Privatized prisons lead to more inmates, longer sentences, study finds
by Washington State University

When states turn to private prisons, the number of criminals incarcerated rises and the length of sentences increases. That's the finding of a new paper from Washington State University researchers just published in the journal Labour Economics, entitled "Do privately-owned prisons increase incarceration rates?" The study found that private prisons lead to an average increase of 178 new prisoners per million population per year. At an average cost of $60 per day per prisoner, that costs states between $1.9 to $10.6 million per year, if all those additional prisoners are in private prisons. The length of sentences also increases when private prisons come into a state, especially in nonviolent crimes that have more leeway in sentencing guidelines. "Not all crimes are created equally," said Gregmar Galinato, a co-author and professor in WSU's School of Economic Sciences. "For crimes like property damage, fraud, or non-violent drug crimes—crimes where judges have more leeway in sentencing—states saw higher sentencing rates and significant increases in sentence lengths when private prisons were established." The number of new sentences and sentencing lengths weren't affected in violent crime sentences, where judges have less leeway in sentencing, he said. Galinato wrote the paper with Ryne Rohla, who earned a Ph.D. in Economics from WSU and now works in the Office of the Attorney General for Washington State. The authors found two potential reasons for the effect of private prisons. The first is corruption, where judges or legislators may be influenced to give out harsher sentences or write laws with harsher penalties. The most prominent corruption example is the 'kids for cash' scandal in Pennsylvania, where two judges were bribed by a private prison company to give harsher sentences to juvenile offenders instead of probation to increase occupancy at for-profit detention centers. The other potential reason for the findings is increased capacity. "If a judge knows prisons are at or over capacity, he or she is likely more hesitant to send marginal criminals to prison," Galinato said. "But when you have private prisons that don't have capacity concerns, that induces more people to be incarcerated." Galinato doesn't normally study prisons, but has studied corruption in previous research. In 2015, he was watching Elementary, a television show re-imagining Sherlock Holmes stories, and saw an episode about private prison corruption. That inspired him to do some basic research, which is when he learned about the 'kids for cash' scandal. "I saw the corruption angle and thought 'I can model this,'" he said. Galinato hopes the paper influences government officials to consider the costs and the benefits when thinking about expanding private prisons. "We aren't saying private prisons are bad," he said. "But states need to be careful with them. If your state has previous and regular issues with corruption, I wouldn't be surprised to see laws being more skewed to give longer sentences, for example. If the goal is to reduce the number of incarcerated individuals, increasing the number of private prisons may not be the way to go. One can study sentencing reform and even anti-corruption policies that improve the efficacy and fairness of judicial outcomes." Although people have been questioning the role of private prisons in mass incarceration in the U.S. for many years, Galinato saw no published research that rigorously estimates the causal effect between such prisons and incarceration rates. That's because comparing the growth of private prisons to increases in incarceration rates could be related in a different way: increased crime could mean more private prisons are necessary to hold them. Although Galinato and Rohla started working on the paper in 2015, it took them several years to account for that possible bias in the research. Once they factored that in, while going through thousands of papers about privatization, the data still showed private prisons led to more prisoners and longer sentences. "It was very hard work, and we found out why nobody has done this work before," Galinato said. "But we hope this has an impact and gives lawmakers something to think about when considering bringing in or adding private prisons."