

# Study finds private prisons keep inmates longer, without reducing future crime

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The study of Mississippi prisons shows there may be a financial incentive for the operators of private prisons to maximize the number of days served for each prisoner — undermining the cost benefit that makes privatization attractive. Credit: iStock

A new study finds that inmates in private prisons are likely to serve as many as two to three more months behind bars than those assigned to public prisons and are equally likely to commit more crimes after release, despite industry claims to lower recidivism rates through high-quality and innovative rehabilitation programs.

The study is believed to be the first effort to compare time served in public and private prisons. Anita Mukherjee, an assistant professor of actuarial science, risk management and insurance at the University of Wisconsin-Madison's Wisconsin School of Business, sought to compare public and private prisons in terms of two key outcomes: time served and recidivism. With private prisons being paid on the basis of each occupied bed, there may be a financial incentive for the operators of those facilities to maximize the number of days served for each prisoner, which may not be in the best interests of the state.

"There is a basic fairness issue here—should

prisoners be serving more time simply because they were randomly assigned to a private prison instead of a public one?" says Mukherjee. "The number of days a prisoner serves relates directly to the cost of housing that inmate, so if inmates sent to private prisons somehow serve longer terms, this undermines the very cost benefit that makes private prisons attractive relative to public prisons."

Mukherjee reviewed data from private prisons in Mississippi between 1996 and 2004. The United States houses 10 percent of its prison population in private prisons, which represent a \$5 billion industry. Private prisons accounted for about 40 percent of all prison beds in Mississippi in 2012 and the state had the second highest incarceration rate in the country. States typically contract with private prison operators to save money and expand bed capacity. In Mississippi, state law requires private prisons to provide a cost savings of at least 10 percent compared to public facilities.

The research found that prisoners in private facilities had an increase in their sentence of four to seven percent, which equaled 60 to 90 days for the average prisoner. With the average contractual payment to private prison operators in Mississippi being \$50 for each bed occupied, an extra 60 days added to a prisoner's sentence leads to an average additional cost per prisoner of about \$3,000. That added expense erodes about half of the projected cost savings offered by private prisons in the state.

Fueling the increase in time served is the widespread use of prison conduct violations in private facilities. Mukherjee found that prisoners in every demographic, offense, and sentence length category accumulated more infractions if they were assigned to a private prison. Overall, inmates in private prisons received twice as many infractions as those in public prisons. In Mississippi, infractions

are used by the state parole board in assessing whether a prisoner should be granted early release.

"The findings suggest that states hiring private prison contractors need to exercise care in structuring incentives that match their desired public policy outcomes, whether it be reducing costs or reducing recidivism rates," says Mukherjee, an assistant professor at the Wisconsin School of Business. "States may want to consider increased monitoring to prevent excessive violations to keep costs in line or having contracts that don't just reward operators for filling beds but require them to produce outcomes such as reduced rates of recidivism."

In the United Kingdom, Mukherjee says the government has experimented with "pay for performance" private prison contracts, resulting in decreases in recidivism for prisoners assigned to those facilities.

Mississippi's private prisons have been a source of controversy, with advocacy groups and human rights organizations filing numerous complaints and lawsuits. Since 2012, several private prison operators have been fired and seen their facilities turned over to other companies. Last November, the state's corrections commissioner was the target of a 49-count federal indictment accusing him of taking bribes from a former state official who owned or represented several private prison companies that received state contracts.

**More information:** Mukherjee's research, "Do Private Prisons Distort Justice? Evidence on Time Served and Recidivism," is available online: [go.wisc.edu/private-prisons](http://go.wisc.edu/private-prisons)

Provided by University of Wisconsin-Madison

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