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California Prison Industry Authority (CALPIA) Provides Economic Benefit of \$497 Million for State *CALPIA's annual demand for materials spurs private sector job growth*

(Folsom) California Prison Industry Authority's (CALPIA) 2008-09 Fiscal Year (FY) sales and in-state expenditures of \$282 million had a \$497 million multiplying benefit for the California economy, according to a December 2010 economic impact report.

Additionally, CALPIA's activities for the 2008-09 FY had a total California household income impact of \$132 million, and a total California employment impact of 2,394 jobs.

The report concludes that if CALPIA did not exist, total sales activity in California would have declined by \$295 million, state household income would have declined by \$75 million, and more than one thousand California jobs would have been lost.

The primary economic benefit is from CALPIA's purchases of services and raw materials (intermediate inputs) from California retailers, who, in turn, add to their payrolls and make additional purchases from other businesses. Capital investments and CALPIA's civilian payroll add to the multiplication of benefits throughout California's economy.

CALPIA also provides savings to the State's General Fund through lower recidivism. Participants in CALPIA work programs are 25 to 30 percent less likely to return to prison than the general prison population, resulting in ongoing savings of \$49,000 per year, every year, for each parolee that does not return to prison.

The Economic Impact of the California Prison Industry Authority on the California Economy for FY 2008-09 was produced by Thomas R. Harris, Director of the University Center for Economic Development at the University of Nevada, Reno, George Goldman, of the University of California, Berkeley, and Shannon Price.

See the full report here:

http://pia.ca.gov/public_affairs/pdfs/CALPIA%20Economic%20Impact%20Study%202008-09.pdf

CALPIA is a self-financed and self-sufficient state entity that receives all of its revenue from the sale of products it manufactures. The recidivism rate among CALPIA inmates is more than 25 percent lower than the general prison population, a success attributed to the job skills inmates receive by working in CALPIA business enterprises.