Finding a Path to Financial Security and Self-Sufficiency: An Asset-Based Analysis of Re-Entry Programming

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Former offenders face a variety of barriers to successful re-integration into society, particularly in the areas of labor market prospects, debt obligations, and public policy. This paper conducts a comparative analysis of several in-prison and community-based re-entry programs to determine their potential for improving financial outcomes for this population. The analysis uses an asset-based framework, identifying promising program features that help participants build financial, human, and social capital. These features include preparation for and intervention in the labor market, helping participants build a foundation of financial assets, and approaches that integrate services and leverage multiple assets simultaneously. The paper concludes that given the many mutually reinforcing barriers former offenders face to financial well-being, programs would do well to expand financial asset-building features and expand their often narrow focus to encompass multiple asset-building approaches. They must also make an improved case for their cost-effectiveness in order to ensure their survival and provide for future implementation on a larger scale.

Rates of incarceration in the United States have quadrupled in the past three decades (Travis and Petersilia 2001; Visher and Travis 2003). According to the Pew Center on the States (2009), one out of every thirty-one Americans is either currently in prison, jail or on probation/parole. As a result of these developments, more people than ever before are facing the challenges of re-entering society. One especially difficult challenge is establishing and maintaining financial well-being after release. The first portion of this paper will demonstrate that this difficulty is largely due to multiple barriers in the areas of labor market prospects, debt obligations, and public policy.

Programming focused on building financial, human, and social assets offers a potential pathway toward diminishing these barriers. After briefly discussing the merits of asset building for creating financial security, stability, and opportunity, the second section of
this paper will evaluate the potential of several different types of federal, state, and local re-entry programs (both in-prison and post-release) to lead to financial well-being. Many of these initiatives are government sponsored and funded, but some are also run by or in collaboration with private/non-profit organizations. The analysis is divided into three mini-case studies, which examine three broad approaches to this work: in-prison work programs, employment training and vocational guidance programs, and expanded, holistic re-entry program models.

Barriers to Ex-Offender Financial Well-Being

Labor Market Disadvantage and Discrimination

Former offenders face several challenges that make labor market success difficult. Their educational attainment tends to be low; recent data shows that only 57 percent of all state prison inmates hold a high school diploma or its equivalent (Bureau of Justice Statistics 2007). Incarceration has also become concentrated among populations that are already economically marginalized, particularly black males, who now face a one in three chance of incarceration in their lifetime (Western 2002, 526; Bureau of Justice Statistics 2007).

Indeed, in a matched-pairs field experiment in Milwaukee, Devah Pager (2003) found that criminal history and race both had significant, independent effects on job offers. There was also evidence to suggest that the negative effect of a criminal record was more pronounced for blacks; employers were more likely to offer positions to white ex-offenders than black non-offenders. The difference in interview call-back rates for offenders and non-offenders was also 40 percent higher for blacks (though not statistically significant). More research is needed, but the significant main findings do suggest an idea of compounding disadvantages.

As part of their national Returning Home prisoner re-entry study, the Urban Institute conducted an extensive series of pre- and post-release interviews with inmates in Baltimore, Chicago, and Cleveland (Visher, Kachnowski, LaVigne, and Travis 2004; LaVigne, Visher, and Castro 2004; Visher and Courtney 2006). These interviews provided clear evidence of respondents'
widespread difficulties securing gainful employment after release.\textsuperscript{1} In their urban focus areas of Baltimore, Chicago, and Cleveland, most respondents reported during initial in-prison interviews that they needed help finding a job after prison. Indeed, their employment success was limited after release – in Chicago and Cleveland, less than half of respondents had worked for at least one week, and fewer were working at the time of their interview (up to eight months after their release). In all three cities, those with steady employment were more likely to be working full-time and generally satisfied with their work environment, although largely \textit{dissatisfied} with their pay; average wages were $9 per hour in Chicago, and median monthly income was $640 in Cleveland. Baltimore respondents had better labor market outcomes, though the researchers note the causes are unclear.

Finally, using data from the 1979 National Longitudinal Survey of Youth, Western (2002) also found significant evidence that incarceration leads to reduced lifetime wage mobility. In the sample, incarceration tended to decrease aggregate wages after release by about 10 percent, but the rate of lifetime wage growth fell much more sharply, by approximately 30 percent. He summarizes prior research that suggests wage growth is primarily a result of a trajectory leading to stable, \textquotedblleft career\textquotedblright jobs, and other research showing that incarceration leads to diminished human capital, reduced opportunity for job seniority, and (especially) increased stigmatization that impedes the hiring process, particularly for higher-paying, trusted occupations. Western theorizes that these effects are the mechanism that prevents former offenders from entering a \textquotedblleft career trajectory,\textquotedblright and are therefore a primary reason for their observed lack of earnings mobility. Taken together with the above evidence of discrimination, low wages, and limited employment security, a clear picture emerges of both short and long-term labor market disadvantage.

\textbf{Debt Obligations}

A less-studied but crucially important determinant of re-entry success is the weight of debt obligations that many ex-offenders bear. The majority of \textit{Returning Home} respondents both expected and encountered significant difficulty supporting themselves financially after release, and debt was a dominant source of this difficulty (Visher et al. 2004; LaVigne, Visher, and Castro 2004; Visher and Courtney 2006). Indeed, most inmates leave prison.
with no personal savings (Petersilia 2001). Prisons will sometimes provide a small amount of “gate money” (usually about $50), and perhaps a set of clothes and a bus ticket, but little else (Visher and Travis 2003).

Unpaid child support payments are an especially problematic source of debt. In Massachusetts and Colorado, for example, inmates who are parents enter prison with an average of over $10,000 in child support arrears. In both states, this balance tends to grow substantially; support owed continues to accrue during imprisonment, plus penalties and interest, as many courts do not view imprisonment as a justification for reducing these financial obligations. Since even inmates who do work earn far below minimum wage, there is little hope for them to meet these obligations while imprisoned. Limited post-release employment prospects continue to make repayment difficult, as support orders may represent up to 60-80 percent of income for those who are working (Pearson 2004; Pearson and Griswold 2005; Holzer, Offner, and Sorensen 2005).

Public Policy Barriers

Finally, ex-offenders also face a range of policy barriers in the areas of employment, public benefits, and higher education. For example, the 1996 welfare reforms allow states to permanently ban all drug offenders from receiving TANF assistance or food stamps, and most states have done so (Mukamal 2000). In 1998, an amendment to the Higher Education Act also denied Federal Student Aid to this group (Mauer 2003). Individual states also bar ex-offenders from many occupations, especially in the areas of youth services, education, health care, and law enforcement (Mukamal 2000). Together, such policies have the dual effect of restricting opportunities for both basic subsistence and upward mobility. They tend to be enacted in a piecemeal fashion, contained in legislation focused on other goals, such as reducing drug abuse (Mauer 2003, 16-17; Page 2004). However, they have a far-reaching effect on the labor market capacity of former offenders, and by extension, their economic well-being. Because these measures have become so widespread, some researchers have even likened them to a “blunt instrument” of social control (Visher and Travis 2003, 106).

Ex-offenders also face a major policy barrier in the hiring
process itself. Criminal record information is now more widely and easily available from both state repositories and private providers, and record expungement is available in only 17 states, and sometimes only under limited circumstances. The records themselves are also likely to contain one or more errors. Despite these flaws, they have become an increasingly important part of the hiring process (Pager 2006; Mukamal 2000; Harrison and Schehr 2004). Indeed, a widely cited study by Harry Holzer (1996) of 3,200 employers in four major metropolitan areas found that only about one-third of employers were willing to hire someone with a criminal record.

**Asset Development and Former Offenders: Untapped Potential**

The emerging research area of asset building holds largely untapped promise to create deeper, more comprehensive well-being for this vulnerable population. The concept of assets is related to income, yet also distinct. Michael Sherraden (1991) defines assets as “the stock of wealth in a household or unit.” By contrast, income is a “flow of goods, money, or services” (96–97). Income can be used to build assets, and assets may yield income.

In the most immediate sense, assets can enhance financial security and stability by providing a cushion that helps households maintain their standard of living when income is interrupted. Haveman and Wolff (2005) develop this idea into the concept of an “asset poverty line,” which they define as the level of asset holdings needed for a family to remain above the Federal poverty line for three months in the event of a loss of wage income. Over the longer term, assets can also lead to “transformative” opportunities, such as higher education that opens up a new career path, or access to home ownership and the resulting accumulation of equity (Sherraden 1991; García 2008, 2). In such cases, assets are “leveraged” to create additional assets in an increasing cycle of accumulation and transformation, breaking individuals out of “path dependency” and altering their life chances (Sherraden 1991).

Federal, state, and local policymakers have been showing increasing interest in asset-based policy for low-income individuals and families, including the creation of Individual Development Accounts (IDAs) for the poor (an idea originally advanced by
Sherraden). Government subsidizes these accounts by matching deposits for certain approved purposes, typically for education, self-employment, home ownership, and retirement. A growing base of empirical literature is providing evidence for the beneficial effects of these types of policies on savings, educational attainment, and economic mobility, among other indicators (Schreiner et al. 2005; Zhan and Sherraden 2003; Zhan 2006). However, although researchers, practitioners, and policymakers are becoming increasingly aware of the many disadvantages that ex-offenders face in the labor market, few programs serving this population take an explicitly asset-based approach. In light of the above discussion, such an approach provides the opportunity to establish a more long-lasting foundation of economic security and future opportunity.

Indeed, as a group ex-offenders are likely to be facing asset poverty. While little quantitative evidence of their asset holdings is available, their overwhelmingly poor labor market outcomes, coupled with widespread debt obligations, suggest little hope of accumulating any sort of cushion against income or other kinds of shocks such as poor health or disability. As Edin (2001) reminds us, the poor often count on their labor – the ability to leverage their human capital – as their chief productive asset. In an environment of extensive criminal record checks, hiring restrictions, and low human capital accumulation, the rate of return on this asset is likely to be low.

**An Asset-Based Re-Entry Program Analysis**

Overall, very little theoretical or practical work has been done relating the idea of asset building to ex-offenders. To make an initial contribution in this area, this paper will now present a series of mini-case studies that evaluate the potential of several different types of federal, state, and local re-entry programs (both in-prison and post-release) to lead to financial well-being. The programs presented below encompass three broad approaches to this work: in-prison work programs, employment training and vocational guidance programs, and expanded, holistic re-entry program models. The case studies evaluate the potential of each program type to enhance financial well-being through both the reduction of labor market disadvantage and the promotion of financial, human,
and social asset building. Specifically, they answer the following questions:

1. Does this program promote ex-offender financial well-being by reducing institutional barriers and/or labor market disadvantages? If so, how?

2. Does this program enhance this well-being through an asset-building approach, or at least some of its component elements? Again, if so, how?

The first question points to a more traditional approach, closely tied to the financial and institutional barriers many ex-offenders face. The second question focuses on an approach that is less prevalent, and rarely receives explicit mention with regard to re-entry programming. However, by developing an understanding of asset-building features in existing programs, the promise behind this approach can be more widely shared, and additional such features can be built into future interventions.

**Case Study 1: Enhanced In-Prison Work Programs**

In-prison work programs have long been a means for inmates to earn money while incarcerated. They represent a very basic form of financial asset building. However, the wages paid in many of these programs are far below minimum wage, making asset accumulation difficult. The Prison Industry Enhancement Certification Program (PIECP) modifies this “Traditional Industry” approach. Through this federally-funded program, state and local inmates are released to work for private employers and earn market wages instead of the $1.25 per hour average wage paid by “Traditional Industry” jobs (Moses and Smith 2007). Wages are automatically set aside to cover incarceration, court and restitution costs, pay child support, and provide for re-entry needs through mandatory savings accounts (McLean and Thompson 2007). Program participation has greatly increased since its inception in 1979, but still represents only a small fraction of all state and local inmates (Moses and Smith 2007).

Evaluators compared the post-release employment outcomes of a matched pairs sample of PIECP participants with inmates participating in Traditional Industries (TI), as well as “Other than Work” activities such as education or treatment/counseling. PIECP participants obtained employment sooner after release, and
maintained it longer, than those in the other two groups, although TI participants also had much higher one-year continuous employment rates than those in the OTW group. PIECP participants also earned the highest overall wages, though over half (55 percent) still did not earn the equivalent of a full-time, minimum wage salary in the first year after release (Moses and Smith 2007).

PIECP indeed seems to offer an advantage in entering the labor market. The emphasis on building real job skills and work experience may qualify participants for higher-skilled job opportunities, with better pay and more stability. The evaluation results seem to support this trend. However, it is unclear to what degree the increased skills and experience will offset the routine, often categorical nature of hiring discrimination, as well as the initial economic disadvantage posed by other institutional barriers (such as the ban on cash assistance for felony drug offenders).

Still, the potential benefits of increased post-release income and job security are clear, both for immediate consumption and possible asset building. If inmates are allowed to keep more than the $1.25 per hour (maximum) paid by TI programs, their financial well-being is enhanced. In addition, the fact that states direct a portion of earnings toward debt obligations such as child support helps combat a major barrier to re-entry success.

The mandatory savings accounts also have clear asset-building benefits, as they are intended for immediate post-release needs such as obtaining housing. The state of Vermont actually takes this approach one step further within its Correctional Industry programs. For offenders who choose to participate in the savings program, the Department of Corrections provides a one-to-one match for their contributions. The program has become very popular, and now has a 70 percent participation rate. The Department views it as a key means for teaching delayed gratification and money management, as well as an explicit mechanism to build the financial assets needed for post-release success (Beal 2007).

Overall, corrections-based savings programs such as those in PIECP and the Vermont initiative have strong asset-building potential, particularly when coupled with opportunities for debt reduction and matched savings. Still, their potential to generate financial security through the labor market may be more limited. The fact that over half of PIECP participants earned less than a
minimum wage-level salary suggests that increased work experience alone may be insufficient to surmount the profound post-release economic barriers faced by participants.

Case Study 2: Employment Training and Vocational Guidance Programs

Given the multiple labor market disadvantages of ex-offenders, employment-focused training and placement assistance programs are very important. It is critical that they provide skills which are “in demand” in order to ensure job security and livable wages. For example, one of the employment-based re-entry programs reviewed by Harrison and Schehr (2004), Project CRAFT, focuses on training for the building trades. As many offenders also face multiple barriers to work, the program provides case management, access to substance abuse treatment, and life skills training to help them succeed.

Another common approach is transitional work – typically low-skilled, temporary jobs intended to serve as a training ground for future permanent employment. Such programs offer training in basic work skills such as punctuality, communication, and following directions, creating a mutually beneficial situation for entry-level employers seeking these skills. A particular reason for the adoption of these programs is a growing body of research showing that the immediate post-release period is a particularly effective countervailing factor against recidivism. Indeed, one such program, run by the New York City-based Center for Employment Opportunities (CEO), showed a statistically significant effect on recidivism in a random-assignment study – but only for those employed within three months. Participants earned an average of $9.25 per hour in the private market after leaving the program (Tarlow and Nelson 2007).

This employment training/vocational guidance approach has achieved significant visibility on the national level. Under the Prisoner Re-Entry Initiative (PRI), the Department of Health and Human Services provides $19.8 million in grants per year to local faith-based and community organizations to provide employment assistance and related support services to ex-offenders. Since its inception in 2004, 63 percent of PRI participants have become employed, with an average hourly wage of $9.41 and 66 percent of those employed staying in jobs for nine months or longer.
However, the high average wages noted in the above programs do not match typical post-release employment experiences cited elsewhere in this paper, such as those of the Returning Home participants. One plausible explanation is that PRI and CEO participants were self-selected. Comparative demographic and crime history data is not available.

These employment training/vocational guidance programs mentioned above are also strongly focused on recidivism, and less concern is directly expressed about the economic well-being of participants (although this is true of many ex-offender initiatives). Their exclusive focus on the income paradigm is also troubling; nothing is mentioned about savings, for example (although there is a secondary focus on human capital). Given the role of assets in promoting self-sufficiency and financial stability (not to mention their transformative potential), adding such a component would be a key means of improving these programs. For example, a matched savings program similar to the one implemented in Vermont would be a logical addition to these work-based initiatives. If cost were an issue, a simple automatic savings program would still encourage gradual asset accumulation.

Case Study 3: Holistic Re-Entry Programming

In addition to this specific, focused programming, policymakers and corrections officials are showing an increasing interest in a more holistic approach. To some extent, these programs focus both on labor market interventions and explicit asset building. For example, the Ohio Department of Rehabilitation and Correction (ODRC) now requires nearly all prison inmates to engage in a six-month, comprehensive Release Preparation Program. This program has a strong employment readiness component, but gives equal weight to other topics such as recovery issues (substance abuse and mental health), accessing faith-based/community resources, and more. In addition, inmates work with case managers to obtain identification, secure housing, find employment, and connect with post-release treatment. Their progress both in the program and after release is closely monitored, and those determined to be “Re-Entry Intensive” (via an initial risk assessment) receive extra case management, post-release supervision, and support from multi-service, community re-entry
teams. ODRC also emphasizes working closely with families both during incarceration and after release (LaVigne and Thomson 2003).

A more recently implemented jail-based project in Oneida County, New York has an in-jail phase that is similar to the ODRC program. The program is one of several initiatives nationwide funded through the Life Skills for Prisoners program at the U.S. Department of Education. What makes the program unique is its array of post-release services. Former inmates work with a Transitional Services Coordinator to continue their skill development, connect with treatment and support services, and get help with practical issues such as finding an apartment, opening a bank account, and more. They also receive community-based pre-employment support, peer mentoring, and additional practical assistance, such as resume preparation, interview training, transportation, and materials such as clothing and tools. In addition, the Oneida County Workforce Investment Board employs a Job Developer who builds partnerships with area employers and encourages them to hire ex-offenders (Francis, Pauline, and Darman, forthcoming).

Long recognized as an innovator in ex-offender re-entry, the Safer Foundation has adopted a unique, more intensive version of the comprehensive approach. Safer operates two Adult Transition Centers (ATCs) for the Illinois Department of Corrections. In these work-release facilities, offenders spend the last months of their sentence working in private employment, attending GED classes, and preparing for a smooth transition to the community. Safer has developed working relationships with several local employers such as the local sanitation department, who see the program as a source of motivated, quality workers. They also mandate that inmates put aside 20 percent of their earnings in a savings account, which many later use to secure a car or an apartment. Some inmate earnings are also used to help defray the cost of the program (McGarvey 2003).

Programs dealing with more specific re-entry challenges may also take a holistic approach. For example, as noted earlier there is a growing recognition that child support is a financial burden that can have an especially large effect on re-entry success. Colorado, Illinois, Massachusetts, and Texas have all implemented programs to address both this issue and related re-entry challenges. The programs generally combine two approaches: 1) training to increase
parenting skills, employment success, and understanding of the child support system, and; 2) assistance with child support order modification and arrears forgiveness requests. The programs also help to facilitate family visiting and re-integration. Their larger goal is to prevent the accumulation of large amounts of arrears, with the recognition that in such a situation, both parent and child are worse off. Comparison of pre- and post-test evaluation data in Colorado and Texas showed varying degrees of increase both in employment and in the proportion making child support payments, as well as the amount of these payments. However, large proportions of participants in these states and Illinois still had earnings well below minimum wage, infrequent work, or no earnings at all. Child support was thus still a large (but reduced) burden – Colorado parents paid an average of 39 percent of child support owed, as opposed to a pre-program rate of 17.5 percent (Pearson and Griswold 2005; Pearson 2004).

Because it addresses ex-offenders' multiple barriers to employment in a systematic, coordinated way, the comprehensive approach taken by all of these programs could be expected to lead to significant improvements in their labor market outcomes. The combination of increased practical education and connections with community resources should help overcome common re-entry obstacles such as accessing housing and mental health treatment. The community-based support and practical assistance have been successful in the past; during an earlier funding cycle of the Second Chance program, Oneida County exceeded many of its targets for both number of clients served and employment outcomes (Francis et al., forthcoming). The Oneida County Job Developer position also makes a region-wide contribution to decreasing institutional employment barriers, though many of these entrenched practices are likely to remain to some degree. In the case of the Safer ATC program, the direct advocacy and hiring connection with employers effectively bypasses hiring discrimination in a more systematic way than through Job Development alone. In both cases, participants' potentially increased earnings could indirectly lead to greater opportunities for savings, home ownership, and other forms of asset building.

The combination of a comprehensive labor market approach with specific asset-building features is also a hallmark of these programs. The mandatory savings accounts used in the Safer Foundation ATCs are the most concrete example. However, the
program is relatively small and precariously funded; only about 3 percent of Illinois inmates are able to participate, and it also narrowly survived a round of budget cuts early this decade (McGarvey 2003). The asset building implications of child support assistance programs are clear; offenders are provided significant economic relief, while family members and victims are more likely to receive just, much needed compensation and support. These programs also acknowledge the role of family as a key asset.

The fact that the Oneida County program helps offenders open bank accounts is another promising practice. This step of integration into the mainstream financial system provides the foundation for future asset building, including interest-bearing savings accounts and access to automobile loans.

Beyond the realm of financial assets, the “soft skills” that these programs teach (such as anger management, dealing with employers, etc.) are also a form of human capital development with clear implications in the labor market. In addition, the emphasis of the ODRC and Oneida County programs on family social capital is important; the Returning Home studies unanimously cite this intangible asset as a vital part of securing positive financial, housing, and employment outcomes (Visher et al. 2004; LaVigne, Visher, and Castro 2004; Visher and Courtney 2006).

Though they do promote offender well-being in many areas, the Life Skills and Second Chance programs still also have a primary evaluative focus on recidivism and employment, respectively (Francis et al., forthcoming). While these outcomes are important, broader success could be measured in terms of well-paying employment and increased assets, which would lead to long-term stability and transformational life opportunities. In the case of the child support-focused programs, their employment readiness components seem to be limited in helping such a disadvantaged population increase their success in their labor market (the more specifically employment-focused initiatives face similar limitations). Pearson and Griswold (2005) note that limited employment outcomes may also be due to funding cuts in several programs, which have reduced the comprehensiveness and duration of some services.
Discussion: Promising Features and Room for Improvement

As mentioned earlier, asset-based re-entry policy holds great promise for addressing the unique barriers that ex-offenders face to financial well-being. The programs reviewed above aim to enhance participants' financial well-being through the pathways of reducing labor market disadvantage, building a foundation of financial assets, and/or integration of services and leveraging multiple asset types. Each approach has key advantages, which can be best realized in combination. Many programs could be improved by incorporating additional elements or approaches. Specifically, some would benefit from adding technical features such as automatic savings mechanisms, while others would benefit from a more wide-ranging change of focus away from an income-based paradigm. All must make a continued, strong case for their effectiveness in order to maintain funding and provide for possible future implementation on a larger scale.

Many of the programs reviewed focus primarily on reducing labor market barriers, leveraging labor and human capital and creating greater opportunity to build financial assets. Many also have direct skill-building components, while some such as the Oneida County Life Skills Training Project also include “soft skills” development, and PIECP and transitional employment focus on gaining skills through work experience. Programs, such as Project CRAFT, that promote in-demand skills (in this case, construction) are particularly useful in a competitive labor market. The “holistic” model programs hold additional promise for improving labor market outcomes through their emphasis on reducing barriers to work (widely defined, from substance abuse disabilities to transportation problems) and stimulating increased employer demand through job development services.

Programs which help ex-offenders build financial assets are crucial in order to help them escape the mutually reinforcing cycle of labor market, debt, and policy setbacks. The built-in savings aspects of PIECP, the Vermont savings program, and the Safer Foundation ATC are examples of this approach. In addition, the efforts of Oneida County Life Skills staff to open savings accounts for participants are also promising in providing access to the mainstream financial system. Such opportunities could create additional institutional asset-building opportunities in the future,
such as the possibility of securing an automobile loan. The state-level programs addressing child support obligations also make a clear contribution in this area by addressing the largest source of ex-offender debt, which dramatically impacts the ability to accumulate and leverage the “cushioning” effects of financial assets.

Finally, under the “Holistic” programs, the close integration of services and leveraging of multiple asset types is particularly promising. The “Holistic” programs recognize the compounding disadvantages that ex-offenders face, and take measures at multiple points in time in order to address them, including post-release planning while in prison, securing identification, connecting with housing and treatment providers, pre-employment supports, and the job development services mentioned above. Both types of programs recognize the importance not only of financial asset building, but also of human capital (through their strong educational components) and social capital (through channels such as job development, mentoring, and closely working with offenders' families). However, it is important to note that none of the programs reviewed incorporates all three main approaches referenced above, or even the latter two (more explicitly asset-based) elements. By combining these elements, programs’ asset building and leveraging features can be significantly enhanced.

For example, more employment and training-based programs could incorporate savings plans – preferably automatic, and with matched contributions. The popularity of the Vermont program suggests that inmates would take advantage of the opportunity. All three reviewed programs with savings-related elements have some mechanism for automatically allocating the use of funds, and such mechanisms should be incorporated into other programs as well. Policymakers should ensure that funds – including matching funds – are used for purposes specifically connected to successful re-entry and self-sufficiency, such as securing housing or purchasing a vehicle. In general, these types of programs should be brought to scale in more prisons and jails nationally, though funding will likely be a problem, as it has been for the Safer ATC program (McGarvey 2003).

The employment and training components of the programs surveyed also tend to be too narrowly targeted. The majority of these interventions focus on human capital development. While a critical factor, it remains unclear to what degree increased
competencies and work readiness alone will offset institutional barriers, such as the widespread employment discrimination discussed previously. The persistently low earnings of state child support program participants are one indicator of this issue. The design of the more “holistic” programs explicitly recognizes that the well-being of offenders requires simultaneous attention not only to their many barriers to work and financial security, but also to multiple methods of building and leveraging their financial, human, and social capital.

Finally, these programs face serious challenges in the areas of evaluation and ongoing funding. Little quality data on effectiveness is available. Barriers to evaluating these programs can include difficulty in randomizing experiments and obtaining needed data, or a “tension” between program implementation and evaluation goals (Linton 2005). More rigorous – perhaps quasi-experimental – evaluations are needed to better understand the independent impacts of these programs. In particular, better data on long-term economic outcomes would help researchers and policymakers better understand which are the most promising asset-building features to incorporate into future interventions.

This data is essential in order to maintain ongoing funding for these programs, laying the groundwork to expand their scale in the future. Several of them have faced varying degrees of budget cuts in recent years (Pearson and Griswold 2005). Though not the focus of this paper, it is important to note that the most convincing financial justification for their existence may be on the grounds of crime prevention. In 2001, the average cost nationwide to house a state prison inmate for one year was $22,650 (Bureau of Justice Statistics 2010). In comparison, the average annual cost per inmate in 2002 at the Safer Foundation “Crossroads” ATC was $21,529, a cost which includes a range of academic, vocational, treatment, and other services (Illinois Department of Correction, 2002). Despite the similar cost, the three-year recidivism rate in 2003 for clients who participated in Safer programs and achieved employment was only 24 percent, compared to a statewide average of 51.8 percent.

**Conclusion**

Asset-based re-entry programming is a promising strategy to improve the financial well-being of ex-offenders. Increasing
earning potential through such means as human capital and job development is the most basic step toward helping participants better leverage their most basic asset, their labor. However, given the labor market disadvantages, debt obligations, and policy barriers ex-offenders face, asset building interventions are essential for establishing financial security. Building a financial asset foundation through savings and debt reduction programs is an important step, protecting participants against income shocks and allowing them to make transformational life choices, such as the purchase of a vehicle or a deposit on an apartment or home. Re-entry programs that intervene in multiple ways and build multiple assets (financial, human, social) offer the most complete approach, recognizing that both disadvantages (such as labor market barriers) and advantages (i.e. asset building) are multiple and interactive. Given the many mutually reinforcing barriers former offenders face to financial well-being, many of the programs reviewed would do well to expand financial asset-building features and/or expand their often narrow focus to encompass multiple asset-building approaches.

Indeed, none of the programs surveyed take all of the asset-building approaches outlined in this paper. However, if the most promising of these can be combined, refined, and brought to a larger scale, the implications for the aggregate financial well-being of ex-offenders could be significant. Taxpayers may also reap substantial cost savings through reducing the costs of crime to victims, the justice system, and in terms of tax revenue foregone (Management & Training Corporation 2003). Asset-based policy is still a relatively new area, and has yet to be explicitly applied to work with ex-offenders. Therefore, the field is ripe for program development and evaluation to better understand and support this most marginalized of populations.

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Notes

1. Though groundbreaking, this research has certain limitations; respondents were largely male, and in Chicago they were self-selected through participation in re-entry programs.

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