

Rural Prisons: The Development of Last Resort

Small Towns With New Prisons Experience Less Economic Growth

Using 1990 and 2000 census data, a national study (Besser & Hanson, 2003) examining the economic impact of state prisons built in the 1990's on small town economies found:

- The rate of increase in the number of new businesses, non-agricultural employment, average household wages, retail sales, median value of owner occupied housing, and total number of new housing units is substantially less in prison towns than in non-prison towns. The only gain found for prison towns vs. non-prison towns was in public sector employment.
- Prison towns lost an average of 33% in population over the decade 1990-2000 while the population in non-prison towns increased an average of 12%.
- Prison towns in the South fared the worst. Between 1990 and 2000, Southern towns with state prisons suffered more than double the population loss experienced by towns without prisons (-41% for prison towns vs. -20% for non-prison towns).
- Among towns with poverty rates higher than 20% in 1990, towns with prisons experienced one third less reduction in poverty by the end of the decade than towns without prisons. By 2000, poverty rates in the towns without prisons had been reduced by 25%, compared to a 7% reduction in towns with prisons.

Prisons Provide Few Long Term Economic Benefits To Their Host Counties

A recent study (King, Mauer, & Huling, 2003) analyzing income and unemployment data for 14 rural counties — 7 counties had prisons, 7 counties did not — in upstate New York over 25 years found:

- Residents of rural counties with one or more prisons did not gain employment advantages compared to rural counties without prisons.
- Counties that hosted prisons received no significant advantage as measured by per capita income.

Sources:

Besser, T. & Hanson, M. (2003) *The Development of Last Resort: The Impact of New State Prisons on Small Town Economies*. Paper presented at the 2003 Meeting of the Rural Sociological Society, Montreal, Canada
King, R., Mauer M. & Huling, T. (2003) *Big Prisons, Small Towns: Prison Economics in Rural America*. The Sentencing Project, Washington, D.C.