcerated workers drops with a drop in the prison population, resulting from a 5% reduction in reincarceration rates from 45.8% to 40.8%, Table 13 projects new annual payroll costs for the government between \$8.8 billion and \$14.3 billion per year, and an annual increase between \$8.5 billion and \$14 billion. All estimates include FICA taxes and workers compensation insurance premiums. Appendix Table 3 presents current costs, projected costs, and marginal costs for each state.

Table 13: **Cost of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers**  
(Millions of Dollars)

	Stable Number of Incarcerated Workers		Reduced Number of Incarcerated Workers	
	20 hrs/wk	32.5 hrs/wk	20 hrs/wk	32.5 hrs/wk
Current Payroll Costs		\$331.5		\$331.5
Expected Payroll Costs	\$9,100	\$14,788	\$8,797	\$14,295
<b>Marginal Cost</b>	\$8,769	\$14,457	\$8,466	\$13,964

Notes: Current payroll costs assume 32.5 work hours per week. Government costs include both wage and other payroll costs for jobs in facility operations and maintenance and government-run businesses and public projects.

### Lifetime Cost of First Ten Cohorts

**Table 14** presents the marginal payroll cost to federal and state governments of ending slavery and involuntary servitude in prisons and paying the first ten annual cohorts of incarcerated workers fair wages. With an average incarceration spell of about 2.5 years, 40% of the prison population will be released each year. This means that with a stable incarcerated workforce of 800,000, 320,000 released people will have earned fair wages while incarcerated. Accordingly, this study assumes that the first cohort, released a year after the policy change, will have worked one year at fair wages; the second cohort, released two years after the policy change, will have worked two years at fair wages; and the third cohort and all subsequent cohorts, released three or more years after the policy change, will have worked 2.5 years, the average incarceration spell, at fair wages. Table 14 shows that the additional cost of each out-year cohort, starting with the third cohort, will be \$8.8 billion if 20 hours are worked per week and \$14.5 billion if 32.5 hours are worked per week, over 2.5 years when the number of incarcerated workers remains constant.

Table 14 also shows how a 5% reduction in the reincarceration rate for formerly incarcerated workers, from 45.8% to 40.8%, eventually reduces the size of the prison population by 3.33%. If the incarcerated workforce remains at two-thirds of the prison population, the reduction in reincarceration rates will also reduce the size of cohorts of released incarcerated workers each year, and the additional government costs for each annual cohort of released incarcerated workers by 3.33%. The timing and magnitude of the decline in the prison population, and incarcerated workforce, assumes that the 5% decline in the reincarceration rate for the two-thirds of released incarcerated workers who earned fair wages are concentrated in the first seven years after the policy change and then level out. Table 14 shows the present value of the total marginal expected payroll costs for governments for the first ten cohorts of incarcerated workers paid fair wages is \$73.3 billion to \$129.5 billion depending on size of the workforce and hours worked.

Table 14: **Marginal Cost of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers by for the First Ten Cohorts**  
(Millions of Dollars)

Cohort Year	Prison Population	Stable Number of Incarcerated Workers				Reduced Number of Incarcerated Workers			
		Incarcerated Workers	Release Incarcerated Workers		Incarcerated Workers	Release Incarcerated Workers			
			20 hrs/wk	32.5 hrs/wk		20 hrs/wk	32.5 hrs/wk		
1	1,200,000	800,000	320,000	\$3,508	\$5,783	800,000	320,000	\$3,508	\$5,783
2	1,196,800	800,000	320,000	\$7,015	\$11,565	797,867	319,147	\$6,996	\$11,534
3	1,190,400	800,000	320,000	\$8,769	\$14,457	793,600	317,440	\$8,699	\$14,341
4	1,182,400	800,000	320,000	\$8,769	\$14,457	788,267	315,307	\$8,640	\$14,245
5	1,174,400	800,000	320,000	\$8,769	\$14,457	782,934	313,173	\$8,582	\$14,148
6	1,166,400	800,000	320,000	\$8,769	\$14,457	777,600	311,040	\$8,523	\$14,052
7	1,161,600	800,000	320,000	\$8,769	\$14,457	774,400	309,760	\$8,488	\$13,994
8	1,160,000	800,000	320,000	\$8,769	\$14,457	773,334	309,333	\$8,477	\$13,975
9	1,160,000	800,000	320,000	\$8,769	\$14,457	773,334	309,333	\$8,477	\$13,975
10	1,160,000	800,000	320,000	\$8,769	\$14,457	773,334	309,333	\$8,477	\$13,975
<b>Total (Present Value)</b>				<b>\$78,552</b>	<b>\$129,504</b>				
<b>Average (Present Value)</b>				<b>\$7,855</b>	<b>\$12,950</b>				
						<b>\$73,333</b>		<b>\$126,627</b>	
						<b>\$7,333</b>		<b>\$12,663</b>	

Notes: The additional payroll costs per cohort in each of the year-by-year rows are in 2023 dollars for the 2.5 years that incarcerated workers were in prison, but are not discounted to the first year in which fair wage payments are made to incarcerated workers. The bottom rows discount all additional payroll costs back to the first year in which fair wage payments were made using an inflation adjusted interest rate of 1.68%.

## Benefits

### Annual Benefit at Equilibrium

Table 15 presents the fiscal benefits derived from each year that slavery and involuntary servitude is abolished in prisons and incarcerated workers are paid fair wages. The top panel summarizes the benefit to incarcerated people of receiving fair wages while incarcerated and the resulting increase in earnings for 15 years after release from prison, measured in present value terms. The residual earnings are net of other payments such as family and child support while incarcerated, which would otherwise be double counted, and taxes. The second panel summarizes the benefit

to families and children from increased financial support from incarcerated loved ones and relief from the burden of the costs of incarceration. The third panel summarizes the benefit to crime victims, namely of restitution payments. Finally, the fourth panel summarizes the benefit to governments and taxpayers from the expected payment of taxes and contributions to the welfare system while the incarcerated worker is in prison and the expected payment of taxes on their expected increase in earnings for 15 years after release from prison. It also includes benefits from the reduction in corrections and crime costs.

Table 15: **Benefit of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers**  
(Millions of Dollars)

	Stable Number of Incarcerated Workers		Reduced Number of Incarcerated Workers	
	20 hrs/wk	32.5 hrs/wk	20 hrs/wk	32.5 hrs/wk
<b>Incarcerated People</b>	<b>\$13,750</b>	<b>\$18,100</b>	<b>\$13,292</b>	<b>\$17,496</b>
Increase in Earnings While Incarcerated	\$10,712	\$17,941	\$10,355	\$17,343
Residual Earnings While Incarcerated	\$4,158	\$8,507	\$4,019	\$8,224
Present Value of Increase in Earnings After Release	\$11,730	\$11,730	\$11,339	\$11,339
Residual Earnings After Prison Release	\$9,592	\$9,592	\$9,273	\$9,273
<b>Families and Children of Incarcerated People</b>	<b>\$4,673</b>	<b>\$5,837</b>	<b>\$4,517</b>	<b>\$5,643</b>
Increase in Supplemental Income	\$1,114	\$1,546	\$1,077	\$1,494
Increase in Direct Child Support Payments	\$1,911	\$2,588	\$1,848	\$2,502
Increase in Child Support Payments Passed Through TANF	\$159	\$216	\$154	\$208
Relief from Covering Costs of Incarceration	\$1,488	\$1,488	\$1,438	\$1,438
<b>Crime Victims</b>	<b>\$89</b>	<b>\$89</b>	<b>\$86</b>	<b>\$86</b>
Restitution	\$89	\$89	\$86	\$86
<b>Government and Taxpayers</b>	<b>\$9,020</b>	<b>\$10,735</b>	<b>\$8,886</b>	<b>\$10,544</b>
<b>Taxes</b>	<b>\$4,019</b>	<b>\$5,734</b>	<b>\$3,885</b>	<b>\$5,543</b>
Federal Income Tax While Incarcerated	\$408	\$1,239	\$395	\$1,197
FICA Tax While Incarcerated	\$885	\$1,438	\$855	\$1,390
Payments to the Federal Welfare System While Incarcerated	\$319	\$431	\$308	\$417
State Income Tax While Incarcerated	\$269	\$489	\$260	\$472
Present Value of Federal Income Tax After Release	\$892	\$892	\$862	\$862
Present Value of FICA Tax After Release	\$897	\$897	\$867	\$867
Present Value of State Income Tax After Release	\$349	\$349	\$337	\$337
<b>Crime &amp; Corrections Costs</b>	<b>\$5,001</b>	<b>\$5,001</b>	<b>\$5,001</b>	<b>\$5,001</b>
Decreased Marginal Costs of Incarceration (5% decline)	\$1,277	\$1,277	\$1,277	\$1,277
Present Value of Benefits from Less Crime (5% reduction)	\$3,724	\$3,724	\$3,724	\$3,724
<b>Total Benefits (Marginal Costs, 5% Reduction)</b>	<b>\$27,532</b>	<b>\$34,761</b>	<b>\$26,781</b>	<b>\$33,769</b>



Table 16: **Net Benefit and Benefit/Cost Ratio of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers**  
(Millions of Dollars)

	Stable Number of Incarcerated Workers		Reduced Number of Incarcerated Workers	
	20 hrs/wk	32.5 hrs/wk	20 hrs/wk	32.5 hrs/wk
Total Benefits	\$27,532	\$34,761	\$26,781	\$33,769
Marginal Costs	\$8,769	\$14,457	\$8,466	\$13,964
<b>Net Benefits</b>	<b>\$18,763</b>	<b>\$20,305</b>	<b>\$18,315</b>	<b>\$19,806</b>
<b>Benefit/Cost Ratio</b>	<b>3.14</b>	<b>2.40</b>	<b>3.16</b>	<b>2.42</b>

Note: Marginal costs include the cost of wage and other payroll costs for incarcerated people in jobs in facility operations and maintenance and government-run businesses and public projects.

As shown in **Table 16**, when compared with the total marginal annual costs to governments, total benefits translate into net benefits ranging from \$18.3 billion to \$20.3 billion per year, and a ratio of benefits to costs between 2.40 and 3.16. This indicates that for each dollar paid to incarcerated workers, the potential benefit to the worker, their loved ones, and governments and taxpayers is between \$2.40 and \$3.16. Appendix Tables 5 presents the fiscal benefits of ending slavery and involuntary servitude and paying incarcerated workers fair wages by state.

#### **Lifetime Benefit of First Ten Cohorts**

**Table 17** presents the summarized benefits, in present value, derived from ending slavery and involuntary servitude in prisons and paying the first ten annual cohorts of incarcerated workers fair wages. Just like the costs presented in Table 14, the benefits accrue to each cohort based on their release date. For example, since the first cohort is assumed to be released after only one year of being paid fair wages, their families and children will see only 40% of the benefit that later cohorts do who are incarcerated for an average of 2.5 years. Further

for the scenario in which a lower reincarceration rate for formerly incarcerated workers reduce the number of incarcerated workers, the benefits decline proportionally to the resulting decline in incarcerated workers until equilibrium is hit in the eighth year. As such, the benefits change each year, and Table 17 summarizes those benefits using the same panels used in Table 15. Table 17 shows that total lifetime benefits of these first ten cohorts range from \$244.7 billion to \$319.1 billion. As shown in **Table 18**, when compared with the total marginal costs to governments, these total benefits translate into net lifetime benefits after the first 10 years of ending slavery and involuntary servitude, and paying incarcerated workers fair wages, between \$171.3 billion and \$189.6 billion.

Table 17: **Lifetime Benefit of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers for the First Ten Cohorts**  
(Millions of Dollars)

	Stable Number of Incarcerated Workers		Reduced Number of Incarcerated Workers	
	20 hrs/wk	32.5 hrs/wk	20 hrs/wk	32.5 hrs/wk
<b>Incarcerated People</b>	<b>\$129,333</b>	<b>\$168,294</b>	<b>\$126,461</b>	<b>\$164,557</b>
Increase in Earnings While Incarcerated	\$95,961	\$160,720	\$93,829	\$157,150
Residual Earnings While Incarcerated	\$37,248	\$76,210	\$36,421	\$74,517
Present Value of Increase in Earnings After Release	\$112,608	\$112,608	\$110,108	\$110,108
Residual Earnings After Prison Release	\$92,084	\$92,084	\$90,040	\$90,040
<b>Families and Children of Incarcerated People</b>	<b>\$41,862</b>	<b>\$52,292</b>	<b>\$40,932</b>	<b>\$51,131</b>
Increase in Supplemental Income	\$9,983	\$13,849	\$9,762	\$13,541
Increase in Direct Child Support Payments	\$17,123	\$23,182	\$16,742	\$22,667
Increase in Child Support Payments Passed Through TANF	\$1,427	\$1,932	\$1,395	\$1,889
Relief from Covering Costs of Incarceration	\$13,330	\$13,330	\$13,033	\$13,033
<b>Crime Victims</b>	<b>\$863</b>	<b>\$863</b>	<b>\$845</b>	<b>\$845</b>
Restitution	\$863	\$863	\$845	\$845
<b>Government and Taxpayers</b>	<b>\$82,243</b>	<b>\$97,611</b>	<b>\$76,433</b>	<b>\$91,459</b>
<b>Taxes</b>	<b>\$37,374</b>	<b>\$52,742</b>	<b>\$36,544</b>	<b>\$51,570</b>
Federal Income Tax While Incarcerated	\$3,658	\$11,096	\$3,576	\$10,849
FICA Tax While Incarcerated	\$7,927	\$12,881	\$7,750	\$12,595
Payments to the Federal Welfare System While Incarcerated	\$2,854	\$3,864	\$2,790	\$3,778
State Income Tax While Incarcerated	\$2,412	\$4,378	\$2,358	\$4,280
Present Value of Federal Income Tax After Release	\$8,558	\$8,558	\$8,368	\$8,368
Present Value of FICA Tax After Release	\$8,615	\$8,615	\$8,423	\$8,423
Present Value of State Income Tax After Release	\$3,351	\$3,351	\$3,277	\$3,277
<b>Crime &amp; Corrections Costs</b>	<b>\$44,869</b>	<b>\$44,869</b>	<b>\$39,889</b>	<b>\$39,889</b>
Decreased Costs of Incarceration (5% decline)	\$10,638	\$10,638	\$6,418	\$6,418
Present Value of Benefits from Less Crime (5% reduction)	\$34,231	\$34,231	\$33,471	\$33,471
<b>Total Benefits (Marginal Costs, 5% Reduction)</b>	<b>\$254,300</b>	<b>\$319,060</b>	<b>\$244,671</b>	<b>\$307,992</b>

Table 18: **Lifetime Net Benefit and Benefit/Cost Ratio of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers for the First Ten Cohorts**  
(Millions of Dollars)

	Stable Number of Incarcerated Workers		Reduced Number of Incarcerated Workers	
	20 hrs/wk	32.5 hrs/wk	20 hrs/wk	32.5 hrs/wk
Total Benefits	\$254,300	\$319,060	\$244,671	\$307,992
Marginal Costs	\$78,552	\$129,504	\$73,333	\$126,627
<b>Net Benefits</b>	<b>\$175,748</b>	<b>\$189,556</b>	<b>\$171,338</b>	<b>\$181,365</b>
<b>Benefit/Cost Ratio</b>	<b>3.24</b>	<b>2.46</b>	<b>3.34</b>	<b>2.43</b>

## Conclusion

Today, 800,000 incarcerated people are forced to work for little — often less than a dollar per hour — to no pay. Ending slavery and involuntary servitude will generate significant benefits for incarcerated workers, their families and communities, their victims, and society at large. Raising pay for incarcerated workers from the current penny rates to a fair wage between \$7.25 and \$21 per hour will increase their annual earnings between \$10.7 billion and \$17.9 billion per year, of which between \$8.3 billion and \$13.5 billion would be a cost to governments.

This study has shown that the economic benefits of this investment in incarcerated workers far outweigh its costs. Incarcerated people would directly benefit from the additional income, which will allow them to meet their own basic food, hygiene, and communication needs without relying on their loved ones for financial support. With additional income earned and more skills gained, incarcerated workers will be better prepared to find gainful employment post-release, resulting in even more additional earnings and tax contributions, and further financial support for their families, after incarceration. If paid fair wages, incarcerated workers will also be able to meet financial obligations such as child support payments, restitution for victims, and fines and fees, which today go largely unpaid or fall on families with incarcerated loved ones. Easing the financial pressure on families will also result in significant fiscal benefits, saving these households approximately \$1.5 billion per year, which they currently spend to support their incarcerated loved ones, and reducing their reliance on federal and state welfare, with considerable savings for taxpayers.

Even more significant fiscal benefits, this study has shown, will result from a reduction in recidivism and reincarceration rates of formerly incarcerated workers. If abolishing slavery and involuntary servitude and mandating payment of fair wages for incarcerated workers causes a 5% reduction in reincarceration rate,

a modest impact when compared to programs such as education and work-release, the prison population will decline by approximately 3.3% over the next decade, translating into at least \$1.3 billion annual savings in incarceration costs. Lower recidivism rates of formerly incarcerated workers will also lead to a reduction in crime, with projected annual savings for the U.S. economy up to \$3.7 billion.

Importantly, while society at large will benefit from ending slavery and involuntary servitude in prison, these gains will fall disproportionately on people, households, and communities that have been most penalized by mass incarceration — including Black and Brown communities, low-income households, and women — thus beginning to redress historical and structural injustices in the criminal legal system.

Ultimately, this report quantifies the net annual fiscal benefits of ending involuntary servitude in prisons and paying incarcerated people a fair wage for their work to be between \$18.3 billion and \$20.3 billion per year. This calculation, the study suggests, is likely to be a conservative estimate as it does not include an array of economic and social benefits that, while harder to quantify, are likely to also ensue from ending slavery and involuntary servitude, such as improved well-being for incarcerated workers and their families and reduced violence inside prison, among others.

Finally, to ensure that the benefits of abolishing slavery and involuntary servitude flow through to incarcerated workers, their families and loved ones, their victims, and society at large, this study has made further recommendations, including eliminating wage garnishments for food and housing in prison, limiting wage deductions for restitution and other court-mandated charges, and establishing heightened health and safety protections for incarcerated workers. ■

# Appendix

## Appendix 1: Present Value of Increased Future Earnings Over 20-Year Period

	<b>No Reduction in Reincarceration Rate</b>	<b>1% Reduction in Reincarceration Rate</b>	<b>5% Reduction in Reincarceration Rate</b>
Per Capita	\$19,799	\$25,428	\$48,792
<b>Total (Millions of Dollars)</b>	<b>\$6,336</b>	<b>\$8,137</b>	<b>\$15,613</b>

Notes: Assumes a 5% increase in the chance of employment.

Sources: Expected earnings taken from Bureau of Labor Statistics, *Occupational Employment and Wage Statistics*, <https://www.bls.gov/oes/>. Expected reincarceration taken from Bureau of Justice Statistics, <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/rpr34s125yfup1217.pdf>.

Appendix 2: **Cost of Incarceration Per Person by State**

<b>State</b>	<b>Average Cost</b>	<b>Marginal Cost</b>	<b>Prison Population</b>
Federal	\$44,364	\$22,182	157,314
Alabama	\$26,461	\$13,231	25,032
Alaska	\$80	\$40	4,639
Arizona	\$39,833	\$19,916	33,914
Arkansas	\$25,112	\$12,556	17,022
California	\$155,295	\$77,647	101,441
Colorado	\$73,212	\$36,606	15,865
Connecticut	\$76,251	\$38,125	9,889
Delaware	\$85,190	\$42,595	4,810
Florida	\$71,899	\$35,950	80,417
Georgia	\$27,509	\$13,754	47,010
Hawaii	\$84,886	\$42,443	4,102
Idaho	\$39,099	\$19,549	8,907
Illinois	\$49,252	\$24,626	28,475
Indiana	\$38,592	\$19,296	24,716
Iowa	\$62,638	\$31,319	8,562
Kansas	\$1,111	\$555	8,521
Kentucky	\$40,829	\$20,415	18,560
Louisiana	\$27,705	\$13,853	26,074
Maine	\$156,764	\$78,382	1,577
Maryland	\$65,436	\$32,718	15,134
Massachusetts	\$136,957	\$68,478	6,148
Michigan	\$75,272	\$37,636	32,186
Minnesota	\$92,854	\$46,427	8,003
Mississippi	\$10,442	\$5,221	17,332
Missouri	\$39,656	\$19,828	23,422
Montana	\$61,399	\$30,700	4,313
Nebraska	\$48,584	\$24,292	5,600
Nevada	\$43,009	\$21,505	10,202
New Hampshire	\$72,995	\$36,498	2,127
New Jersey	\$101,198	\$50,599	12,506
New Mexico	\$73,944	\$36,972	5,154
New York	\$140,396	\$70,198	30,338
North Carolina	\$90,120	\$45,060	28,995
North Dakota	\$189,348	\$94,674	1,689
Ohio	\$49,753	\$24,876	45,029
Oklahoma	\$33,314	\$16,657	22,391
Oregon	\$101,562	\$50,781	13,198

*Continued*

Appendix 2: **Cost of Incarceration Per Person by State** *Continued*

<b>State</b>	<b>Average Cost</b>	<b>Marginal Cost</b>	<b>Prison Population</b>
Pennsylvania	\$86,816	\$43,408	37,194
Rhode Island	\$135,370	\$67,685	2,238
South Carolina	\$41,419	\$20,709	15,759
South Dakota	\$39,997	\$19,999	3,353
Tennessee	\$59,924	\$29,962	21,995
Texas	\$30,633	\$15,316	133,772
Utah	\$66,871	\$33,435	5,907
Vermont	\$154,161	\$77,081	1,287
Virginia	\$51,947	\$25,973	30,357
Washington	\$187,467	\$93,734	13,674
West Virginia	\$43,608	\$21,804	5,847
Wisconsin	\$75,450	\$37,725	20,202
Wyoming	\$156,030	\$78,015	2,123

Appendix 3: **Annual Savings in Incarceration Costs from Reduced Recarceration Rate by State**  
(Millions of Dollars)

State	1% Reduction in Recarceration Rate		5% Reduction in Recarceration Rate	
	Average Cost	Marginal Cost	Average Cost	Marginal Cost
Federal	\$46.4	\$23.2	\$231.8	\$115.9
Alabama	\$4.4	\$2.2	\$22.0	\$11.0
Alaska	\$0.0	\$0.0	\$0.0	\$0.0
Arizona	\$9.0	\$4.5	\$44.9	\$22.4
Arkansas	\$2.8	\$1.4	\$14.2	\$7.1
California	\$104.6	\$52.3	\$523.2	\$261.6
Colorado	\$7.7	\$3.9	\$38.6	\$19.3
Connecticut	\$5.0	\$2.5	\$25.0	\$12.5
Delaware	\$2.7	\$1.4	\$13.6	\$6.8
Florida	\$38.4	\$19.2	\$192.0	\$96.0
Georgia	\$8.6	\$4.3	\$43.0	\$21.5
Hawaii	\$2.3	\$1.2	\$11.6	\$5.8
Idaho	\$2.3	\$1.2	\$11.6	\$5.8
Illinois	\$9.3	\$4.7	\$46.6	\$23.3
Indiana	\$6.3	\$3.2	\$31.7	\$15.8
Iowa	\$3.6	\$1.8	\$17.8	\$8.9
Kansas	\$0.1	\$0.0	\$0.3	\$0.2
Kentucky	\$5.0	\$2.5	\$25.2	\$12.6
Louisiana	\$4.8	\$2.4	\$24.0	\$12.0
Maine	\$1.6	\$0.8	\$8.2	\$4.1
Maryland	\$6.6	\$3.3	\$32.9	\$16.4
Massachusetts	\$5.6	\$2.8	\$28.0	\$14.0
Michigan	\$16.1	\$8.0	\$80.5	\$40.2
Minnesota	\$4.9	\$2.5	\$24.7	\$12.3
Mississippi	\$1.2	\$0.6	\$6.0	\$3.0
Missouri	\$6.2	\$3.1	\$30.8	\$15.4
Montana	\$1.8	\$0.9	\$8.8	\$4.4
Nebraska	\$1.8	\$0.9	\$9.0	\$4.5
Nevada	\$2.9	\$1.5	\$14.6	\$7.3
New Hampshire	\$1.0	\$0.5	\$5.2	\$2.6
New Jersey	\$8.4	\$4.2	\$42.0	\$21.0
New Mexico	\$2.5	\$1.3	\$12.7	\$6.3
New York	\$28.3	\$14.1	\$141.5	\$70.7
North Carolina	\$17.4	\$8.7	\$86.8	\$43.4
North Dakota	\$2.1	\$1.1	\$10.6	\$5.3
Ohio	\$14.9	\$7.4	\$74.4	\$37.2

*Continued*



Appendix 3: **Annual Savings in Incarceration Costs from Reduced Reincarceration Rate by State** *Continued*  
(Millions of Dollars)

State	1% Reduction in Reincarceration Rate		5% Reduction in Reincarceration Rate	
	Average Cost	Marginal Cost	Average Cost	Marginal Cost
Oklahoma	\$5.0	\$2.5	\$24.8	\$12.4
Oregon	\$8.9	\$4.5	\$44.5	\$22.3
Pennsylvania	\$21.4	\$10.7	\$107.2	\$53.6
Rhode Island	\$2.0	\$1.0	\$10.1	\$5.0
South Carolina	\$4.3	\$2.2	\$21.7	\$10.8
South Dakota	\$0.9	\$0.4	\$4.5	\$2.2
Tennessee	\$8.8	\$4.4	\$43.8	\$21.9
Texas	\$27.2	\$13.6	\$136.1	\$68.1
Utah	\$2.6	\$1.3	\$13.1	\$6.6
Vermont	\$1.3	\$0.7	\$6.6	\$3.3
Virginia	\$10.5	\$5.2	\$52.4	\$26.2
Washington	\$17.0	\$8.5	\$85.1	\$42.6
West Virginia	\$1.7	\$0.8	\$8.5	\$4.2
Wisconsin	\$10.1	\$5.1	\$50.6	\$25.3
Wyoming	\$2.2	\$1.1	\$11.0	\$5.5

Appendix 4: **Annual Cost of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers by State**  
(Millions of Dollars)

State	20 Hours Per Week			32.5 Hours Per Week	
	Current Payroll Costs	Expected Government Payroll Costs	Marginal Cost	Expected Government Payroll Costs	Marginal Cost
Federal	\$43.3	\$1,188.7	\$1,145.4	\$1,931.7	\$1,888.4
Alabama	\$6.9	\$189.2	\$182.3	\$307.4	\$300.5
Alaska	\$1.3	\$35.1	\$33.8	\$57.0	\$55.7
Arizona	\$9.3	\$256.3	\$246.9	\$416.4	\$407.1
Arkansas	\$4.7	\$128.6	\$123.9	\$209.0	\$204.3
California	\$27.9	\$766.5	\$738.6	\$1,245.6	\$1,217.7
Colorado	\$4.4	\$119.9	\$115.5	\$194.8	\$190.4
Connecticut	\$2.7	\$74.7	\$72.0	\$121.4	\$118.7
Delaware	\$1.3	\$36.3	\$35.0	\$59.1	\$57.7
Florida	\$22.1	\$607.7	\$585.5	\$987.5	\$965.3
Georgia	\$12.9	\$355.2	\$342.3	\$577.2	\$564.3
Hawaii	\$1.1	\$31.0	\$29.9	\$50.4	\$49.2
Idaho	\$2.5	\$67.3	\$64.9	\$109.4	\$106.9
Illinois	\$7.8	\$215.2	\$207.3	\$349.7	\$341.8
Indiana	\$6.8	\$186.8	\$180.0	\$303.5	\$296.7
Iowa	\$2.4	\$64.7	\$62.3	\$105.1	\$102.8
Kansas	\$2.3	\$64.4	\$62.0	\$104.6	\$102.3
Kentucky	\$5.1	\$140.2	\$135.1	\$227.9	\$222.8
Louisiana	\$7.2	\$197.0	\$189.9	\$320.2	\$313.0
Maine	\$0.4	\$11.9	\$11.5	\$19.4	\$18.9
Maryland	\$4.2	\$114.4	\$110.2	\$185.8	\$181.7
Massachusetts	\$1.7	\$46.5	\$44.8	\$75.5	\$73.8
Michigan	\$8.9	\$243.2	\$234.4	\$395.2	\$386.4
Minnesota	\$2.2	\$60.5	\$58.3	\$98.3	\$96.1
Mississippi	\$4.8	\$131.0	\$126.2	\$212.8	\$208.1
Missouri	\$6.4	\$177.0	\$170.5	\$287.6	\$281.2
Montana	\$1.2	\$32.6	\$31.4	\$53.0	\$51.8
Nebraska	\$1.5	\$42.3	\$40.8	\$68.8	\$67.2
Nevada	\$2.8	\$77.1	\$74.3	\$125.3	\$122.5
New Hampshire	\$0.6	\$16.1	\$15.5	\$26.1	\$25.5
New Jersey	\$3.4	\$94.5	\$91.1	\$153.6	\$150.1
New Mexico	\$1.4	\$38.9	\$37.5	\$63.3	\$61.9
New York	\$8.3	\$229.2	\$220.9	\$372.5	\$364.2
North Carolina	\$8.0	\$219.1	\$211.1	\$356.0	\$348.1

*Continued*

Appendix 4: **Annual Cost of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers by State** *Continued*  
(Millions of Dollars)

State	20 Hours Per Week			32.5 Hours Per Week	
	Current Payroll Costs	Expected Government Payroll Costs	Marginal Cost	Expected Government Payroll Costs	Marginal Cost
North Dakota	\$0.5	\$12.8	\$12.3	\$20.7	\$20.3
Ohio	\$12.4	\$340.3	\$327.9	\$552.9	\$540.5
Oklahoma	\$6.2	\$169.2	\$163.0	\$274.9	\$268.8
Oregon	\$3.6	\$99.7	\$96.1	\$162.1	\$158.4
Pennsylvania	\$10.2	\$281.1	\$270.8	\$456.7	\$446.5
Rhode Island	\$0.6	\$16.9	\$16.3	\$27.5	\$26.9
South Carolina	\$4.3	\$119.1	\$114.7	\$193.5	\$189.2
South Dakota	\$0.9	\$25.3	\$24.4	\$41.2	\$40.2
Tennessee	\$6.1	\$166.2	\$160.2	\$270.1	\$264.0
Texas	\$36.8	\$1,010.8	\$974.0	\$1,642.6	\$1,605.8
Utah	\$1.6	\$44.6	\$43.0	\$72.5	\$70.9
Vermont	\$0.4	\$9.7	\$9.4	\$15.8	\$15.4
Virginia	\$8.4	\$229.4	\$221.0	\$372.8	\$364.4
Washington	\$3.8	\$103.3	\$99.6	\$167.9	\$164.1
West Virginia	\$1.6	\$44.2	\$42.6	\$71.8	\$70.2
Wisconsin	\$5.6	\$152.7	\$147.1	\$248.1	\$242.5
Wyoming	\$0.6	\$16.0	\$15.5	\$26.1	\$25.5
<b>Total</b>	<b>\$331.5</b>	<b>\$9,100.4</b>	<b>\$8,768.9</b>	<b>\$14,788.1</b>	<b>\$14,456.6</b>

Notes: Government costs include both wage and other payroll costs for jobs in facility operations and maintenance and government-run businesses and public projects.

Appendix 5: **Annual Benefit of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers by State**  
(Millions of Dollars)

State	20 Hours Per Week			32.5 Hours Per Week		
	Total Benefit	Marginal Costs	Net Benefit	Total Benefit	Marginal Costs	Net Benefit
Alabama	\$658.2	\$182.3	\$476.0	\$831.1	\$300.5	\$530.6
Alaska	\$122.0	\$33.8	\$88.2	\$154.0	\$55.7	\$98.3
Arizona	\$891.8	\$246.9	\$644.9	\$1,126.0	\$407.1	\$718.9
Arkansas	\$447.6	\$123.9	\$323.7	\$565.1	\$204.3	\$360.8
California	\$2,667.5	\$738.6	\$1,928.9	\$3,367.9	\$1,217.7	\$2,150.2
Colorado	\$417.2	\$115.5	\$301.7	\$526.7	\$190.4	\$336.3
Connecticut	\$260.0	\$72.0	\$188.0	\$328.3	\$118.7	\$209.6
Delaware	\$126.5	\$35.0	\$91.5	\$159.7	\$57.7	\$102.0
Florida	\$2,114.6	\$585.5	\$1,529.1	\$2,669.9	\$965.3	\$1,704.6
Georgia	\$1,236.2	\$342.3	\$893.9	\$1,560.8	\$564.3	\$996.5
Hawaii	\$107.9	\$29.9	\$78.0	\$136.2	\$49.2	\$86.9
Idaho	\$234.2	\$64.9	\$169.4	\$295.7	\$106.9	\$188.8
Illinois	\$748.8	\$207.3	\$541.4	\$945.4	\$341.8	\$603.6
Indiana	\$649.9	\$180.0	\$470.0	\$820.6	\$296.7	\$523.9
Iowa	\$225.1	\$62.3	\$162.8	\$284.3	\$102.8	\$181.5
Kansas	\$224.1	\$62.0	\$162.0	\$282.9	\$102.3	\$180.6
Kentucky	\$488.1	\$135.1	\$352.9	\$616.2	\$222.8	\$393.4
Louisiana	\$685.6	\$189.9	\$495.8	\$865.7	\$313.0	\$552.7
Maine	\$41.5	\$11.5	\$30.0	\$52.4	\$18.9	\$33.4
Maryland	\$398.0	\$110.2	\$287.8	\$502.5	\$181.7	\$320.8
Massachusetts	\$161.7	\$44.8	\$116.9	\$204.1	\$73.8	\$130.3
Michigan	\$846.4	\$234.4	\$612.0	\$1,068.6	\$386.4	\$682.2
Minnesota	\$210.4	\$58.3	\$152.2	\$265.7	\$96.1	\$169.6
Mississippi	\$455.8	\$126.2	\$329.6	\$575.4	\$208.1	\$367.4
Missouri	\$615.9	\$170.5	\$445.4	\$777.6	\$281.2	\$496.5
Montana	\$113.4	\$31.4	\$82.0	\$143.2	\$51.8	\$91.4
Nebraska	\$147.3	\$40.8	\$106.5	\$185.9	\$67.2	\$118.7
Nevada	\$268.3	\$74.3	\$194.0	\$338.7	\$122.5	\$216.2
New Hampshire	\$55.9	\$15.5	\$40.4	\$70.6	\$25.5	\$45.1
New Jersey	\$328.9	\$91.1	\$237.8	\$415.2	\$150.1	\$265.1
New Mexico	\$135.5	\$37.5	\$98.0	\$171.1	\$61.9	\$109.2
New York	\$797.8	\$220.9	\$576.9	\$1,007.2	\$364.2	\$643.1
North Carolina	\$762.5	\$211.1	\$551.3	\$962.7	\$348.1	\$614.6
North Dakota	\$44.4	\$12.3	\$32.1	\$56.1	\$20.3	\$35.8

Continued

Appendix 5: **Annual Benefit of Abolishing Slavery and Involuntary Servitude in Prisons and Paying Fair Wages to Incarcerated Workers by State** *Continued*  
(Millions of Dollars)

State	20 Hours Per Week			32.5 Hours Per Week		
	Total Benefit	Marginal Costs	Net Benefit	Total Benefit	Marginal Costs	Net Benefit
Ohio	\$1,184.1	\$327.9	\$856.2	\$1,495.0	\$540.5	\$954.5
Oklahoma	\$588.8	\$163.0	\$425.8	\$743.4	\$268.8	\$474.6
Oregon	\$347.1	\$96.1	\$251.0	\$438.2	\$158.4	\$279.8
Pennsylvania	\$978.1	\$270.8	\$707.2	\$1,234.9	\$446.5	\$788.4
Rhode Island	\$58.9	\$16.3	\$42.6	\$74.3	\$26.9	\$47.4
South Carolina	\$414.4	\$114.7	\$299.7	\$523.2	\$189.2	\$334.0
South Dakota	\$88.2	\$24.4	\$63.8	\$111.3	\$40.2	\$71.1
Tennessee	\$578.4	\$160.2	\$418.2	\$730.2	\$264.0	\$466.2
Texas	\$3,517.7	\$974.0	\$2,543.6	\$4,441.3	\$1,605.8	\$2,835.5
Utah	\$155.3	\$43.0	\$112.3	\$196.1	\$70.9	\$125.2
Vermont	\$33.8	\$9.4	\$24.5	\$42.7	\$15.4	\$27.3
Virginia	\$798.3	\$221.0	\$577.2	\$1,007.9	\$364.4	\$643.5
Washington	\$359.6	\$99.6	\$260.0	\$454.0	\$164.1	\$289.8
West Virginia	\$153.8	\$42.6	\$111.2	\$194.1	\$70.2	\$123.9
Wisconsin	\$531.2	\$147.1	\$384.1	\$670.7	\$242.5	\$428.2
Wyoming	\$55.8	\$15.5	\$40.4	\$70.5	\$25.5	\$45.0
<b>Total</b>	<b>\$27,532.1</b>	<b>\$7,623.5</b>	<b>\$19,908.6</b>	<b>\$34,761.3</b>	<b>\$12,568.3</b>	<b>\$22,193.0</b>

Notes: Government costs include both wage and other payroll costs for jobs in facility operations and maintenance and government-run businesses and public projects.

## Notes and Sources

- 1 This study considers forcing workers to labor for no or extremely low wages to be slavery and involuntary servitude, including incarcerated workers. This study focuses on incarcerated workers in prisons and does not analyze enslavement and involuntary servitude in county jails as most people incarcerated in jail have not been convicted of a crime and thus their enslavement and involuntary servitude is not allowed by the exception in the 13th Amendment.
- 2 See *Key Assumptions*.
- 3 Throughout this study, “fair” wages for incarcerated workers means the payment of at least the applicable minimum wage for maintenance work and other tasks that help in the operations of the prison, and at least the relevant prevailing wage for tasks performed for private businesses and state agencies. See *Wages for Incarcerated Workers*.
- 4 “The Black Codes and Jim Crow Laws,” National Geographic, 2023, <https://education.nationalgeographic.org/resource/black-codes-and-jim-crow-laws>.
- 5 “Convict Lease System,” University of Houston, 2021, [https://www.digitalhistory.uh.edu/disp\\_textbook.cfm?psid=3179&smtid=2](https://www.digitalhistory.uh.edu/disp_textbook.cfm?psid=3179&smtid=2).
- 6 *Ibid.*
- 7 Dennis Childs, *Slaves of the State: Black Incarceration from the Chain Gang to the Penitentiary*, Minneapolis: University of Minnesota Press, 2015.
- 8 PIECP regulates the private use of prison labor and the sale of products made by incarcerated workers into interstate commerce. In order to be certified, a work program must meet various criteria, including the requirement that the employer pay incarcerated workers prevailing wages in the relevant industry. However, data from the National Correctional Industries Association (NCIA) shows that over 58% of the wages paid to incarcerated workers in PIECP jobs since the program’s inception have been garnished. Note that services and agriculture are not regulated by PIECP and thus are not required to be paid prevailing wages at all. See NCIA, Q2 2023 *Cumulative Data Report*, [https://569cf7d0-220c-4d22-b7ec-bd95c2d4f97b.usrfiles.com/ugd/569cf7\\_9b1e7363a7ba4de69c3510413a545d23.pdf](https://569cf7d0-220c-4d22-b7ec-bd95c2d4f97b.usrfiles.com/ugd/569cf7_9b1e7363a7ba4de69c3510413a545d23.pdf).
- 9 P.R. Lockhart, “Colorado Passes Amendment A, Voting To Officially Abolish Prison Slavery,” Vox, November 7, 2018, <https://www.vox.com/policy-and-politics/2018/11/6/18056408/colorado-election-results-amendment-a-slavery-forced-prison-labor-passes>.
- 10 #EndTheException, <https://endtheexception.com/>.
- 11 S.J.Res.21 - 117th Congress (2021-2022), Introduced June 17, 2021, <https://www.congress.gov/bill/117th-congress/senate-joint-resolution/21>; H.J.Res.53 - 117th Congress (2021-2022), Introduced June 17, 2021, <https://www.congress.gov/bill/117th-congress/house-joint-resolution/53>.
- 12 This study does not focus on or estimate the benefits of the non-pecuniary aspects of ending the exception in the 13th Amendment. See *Scope*.
- 13 American Civil Liberties Union (ACLU), *Captive Labor: Exploitation of Incarcerated Workers*, 2022, <https://www.aclu.org/report/captive-labor-exploitation-incarcerated-workers>, p. 27, Figure 1: Types of Prison Labor by Category.
- 14 *Ibid.*, pp.55-60.
- 15 ACLU, *Captive Labor*, p.24.
- 16 *Ibid.*, p. 27, Figure 1: Types of Prison Labor by Category.
- 17 Michael Gibson-Light, *Orange-Collar Labor: Work and Inequality in Prison*, New York: Oxford University Press, 2022; Leah Wang, “The State Prison Experience: Too Much Drudgery, Not Enough Opportunity,” *Prison Policy Initiative*, September 2, 2022. [https://www.prisonpolicy.org/blog/2022/09/02/prison\\_opportunities/](https://www.prisonpolicy.org/blog/2022/09/02/prison_opportunities/).
- 18 Christopher Zoukis, “Inmate Work Assignments in Federal Prisons.” *Zoukis Consulting Group*, September 20, 2017, <https://federalcriminaldefenseattorney.com/inmate-work-assignments-federal-prison/>.
- 19 In psychiatric and substance abuse hospitals, for instance, in-house operations and maintenance roles typically account for more than 20% of all non-professional jobs, but several job functions that would fit into this category are also outsourced to firms specializing in these services. See Food Preparation and Serving Related Occupations (35-0000), Building and Grounds Cleaning and Maintenance Operations (37-0000), and Installation, Maintenance, and Repair Occupations (49-0000) at Bureau of Labor Statistics, *National Industry-Specific Occupational Employment and Wage Estimates - NAICS 621420 - Outpatient Mental Health and Substance Abuse Centers*, May 2022, [https://www.bls.gov/oes/current/naics5\\_621420.htm](https://www.bls.gov/oes/current/naics5_621420.htm).
- 20 This study conservatively uses 60%, or 480,000, jobs in facility operations and maintenance.
- 21 These figures assume a constant number of incarcerated workers. See *Summary Analysis And Projections* for calculations assuming a drop in the number of incarcerated workers linked to reductions in recidivism and reincarceration rates.
- 22 \$0.86 is average daily wage for non-industry jobs. Wendy Sawyer, “How Much Do Incarcerated People Earn In Each State,” *Prison Policy Initiative*, April 10, 2017, <https://www.prisonpolicy.org/blog/2017/04/10/wages/>.
- 23 *Ibid.*
- 24 *Ibid.*

- <sup>25</sup> See NCIA, *Q2 2023 Cumulative Data Report*; Worth Rises, “Prison Labor and the Private Sector: The Corporate Exploitation of Prison Labor Reaches Deep into the Supply Chain,” December 9, 2021, <https://worthrises.org/blogpost/the-corporate-exploitation-of-prison-labor-reaches-deep-into-the-supply-chain>.
- <sup>26</sup> ACLU, *Captive Labor*, p. 10.
- <sup>27</sup> Data from the Bureau of Labor Statistics (BLS) show that only about 1% of adults age 20 and above are paid the federal minimum wage of \$7.25 per hour. Even in the 20 states where the minimum wage is \$7.25 per hour because the state minimum wage is the same as the federal minimum, only about 2% of adults age 20 and above are paid \$7.25 per hour. See Bureau of Labor Statistics, *Characteristics of Minimum Wage Workers*, August 2023, <https://www.bls.gov/opub/reports/minimum-wage/2022/home.htm>.
- <sup>28</sup> It is possible that competition among private employers for the labor of incarcerated workers could drive wages above the minimum required by law. However, this study assumes that wages paid by private employers will be no higher than the prevailing wages mandated by law.
- <sup>29</sup> However, PIECP allows significant wage garnishments so that most incarcerated workers in the program receive substantially less than the prevailing wage after these deductions.
- <sup>30</sup> For state minimum wages for 2023, see, Employer Pass, “State Minimum Wage Chart,” <https://www.employerpass.com/state-minimum-wage-requirements-chart>; historical data for state minimum wages can be found at U.S. Department of Labor, “Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968-2023,” <https://www.dol.gov/agencies/whd/state/minimum-wage/history>.
- <sup>31</sup> This study assumes that maintenance and operations workers in federal facilities will earn the state minimum wage corresponding to the location of their facility and that the distribution of federal prisoners across states is proportional to state prison populations.
- <sup>32</sup> Wendy Sawyer, “How Much Do Incarcerated People Earn?”
- <sup>33</sup> *Ibid.*
- <sup>34</sup> All average wages reported in this section are weighted using the prison population in each state.
- <sup>35</sup> Wages for operations and maintenance jobs are from 2022 and minimum wages are from 2023. As explained below these wages would be the prevailing wages for guest workers on H-2B visas in these jobs in 2023. See Bureau of Labor Statistics, “Occupational Employment and Wage Statistics,” <https://www.bls.gov/oes/>.
- <sup>36</sup> This analysis anticipates that incarcerated workers in federal prisons who are mandated to be paid prevailing wages will be paid based on the national average prevailing wage for their work.
- <sup>37</sup> Prevailing wages for less skilled non-farm seasonal guest workers are mandated for the H-2B visa program, and for more skilled workers in the H-1B visa program.
- <sup>38</sup> Bureau of Labor Statistics, *Occupational Employment and Wage Statistics*, <https://www.bls.gov/oes/tables.htm>.
- <sup>39</sup> Less-skilled jobs, for purposes of this report, are jobs with the lowest average pay rates and workers’ educational attainment in the major occupation groups of construction and maintenance jobs, production and materials moving jobs, service jobs, and office jobs.
- <sup>40</sup> E. Ann Carson and Rich Kluckow, *Prisoners in 2022 - Statistical Tables*, Bureau of Justice Statistics, November 2023, <https://bjs.ojp.gov/library/publications/prisoners-2022-statistical-tables>.
- <sup>41</sup> U.S. Department of Justice, “Press Release: U.S. Correctional Population Continued to Decline in 2021,” February 23, 2023, <https://www.ojp.gov/news/news-release/us-correctional-population-continued-decline-2021>.
- <sup>42</sup> See *Summary Analysis & Projects* for cost calculations that incorporate the expected reduction in the prison population and incarcerated workforce due to the reduced recidivism rates stemming from ending slavery and involuntary servitude and paying incarcerated workers fair wages.
- <sup>43</sup> ACLU, *Captive Labor*, p. 24. The ACLU study includes data for 17 states, this study extrapolates the ACLU data to the federal system and other states.
- <sup>44</sup> Matt Miller, “Pennsylvania Prison Inmates Working 12-hour Shifts Producing Masks to Shield Themselves, Guards From Coronavirus”, Penn Live, April 7, 2020, <https://www.pennlive.com/news/2020/04/pa-prison-inmates-working-12-hour-shifts-producing-masks-to-shield-themselves-guards-from-coronavirus.html>; ACLU, *Captive Labor*, p. 50.
- <sup>45</sup> Prison Policy Initiative, “State and Federal Prison Wage Policies and Sourcing Information,” April 10, 2017. [https://www.prisonpolicy.org/reports/wage\\_policies.html](https://www.prisonpolicy.org/reports/wage_policies.html).
- <sup>46</sup> The Bureau of Labor Statistics’ “Employer Costs for Employee Compensation – September 2023” indicates that workers compensation accounts for about 1.1% of total compensation costs and wages and salaries account for about 69% of compensation costs. This implies that workers compensation costs are equal to about 1.6% of wages and salaries paid. See Bureau of Labor Statistics, *Employer Costs for Employee Compensation - September 2023*, December 15, 2023, <https://www.bls.gov/news.release/pdf/ecec.pdf>.
- <sup>47</sup> Private sector employers voluntarily hiring incarcerated workers are receiving the benefit of labor in exchange for the wages paid. Consequently, the costs and benefits net out and can be excluded from a cost-benefit analysis.

- <sup>48</sup> Total payments to incarcerated workers from private industry are calculated based on the following assumptions: (1) 3% of incarcerated workers are currently employed in private sector jobs through PIECP; (2) 50% of workers in PIECP are employed in non-manufacturing jobs, earning state minimum wage; (3) 50% is employed in manufacturing jobs, earning an average wage of \$15.59 per hour, calculated as the midpoint between prevailing wages for the three lowest paying external occupations for incarcerated workers. This is likely a generous estimate of current wages paid to workers in PIECP. See Bob Sloan, "The Prison Industry Enhancement Certification Program: Why Everyone Should Be Concerned," *Prison Legal News*, March 2010, <https://www.prisonlegalnews.org/news/2010/mar/15/the-prison-industries-enhancement-certification-program-why-everyone-should-be-concerned/>.
- <sup>49</sup> Average wage for incarcerated workers in facilities operations and government-run businesses and public projects was calculated based on average "low" and "high" wages reported in Table 2.
- <sup>50</sup> See *Summary Analysis & Projections*, which also includes projection of marginal costs calculation assuming a reduction in both prison population and incarcerated workforce.
- <sup>51</sup> Stephen Raher, "The Company Store: A Deeper Look At Prison Commissaries," Prison Policy Initiative, May 2018, <https://www.prisonpolicy.org/reports/commissary.html>; Tommaso Bardelli, Zach Gillespie, and Thuy Linh Tu, "Surviving Austerity: Commissary Stores, Inequality, And Punishment In The Contemporary American Prison," *Punishment & Society*, Vol. 25 (4), 2022.
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- <sup>57</sup> Inflation calculations are based on the Federal Reserve Economic Data (FRED) Consumer Price Index (CPI), <https://fred.stlouisfed.org/series/USACPIALLMINMEI>. Throughout this study, 2023 dollars values are calculated as the average CPI through the first 10 months of 2023.
- <sup>58</sup> This study applies equal weight to the 2013 and 2018 studies and accounts for inflation using the Consumer Price Index to present spending estimates in current dollars. This study also assumes that the expenditures per person in the 17 states with no reporting data are the same, on average, as in the other systems.
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- <sup>64</sup> This calculation is based on unpublished data provided by Worth Rises, indicating that families with incarcerated loved ones in BOP, California, Colorado, Connecticut, Massachusetts, and Minnesota collectively spent \$112 million per year on calls.
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- <sup>66</sup> Connecting Families Now, “Research,” <https://connectfamiliesnow.com/ourcampaigns>.
- <sup>67</sup> Connecting Families Now, “Prison And Jail Telecom Data,” <https://connectfamiliesnow.com/data>.
- <sup>68</sup> Wendy Sawyer, “How Much Do Incarcerated People Earn in Each State?”
- <sup>69</sup> Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi, *Who Pays? The True Cost of Incarceration on Families*, Ella Baker Center, 2015, p.9, <https://ellabakercenter.org/wp-content/uploads/2022/09/Who-Pays-exec-summary.pdf>.
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- <sup>85</sup> The calculations also assume a “real” interest rate of about 1%, meaning that the nominal interest rate is assumed to be about 1% higher than the rate of wage inflation.

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- <sup>106</sup> See *Impact on State and Taxpayers: Government Welfare and Subsidy Programs*.
- <sup>107</sup> National Conference of State Legislatures, *Child Support Guidelines Models*, July 10, 2020, <https://www.ncsl.org/human-services/child-support-guideline-models>.
- <sup>108</sup> For example, a non-custodial parent earning the minimum wage in Texas or Mississippi would pay child support for two children equal to about 20% of income, while minimum wage-earning parents in Illinois or Nevada would pay 25% in support, even though all four of these states only consider the earnings of the non-custodial parent for determining child support.
- <sup>109</sup> In 2022, there was an average of two children per incarcerated parent. See E. Ann Carson and Rich Kluckow, *Prisoners in 2022*.
- <sup>110</sup> In many states child support payments increase with the income of the custodial parent, but by less in percentage terms, so that the share of income paid in child support declines as the non-custodial parent’s income increases.

- <sup>111</sup> Benefit calculations in this section assume a stable prison population. See Table 15 in *Summary Analysis & Projections* for calculation of annual increased child support based on a reduced prison population and incarcerated workforce.
- <sup>112</sup> Brian Elderbroom et al., *Every Second: The Impact of the Incarceration Crisis on America's Families*.
- <sup>113</sup> Andrea N. Montes, Danielle Wallace, Chantal Fahmy, Abigail Henson, Alyssa W. Chamberlain, and Leah A. Jacobs, "An Assessment of Prisoner Reentry, Legal Financial Obligations and Family Financial Support: A Focus on Fathers," *International Journal of Environmental Research and Public Health*, Vol. 18 (18), 2021.
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- <sup>128</sup> U.S. Department of Justice, Federal Bureau of Investigation, *Uniform Crime Report: Crime in the United States - 2019*, 2019, <https://ucr.fbi.gov/crime-in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/robbery>.
- <sup>129</sup> E. Ann Carson, *Prisoners in 2020 - Statistical Tables*, Bureau of Justice Statistics, December 2021, Table 15, <https://bjs.ojp.gov/content/pub/pdf/p20st.pdf>. This assumes that 62,360 (40% of 155,900) incarcerated people who had been convicted for robberies are admitted to prisons each year and that two-thirds of them are paid fair wages and adjusts the average value of a robbery offense to 2023 dollars using the CPI.
- <sup>130</sup> As for other court-mandated charges, it is critical to limit the amount of incarcerated workers' earnings that can be garnished to cover restitution payments. See *Imperative to Eliminate Garnishments*.
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- <sup>143</sup> Congressional Research Service, "Child Support Enforcement: Program Basics," *CRS Report*, July 19, 2023, p. 11, <https://crsreports.congress.gov/product/pdf/RS/RS22380>.
- <sup>144</sup> *Ibid.*
- <sup>145</sup> The split between government and children/custodial parent varies by state. This report assumes a two-thirds and one-third split based on typical state formulas for TANF pass-through.
- <sup>146</sup> A recent study shows that the length of time that incarcerated people spend in work programs is significantly related to lower recidivism and reincarceration rates and higher rates of employment after release from prison. See: Grant Duwe and Makada Henry-Nickie, "A Better Path Forward for Criminal Justice: Training and Employment for Correctional Population," *Brookings Institute*, April 2021, <https://www.brookings.edu/articles/a-better-path-forward-for-criminal-justice-training-and-employment-for-correctional-populations/>.
- <sup>147</sup> On the association between post-secondary education and lower recidivism see: Robert Bozick, Jennifer Steele, Lois Davis, and Susan Turner, "Does Providing Inmates With Education Improve Post-Release Outcomes?," *Journal Of Experimental Criminology*, Vol. 14 (3), pp. 389-428, 2019 ; Patrick Oakford, Cara Brumfield, Casey Goldvale, Laura Tatum, Margaret di Zerega, and Fred Patrick, "Investing in Futures: Economic and Fiscal Benefits of Postsecondary Education in Prison," *Vera Institute of Justice*, January 2019, <https://www.vera.org/downloads/publications/investing-in-futures.pdf>. On the impact of work release programs on recidivism see: William D. Bales et al., "An Assessment of the Effectiveness of Prison Work Release Programs on Post-Release Recidivism and Employment."
- <sup>148</sup> Robert Bozick et al., "Does Providing Inmates with Education Improve Post-Release Outcomes?"; William D. Bales et al, "An Assessment Of The Effectiveness Of Prison Work Release."
- <sup>149</sup> Harper et al., "Debt, Incarceration, And Reentry."
- <sup>150</sup> Leah Wang, "Research Round-Up: The Positive Impact of Family Contact for Incarcerated People and Their Families."
- <sup>151</sup> Matthew R. Durose and Leonardo Antenangeli, *Recidivism of Prisoners Released in 34 States in 2012: A 5-Year Follow-Up Period (2012-2017)*, Bureau of Justice Statistics, July 2021, <https://bjs.ojp.gov/library/publications/recidivism-prisoners-released-34-states-2012-5-year-follow-period-2012-2017>. The model assumes that once a released worker has successfully avoided reincarceration for five years the chance of reincarceration in future years is reduced to zero.
- <sup>152</sup> E. Ann Carson, *Prisoners in 2019*, Bureau of Justice Statistics, October 2020, <https://bjs.ojp.gov/content/pub/pdf/p19.pdf>.
- <sup>153</sup> The model is calibrated so that a stable prison population of 1.2 million requires equal size cohorts of prison entrants and releases and mean duration of time in prison of 2.5 years, or 480,000 people. 480,000 prison releases per year are slightly below the size of release cohorts since 2010 because the prison population has been declining and releases have exceeded new admissions each year.
- <sup>154</sup> Shelley Hyland, *Justice Expenditures and Employment Extracts, 2016*, Bureau of Justice Statistics, 2019, <https://bjs.ojp.gov/library/publications/justice-expenditure-and-employment-extracts-2016-preliminary>. For an estimate of per person incarceration costs by state, see Appendix Table 2.
- <sup>155</sup> Christy Visher and John Eason, "A Better Path Forward for Criminal Justice: Changing Prisons to Help People Change," *Brookings Institute*, April 2021, <https://www.brookings.edu/articles/a-better-path-forward-for-criminal-justice-changing-prisons-to-help-people-change>.
- <sup>156</sup> Stuart John Wilson and Jocelyne Lemoine, "Methods of Calculating the Marginal Cost of Incarceration: A Scoping Review," *Criminal Justice Policy Review*, Vol. 3 (6), 2022.

- <sup>157</sup> This study projects that there will be a smaller stable prison population seven years after ending slavery and involuntary servitude and the start of fair wage payments to incarcerated workers. This is because reincarceration rates generally occur within the first five years after prison release, and this study assumes lower reincarceration rates for people who received valuable work experience and were paid fair wages for at least two years while in prison.
- <sup>158</sup> A 1% decline in the reincarceration rate will reduce the prison population by two-thirds of 1% because only two out of three released people are assumed to have earned a fair wage while incarcerated. Released people who did not work for fair wages are assumed to experience no change in reincarceration rate.
- <sup>159</sup> William D. Bales, et al., "An Assessment of the Effectiveness of Prison Work Release Programs on Post-Release Recidivism and Employment."
- <sup>160</sup> *Ibid.*
- <sup>161</sup> Mariel Alper and Matthew Durose, *2018 Update on Prisoner Recidivism: A 9-Year Follow-Up Period (2005-2014)*, Bureau of Justice Statistics, May 2018, <https://bjs.ojp.gov/content/pub/pdf/18upr9yfp0514.pdf>.
- <sup>162</sup> Leonardo Antenangeli and Matthew Durose, *Recidivism of Prisoners Released in 24 States in 2008: A 10 Year Follow-Up Period (2008-2018)*, Bureau of Justice Statistics, 2021, <https://bjs.ojp.gov/library/publications/recidivism-prisoners-released-24-states-2008-10-year-follow-period-2008-2018>.
- <sup>163</sup> This study assumes that any beneficial impact of fair wages on criminal activity after a person is released from prison will be limited to the first nine years after release, but also assumes this is roughly the expected period of criminal engagement.
- <sup>164</sup> Recent studies have criticized the use of recidivism alone as a metric to gauge criminal activity and desistance from crime. Recidivism and reincarceration rates, these studies have pointed out, reflect racial disparities in the criminal legal system, including in law enforcement and sentencing, rather than faithfully representing rates of "actual" criminal or antisocial behavior. Also, in light of this research, calculations in this section are based on a conservative estimate of the social costs of criminal activity of formerly incarcerated workers. See Elizabeth Hinton and DeAnza Cook, "The Mass Criminalization of Black Americans: A Historical Overview," *Annual Review Of Criminology*, Vol. 4, pp. 261-281, 2021.
- <sup>165</sup> See David A. Anderson, "The Aggregate Cost of Crime in the United States," *The Journal of Law & Economics*, Vol. 64 (4), pp. 857-885, 2021; Ted R. Miller, Mark Cohen, David Swedler, Bina Ali, and Delia Hendre, "Incidence and Cost of Personal and Property Crime in the United States - 2017," *Journal of Cost-Benefit Analysis*, Vol. 12(1), pp. 24-54, 2021.
- <sup>166</sup> On the impact of postsecondary education, see: Robert Bozick, et al., "Does Providing Inmates with Education Improve Post-Release Outcomes?"; on work release programs, see: William D. Bales et al., "An Assessment of the Effectiveness of Prison Work Release Programs on Post-Release Recidivism and Employment."
- <sup>167</sup> David A. Anderson, "The Aggregate Cost of Crime in the United States"; Ted R. Miller, Mark Cohen, David Swedler, Bina Ali, and Delia Hendre, "Incidence and Cost of Personal and Property Crime in the United States - 2017."
- <sup>168</sup> This report uses the cost per crime figures in the Miller, et al. study after netting out incarceration costs. Homicides are excluded because they have a disproportionately high cost per crime and could skew an assessment of the potential benefits from reducing recidivism. Further, it is unlikely that the proposed policy is directly related to reducing these crimes.
- <sup>169</sup> Because homicide has been excluded from the analysis, the average cost per crime in this study is substantially lower than the average across all crimes if homicides are included. For example, a 2018 study by the Council of Economic Advisors found an average cost per crime of \$258,000 per crime including \$96,000 in incarceration costs in 2017 dollars. See: The Council of Economic Advisers, *Returns on Investment in Recidivism-Reducing Programs*, May 2018, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2018/05/Returns-on-Investments-in-Recidivism-Reducing-Programs.pdf>.
- <sup>170</sup> Becky Pettit and Carmen Gutierrez, "Mass Incarceration and Racial Inequality," *American Journal of Economic Sociology*, Vol. 77 (3-4), 2018, pp. 1153-1182.
- <sup>171</sup> E. Ann Carson, *Prisoners in 2022- Statistical Tables*, Bureau of Justice Statistics, November 2023, <https://bjs.ojp.gov/document/p22st.pdf>.
- <sup>172</sup> Calculation of adult population is based on data from the Census Bureau's American Community Survey (ACS). Based on calculations from the Census Bureau's American Community Survey (ACS) Public Use Microdata Sample (PUMS). See: <https://www.census.gov/programs-surveys/acs/microdata.html>.
- <sup>173</sup> E. Ann Carson, *Prisoners in 2022*.
- <sup>174</sup> Calculation is based on estimates of the Hispanic adult population: according to ACS PUMS data, there is one Hispanic for every 3.54 non-white Hispanic adults in the U.S., but BJS data shows that there is one Hispanic incarcerated person for every 2.25 non-Hispanic whites. See E. Ann Carson, *Prisoners in 2022 - Statistical Tables*.
- <sup>175</sup> Becky Pettit, *Invisible Men: Mass Incarceration and the Myth of Black Progress*, New York: Russell Sage Foundation, 2012.
- <sup>176</sup> Bernadette Rabuy and Daniel Kopf, "Prisons of Poverty: Uncovering the Pre-Incarceration Incomes of the Imprisoned," Prison Policy Initiative, July 9, 2015, <https://www.prisonpolicy.org/reports/income.html>.
- <sup>177</sup> The median income for individuals aged 27 to 42 in the 2021 American Community Survey was \$38,000, which is about \$43,160 in 2023 dollars (adjusted for inflation using the CPI). \$25,460 is about 41% less than \$43,160.
- <sup>178</sup> E. Ann Carson, *Prisoners in 2022*.
- <sup>179</sup> Saneta deVuono-Powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi, *Who Pays? The True Cost of Incarceration on Families*.

- <sup>180</sup> About wage garnishment in PIECP, see NCIA, Q2 2023 Cumulative Data Report. On wage garnishment in work release programs, see Sara Feldschreiber, "Fee At Last? Work Release Participation Fees and the Takings Clause," *Fordham Law Review*, Vol. 72 (1), 2003.
- <sup>181</sup> Worth Rises, *The Prison Industry: How it started. How it works. How it harms.*
- <sup>182</sup> While this study concludes that incarcerated workers will be able to better meet restitution obligations and pay fines and fees if paid fair wages, it warns that expediting such payments by forcing incarcerated workers to meet these obligations before their other needs will be counterproductive. Agencies should consider reasonable payment plans that allow incarcerated workers to meet these obligations and their other needs simultaneously to maximize the benefits of this policy change.
- <sup>183</sup> David Fathi, "No Equal Justice: The Prison Litigation Reform Act in the United States," *Human Rights Watch*, June 16, 2009, <https://www.hrw.org/report/2009/06/16/no-equal-justice/prison-litigation-reform-act-united-states>.
- <sup>184</sup> For example, the first cohort is expected to be released in Year 1, the second cohort is expected to be released in Year 2, and so on.
- <sup>185</sup> Current costs are calculated based on the following assumptions: (1) 776,000 workers, 97% of the current prison labor force of 800,000, are employed by either correctional institutions or government-run businesses and public projects, (2) incarcerated workers currently are paid for 32.5 hours of work each week, and (3) the typical wage paid is \$0.25 cents per hour, which is the weighted average of the "regular low" and "regular high" current prison wage rates in Table 2.
- <sup>186</sup> Since incarcerated workers are currently excluded from FICA, these payroll costs do not include FICA taxes or workers compensation costs. See *Taxes*.



## About Edgeworth Econo

Edgeworth Economics is an economic and quantitative consulting firm that provides economic analysis and expert testimony for clients facing complex litigation, regulatory, and other challenges in the areas of antitrust, class certification, intellectual property, and labor and employment. Edgeworth's expert economists, statisticians, data analysts, and other professionals assist clients with innovative solutions rooted in the rigorous application of economic principles and hard data.

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## Contact:

**Dr. Stephen Bronars**

[sbronars@edgewortheconomics.com](mailto:sbronars@edgewortheconomics.com)

Washington, DC: +1 202 580 7777

Pasadena, CA: +1 626 657 7991

# Offices:

**Washington, DC**  
+1 202 559 4381

**Pasadena, CA**  
+1 626 657 7950

