

Addressing the Economic and Societal Impacts of

INCARCERATING PRIMARY CAREGIVERS

The Case for Alternative Sentencing in Kentucky



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Addressing the Economic and Societal Impacts of Incarcerating Primary Caregivers in Kentucky: The Case for Alternative Rehabilitation Programs

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0.1 Introduction

Thousands of Kentucky’s children are separated from their primary caregiver every year due to incarceration of a primary caregiver for non-violent offenses. Alternative rehabilitation programs present an opportunity to improve children’s well-being, family stability, public safety and, ultimately, add an estimated \$740 million to Kentucky’s economy annually.

Our state has a relatively moderate crime rate compared to the rest of the country, yet ranks 40th in child well-being.¹ Whether a parent or not, the criminal justice system must incarcerate individuals who have committed the most serious crimes against society. However, doing so for non-violent offenses likely causes more crime, harms children, destroys families, and is a strain on state budgets.

This paper examines the potential benefits of alternative sentencing and pretrial diversion programs for non-violent primary caregivers. Implementing these measures would reduce the economic burden of incarceration on the state and lessen the emotional, social, and educational toll on children. By allowing individuals to serve their sentences through reform-focused programs outside of incarceration, Kentucky could lift children out of hardship and boost economic growth.

We propose evidence-based reforms focused on alternative sentencing programs, such as probation and house arrest for qualified non-violent offenders. These reforms aim to reduce state expenditures, safeguard family structures, and enhance child welfare. Crucially, this approach preserves the inherent ben-

efits the family unit, while maintaining the criminal justice system’s commitment to public safety and accountability.

In this paper we do the following:

- Demonstrate the significant economic and societal costs, both direct and indirect, of incarcerating primary caregivers.
- Explore the detrimental developmental, psychological, and educational impacts of parental incarceration on children.
- Show the feasibility and effectiveness of alternative sentencing programs in reducing recidivism while preserving family stability.
- Recommend alternative sentencing and diversion programs that align fiscal responsibility, family cohesion, and the integrity of the justice system.

This report’s findings serve to inform policymakers, lawmakers, and other stakeholders who seek balanced approaches that strengthen communities, support families, and maintain justice.

1 The Scope of the Problem

We estimate that there are currently 1,745 non-violent primary caregivers in Kentucky’s prison system that could qualify for alternative sentencing. Using 2024 incarceration data,² we identified non-violent offenders, refined the subset to only include

¹Annie E. Casey Foundation, 2024.

²Kentucky Department of Corrections, 2024.

parents,³ and applied national statistics to calculate the number of primary caregivers.

Category	Total
Incarcerated People	37,000
Non-violent offenders	13,262
Non-violent Parents of minor children	6,345
Non-violent Primary caregivers	1,745
Children of non-violent primary caregivers	3,665

Table 1: Summary of Incarceration Statistics in Kentucky.

1.1 Burden on the State

Incarcerating primary caregivers in Kentucky imposes significant economic and societal costs, including staff salaries, facility maintenance, and related overhead. The direct cost per prisoner in Kentucky is \$42,679.92 per year.⁴

$$\begin{aligned}\text{Total Cost} &= \text{ACI} \times \text{NI} \\ &= 42,679.92 \times 1,745 = 74,476,460.40\end{aligned}$$

Where:

ACI = Average Cost per Inmate (\$)

NI = Number of Inmates

This totals \$74,476,460.40 in incarceration costs annually. However, this figure does not take into account the indirect economic and social burdens that the incarceration of primary caregivers places on Kentucky’s taxpayers, communities and children.

2 Economic Impact

2.1 Scaling National Incarceration Costs to Kentucky

National-level economic impact estimates are often provided on a “per-dollar-of-direct-incarceration” basis. McLaughlin et al. (2016) estimate that for every

\$1 spent on direct incarceration, there are approximately \$10 in broader social or indirect costs, including lost wages, family disruptions, and increased recidivism. To apply these figures to Kentucky, we first need to calculate the direct cost of incarcerating non-violent primary caregivers in the state.

Step 1: Calculate the Direct Cost for Kentucky

The direct cost of incarceration in Kentucky for this population is calculated using the following formula:

$$\begin{aligned}\text{KY Direct Cost (for Target Population)} \\ &= \text{Cost per Inmate in KY} \times \text{Number of Inmates}\end{aligned}$$

Here, Cost per Inmate in KY represents the average cost to incarcerate one inmate in Kentucky, and Number of Inmates is the total number of non-violent primary caregivers incarcerated in the state.

Step 2: Apply the National Multiplier to Estimate Indirect Costs

Next, we estimate the indirect costs using the national multiplier reported by McLaughlin et al. (2016).⁵ This multiplier accounts for broader social costs such as lost lifetime earnings, family disruptions, and recidivism. The indirect cost is calculated as follows:

$$\begin{aligned}\text{KY Indirect Cost (for Target Population)} \\ &= \text{KY Direct Cost (Target Population)} \times \\ &\quad \left(\frac{\text{National Indirect Cost}}{\text{National Direct Cost}} \right)\end{aligned}$$

Using this methodology, our estimate for the total economic impact of incarcerating primary caregivers in Kentucky is approximately \$740 million. This figure includes both direct costs and broader societal repercussions, including criminogenic effects, reduced lifetime earnings, and family disruptions. By applying national data and categorizing indirect costs, we provide a comprehensive view of the economic and societal consequences of these policies.

³Bureau of Justice Statistics, 2024.

⁴Department of Corrections, 2024.

⁵McLaughlin et al., 2016.

2.2 Economic Impact of Incarceration

Incarcerating non-violent primary caregivers in Kentucky imposes significant economic and social costs, including increasing crime, reducing lifetime earnings, higher divorce rates, housing instability, and child welfare expenses. Children experience negative educational outcomes and increased criminality. These impacts underscore the need for alternative sentencing to reduce these burdens and promote social and economic stability.

1. Criminogenic nature of prison

Impact: \$199,423,350

Reasoning: High incarceration rates for non-violent offenders can increase crime from by reinforcing maladaptive behaviors and weakening community cohesion. Prisons expose non-violent offenders to criminal networks that hinder reintegration to society.

2. Reduction in Lifetime Earnings of Incarcerated Persons

Impact: \$160,528,725

Reasoning: Formerly incarcerated individuals face occupational restrictions and skill erosion, which reduce their lifetime earnings.

3. Increased Criminality of Children of Incarcerated Parents

Impact: \$91,225,575

Reasoning: Children with incarcerated parents are more likely to become involved in criminal activity themselves. The disrupted family structure with an absent primary caregiver and economic strain in the household contribute to this outcome.

4. Lost Wages While Incarcerated

Impact: \$49,502,250

Reasoning: Incarcerated individuals are removed from the workforce, resulting in lost productivity and economic costs.

5. Higher Mortality Rate of Formerly Incarcerated Persons

Impact: \$43,844,850

Reasoning: Formerly incarcerated individuals

experience higher mortality rates due to health issues caused in prison, including increased suicide and PTSD.

6. Children's Education Level and Subsequent Wages as Adults

Impact: \$19,800,900

Reasoning: Parental incarceration disrupts children's education, often forcing the children to enter the workforce prematurely, lowering graduation rates and reducing their lifetime earning potential.

7. Nonfatal Injuries to Incarcerated Persons

Impact: \$12,729,150

Reasoning: Physical and psychological injuries incurred in prison settings lead to long-term costs in healthcare and lost productivity.

8. Marginal Excess Burden

Impact: \$7,778,925

Reasoning: Taxes funding incarceration create economic inefficiencies, economic distorting behavior and generate deadweight loss.

9. Divorce

Impact: \$7,071,750

Reasoning: Incarceration strains marriage and significantly increases divorce rates, thereby reducing household economic stability and the overall skills, education, and productivity of family members.

10. Decreased Property Values

Impact: \$6,928,243

Reasoning: Neighborhoods with high incarceration rates experience reduced property values due reduced community stability.

11. Adverse Mental Health Effects

Impact: \$6,298,403

Reasoning: Families and communities of incarcerated individuals experience increased mental health issues including depression and anxiety.

12. Reduced Marriage

Impact: \$5,668,562

Reasoning: Formerly incarcerated individuals

are less likely to marry, leading to reduced family formation.

13. **Child Welfare**

Impact: \$3,149,201

Reasoning: Parental incarceration often leads to children entering foster care or welfare systems, which incurs direct costs to society.

14. **Interest on Criminal Justice Debt**

Impact: \$3,149,201

Reasoning: Families of incarcerated individuals frequently incur debt due to fines and fees, further burdening economically vulnerable communities.

15. **Reentry Programs**

Impact: \$1,889,520

Reasoning: Reentry programs aim to reduce recidivism and support reintegration but require public funding.

16. **Homelessness of Formerly Incarcerated Persons**

Impact: \$1,259,680

Reasoning: Formerly incarcerated individuals face housing discrimination, increasing rates of homelessness and associated societal costs.

17. **Fatal Injuries to Incarcerated Persons**

Impact: \$1,259,680

Reasoning: Fatalities due to violence or neglect in prison contribute to economic and emotional losses.

18. **Infant Mortality**

Impact: \$629,840

Reasoning: Children born to incarcerated parents have higher infant mortality rates, reflecting compounded health and socioeconomic challenges.

19. **Children Rendered Homeless by Parental Incarceration**

Impact: \$629,840

Reasoning: Loss of parental income due to incarceration often results in children becoming homeless.

20. **Visitation Costs**

Impact: \$629,840

Reasoning: Families incur substantial costs traveling to visit incarcerated loved ones, impacting their financial stability.

21. **Moving Costs**

Impact: \$314,920

Reasoning: Families frequently move to be closer to incarcerated relatives or due to economic instability, incurring relocation costs.

22. **Eviction Costs**

Impact: \$141,435

Reasoning: Economic strain of incarceration increases the risk of eviction, disrupting housing stability for families.

3 Impact on Children

3.1 Burden on Children

Children of incarcerated parents experience major emotional, social, and economic difficulties. They are more likely to encounter academic challenges, display behavioral problems, and suffer from mental health issues. As the adverse outcomes worsen, reliance on state-supported services increases, reinforcing cycles of poverty and dependency. Alternative sentencing models help preserve family stability and support healthier development. An extensive meta-analysis of the effects of an incarcerated parent on their children showed many negative outcomes⁶ as summarized in this section.

3.2 Impacts of Single-Parent Incarceration on Families and Children

The incarceration of single parents has consequences for both the parent and children. Single-parent households often lack a secondary support system, intensifying the negative effects of incarceration on children. Below is a discussion of these impacts, with a particular focus on how the absence of a single

⁶Herreros-Fraile et al., 2023.

primary caregiver, jeopardizes healthy child development.

3.2.1 Emotional and Behavioral Impact

Children of incarcerated single parents frequently exhibit both externalizing behaviors (e.g., aggression, delinquency) and internalizing symptoms (e.g., anxiety, depression). They often experience confusion, guilt, and anger, which can manifest in behavior disorders and defiance. Stigmatization of having a parent in prison may lead to social withdrawal, low self-esteem, and difficulties forming trusting relationships.

Seven independent studies confirmed these negative effects, which intensify through age 18. These externalizing and internalizing symptoms are exacerbated when the child is subject to physical punishment, which is greatly increased with a parent that has been formerly incarcerated. These behaviors were observed across all races and socioeconomic classes of children with incarcerated parents. Internalizing factors, specifically depression, were observed in all studies of children with incarcerated parents and were intensified when both parents or the primary caregiver were incarcerated.

3.2.2 Effects on Parent-Child Bonds

When a parent is incarcerated, this can have a devastating effect on the bond between parent and child. Visitation, if it occurs, takes place in restrictive environments making meaningful interaction challenging. Additionally, the child may lose respect for his or her parent. This is highlighted by a drastic increase in household abuse when a parent is incarcerated, even when the household was functional before.⁷

3.2.3 Academic and Cognitive Challenges

Children with incarcerated parents often experience disruptions in their academic performance and cognitive development, including attendance problems, attention deficits, decreased cognitive abilities, and overall disruption of their educational trajectory.

⁷Gjelsvik et al., 2014.

Multiple studies collectively indicate that these factors contribute to lower rates of high-school completion and reduced educational attainment among this vulnerable group.^{8, 9, 10}

- **Caregiving Responsibilities:** With one parent absent, children take on outsized household responsibilities and receive less supervision, resulting in behavioral problems.
- **Truancy and Inattention:** There is a significant increase in truancy among students with an incarcerated parent.
- **Adolescent Impact:** The negative effects are more pronounced for adolescents (12–18 years of age), who exhibit elevated absenteeism and a higher risk of suspension and expulsion. Students who are expelled often struggle to reintegrate into the school system, jeopardizing their academic progress.
- **Attention Deficits and Decreased Cognitive Ability:** Elevated stress and uncertainty at home can impair concentration and memory, hindering cognitive development and lowering overall academic achievement. This decreased cognitive ability and attentiveness persists throughout a child's life.
- **Lower Likelihood of Graduation:** Constant upheaval, frequent school moves, economic stress, and emotional trauma reduce the likelihood that children will complete their education, contributing to lower high-school graduation rates.

3.2.4 Economic Instability and Housing Disruption

When the incarcerated parent is the primary caregiver and primary earner, families may experience immediate and severe economic challenges.¹¹

⁸Murray et al., 2012.

⁹Shaw, 2019.

¹⁰Kjellstrand and Eddy, 2011.

¹¹Gjelsvik et al., 2014.

- **Increased Poverty and Financial Hardship:** The sudden loss of income, no matter how modest, can push families below the poverty line, forcing them to rely on public assistance or take on debt to cover essential expenses.
- **Housing Insecurity:** With reduced or no income, families may be unable to afford rent or mortgage payments, risking eviction or needing to move into overcrowded or unsuitable living conditions.
- **Decreased Lifetime Earning Potential for Children:** Children in single-parent, low-income households affected by incarceration face greater challenges in securing stable, well-paying jobs. Lower educational attainment—compounded by the psychosocial effects of parental absence—can diminish lifetime earnings.

3.2.5 Health and Risk Behaviors

Children in single-parent families with an incarcerated parent face increased health risks and high-risk behaviors.¹² Caregivers often lack the time, finances, and resources to meet basic healthcare needs, leading to neglected medical and dental care. These children frequently experience chronic anxiety, stigma, and emotional distress, which can result in substance use, early sexual activity, and other long-term risks. The trauma often worsens when the parent returns, displaying unrecognizable or aggressive behaviors, fueling the child's resentment.

- **Substance Abuse:** Children with incarcerated parents show significant increases in substance use, particularly alcohol and marijuana. Findings were consistent across three independent studies focusing on adolescents.
- **Early Sexual Activity:** Parental incarceration correlates with early sexual activity, especially in boys. This effect is more pronounced when the incarcerated individual is the primary caregiver.

- **Food Insecurity:** Parental incarceration is linked to an increase in food insecurity, reflecting added economic strain.
- **Sleep Deficiency:** Sleep deprivation is a major health issue linked to parental incarceration. Prolonged deprivation increases risks of obesity, mental health problems, and chronic conditions.
- **Access to Programs:** Children without a parental figure struggle to access programs that address healthcare and emotional needs.

3.2.6 Strains on Family Cohesion and Social Support Networks

- **Role Overload for Substitute Caregivers:** Extended family members who step in to care for children may become overburdened, leading to stress and conflict that compromise the overall emotional climate in the household.
- **Social Isolation and Stigma:** Families with an incarcerated single parent may feel acute stigma and withdraw from community or school events, severing vital social connections that offer support and stability.
- **Loss of Family Routines:** Daily practices such as shared mealtimes, consistent bedtimes, and homework routines can be disrupted, depriving children of the structure that underpins healthy development.

3.2.7 Long-Term Consequences and Intergenerational Cycles

Children with an incarcerated single parent are at a significantly higher risk of poor academic, economic, and social outcomes. Without targeted interventions, the combined effects of emotional trauma, inadequate educational opportunities, and reduced economic prospects can perpetuate cycles of intergenerational poverty and involvement in the justice system.

¹²Murray et al., 2012.

4 Policy Recommendations

4.1 Balancing Justice and Reform

The burdens of incarcerating non-violent single parents are significant. Pursuing policies that mitigate these costs is beneficial on multiple levels. Any consideration of alternatives to incarceration must uphold public safety, while recognizing the important role parents have on a child’s development. The objective is not to overlook criminal behavior, but to implement pragmatic solutions that deliver justice, enhance public safety, and minimize the broader societal and financial impacts of crime.

4.2 Diversion Programs and Alternative Sentencing

Jailing non-violent single parents has significant developmental, emotional, and economic consequences for children. It often leads to children having behavioral issues, academic struggles, and health disparities compared to their peers. Targeted alternatives like rehabilitation programs and supervised parole emphasize maintaining family stability and economic security.

Kentucky has implemented several diversion and alternative sentencing programs to reduce recidivism, address root causes of criminal behavior, and lower incarceration costs. Below is an overview of key programs and their efficacy:

- **Pretrial Diversion Program:** Allows eligible non-violent offenders to avoid prosecution by completing requirements like counseling or community service. Successful completion often leads to case dismissal, reducing re-offense rates and improving employability.
- **Drug Court Program:** The Criminal Justice Kentucky Treatment Outcome Study: FY2021 Report found that 81.4% of graduates from Kentucky’s Substance Abuse Program had not been re-incarcerated 12 months post-release, highlighting the effectiveness of supervised treatment programs in reducing recidivism.¹³

¹³Tillson et al., 2022.

- **Veterans Treatment Court:** Addresses unique challenges of veterans, such as PTSD and substance abuse, with treatment and peer mentoring. Participants have a 14% lower recidivism rate.¹⁴
- **Mental Health Court:** Diverts individuals with mental health disorders into supervised treatment plans. Recidivism rates decrease by 20–25% with improved mental health outcomes.¹⁵

5 Conclusion

Parental incarceration has far-reaching consequences for children’s emotional, cognitive, and social development. While some crimes merit parental separation, non-violent primary caregivers can often be supervised in the community. Diversion programs offer a cost-effective alternative to the traditional incarceration model, safeguarding family cohesion while encouraging rehabilitation. Freeing up resources allows the Commonwealth of Kentucky to make other critical investments. Policymakers can use this evidence to reform criminal justice practices in ways that uphold justice, promote public safety, and support both parental and child well-being.

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¹⁴Tsai et al., 2018.

¹⁵Council of State Governments Justice Center, 2024.

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A Appendix

A.1 Adjusted Total Cost Breakdown of Incarceration

Table 1: Adjusted Total Cost Breakdown of Incarceration

Category	Total Cost (\$)
Criminogenic nature of prison	199,423,350
Reduction in lifetime earnings of incarcerated persons	160,528,725
Increased criminality of children of incarcerated parents	91,225,575
Lost wages while incarcerated	49,502,250
Higher mortality rate of formerly incarcerated persons	43,844,850
Children's education level and subsequent wages as an adult	21,215,250
Nonfatal injuries to incarcerated persons	19,800,900
Marginal excess burden	12,729,150
Divorce	12,021,975
Decreased property values	7,778,925
Adverse health effects	7,071,750
Reduced marriage	6,364,575
Child welfare	3,535,875
Interest on criminal justice debt	3,535,875
Reentry programs	2,121,525
Homelessness of formerly incarcerated persons	1,414,350
Fatal injuries to incarcerated persons	1,414,350
Infant mortality	707,175
Children rendered homeless by parental incarceration	707,175
Visitation costs	707,175
Moving costs	353,588
Eviction costs	141,435

A.2 Calculation Summary

Table 2: Calculation Summary

Quantity	Value
Total Incarcerated in Kentucky (2024)	37,000
Men	34,040
Women	2,960
Non-Violent Incarcerated Men	12,232
Non-Violent Incarcerated Women	1,030
Total Non-Violent Incarcerated	13,262
Non-Violent Incarcerated Fathers	5,748
Non-Violent Incarcerated Mothers	597
Total Non-Violent Incarcerated Parents	6,345
Primary Caregiver Fathers	1,494
Primary Caregiver Mothers	251
Total Primary Caregivers	1,745
Children of Fathers	3,138
Children of Mothers	527
Total Children of Primary Caregivers	3,665