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Debt to Society: Asset Poverty and Prisoner Reentry

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Abstract Every year, millions of people exit American jails and prisons and attempt to reintegrate into society. Ex-offenders face many obstacles during the transition. Scholars contend that securing employment is central to a successful transition. A job that allows an ex-offender to earn an income above the poverty line is especially significant, recent studies have shown. Consequently, many prisoner reentry initiatives are focused on expanding employment opportunities for ex-offenders. However, the almost exclusive emphasis on employment as the measurement of economic well-being is short-sighted because it ignores the importance of financial education and asset ownership. Prisoner reentry programs should include an emphasis on financial education in addition to an emphasis on employment as a means of reducing recidivism rates and improving the economic well-being of the ex-offenders and receiving communities. The paper concludes with a discussion of policy implications.

Keywords Asset poverty · Prisoner reentry

Prisoner reentry programs attempt to address a wide range of issues. One of the main goals is to reduce recidivism rates. However, reentry programs tend to focus almost exclusively on increasing the income levels of ex-offenders, while failing to provide them with the information and skills that could assist them in accumulating vital assets. Income, while important, meets the short-term needs of ex-offenders. Asset ownership, on the other hand, meets the long-term needs of the individual, their family and the receiving community, which is why focusing on financial literacy is so important. The purpose of this paper is to highlight the need for prisoner reentry programs to incorporate asset development as a key outcome. The wealth gap between blacks and whites has persisted over time and the mass incarceration of

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individuals within the black population only exacerbates the problem by literally removing hundreds of thousands of people from the asset accumulation process.

The causes and consequences of mass incarceration on the black community are well-documented and efforts to reintegrate ex-offenders into society are varied (Clear 2007). The causes include: mandatory minimums; recidivist statues; harsher sentencing guidelines; lack of alternatives to incarceration; increased difficulty in getting paroled; increased ease with which parole violators are returned to prison; and the War on Drugs (Rudovsky 2008). Between 1980 and 2005 drug arrests quadrupled. Drug arrests went from about 40,000 to over 500,000 (Rudovsky 2008). While research has shown that whites and blacks use drugs at about the same rate, blacks are twice as likely to be arrested for drug offenses (Fellner 2009).

The costs associated with mass incarceration for individuals, families, communities, and the society at-large are great and can include: a decrease in earning power; disruption of the black family structure; economic strain; health problems and poor academic performance among affected children (Clear 2009). The issues surrounding matters such as, prisoner reentry have taken center stage (Burke 2001; Lattimore et al. 2005; Travis et al. 2005). Law enforcement agencies, ex-offenders, law makers, social service providers, and community residents alike have expressed concern that programs to reintegrate offenders are not adequate to meet the enormity of the need either in quantity or quality. For instance, ex-offenders and the communities that will receive them have the challenge of dealing with employment, substances abuse, health, family, community, attitudes and explanations, and criminal involvement (Visher et al. 2004). Planning for the reintegration and re-socialization of ex-offenders is critical. Aiding ex-offenders with identifying gainful employment is viewed as on the most significant determinants in explaining variations in the likelihood of recidivism (Holzer et al. 2001; Petersilia 2001). Employment, the argument goes, cannot only keep an ex-offender out of poverty, but out of the underground economy, and thus reduce the probability of reoffending (Seiter 2002). Moreover, employment can lead to the acquisition of benefits that may facilitate much needed substance abuse and/or mental health services (Wilson and Royo Maxwell 2005).

There are a number of problems associated with the almost exclusive emphasis on employment. Equating overall economic well-being with a good paying job is reflective of a larger problem found among some academics, policy makers, and laypersons. Research has shown that having a good paying job or decent income, although important, is simply not enough. Individuals with similar levels of income may own different types of assets and at very different levels (Oliver and Shapiro 1995). The importance of asset ownership becomes especially salient in the time of an economic crisis, like being laid off or suffering from a severe health concern (Sykes 2003). Recent studies have also shown that while income disparities exist between various social groups in America, the wealth gap is not only much greater, but it is also more persistent (Lerman and McKernan 2008; McLean and Thompson 2007; Oliver and Shaprio; Willhelm 2001).

Ex-offenders may be at greater risk of being both income and asset poor than other subpopulations, especially ex-offenders of color (Clear 2007; Holzer et al. 2001; Marbley and Ferguson 2005; Roberts 2003). People of color have experienced institutional barriers and have been the victims of personal practices that have hindered their ability to not only find employment, but their ability to accumulate assets, too. Herein lies, another dimension of what has been described as the hidden costs of incarceration and reentry (Travis et al. 2005). The potential ramifications associated with the latter may be far greater than for the former (Caner and Wolff 2004; McLean and Thompson 2007; Oliver and Shapiro 1995; Sykes 2008a, b). Asset poverty may be a result of a number of factors including: racial discrimination; low levels of human capital; limited access to inheritance; and discrimination in mortgage lending (Sykes 2008a, b). Not only do black ex-offenders have membership in a racial group that is more likely to have a zero or negative net worth than others, they also lack the financial literacy often required for wealth accumulation.

Drawing from data about asset ownership for the black population, generally, a number of important questions pertaining to black ex-offenders are examined. To what extent are black ex-offenders at greater risk than other racial and ethnic groups for asset poverty and why? How does the dual labor market theory help explain the significance of addressing income and asset poverty? What can be done to increase the types and levels of assets owned by black ex-offenders? What are the policy implications?

Mass incarceration and prisoner reentry

As of June 2007, roughly 2 million people were held in custody, either in jail or in prison. More than 95% of those in custody are serving sentences in excesses of 1 year. The number of people entering correctional facilities is increasing at the same time that, offenders exiting the facilities in increasing. More specifically, statistics show that during 2006, the number of offenders entering the system and the number of ex-offenders being released increased by more than 2% from the previous year. About 750,000 were being admitted into prison while 713,000 were being released, in 2006 (Bureau of Justice Statistics 2008).

Incarceration rates vary by race, gender and age, among other factors. Most of those in custody are men, however, there about over 200,000 women in custody, also. More than a third of the prison population is comprised of black males (35%). White males make up 33% of the prison population followed by Hispanic males who make up about 18% of the population. Although the greatest percent of black males in custody were between the ages of 20 and 29; black males, between the ages of 30 and 34, had the highest custody incarceration rate of any group. In fact, black males were 6 times more likely to be held in custody than their white counterparts (Bureau of Justice Statistics 2008).

The incarceration rates for black women held in custody were greater than for Hispanic or White women. The rate for black women was 348 per 100,000, compared to 146 for Hispanic women and 95 for white women. For the most part, black women in prison or jail were held in custody at higher rates than all other women, irrespective of age. In 2007, black women were about 4 times more likely to be held in custody than white women (Bureau of Justice Statistics 2008).

Of the many Americans in custody, millions will not spend the remainder of their natural lives incarcerated. Nearly three-quarters of a million individuals left American prisons in 2005 and nearly 10 million left jails. Many ex-offenders come from a low-income background and return to it upon release. Studies have shown that ex-offenders rely on financial support from family members and friends for months after their reentry and in some cases for years. In Maryland, for example, about 80% of ex-offenders were living with a family member or friend, 2 months after their release. One reason that ex-offenders rely on financial support from their family members and friends is due to a lack of employment opportunities.

In the District of Columbia, for example, less than 60% of ex-offenders were working full-time, a year after their release and about 10% were working part-time. Similar findings were observed in cities such as Cleveland, Ohio. Ex-offenders who find employment often do so in industries that require very little or no skills. Popular industries for ex-offenders include jobs in the construction industry as manual laborers food service, maintenance, and manufacturing sectors. Many of these ex-offenders are underemployed when compared with the types of employment opportunities they had before their incarceration.

Dual labor market theory focuses on discrimination and poverty in the labor market. Dual labor market theory holds that the labor market is segmented. The labor market consists of a primary and a secondary tier. The primary tier is characterized by well-paying jobs with benefits that require relatively high skill sets. The secondary labor market, on the hand, is characterized by low paying, unsecure, dead-end jobs. Due to factors such as discrimination and low levels of human capital (i.e. relatively lower levels of education), certain social groups are relegated to the secondary labor market. Blacks, women, and ex-offenders are among the social groups over represented among workers in the secondary labor market. Longing for unfettered access to the primary labor market, some look to the underground economy. Underground economic activities can range from babysitting to cutting hair to selling drugs. Participating in the underground economy, especially in illicit activities like selling drugs, places some ex-offenders at-risk of incarceration.

Not only is the over representation of ex-offenders in the secondary labor market a risk-factor, but the indebtedness of some ex-offenders upon release is another risk-factor. Ex-offenders fortunate enough to find employment in the primary sector or even in the secondary sector, may find significant proportions of their pay committed before they even receive their paycheck. McLean and Thompson (2007) found that many ex-offenders have difficulties meeting their financial obligations, some of which are ordered by the court. These financial obligations might include, but not be limited to, child support, court fees, restitution, fines and drug testing fees. The study paints this bleak picture:

> Most people released from prisons and jails have few financial resources. It is unlikely their financial outlook will improve soon after their return to the community. On average, people released from prison are about 34 years old. Typically, 90% of these individuals are male, and more than half are African-American or Latino. They have little education and few marketable job skills. Generally, they return to the neighborhoods they came from or similar locales, where job opportunities are particularly limited (1)

The financial challenges do not only impact the ex-offender, but they touch family members, friends, neighborhoods and the society at-large.

Wealth inequality and asset poverty

The fact that prisoner reentry success has become nearly synonymous with gainful employment is not surprising. For some time, scholars have measured economic well-being by an individual's or a group's income, education, and occupational prestige. Increasingly, scholars are devoting greater attention to the role that assets play in determining whether an individual or group is economically insecure or economically autonomous. The research in this area is voluminous and includes the following findings.

Blacks, by some estimates, are twice as likely as whites to be asset poor (Caner and Wolff 2004). An individual or household is considered to be asset poor if they do not have access to wealth resources to meet their basic needs for a limited time period (Caner and Wolff 2004). Given the limited resources of most ex-offenders, it is easy to see how so many could be at-risk of being or becoming asset poor. While their status of ex-offender has placed them in a very precarious position, asset poverty has plagued the black population as a whole, for centuries.

Blacks, as a whole, have experienced great discrimination, in general, but especially as it relates to asset ownership (Drake and Cayton 1945; Feagin and Vera 1995; Feagin and Sikes 1994; Grannis 1998; Keister 2000; Sykes 2008a, b). Why racial and ethnic differences exist and why it persists are questions scholars have attempted to answer with mixed results. The explanations are diverse and include the following explanations: (1) the role of financial inheritance; (2) discrimination in mortgage lending; and (3) contemporary social policies.

Blacks are less likely to either give or receive intergenerational transfers of wealth (Keister 2000). Not only are whites more likely than blacks to receive intergenerational transfers of wealth, whites also receive significantly larger amounts (Avery and Rendall 2002; Willhelm 2001). Wealth transfers may be used in a variety of ways including college tuition or to accumulate assets such as a home, business, rental property, stocks and more (Myers and Wolch 1995). Racial differences in financial inheritance perpetuate racial wealth inequality. Moreover, historic and contemporary mortgage lending practices which advantage some groups at the expense of others also explains some of the observed racial wealth differences. Black applicants are more likely to have their applications rejected when compared with comparable white applicants. Black applicants are also more likely than their white counterparts to be subjected to predatory lending schemes which from the onset places, them at a greater risk for turning their asset into a liability. One need only look to the overrepresentation of blacks and other minorities among homeowners facing foreclosure in the current housing crisis. Finally, contemporary social policies like redlining which was institutionalized in the 1930s by the federal government and adopted by other lending institutions created a pathway to wealth for some, mainly members of the dominant racial group, while simultaneously shutting out others.

Recent data on racial and ethnic differences in asset ownership indicate that racial and ethnic differences in home ownership and housing values are not the only measures of wealth inequality, although it is this subject that garners a great deal of attention (Sykes 2008a, b). Using data from the Panel Study of Income Dynamics, Gouskova and Stafford (2009) found that in 2007, about 4% of blacks owned a business compared to almost 13% of whites. While 58% of blacks had a checking or savings account, almost 90% of whites did. A little less than 7% of blacks owned real estate outside of their primary residence compared to 17% of whites. Less than 6% of blacks reported owning stocks in 2007 compared to approximately 28% of whites. Just over 40% of blacks reported owning a home and more than 70% of whites reported the same.

Not only were blacks less likely to have certain assets when compared with whites, but they possessed each asset at lower levels. On average, the value of business owned by a white respondent was about $53,000 and the value of a black owned business was almost $12,000. The average black household had $7,000 in the bank, either in a checking or savings account. The mean average value of bank accounts possessed by white householders was $31,000. Stocks, owned by blacks, were worth about $3,000 in 2007 compared to almost $63,000 for whites, during the same year. The mean average net worth for whites in 2007 was $425,000 and the mean average net worth for blacks was $79,000. The median average, which is less susceptible to extremes or outliers, for blacks during the same year was $9,500. The median average household net worth was $116,500 for whites.

Asset ownership has been linked with a number of positive social outcomes. One recent study, by Lerman and McKernan (2008), linked asset ownership to future assets, self-sufficiency, social well-being, civic engagement, child well-being, health and psychological well-being. Assets can be used for a down payment on a house or a car with good terms. Asset holding can make the prospect of becoming self-employed a reality and with fewer risks. Asset holders, especially home owners, have been shown to be more involved civically in their communities than renters. Educational outcomes are greater for children with deep roots in a community, home and other forms of asset ownership help strengthen those ties. Assets may also help buffer the economic pain associated with an untimely and highly costly health matter for an individual or family member. Conversely, the asset poor encounter difficulties diversifying their portfolios, lack self-sufficiency and self-efficacy, are less engaged in their communities and may compromise their own medical and/or psychological well-being, or that of their children.

Prisoner reentry and asset-building

Combating asset poverty among ex-offenders, especially those of African ancestry, may seem like an insurmountable task given their limited financial resources, but promoting financial literacy and asset ownership while simultaneously promoting employment should cut down on recidivism. A number of factors have been shown to predict the likelihood that an individual will re-offend. These factors include age, gender, race, substance abuse, criminal history, lack of education and employment. Recidivism rates are highest among ex-offenders that are young, male, have a history of substance, abuse, are repeat offenders and have low levels of education and a poor work history.

> Researchers have concluded a lack of educational attainment and/or work experience has made reintegration into the community after prison and

> complying with parole or probation requirements difficult for many offenders. Without such skills, offenders have trouble attaining steady, gainful employment, and studies suggest these offenders will return to criminal activity either to earn a living or because they believe they have no other alternative lifestyle choice. Re-arrest rates for those without a high-school diploma or job training have been shown to be much higher than for individuals with more experience or success in the job market (http://www.cga.ct.gov/pri/archives/2001ricreport.htm).

Providing ex-offenders with financial literacy training and even financial support should prove cost effective. Ex-offenders who find securing gainful employment a challenge, may find more success if they were self-employed or empowered owner of a cooperative business. Success in these areas will vary depending upon a number of issues. Many ex-offenders lack a high school diploma or graduation equivalence diploma so traditional educational support will have to precede an introduction to a basic financial education. For ex-offenders with relatively higher levels of education, financial literacy can be introduced earlier. It should also be noted that despite the fact that many ex-offenders have little formal education, some demonstrate business skills in their criminal enterprises and providing these ex-offenders with legitimate means to apply these skills will help them to stay out of the criminal justice system while helping to maintain law and order in the society as a whole.

There are a number of other recommendations that can help begin the process of addressing financial literacy and asset poverty. First, there must be recognition that asset poverty is a multilevel and multidimensional social problem that affects many, including ex-offenders. Consequently, efforts to promote financial literacy and to combat asset poverty among ex-offenders must take place at the micro-, medial-, and macro-levels. Thus policies and programs must target the ex-offender, the communities in which they live, and the society at-large.

The effects of asset poverty are evident at all levels of society. The lack of access to assets that can be used to meet basic needs for a limited time period, impacts the individual enduring the economic hardship as well as members of their household. These individuals, and households, often look to family members and friends, community-based organizations, and even government-sponsored programs for support. The burden of meeting basic needs can shift from the individual to the household to the family to the society at-large. American taxpayers, often reluctantly and regretfully, foot the bill for ex-offenders, and others, who live in asset poverty and find themselves unable to meet their basic needs. American tax payers may not only have to support ex-offenders without assets that fall on hard times in their time of need, but may also have to support them if they return to a life of crime and go through the revolving prison door as so many ex-offenders do. Thus, prisoner reentry plans should not only stress employment, but they should also promote financial literacy and asset ownership.

To be effective, reentry efforts should encourage the ownership of homes, business, stocks, savings accounts, and real estate beyond the primary residence. Again, this should be done not in lieu of programs that emphasize employment upon re-entry; rather, there should be an emphasis placed as well on learning how to build wealth through asset accumulation. Given that ex-offenders likely come from asset poor backgrounds, they may require the infusion of funds from governmental or other grant making sources. Government and/or private funds could provide seed money for a cooperative business, for example. To do so, ex-offenders must receive adequate training. Green Roof Cooperatives in the Bronx, New York, offers a16-week training and has provided financial literacy training for ex-offenders and others. The training prepares people with relatively low income levels to be workers in a cooperative that is owned by the workers and where all workers are equal (http://www.greenforall.org/blog/green-roof-cooperatives-on-the-way-in-new-york).

Financial literacy programs for ex-offenders should, for example, also increase their knowledge about such matters as: the importance of maintaining good credit, how to start and grow a business, and how to evaluate and purchase stocks. Ex-offenders, like many others, must also be reminded that asset accumulation is a process and very rarely, an event. Therefore, the acquisition of assets will take time and patience, yet the benefits of asset ownership can be manifested in the economic security and economic autonomy of future generations. The current economic crisis, specifically the housing crisis in America, also point to the need for financial literacy initiatives that addresses issues risk and the importance of diversification. The truly wealthy, after all, take calculated risk and do not have all of their financial holdings in a single asset which enables them to weather the ups and downs of the financial market.

Reducing the number of asset poor ex-offenders must also be accompanied by a reduction of the number of asset poor in the communities where the ex-offender resides, which require an infusion of financial literacy programs and funds. Some assert that joint ownership is a pathway to asset ownership for individuals and communities. Credit unions, cooperative housing, and worker-owned businesses are examples of joint ownership that have been shown to compact asset poverty for economically disadvantaged communities that could also aid ex-offenders (Nembhard 2008).

Credit unions are one of the most common collective assets (Deller et al. 2009). Credit unions have flourished in communities across the country, including credit unions in economically disadvantaged neighborhood. Credit unions originated in the U.S. in the early part of the 20th century and were established based upon a shared bond between members. Credit union members have historically held membership in the same association, or lived in the same community, or were employed by the same firm, government agency or non-profit corporation (Kaushik and Lopez 1996). Credit unions meet the needs of low-income communities, such as those receiving ex-offenders. These institutions are preferable to other financial institutions, especially those that lack the imbedded philosophy associated with credit unions. Credit unions also lack the high fee for service and poor service associated with payday lenders and check cashing institutions (Deller et al. 2009). Moreover, credit unions are indigenous to the community and controlled from within as opposed to other types of financial institutions.

Nembhard (2008) adds that the financial holdings of these institutions start and remain in the community and are used in the community where they originate. “As a major alternative financial services agency for low-income people, and as engines of asset-building for low-income households credit unions and community development financial institutions are forms of community wealth and community-based mechanisms for asset building that public policies could support and expand” (25).

Existing credit unions, for instance, should be encouraged to open branches in historically economically disadvantaged communities where there are service gaps.

Cooperative housing is a plausible solution for addressing asset poverty in economically disadvantaged communities, including those receiving ex-offenders. Cooperative housing reduces the costs of home ownership and maintenance (Nembhard 2008). Cooperative housing gives asset poor individuals the opportunity to pool their collective, although limited, resources to increase the likelihood of securing grants and loans. Researchers at the University of Wisconsin's Center for Cooperatives assert the following regarding cooperative housing and the poor:

> Cooperative ownership takes people out of the rental market at what can be the same or slightly lower monthly cost. Thereafter, co-op owners are largely insulated from escalating costs and will reap the benefits of their rising incomes. Where social investment is available —through home-purchase assistance, project-based section 8, or in some other form—cooperative ownership can readily be made available to even very low-income families (5).

The researchers add that the benefits to cooperative housing, over and above renting, include: monthly costs below the rental market, tax deductions, home equity, limited liability, savings, community-building, and security.

Moreover, businesses that are owned, in whole or in part, by workers may also address the barriers ex-offenders face and help to reduce asset poverty among this population. Business income is one of the most commonly found elements in the average American's portfolio and the benefits of business ownership are far-reaching. Self-employment and business ownership also provide a legitimate alternative to the underground economy. Through self-employment and business ownership, groups like ex-offenders, that find themselves relegated to the secondary tier of the labor market, often find that they can obtain the benefits associated with the primary tier through business ownership. The establishment of ethnic enclaves like Little Havana and Chinatown are commonly cited examples (Davis 2006; Waldinger 1993).

Addressing asset poverty, at all levels, especially asset poverty among ex-offenders as they re-enter society, will require public and private partnership. Public and private partnerships are particularly helpful in addressing a number of issues for which there are great ideas, but few resources or limited public support. Public and private partnerships have been created to work with individuals in custody and with ex-offenders. For example, public and private partnerships have helped to provide funding and expertise for programs, where incarcerated persons earn college-level courses for credit (O'Donnell 2010).

The Ready4Work and the Prisoner Reentry Initiative programs, along with the passage of the historic Second Chance Act, are in many ways provide preliminary evidence that public/private partnerships are important to prisoner reentry (Johnson 2008). If fully funded, federal grants will be made available to public and private entities to provide support and assistance to ex-offenders in such areas as substance abuse, housing, family planning, and employment (http://reentrypolicy.org/government_affairs/second_chance_act).

More often than not, housing assistance does not include home ownership, rather assistance in securing rental subsidizes or transitional housing. Additionally, funding will be made available to increase the likelihood that ex-offenders can benefit from an array of employment opportunities, but accumulating assets is not viewed as an essential part of prisoner reentry initiatives.

Innovative public and private partnerships could help fund programs that provide courses on financial planning. Such courses could be mandatory for paroles and open to discharged ex-offenders, without such supervision. Additionally, programs could be funded where the savings of ex-offenders are matched; similar programs have been created for other populations over represented among the asset poor (Dorrell 2009).

Additionally, mentoring programs that allow ex-offenders to shadow a business owner would also be useful and would require public and private partnerships. Ideally, ex-offenders who were successful in creating and sustaining a thriving business would be an ideal candidate to serve as a mentor.

Conclusion

Clearly, there is critical need to address financial literacy and asset poverty. Doing so will likely improve the economic vitality of individuals and families in communities across the nation, including ex-offenders. Prisoner reentry programs should not only focus on employment exclusively, but on financial literacy and wealth accumulation. Together, they can help reduce recidivism rates and reduce the number of blacks living in asset poverty. The argument has been set forth that ex-offenders of African descent may be especially vulnerable given the challenges they face due to their race and offender status. Given the sheer volume of people exiting correctional facilities across the nation, it is imperative that society devotes greater political, as well as intellectual, energy and resources towards insuring that the transition for ex-inmates from institutionalization to community integration is successful. Focusing on employment and by extension, income alone is a relatively short-term solution for dealing with the myriad of issues associated with prisoner reentry, as this paper has shown. Focusing on increasing financial literacy and asset ownership among ex-offenders represents a long-term solution. By becoming financial literate and by building assets, ex-offenders will increase their chances of having access to the liquidity they need in times of a personal or nation-wide economic crisis. Having legitimate means to meet one’s basic needs may also limit the likelihood of recidivism.

The problem of financial illiteracy and asset poverty, in general, is not an easy one to solve. Solving the problem of financial illiteracy and asset poverty among ex-offenders presents its own set of challenges, but challenges that must be faced head-on, nonetheless. The best way for dealing with financial illiteracy and asset poverty is still being debated. Scholars disagree on the most effective method for generating assets for the poor. The promotion of home ownership among the poor is a good example.

Some have argued that increasing individual home ownership is key, while others contend that promoting home ownership among the poor and those with low-incomes will not result in the returns on investments characterized by the period of mass housing construction in the mid-1900s (Denton 2001). While housing represents the single largest component of the average American's portfolio, it is not the only one. Efforts to build assets for all Americans, including the poor and the ex-offenders among them, should include other assets as well.

While ex-offenders, and the communities in which they reside, work towards the goal of expanding their portfolios, there are things that can be done in the interim to expand employment opportunities for ex-offenders. Tax and other incentives could be given to employers that hire ex-offenders and programs that have demonstrated success in improving the employability of ex-offenders should be shared and replicated. Such programs should focus on hard and soft skills and should begin before release dates, which might require the restoration of programs that provide educational training programs, in jails and prisons across the nation. Increasing financial literacy should be an outcome of educational programs taking please before and after offenders are released.

Prisoner reentry initiatives should be created well before an inmate's release day. In many cases this is already happening, and other cases, it is not. Perhaps the criminal justice system and the community could benefit from earlier investments in prisoner reentry initiatives, which include specific goals and objectives, along with anticipated dates of completion. The plans could be modeled after drug court treatment plans, as they have shown some success (Travis 2001). Periodic assessments regarding whether or not an ex-offender is in compliance with the reentry treatment plan would be useful, as well as, independent evaluations of prisoner reentry initiatives that include measureable outcomes where the unit of analysis is at both the individual- and the community-level and include indicators of asset poverty.

Devoting additional attention to financial literacy and asset building as a form of crime prevention and a vehicle for increasing the likelihood of successful prisoner reentry are critical for handling the current crisis caused by mass incarceration.

Prisoner reentry initiatives, while attempting to address the housing, substance abuse, mental health and employment needs, have focused largely on employment outcomes, neglecting financial literacy and asset accumulation. Prisoner reentry initiatives have also, like many others, failed to account for the importance of addressing asset poverty at the micro-, medial- and macro-levels. Often times the communities that ex-offenders originate from and return to are low-income communities. While these low-income communities contain many institutions and resources that have the potential to meet the diverse needs of ex-offenders and their families, the need is so great. There is therefore the need to explore creative, as well as proven strategies, for accumulating assets for individuals and for the community as a whole.

Other recommendations for increasing the likelihood of success for prisoner reentry initiatives include: greater communication between parole agencies and community-based organizations; local, state and national funding for cooperative housing and business programs; increasing incentives for prospective employers to hire ex-offenders; early initiation of prisoner reentry treatment plans; independent evaluation of prisoner reentry programs; and improvement of relationships between the criminal justice system and low-income, minority, and urban communities.

Asset poverty is substantially higher than the official poverty rates for certain groups. While this is true for the general population, this is more likely than not the case for ex-offenders, but we simply don't know. To date, the author is unaware of a comprehensive, national, quantitative study that explores the extent to which ex-offenders are asset poor. Nor is the author aware of any published studies of the aforementioned that takes into consideration the effects of race, gender, offense, age, or any other key social or demographic variable that is often cited as a predictor of the levels and types of assets owned. Future research should therefore examine the extent to which ex-offenders lack financial literacy and are asset poor and whether they are more, or less likely, to be asset poor than the general population. Understanding the magnitude of the problem, beyond anecdotal evidence, will facilitate the implementation of recommendations set forth here to address asset poverty among ex-offenders and improve the overall quality of life for receiving communities and the society at-large.

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