



Press Release

The Economic Costs of the U.S. Criminal Justice System

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The United States spends nearly \$300 billion annually to police communities and incarcerate 2.2 million people, but this figure does not account for the indirect costs of the U.S. criminal justice system. In new research, AAF's Director of Human Welfare Tara O'Neill Hayes assesses the economic costs, both direct and indirect, of the U.S. criminal justice system and finds they add up to around \$1.2 trillion. While the benefits are more difficult to measure, they must be significant to merit these costs, she notes, yet the observed benefits are surprisingly small.

An excerpt:

The effects on economic growth extend beyond the individual incarcerated: 10 percent of incarcerated people's children do not finish high school or attend college (nearly double the national high school dropout rate of 5.4 percent), often choosing to leave school and enter the labor force early in order to make up for the lost wages of their parent. The reduced educational attainment and subsequent reduction in wages for these children is estimated as a \$30 billion loss, or roughly \$15 billion more than what might otherwise be expected. Further, the children of incarcerated individuals are five times more likely to go to prison themselves, compared with children whose parents are not incarcerated. The increased rate of criminality among children with incarcerated parents has a cost of \$130.6 billion.

[Read the research.](#)