

## *California Prison Industry Authority*

[www.calpia.ca.gov](http://www.calpia.ca.gov)

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### **Economic Impact of California Prison Industry Authority Set at \$369.1 Million**

#### ***California companies gain jobs, sales of raw materials for manufacturing***

Folsom....The California Prison Industry Authority's (CALPIA) sales of \$205 million a year multiplies to a \$369 million benefit to the California economy through its manufacture and sale of products, as well as purchases of raw material and supplies from private companies in the state, according to a recent Economic Impact Report.

The report, conducted by Thomas R. Harris, an economics professor and director of the Center for Economic Development at the University of Nevada, Reno, also concludes that the CALPIA is responsible for 1,768 non-inmate jobs, most of which are with private vendors who sell raw materials and services to CALPIA, and that it generates private household income of an additional \$98.2 million.

The report notes that inmates hired by CALPIA otherwise would not be part of the state's economy and concludes "in the absence of prison industries in California, many of the products now sold by CALPIA would be manufactured outside the state, representing a loss of material sales to the state's economy."

The report explains that most of the economic gain is the result of CALPIA's purchase of services and raw materials from retailers, who in turn add to their payrolls and buy more from other businesses as a result. Capital investments in new facilities and equipment and the payroll of its 740 employees also multiply through the economy.

The report concludes that, if CALPIA did not exist, California's economy would decline by an estimated \$238 million, household income would decline by \$75.7 million and 1,138 jobs would be lost, recognizing that some products and services provided by CALPIA would otherwise only be available outside of the state.

CALPIA is a financially self-sufficient state government agency that invests its revenue into rehabilitation programs for inmates, including programs that provide vocational training and industry-accredited certification in more than a dozen job skills, ranging from optometry and commercial baking to welding, metal stamping and dental technology.

CALPIA also trains inmates in commercial underwater construction, carpentry, ironworking and other construction skills, in partnerships with trade unions who offer employment possibilities when inmates are released on parole.

Research shows that the structure of CALPIA's programs, which combine manufacturing with education and vocational training, is most effective in rehabilitating inmates and helping them to succeed when they are returned to the community. Recent data show that CALPIA's graduating inmates return to prison less often than other inmates. The data shows that recidivism rates of inmates who participate in CALPIA programs is up to 25 percent less than California's general prison population, saving taxpayers an estimated \$40 million per year.

CALPIA operates 65 business enterprises in 23 of California's 33 prisons, which range from laundries and manufacturing of inmate clothing, fire-resistant suits for firefighters and office furniture to agricultural operations and the construction of advanced design modular buildings.

CALPIA offers its products and services to other government agencies and the California Department of Corrections and Rehabilitation is its largest customer.