

FOR IMMEDIATE RELEASE
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**EX-FELON ENTREPRENEURS CREATE \$122.5 MILLION ANNUAL ECONOMIC IMPACT IN TEXAS,
SAVING TAXPAYERS MORE THAN \$4 MILLION ANNUALLY**

Ex-offenders who start their own businesses create an annual economic impact of \$122.5 million across the state of Texas, according to The Initiative for a Competitive Inner City's (ICIC) evaluation of the Prison Entrepreneurship Program (PEP). In addition, the estimated annual savings to taxpayers is over \$4 million per year.

The situation for most formerly incarcerated individuals is dire. Across the country, between 60 percent and 75 percent of former convicts remain jobless a year after their release, according to the National Employment Law Project. This lack of economic opportunity drives a national recidivism rate that is in excess of 36% and a Texas prison recidivism rate for men of 23%. PEP's success has resulted in a recidivism rate of 7% and employment rate of 100% within 90 days of release for those individuals that participate in PEP. This new ICIC report demonstrates the benefits of entrepreneurship and employment as a means to further reduce recidivism and create meaningful economic value and impact.

The evaluation by ICIC was funded by a \$135,000 grant from JPMorgan Chase & Co. and \$30,000 in matching funds from ICIC. They reviewed information on more than 360 businesses that have been started by graduates of PEP since the program's inception in 2004. The study is available on the ICIC website at http://icic.org/wp-content/uploads/2018/07/ICIC_PEP-Impact-Analysis_final_post.pdf and the PEP website at www.pep.org/icic-report/.

"While we have known for years that the high employment rates and dramatically lower recidivism rates of our hard-working PEP graduates drive significant fiscal benefits for all Texas taxpayers, this report concludes that those benefits are even more than previously thought: *over \$12,000 per PEP graduate per year*," said Bryan Kelley, PEP's CEO. "But now, in addition, comes the astounding conclusion that the *businesses started by PEP graduate entrepreneurs are adding more than \$120,000,000 per year* to the Texas economy, or about \$650,000 per PEP business per year. The case for supporting the growth of PEP has never been stronger."

ICIC Senior Fellow Kim Zeuli added, "In addition to offering our own programs, ICIC evaluates entrepreneurial support programs at other organizations across the country. The quality of the entrepreneurial training and support PEP provides matches programs at some of the most effective organizations we evaluate. The results speak for themselves in terms of business start-up and success rates."

"It's time we start removing barriers that prevent returning citizens from getting a job, building a business and creating a better, law-abiding life," said Carolyn Watson, head of philanthropy for

JPMorgan Chase in the Houston Region. “Once their debt to society is paid, it is both morally just and economically advantageous to help ex-offenders find gainful employment and develop businesses. The key is to develop economic opportunities to help themselves **and** the community.”

Brent Taylor, a 2005 graduate of PEP, is the founder of Unique Concepts in the DFW area, a business that customizes vehicles and also sells auto parts. The business has been very successful and Brent has hired more than 18 fellow PEP graduates. He shared, “Running a business has kept me employed. I was very concerned about this given that I have a felony. I’ve been able to make a living for my family and create jobs for other people. It has definitely increased economic opportunities for me. I just built a house and moved in. I probably couldn’t have done this with a normal job.”

ABOUT PRISON ENTREPRENEURSHIP PROGRAM (PEP)

The Prison Entrepreneurship Program is a leader in the national conversation around re-entry and since 2004 has served more than 2,000 men and women through an innovative “inside out” strategy. Working within the Texas prison system, PEP’s mission is to unite executives and inmates through entrepreneurial passion and servant leadership to transform lives, restore families and rebuild communities. www.pep.org

ABOUT INITIATIVE FOR A COMPETITIVE INNER CITY (ICIC)

ICIC is a national, nonprofit research and advisory organization founded in 1994. ICIC’s mission is to drive economic prosperity in America’s inner cities through private sector investment to create jobs, income and wealth for local residents. www.icic.org

ABOUT JPMORGAN CHASE

JPMorgan Chase & Co. is Houston’s largest bank with 6,000 local employees and more than 200 local branches. After Hurricane Harvey, Chase provided more than \$30 million in immediate relief including discounted interest rates on new auto loans, not charging interest on some mortgages, waived and refunded fees, and about \$6 million in company- and employee-donations to nonprofits focused on the Houston area. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

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