

Lost offender productivity

Cost category Costs in response to crime

Cost item Lost offender productivity

Definition net loss of output from having offenders in prison and able only to work less productively than otherwise

Theoretical discussion [link to relevant section in Bibliography]

Preferred estimation methodology To measure lost productivity need an estimate of external earnings; offenders could have generated if not in prison. Subtract the value of any production in prison (generally agreed to be low)

Comments Offenders typically are not very productive while in prison. If they would not have been productive outside, (and unemployment rates are typically relatively high for offenders) then nothing much is lost. But if they lose the capacity to follow a productive job or profession then the losses to society as well as the offender can be significant. This is part of the reason why those deciding on punishments may take account of labour market status when selecting sentences.

Usage normally ignored

Offences normally included normally ignored for all offence types, although potentially applies to any offence type for which offenders may be imprisoned.

Formula
$$\frac{\text{present value of average wage prior to conviction} - \text{average value of output while in prison} * \text{proportion of offenders imprisoned for offence type } j * \text{number of offences of type } j}{\text{estimated number of offences to get average cost.}}$$

Data sources national crime victim surveys, earnings surveys with average wage rates, for different groups of workers including those from which offenders are drawn.

Example