

# Yes in My Backyard! Why Do Rural Communities Use Prison Based Economic Development Strategies?

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## **ABSTRACT**

The last twenty years has seen the dramatic emergence of prison based development strategies for economically distressed rural areas. The conventional wisdom is that many rural communities desperate for jobs have come to see prison construction as a viable strategy for preventing the decline of rural economies. Using a survey of local elected officials in the 28 rural counties of New York, we examine how their perceptions of economic conditions, the effectiveness of economic development policies, the economic and social impact of prisons, and the political dynamics affected their communities' decision to pursue prison based economic development strategies.

## **BIO**

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Rural communities used to view the siting of a state correctional facility as a threat to the communities long-term economic prospects. Now, many rural communities view prisons as a desirable source of jobs and fiercely compete to attract prisons (Mattera and Khan 2001). States are increasingly making the need for economic development a major consideration in the prison siting process (National Conference of State Legislatures 1999; Hoyman and Jordan 2000). In the 1990s, rural America experienced a dramatic prison-building boom, with 245 prisons opening in 212 of the nation's 2,290 rural counties (Beale 1996). The unlikely emergence of prison based development strategies raises an important theoretical and policy question: why do economically depressed areas increasingly turn to locally unwanted land uses like prisons and landfills as an economic development alternative (see Rephann 2000)?

The conventional wisdom is that many rural communities desperate for jobs have come to see prison construction as a viable strategy for preventing the decline of rural economies. Katherine Carlson writes "Prisons have become strategies for rural development by default rather than choice: community leaders opt for them in the absence of other viable alternatives for economic improvement (1995)." Indeed, anecdotal stories by politicians and newspapers have fueled the perception that prisons stimulate local economic growth (Thomas 1994; Glamser 1996; Erskine and Graham 2000; Clement 2002). However, recent empirical research suggests rural communities with prisons grow more slowly than their rural counterparts without prisons and that prisons may actually impede local growth (Farrigan and Glasmeier 2002; King, Mauer et al. 2003; Hooks, Mosher et al. 2004).

Prison-based economic development strategies provide an excellent case to better understand economic development decision-making. Little empirical research has been conducted on how local decision-makers perceive their economic conditions, the extent of choice

available to them in making economic development policy, and how these perceptions affect their use of economic development policies (Wolman and Spitzley 1996). Using a survey of local elected officials in the 28 rural counties of New York, half of which have sited at least one prisons since 1982, we examine how their perceptions of economic conditions, the effectiveness of economic development policies, and the economic and social impact of prisons affected their communities decision to pursue prison based economic development strategies.

### **The Emergence of Prison Based Economic Development Strategies**

The unlikely emergence of prisons as a rural economic development strategy is the product of the convergence of two seemingly unrelated trends: the economic downturn in rural America and the dramatic increase in the U.S. prison population. Over the last several decades, rural regions have experienced a dramatic restructuring of their economies (John, Batie et al. 1988). The shift from family farms to large-scale, capital intensive farms has reduced rural farm employment by 26.9 percent from nearly 2.5 million in 1975 to 1.8 million in 1996 (Service 2000). Similarly, the rural manufacturing sector has suffered from the erosion of rural economic base industries (John, Batie et al. 1988) and the shift of low skill manufacturing overseas (Rosenfeld, Bergman et al. 1985). The downsizing and loss of manufacturing facilities has had a negative spillover impact on employment, retail trade, and real estate values (Fitchen 1991).

The second important trend resulting in rural prison growth was the “get tough on crime” policies of in the late 1980s. From 1980 to 1998, there was a 400 percent increase in prison population (U.S. Department of Justice 1999, Hooks 2002), even though overall crime increased by only 7 percent (Lichtenstein and Kroll 1996). The greater incarceration rates resulted in an increase in prison construction. The combination of these two trends has led to a dramatic expansion in the number of rural prisons and prisoners. In the 1960s and 1970s, four new

prisons opened each year in non-metropolitan counties. In the 1980s, the rate quadrupled to 16 non-metropolitan prison openings each year. In the 1990s, the average skyrocketed to 24.5 prisons annually. The influx of new prisoners accounted for 5 percent of the national increase in the non-metropolitan population from 1980-1990 (Beale 1993).

In New York, the decline of the upstate economy has coincided with a prison construction boom. The restructuring of western and northern New York's manufacturing economy has led to economic stagnation which has produced a net out-migration, especially among 24-35 year olds (Pendall 2003), and declining wage growth (Fiscal Policy Institute 2003). Since 1982, New York has built 38 new prisons and 3 annexes, all but one of which were built in non-metropolitan areas in upstate New York (Jakes 2000). Under Governor Cuomo, \$1.5 billion was invested in building new prisons (28 of 29 being built in upstate counties), which contributed approximately \$435 million in annual operating expenditures and payroll (Schlosser 1998). The prison boom has produced its own mini-population boom in the region. In the 1990s, the number of upstate prisoners increased from 57,678 to 78,579 which accounted for 28.3 percent of the net new upstate residents (Pendall 2003). The boom in prison construction and corrections employment has led both prison and elected officials to use prisons as an economic development tool to bolster the upstate New York economy. In the words of New York Corrections Commissioner Thomas Coughlin, "Prisons are viewed as the anchor for development in rural areas (quoted in Smith 1990)."

### **The Economic Impact of Prisons: A Conflicting Portrait**

The conventional wisdom on the economic impact of prisons has swung dramatically in the last thirty years. Originally, prisons were viewed as a virtual death sentence for communities looking to develop their economies. Now they are viewed as a potential savior. In the 1980s and

early 1990s, the dramatic increase in the prison population led criminal justice and corrections scholars to perform a series of case studies whose intent was primarily to dispel potential host communities' fears about the negative impact of prisons on economic growth and crime (McGee 1981; Smykla, Ferguson et al. 1986). These early studies suggested that state correctional facilities did not decrease property values, deter the location of other industries, or hurt the community image for development (Stanley 1978; Hawes 1985; Abrams and Lyons 1987; Hodge and Staeheli 1988). Other case studies suggested prison sitings have a modest positive impact on the regional economy, especially when the prison facility's budget was large and the host community's economy was small, such as rural regions (Carlson 1991; Sechrest 1992).

The initial wave of prison siting case studies was largely premised on debunking the conventional wisdom that prisons hurt, rather than helped, a community's economy. However, as the bulk of studies found little evidence of significant negative impact, the conventional wisdom changed to the view that prisons actually helped a regional economy. A survey of state prisons found an average-sized, medium security prison creates 600-1,600 jobs, has an annual payroll of \$20-52 million, and produces a growth in population (both employee and inmate) that increases local tax revenue (Sechrest 1992; Shichor 1992). Prisons also provide a potential market for preparation and delivery of food, healthcare, merchandise for prison stores, transportation of prisoners, and security technology (Samara 2000).

Rural communities, suffering from persistent threats and cases of downsizing, were also attracted to the argument that prisons were a "sustainable" form of economic development. Financial analysts argued that prisons "can grow in bad times as well as good times because the crime rate goes up during recessions, and that means jail populations go up as well" (quoted in Samara 2000, see also (Hooks, Mosher et al. 2004). Unlike the recreation and tourist industries

that many rural areas depend upon, prison jobs are not seasonal. A study of Callam Bay Corrections Center in Washington State found the influx of corrections employees stabilized what had been a depressed and seasonal economy. The prison increased the population of the community and school enrollments; improved business revenues and the viability of local services, and reopened a closed supermarket (Carlson 1991). Mayor Ruth Carter of Canyon City, Colorado, which is home to four federal prisons, summed up the views of many officials, "We have a nice, nonpolluting, recession-proof industry here" (Brooke 1997).

Finally, rural communities are allowed to count inmates in developing Census population counts. The increased population gives rural communities greater clout in the apportionment of legislative seats and the distribution of federal and state funding for road-building, job training, and community development (Kulish 2001). For example, prisoners in the two correctional facilities in Coxsackie, New York's are 27.5 percent of the town's 1990 population. Their presence dramatically reduced Coxsackie's median income and made it eligible to receive more funding from the federal Department of Housing and Urban Development (Huling 2000).

Critics of prison-based development contend that the rosy economic estimates do not reflect the actual distribution of economic benefits (Krause 1991). First, while prisons create many jobs, many if not most of the positions do not go to local residents. Under union requirements, guards with greater seniority have priority. In New York, local residents are not able to work at their 'home' correctional facility until they have built up seniority working at downstate prisons (King, Mauer et al. 2003). Second, local residents typically do not have the skills or experience to qualify for correctional jobs (Fitchen 1991; Carlson 1995). Third, many of the correctional officers do not live in the host county (Summers, Evan et al. 1976). For example, the community of Crowley County, Colorado believed that the opening of a prison in

1987 would attract residents into the region; instead, employees preferred to commute to work from Pueblo and other urban areas rather than live in a completely rural area (Beale 1993). The result is an unequal distribution of costs and benefits. The drawbacks of the prison are in the immediate vicinity of the prison, but the benefits are accrued at the regional level (Abrams and Lyons 1987; Carlson 1995).

Critics also suggest that the prison-based development strategy has a limited impact on developing other aspects of the regional economy. Correctional facilities usually procure their supplies from outside the immediate region (Shichor 1992). While prisons bring jobs and money into rural areas, they have small economic multipliers in comparison to other industries (Clement 2002). Moreover, the sustainability of prisons has even been called into questions as declining crime rates (Clement 2002) and state budget crunches have produced a movement to reduce incarceration rates and close prisons (Times Union 2004). Finally, critics also suggest that while prisons can increase a county's tax revenues, they can also place significant burdens on their public works and law enforcement systems (Beale 1993; Beale 1996; Huling 1999).

Recent empirical analyses support the critics' arguments about the limited potential of prisons as an economic development strategy. National studies of prison siting have found that employment and per capita income grew slower in rural counties with prisons than in similar counties without correctional facilities (Hooks, Mosher et al. 2004) and that prisons have a limited economic impact in stimulating or diversifying rural economies (Farrigan and Glasmeier 2002). Similarly, rural New York counties without a prison had lower unemployment rates and higher increases in per capita income over the 25-year period from 1976 to 2001 than counties with prisons (King, Mauer et al. 2003). These empirical studies clearly suggest that prisons do not significantly improve the economic fortunes of rural communities and hint that prison-based

development may ‘crowd out’ other opportunities for growth as public resources are devoted to the prison and not to other potential employers or for investment in local infrastructure (Hooks, Mosher et al. 2004). The research on prison siting shows that while prisons have a very modest positive economic impact on short-term economic trends, their impact on the community’s long-term growth is unclear. Like other economic development policies, the evidence of the effectiveness of prisons based strategies is mixed, raising questions of how officials deal with the uncertainty.

### **Prisons as a Policy and Political Choice: A Policy-Based Model of Decision-Making**

In his extensive review of the economic development literature, Wolman (1996) found little empirical research has been conducted on how local decision-makers perceive their economic conditions, the extent of choice available to them in making economic development policy, and how these perceptions affect their use of economic development policies. Prison-based economic development strategies provide an excellent case to understand how the perceptions of elected officials affect their decision-making. The decision to seek a prison is a reflection of local elected officials’ perceptions of the economic and social impact of prisons on their communities and the viability of competing economic development alternatives. These perceptions are important because while there are certain formal criteria that potential prison sites must meet regarding size and infrastructure, experts agree that “[s]iting a prison remains predominantly a political process” (Carlson 1991). The conventional wisdom, according to Katherine A. Carlson who has studied prison siting in rural communities, is that “prisons have become strategies for rural development by default rather than choice: community leaders opt for them in the absence of other viable alternatives for economic improvement (1995).”

However, rural policy-makers have a choice to seek prisons, and many do not. This puzzle raises three important questions.

First, how do officials' perceptions of the economic impact of prisons affect their decision-making process? Much of the scholarship on economic development policy-making has emphasized the importance of short term electoral considerations rather than long-term economic considerations for elected officials (Eisinger 1995; Turner 2003). The electoral incentive encourages elected officials to focus on highly visible projects that they can claim credit for, such as offering tax incentives to induce a large corporation to relocate to their community (Burnier 1992; Wolman and Spitzley 1996). Similarly, prisons are touted by local officials as a guaranteed strategy for providing jobs and revitalizing distressed communities (Smith 1990; Hernandez 1996; Kilborn 2001; Clement 2002). However, critics cite the economic and social drawbacks of becoming a prison community in the long-term.

Second, how do officials weigh the need for economic growth and jobs with preserving the community's quality of life? Scholarship on economic development policy has emphasized that state and local actors place a high priority on economic stability because "it is the issue by which their performance and legitimacy are ultimately evaluated" (Wolman and Spitzley 1996). These concerns are especially salient to rural communities whose condition has deteriorated with manufacturing out-migration and the erosion of other foundational industries (John, Batie et al. 1988; Brown and Warner 1991). However, scholars have also noted that policy-makers' concerns about the availability of jobs are part of a larger and more fundamental concern about a community's quality of life (Reese and Fasenfest 1997; Beauregard 1999).

Third, how do policy-makers' perceptions about the feasibility of different economic development policies affect their decision-making? The limits of conventional economic

development policies of recruiting manufacturing investment for rural communities (Rosenfeld, Bergman et al. 1985; Barkley 1993) make the job creation potential of prisons attractive for desperate rural communities. However, alternative rural development strategies such as utilizing strategic planning and grassroots development (Shaffer and Pulver 1995), promoting the growth of a rural service economy (Glasmeier and Howland 1995), and adapting cluster-based principles (NGA Center for Best Practices 2003) may do a better job than prisons in fostering long-term economic growth without negatively affecting a community's quality of life.

We suggest that elected officials develop their economic development strategy based on their perceptions of local economic conditions, the viability of other economic development alternatives, and the perceived economic, social, and political consequences of specific policies. Using the case of prison based economic development, we posit that rural officials make their economic development decisions based on their perceptions about the answers to four fundamental questions.

1. How severe are the economic and social problems in the community?
2. How viable are the existing economic development policy alternatives?
3. What are the economic and social consequences of prison-based development strategies?
4. What are the political dynamics of adopting prison based development strategies?

This policy based model of decision-making assumes that political elites have choices to create different economic development strategies and that those choices are shaped by their perceptions of the economic and political consequences of those choices.

### **Survey Design**

In August of 2003, surveys were mailed to a broad range of individuals we determined would be likely to play a significant role in both local economic development and political

decisions in rural New York counties. Economic development policy-making in rural communities relies upon a more informal network of public and private officials (John, Batie et al. 1988). Our target population included local and county elected and economic development officials. Using the federal rural-urban continuum area codes, we classified all 28 non-metropolitan counties in New York as rural (Cook and Mizer 1994). Since 1982, exactly half of these counties have attracted a prison, while the other half either had prisons built previous to 1982 or never experienced a prison siting. Our response rate was approximately thirty percent. The sample included at least five responses from every county. The survey asked questions about decision makers' perceptions about the seriousness of economic and social problems, the effectiveness of different economic development policies, and the economic and social impact of prisons.

### **Local Officials' Perceptions of Economic and Social Conditions**

The survey asked respondents to rate the seriousness of nine different economic and social issues in their county or region as not a problem, a minor issue, a moderate concern, or a serious problem. Chart 1 indicates the percentage of respondents in all rural counties who rated the economic or social condition as a moderate or serious problem. More than 70 percent of all respondents rated the declining number of good jobs, the downsizing and loss of manufacturing facilities, the loss of farms/decline of agriculture sector, and unemployment as moderate or serious problems. The aging of population and reduced local tax base were also cited as significant problems as well. These survey findings are consistent with the well documented economic decline of rural and non-metropolitan economies and the upstate New York economy, in general (Fiscal Policy Institute 2003; Pendall 2003). Interestingly, the loss of community identity which emerged as the main challenging facing New York's rural communities in

Fitchen's in-depth qualitative case study (1991), was viewed as the least important issue for respondents. Officials clearly feel their communities are facing significant economic challenges.

### **Chart 1 Here**

We hypothesized that prison county leaders would perceive their communities to be more distressed economically and socially than did officials in counties that did not seek prisons. To test this hypothesis, we performed T-Tests on the difference in means between prison and non-prison county respondents' perceptions of different economic and social problems. Chart 2 compares the percentage of respondents in prison and non-prison counties who rated each of the nine problems as a "serious problem." We have only included results where the differences between the two sets of counties were statistically significant.

### **Chart 2 Here**

This comparison reveals that respondents from prison counties view their economic problems as more serious than do officials in non-prison counties. The only two exceptions were the loss of identity and declining number of good jobs where prison counties were higher, but the differences were not statistically significant at the .05 level. The largest difference between prison and non-prison counties was the seriousness of "downsizing and loss of manufacturing facilities" (18.3%) and the loss of farms/decline of agriculture sector (17.9%). These results suggest that the erosion of the traditional base industries of rural economies, agriculture and manufacturing, is hitting prison counties hardest. Moreover, the large percentage of prison county officials who indicated a reduced tax base was a serious problem (41.3%) suggests they feel constrained in their capacity to handle these problems. Prison counties clearly perceive their economic conditions as worse than non-prison counties.

## **Local Officials' Perceptions of Economic Development Strategies and Alternatives**

The next question we examined was whether prison county officials' perceptions of economic distress affects their economic development strategies. According to Katherine Carlson's case study of rural prison siting in Washington State, "Prisons have become strategies for rural development by default rather than choice: community leaders opt for them in the absence of other viable alternatives for economic improvement (1995) (Brooke 1997)." Her argument raises two important questions about how rural New York official view their economic development alternatives. First, do officials in counties with prisons adopt a less activist or different economic development strategies than counties without prisons? Second, do officials in counties with prisons believe that conventional economic development policies are not viable options for creating jobs for their communities? Our results suggest that prison counties are remarkably similar to non-prison counties both in their use of economic development policies and optimism about their effectiveness in creating jobs.

The survey asked officials to rate the significance of ten commonly used economic development policies in their county or region's economic development strategy. The ten policies were industrial attraction/retention, new business development, tourism promotion, agricultural promotion, expanding natural resource based industries, infrastructure improvement (sewers and roads), improving local educational system, workforce development, attracting state correctional facility, and accepting landfills or hazardous waste sites. These policies were identified by reviewing the literature on rural economic development policy (Reid and Sears 1995; Shaffer and Pulver 1995; NGA Center for Best Practices 2003).

Chart 3 shows the percentage of respondents who rated each policy as a major or minor component of their economic development strategy. Officials view industrial

attraction/retention, new business development, and tourism promotion as the three major components of their economic development strategies. Each policy was considered a major component of the county's economic development strategy by more than fifty-five percent of respondents. By contrast, strategies such as infrastructure improvement (roads/sewers), workforce development, improving the local educational system, and agriculture promotion are viewed as minor components of most counties' economic development strategies. Prison and non-prison counties have remarkably similar economic development strategies. There is no statistically significant difference in their economic development strategies with two exceptions: accepting state correctional facilities and landfills/hazardous waste sites. As we can see from Chart 4, attracting a state correctional facility and accepting landfills or hazardous waste sites are more likely to be a major or minor component of a county's economic development strategy. This finding is consistent with other studies which have found that economically depressed areas are using locally unwanted land uses, like prisons and landfills, to promote economic growth and jobs (Rephann 2000).

### **Charts 3 and 4 Here**

We asked officials "In your view, how effective are the following policies in promoting employment growth in your county or region?" We hypothesized that prison county officials would perceive these policies to be less effective than non-prison county officials. However, there was no difference in how officials in prison and non-prison counties viewed the effectiveness of different economic development policies, except that prison county officials were more optimistic about the potential of prisons, landfills, and tourism to increase employment growth.

These results suggest that the conventional wisdom about the lack of rural economic development activism (Brooke 1997) is not shared by local officials. Rural New York communities have an active economic development agenda and do not rely solely on prisons. Moreover, the importance of nurturing new businesses and attracting visitors in their strategies suggest policy-makers have absorbed the advice of economic development scholars about the importance of internal growth to economic development (Eisinger 1988). The results were also striking in how optimistic officials are about the potential of these economic development policies. As we can see in Chart 5, over sixty percent of our respondents thought that six of the nine policies had a “minor” or “significant” positive impact in promoting employment growth: industrial attraction/retention, tourism promotion, business development, infrastructure improvement, enhanced local educational system, and workforce development.

#### **Chart 5 Here**

#### **Local Officials Perceptions of Prisons Economic and Social Impact**

The perceptions of policy effectiveness raise an interesting puzzle, if both prison and non-prison counties have active economic development strategies and believe those policies are effective in generating employment growth, why do some local officials decide to attract a state correctional facility? We theorized that elected officials make decisions to pursue prisons, in part based on their perceptions of the economic and social consequences of prisons for the community and their community’s economic and social needs. As noted earlier, the research on the long-term economic impact of prisons is inconclusive, making officials’ perceptions of the impact of prisons especially important. While elected officials are concerned about the economic stability of their communities, they are also concerned about quality of life issues as well. We hypothesized that counties with prisons would be more likely to view prisons as a

source of economic growth whereas non-prison communities would view prisons as a threat to their communities' social fabric.

### **Chart 6 and 7 Here**

The survey asked officials whether they strongly agreed, moderately agreed, were neutral, moderately disagreed, or strongly disagreed with a series of positive and negative statements about the economic and social impact of prisons. Charts 6 and 7 reveal a stark difference in how prison and non-prison officials view the impact of prisons in their communities, and by extension, the use of prisons as an economic development strategy.

Chart 6 shows the percent of prison and non-prison county officials who strongly agreed with positive statements about the economic impact of prisons. The results confirm our hypothesis. Prison county officials were far more optimistic about the economic potential of prisons as an economic development strategy. Prison county officials were significantly more likely to strongly agree with the statements that: prisons “provide quality jobs”; “are a clean, non-polluting industry”; “are a recession proof industry”; “can help bring natives back to area”; “increase the tax base of the county”; and “enhance the retail sector.” T-tests on the differences of means were statistically significant. In contrast, non-prison officials were far more pessimistic about the social impact of prisons on their communities than prison county officials. Chart 7 shows non-prison officials were far more likely than prison officials to believe that prisons “hurt a community's quality of life” or “give the community a negative stigma.”

Elected officials' use of economic development policies are shaped by their perceptions of the economic and social conditions in their communities. The findings highlight the existence, or at least perceived existence, of a “jobs versus quality of life” trade-off by officials. In Janet Fitchen's sociological study of rural New York communities, she contends that the

social dislocation caused by the economic transformation of rural communities had led them to pursue policies that promote community survival (1991). She writes, “A special aspect of a prison’s appeal is that the jobs it brings may stem the tide of out-migration of the community's youth and may even be the means to lure back some of the local sons and daughters who have left town to seek jobs elsewhere.” Clearly, the allure of “bring the boys back home” plays a large role in official perceptions of prisons. As we can see in Chart 6, 52 percent of prison county officials moderately or strongly believe that prisons can help bring natives back to the areas in contrast to only 18 percent of non-prison officials. When we consider that approximately eighty percent of the respondents from prison counties viewed the declining number of good jobs and the downsizing /loss of manufacturing jobs as significant problems, it is not surprising that elites are willing to overlook the social externalities and limited economic impact prisons present for the employment base of prisons.

### **Who Says Yes?**

Much of the research on prisons as an economic development strategy has emphasized the dramatic increase in competition among rural communities seeking prisons (Pagel 1988; Smith 1990; Hernandez 1996). Implicit in these analyses is the notion that there is no conflict within communities seeking prisons on the desirability of that strategy. However, the results above suggest there is likely to be significant differences within communities on the relative importance of economic versus quality of life issues about the use of prisons as an economic development strategy. This raises two important questions-- who makes these decisions and how are they made? The literature on prison siting contends correction officials should utilize “open” strategies that promote community participation, instead of traditional closed strategies of decide, announce, and defend (Sechrest 1992). However, scholars of urban economic

development policy-making suggest the growth machine, a coalition of vested economic and political elites, typically keeps decisions about how to use public resources to promote economic growth off of the public agenda, to the detriment of community interests' concerns about quality of life issue (Molotch 1976; Swanstrom 1985). To determine whether there is a growth machine political dynamic in the adoption of rural prison based development strategies, we questioned respondents in prison counties: who initiated the prison siting process and which interests were supportive or opposed to the proposal?

The survey asked respondents: "Which officials were primarily responsible for the decision to seek a state correctional facility in the community?" The respondents could select all that applied: town elected officials, county elected officials, state legislators, local economic development officials, local business community, and the governor's office. As we can see from Chart 8, the driving political force behind prison-based development strategies in New York is a coalition of local elected officials consisting of county and town elected officials and state legislators. These are also the group of political officials who are most likely to be the political component of the growth machine as well as elected officials who use large public work projects, like prisons, as a credit claiming opportunity to improve their standing with voters (Mayhew 1974). Business interests, economic development officials, and the governor's office were significantly less important.

#### **Chart 8 and 9 here**

Scholarship on prison siting has emphasized the importance of building community support for the siting by increasing public involvement in the siting process (Sechrest 1992). We asked prison county officials to rate how five groups, local elected officials, economic development officials, the business community, farmers, and the general public, viewed the

siting of a prison in their county. As we can see from Chart 9, our respondents felt that local elected officials, economic development bureaucrats, and the business community were very supportive of prison siting. More than 65 percent of respondents viewed these groups as actively or passively supportive of siting a prison in their community. By contrast, the general public was viewed as far more skeptical. 18.6 percent of respondents viewed the public as actively opposed, 16 percent saw them as passively opposed while only 8 percent viewed them as actively supportive and 30 percent passively supportive to prison construction. These two charts suggest that in upstate New York, the use of prisons as an economic development strategy follows the growth machine dynamic closely. The siting of prisons is pursued primarily by a coalition of local elected officials and supported politically by economic interests, with the general public left as bystanders in the siting process.

### **The Perceived Economic and Policy Consequence of Prison Siting**

Finally, we were interested in how the siting of the prison had affected communities' economic and social conditions and their policy priorities. The results provide a better understanding of the short and long-term economic impact of prisons. We asked respondents from prison counties how the siting of the prison had affected twelve different economic and social conditions. As we can see from Table 1, most officials believed most economic and social conditions in their communities have largely stayed the same or slightly improved. A significant portion believed that the real estate values had slightly or greatly increased (63.7%), the number of good jobs had slightly or greatly increased (47.8%), per capita income had slightly or greatly increased (28.6%), influx of new industries had slightly or greatly increased (34.3%), and that unemployment had slightly or greatly decreased (34.3%) since the construction of the prison. The only exception was crime where only 1.4 percent felt it had slightly decreased

compared to 21.1 percent who felt it had slightly or greatly increased. These results are the perception of officials, not actual economic or social conditions, and they do not allow us to compare the relative performance of a prison county with a non-prison county. However, the results indicate that on the whole, the political leadership of these communities believes the prison siting has produced a modest economic improvement.

**Table 1 here**

We were also interested in how the prison siting had affected the communities' policy agenda. Studies of the impact of locating auto-manufacturing firms in rural areas have noted the social and economic changes wrought by the new firms often change the policy agenda of these communities (Hoyman 1997). More specifically, others have suggested that prison based development strategies may result in public resources being devoted to problems created by the prison that "crowd-out" investment in other areas (Hooks, Mosher et al. 2004). We asked officials how the importance of nine different policy areas had changed since the siting of the prison. Chart 10 shows the relative change in importance of these issues which equals the percent of respondents who said the policy areas had increased in importance minus the percent of respondents who said the policy areas had decreased in importance.

**Chart 10 Here**

The results suggest that prisons have a significant impact on the policy agenda of their host communities. On the positive side, 32.9 percent of prison county officials reported that economic development has increased in importance. In part, this increase is due to the continuing economic problems identified in Chart 1. However, it may also be the case that the planning process that accompanies a prison siting mobilizes the growth coalition described above to undertake subsequent economic development policies (Thayer 2004).

On the negative side, the results provide further evidence that prisons may “crowd-out” public investment. The siting of the prison increased the importance of sewer/infrastructure issues according to 41 percent of officials. The opening of prisons elsewhere has required local communities to invest in infrastructure, such as wastewater treatment, electrical services, and roads, to address the needs of the correctional facilities (Gaseau 1999). Similarly, 24.7 percent and 22.4 percent of officials surveyed agreed that social services and crime have also increased in importance. For example, after the siting of a prison in Lincoln County, Colorado, the region’s social service system reported “a distinct increase and case load because of domestic problems among families of prison personnel, perhaps stemming from the stressful nature of prison work” (Beale 1993, 19). Prisons also place pressure on local criminal justice systems since criminal and civil actions involving prisoners are processed by local and county courts. These changes are consistent with what critics of prison based development have found about prisons placing significant burdens on communities’ public works and law enforcement systems (Beale 1993; Beale 1996; Huling 1999). In comparison, the small increase in the importance of education on the agenda suggests that prison communities are forced to deal with the hidden costs of prison based development at the expense of issues, like education, which are more central to their long-term economic and social growth.

## **Conclusion**

The last twenty years has seen the dramatic emergence of prison based development strategies for economically distressed rural areas. We have sought to understand why rural officials say “Yes in my backyard” when the state Department of Corrections announces its intent to build a new prison. The conventional wisdom is that prisons are a strategy of last resort

for economically distressed areas. Our survey of elected local officials in rural New York counties suggests a more complicated explanation.

While prison counties officials viewed their economic problems conditions as slightly more severe than non-prison county officials, both sets of officials perceived their communities as facing significant economic challenges. Both sets of officials had very similar economic development strategies, premised on industrial attraction and retention, developing new businesses, and promoting tourism, and were equally optimistic about the viability of existing policy alternatives, with more than sixty percent of our respondents answering that their five most commonly used policies have had a significant or minor positive impact on employment growth.

Where prison and non-prison county officials differed was in their perceptions of the economic and social consequences of prisons. Prison county officials were far more optimistic about the potential of prisons as an economic development strategy, and agreed with many of the arguments made about prisons being a stable source of quality jobs, the industry being both clean and recession proof, and prisons providing ancillary benefits to the community in terms of increasing the tax base and retail sector and bringing natives back to the area. In contrast, non-prison county official viewed prisons as a creating a negative stigma and being a threat to the quality of life in their communities. These differences suggest the policy choices of elected officials are contingent on their perceptions of a “jobs versus quality of life” trade-off.

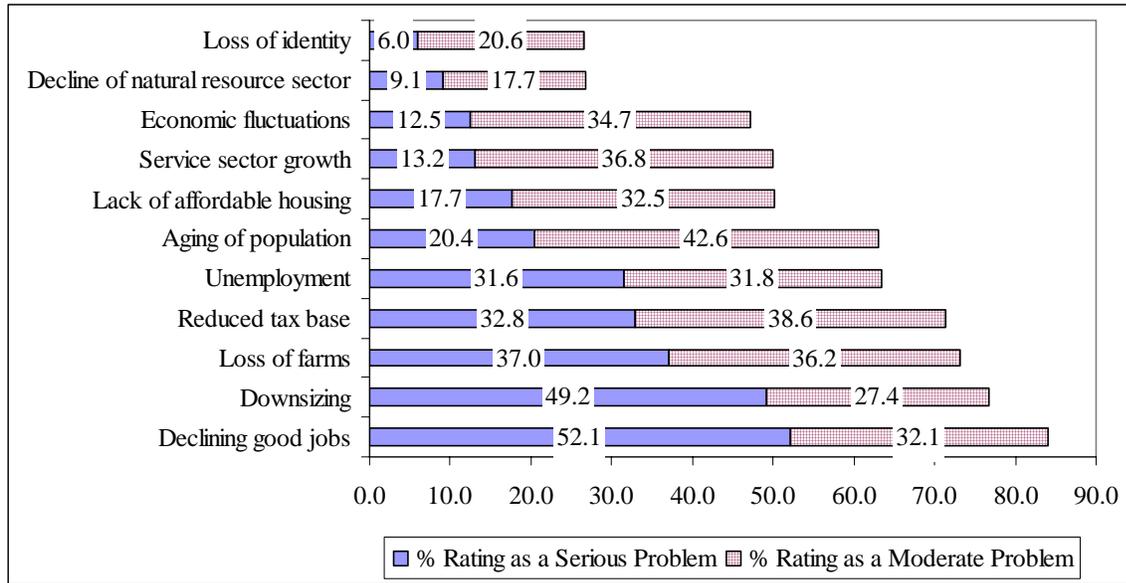
In addition to understanding why communities said yes to prisons, we also sought to understand the political dynamics. The survey results suggest the use of prisons as an economic development strategy is consistent with the growth machine dynamic. Namely, local elected officials provide the leadership and economic interests provide the political support, with the

public largely on the sidelines. These officials also believed that most economic and social conditions in their communities have largely stayed the same or slightly improved since the siting of the prison. However, the results provide evidence that prisons may “crowd-out” public investment as communities are forced to address the hidden costs of prisons based development such as infrastructure, social services, and crime.

Our research raises two larger issues. First, prisons have become the defacto approach to rural development in many states. We need more research by the economic development community on the distribution of short and long-term benefits and costs in prison based development. We also need to provide analysis about how prisons and other locally unwanted land uses compare with other economic development alternatives in promoting sustainable and equitable economic growth in economically distressed rural areas.

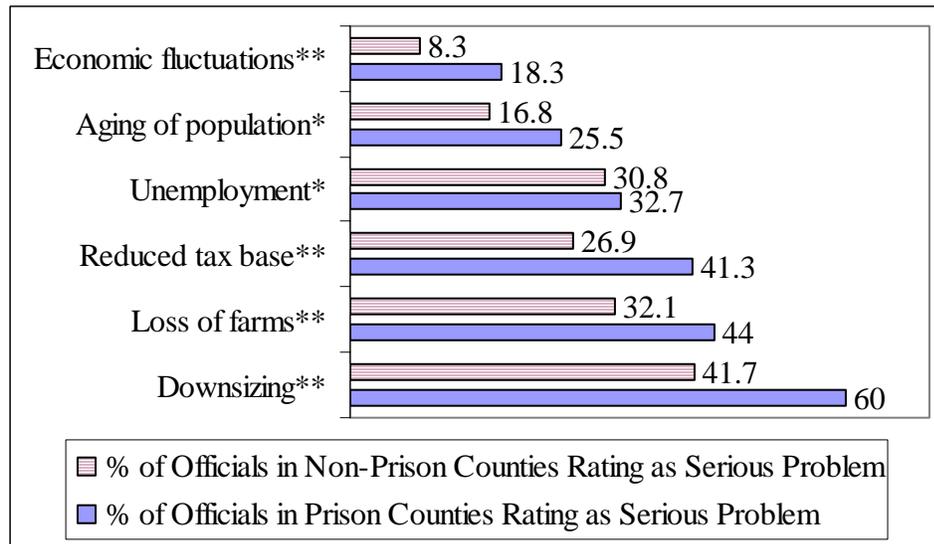
Second, our research also suggests the need for more empirical research on how decision-makers perceive their economic conditions, the extent of choice available to them in making economic development policy, and how these perceptions affect their use of economic development policies. This research could help answer the important question about local government officials’ policy choices: “Why do they do it, even though we tell them it does not work? (Wolman and Spitzely 1996)” As importantly, we need to better understand how those perceptions change in response to changes in political and economic conditions or improved policy analysis.

**Chart 1 Economic and Social Problems Facing Rural Communities**



Percent of respondents who responded “serious problem” or “moderate problem” when asked to “rate the seriousness of the following economic and social conditions in your county or region.”

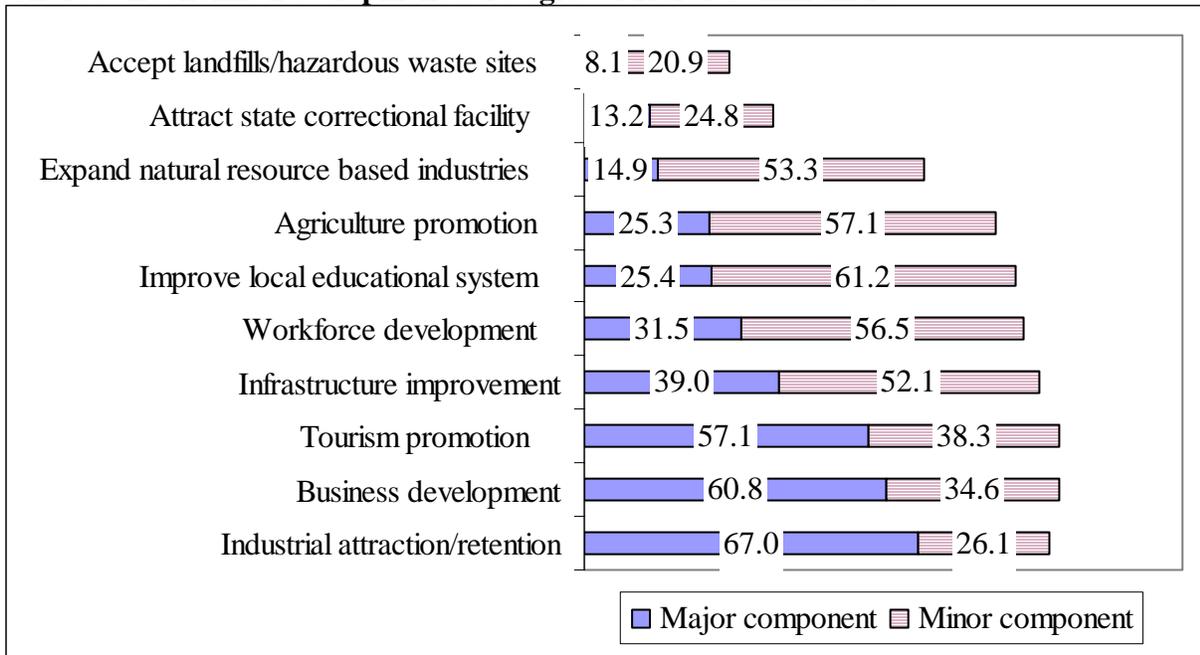
**Chart 2 Differences in Officials’ Perceptions of Economic Conditions**



Method: T-Tests on difference of means

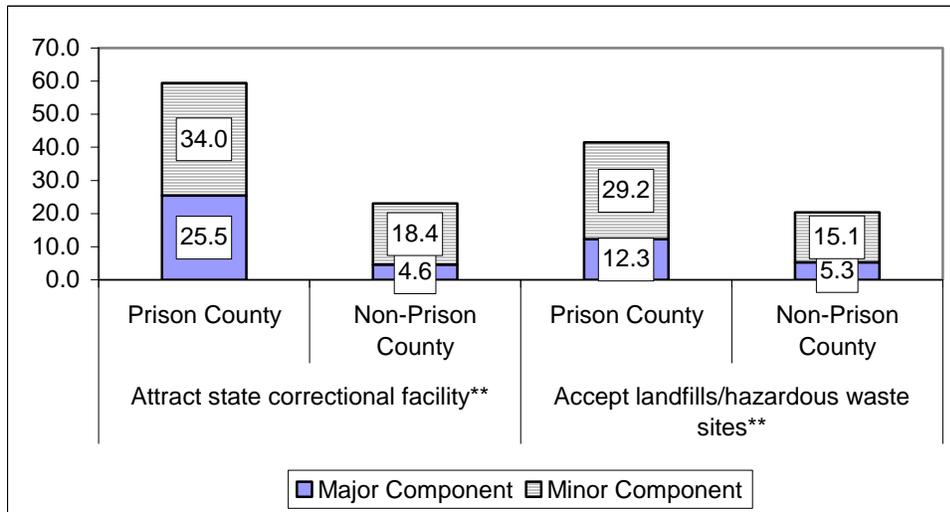
\* Statistically significant at the .05 level; \*\* statistically significant at the .01 level;

**Chart 3 Economic Development Strategies of Rural Communities**



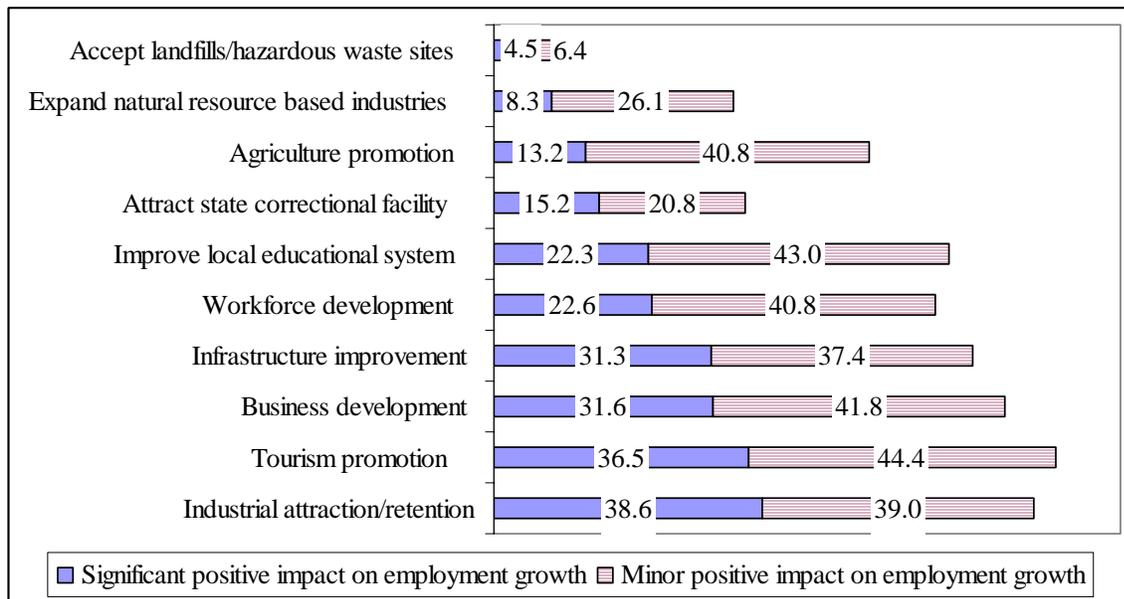
Percent of respondents who answered “major component” or “minor component” in response to the question, “How significant are the following policies in your county or region’s economic development strategy?”

**Chart 4. Differences in Economic Development Strategy**



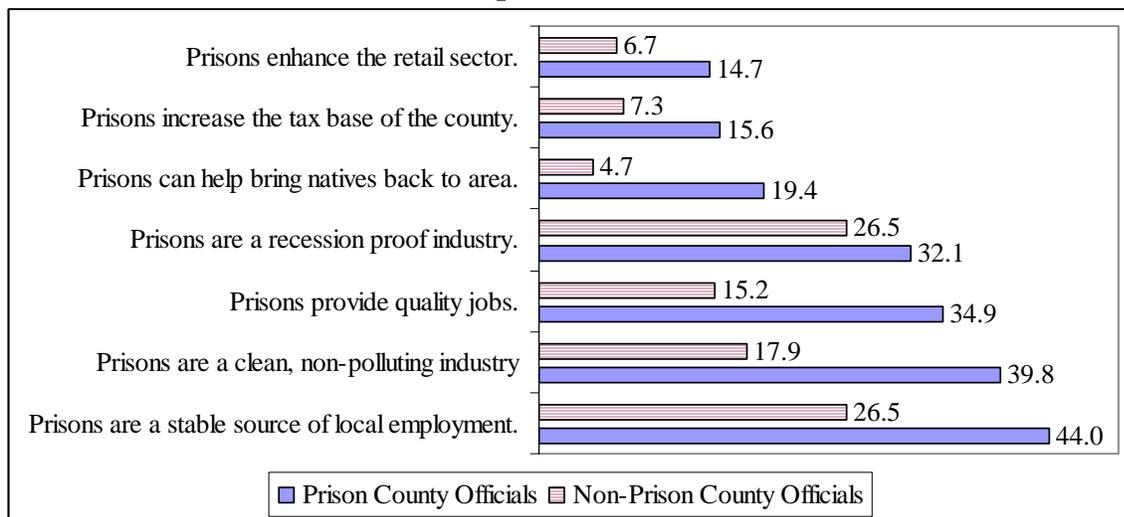
Method: T-Tests on difference of means; \*\* statistically significant at the .01 level;

**Chart 5 Perceived Effectiveness of Economic Development Policies**



Percent of respondents who answered “significant positive impact” or “minor positive impact” in response to the question, “In your view, how effective are the following policies in promoting employment growth in your county or region?”

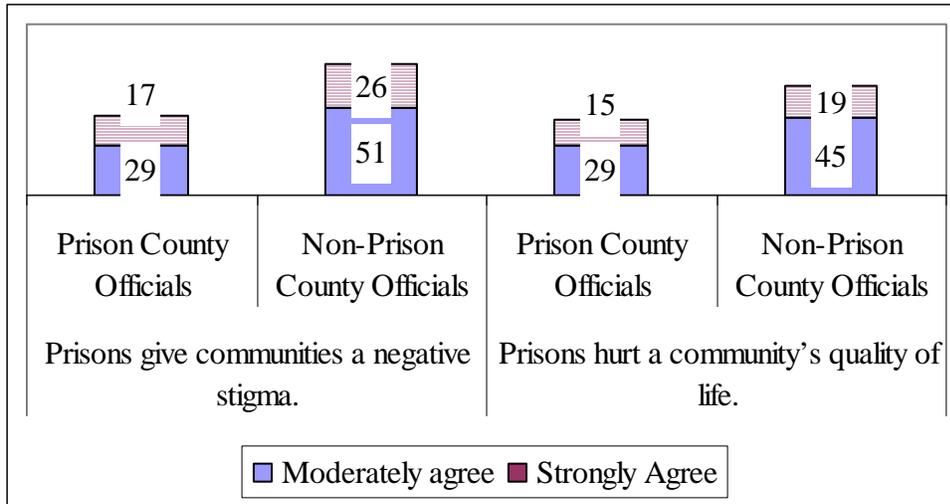
**Chart 6 Perceived Economic Development Potential of Prisons**



Percent of respondents who answered “strongly agree” when asked to evaluate the statements about prisons.

Method: T-Tests on difference of means. All differences are statistically significant at the .01 level.

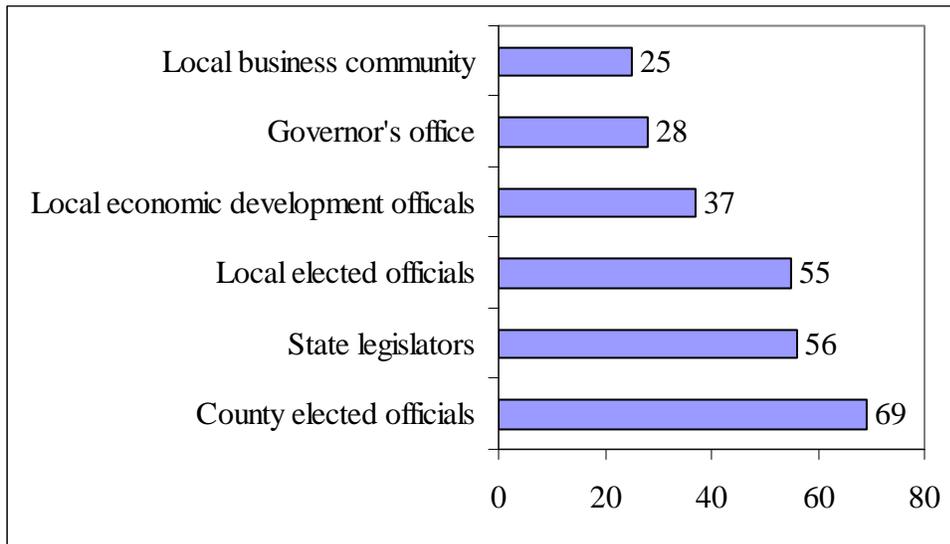
**Chart 7 Perceived Negative Social Impacts of Prisons**



Percent of respondents who answered “strongly agree” or “moderately agree” when asked to evaluate the statements about prisons.

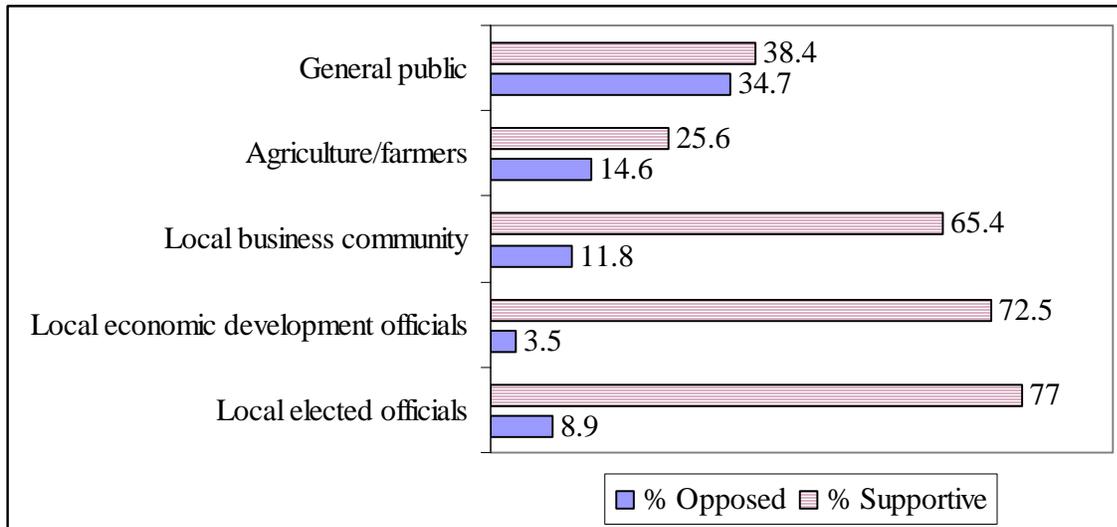
Method: T-Tests on difference of means. All differences are statistically significant at the .01 level.

**Chart 8 Political Leadership and the Siting of Prisons**



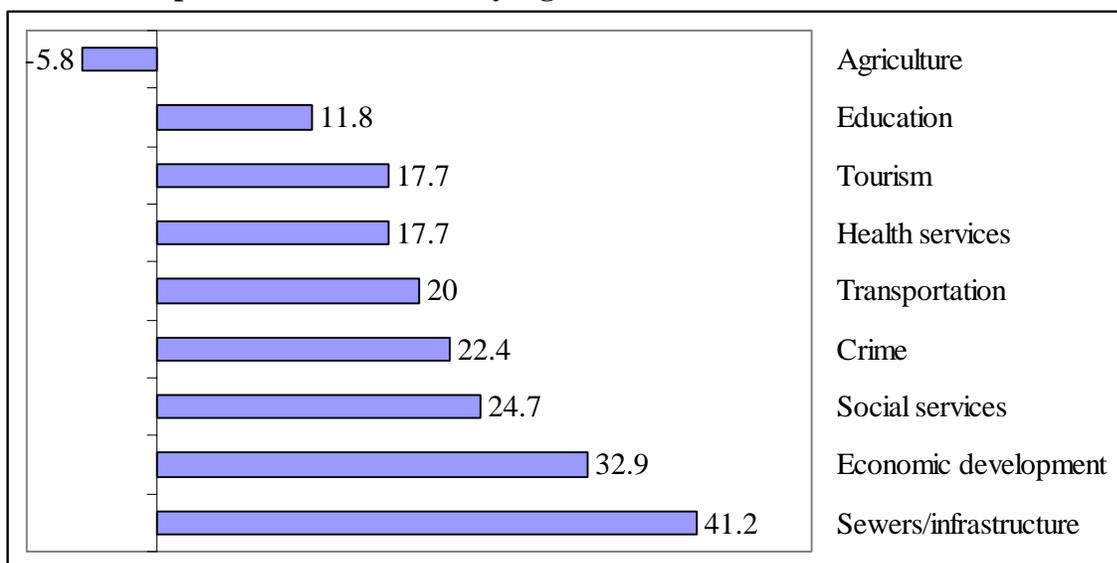
Percent of respondents from prison counties who identified each group when asked “Which officials were primarily responsible for the decision to seek a state correctional facility in the community?”

**Chart 9 Community Support and Opposition to Prison Siting**



Respondents were asked to rate how the following groups viewed the siting of a prison in your county or region.

**Chart 10 Impact of Prisons on Policy Agenda**



Percent of survey respondents who said the policy areas had increased in importance minus percent of respondents who said the policy areas had decreased in importance.

**Table 1. Perceived Impact of Prison on Economic and Social Conditions in Community**

	<b>Greatly decreased</b>	<b>Slightly decreased</b>	<b>Stayed the same</b>	<b>Slightly increased</b>	<b>Greatly increased</b>
Real estate values	0%	1%	35%	57%	7%
Per capita income	0%	10%	51%	39%	0%
Number of good jobs	0%	9%	44%	36%	12%
Influx of new industry	3%	11%	51%	34%	0%
Local tax base	0%	6%	63%	31%	0%
Aging of population	0%	3%	59%	29%	9%
Retail/business confidence	1%	17%	51%	28%	3%
Unemployment	1%	33%	43%	23%	0%
Tourism industry	0%	1%	70%	22%	7%
Crime	0%	10%	68%	16%	6%
Quality of life	3%	11%	70%	16%	0%
Reliance on seasonal industries	0%	16%	77%	6%	1%

Cells are the percentage of survey respondents who answered “Since the siting of the prison in your county or region, how have the following economic and social conditions changed?”

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