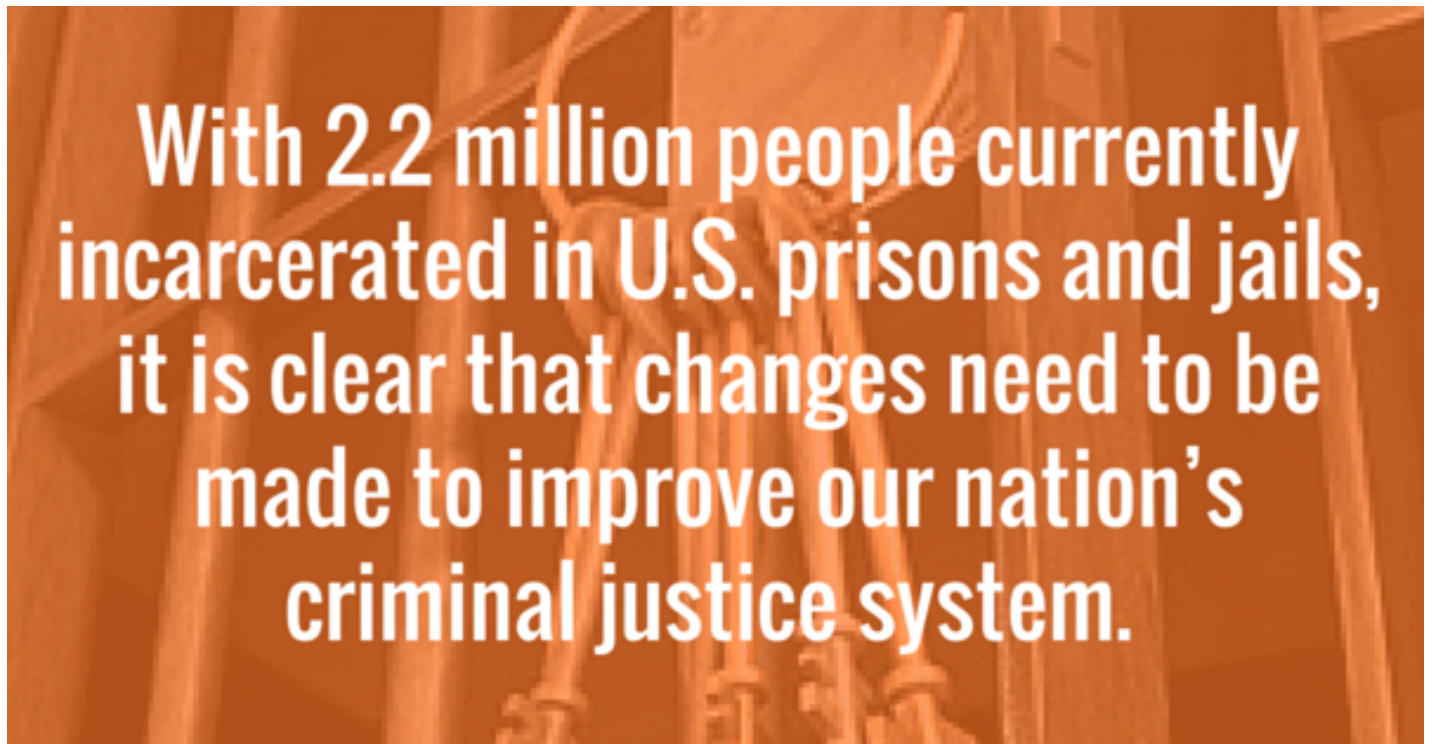




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Out of Prison, but Shackled in Debt

Thursday, April 28, 2016



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Editor's Note: April is National Financial Capability Month, and we are running a month-long campaign to raise awareness about the moments in one's lifecycle when financial capability matters. Today, Ariel Sankar-

AUTHORS

Ariel Sankar-Bergmann

Carmen Shorter



capability needs of formerly incarcerated individuals.

The problem of mass incarceration has been given some **much-needed attention** recently. With **2.2 million people currently incarcerated** in U.S. prisons and jails, it is clear that changes need to be made to improve our nation's criminal justice system. While finding ways to reduce the number of people incarcerated is key, it is also important that we understand the long-term impact that incarceration or even contact with the justice system can have on a person's life, particularly their financial life.

A recent report from the Center for American Progress estimates that between **70 and 100 million people** have a criminal record. The criminal justice system disproportionately **impacts low-income** individuals, and contact with the justice system can and does negatively impact a person's economic situation. That's because individuals leaving jail or prison will not only face **significant barriers** to finding stable employment, housing, education and access to public assistance, but they are also subject to a range of **fines, fees and bail payments** that can create a high debt burden.

The debts that former prisoners face are significant.

For example, a study in Washington State found that **"formerly incarcerated men face criminal debts that equal 36% to 60% of their annual incomes."** Simply having this high level of debt can create a barrier to employment. For example, a report by the Brennan



prison populations found that [eight of those 15 states](#) suspended driving privileges for former prisoners who missed a debt payment, effectively limiting their access to reliable transportation, which may significantly limit their ability to find and maintain employment.

In addition to debt related to fines and fees, former prisoners who are also parents often accrue significant arrearages in child support. This is because many states don't suspend child support obligations while individuals are incarcerated. You may wonder, "How can someone pay child support if they are in prison?" The answer is: they can't. For example, a study of 650 incarcerated parents in Massachusetts who had child support orders found that parents entered prison owing on average [more than \\$10,000](#) in unpaid child support; by the time they leave prison, if their orders have not been adjusted, their level of indebtedness would increase to more than \$40,000.

A [new report](#) by the Ella Baker Center for Human Rights reveals that spending time in either jail or prison not only has economic consequences on the individual who was incarcerated but also affects the economic situation of their whole family. Women in particular carry the greatest economic burden of arrest and conviction: in 63% of cases, families paid court costs, and 83% of the family members paying these costs are women. The average debt for court fines and fees is \$13,607; for



[cushion](#), this much debt can be destabilizing.

Our mission at Prosperity Now is to make it possible for millions of people — including formerly incarcerated individuals — to achieve financial security and contribute to an opportunity economy.

Many organizations serving low- and moderate-income clients are already working with formerly incarcerated individuals and their families. To take services to the next level and better meet client needs, organizations must tailor their services and build partnerships to better address some of the unique needs of this population. Below are three resources that organizations that are interested in expanding their work in this field can utilize:

- By integrating financial capability services into transitional housing, workforce development, substance abuse treatment, family strengthening and other services dedicated to individuals with prior criminal justice contact, these programs can help families build a strong financial foundation. Prosperity Now worked with the Administration for Children and Families (ACF) to develop a [planning guide](#) that organizations can use to integrate financial capability into existing support services for individuals with criminal records.
- Basic needs such as housing and other benefits can help stabilize individuals returning from incarceration. Today, the Shriver Center and the Vera Institute of Justice will be presenting a webinar



records. [Click here](#) to register for it.

- Come to the [2016 Assets Learning Conference](#) on September 28-30 in Washington, DC and attend one of the sessions about policy challenges formerly incarcerated persons face and how organizations are developing programs to address the financial needs of formerly incarcerated persons.

The combination of [debts](#) and other barriers create a set of almost insurmountable challenges that formerly incarcerated persons face as soon as they leave jail or prison. While it may be tempting to try and ignore this problem, nearly every person who spends time in prison or jail will one day return home and join our communities. The question that we now face as service providers, policy makers and advocates is: how can we do more to make sure that the millions of formerly incarcerated individuals who will return home can successfully rejoin our communities and contribute to the opportunity economy that we hope to create?

You Might Also Like

- [Looking for Solid Returns? Invest in Criminal Justice Reform](#)



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1200 G Street NW, Suite 400, Washington,
DC 20005

202.408.9788 | hello@prosperitynow.org