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# Hustling: The "Inside" Economy of a Prison

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IN RECENT years economists such as Becker (1968) and Ehrlich (1974) have turned their attention to the study of crime and criminal activities. This research has modeled criminal activities occurring outside the walls of penal institutions. In contrast, this article focuses on illegitimate economic activities or "hustles" occurring inside the State Prison of Southern Michigan.<sup>1</sup> It will be shown that the economic concepts used to explain criminal activities outside the institution also apply in the "inside" economy. The discussion will be developed in three parts: (1) an explanation of why hustling activities develop; (2) an examination of the conditions necessary for hustling to take place; and (3) a discussion of the conditions of production of hustles.

## *The Need for Hustling Activities*

The State Prison of Southern Michigan houses approximately one-half of the inmate population of Michigan; all residents are males ages 23 and older. The prison consists of the maximum security section inside the walls which housed two-thirds of the prison population, or about 3,200 men, in 1975, and the trustee division outside the walls. Less than one-half of the population is white. The prison provides the men's basic needs and a variety of educational and recreational activities at no cost to the residents. In addition, income generating school enrollment<sup>2</sup> or jobs are available for all who are physically and mentally capable, except during periods of overcrowding, to provide the income to purchase goods and services which are not free. Men who are indigent

\* The author gratefully acknowledges the assistance received from several sources. This article was an outgrowth of a dissertation funded by the U.S. Department of Labor. The Michigan Department of Corrections and the staff of the State Prison of Southern Michigan cooperated on all phases of the research. A special word of thanks is owed to the resident clerks at the prison who were interviewed about the "inside" economy. Professors Daniel Hamermesh and Daniel Saks in the Department of Economics and John McNamara in the School of Criminal Justice at Michigan State University provided guidance and encouragement.

receive a small monthly stipend. However, some residents find these and other legitimate income sources, such as gifts and government transfer payments, inadequate for their desired consumption, and develop hustling activities to acquire income, goods, and services which would otherwise be unavailable to them.

There are three channels for lawfully acquiring goods and services in the prison. (1) The prison store sells goods for scrip which range from daily hygienic needs to television sets. A limited range of commonly used goods may also be purchased for scrip at the Jaycees' store if faster service is desired.<sup>3</sup> (2) Purchases inside and outside the in-

<sup>1</sup> The primary data source was interviews with six resident clerks in the prison. These residents ranged in age from the early twenties to the early forties, and included two blacks, three whites, and one Spanish-American. The average interview required six hours.

The men interviewed had served an average of three and one-half years on their current sentences, but four of them had been incarcerated two years or less. Consequently, most of the data referred to the period from 1974-1976. However, since the residents had been incarcerated an average of eight years on both prior and current sentences, references were made to events prior to 1974.

The data about hustling procedures collected in the interviews were included in this article only if one or both of the following sources verified the accuracy of the information: 1) another resident or the prison staff provided the same information about a specified topic, and/or 2) the information was consistent with prior research on prison life. Information about most of the low-risk hustles, including price data, was consistently verified by the six residents. However, the data on high-risk hustles were much less complete; the price data were particularly sketchy. Consequently, the information on the high-risk hustles was often verified by only one additional source.

The use of a small sample of inmates was justified by three considerations. 1) Interviews with a representative sample of the prison population would have identified the information available to the average inmate consumer rather than the details of production and distribution because the typical inmate does not know much about the way the "inside" economy operates. In contrast, the men interviewed were able to provide detailed information due to their relatively long observation of the economic system. In addition the interviewees were shrewd observers of the prison system, partly due to innate intelligence and partly due to their relatively high levels of education. Only one of the six had not completed high school, while three had completed A.A. degrees. 2) A good rapport had been established by the author with the interviewees during previous research activities at the prison. This rapport probably would not have occurred with a larger group which included men who did not know the author. 3) Research on the "inside" economy is a sensitive matter due to the severe penalties associated with the high-risk hustles. Consequently, it was expected that interviews with a small sample rather than a large one were less likely to be perceived by hustlers as a ploy to locate law breakers, and therefore should minimize the risk of bodily harm to the interviewees.

It should be noted that the economic activities discussed in this paper are not unique to the State Prison of Southern Michigan. References to a variety of hustling activities are found in much of the literature about prison life. In addition, the interviewees who had served sentences in other Michigan prisons indicated that a similar range of hustles also were carried out in these prisons with minor variations reflecting institutional differences such as the rules governing gifts from family and friends.

<sup>2</sup> Enrollment in remedial education programs is required by law for inmates who test at less than a sixth grade level of academic competence. Other programs, including high school, G.E.D. preparation, vocational training, and college courses, are voluntary.

<sup>3</sup> The Jaycees' store sells goods to raise money for their activities. Unlike the prison store, which has a waiting line which is usually one to three hours in length, the Jaycees' store provides fast service. This faster service is attractive to men who do not have the time to wait in line because of their jobs and due to personal preference.

stitution may be made by a check written against a man's account. Some restrictions apply to these purchases; for example, only one television set is permitted per man, and contraband items, such as pornography and drugs, may not be purchased.

(3) Many goods, such as clothing, may be sent inside as gifts. However, drugs, liquor, pornography, food, and shoes are not permitted as gifts. The one exception is gifts of canned food in December.

The residents estimate that it costs \$40-\$50 per month to live comfortably inside. The average income received each month from January, 1973 through December, 1975 does fall into this range: \$41 in 1973; \$47 in 1974; and \$50 in 1975.<sup>4</sup> Gifts and government transfer payments represented approximately 75 percent of the average income, and the monthly payroll, approximately 25 percent, during this period. In contrast, expenditures averaged \$53 a month in 1973, \$59 in 1974, and \$62 in 1975. The receipt of scrip during visits explains approximately 58 percent of the gap between average income and expenditures; the rest of the gap is due to scrip overpayment.<sup>5</sup> However, these data are deceptive since they do not show the great inequality of the income distribution and the seasonal variation in income.

Most of the income is received inside the walls by two groups of men: (1) approximately 600 men employed in the Michigan State Industries earned an average monthly income of wages and bonuses of \$63 in 1975, and (2) veterans enrolled in educational programs received approximately \$300 a month in educational benefits.<sup>6</sup> Residents whose families helped them financially could have received up to \$60 a month in scrip during visits.<sup>7</sup> In contrast, men without visitors or family assistance received no gifts of scrip, and the average monthly income earned by nonemployees of the

Michigan State Industries was about \$7. Half-time students earned \$3 during a 4-week period; full-time, nonveteran students and the lowest paid institutional jobs, such as kitchen work, \$5; and the best paid institutional jobs, including the relatively skilled clerical positions, \$15. The only other legitimate income sources available are the production of hobbycraft items or serving as a medical volunteer; the latter may generate an income of \$30 a month (Mitford, 1973, p. 65).

Several seasonal variations in the flow of income and expenditures are evident. The major source of the fluctuations in the payroll is the payment of the Michigan State Industry bonus. The bonus is paid in the first month of each quarter, with the largest bonus in July; this causes the third quarter average payroll earnings to be larger than the other quarters. As expected, the average gift increases markedly in the fourth quarter each year for the Christmas season, and then falls in the first quarter of the following year. This appears to be a major factor causing the average income to peak in the fourth quarter. Average expenditures change in the same direction as average income.

The data show that many residents experience a sizeable gap between their average income as compared with even relatively small consumption demands. The only way most residents can increase their income is to develop a hustle. Hustling or dealing consists of selling illegal goods and services wanted by inmates in order to acquire the goods and services, or the media of exchange to buy the goods and services, wanted by the hustler. Hustling provides the hustler with the amenities of life inside, as well as the challenge and satisfaction of "beating the man" (Dixon, 1974). It can be developed to suit each man's needs: Steady and regular production produces a dependable monthly income, while the target marketer may hustle only occasionally to acquire the means to make a specific expenditure and/or to carry him through a period of relatively low income.

The hustler's world of illegal economic activity co-exists with and complements the legal channels of exchange. These activities can best be described as peripheral market activities since the subsistence needs of the residents are provided by other means; if the hustles disappeared it would create inconvenience but no major hardships (Bohannon, 1965, pp. 1-32).

<sup>4</sup> The financial records of the residents' accounts are maintained jointly for the prison (inside the walls and the trustee division, including the farm barracks), the Reception and Guidance Center, and the Michigan Parole Camp. Consequently, it is impossible to clearly separate income and expenditures within the walls from those outside the walls. The averages are based on the December 31 population of the prison and the Reception and Guidance Center. The population of the Michigan Parole Camp is not included since it houses some prison trustees in the work-pass program as well as residents from other state correctional facilities who are within 90 days of their parole to a southern Michigan city. The capacity of the parole camp is 140 inmates.

<sup>5</sup> Expenditures include purchases made with scrip and checks written on a man's account. Scrip overpayment is the theft of scrip from the prison store so that the scrip may be respent on other purchases in the store; it averages approximately \$23,000 a month.

<sup>6</sup> This assumes that the men receiving veterans' benefits today are enrolled full-time in educational programs and are comparable in marital status and number of dependents to men admitted in 1969.

<sup>7</sup> The amount of scrip which can be given on each visit was increased from \$15 to \$20 per visit in mid-1975, and the number of visits was reduced from four to three a month due to overcrowding. A resident may, therefore, receive up to \$60 in scrip each month during visits, and is entitled to withdraw \$60 a month in scrip from the legitimate earnings and other funds deposited to his account.

### *Hustling: The Necessary Conditions*

Hustling requires some imagination to see the opportunities available, initiative to pursue the opportunities, access to goods and services or working capital, and a willingness to take the necessary risks. Although the risks are largely borne by the hustler, the buyer shares some risks as well.

A hustler must have access to goods and services demanded by other inmates and/or access to working capital. For example, a hustle in raw or cooked steaks, yeast, and milk requires employment in a kitchen, the hustle of providing new pressed prison uniforms requires employment in the laundry, while being paid to buy another man's store list requires employment in the prison store. Generally, the more lucrative the hustle, the more highly the job is prized by hustlers; there is competition for such jobs. In contrast, the hustle of gambling, the block storeman, or dope peddling is relatively independent of any job but requires relatively large amounts of working capital; the size of the capital stock constrains the scale of the hustle. The block storeman, for example, may be a small operator handling only a few items in great demand, such as soft drinks and baked goods, or may have a large scale operation and handle goods such as sandwich components as well. The small scale operations have been going out of business, however, because their capital is too limited to keep up with the increases in the prison store prices.

The working capital needed for hustling consists of one of the four media of exchange: cigarettes, green (Federal Reserve notes), scrip,<sup>8</sup> and transfers between men's accounts. The most commonly used media of exchange are cigarettes and green. As Radford (1945) and others have noted,<sup>9</sup> cigarettes are the common denominator for all prices, including the rate of exchange between the media of exchange, since they are readily available to all inmates through purchases in the prison store or by dealing. At the time of this writing, cigarettes sold in the prison store for 39c a pack or \$3.77 a carton (10 packs). The basic exchange rate of green to cigarettes is clearly defined: \$5 green=25 packs (2½ cartons). Actual rates may vary from these basic rates due to bargaining. Although cigarette store prices have risen over the

last few years, these rates have remained constant and unaffected by transactions of varying sizes. This may reflect the fear of loss in deals, or the scarcity of the supply of green. In contrast, the exchange rate for scrip seems less well defined. It is roughly \$3.25 scrip=10 packs (one carton) in block transactions. This suggests that the exchange equation should be \$5 green=25 packs=\$8.13 scrip, but sources indicate that 25 packs may be worth \$7.50 or \$10 in scrip. This value range may reflect the lower desirability of scrip relative to the highly prized green.

Six factors affect the choice of a hustle. (1) The more time a man has spent inside, the more knowledgeable he becomes about the available hustles and how to establish himself in the hustle of his choice. (2) The skills which he brings in from outside or acquires while inside will limit his opportunities. For example, there is some evidence that much of the dope peddling is done by men who were associated with drugs on the outside and thus have the necessary contacts and skills to handle the operation inside. This is not surprising when the statistics on 1973-74 commitments are considered. Approximately 6.5 percent of the new commitments were for drug offenses including the possession, sale, manufacture, distribution, and/or transport of drugs. An average of 16 percent of the new commitments had experimented with drugs and 39 percent indicated occasional or sustained use of, or severe addiction to, drugs; thus a total of roughly 55 percent had some experience with drugs beyond mere street observations of drug activities. There was no reported drug use for about 3.5 percent of the commitments (Michigan Department of Corrections, 1975, 1976). (3) The rules governing gifts affect the potential scope of hustles. For example, the liberalization of the rules governing gifts of clothing undercut the hustle of producing custom-made clothing in the garment factory. (4) The effect of increasing the legitimate income by raising pay scales or increasing the amounts of scrip which could be given during visits is uncertain. A larger legitimate income would decrease the need for hustling but would also provide more working capital to expand unlawful activities. Residents make trade-offs between hustling and working conditions, depending on their utility and legal income. For example, a clerk in the academic school receives 75c a day and few hustles are available. However, the working conditions are considered quite pleasant since it is much like

<sup>8</sup> Scrip books bear each man's prison identification number; a resident found with another man's scrip should have it confiscated as contraband. However, the residents have found ways of working around the prison rule.

<sup>9</sup> For other examples, see Carroll (1974, p. 166) and Fox (1972, p. 203).

working in an office outside. If a resident is receiving veterans educational benefits or has another good legal income source, he can enjoy a nice job and support himself without hustling. In contrast, work in the kitchen is poorly paid and the conditions are considered to be unpleasant, but the jobs are in demand because of the good hustles in food theft. (5) The stock of competing goods in the prison store and their price, quality, and variety affect the earning power of a hustle. For example, the sale of used watches was a good hustle in the past but was undermined when the prison store began carrying inexpensive digital watches with a manufacturer's guarantee. (6) The hustler's preference for risk determines whether he chooses a relatively safe hustle, such as the small scale theft of steaks from the kitchen, or the more risky hustles, such as dope peddling. The degree of risk is defined as a function of the probability of receiving punishment and the expected punishment.

The probability of receiving punishment depends on four factors. (1) The more frequent a given hustle, or (2) the larger the quantity of goods and services hustled, the more likely it is to be observed. There are limits to how much hustling can occur. Some hustling is tolerated; however, if hustling becomes excessive and raises institutional costs or threatens security, the rules against such activities will be enforced more strictly. This occurred in the past with gambling and the sale of yeast used in the production of spud juice (homemade liquor): Too much violence resulted, disciplinary problems were created, and the rule enforcement was tightened. As a consequence, the production of spud juice has fallen and its price has increased. (3) The vigilance of the officers varies and thus affects the probability of being caught. This vigilance appears to vary among the different parts of the prison. The honor block guards, for example, are somewhat more tolerant than the guards in other cell blocks since the men living there create few custodial problems. (4) The time a man has spent inside provides him with opportunities to observe and

master good techniques to protect his hustle from discovery. Two facets of self-protection include marking contraband items acquired through hustling with the hustler's identification number,<sup>10</sup> and screening buyers. A deal will be made only if the potential buyer is known to be trustworthy; the care given to the screening depends on the severity of the possible punishment. The net supply price is based on the cost of productive inputs and a discrimination coefficient applied to potential buyers. The discrimination coefficient may vary from a negative coefficient for a "partner" or close buddy to positive infinity for a "stool pigeon" or a buyer considered untrustworthy for other reasons, such as racial difference. The residents prefer to do their hustling within racial groups to avoid potential complications due to racial strife unless there are no alternatives, or the hustler is trying to maximize his immediate dollar gain. The one exception to the use of discrimination coefficients is some commonly exchanged goods, such as freshly made sandwiches, which have very standardized prices.

In addition to the probability of receiving punishment, the hustler is concerned with the type of punishment usually given for each hustle; the risk associated with a hustle is reflected in the return to the hustler. The *Resident Guide Book* clearly defines the economic activities which are unlawful and the two types of charges which may be made in addition to confiscating the contraband items. (a) A major misconduct charge is made for acts that would be felonies under state or federal law, assault or threats of violence, or other serious and potentially disruptive violations of the institutional rules. The more risky hustles, such as the importation of liquor and drugs, gambling, and loan sharking, would be punished as major misconduct; the markup on marijuana and phencyclidine (PCP) is at least 200 percent, while the return to heroin is even greater. (b) A minor misconduct is a rule violation not considered major misconduct. Relatively safe hustles, such as the theft of steaks from the kitchen or the block storeman, would be minor misconduct.<sup>11</sup> As seen in table 1, the average markup on goods sold by the storeman is 100 percent. A man living in the honor block would be removed from this privileged unit for the receipt of either a major or minor misconduct.

The block storeman buys food items from the prison store, or may commission the theft of the items from the store at lower prices than he

<sup>10</sup> All items purchased or received as gifts are marked with the resident's identification number; any items with a different number found in his possession during a shakedown for contraband should be confiscated. There is a hustle in changing identification numbers; it is a high-risk activity since the number-marking equipment is closely watched.

<sup>11</sup> a Beef is popular because the mess hall primarily serves pork.  
b The punishments for major misconducts are new sentences, detention, confinement to quarters, loss of privileges, payment for property damage, forfeiture of good time or denial of special good time, and suspended sentence if future good behavior occurs. The punishments for minor misconducts are confinement to quarters, loss of privileges, or the assignment of extra duty.

would otherwise pay, and sells them for cigarettes. This is a relatively safe hustle since most of the officers understand the need for this food to break up the daily routine and provide variety in a diet which otherwise would consist entirely of mess hall meals. As a consequence, the storeman's transactions can be relatively frequent and large scale, but the possibility of punishment is offset by the relaxed vigilance of the guards.

Although the data are incomplete, it appears that the more risky the major misconduct hustle, the greater the gain to the hustler. These ventures are severely punished due to the custodial problems which they create: violence associated with nonpayment of debts, theft of money earned or supplies, and threats of personal injury. The following examples illustrate the argument (see table 2); the outside price of the high risk hustles averages 25 percent of the inside price. (1) The importation of liquor is a relatively small scale hustle inside. A guard may sell it to the final user, or it may be resold. If the guard earns about \$7 for his trouble, the hustler could earn about \$5 for his efforts.<sup>12</sup> (2) At least five types of drugs are available inside, although the residents believe that you can buy almost anything inside that is available outside. (a) Probably the most readily available drug is marihuana; relatively little violence is associated with its use so there is less vigilance by the guards about its use. One ounce of marihuana costs \$100 to import into the prison, but nets \$300-\$350 for the hustler. This is in contrast with an average outside street price of about \$30 an ounce (*High Times*, 1976, p. 96). The price per cigarette has fallen from roughly one carton in the past to a standard price of five packs due to the same relaxation of attitudes toward marihuana that has occurred outside. (b) PCP, a common animal tranquilizer, earns roughly the same return as marihuana. The price varies with the sophistication of the buyer. (c) Amphetamines and acid (LSD) are available irregularly. No data are available on the rates of return to the hustler. (d) While the data on heroin are incomplete, a rough estimate of the rate of return can be made. Heroin prices fluctuate markedly depending on the available supply, purity, and

quantity purchased; larger purchases reduce risk and therefore are sold at a discount (Brown, 1973, pp. 1 and 28). If one gram sells on the street for \$100, it would cost about \$350 to import to the prison. The gram could be sold for roughly \$1,200, netting the hustler an estimated \$850, or twice the return to the importer of PCP and marihuana. (3) Gambling activities are built upon small scale betting; a one pack bet is typical. However, a successful operator may make as much as 200 to 300 cartons a month. If the average return to national government lotteries can be taken as a rough index of the rate of return, the gamblers are making a 50 percent profit (Rubner, 1966, pp. 108-11)<sup>13</sup>; if their rate of return is comparable to that of the outside numbers games, they are making a 40 percent profit. (4) Loan sharking is less of a problem today than in the past since more scrip is available and there is less need for men to go into debt. It is, as a consequence, treated as a less serious offense than in the past since the associated problems have been reduced. However, loan sharking still flourishes. The basic rate appears to be \$2 green payment for each \$1 green loaned, or two packs for one loaned. However, this rate varies from a ratio of 1.5 for one loaned for close friends to an open ended repayment rate when the debtor fails to repay in the specified time period; under these conditions the creditor can name his own price. In contrast the repayment rate outside is \$6 for every \$5 borrowed a week for small borrowers (Kaplan, 1968, p. 239). (5) The price of homosexual services ranges from free to ten cartons, or \$30, with an average price of roughly one to two cartons, or \$3.90 to \$7.80. The portion received by the pimp depends on whether a minimum fee is paid to the prostitute and how much the pimp buys for the prostitute to keep him happy.

The demand for hustled goods and services is a function of taste, legitimate and illegitimate money income, the selling price of the commodity, and the prices of related goods available in the store, from other dealers inside, from sellers outside, and receivable as gifts. The net price the buyer is willing to pay is affected by a discrimination coefficient against the seller which reflects the buyer's concern for the trustworthiness of the hustler. The buyer is concerned with the trustworthiness of the hustler for three reasons: (1) the buyer may be implicated in the transaction and therefore subject to punishment or at least confiscation of the contraband item; (2) if the

<sup>12</sup> This example and the one given below which estimates the return to heroin sales is based on the assumption that the ratio of net gain to the guard importing the good to the street cost of the good is the same as that for marihuana when the price of marihuana is \$30 an ounce, i.e., a ratio of 7:3.

<sup>13</sup> Gambling is the largest source of revenue for organized crime on the outside, and loan sharking is the second highest (President's Commission on Law Enforcement and Administration of Justice, 1967, p. 189).



hustler does not satisfy his part of the deal the buyer has no recourse but strong arming or other forms of pressure; and (3) in some types of purchases, such as the purchase of a used watch, the buyer is concerned that the hustler provides a good quality watch in working condition and guarantees his product for some period of time. Buyers, like hustlers, prefer to deal within their own racial group.

### *The Conditions of Production*

Most hustling consists of relatively small scale, labor intensive, one man operations. This reflects the general attitude of "everyman for himself." Three types of production conditions can be distinguished: (1) no purchased inputs; (2) some inputs are stolen and some are purchased; and (3) all inputs are purchased. There is room for competition,<sup>14</sup> so cut-throat competition is usually avoided due to the violence which might result and the residents' fear of being punished by a transfer to the Marquette prison.<sup>15</sup> There are, however, several exceptions to the prevalent market structure; all are major misconduct and usually require the participation of at least two men cooperating in an organized division of labor. The prices charged by the hustler may be standardized or bargained.

A large proportion of the hustles do not require purchased inputs. Three types can be defined. (1) Institutional supplies may be stolen while on the job and sold without any production; the hustler acts only as a middleman-dealer. Examples include daily milk delivery to customers' cells and the theft of paper from the print shop. (2) A man may use institutional supplies and equipment to produce for his own gain during his free time on the job; this production requires some special skills. Examples include the "jailhouse lawyers," placement on lists for special activities, machine shop workers who produce metal knives and belt buckles, and carpenter shop employees who produce picture frames and television stands from wood scraps and supplies. (3) A man may provide

labor services for other residents, such as the barber giving a manicure.

A second type of hustle entails stealing some raw materials while on the job and combining them with purchased inputs. A common example is the production of sandwiches. Kitchen workers steal steaks or bacon and eggs for sandwich filler, and combine them with bread and sandwich spread bought in the prison store. "Sandwich men" have regular delivery routes in their block. Sandwiches may also be made with purchased fillers such as canned corned beef or tuna.

Some hustles require the purchase of all inputs, including equipment. Examples include the block storeman, hobbycraft production, and the sale of used items. Residents may sell their hobbycraft legitimately to other inmates by receiving money transfers, but some may choose to sell through nonapproved channels instead.<sup>16</sup> Used items may be sold occasionally by any resident, or may be sold by specialists. Specialists are relatively rare; they may concentrate on the sale of used clothing, shoes and boots, pornography, magazines, or other items for which there is enough demand. The specialists have their business undermined by improvements in the stock of items carried in the prison store and the rules regarding gifts.

Although the data are incomplete, it appears that the hustles requiring two or more men are of two types: (1) nonhierarchical organizations, and (2) hierarchical organizations. While both evidence similarities to their counterparts outside, the greatest similarity is found in drug dealing.

The four hustles with a nonhierarchical organization appear to be loosely organized. (1) Protection services are often based on a "con game": One man or several threaten a victim and a third offers to protect the victim from them for a fee of four to six cartons a month. However, if real protection was needed, it would not be provided. These services are attractive to men who fear homosexual rape, or the old or the weak who cannot protect themselves. (2) Yard theft is frequently the theft of purchases being carried by a lone man as he leaves the prison store. The victim is approached by two or more men who grab his bag and run. (3) Cell theft is also a group activity; the items stolen from a cell are normally sold for cigarettes. The extent of cell theft varies: there is less in the honor block than the other cell blocks. The amount of cell theft has decreased since a new locking system

<sup>14</sup> For example, each cell block houses about 350 men, and requires at least five or six storemen to provide the needs of the block.

<sup>15</sup> Most residents dislike the prospect of being in the State House of Corrections and Branch Prison in Marquette because of its tighter security, a location which makes visits difficult and telephone calls to family and friends expensive, and fewer jobs are available. There are two exceptions to this: (1) men making hobbycraft items may prefer the location because of lucrative sales to summer tourists, and (2) gamblers believe that gambling tends to be overlooked.

<sup>16</sup> A rare form of production is the specialization by a resident in one type of hobbycraft production, such as leatherwork, instead of holding an institutional job. Their output is sold to an outside distributor through approved channels.

was installed. (4) Some homosexual activity consists of a pimp and his prostitute(s).<sup>17</sup> The usual pattern is that of a black pimp (jocker) and white prostitute (piece). The jocker provides the same services as those provided by the street pimp: he ensures some income for the piece, provides some affection and protection, and arranges assignations. The expenses necessary for the rendezvous, such as callouts and a lookout and location, are paid by the client. The piece, in turn, provides sexual access, affection, and pseudo-feminine services to the jocker.

Gambling and dope peddling are more tightly organized, apparently in a hierarchical organizational scheme. Both require relatively large amounts of capital to finance their operations and yield large profits if successful. The profits are reinvested by the gambler and drug dealer, as well as the storeman, in loan sharking. Since data on gambling are more limited than those on drug peddling, only the latter will be discussed below.

The comparison of the structure of drug dealing inside with that outside reveals five marked similarities. (1) The objective of the hustle is to maximize profits without being caught. (2) The dealer must pay for his supply (the street price plus the cost to have it imported inside), package it, and establish distribution channels. The division of labor is designed to protect the man or men who finance and/or organize these activities by having the actual selling to the final users done by others. (3) Three other functions must be performed at various times: a corrupter ". . . position bribes, buys, intimidates, threatens, negotiates, and sweet-talks himself into a relationship with . . . anyone . . . who might help . . . secure and maintain immunity from . . . punishment"; a corruptee, such as a guard or visitor, must be recruited to import the drugs, and an enforcer ensures that physical, financial, or psychological injury or even death occurs to those threatening the hustle (Cressey, 1972, pp. 36-38). These measures may include robbing new competition of money or supplies, threats of personal injury, punishment for nonpayment of debts, or extorting a percentage of the sales of other deal-

ers in return for permitting them to continue operating. (4) The income earned comes from a number of small transactions. (5) Secrecy is important for security, although the degree of secrecy varies with the submarket: the market for marihuana is fairly accessible to any resident who can pay, and the local suppliers are well known, while information about the market for other drugs is very hard to acquire since it is confined to the "solid cons." In addition, the successful dealer makes infrequent sales and avoids spending his money in ways which will attract attention to his hustle.

The prices charged for hustled goods and services are of two types: standardized and bargained. The greatest standardization is in food items: the psychological, if not the physical need, for the food, the relatively low risk usually associated with food theft, the frequency of the transactions, the low income of most residents, and the ease of entry of new competition create conditions which are not conducive to bargaining. This can be seen in table 1: Inexpensive food items, such as honey buns and soft drinks, are popular since many men can afford them, while expensive food, such as canned corn beef, are bought by the relatively few who can afford it. Most food prices have been standardized as long as the residents can remember; the only deviations occur when an inmate is new to the prison and has not learned the going rates, or when a tough officer is in charge. However, changes in the prison store prices cause a change from one standardized price to another. For example, canned soft drinks were three cans for two packs in the past. The prison store price was raised and a better quality soft drink was stocked, so one can now sell for one pack.

Table 3 gives additional examples of goods and services with standardized prices; their sale would be a legal economic activity outside. The outside prices are greater than the inside prices for all items except sugar and nightly television rentals, and average 305 percent of the inside prices: Prices outside cover all production costs, while prices inside do not.

The prices of goods and services are determined by bargaining when one or more of the following factors must be considered: (1) the reliability of the hustler; (2) the age, condition, and quality of the good; (3) the skill needed to produce the good or service; (4) irregular fluctuations in supply; (5) economics of scale in production; (6)

<sup>17</sup> It is estimated that 60 percent to 90 percent of long term prisoners engage in some homosexual activity while in prison (Mitchell, 1969, p. 68). Three types of homosexual activity can be distinguished. (1) The true homosexual is a small percentage of the prison population, and usually does not sell his services. During 1973-74, roughly 4.5 percent of the commitments were for sexual offenses, but a smaller percentage were for homosexual crimes. Normally heterosexual men or bisexuals oriented toward women become involved in (1) homosexual marriages, or (2) commercial prostitution.

TABLE 1.—*The Storeman's Payments and Receipts*

Item	Prison Store Price	Block Price (packs of cigarettes)	Net Gain*	Gross Margin
Corned Beef (canned)	\$ .95	4	\$.61	39%
Potato Chips (large)	.65	3	.52	44%
Honey Buns	.20	1	.19	49%
Soft Drinks (case of 24 cans)	4.50	24	4.86	52%
Tuna (canned)	.65	3	.61	52%
Potato Chips (small)	.15	1	.24	62%

\* Dollar equivalent assuming cigarettes are 39c a pack.

TABLE 2.—*High Risk Hustles*

Item	Inside Price (packs of cigarettes)	Inside Price <sup>1</sup>	Outside Price	Outside as % of Inside Price
Alphetamines (1 tablet)	3-10	\$1.17—\$3.90	10c-\$1 <sup>2</sup>	9%-26%
PCP (1 tablet)	15-25	\$5.85—\$9.75	50c-\$3	9%-31%
LSD (1 hit)	15-25	\$5.85—\$9.75	\$1-\$3 <sup>3</sup>	17%-31%
Loan Shark (interest rate)	—	100%	20%	20%
Southern Comfort (1 pint)	—	\$10—\$15	\$3.40	23%-34%
Marihuana (1 cigarette)	5	\$1.95	50c-\$1	26%-51%

<sup>1</sup> Dollar equivalent assuming cigarettes are 39c a pack.

<sup>2</sup> 1967 prices (President's Commission on Law Enforcement and Administration of Justice, 1967, p. 215).

<sup>3</sup> *High Times*, 1976, p. 96.

TABLE 3.—*Hustles with Standardized Prices*

Item	Inside Price (packs of cigarettes)	Inside Price <sup>1</sup>	Average Outside Price <sup>2</sup>	Outside Price as % of Inside Price
Television Rental (1 night)	5	\$1.95	\$.80	41%
Refined Sugar (1 pound)	1	\$.39	\$.27	69%
White Paper (1 ream)	5	\$1.95	\$4.00	205%
Milk Delivery (daily) <sup>3</sup>	10/month	\$3.90	\$9.00	239%
Butter (1 pound)	1	\$.39	\$1.16	297%
Ground Coffee (1 pound)	1	\$.39	\$1.79	459%
Haircut <sup>4</sup>	2	\$.78	\$4.00	513%
Steak Sandwich	1	\$.39	\$2.40	615%

<sup>1</sup> Dollar equivalent assuming cigarettes are 39c a pack.

<sup>2</sup> The prices given for milk, coffee, sugar, and butter are the lowest average prices in grocery stores.

<sup>3</sup> Milk is delivered in a jar provided by the customer; the average quantity is roughly one and one-half pints. The outside price is the price paid for one pint for thirty days.

<sup>4</sup> Although haircuts are supposed to be free, it is necessary to pay this minimum price to ensure an acceptable haircut. Special cuts require additional payments.

the differential effect or inflation on the prices of purchased inputs; (7) the goods and services are highly personal; (8) the quantity purchased; (9) the desperation of the buyer or seller; (10) the hustling experience of the buyer or seller; (11) risk of the hustle; and (12) the medium of exchange.

Prices are discounted according to the medium of exchange used for payment. The lowest prices

(greatest discount) are given for payment in green, while commodities bought with script are priced close to store prices. The preference for a particular medium of exchange depends primarily on where and how it will be used. For example, cigarettes are preferred for daily transactions with the block storeman or to make gambling bets, while green is preferred when a man wants to purchase drugs to be smuggled inside or send money to help his family.

### Conclusion

This article has reviewed a number of hustling activities inside the State Prison of Southern Michigan in order to indicate how production occurs and prices and profits are determined. This prison is unusual due to its large size which makes it difficult to tightly control hustling, and therefore may encourage a greater range and scale of hustling activities than would be found in a smaller institution.

The hustles discussed are miniature versions of legal and illegal economic activities taking place outside the prison. The preferred hustles are those yielding the most profit with the minimum risk. Although the data available are limited, they suggest that normal economic forces are in operation in the inside economy. The forces of supply and demand react in the expected ways so that stable markets develop when information is good, and destabilizing forces, such as changes in supply or competing prices, cause market prices to change.

The inside economy will continue to operate as long as the residents have the financial and psychological demand for hustling and access to the resources and jobs which make hustling possible. Enforcement of crackdowns raise the prices of hustled goods and services and increase the potential for profit, while hustling activities which are legalized or undermined by changes in the institutional rules or facilities quickly lose their appeal.

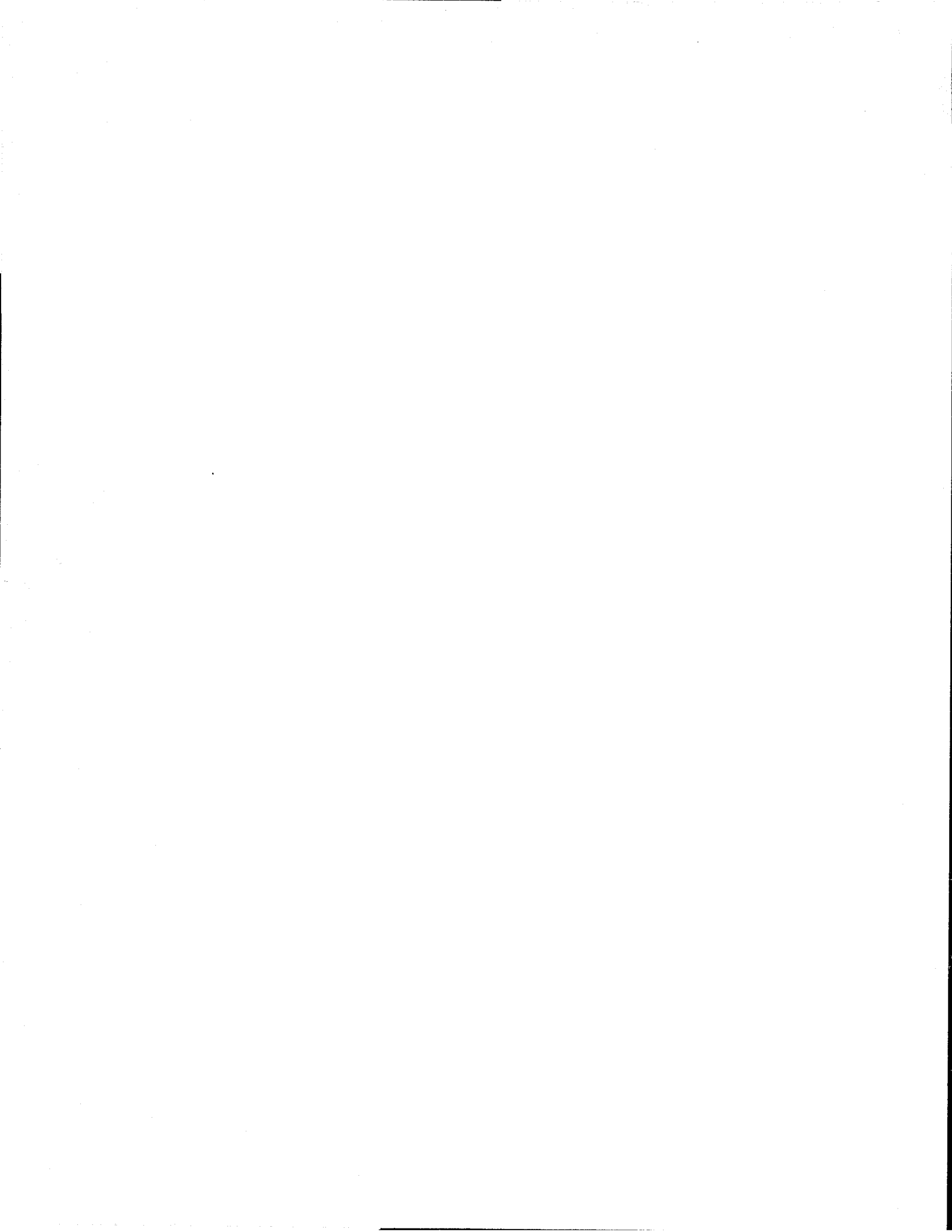
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**END**