

The Role of Prisons In Rural Development:  
Do They Contribute to Local Economies?

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## Abstract

For the past two decades, distressed rural communities throughout the United States have been turning to prisons as a rural development strategy. In many cases, communities have competed fiercely for correctional facilities and have provided costly incentives in the way of tax abatements and infrastructure development. As financially strapped local governments are finding it difficult to fund local infrastructure (physical, fiscal and social), rural stakeholders question the role prisons play in stimulating local economic development. A review of the research suggests that earlier studies assumed or projected economic development but that more recent work focuses on specific economic impacts. Researchers approached the problem from both case study and data driven research designs. Both techniques are producing similar conclusions. Prisons generally appear to have a negligible, or perhaps negative, impact on economic development in rural communities.

## Introduction

Rural communities throughout the United States are struggling to provide economic opportunities for their residents. In today's new economy, traditional agricultural enterprises and industrial recruitment can no longer be relied upon to bring jobs to rural areas. Once driven by agriculture and manufacturing, most rural economies in the United States now rely on low-wage, and frequently part-time, retail trade and services. Rural policy makers and community leaders are searching for viable economic alternatives and many are considering the development or attraction of new prison facilities. Prison construction in rural areas boomed in the mid to late 1980s and early to middle 1990s. Although there is little empirical evidence to support prison construction as a rural development strategy, proponents of rural prisons argue that prisons provide a significant number of steady, if not higher wage, jobs for rural communities.

Despite today's availability of information, policy makers and community leaders have limited access to useful information for making these critical community decisions. The literature on prisons in rural areas, like most of the literature on rural development strategies, tends to contribute little to the decision making process. Most of the rural stakeholders are unaware of the research literature on the impact of prisons on rural communities. Most of the rural stakeholders are also unaware that in addition to affecting employment and income patterns, the location of a prison in a rural community is likely to affect population distribution, economic infrastructure and quality of life in that community.

## Research Literature: A Failure to Inform

The reason that most of the existing research literature on prison development does not make it into the policy arena is that it is frequently difficult to interpret, evaluate and compare. This is due to several reasons.

First, the research is developed and written for different audiences.

- Some of it is journalistic and intended for lay audiences. This work tends to be easy to interpret and read but depending on the journalist's understanding of the topic, may suffer from a lack of accuracy.
- Some of the research consists of commissioned reports. It is written specifically for the organization that commissioned it. This work is easy to read and interpret, but the tradeoff for an easy read is often oversimplification. Furthermore, commissioned reports are generally conducted very quickly and may sacrifice good scientific technique for turn around time.
- Other pieces are written for the industry, *by* people who work in the industry and *for* people who work in the industry. This work is still generally easy to interpret, but it is written from an insider's point of view and may contain inadvertent bias.
- Another source of research on the impacts of prisons comes from the universities and colleges. This work is generally more accurate and unbiased, but it is written for professional audiences. It is very difficult for most stakeholders to interpret.

Second, the research has also employed a wide array of research techniques, or methodologies. Some of the work is based on qualitative techniques and some is based on quantitative techniques. Simply put, qualitative analysis refers to nonstatistical analysis. Qualitative research is based on direct observations. Much of it is conducted as community case studies, which are in-depth studies (that usually take place over time) of a few communities. Quantitative work is generally based on a large number of cases (communities) and consists of statistical analysis and tests of significance (Bailey 1982).

Neither of these techniques is superior to the other. Both types of research techniques are important tools to help the researcher understand the role that prisons play in rural development. Typically, qualitative work provides an in-depth and rich understanding of social processes. However, it is difficult to generalize, or apply the findings, of case studies to other communities. Quantitative work provides a more superficial understanding of relationships between different conditions and events. Findings from quantitative research are generally easier to apply (more generalizable) to other situations.

Third, some of the research is applied and some of it is pure, basic or theoretical research. In the social sciences, applied research is intended to address or solve pressing social problems. As such, it is generally easy to read and interpret. However, applied research, especially when it is sponsored by an external source, may contain unintentional bias. According to Bailey (1982), given the nature of social problems, applied research often entails large scale studies in which the data are difficult to collect. Consequently, most applied work depends on funding from external sources, typically government sources or

those agencies (such as the prison industry) that are mandated to address specific social problems. Stakeholders need to be aware that sponsors generally have a vested interest in the research for which they provide funding.

Pure or theoretical research, on the other hand, is concerned more with testing hypotheses and abstract concepts than addressing social problems. Because theoretical research is not conducted to address specific social issues, it is generally not written for lay audiences. It is difficult for most stakeholders to read, understand and apply. However, this research literature, critically reviewed by other academic researchers (peer review), is subject to carefully constructed research design and high levels of precision.

Fourth, all research contains some inherent design flaws or problems. Data collection is difficult, expensive and prone to problems that can affect the interpretation of the findings (see Bailey 1982, Campbell and Stanley 1963 and Spector 1981). An overview of the research on the impacts of prisons on rural development from the last two decades unearths a number of methodological problems and flaws in research design.

- *Response bias* is a problem generally related to surveys. It refers to errors caused when those who do not respond to the survey differ systematically from those who do. For example, if surveys on the impact of prisons on a community were sent to every household in a community and those who did not respond to this survey all lived in one residential area, these data would contain a response bias. The residents of this particular area may have had a different experience with prisons than those in the rest of the community.
- *Reliability* is a measurement issue. It refers to how consistently a concept is measured and is usually caused by poorly worded or ambiguous questions on questionnaires. Surveys that are not carefully constructed and tested before use are subject to problems with reliability. Reliability problems tend to occur when research is “quick and dirty”, a term that refers to work that is not as rigorous as it should be. Some commissioned and applied research falls into this category.
- *Validity* is also a measurement issue. Studies may lack validity when the instruments and tools used to collect data do not measure what they are supposed to measure. A good example of a problem with validity is when a researcher polls local residents about how prisons affect local economic development. Respondents may say that the economy has improved, but their responses generally reflect perceptions. The question measures perceptions of economic conditions, not actual economic conditions.
- *Control* is the ability to hold some conditions constant so the researcher can observe the differences between two or more groups. Some form of control is necessary to establish causality. In community level prison impact studies, researchers can establish control by also studying matched communities with and without prisons. In quantitative analyses, researchers use statistical controls.
- *Generalizability* refers to whether findings from the research can be applied to larger populations. Typically, generalizability is a problem associated with case studies.

There is no one good research methodology. Some research designs produce better information under different conditions. The bottom line is that without some understanding of research methodology, it is very difficult for anyone to know what constitutes good and poor research or how the findings from research should be interpreted and used. Unfortunately, many reports fail to include a detailed discussion of the methodology used and/or the limitations of the methodology, making evaluation of the research even more difficult.

Consequently, this review of the literature will serve two purposes. Its first purpose is to provide policy makers and other rural stakeholders information about the existing research findings on rural prisons and rural development. This will entail wading through the methodological issues and summarizing the findings in a useful and understandable format. Its second purpose is to provide a point of departure for further research on the socioeconomic role that rural prisons may play in rural communities. Although the report will acknowledge a wide array of the existing literature, it will highlight the findings of the research that is methodologically rigorous.

## **The Role of Prisons in Rural Development**

### *Why Prisons?*

Why did rural communities turn to the siting and operation of prisons as a rural development strategy? Two trends in particular stimulated the emergence of prisons as a rural development strategy in the 1980s. The first was the restructuring of the rural economy, driven by dramatic changes in the structure of agriculture and the loss of manufacturing jobs in rural areas (Deavers and Hoppe 1992, Fitchen 1991). These losses were particularly severe in the Southern rural United States. The second was the shift to stricter sentencing policies and the subsequent increase in numbers of prisoners and the expansion of the prison industry (Farrigan and Glasmeier 2003, Hooks, et al., 2004, McShane, Williams and Wagoner 1992).

These trends, initially reported by Calvin Beale (1993, 1996), the senior demographer with the U.S. Department of Agriculture Economic Research Service in 1993, coupled with the regional politics of rural economies losing strong sectors of the economy (Markusen, 1989), and a history of industrial recruitment, persisted into the late the 1990s (Farrigan and Glasmeier 2003). Economic development, whether it is urban or rural, has always been a political process. However, the nature of that process changes over time and varies as economies boom and decline. Markusen reports that regional economies losing or facing the decline of strong sectors of the economy, such as agriculture and manufacturing, often begin to depend on external sources (such as the federal government) and strategies (such as industrial recruitment) to address these problems.

The role of political power in the development of American communities has long been recognized by social scientists. Historians document the process as far back as the eighteenth and nineteenth centuries. According to Logan and Molotch (1987) communities with an active “growth machine” (coalitions of growth oriented elites) competed for prisons and other government installations to stimulate growth. Calvin

Beale (1996) and others (Hoyman 2002) corroborate, finding that many small and rural communities actively bid for prison development. Although new nonmetropolitan prisons are smaller than those built in metro areas, on average they support 226 full and part-time workers (Farrigan and Glasmeier 2003), which can be a relatively large number of jobs in a rural area. Nonetheless it is generally conceded that the impetus to bring in prisons into rural areas is based on need. Carlson (1995) acknowledges that prisons are the strategy of last resort for many rural communities (see also Hoyman 2002; Hoyman and Beloin 2002; Hoyman and Weinberg 2004). Prisons, regardless of the numbers of jobs they bring into communities are still considered LULUs (locally unwanted land use), NIMBYs (not in my backyard) and “inferior” public facilities in most places (Carlson, 1992; Cherry and Kuncce 2001; Hoyman 2002; Mattera and Khan 2001; Sechrest 1992; Shichor 1992; Turner and Thayer 2003).

It is not surprising that struggling rural communities turn to correctional facilities as a rural development strategy. Hoyman and her colleagues (Hoyman and Beloin, 2002; Hoyman and Weinberg, 2004) have presented papers on prisons and rural economic development at the annual meetings of regional political science associations. These papers focus on how political jurisdictions make decisions about pursuing prison construction and operation as rural development strategies. The Hoyman and Weinberg (2004) paper makes a strong case for prison siting as a rural development strategy akin to industrial recruitment. This is a really interesting point in light of the current research that shows industrial recruitment as a rural development strategy that is largely ineffective in today’s global economy (see Johnson, 2000).

#### *The Early Research: Social Concerns*

The early work on the impacts of prisons attempted to show that social concerns about prisons were largely unfounded. These studies focused largely on perceptions of the impacts of prisons on communities. Most were case studies and provided a richness of detail that is unavailable in larger scale studies. They were particularly good for helping researchers develop an understanding of social interactions and processes associated with the siting of correctional facilities. However, because it is very difficult to apply the findings of a case study to larger populations, their usefulness for determining the role of prisons in rural development is limited.

David Shichor (1992), for example, reviews arguments for and against prison development in small communities. Arguments for prisons are based on the perceived economic benefits to small communities (a large number of jobs creating wealth which primarily stays in the communities). Opposition to prison siting, on the other hand, is embedded in fears of negative social impacts on communities (i.e., increased crime rates, resettlement of prisoners’ families and released prisoners into the community, decline of property values). Shichor acknowledges that community reactions to prison siting are based on objective and subjective factors. He concludes that the economic evidence is objective and that the fears of negative social consequences are subjective and of little relevance. In a similar fashion, Sechrest (1992), dismisses social concerns as unfounded. Sechrest stated that the economic impact of a rural prison could be significant to a community.

Both Shichor and Sechrest based their conclusions on economic impact data provided by the California Department of Corrections, a study commissioned by the National Institute of Corrections (Abrams and Lyons 1987) and other uncritically reviewed studies (Hawes 1985). Much of it is not peer reviewed. Most of these studies were methodologically flawed. The frequently cited Abrams and Lyons study, for example, was based on findings from comparisons of target (with a prison facility) and control (without a prison facility) areas surrounding prison facilities. The target area consisted of a residential area within three miles of the facility while the control area consisted of a residential area located more than three miles from the facility, in the same county. The study focused on the impacts of prison facilities on a number of objective and subjective measures such as property values, crime rates and public safety. Findings of no differences were interpreted as the prison facilities having no impact on the communities. The study found few differences, hardly an unexpected finding. The argument that the impacts of a prison are limited to a three mile radius is implausible. Equally implausible is the argument that communities within the same county are economically and socially independent of one another. The Abrams and Lyons study, like the Hawes (1985) study on impacts of prisons on local crime rates and property values, was based on a small number of cases, matched across only a few dimensions, and not likely to be applicable to other communities.

Another study with somewhat similar findings is the frequently cited Carlson (1992) piece that builds on some of the findings of the Abrams and Lyons study. Carlson claims that “prisons provide considerable economic benefits to their host communities and surrounding areas through direct employment, local purchasing and inmate labor... negative consequences .....are unlikely” (p. 57). Carlson bases her conclusions on the findings from a case study of a small, undiversified community in Washington State. The Clallum Bay Corrections Center opened shortly after a large timber mill closed. This mill had previously dominated the local economy. Carlson concludes that the Corrections Center rescued the community, but that some of the social or subjective impacts (increased crime rate, concerns about public safety and home security, community and prison relationships) have been negative. A major problem with this study is that there is no control case and without it, there is no way to determine whether the economic effects that Carlson reports can be attributed to the introduction of the prison facility.

Carlson’s work is interesting as she identifies and describes some of the social interactions and community conflict concerning the siting of a prison in a depressed community. Carlson concludes that the opening of the Clallum Bay Corrections Facility had a positive economic impact, despite the fact that she also notes that residents were disappointed with the employment opportunities available at the new facility.

“Few met the qualifications for jobs constructing the facility, and then the delay in full operation reduced the number needed for its initial work force. With many of those hired for the interim operation transfers from a temporarily closed minimum security facility within commuting distance, hopes for new residents also went unfilled.” (p. 62).

These findings of Carlson's are consistent with more recent work on the impacts of prison development on local employment (Beale 1996; Besser and Hanson 2003; Ferrigan and Glasmeier 2003, Hooks, et al., 2004). However, few of the findings concerning economic impacts are consistent with or supported by the more recent longitudinal and methodologically rigorous studies (Ferrigan and Glasmeier 2003; Hooks, et al., 2004; King, Mauer and Huling 2003).

McShane, Williams and Wagoner (1992) critique most of this earlier research on the basis of poor research design. They are concerned about the impacts of this research on public policy.

“A number of studies have been used to influence both public opinion and official policy. Unfortunately, consumers have accepted findings from projects with serious methodological weaknesses. In many studies, the results are misleading and the limitations of the data are improperly explained.”

This literature, although it suffers from some research design problems, contributes to our understanding of the impacts of locating correctional facilities in rural areas because it acknowledges social, as well as economic, issues. McShane, Williams and Wagoner recommended that future prison impact studies include single and multi-site time series methodologies. However, in their methodological review they fail to note one particularly interesting point. As a whole, these studies, concerned primarily with the social consequences of prison siting, *assume* that prisons contribute to rural development, just as people tend to assume that industrial recruitment contributes to rural development. This unquestioned assumption of the role of prisons in stimulating rural development helps to explain why communities pursue correctional facilities.

#### *What Do Prisons Contribute to Rural Development?*

Communities turn to industrial recruiting and other economic development strategies to provide new economic opportunities, generally in terms of jobs and income, for local residents. Communities also hope to improve their local tax base and provide revenues for public services. Communities compete fiercely for outside resources, often providing incentives in the way of tax abatements and infrastructure development. The government expenditures associated with providing these inducements can be high (Barkley, Henry and Warner 2002). Until recently, most rural stakeholders did not question whether industrial recruitment or similar strategies were effective in stimulating rural development. Researchers and rural stakeholders alike began to accept the fact that today's economy doesn't look like economy of a few decades ago when industrial recruitment was the rural development strategy of choice (Beaulieu, 2002). They question what rural prisons actually contribute to rural economies. Today, communities that offer these incentives must compare the costs and benefits of recruiting new industry and services.

Fueling Public Policy: Applied Research. Applied research is frequently conducted by academically trained consultants and academicians. It is generally more accessible to



policy makers and rural stakeholders. However, it is not always conducted as carefully as other academic research. The following illustrates some of the problems typical of much the research that provides basis for public policy.

The Berlin Prison study (Gottschneider 2002), for example, is a recent study concluding that prison development could have a significant economic impact on a small community while exerting few negative social impacts. Gottschneider reviewed six published reports in this report, none of which were peer reviewed. With only one exception (a 1990 review of the research by Katherine Carlson) the reports were compiled or commissioned by some correctional facility agency. None of the reports were critical and their findings were accepted at face value. Several of these reports were reviewed in the previous section of this review. Gottschneider concludes from these reports that the economic impacts of prisons are generally positive.

The second part of this report includes largely anecdotal findings from telephone interviews with local leaders in communities where prison facilities are located. The author includes a copy of the interview in the report, but he does not discuss the selection criteria used for his respondents or the implications of using an unscientifically generated sample of the local population. In the third part of the study, Gottschneider estimates the potential economic impact on the Berlin area from limited data supplied by the Federal Bureau of Prisons. However, these projections are based on largely tentative assumptions. This study is fairly typical of a large number of the reports that inform public policy. It was quickly assembled, subject to sampling bias, reliability problems, and generalizability issues. Gottschneider derives conclusions that cannot be supported by the data he provides and does not discuss the limitations of either the methodology or the data.

Another typical unpublished report on the potential impact of rural prison development on local economic conditions is that written by Newman and Terrel in 2001 for the Louisiana Department of Corrections. This report focused on the potential economic impacts of a juvenile correctional facility in north Louisiana. The authors concluded that the operating costs of the facilities in question represent “newly injected funds into each parish and as such generate new jobs, income and tax revenue that would otherwise not materialize” (p.1).

The authors of this study carefully describe their data and discuss their methodology. They use input/output tables (I/O models) , a tool for understanding the contributions of different industries to the regional economy, constructed for the region by the Bureau of Economic Analyses. I/O models are used to estimate the potential job, sales and household income impacts of operating these correctional facilities.

Although economic multiplier and impact analyses like these are attractive models for estimating the number of jobs and level of income created by different forms of economic activities, these analyses are generally not suited for community level impact analyses. In general, the models are designed for regional rather than local level analyses. In regional job markets, payroll impacts are dispersed throughout the region. This leakage

means that the money doesn't stay within the community. Consequently, the multiplier effect (i.e., the number of times that money turns over in the community) is low. In sparsely populated areas with limited economic activities these models tend to exaggerate and even distort the impacts of economic activities. The only way to correct for this type of distortion is for the researcher to conduct additional ground work and data collection within the communities to make sure the assumptions are specifically tailored to the communities in question. For most researchers, time and funding restraints prevent this type of additional work (Hughes, 2003; Fannin, 2004).

Better Information, Less Visibility: Academic Research: Papers presented at academic meetings are generally a more accurate source of information than unpublished reports. Although these papers are not formally peer reviewed (critically reviewed by colleagues) at the time they are presented to peers, the authors know they will be subject to public critique from their colleagues. Papers presented at academic meetings are often preliminary or investigative and provide a baseline for more exacting work to be performed later. Like the papers presented at academic meetings, papers published in academic journals can be good sources of information about how prisons affect local rural economies. Published papers are thoroughly reviewed for methodological rigor before they can be published. Many are revised several times before they are published. However, academic meeting papers and publications in academic journals are more difficult to interpret and understand than reports from applied research. Subsequently, they are less likely than applied work to come to the attention of policy makers.

Meeting papers by Hoyman and her colleagues address some of the reasons for the siting of correctional facilities in rural areas. Although these papers provide a good review of some of the prison development literature and show a strong correlation between economic distress and prison siting, they provide little empirical evidence of an actual economic impact of prisons on rural development. Most of their evidence of economic impact is derived from other sources. They confine their analyses to data from North Carolina. As a consequence, these findings may not be applicable to other locations in the South.

Another recent meeting paper (Turner and Thayer, 2003) focuses on the concept of prisons as a rural development strategy of last resort (see Carlson, 1995). Turner and Thayer conclude from a review of the existing literature that prisons may have a modest short term impact on rural development but that long term impacts are unclear. This literature review is thorough, but like most, uncritical. The authors cite findings without an assessment of the methodology or data analyses used to derive these findings. In an effort to understand why policy makers turn to prison development, they survey officials in New York about their *perceptions* of economic conditions, alternatives to rural prisons, and changes in economic conditions. However, the authors report an extremely low (20 percent) response rate and how non-respondents may differ in their opinions from the respondents is a serious issue in this study.

The Besser and Hanson (2003) paper (presented at an academic meeting but in peer review with an academic journal), on the other hand, provided a good, critical review of

the literature on prison impacts in rural towns. From their literature review, Besser and Hanson conclude that “prisons appear to provide few benefits to small town economies” (p. 10). Concerned with the findings from the available literature, Besser and Hanson constructed a data set that included all small towns with state prisons in 1990 and 2000 and compared economic and demographic data in these towns to similar towns without prisons.

This study found that small towns without new prisons performed (economically) better than those communities with prisons. Small towns without prisons experienced greater job growth and increases in average household wages, numbers of businesses, retail sales, number of housing units and median value of housing units. Moreover, prison towns tended to lose population, especially in the South. They conclude that prisons provide dubious strategies for rural development, particularly because prisons do not have extensive economic linkages within small communities. Other industries (manufacturing for example) tend to generate clusters of linked industries. Prisons for the most part, do not. Furthermore, most small communities cannot supply prisons with all of their consumer needs. Without connections to local suppliers, correctional facilities do not contribute to the local economy in the way that other industries might.

The Besser and Hanson findings are based on a relatively straightforward and simple methodology, a comparison of average change in social and economic conditions for small towns with and without prisons. It is difficult to tell from the analyses whether the communities with prisons were more distressed than others. Nonetheless, these findings, focusing on change over time, set the stage for more methodologically sophisticated analyses. These findings are also echoed in the studies using more sophisticated multivariate analyses.

In one of these studies, King, Mauer and Huling (2003) examine the impacts of prison siting on unemployment and per capita income in 14 nonmetropolitan counties in New York State. Seven of these counties had opened a new prison since 1982. The remaining seven held no correctional facilities. This article reports both an easily understood trend analysis and a more complex multivariate technique (fixed effects regression with an interrupted time series design) to control for unobserved effects of time and place. The authors found no significant differences in unemployment and per capita income in the counties with and without prisons. Because these analyses were confined to a relatively small number of counties in New York, they may not be applicable to other states. Nonetheless, findings from this study, methodologically sound and rigorous, should make policy makers question the validity of using prisons as a rural development strategy.

In another of these studies (Farrigan and Glasmeier 2003), the investigators focus on the economic development impacts of what they call the prison development boom in persistently poor places. They agree with Besser and Hanson (2003) that the existing literature on prison impacts is at best, inconclusive. Farrigan and Glasmeier compare the economic impacts of prisons constructed in rural places between 1985 and 1995 on several indicators of economic health. This study provides a good, critical review of the literature. In their discussion, they point out that prisons do not typically have much

impact on local economies because the jobs they provide to the local population are clerical and service positions that generally pay low wages. Typically, the higher skill and higher paying jobs are filled by skilled workers who have been in the prison system and have seniority. These skilled workers usually commute or in-migrate from outside of the immediate community. Moreover, the prison population itself provides a large, available labor pool for low skill jobs (see Fitchen 1991).

Farrigan and Glasmeier provide an extensive discussion of the methodology and data they use. However, this paper is extremely technical and difficult to read. To a large extent, Farrigan and Glasmeier respond to the critiques of the prison development literature first articulated by McShane, Williams and Waggoner (1992). Farrigan and Glasmeier use quasi-experimental control group methodology (Campbell and Stanley 1963) to compensate for the problems encountered in standard impact analyses and to develop more realistic measurements of effects. Like Besser and Hanson, they find that prisons have very little impact on the economy of counties and that they do not promote economic diversity. They did find, however, some evidence that prisons may reduce poverty in persistently poor counties where the rate of poverty is between 20 and 30 percent. They do not find this effect in counties where the poverty rate exceeds 30 percent, a finding that suggests that prisons are effective only in those cases where local economic conditions make it easier to lift some of the poverty population above the poverty line. The authors stress that local area socioeconomic conditions are major determinants of the contributions of prisons to the local economy; prisons are not likely to have positive impacts in economically distressed communities. The Farrigan and Glasmeier article, like the Besser and Hansen article, is not yet published in a peer reviewed journal.

One of the more recent papers on the impacts of prisons on the economy to have been published (Hooks, et al., 2004), also concludes that prison construction does not generally benefit local communities. In fact, their comprehensive, longitudinal data analyses indicate that prison construction has actually impeded growth in some rural counties in the United States. Like the two papers discussed previously, this paper provides a substantial, critical discussion of existing literature and the public policy debate over the role of prisons in rural development. Although this paper is not as technical as the Farrigan and Glasmeier (2003) article, it is written for an academic audience and more theoretical than applied. Nonetheless, the findings are very relevant to a general discussion of the economic impacts of rural prisons.

The analyses reveal some interesting findings. In urban counties, prisons appeared to have an impact on economic growth (defined in terms of employment growth) prior to the 1990s. However, these effects disappeared after 1989 and at least until 1994, prisons were negatively related to employment growth in urban areas. In rapidly or moderately growing rural areas, prisons had no impact on employment growth. In slowly growing rural counties, prisons were associated with negative employment growth. The authors could find no evidence that prisons lowered unemployment, raised median family income or earnings.

Hooks and colleagues believe the most plausible explanation for their findings are that prison construction and operation tend to crowd out alternative economic activities, stifling economic diversity. This explanation is consistent with what Huling (2002) has written. Communities are competing for prisons and local governments are assuming the burden for supplying the infrastructure for operating the facilities. Limited infrastructure is channeled and adapted to prison operations and financially strapped local governments have few dollars to expend in other economic development projects (Mattera and Khan 2001, Hooks, et al., 2004). In the long run, the process of diverting capital and other resources to prison development and operation will reduce existing economic diversity within the community.

### **Discussion: Implications for the Rural South**

The rural South is struggling. There is no question about that. In a recent publication by the Southern Rural Development Center, Lionel Beaulieu writes “It’s not your daddy’s rural economy. The economic complexion of today’s non-metro areas looks dramatically different from the pattern just three or four decades ago (2002:1)”. Those rural development strategies that worked three or four decades ago, such as industrial recruitment, don’t work in today’s global economy.

Prison siting is a strategy that looks very much like industrial recruitment. In some places, it is a very competitive process and the costs to communities can be very high. (Cherry and Kunce 2001; Hoyman 2002, Huling 2002). These authors describe competitive bidding wars among communities wanting to host prisons. Communities frequently must donate land, provide financial assistance, build or expand sewer and water systems, provide housing subsidies and in the case of private prisons, sometimes provide property and tax abatements. Rural counties and local governments throughout the United States struggle to raise operating revenues and in today’s economic climate they are challenged to provide even basic infrastructure and services to residents, much less enter the bidding wars for correctional facilities.

Furthermore, according to Huling (2002) and others (see Fitchen, 1991) correctional facilities jobs do not always benefit local workers. Most rural workers do not have the education and experience required for the higher paying managerial and correctional officer jobs. The lower human capital found in the South presents significant barriers to the ability of prisons to provide jobs to local workers. Job markets for correctional officers and higher paid prison workers tend to be regional. Because of seniority and union rules, the better jobs are frequently awarded to veteran correctional facility personnel who may commute long distances. In some locations, prison workers actually displace workers at low-wage jobs. This again, is a serious problem in the rural South, where so many jobs pay very low wages.

According to David Barkley and his coauthors Mark Henry and Mellie Warner (2002), the economic impact of industrial development on a community is determined to a large extent by the pool of labor available to new businesses. If workers come from the local supply of unemployed workers, the new business adds little to the costs of public services

and local tax revenues increase. However, when workers come in from outside of the community, either as commuters or in-migrants, local costs may increase due to the need to provide additional infrastructure, goods and services. The increase in local costs is generally insignificant for commuters, but housing and new services for new residents can be substantial.

A critical review of the literature on using correctional facilities as a rural development strategy provides little convincing evidence that prisons are an effective strategy. Nearly all of the studies indicated that prisons were a strategy of last choice. The desire for hosting correctional facilities clearly emerges from economic distress. At best, prison siting is a short-sighted rural development strategy. The costs to local government and workers are often hidden under promises that will fail to materialize. Policy makers and rural stakeholders are drawn to the idea of correctional facility recruitment, much like they are drawn to industrial recruitment, largely because they are not aware of the more promising alternatives.

The Southern Rural Development Center has identified alternatives to recruitment, whether it is for a manufacturing plant or a correctional facility. They advocate that sustainable communities build from within rather than trying to recruit the critical resources and opportunities they need for rural development. Beaulieu (2002) argues that creating and sustaining a vibrant rural economy depends on the extent to which rural communities (1) develop their human capital resources, (2) encourage and support entrepreneurship such that they build on existing resources, (3) build and enhance the electronic infrastructure in rural areas, and (4) promote civic engagement and wide spread involvement of residents in local concerns. These alternatives are embedded in the knowledge that all communities have unique resources upon which they can build. Identification and development of community assets is both a critical means for building community capacity and a major step in the process of rebuilding troubled communities.

### **Where Do We Go From Here?**

It is clear from this review that (a) some of the best work on the impacts of prisons on rural economies is not accessible to stakeholders and policy makers and (b) that we need a better understanding of how correctional facilities affect local economies. The first point is a conclusion drawn from the fact that much of the methodologically rigorous work on the role of prisons in rural development is virtually unreadable unless you are an academician. Although it is easy to lay this problem at the feet of academicians, the solution is not that easy. Although a large number of social scientists is interested in policy relevant research, most have neither the expertise to write for policy makers nor the opportunities to conduct applied research. Fortunately, a number of professional organizations are starting to provide training in conducting and writing policy relevant work. Many social scientists would appreciate the opportunities to work with policy makers. However, doing so will require more dialogue between policy makers, other stakeholders and academicians.

The second point focuses more specifically on the research but is closely related to the first. Researchers need information from policy makers and rural stakeholders to help them identify and address the issues more clearly. Only then can researchers understand what issues are important and how social, political and economic processes take place in rural communities. In general, investigators need to combine the strengths of qualitative and quantitative work in this research and develop a comprehensive framework for a socioeconomic impact assessment of the long term impacts of correctional facility for specific locations. Most of the existing research focuses narrowly on jobs and other unidimensional aspects of rural development. A meaningful socioeconomic impact assessment would include impacts on infrastructure, local culture, social systems, political/legal systems, economic conditions and individual residents (Gramling and Freudenburg 1992). It would be longitudinal in design (i.e., take place over a period of time) and take into account spatial (locational) differences.

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