



Reevaluating Justice: Dismantling the Intersection Between Profit and Prisons

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I. EXECUTIVE SUMMARY

Mass incarceration is an issue that has plagued the United States for decades, becoming a symbol of the country's systemic failures. Despite the general consensus that mass incarceration is a problem, few ambitious policy solutions to undo its harms have been proposed. This brief seeks to mend that problem by proposing policy that addresses the root causes of mass incarceration, rather than just its effects.

II. OVERVIEW

Mass incarceration is a relatively new phenomenon, with prison populations having grown from ~200,000 in 1970 to ~1,600,000 in 2010 [1]. Alarming, the trend seems to have hit Black Americans the hardest. Despite this demographic making up only 13% of the United States population, they constitute 37% of the prison population and 48% of incarcerated persons serving effective life sentences. [2]

A. Relevance

Rising trends of racialized mass incarceration are enabled by two factors: "tough on crime" rhetoric that intentionally targeted and destabilized primarily Black, underserved communities, and the growing debts of municipal governments demanding new, unethical streams of revenue.

The latter factor is propelled by both covert systemic biases in law enforcement and the judicial system and overt looting mechanisms that may manifest in unreasonably high bail, conviction, attorney, or "pay-to-stay" fees. These mechanisms create a cycle in which inmates are forced to contribute to and uphold the very system that oppresses them, a task many find to be financially impossible. For instance, in Texas, the largest source of outstanding arrest warrants is unpaid fines. [3]

Racialized mass incarceration is not an isolated problem. It is a response to a financial incentive embedded in the United States justice system. Dismantling the intersection between justice and profit is essential in both securing sustainable, long-term funding for municipalities and reducing wrongful convictions to ensure the justice system provides exactly that: justice.

III. HISTORY

A. Current Stances

Nixon's "war on drugs" in the 1970s, which selectively criminalized drugs in poor, black communities, was a notable first step in creating the association between blackness and criminality. The most famous example of Nixon's deliberate criminalization of Black Americans can be seen when comparing how Nixon penalized the possession of powder cocaine, which was most

prevalent in white communities, and crack cocaine, which was associated heavily with Black Americans. The Anti-Drug Abuse Act of 1986 mandated that an individual carrying an astronomical one hundred grams of powder cocaine and a mere five grams of crack cocaine had the same minimum sentence of five years.

Though mass incarceration as we now know it was in the process of becoming institutionalized in the 1970s, it solidified more recently, when municipalities and local governments went into debt appeasing financial institutions and implemented intense austerity programs. Justice systems funded by the very people it punishes have increased in prevalence in response to governments failing to fund justice in its entirety. From 2017 to 2025, though government spending on policing increased by 40%, judicial and legal costs remained constant. Before that, in the 1980s and 90s, states began implementing “pay-to-stay” prison laws and similar policies as a means of increasing profits for the justice system.

The factors of, first, local governments having made it a goal to increase profits by means of offenders and, second, long standing rhetoric associating Black Americans with criminality have created a fertile ground for Black communities to be subjects of looting by the justice system. Indeed, studies indicate that the cities using fines as a means of raising revenue are the cities with the largest populations of Black residents. [4]

The pattern is clear: since local governments see Black citizens as expendable, they criminalize and exploit them for revenue. The result is a financial and structural incentive for mass incarceration.

IV. POLICY PROBLEM

A. Stakeholders

When discussing cycles of mass incarceration, the most apparent and important stakeholder is prisoners themselves. It is important to consider the interests and opinions of these individuals who, because of a broken system, find themselves stuck in cycles of reincarceration, and often, exploited to a point that financial stability becomes impossible. This is both because prison’s immense opportunity cost takes time away from individuals’ career development and because a fine or felony on an individual’s record often bars an individual from receiving governmental assistance or accessing long-term employment.

Another group of people undoubtedly affected by prison culture is Black and Brown Americans at large who are systematically targeted and looted for profit. Upholding the profit-driven prison system makes Black and Brown communities vulnerable to heightened surveillance and an increased perception of criminalization. For example, take Philando Castile, a Black Minnesotan who was pulled over forty-nine times over the course of thirteen years for minor traffic incidents and eventually shot, while an average American has a 1% chance of being pulled over in a single year [5]. Systemic overpolicing subjects communities of color to both psychological distress and physical violence.

Removing the link between justice and profit and preventing overpolicing both helps break cycles of mass incarceration and relieves Black and Brown communities from the burden of constant surveillance.

B. Risks of Indifference

Avoiding criminal justice reform, first, is antithetical to the very purpose of the system itself: to uphold the rule of law and deliver impartial rulings. This occurs through two mechanisms: first, the bankrupting of communities of color, and second, the fostering of wrongful convictions.

First, the established process in the criminal justice system of extracting money from people of color and feeding it to police departments significantly hurts supposed offenders' economic stability. As mentioned previously, local governments' debts incentivize the rampant issuing of fees and fines to those who are the most socially and economically disadvantaged. Research indicates that about one half of families receiving fines aren't able to pay them, and that one in three families receiving fines can't afford to pay their basic necessities [11]. These unpaid fines often lead to arrest warrants, beginning an almost unstoppable cycle of incarceration and recidivism and further depriving incarcerated individuals of economic stability.

Further, the systemic financial incentive to incarcerate and criminalize people en masse creates an environment ripe for wrongful convictions and inequitable sentencing decisions. And indeed, Black Americans, the ones most commonly targeted by profit-driven "justice" systems, are 750% more likely than white Americans to be wrongfully convicted. [10] Upholding a toxic system in which basically solely Black and Brown Americans are constantly pushed through the courts for the sake of increasing revenue would only increase wrongful

convictions, decreasing the justice system's legitimacy, but more importantly, completely altering the lives of those bankrupted and wrongfully accused of committing a crime.

Besides the criminal justice system needing to disassociate from profit for principled reasons, there are economic ramifications to continued indifference. To justify the looting of Black and Brown residents for profits and constant arrests, police departments and news outlets have worked to create the impression of there being a "crime wave," with popular perception being that crime is increasing despite it steadily declining for years [6]. The perception of increased crime, in turn, justify a constant bloating of the police budget. In budgets on a state and local scale, police budgets are consistently increasing, even while general spending declines. [7] Including during periods of austerity, when police budgets decline, it is far less than the amount that infrastructure or social service budgets decline [8]. The constant inflation of police budgets saps state and local budgets for the sake of making money unethically and addressing an increase in crime that does not exist. A large consequence of delaying criminal justice reform is, thus, the ineffective use of government budgets and taxpayer money.

C. Nonpartisan Reasoning

Regardless of political affiliation, lawmakers ought to prioritize reforming the criminal justice system, first, because current local governments' current means of raising money is objectively inefficient and unsustainable. Criminal justice's current method of funding, instead of being based on a stable foundation, for better or for worse, is based on the extraction of revenue from a finite and constantly changing number of

offenders. During periods where crime decreases, for example, local governments are forced into one of two options: either tanking an unexpected cut in funding or increasing the quantity and/or severity of fees and fines. The first option decreases local governments' effectiveness while the latter option decreases local governments' legitimacy. Preventing profit-driven mass incarceration is beneficial is key for the sake of the criminal justice system it is designed to uphold. In fact, some systems of mass incarceration are so inefficient that, for example, in one county in New Mexico, every dollar of extra revenue generated from fines and fees equates to \$1.17 in spending. [12]

Even ignoring increased revenue in the short-term, large scale cycles of incarceration harbor high social costs, with the high amounts of debts and hypersurveillance generating fear and distress for city residents. For instance, in 2013, Ferguson, a city where 20% of revenue came from fees and fines (making it the 2nd largest source of revenue), there were roughly 32,975 active arrest warrants, an insane feat considering Ferguson's population was merely 21,135 [13]. This state of living undoubtedly tormented residents. Cycles of incarceration rip apart families, deteriorate communities, and reinforce debt spirals for the country's most vulnerable. As one example, studies indicate that stress caused by the mere threat of police violence in Black communities decreases Black infants' health, birth weight, and gestational age [14]. These costs, though important to evaluate, are impossible to consider with analysis of financial costs and revenue alone.

V. TRIED POLICY

Though a small number of criminal justice reforms concerned with reducing the system's profitability have been implemented, they're often reactionary instead of proactive policy. In other words, the policies are solely implemented in states and counties where policymakers deem that residents have suffered enough to deserve dignity instead of being implemented nationally as a sustainable basis for criminal justice.

As one example, after the Department of Justice found that Ferguson, Missouri was using excessive fines to generate revenue, Missouri Senate Bill 5 imposed a statewide 20% cap of city revenue from bond forfeitures, court costs, fees, and fines. The policy also placed a \$300 limit on fines for minor traffic violations. Since imposing the act, officers of Missouri reported that traffic stops had decreased dramatically [15]. Unfortunately, though Missouri was largely alone in implementing unprecedented anti-looting legislation, it is not the only state whose budget relied significantly on money from offenders. For instance, in Brookside, Alabama, after a budget deficit, revenue increased by over 640% over the span of two years due to the Brookside police department's sharp increase in using fees and fines as a means of raising revenue [16]. Missouri's legislation is significant, but ultimately serves as a state-wide bandage over a national bullet wound.

But, that's not to say that there's been absolutely no federal legislation addressing the problem of excessive fees and fines! As one example of a positive piece of legislation, we can look to the First Step Act of 2018. The First Step Act of 2018 implemented a wide range of sweeping prison reforms, including making early release more

accessible, prohibiting juvenile solitary confinement and ending the use of restraints on pregnant prisoners, and adjusting penalties and sentencing laws. The act has been proven to significantly reduce recidivism rates among its benefactors compared to general prison populations by about 30% [17]. Though not directly related to the link between profit and the justice system, the First Step Act of 2018 helped reduce profit-driven policing by banning the “stacking” of certain charges and fines on top of each other and by eliminating some laws institutionalizing racism against Black inmates (including the previously mentioned sentencing disparity between possessors of crack and powder cocaine).

VI. POLICY OPTIONS

Implementing local revenue caps on a national scale

The most simple and direct way to combat profit-driven policing is to copy the example set by Missouri in Senate Bill 5 and implement revenue caps of 20% for offenders’ fees and fines. As mentioned previously, Missouri implemented the bill solely because one of its counties happened to be the target of public scrutiny, not because Missouri was the only state in need of criminal justice reform. It’s clear that other states ought to mirror Missouri’s policy as a first step in creating a sustainable criminal justice system. It’s worth noting that the national cap is an impressively feasible policy to implement: though there are many outliers of municipalities and states that rely on fees and fines for their states’ budgets, across the United States, in 2021, the US Census Bureau reported that fees, fines, and forfeitures made up a mere 0.30% of state and local

general revenue. In other words, a national 20% revenue cap wouldn’t affect most state and local governments in any capacity [18]. Instead, it would solely affect governments like Campo, a town in Colorado in which fees and fines make up over 90% of local revenue.

Requiring compensation for prisoners who are wrongfully charged

Though the majority of states require that wrongfully convicted prisoners and incorrectly charged offenders be compensated, ten states do not. A lack of compensation essentially means that there’s no financial incentive to fairly sentence supposed offenders. As mentioned previously, when the justice systems focus on raising money instead of maintaining order, wrongful convictions multiply several times over because of the judicial system treating *all* convictions, fees, and fines as a way to guaranteeing government income regardless of a supposed lawbreaker’s innocence. A means of removing states’ financial incentive to incarcerate its citizens en masse is to eliminate the profit margins from wrongful convictions by forcing local governments to pay for their neglectful mistakes. States ought to follow the established federal baseline for compensation: \$50,000 per year of wrongful incarceration and an additional \$100,000 if the inmate was on death row.

Create a stable basis of local infrastructure funding

While the previous two solutions are largely surface-level fixes that address the effects of profit-driven “justice,” it’s also important (though it’s harder) to address the *reason* that local governments turn to exploitative and unethical

streams of revenue: because local governments are often strapped for cash absent stable and sustainable funding from the federal government. To mend this issue, the federal government ought to address the primary reasons that local governments lose money, which data indicates is funding infrastructure projects [19]. In the status quo, the means through which local governments receive funding for infrastructure is through federal grants. To reduce the incentives of predatory policing, the federal government can either expand their infrastructure grants, or more feasibly, begin distributing grants more equitably. In particular, research notes that the local governments most likely to receive federal grants are the ones with the most resources and largest administrative capacity instead of the local governments in the need of the most aid [20]. Thus, some steps the federal government can take to more equitably distribute infrastructure funding include simplifying and advertising grant application processes or explicitly prioritizing governments with less resources in the grant selection process. Besides better infrastructure removing the incentives for governments to overpolice its residents, better infrastructure reportedly reduces crime rates in isolation by creating a sense of community cohesion and increasing resources available to those in need [21].

VII. CONCLUSIONS

This brief has thoroughly examined both the causes and effects of for-profit policing in the United States, also presenting various viable solutions. Though the issue of mass incarceration is a controversial and often politicized one, it is an

issue that must be addressed for the sake of preserving this country's core values.

Though the policies presented today would be an instrumental step forward in ending institutionalized racism and the commodification of American citizens, permanently dismantling inequality requires constant and focused effort. Even in Missouri, the state subject to the most public backlash because of revenue-seeking policing and thereby unprecedented criminal justice reforms, Black drivers are 91% more likely to be pulled over than white ones [22]. The value of equitable policies cannot be understated, but ultimately, they can only do so much to combat hateful biases built into policemen and policymakers. It is clear that, beyond changing policy, advocates of equity ought to look beyond the White House and interrogate patterns of thought within themselves.

ACKNOWLEDGMENT

The Institute for Youth in Policy wishes to acknowledge Taylor Beljon-Regen, Patrick Pickren, Tiffany Li, Asher Cohen, Paul Kramer, and other contributors for developing and maintaining the Fellowship Program within the Institute.

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