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Punishment and Inequality in America

Bruce Western*

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Labor Economics

Punishment and Inequality in America. By Bruce Western. New York: Russell Sage Foundation, 2006. 247, xiv pp. ISBN 0-87154-894-1, \$29.95 (cloth).

If you are a black unemployed high school dropout, are convicted of a crime, and spend a few months in jail, you will have a high probability of remaining unemployed, untrained, and under-educated and of returning to jail more than once over your lifetime. As a result of various punitive laws enacted over the past two generations, declining support for rehabilitation efforts, and the advent of technologies making it easier to track individuals, prison has become a way of life for many in the United States. It is too often a revolving door of crime, prison, release, lack of employment, crime, and return to prison. But (a) does incarceration cause unemployment, or does unemployment cause criminal behavior and subsequent imprisonment? And (b) what are the economic costs and benefits of increased U.S. imprisonment?

Bruce Western, a professor of sociology at Princeton, has worked on question (a) for several years. He summarizes much of this effort in *Punishment and Inequality in America*. In this book he discusses incarceration trends in the United States from the 1980s through the early years of the 21st century, tries to account for the growth in incarceration rates, and examines the effects of that growth on crime rates, labor statistics, economic opportunity, and family life.

In an earlier investigation of the link between incarceration and employment and earnings, Western and two co-authors, Jeffrey Kling and David Weiman, found mixed results, which they attributed to data issues (“The Labor Market Consequences of Incarceration,” *Crime and Delinquency*, July 2001). It became clear that behavioral characteristics influencing labor market performance also influenced criminal activity. By the time of his 2002 *American Sociological Review* article, “The Impact of Incarceration on Wage Mobility and Inequality,” Western had concluded that much of the observed decline in wage growth of males who had some spell of incarceration could be explained by poor education, and that labor market performance also influenced the rate of incarceration. (See Western, Meredith Kleykamp, and Jake Rosenfeld, “Did Falling Wages and Employment Increase U.S. Imprisonment?” *Social Forces*, June 2006.)

In the present book, Western argues that

poor education, job prospects, and wages can lead to imprisonment, which in turn becomes a life-changing event and, in itself, leads to lower wages, poor wage growth, and unemployment. Thus, “as prison time has become pervasive among low-skill minority males, a large earnings or employment penalty incurred by incarceration will significantly deepen racial and educational inequality among men.”

The answer to question (a) above appears to be that causality is not unidirectional. Question (b), concerning costs and benefits, is harder to answer. The first cost of the punitive response to increasing crime rates in the 1960s and 1970s has been the destruction of a significant part of America’s labor force. Because of the way labor market data—in particular, certain critical unemployment values—are defined, the extent of this destruction has been hidden from view. As poor, under-educated black men are imprisoned and removed from the labor market, the unemployment rates go down. In analysis that counts incarcerated young men as unemployed, Western shows that young black men’s unemployment rates increased in the 1990s and, furthermore, that the apparent growth of blacks’ wages is an artifact of the falling labor force participation rate and the increasing imprisonment among black men. Perhaps immigrants (legal and illegal) and working spouses compensated for the labor shortfall, but Western does not address this issue.

A second cost is the de facto de-emphasis of rehabilitation, which has lowered the human capital of former inmates. Rehabilitation traditionally has included counseling, psychotherapy, probation, parole, drug treatment, education, and vocational training. Western argues that the construction and operation of more prisons was not accompanied by an increase in the dollars spent on rehabilitation efforts. The longer mandatory sentences often denied probation and delayed parole. Training and education seem to have been funded at the same levels as before, but as the prison population grew, the training and education dollars were spread over more and more inmates. Western reports that the proportion of prisoners in educational programs fell from 41% in 1979 to 21% in 1995.

States found support for cutting rehabilitation funding in the very influential 1974 work of Robert Martinson (*What Works? Questions and Answers about Prison Reform, Public Interest*). After reviewing 200 studies, Martinson offered a bleak assessment of rehabilitative initiatives and concluded that, “with few and isolated exceptions, the rehabilitative efforts that have been reported so far have had no appreciable effect on recidivism.” Many

states viewed this as justification for downplaying rehabilitation.

A confounding factor here is the rise of privately run prisons that attempt to accommodate the growing influx of inmates and offer local and state authorities a way to get prison operations "off the books." These prisons rely on prison industries for offsetting revenue, and their costs and benefits are as yet unmeasured. (See Anne Larson Schneider's "Public-Private Partnerships in the U.S. Prison System," *American Behavioral Scientist*, September 1999.)

There are counters to this dismal outlook for rehabilitation, and the Prison Industry Enhancement Certification Program is one. PIECP places inmates in realistic work environments, pays them prevailing wages, and tries to develop marketable skills that will increase inmates' potential for rehabilitation and meaningful employment on release. How or whether Western incorporates such inmates in his analysis is unclear. Another counter is the continuing efforts to provide rehabilitation and increase specific human capital in certain prisons. Prison industries flourish in many states, and indeed there is an international nonprofit professional association, the National Correctional Industries Association (NCIA), "whose mission is to promote excellence and credibility in correctional industries through professional development and innovative business solutions." A third counter is the Second Chance Act. A January 2007 *New York Times* editorial called for passage of this legislation, which would support services for people leaving prison. The costs and benefits of the current state of rehabilitation efforts are thus not clearly known and not detailed, much less measured, in *Punishment and Inequality in America*.

A third economic result of Massive Imprisonment is the disruption of family life; former inmates make poor bread winners and, too often, absent fathers. Western says that good marriage and job prospects help reduce recidivism. The broken families and job market difficulties that face the typical former inmate today concern not only Western, but many other observers as well (for example, see U.S. Council of Catholic Bishops, "Responsibility, Rehabilitation, and Restoration: A Catholic Perspective on Crime and Criminal Justice," 2000).

Western views incarceration as a long-run rather than a temporary setback that can be repaired by spending more time in the labor market. A prison record, he argues, has a stigmatizing effect that hampers former prisoners from entering the labor market on an equal footing with those never incarcerated.

The author takes issue with studies showing

that increased incarceration helped reduce violent crime rates in the 1990s. He agrees that the downward trend in these rates improved the quality of life for rich and poor alike, but finds that the 66% increase in imprisonment rates was responsible for only one-tenth of that improvement, and attributes the other nine-tenths of the fall in violent crime to the waning of crack cocaine-related violence and increases in urban policing. I would argue, however, that juxtaposing the 66% increase in imprisonment with a 10% drop in crime distorts the issue. More meaningful would be an assessment of the value of a drop in serious crime versus the entire costs of achieving that drop.

Imprisonment should, in a Beckerian model, raise the cost of crime and reduce criminal activity, and there are considerable data from Australia, England, Wales, and the United States to support that position. John DiIulio wrote,

If the question is: How can we restore the fabric of family life and socialize a new generation of young males to civilized behavior? Then prison is not the answer. If the question is how can we make unemployable youths employable? Then prison is not the answer.... But if the question is how can we deter people from committing crimes? Then prison is an indispensable part of the answer. (quoted in Peter Saunders and Nicole Billante, "Does Prison Work?" *Policy*, Summer 2002-2003)

Many studies have shown that prison reduces crime either by taking the bad guys off of the street or by setting examples.

In summary, the overall economic effects are difficult to calculate. On the cost side, we have destroyed human capital, reduced our labor force, and disrupted family life. Methods for replacing the labor supply have costs and benefits, but these are difficult to measure. The reduced human capital is reflected in the poor job prospects of released inmates, but is hard to measure. The costs of building and operating prisons have been met by reducing support for other laudable state endeavors, be they schools or tax reductions, and by privatizing prisons in some cases.

The benefits of lower crime rates may offset all of these costs, but until a complete accounting is done, we will not know if society as a whole is better or worse off. (Certainly not better off is the segment of society comprised of those in the revolving door and their families.) This book does not answer these questions; indeed, it does not even raise some of them. But it is a start and is well worth reading if you are a labor economist concerned with labor supply.

Dealing with criminals is a difficult and complex business. There are no easy formulas. Value judgments, emotions, economics, conflicting feelings, philosophical positions, and the law often make

any decision, no matter how well thought out, satisfactory to some and unpleasant or downright onerous to others. Western has given us a fine introduction to this problem and the costs that certain sectors of society bear as a result of our turning to incarceration to tame wayward elements of society.

Edward C. Kokkelenberg

Professor
Department of Economics,
Binghamton University (SUNY), and
School of Industrial and Labor Relations,
Cornell University

Human Resources, Management, and Personnel

Recruitment, Retention and Retirement in Higher Education: Building and Managing the Faculty of the Future. Edited by Robert Clark and Jennifer Ma. Cheltenham, U.K.: Edward Elgar, 2005. xiv, 293 pp. ISBN 1-84542 185 X, \$100 (cloth).

Higher education, given its current tenure system and the end of mandatory retirement, faces an unusual problem: an aging faculty population who are postponing retirement. A large portion of *Recruitment, Retention and Retirement in Higher Education* is devoted to analyzing policies that colleges and universities can pursue to encourage faculty members to relinquish tenure and to retire. In addition, the volume addresses several issues related to the recruitment and retention of faculty members. TIAA-CREF, the well-known financial and retirement services provider, sponsored the conference that led to this collection of fifteen essays written by academics, university administrators, and researchers.

Robert Clark highlights the importance of studying faculty retirement and faculty recruitment by demonstrating that today's instructional faculty are significantly older than the faculty employed a decade ago. He cites statistics provided by the National Center for Education Statistics to document that the percentage of faculty above the age of 55 increased from 25% to 31% between 1987 and 1997. This six percentage point increase was almost entirely offset by a reduction in the fraction of faculty below the age of 40. At the same time, there have been dramatic changes in the types of faculty employed at today's universities. According to the American Association of University Profes-

sors (2002), non-tenure-track faculty constitute almost 60% of total faculty.

The recent changes in the hiring practices of colleges and universities are the subject of two separate chapters in the volume. Ronald G. Ehrenberg and Liang Zhang provide an econometric analysis of the demand for tenured and tenure-track faculty versus non-tenure-track faculty. The authors find that the increased hiring of non-tenure-track faculty is due in part to reductions in the price associated with them. Jennifer Ma and Paula E. Stephan document an increase in the number of postdoctoral positions at today's universities and empirically investigate why individuals decide to accept such positions.

The analysis of the recruitment, retention, and retirement of faculty members in the book is based largely on case studies and a survey of faculty attitudes sponsored by TIAA-CREF. Molly Corbett Broad provides a case study of the challenges facing the University of North Carolina system (UNC) in recruiting and retaining talented faculty. She also provides a discussion of the current retirement policies in place at UNC. John L. Palmer, Michael A. Flusche, and Myra Johnson provide an analysis of recent policy changes at Syracuse University, including a change in health care benefits, a new family leave policy, and a phased retirement policy. Jerry Berberet, Betsy Brown, Carole Bland, Kelly Risbey, and Carroll-Ann Trotman analyze the results from a survey of faculty attitudes sponsored by TIAA-CREF. They find that the needs of faculty members vary by age. Younger faculty members are concerned with issues relating to tenure and their relationship with their colleagues; older faculty members, with the cost of health care and the transition from being a full-time faculty member to being a retiree.

The cost of health care is a challenge to today's universities, and many universities must decide whether to keep offering health benefits to retirees or to eliminate the health benefits altogether. Sylvester J. Schieber and John Rust separately address issues regarding retiree health benefits. Schieber documents the decline in the provision of retiree health benefits in other industries and discusses why the decline in the provision of retiree health benefits has been slower in higher education. Rust uses a life-cycle model of academic retirement to generate estimates of faculty members' response to changes in the provision of retiree benefits. He points out that colleges and universities that are considering removing their health insurance benefits for retirees must also consider the implications of this decision for when employees choose to retire.

Phased retirement programs and voluntary