



Functional sentencing works

In 2017, Street Democracy partnered with Michigan's 31st District Court to conduct a limited Functional Sentencing pilot program. Serving as house counsel at arraignment, we screened clients for indigency, performed a basic needs assessment, recommended a sentence based on those needs, and performed a follow-up interview three months post-sentencing. The recipients of functional sentences were more likely to improve many aspects of their life, including their education levels, housing situation and access to food.

The research that we conducted on a wider-level reinforced the positive results that we have delivered during several Street Court sessions. Using economic reports that studied the impact of the alternative sentences that Street Court delivers, we were able to estimate the financial significance of these sentences in relation to the individual, the economy and the government.

Main economic takeaways from functional sentencing

This data shows how functional sentencing can drastically improve the financial well-being of people graduating through Street Court.

N.B. All the data is calculated for 1 person over 1 year

- **GED results in an increase in income by \$3,928 compared to someone with no GED training¹**

¹ Economic Benefits of the GED: Lessons from Recent Research: This study shows that average earnings are 17.5% higher for those with a GED compared to without one (10% higher for men, 25% higher for women). 1 person at a low income with no GED is projected to earn a maximum of \$22,450 according to HUD (<https://www.huduser.gov/portal/datasets/il/il17/State-Incomelimits-Report-FY17.pdf>). There will be an increase in income of \$3,928 due to a GED. ($22,450 \times 1.17 - 22,450 = 3,928$).

- **People who take part in adult literacy classes will increase their income by \$3,200²**
- **Transitional/supportive housing will increase a person's income by \$3,592³**
- **Seeking assistance with a foreclosure will save \$12,098 for an individual each year⁴**
- **Applying for food assistance increases an individual's income by \$828.87⁵**
- **Financial literacy class will save \$1,230 from improved knowledge⁶**
- **Providing proof of compliance with parole/probation will increase income by a maximum expected value of \$10,098⁷**

² According to the National Center for Education Statistics: Adult Literacy in America, a Level 1 reading level is the least literate people who did not complete high school, are often immigrants or have disabilities. They are expected to earn a maximum of \$12,480/year (<https://thevoiceofjobseekers.com/how-does-illiteracy-affect-job-seekers/>.) Level 2 is a more advanced level that is expected to earn a minimum of \$340/week or \$ 17,680 each year. Therefore, the most conservative estimate is that people with improved adult literacy will make \$5,200 more than people who have not had training.

³ A review of Jobs-Plus found that where program components were fully implemented, the program produced a 16 percent increase in average annual earnings. (<https://howhousingmatters.org/articles/families-will-benefit-expanding-evidence-base-supportive-housing/>) 1 person at a low income is projected to earn a maximum of \$22,450 according to HUD (<https://www.huduser.gov/portal/datasets/il/il17/State-Incomelimits-Report-FY17.pdf>). A 16% rise in income will lead to an income of \$26,042. The increase in income as a result of transitional/supportive housing will be \$3,952.

⁴ The Family Housing Fund in Minneapolis estimated the average family lost \$7,200 through foreclosure. (<https://www.urban.org/sites/default/files/publication/30426/411909-The-Impacts-of-Foreclosures-on-Families-and-Communities.PDF>) When taking into account inflation, this makes the cost \$12,098 to a family.

⁵ For every \$22,000 spent on food stamps, 1 job is created. (<https://www.vox.com/2019/6/5/18650437/usda-snap-food-stamps-economic-impact>) The average amount of food assistance one person receives each year is \$1512 (126*12) according to the Center on Budget and Policy Priorities. (<https://www.cbpp.org/research/food-assistance/chart-book-snap-helps-struggling-families-put-food-on-the-table>) 22,000/1512 means it takes 14.55 people to create 1 job through food assistance. This means that each person receiving food assistance create 0.0687 jobs. 1 person at 30% of the median income in Michigan is expected to earn \$13450/year according to HUD. (<https://www.huduser.gov/portal/datasets/il/il17/State-Incomelimits-Report-FY17.pdf>) 13450*1.06872852234 = 14,374. The difference in income is \$924. Therefore, applying for food assistance will increase an individual's income by \$924.

⁶ It is found that the average person lost \$1,230 due to a lack of financial knowledge in 2018. (<https://www.financialeducatorsCouncil.org/financial-illiteracy-costs/>) As well as this, a study was conducted titled "Social and economic benefits of improved adult literacy: Towards a better understanding" which found that those who received individual counselling had a 34% lower delinquency rate than those who had not.

⁷ By providing proof of compliance, an ex-convict can then apply for jobs and seek employment. 72,7% of them find employment. (<https://www.prisonpolicy.org/reports/outofwork.html>) The average reported income is \$13,890 according to an economic study conducted at Brookings Institute (https://www.brookings.edu/wp-content/uploads/2018/03/es_20180314_looneyincarceration_final.pdf). Therefore, the expected income is \$10,098 (13890*72,7%).