

Written Statement of Professor Shon Hopwood

House Committee on Small Business

October 23, 2019

Hearing: “Prison to Proprietorship: Entrepreneurship Opportunities for the Formerly Incarcerated.”

Thank you, Chairperson Nydia Velázquez, and all members of the Committee, for the opportunity to testify in enthusiastic support of the “Prison to Proprietorship Act.”

I am an attorney and law professor at Georgetown University Law Center, and as a legal scholar, I study criminal justice, and particularly the federal criminal justice system. But before I became a member of the legal academy, I served nearly eleven years in federal prison for committing several bank robberies in my early twenties. So I’m one of the few people who has experience inside the Federal Bureau of Prisons and has studied the federal criminal justice system as a legal academic outside of prison.

Every year, more than 600,000 people leave American prisons and return to communities across the country. Indeed, nearly ninety-five percent of people currently in prison will one day be released. And one of the biggest issues facing people reentering society from the prison system is finding gainful employment. As the non-profit Prison Policy Initiative found, “the unemployment rate for formerly incarcerated people is nearly five times higher than the unemployment rate for the general United States population, and substantially higher than even the worst years of the Great Depression.”¹

¹ Lucius Couloute & Daniel Kopf, *Out of Prison & Out of Work: Unemployment Among Formerly Incarcerated People*, PRISON POLICY INITIATIVE (July 2018).

Many former prisoners experience difficulty finding a job after release. The reasons are understandable. During their time spent in prison, many lose vital work and social skills, and few are given an opportunity to gain work experience because job training programs in prison are scarce. Many suffer from mental health and substance abuse issues that go untreated inside the prison system and remain so upon their reentry into society. Those who have served a long sentence often have little in the way of family, friends, or community support upon their reentry, leaving them vulnerable to economic downturns. The stigma of a felony conviction also makes it difficult for those leaving federal prison. That is especially true for those convicted of federal sex offenses, who are virtually unemployable upon their release. As a result of these many factors, 49.3% of people released from federal prison will be rearrested for a new crime or a violation of their supervised release conditions within eight years of release.²

Employment often helps formerly incarcerated people gain economic stability after release and reduces the likelihood that they commit new crimes and return to prison, thereby increasing public safety for all of us. For many formerly incarcerated people locked out of the job market upon their return to their community, the best road to gainful employment is entrepreneurship, and particularly small business ownership. Starting a small business doesn't require an employer to give them an opportunity; there is no felony box to check on an employment application for those starting a small business. And many people coming out of prison have the internal drive and hustle necessary to start and sustain a small business.

² See U.S. SENT. COMM'N., *RECIDIVISM AMONG FEDERAL OFFENDERS: A COMPREHENSIVE OVERVIEW* 5 (2016).

Take Marcus Bullock as an example. Marcus served eight years in prison, and after he was released, he was rejected from more than 140 jobs.³ Marcus eventually found employment and he decided to create his own business. He created Flikshop, a social media platform that allows people to send messages and pictures to those in prison for \$0.99 a piece. Flikshop has been so successful that former NBA All-Star Baron Davis invested in the company, and Bullock now employs 18 full-time staff, many of whom are formerly incarcerated.

Prison entrepreneurship programs have already proven successful. In Texas, the Prison Entrepreneurship Program (“PEP”) selects people in prison for the program and then provides them a 3-month character development course, followed by a 6-month “mini-MBA” program.⁴ Program participants then compete in a Business Plan Competition, modeled after the same competition held at major universities. By the end of 2016, the Prison Entrepreneurship Program graduated more than 1,700 men at two different locations. The recidivism rate for those who graduated the program was a mere seven percent, roughly one-third the normal recidivism rate for those reentering from a Texas prison.⁵ This program changed lives and made communities safer, and they serve as examples of what access to entrepreneurship could do to improve the federal prison system.

Of course, some will ask why we should spend money on entrepreneurship programs for those in prison who have broken the law, when law-abiding citizens don’t have free access to the same programs. That sentiment is understandable but short-sighted. If the goal is to make communities safer through recidivism reduction, then providing job training or educational programs inside prison makes eminent

³ Michael A. Fletcher, *The Creator of This Social Media App Wants Prisoners to Stay Connected to Their Families*, THE UNDEFEATED (Jan. 22, 2019); Devin Thorpe, *Entrepreneur Launches Tech Company to Help Incarcerated People Connect with Family*, FORBES (Mar. 13, 2018).

⁴ See <https://www.pep.org/empowering-innovation/>.

⁵ See ELIZABETH ENGLISH, THE PRISON ENTREPRENEURSHIP PROGRAM: AN INNOVATIVE APPROACH TO REENTRY, AMERICAN ENTERPRISE INSTITUTE 5 (2016).

sense. One Rand Corporation study found that people in prison who participated in correctional educational programs had a forty-three percent lower recidivism rate than nonparticipants, and that for every dollar spent on educational programs inside prisons, taxpayers save up to five dollars on reprosecution and reincarceration when someone doesn't reoffend.⁶ Another study examined 3,200 prisoners released from prison across three states, and found that prisoners who participated in education programs while in prison had lower recidivism rates than those who did not participate.⁷ Providing educational opportunities, including entrepreneurship programs, also creates a better society by empowering the formerly incarcerated to be business owners, and thereby provide for their families and serve as role models to others in their community.

In sum, prison entrepreneurship programs offer the promise of reducing recidivism, saving taxpayer dollars that might be spent on reincarceration, and bettering the lives of the formerly incarcerated and their families, thus making all of our communities safer and stronger. For these reasons, I enthusiastically support the Prison to Proprietorship Act and hope this Committee will turn this wonderful idea—that has already worked in states like Texas—into federal law.

⁶ See Lois M. Davis et al., *Evaluating the Effectiveness of Correctional Education: A Meta-Analysis of Programs That Provide Education to Incarcerated Adults*, RAND CORPORATION (2013).

⁷ See Stephen J. Steurer, Linda Smith & Alice Tracy, *Three State Recidivism Study*, CORRECTIONAL EDUCATION ASSOCIATION (2001).