



# EXECUTIVE SUMMARY

## **“Recidivism Reduction and Return on Investment: An Empirical Assessment of the Prison Entrepreneurship Program”**

**Prof. Byron Johnson, William Wubbenhorst and Curtis Schroeder**

### BENCHMARKING: PEP is the Best in Class

In reducing recidivism rates, PEP outperforms all 9 other rehabilitation programs examined. PEP delivers a 380% greater reduction in recidivism than the average of the other programs.

	Treatment Group	Control Group	Impact on Recidivism	Improvement vs. Avg. of Others
TDCJ General Population (Men)	--	23.4	--	--
Avg of 9 Other Programs	17.9	22.4	-4.5	--
PEP	6.9	24.0*	-17.1	380%

*\* Inmates selected for PEP but who did not participate in PEP's programs*

### CONTROL GROUP STUDY: No Selection Bias

PEP's graduates are significantly less likely to return to prison than the control group of inmates who were selected for PEP but who did not participate in its programs. This confirms the positive impact of PEP's intervention rather than the influence of its selection process.

### RETURN ON INVESTMENT: PEP Delivers Measurable Economic Impact

The extremely high post-release employment and low recidivism of PEP's graduates drive significant savings and benefits (through additional taxes and child support paid, and lower incarceration and social welfare costs). Even without considering the economic impact of the hundreds of businesses created by PEP graduates, the study estimates that every dollar donated to PEP yields a 340% return on that investment.

ROI Per 100 PEP Graduates	3 Years	5 Years
Economic Savings:		
Lower Recidivism	1,207,731	1,939,269
Lower Gov't Assistance	270,118	450,197
Economic Gains:		
Tax Revenues	1,410,345	2,350,574
Child Support Payments	231,705	386,176
Total Savings and Gains	3,119,899	5,126,126
Investment by PEP Donors in Yr 1	1,508,500	1,508,500
ROI	207%	340%