

The UC Role in Private Prisons

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Private prisons have become one of the most profitable investments of our time. The United States incarcerates more of its citizens than any other nation in the world. The prison population increased from 200,000 in 1972 to 2.2 million today. With only 5 percent of the world's population, the United States holds nearly 25 percent of its prisoners. After the “get tough on crime” campaign of the 1990s, the United States built a prison every two weeks and still could not meet the demands for prison beds. Since 1991 violent crime has dropped by more than 51 percent and property crime by more than 43 percent. Our spending on jails and prisons has reached nearly \$81 billion in the fiscal year 2010. Today, 7 million Americans are incarcerated, on probation, or on parole.

The UC has seven key guidelines for their investment portfolio. They prioritize less is more in order to allow themselves the opportunity to take risks. They believe it is important to concentrate on specific areas of the market to decrease the amount of staff necessary to handle business and increase profits. The UC is focused on building a culture of innovation, even if it requires taking an unconventional stance. Such an aim also translates into their mantra “Human Meets Machine.” Through their location near Silicon Valley the UC aims to use technology to improve the playing field between them and the private sector. Furthermore, the University emphasizes its belief on sustainable investments. They define this as investments on par with ethical governance and human rights.

Through its ambitious agenda the University has made questionable investments decisions. After major backlash in 2016, led by the Afrikan Black Coalition, the university divested \$30 million from its shares in companies that operate private prisons. In order to ensure transparency, we decided to cross-reference the University's investments portfolio. We can confirm the University no longer invests in private prisons directly. Due to the hundreds of different holdings the University has, it was not possible to check whether each company they invest in had stakes in private prisons. We highlighted the major companies that are publicly known to invest in private prisons. Beyond that, we also highlighted the companies the University uses that also provide services to private prisons. Through this work, our aim was to gain knowledge on what a sustainable investment actually looks like. For the most part, the University has upheld its divestment policy on private prisons but does indirectly benefit from private prisons.