



Lesson 15:

# Should Private Companies Operate Prisons?

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In this lesson students analyze the role private companies play in operating prisons and correctional facilities.

## Description of the lesson

In this lesson students analyze and rank the four general goals of corrections to help them determine their personal beliefs about what prisons are supposed to do. Through a series of readings and data analysis students evaluate whether private prisons are better than public prisons at meeting the goals.

## Economics

In 2019, the US Department of Justice spent \$7.8 billion on the federal prisons system. The Prison Policy Institute reports that adding state and local expenses on prisons, jails, and probationary measures exceeds \$80 billion. In addition to the high nominal cost, the opportunity cost is enormous. On a per-person basis, many states spend more per inmate than per student in their K-12 student population (Anderson, 2019), which is just one potential alternative of the cost. Another economic issue is the actual operation of the prisons themselves. On the private side, the quest for profitability sometimes leads to cost-cutting measures and pressure to keep more inmates behind bars - especially in situations where private prisons are paid per inmate. This combination of behaviors is a stirring discussion point for economics and ethics.

## Ethics

The use of prisons in general has roots in ethics. Through decades of reforms and societal changes, jails and prisons emerged as a potentially more ethical (or at least acceptable) way to handle those who violate the law. Over time, some prisons have evolved to include amenities like televisions, exercise programs, paid working hours for inmates, and training programs. These amenities are far from universal, however, and the reality for many prisons is overcrowding, questionable health and sanitary conditions, and lack of opportunities for rehabilitation. Private companies have attempted to take some of the burdens for improving prisons by offering a more efficient approach to incarceration. In January 2021, President Joe Biden signed an executive order ending federal contracts with private prison companies in response to public outcry at some of the conditions in some of these facilities. Whether for-profit companies should be allowed to handle something as sensitive as prison has ethical implications. A goal of this lesson is for students to wrestle with those ethical dilemmas.

## Objectives:

After completing this lesson students will be able to:

- identify various goals of prisons.
- explain how private prisons operate and make profit.
- explain the role incentives play in private prison operations.
- analyze the costs and benefits of private and public prisons.
- evaluate whether private prisons are effective at meeting the goals of incarceration.

# Standards

## [Voluntary National Content Standards in Economics](https://www.councilforeconed.org/wp-content/uploads/2012/03/voluntary-national-content-standards-2010.pdf)<sup>1</sup>

- Standard 2: Decision Making
  - Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Many choices involve doing a little more or a little less of something: few choices are “all or nothing” decisions
- Standard 4: Incentives
  - People usually respond predictably to positive and negative incentives.

# Concepts

Opportunity costs, Incentives, Profit, Revenue

# Time Required

60 minutes

# Materials Needed

- Pen/pencil, one per student
- Scratch paper, one per student
- Slide presentation: Should Private Companies Operate Prisons?
- YouTube Video 1: [Who Makes Money from Private Prisons](https://www.youtube.com/watch?v=3uv7iK5UxM4)<sup>2</sup> (clip from 3:30 - 4:10), as an explainer of a chart from slide 6.
- YouTube Video 2: [Why do we have Private Prisons](https://www.youtube.com/watch?v=OwVEL7d3NsM)<sup>3</sup> (cued up to 5:52), may wish to assign before class as homework
- Create 4 handwritten signs for the four corners activity in procedure #14
- Copies of Reading 15.1: History of Private Prisons in America, one per student OR assigned as homework the night before
- Copies of Activity 15.1: Goals of Incarceration, one per student
- Copies of Activity 15.2: Statements about Privatization Template, one per group of four students
- Envelopes or baggies, one per every group of four students
- Copies of Activity 15.3: Statements about Private Prisons, cut apart into individual statements and put in an envelope or baggie, enough copies so each group of four has one complete set
- Copies of Activity 15.4: Exit Slip, enough copies so that when cut apart each student has one slip
- Copies of Assessment 15: Time to Vote assessment, one per student or displayed via slide 10

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<sup>1</sup> Voluntary National Content Standards in Economics: <https://www.councilforeconed.org/wp-content/uploads/2012/03/voluntary-national-content-standards-2010.pdf>

<sup>2</sup> CNBC, “Who Makes Money from Private Prisons”: <https://www.youtube.com/watch?v=3uv7iK5UxM4>

<sup>3</sup> PBS Black History, “Why do we have Private Prisons”:  
<https://www.youtube.com/watch?v=OwVEL7d3NsM>

## Preparation

If you are wholly unfamiliar with this topic, the following CNBC produced video, played via YouTube [Who Makes Money From Private Prisons](https://www.youtube.com/watch?v=3uv7iK5UxM4)<sup>4</sup> (21 min) presents a relatively balanced look at the issues surrounding this topic. It is more detailed than you need for the lesson, but it may help you understand the complexities of the topic and prepare you for questions students may have.

Cutting and preparing the envelopes is the only major preparation. You may want several extra envelopes in case statement cards get damaged or lost during the transitions. Laminating the statement cards may also help with wear and tear over time. It is also recommended you pull up the YouTube Video #2 in advance to get past any ads and have it cued up to 5:52.

## Procedure

1. Explain that this lesson is about whether or not private companies should be allowed to operate prisons as you display slide 1 of the slide presentation: Should Private Companies Operate Prisons?
2. Ask students to get a sheet of scratch paper (or distribute paper to students if it is preferred) and a pen/pencil. Tell them you are going to give them 60 seconds to brainstorm why prisons exist. They do not need to write in complete sentences and should write down anything that comes to mind. If a student is unfamiliar with what a prison is, use the word jail or simply state that it is a place where people who have broken the law are held. Do not give any more examples or details as this may taint the brainstorming of other students. Slide 2 has these instructions.
3. When the 60 seconds are up, have students turn to a neighbor or nearby student and compare lists for another minute. Walk around the room listening to conversations, but not participating.
4. Call on four or five students to share their answers. **Answers may vary but include: phrases like “get criminals off the street” or “to punish people” or “scare people”, listen carefully for the four goals of incarceration - incapacitation, deterrence, retribution, and rehabilitation. If a student happens to use one of those words, write it on the board or make special note of it. In the unlikely event that all students answer the same thing, make the point for them that prisons actually serve a variety of purposes and they are about to learn more about them. In the even more unlikely event that students can’t come up with anything, explain the four goals to students. You will revisit these goals in procedure 12.**

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<sup>4</sup> CNBC video: Who Makes Money From Private Prisons?  
<https://www.youtube.com/watch?v=3uv7iK5UxM4>

5. Summarize the discussion by making the point that prisons serve a variety of purposes and their role in society has changed over time.
6. Review the basic vocabulary surrounding the difference between prisons and jails found on slide 3. In general
  - a. Incarceration is the act of confining someone to jail, prison, or a correctional facility as a result of committing a crime.
  - b. Jails are for shorter stays (one year or less) and minor offenses.
  - c. Prisons are for longer stays (more than one year) and more serious offenses.
  - d. Penitentiaries historically referred to a prison or place of confinement. Today it refers to a prison designed for long-term incarceration.
  - e. Correctional facilities can refer to either one OR multi-facility complexes that include both a jail or prison and additional resources like mental institutions or rehabilitation clinics.

**Teacher note: For this lesson, the words can be used interchangeably, though the lesson plan will primarily use the word prisons.**

7. Explain the basic differences between public and private prisons using slide 4. In particular, focus on the fact that in both cases, tax dollars are being used, but in the case of private prisons, the tax dollars are used to hire a company to provide the same services as the government for less money. In either case, the tax dollars could be going toward another alternative, and thus, using tax dollars for prisons has an **opportunity cost** - the value of the next-best alternative when a decision is made; it is what is given up.
8. Review vocabulary and describe the basic business model for private prisons using slides 5 and 6. After reviewing the model, ask the class: based on this model, what **incentives** - perceived benefits that encourage certain behaviors - are at work for the private company? **Answers may vary but include: "to make money" but go deeper and get them to tell you how the company can profit. The first is the incentive to cut costs. The second is to increase revenue. Both of these pose ethical issues. Cutting costs for a prison often means reducing services like cleaning or food preparation or using less personnel. If revenue is tied to the number of people in the prison, the incentive is to keep people in.**
9. Display slide 7, which presents a table showing changes in financial information for a private prison company (now called CoreCivic) in regard to their federal contract. The primary point to make is that the revenue per "man-day" (a per-inmate measure) grew 33% over this 10-year period, but the cost only grew about 8%. Furthermore, the number of man-days ballooned from a little over 520,000 to more than 10 million. As an option, you can use a clip from CNBC YouTube Video 1: [Who Makes Money from Private Prisons](#)<sup>5</sup> (3:30 - 4:10) to explain this as well.

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<sup>5</sup> CNBC video: Who Makes Money From Private Prisons?  
<https://www.youtube.com/watch?v=3uv7iK5UxM4>

10. Distribute Reading 15.1: History of Private Prisons to each student (or have students retrieve it if assigned for homework). The reading is an abridged combination of two articles from Time and the Harvard International Review and includes updated statistics for 2023. Give students enough time to read the article (around five minutes depending on your class) and display slide 8 as you ask the following questions (or others that spark student interest):
- According to this reading, how far back does privatization of incarceration go in the US?  
**Answer: Before the end of slavery, at least in the early 1800's. It may go back even further, but this time frame is generally used as the foundation of what it looks like today.**
  - What role did the 13th amendment play in allowing companies to profit from prisons?  
**Answer: It prohibits slavery "except as a punishment for a crime" meaning that incarcerated people are not subject to things like minimum wages or good working conditions inside of prison.**
  - How did the "War on Drugs" and the increase in crime in the 1980's contribute to prison privatization?  
**Answer: It rapidly increased the number of people going to prisons for drug offenses and overwhelmed the public prison system so private prisons were built quickly to help the overcrowding.**
  - How do private companies believe they can save the government money on prisons?  
**Answer: Most make the argument they can invest in better technology and use fewer guards and personnel to save money. You can elaborate on this by explaining the specialization argument. Because the government doesn't specialize in running prisons, they can be prone to inefficiencies. In theory, a company like CoreCivic that does nothing but run facilities like this, should be able to achieve economies of scale, establish clear specialization advantages, and minimize waste. In reality, however, this is not always the case as they will see later in the lesson.**
11. (optional) Play YouTube Video 2, [Why do we have Private Prisons](#)<sup>6</sup> from slide 8 to reinforce Reading 15.1: History of Private Prisons and answer any questions students may have.
12. Remind students that you began this lesson by asking them about the purpose of prisons. Explain that in the field of criminal justice, prisons (and incarceration in general) are usually used to achieve one of four basic goals. Distribute Activity 15.1: Goals of Incarceration to each student and have students read about the four goals.
13. Tell students to rank the goals of incarceration at the bottom of the page on Activity 15.1: Goals of Incarceration from their most desirable to their least desirable. They need to be prepared to justify their rating as well. In the event you have a student who doesn't believe we should have prisons at all - which is a legitimate argument - have them rate what they believe other people view as the most important reason. Use slide 9 for support as necessary.

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<sup>6</sup> PBS Black History, "Why do we have Private Prisons":  
<https://www.youtube.com/watch?v=OwVEL7d3NsM>

14. Using the signs you created, designate each corner of the room as one of the four goals of incarceration. One corner each for incapacitation, deterrence, rehabilitation, and retribution. Ask students to stand and move to the corner of the room that corresponds with their TOP choice. Tell them they have 60 seconds to discuss with the other people in their corner why they feel that's the most desirable goal. If a student is in a corner by themselves, go to their corner and discuss their beliefs.
15. After the 60 seconds, ask some follow up discussion questions such as:
  - a. (To each group): Someone from each group, explain why your goal is the most desirable. ***Answers will vary depending on the group, but what you're looking for is a direct link between the goal and how prison meets that goal. For example, the group that says deterrence is the most important might say things like "We need to keep people from committing crimes in the first place so prisons should be set up to scare people from criminal activity." The rehabilitation group may say things like "People make mistakes and should be punished, but prisons should also help them improve their life or get off drugs or whatever is causing them to commit crimes. If we don't rehabilitate them, they'll just do it again." Etc.***
  - b. (To each group): Someone from each group, explain which goal you feel is the most OPPOSITE of your goal. ***Answers will vary (perhaps significantly) depending on the rationale, but in general rehabilitation is at odds with retribution and deterrence, incapacitation is actually quite different than retribution, etc.***
  - c. Are there goals you think work well together? ***Answers may vary but include: suggestions that retribution and deterrence are often cited together, especially by hardline "tough on crime" types. In theory, rehabilitation can happen no matter what the initial reason for sending someone to prison is, but people that support incapacitation as the primary goal are more likely to encourage rehabilitation in practice.***
16. Ask students to return to their seats. Explain that for some people, whether or not prisons should be privatized comes down to what they believe the goal of prison is in the first place. For example, someone who believes in deterrence and retribution is less likely to be concerned with the conditions of a prison than someone who believes the purpose is incapacitation and rehabilitation. They may be less convinced by arguments that indicate private prisons are less safe than public ones.
17. Group the students into groups of no more than four. Distribute one Activity 15.2: Chart for Privatization Reasons template to each group. Explain that in a moment students will be getting 16 statements about private prisons in an envelope. In their group, students are to discuss the statements and then place them on either side of the chart. Explain that each statement must go on one side or the other, not split. Importantly, there are few purely "right or wrong" answers, but students should be able to justify their decisions.

18. Distribute an envelope of cut apart Activity 15.3: Statements about Private Prisons to each group and tell students they have eight minutes to read the cards, discuss them with their group and place them in the chart. Students should also choose *one* statement from each side as the most important/compelling argument. Use slide 10 for support as needed.
19. After the eight minutes are up (or when students appear to be finished), debrief the activity using the Activity 15.3A:Teacher Discussion Guide

## Closure

20. Close the lesson by asking students what they feel is the most useful or surprising thing they learned today. ***Answers may vary but include: students may not have even known private prisons existed and others may have been surprised by how expensive things are or that there were different reasons for incarceration.***
21. Distribute Activity 15.4: Exit Slips to students. If time permits, discuss the answers as indicated below. If there is no time, collect exit slips as students exit the class.
22. Ask students who feel private companies should be allowed to operate prisons to raise their hand and follow up with several to explain why. ***Answers may vary but include: the potential cost savings (even if not realized), increased flexibility and overall efficiency but there may be others.***
23. Ask students who feel private companies should not be allowed to operate prisons to raise their hand and follow up with several to explain why. ***Answers may vary but include: prison conditions, confusion over cost savings, and potential for corruption but there may be others.***

## Assessment

24. Distribute Assessment 15: Time for a Vote (or display slide 11) to each student. They are to take the role of a legislator who is just about to vote on a bill whether or not to renew a private prison contract. They are supposed to prepare a short press release explaining their vote using at least three reasons. Since the bill and private prison are fictional, they can use statistics learned from the lesson to support their view or look up their own.

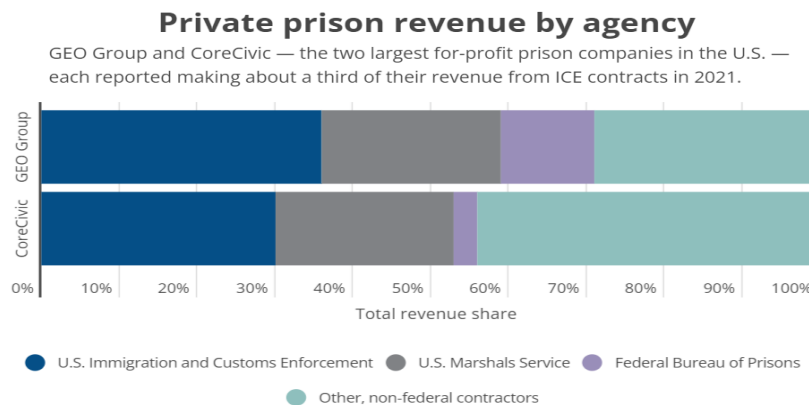


Some sample assessment items:

1. Private prisons often have to make choices about whether to pay their workers more and take lower profits or pay the workers less and get higher profits. In economics terms, paying workers more
  - a. **incurs an opportunity cost of getting higher profits.**
  - b. incurs an opportunity cost of spending money.
  - c. increases the marginal cost of labor.
  - d. decreases the problem of scarcity.
2. Which best describes an economic incentive for a private prison to keep someone incarcerated?
  - a. The economy is good and tax revenues are up.
  - b. Their contract states the prison gets paid every year.
  - c. **The revenue the prison receives is tied to how many incarcerated people they keep.**
  - d. Incarcerated people who pass certain rehab criteria are allowed to go on parole early.
3. Someone who believes incapacitation is the primary goal of prison might support private prisons because, in general, private prisons
  - a. have fewer inmates.
  - b. are in rural areas.
  - c. have fewer guards.
  - d. **keep inmates longer.**

## Extension

Due to time constraints, this lesson does not get into much detail on how many private prisons are transitioning to function as detention centers for undocumented immigrants. In some ways, this practice holds even more ethical questions than for prisoners because immigrants haven't been convicted of any crime.



Read more about this in this article from [OpenSecrets.org](https://www.opensecrets.org) [here](#).

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## Reading 15.1: Brief History of Private Prisons in America

The [story](#) of prison privatization in the United States begins before the end of slavery. One example of early prison privatization took place in 1844, when Louisiana turned over the operations of its penitentiary to a private company that used the facility as a factory where prison laborers had to manufacture clothing. The reason for turning penitentiaries over to companies was similar to states' justifications for using private prisons today: prison populations were soaring, and they couldn't afford to run their penitentiaries themselves. The 13th amendment, passed following the Civil War in 1865, had abolished slavery "except as punishment for a crime". Often incarcerated for minor offenses, predominantly Southern African-American men had their labor exploited for profit by company-run labor camps where they laid railroad tracks, built levees, and mined coal. Today, the 13th Amendment still [allows](#) corporations and the government to extract labor from inmates in America's prisons, but prison labor is not the only way that businesses profit from the incarceration system.

With the increasingly [punitive](#) sentencing policies passed during the 1980s as part of the War on Drugs and sharp increases in arrests, the incarcerated population grew, and so did the demand for prisons. By 2015, the incarcerated population had grown from 500,000 in 1980 to over 2,000,000. In response to the rapidly expanding number of prisoners, the government turned to the private prison industry. Thus, in 1984, the company CoreCivic opened the first private prison, located in Tennessee. Sixty-six more private prisons [opened](#) in the following 6 years alone.

Private companies argued that their new construction designs and use of electronic surveillance would let them operate larger prisons with a smaller staff, saving the public money. However, findings have shown that private prisons have provided no significant systematic cost savings. As of March 2023, private prisons in the U.S. held approximately 130,000 inmates, roughly 7% of the total prison population. About 75 percent of all immigrants detained by ICE are also in private prisons. Just two companies dominate the industry: CoreCivic has 42 percent of the market and GEO Group 37 percent.

Bauer, S. (2018, September 18). The True History of America's Private Prison Industry. *Time*. Retrieved June 20, 2022, from <https://time.com/5405158/the-true-history-of-americas-private-prison-industry/>.

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## Activity 15.1: Goals of Incarceration

<b>INCAPACITATION</b>	Simply put, remove the convicted person from society. People who believe that this is the primary goal of prisons tend to argue for stricter sentences, mandatory minimums, and less judge discretion. They are less likely to support parole and probation. Some studies indicate, however, that people who identify incapacitation as their primary goal do also support better conditions in prison, believing that convicts should have humane conditions - just outside of general society.
<b>DETERRENCE</b>	Deterrence is all about keeping people <i>out</i> of prison. The idea is the thought of going to prison should be so bad, individuals will make decisions based on what keeps them from having to go to prison in the first place. For this to work, prison needs to be viewed as undesirable and potentially even dangerous. Prison must also be seen as a swift, severe, and certain punishment to achieve the goal.
<b>RETRIBUTION</b>	Retribution is rooted in the idea of “an eye for an eye” and criminals “getting what they deserve.” In this way, prisons are viewed strictly as punishment. Supporters of this goal typically want to see “tiers” of prisons and sentencing that are equivalent to certain crimes. People who support this goal support separating prisoners by criminal activity and not allowing for violent criminals to mingle with non-violent offenders. Time in prison should also be closely monitored to match the convictions.
<b>REHABILITATION</b>	Rehabilitation is about making sure that when someone gets out of prison, they don’t come back. Supporters of this goal want to see more education, skills-training, mental health support, and even financial instruction for prisoners so they have a greater chance for success in the real world. To achieve this goal, prisons need to be flexible, open to new ideas, and well-funded. Some people even support the idea of sending convicted individuals to specific prisons based on their skills and abilities so they can work towards professional certifications while incarcerated.

My ranking of the goals a prison should strive for is:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

My justification is...

## Activity 15.2: Chart for Privatization Reasons

Place each statement from your envelope on one side or the other.

Reasons SUPPORTING Privatization	Reasons OPPOSING Privatization

### Activity 15.3: Statements about Private Prisons (cut apart)

1. According to an American Economic Journal study (2021), most tax savings created by private prisons are erased because prisoners serve longer sentences in private prisons.	9. Some private prisons have shown greater flexibility and desire to try new programs like “Coding for Criminals” and innovative reentry programs that have been adopted by public prisons.
2. Private prisons function more like corporations than government agencies. Administrative decisions like scheduling and ordering materials takes minutes to hours instead of days of approvals.	10. The federal inmate to officer ratio in 2020 was between 5.8:1 to 19:1 (depending on the security level) for public prisons. The ratio for private prisons was between 9:1 and 36:1.
3. Private vendors like CoreCivic or GEO provide governments with a single vendor for all services rather than separate ones for food, cleaning, transportation, health, etc. This increases efficiency and accountability.	11. In 2009 two judges in PA were found guilty of accepting payments from a privately run detention facility in exchange for sentencing more people to the facilities. Other similar instances of corruption exist.
4. In 2012, the GEO Group built a new 1,500 bed facility in Georgia 3 months ahead of schedule using private investors and their own construction crews. They used some of the savings to start a scholarship fund for the Baldwin County school system.	12. A study of a private prison in Arkansas tracked over 650 women who were released after they completed a special re-entry program. After 5 years, only 1 in 5 of the women being tracked had committed another criminal offense.
5. According to the Bureau of Labor Statistics in 2020, private prison guards make between \$6,000 and \$9,000 less than public guards of the same experience levels.	13. Private prisons have fewer reporting requirements and are sometimes even shielded from requests for documents by their contracts. This makes them less transparent than public prisons.
6. An Arizona audit found that private prisons, who could reject certain inmates, were 7 times less likely to accept inmates that needed additional security or increased healthcare - even though they had the capacity to handle those inmates.	14. Through consolidation and buyouts over the last two decades, there are basically only two major companies that can operate private prisons at the scale required to be successful - CoreCivic and GEOGroup. Both groups have extensive political lobbying arms.
7. In Mississippi, private prisons operate at a minimum of 10% cheaper than public ones. If they don't, they lose their contract.	15. Through a private purchase, GEO group was able to convert an unused college dorm into a facility that focuses on art and group therapy and “apartment-style” living for inmates so they develop bonds and life skills.
8. Over a 10-year period, a Department of Justice study found that private prisons had 60% more inmate-on inmate violent attacks than public prisons.	16. Private prison companies have expanded to offering services to detain undocumented immigrants, monitor parolees and probationers, and other criminal justice services as prisons fall out of favor.

## Activity 15.3: Statements Teacher Discussion Guide

The chart below offers discussion points for each statement as well as some additional data to enrich classroom discussion. This is *not* to be treated as an “answer key.” Remember that opinions are often colored by the base view of incarceration’s goals.

Statement # and reference	Suggested Placement	Discussion Points
1 (Mukherjee, 2021)	<b>OPPOSE</b>	<p>Saving taxpayer dollars is usually the biggest reason given for supporting private prisons. Yet, multiple studies indicate the savings are often minimal and sometimes they are outweighed by extended sentences. Public prisoners serve, on average, 70% of their sentences. Private prisoners, however, serve almost 74% of their sentences. That extra time is beneficial for the company (and possibly the state as well) but adds to taxpayer dollars.</p> <p>As a counterpoint, recently, an AZ private prison even announced that they were actually spending <i>more</i> per prisoner than the public prison because of covid cleaning protocols - which, taken by itself is a perhaps a positive thing for those who want to argue private prisons may take more precautions.</p>
2 (CNBC, 2019)	<b>SUPPORT</b>	<p>Efficiency in decision making is definitely an advantage of private prisons. However, some students may point out that making quick, unchecked decisions is not always good for the inmates and may decide to put this in the oppose column if they believe prisons are supposed to serve a rehabilitation role.</p>
3 (CNBC, 2019)	<b>EITHER</b>	<p>This is similar to statement 2. Efficiency is typically good, but perhaps not if it leads to rushed or poorly planned decisions. Only having one vendor can also lead to lack of competition and create monopolies - which has more or less happened in this industry.</p>
4 (GEO Group, 2012)	<b>SUPPORT</b>	<p>Aside from cost savings, this is the other big argument supporters of private prisons make. Their facilities can be built and/or updated much quicker because they can rely on private contracts and in-house or vertically integrated construction crews. Private prison companies like GEO and CoreCivic do often support the local area around the prison through things like scholarship programs or other community improvement grants.</p>



<p>5 (Glick, 2020)</p>	<p><b>OPPOSE</b></p>	<p>This data comes from the BLS, but there are multiple studies and reports that confirm this data. From a business perspective it makes sense. 60-70% of a private prison’s budget is in labor costs. Decreasing labor costs is a huge incentive to increase profits. This lower pay also discourages long-term commitments from guards which leads to regular turnover in a field of work that is already difficult to recruit workers.</p>
<p>6 (Friedmann, 2016)</p>	<p><b>OPPOSE</b></p>	<p>Students may be able to relate this argument to private vs. public schools. Public schools take all students - regardless of their backgrounds, abilities, successes, or struggles. Private schools can be more selective. Some private prisons are allowed to reject a certain number of inmates per year. It should come as no surprise the ones they tend to reject are the more expensive ones.</p>
<p>7 (Williams, 2018)</p>	<p><b>SUPPORT</b></p>	<p>In theory, this is what they are supposed to do. If a private company can do the same thing the government can do for 10% cheaper, most people feel like they probably should be doing it.</p>
<p>8 (Office, 2016)</p>	<p><b>OPPOSE</b></p>	<p>Another statistic that is born out in multiple studies. Fewer guards that are less trained and poorly paid is usually cited as the root cause of the increased violence.</p>
<p>9 (Brooke-Eisen, 2018)</p>	<p><b>SUPPORT</b></p>	<p>Since they don’t have to go through as many bureaucratic hoops, private prisons do sometimes show more interest in trying new programs like this. There is a darker motive for some, however. Some programs require a multi-year commitment from inmates which sometimes keeps them past their parole eligibility.</p>
<p>10 (US Dept. of Justice, 2020)</p>	<p><b>OPPOSE</b></p>	<p>This is related to statement 8. More inmates per officer is likely to cause problems - and it does.</p>
<p>11 (Rubinkam, 2022)</p>	<p><b>OPPOSE</b></p>	<p>This is the infamous “Cash for Kids” scandal of 2009 if you want to google more about it. There are other instances of similar corruption. Some conspiracy theories are out there suggesting that private prison executives actually sit in secret sentencing meetings with judges and tell them which prisoners they want. While those kinds of accusations are a stretch, there is no denying that the business model of getting paid per prisoner sets up a strange incentive system for the prisons.</p>

<p style="text-align: center;"><b>12</b> <b>(Jess, 2018)</b></p>	<p style="text-align: center;"><b>SUPPORT</b></p>	<p>While this <i>is</i> a supporting example, the reality is the overall results of private prisons and recidivism are roughly the same as public prisons. With women’s prisons, however, there is a statistically significant (though small) improvement in recidivism rates of private prisons than public.</p>
<p style="text-align: center;"><b>13</b> <b>(Glick, 2020)</b></p>	<p style="text-align: center;"><b>OPPOSE</b></p>	<p>Private prisons do have to make certain reports to their Department of Justice, but nowhere near the detail level required of public prisons. Some states even exempt private prisons from “sunshine laws” since they aren’t officially government entities.</p>
<p style="text-align: center;"><b>14</b> <b>(CNBC, 2019)</b></p>	<p style="text-align: center;"><b>EITHER</b></p>	<p>This technically will depend on how you view markets. Most people will say this is a negative because it limits competition. However, there is an argument to be made that due to the scale of operations and the sensitive nature of the industry, having excessive competition is potentially not desirable as it may encourage even more severe cost cutting.</p>
<p style="text-align: center;"><b>15</b> <b>(GEO Group, 2017)</b></p>	<p style="text-align: center;"><b>SUPPORT</b></p>	<p>Another “cherry picked” example of a private prison doing something positive. This is a good example of private companies being able to take advantage of market opportunities. As the government would likely not have been able to secure this purchase as quickly (if at all).</p>
<p style="text-align: center;"><b>16</b> <b>(CNBC, 2019)</b></p>	<p style="text-align: center;"><b>EITHER</b></p>	<p>The answer here will depend on the global view of privatization in general. A positive here is that if there are efficiencies and cost savings to be had in these other areas, having private companies able to do them is great. On the negative side, it can be argued that private companies detaining people that haven’t been convicted or being allowed to monitor people in their homes presents additional ethical issues.</p>

## Activity 15.4: Exit Slips (Cut on dotted line, one per student)

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Should private companies be allowed to operate prisons? Explain your answer briefly.

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Should private companies be allowed to operate prisons? Explain your answer briefly.

## Assessment 15: Time to Vote!

You are a state representative about to go vote on whether or not your state should renew a contract with CoreCivic to operate private prisons in your state. The vote is VERY close and it may come down to you!

Before you go vote, craft a short, two paragraph press release explaining how you plan to vote. Include at least three solid reasons why you are voting the way you are using statistics when possible.

You may use examples from this lesson or research your own.

## Assessment 15

1. Private prisons often have to make choices about whether to pay their workers more and take lower profits or pay the workers less and get higher profits. In economics terms, paying workers more
  - a. incurs an opportunity cost of getting higher profits.
  - b. incurs an opportunity cost of spending money.
  - c. increases the marginal cost of labor.
  - d. decreases the problem of scarcity.
  
2. Which best describes an economic incentive for a private prison to keep someone incarcerated?
  - a. The economy is good and tax revenues are up.
  - b. Their contract states the prison gets paid every year.
  - c. The revenue the prison receives is tied to how many incarcerated people they keep.
  - d. Incarcerated people who pass certain rehab criteria are allowed to go on parole early.
  
3. Someone who believes incapacitation is the primary goal of prison might support private prisons because, in general, private prisons
  - a. have fewer inmates.
  - b. are in rural areas.
  - c. have fewer guards.
  - d. keep inmates longer.