

CPUC Resources Committee
Annual Report for the Academic Year 2017-2018

CPUC Resources Committee Annual Report: Academic Year 2017-2018

1. Executive Summary

The 2017-2018 Resources Committee report is the culmination of two years of deliberation on the issue of private detention corporations. Charged with determining when a socially responsible investment issue may merit a divestment recommendation, the Resources Committee began examining private prisons after a student coalition brought the issue forward in the spring of 2016. This report explains the nature and composition of the Resources Committee; describes the Trustees' guidelines for divestment and the University's past instances of divestment; summarizes the Committee's divergent opinions on whether to recommend divestment; and explains the Committee's decision not to move forward with a divestment recommendation.

2. Committee Background and Orientation

The Resources Committee is a committee of the Council of the Princeton University Community (CPUC). Established in 1970, the Committee considers questions of general policy concerning the procurement and management of the University's financial resources. Following guidelines set by the Board of Trustees (most recently in 1997), the Committee provides a venue for examining issues related to the University's endowment portfolio, including concerns related to socially responsible investments. Members of the Princeton community may bring issues to the Committee, and the Committee is also empowered to propose issues to consider.

The purpose of Princeton's endowment is to advance the University's mission of teaching and research. To achieve this goal, the University aims to maximize long-term returns on the endowment. Occasionally, an issue may arise that suggests an action should be taken to constrain or prohibit certain forms of investment. When such an issue arises, the Resources Committee is empowered to make investment recommendations to the Board of Trustees. The Trustees retain ultimate responsibility for all financial decisions.

By charter of the CPUC, the Committee is composed of three members of the faculty, one graduate student, two undergraduate students, one member from another of the groups represented on the Council, and the Vice President for Finance and Treasurer. A member of the Princeton University Investment Company (PRINCO) sits with the committee.

For the 2017-2018 academic year, the Resources Committee was chaired by Professor Blair Schoene (Geosciences). Other Committee members included Professors Bo Honoré (Economics) and Michael Littman (Mechanical and Aerospace Engineering); Colette Johnson, GS; William Pugh '20; Grace Obiofuma '18; Janet Finnie '84, University Health Services; Carolyn Ainslie, VP for Finance and Treasurer. Susan Ciniglio '09, a senior associate at PRINCO, sat with the Committee. Brandon Gaines, Finance and Treasury, and Cecily Swanson, Mathey College, provided staff support for the Committee. The majority of these Committee members have served for two years, providing continuity between the 2016-2017 deliberations and the Committee's work this year. As a general practice, the Resources Committee seeks to ensure some continuity in its membership; for example, student members serve for two years.

3. When and why does Princeton divest?

The Trustee Guidelines

The University's mission statement defines Princeton's mission as advancing learning through scholarship, research, and teaching of unsurpassed quality. The primary goal of the University's investment policy is to maximize long-term resources to support this educational mission. The investment policy includes a strong presumption against any action that is intended to take a position or play an active role with respect to "external issues of a political, economic, social, moral, or legal character."¹ Preserving the University's independence as a bastion for free inquiry is at the heart of this presumption. In rare instances, however, a socially responsible investment issue may be in such conflict with the University's core values that special consideration is merited. The Board of Trustees provides guidelines to help the Resources Committee evaluate when a social responsibility issue may deserve such consideration.

The [Trustee guidelines](#) offer the Resources Committee important principles for evaluating investment issues and for deciding when to bring an issue to the Board, but they do not bind the Trustees to any course of action. The Trustees are free to disagree with or decline to act on recommendations of the Resources Committee, and to raise investment issues for consideration independent of the Resources Committee.

Before the Resources Committee takes up an investment issue for consideration, the Trustees ask it to determine if the issue has attracted "considerable, thoughtful, and sustained" campus interest. This determination may necessitate lengthy observation of the campus's commitment to an issue; for example, the Resources Committee may "require that an issue be raised several times over an extended period of time, say two academic years." The Trustees stipulate that the Committee must attend to several dimensions of campus interest: its scope, magnitude, and representativeness. Our Committee discussed possible definitions of the term "campus." We considered both a more restricted definition, where campus is limited to the students, staff, and faculty who occupy the physical space of the University, and also a more expansive definition, where campus includes the alumni and other partners who make up the broader Princeton community. Our discussion did not resolve the question of what constitutes Princeton's campus.

If campus interest is demonstrated, the Trustees ask the Resources Committee to assess if a "central University value is clearly at stake." No one statement can or should fully articulate what these values are: the University's values must be flexible enough to accommodate new contexts, emerging issues, and an evolving campus community. As the Trustees suggest, some University values can be agreed upon, such as that the "University places a very high value on individual human rights and freedom of expression and dissent." Our Committee concurred that the University's core values also include but are not limited to the discovery and transmission of knowledge, the promotion of free inquiry, the development of students, and the creation and support of a diverse and inclusive campus.

If a socially responsible investment issue appears to conflict with a central University value and to have generated adequate campus interest over an extended period of time, the Resources Committee must then determine if the University community can reach consensus over an appropriate action. Possible actions can include a communication of concern to the company or companies in question, or, in a situation where University values are contravened by the existence of a continued corporate relationship, divestment and dissociation. The Trustees

stipulate that the University must refrain from using divestment “to make political statements, censure governments, or to pressure either companies or governments to adopt particular policies.”

Presumption against Political Statements

In a 2015 [letter](#), President Eisgruber elaborated upon the University’s presumption against making political statements. “We are committed,” he writes, “to the idea that the University should exert influence by providing an unbiased forum for teaching and research of unsurpassed quality, not by trying to exercise economic clout or institutional advocacy.”²

There are three notable exceptions to this mandate. One exception is when the University takes a position within a political controversy because of an “obligation to people (including applicants, faculty, students, and staff) or entities (including the environment on and around our campus) where we exercise direct authority or control or have specific responsibilities,” such as Princeton’s decision to follow race-conscious admission practices. A second exception is when the University advocates “on behalf of policies that directly affect our core activities of research and education,” such as the “right of colleges and universities to pursue racial and ethnic diversity.”

The third exception is when the University refuses “to benefit from activities or practices that the University community as a whole regards as seriously inconsistent with a core university value.” This exception relates to questions of responsible investment. If a company’s behavior is in such conflict with a University value that a refusal to invest in that company (divestment) is warranted, then the University would fully sever ties with the company (dissociation), which would include forswearing gifts, partnerships, and affiliations of all kinds or purchasing its products. Such a decision would not be motivated by a desire to send a political or symbolic message to the world at large; it would be motivated by a judgment that any association with the company is contrary to the University’s central values. It is worth noting that while our peer institutions have almost always focused on divesting from direct investments, which tend to be a very small portion of their portfolios, Princeton would attempt to exclude the offending entity from any portion of its portfolio, including managed funds.³

That the University chooses not to act on most investment issues that generate interest on campus does not mean that its investment managers disregard ethical concerns. Princeton University Investment Company (PRINCO), charged with managing the endowment, takes social responsibility into account in every investment decision. As [PRINCO President Andy Golden has explained](#), PRINCO views its daily work through the lens of social responsibility for both ethical and economic reasons.⁴ PRINCO operates under the guiding assumption that an investment decision that takes into account a long view of human progress and social accountability tends to make the most long-term economic sense. To stay informed on ethical investment practices, PRINCO participates in networks of peer endowment offices and attends conferences on topics of responsible investment.

Past Instances of University Divestment

The University has taken divestment actions on two topics: apartheid in South Africa and genocide in Sudan. In 1969, the University divested from South African companies; in the 1980s, it selectively divested from some companies that operated in South Africa; in 2006, it divested from select companies that operated in Sudan.

The reports on divestment in South Africa (1969, 1978, 1985, 1987) illuminate the complexity of socially responsible investment. While there was consensus that apartheid stood in gross conflict with University values, it was clear that divestment would have little economic effect on the companies it targeted.⁵ Shares sold by Princeton would be bought by other parties, and most likely by entities indifferent to apartheid's system of institutionalized racism. Princeton's initial strategy was to try to have a positive impact on companies that did business in South Africa and to support academic initiatives designed to bring about constructive change in that country. When some companies continued to engage in practices that suggested either indifference to apartheid or explicit or implicit support for it, the University selectively divested (and dissociated) from them. Such companies displayed one or more of the following characteristics: an unwillingness to sign the Sullivan Principles; failure to achieve satisfactory ratings under the Sullivan Principles; engaged in sales to the government of South Africa; and failure to communicate satisfactorily with the University on important principles. These selective divestments reflected Princeton's policy of making investment decisions in response to specific company behavior.

Similarly, in 2006, as concerns about genocide in Sudan escalated, the University developed "a set of specific guidelines regarding company behaviors that [were] inconsistent with University policies" and then identified companies doing business in Sudan that warranted divestment.⁶ Princeton acted to preclude "any direct investment in companies whose behavior in Sudan is complicit with acts of genocide."

4. Summary of PPPD's proposals and the Resources Committee's deliberations

The Resources Committee has deliberated about private prison divestment for two years, in conformance with the recognition in the Trustee guidelines that lengthy study of an issue may sometimes be appropriate. The past reports of the Resources Committee can be found [here](#).

Meetings

Spring 2016

The issue of private prison divestment was first brought to the Resources Committee by SPEAR (Students for Prison Education and Reform) on March 4, 2016. SPEAR sought advice about how best to demonstrate having met the Trustees' guidelines. Later that spring, members of the Resources Committee spoke with representatives from Columbia University to learn more about Columbia's decision to divest from private prisons.

On May 10, 2016, SPEAR presented a proposal to the Resources Committee for divestment from companies associated with the private prison industry, arguing that they had demonstrated campus interest through a USG referendum that had high support (30.1% turnout with 89% voting in favor of divestment) but did not meet the [USG threshold of 1/3 of undergraduates voting](#).⁷ The Committee asked SPEAR to continue to develop its proposal, offering to take up the issue the next academic year.

AY 2016-2017

In the fall of 2016, the Committee met with representatives of Princeton Private Prison Divest (PPPD) on November 11 and December 2 to discuss their revised proposal, which recommended divestment from 11 companies associated with the private prison industry.

On February 10, 2017, the Committee deliberated on the private prison issue and PPPD's proposal, arriving at the consensus view that the proposal, as written, did not meet the guidelines for divestment. On March 10, 2017, the Committee shared this determination with PPPD, explaining that the Committee would continue to engage with the issue of private prison divestment and inviting PPPD to expand its proposal.

On March 27, 2017, the Committee presented an update on its deliberations at a CPUC meeting. At that meeting, President Eisgruber noted that Princeton had no investments in the 11 companies on PPPD's list. Members of PPPD staged a walk-out and teach-in outside the meeting.

On April 17, 2017, the Resources Committee invited Naomi Murakawa, Associate Professor of African American Studies at Princeton, to share her expertise on the state of U.S. prisons and the criminal justice system.

On May 8, 2017, the Committee held its final meeting of that spring, affirming the plan to continue evaluating the issue of private prison divestment the following academic year.

AY 2017-2018

The Resources Committee presented its charge and guiding documents at the September 25, 2017 CPUC meeting. The Committee also shared with the CPUC its 2017 agenda, noting that the Committee would continue to pursue the issue of divestment from the private prison industry.

In the fall of 2017, the Committee met four times: on October 12, to review the Committee's purpose and historical background, with a presentation from Vice President and Secretary Bob Durkee; on October 26, to review the University's policies regarding the management of the endowment, with a presentation from PRINCO President Andy Golden, and to meet with members of PPPD to discuss their proposal and research dossier; on November 27, to begin preliminary discussions of the Committee's recommendations about private prison divestment; and on December 6, to begin developing an initial Committee response to the question of private prison divestment.

On January 22, the Committee met to review each committee member's perspective on private prison divestment and to elaborate on the Committee's initial response. On February 2, the Committee began the process of drafting a report on the divestment recommendation. On March 12 and 14, the Committee reviewed and edited the report draft. On March 28, the Committee finalized the report.

Overview of PPPD's Proposals and Research Dossier

PPPD (then SPEAR) presented its first proposal for divestment to the Committee on May 10, 2016. The proposal was revised and presented again on December 2, 2016. The Committee

discussed it once more with PPPD on October 26, 2017. PPPD's revised proposal can be found [here](#).

PPPD's proposal demonstrates significant campus interest in the issue of private prison divestment. In addition to the support of undergraduates in the April 18, 2016 referendum (30.1% turnout with 89% voting in favor of divestment), there was support from graduate students in a spring 2017 referendum (26% turnout with 85% voting in favor of divestment). PPPD circulated a faculty petition calling for divestment, which garnered 177 signatures. According to PPPD, this represented "more than any other faculty petition in recent memory."⁸

PPPD's proposals also demonstrated the campus's sustained interest in criminal justice reform. Numerous student groups advocate for and work on behalf of incarcerated or detained individuals. Examples include SPEAR; Petey Greene; the Prison Teaching Initiative; the Princeton Employment Project; the Prison Electives Project; Project Solidarity; and Princeton DREAM Team. PPPD acknowledges that though these activities are not specifically focused on private prisons, campus advocates against mass incarceration and immigrant detention share the conviction that the profit motive of private prisons and detention centers makes them particularly reprehensible.

Taking up the question of how investments in private prisons might conflict with University values, PPPD's proposal argues that the American incarceration system violates such core Princeton values as "diversity, dignity, individuality, and service." "Incarceration as it currently stands," writes PPPD, "strips humans of their dignity and individuality; moreover, it does so in a way that targets individuals of a particular race, class, gender, or other people group." To invest in private prison corporations is to "profit off of such injustices." The later version of PPPD's proposal (December 2, 2016) includes a list of 11 private prison corporations and corporate contractors from which PPPD proposes the University should consider divesting.

PPPD developed a research dossier that it presented to the Committee in the fall of 2017. The dossier reviews normative and empirical assessments of the private prison industry. This document served as an important resource for the Committee's deliberation, along with other research sought by the Committee.

Panels and Campus Events on the Issue of Private Prisons

On February 6, 2017, PPPD convened a panel on the private prison industry, which included Christopher Petrella, a researcher at Bates College; Carl Takei, an attorney at the American Civil Liberties Union (ACLU); and Judith Green, director of Justice Strategies. Members of the Resources Committee attended this panel.

On April 6, 2017, the American Whig-Cliosophic Society debated private prison divestment, voting in favor. Members of the Resources Committee attended the debate.

On December 5, 2017, Lauren-Brooke Eisen, author of *Inside Private Prisons: An American Dilemma in the Age of Mass Incarceration*, spoke at Labyrinth Books. Members of the Resources Committee attended her talk.

Campus Activities on the Problem of Mass Incarceration

Princeton's campus is home to students, faculty, and staff working to ameliorate mass incarceration. PPPD's proposal describes the range of student activism on behalf of incarcerated individuals. There are more campus groups than can be described here, but highlighting a few of them gives a sense of the breadth of the University's efforts to amend the criminal justice system. [Students for Prison Education and Reform \(SPEAR\)](#) work to "advocate against mass incarceration & solitary confinement, provide educational opportunities in New Jersey prisons, and educate members of the Princeton community about the challenges in our criminal justice system." SPEAR has organized yearly conferences on the topic of mass incarceration; this year, from April 13-15, SPEAR hosted a conference on "The Shadows of the Prison," inviting writers, scholars, and activists to speak about and reflect on the communities affected by mass incarceration. Princeton is home to the country's largest and original [Petey Greene](#) chapter, a national organization that offers educational programming and tutoring to incarcerated individuals. Another educational initiative on campus, the [Prison Teaching Initiative](#), gives prisoners access to post-secondary education through courses developed by Princeton students, faculty, staff, and community members. The [Princeton DREAM team](#) works on behalf of immigrants, seeking to redress the injustices facing migrant communities.

Princeton campus offices such as the Pace Center for Civic Engagement, the Office of Religious Life, and the McGraw Center for Teaching and Learning help support these endeavors, and staff, faculty, and community members join students in their advocacy work. Faculty offer courses on topics like "The History of Incarceration in the U.S." and "Race, Racism, and Politics in the U.S." that allow students to delve deeply into the causes and consequences of mass incarceration, examining related social problems such as racism, poverty, housing inequality, and access to education.

5. Portfolio context

Over the past year, the Committee's deliberations proceeded with the understanding that, as confirmed by PRINCO representatives to the best of their knowledge, Princeton University was not invested – either directly or indirectly – in the [11 detention corporations, private prisons, or affiliated contractors](#) from which PPPD recommended divestment. PRINCO representatives confirmed that this was the case for a prolonged, multi-year period prior to the Committee's consideration of this issue and that this continued to be the case as of the writing of this report.

6. Context of Incarceration in the United States

The United States has the largest prisoner population in the world: 2.2 million people are behind bars in our country,⁹ a number that accounts for nearly 25% of the world's incarcerated population.¹⁰ This is a recent trend. Between 1925 and 1970, the rate of incarceration in the U.S. was low and stable: 1/10 of 1% of the population was imprisoned.¹¹ But since 1970, the incarceration rate in the U.S. has dramatically increased to almost 1%, reflecting a growth in incarceration that is, in the words of a report by the National Research Council, "historically unprecedented and internationally unique."¹²

Evidence suggests that mass incarceration is an outcome of a criminal justice system that has become increasingly punitive. The rise of the incarceration rate cannot be explained as the result of a parallel increase in crime; as Bruce Western comments in his study, *Punishment and*

Inequality in America, “the growth in incarceration rates [over the past 40 years] was due largely to changes in politics and policy.”¹³ These judicial changes include longer sentences, an increased likelihood that arrest will lead to imprisonment, greatly increased rates of arrest and imprisonment for non-violent drug crimes, and an increased rate of incarceration of parole offenders.¹⁴

7. Common agreements among members of the Resources Committee

PPPD demonstrated to our Committee that the issue of private prisons has garnered “considerable, thoughtful, and sustained campus interest.” The Committee is impressed by the range of student advocacy efforts on behalf of incarcerated individuals, and feels that the University has directed and should continue to direct academic resources to analyzing and seeking solutions to a range of issues plaguing the American criminal justice system. Committee members are disturbed by the level of mass incarceration in the United States and agree that mass incarceration is a serious problem that disproportionately affects the poor, people of color, and immigrants.

In general, the research on American prisons, both public and private, is inadequate. Private prisons are not accountable to the Freedom of Information Act, which makes researching them difficult. It is also increasingly hard to research public prisons. As a report from the National Research Council points out, the whole prison system has not been satisfactorily studied due to “lack of research access” and “cutbacks in other forms of outside review.”¹⁵ Our Committee reviewed the research on public and private incarceration systems, learning that they are both beset by similar problems. Until researchers have better access to the prison system, definitive determination of the differences between private and public prisons with respect to the treatment of their inmate populations will be impossible. Our Committee was in agreement that there is currently insufficient evidence that private prisons have different outcomes than public prisons for their inmate populations.

Our committee concurred that the broader criminal justice system, which includes both public and private prisons, needs large-scale amelioration. But we did not arrive at sufficient consensus to recommend divestment from private prisons. About half the Committee was in favor of divestment from private prisons, and the other half was against it. Each Committee member presented justifications for his or her viewpoint, inviting discussion of possible objections. The issue of private prisons is so complicated that it was easy to imagine a counterpoint to every point raised. Given the lack of consensus on the appropriate divestment action to take, we were of the shared view that we could not move forward with a divestment recommendation.

Below is a summary of both positions – for divestment and against – to give an account of committee members’ divergent opinions on the issue. Because it is difficult to satisfactorily distinguish between public and private prisons, our Committee did not see the difference between them as a ground for a divestment recommendation.

8. Arguments against divestment from private prisons

One argument against divestment from private prisons is that private prisons are not responsible for the policy decisions that helped create the high rate of imprisonment in the United States; rather, private prisons are a consequence of a criminal justice system that has incarcerated more people than can be held in state and federal facilities and that has turned towards privatization

because of its promise of economic efficiency and operating expertise. Private prisons are contracted by federal and state governments as a solution to the problems of overcrowding and constrained budgets; the onus of criminal justice reform and the reduction of mass incarceration falls on the government and its electorate, not on the corporations it contracts. One scholar has referred to private prisons as a “miner’s canary”: they signal that there is a serious problem with how the United States administers punishment, but they are not the reason for this problem. In this analysis, “the state’s use of private prisons is the logical extension of policies and practices that are already standard features of the penal system in general.”¹⁶

Another argument against divestment is that there is not enough research on private prison operations and outcomes to offer a satisfactory assessment of their performance. As a result, it is hard to categorically reject private prisons without better empirical evidence suggesting that they are indeed worse than their public counterparts.

Further, it is difficult to draw a clear line between specific private prison corporate policies and the University values they may contravene. As stated earlier, there is not enough research on private prison operations and outcomes to offer a satisfactory assessment of how their practices do or do not align with Princeton’s values.

It is also worth noting that there is nothing historically exceptional about private prisons or the privatization of government services in general. The rise of private prisons is a response to increasing rates of incarceration over the past 40 years. But the history of the privatization of prisons is a much longer one, tied to a broader trend toward privatization. As Lauren-Brooke Eisen points out in her comprehensive study of private prisons, “[g]iven the sheer breadth of privatized government services, the privatization of corrections doesn’t seem like such an outlier.”¹⁷ In this context, it is hard to categorically reject private prisons without better empirical evidence suggesting that they are indeed worse than their public counterparts.

Finally, divestment might undercut the University’s ability to act as a forum of open exchange. The undergraduate and graduate referenda and the faculty petition on private prison divestment represent an important perspective, but it has not yet been determined that there is broad consensus within the Princeton community that divestment is the best strategy for addressing concerns about private prisons or about the criminal justice system. Future campus debate about incarceration and the penal system might even be chilled if the University were to take a position through divestment.

The trustees have set a “high bar” for divestment. The combination of the arguments above along with the complex set of issues surrounding the carceral system of public and private prisons suggest to some on the committee that Princeton’s primary role is to support rigorous academic inquiry, civic engagement, and educational outreach and that divestment is not the appropriate action at this time.

9. Arguments for divestment from private prisons

Mass incarceration in the United States represents a new, perhaps more insidious, iteration of a system of racial caste, as scholars like Michelle Alexander have argued. Young black men are more likely to be imprisoned than to finish college or serve in the military.¹⁸ As the NAACP points out, African-Americans and Hispanics represent 56% of the incarcerated population but only 32% of the U.S. population.¹⁹ If African Americans and Hispanics were incarcerated at the

same rate as whites, the incarcerated population would decline by nearly 40%. That a disproportionately black and brown prisoner population is often subjected to inhumane conditions, that recidivism rates are very high, and that incarcerated individuals are denied the right to vote (and thus self-advocate) suggests that the American criminal justice system is perpetuating a humanitarian and civil rights crisis. Mass incarceration also has significant deleterious effects on the communities and families from which incarcerated individuals come. Although the private prison industry is not the cause of this problem, it aims to profit from it and lobbies against fixing it.²⁰

One argument for divestment from private prisons is that divestment would support the University's commitment to promoting a diverse and inclusive campus. Part of Princeton's core mission, which has been specifically emphasized during President Eisgruber's term both in words and in practice, is to increase racial, ethnic, and socioeconomic diversity on campus and within the larger Princeton community. Mass incarceration, by discriminating against poor people of color through imprisonment and community degradation, effectively acts in direct opposition to this aspect of Princeton's mission. While it is difficult to say whether individuals currently in prison would have become Princeton students, it has been shown that the prospects of higher education for people released from prison are small, and hopes are diminished for their family and children as well.²¹ These children and family members are part of our Princeton community. If we were to invest Princeton's endowment in companies that stand to profit from a system that acts in conflict with Princeton's mission to increase diversity and racial equality, then we would be undermining our own efforts. In other words, for Princeton to benefit from the incarceration of people that we are trying to include in our community is not only counter-productive, but also hypocritical.

Another argument for divestment from private prisons lies in Princeton's support of DACA recipients and undocumented immigrants. This fall, the University, in partnership with Microsoft, filed a federal lawsuit to preserve DACA. As [President Eisgruber has written of DACA students](#), "These young people deserve the opportunity not only to remain in the United States, which for many is the only home they have known, but to be reassured that their devotion to this country is welcomed and valued." The University's articulated commitment to at-risk immigrant populations is in disagreement with private detention corporations' efforts to lobby on behalf of stricter immigration policies and the criminalization of immigrants.²² The large majority of immigration detention beds are managed privately, and bed quotas ensure that immigrants remain detained at extraordinarily high levels, even as migration to the United States has tapered off.²³ The private prison industry abets this trend, one that impinges upon members of our own Princeton community. Divesting from corporations that negatively affect the lives of people at Princeton would seem to fall within the category of an exception to the University's presumption against political statements that President Eisgruber described in his 2015 letter.

As discussed, the evidence of whether private prisons subject their inmate populations to worse overall treatment than public prisons is equivocal. Private incarceration corporations do not have to comply with the Freedom of Information Act, which makes it hard to evaluate how their inmate populations are faring. This itself is a reason to consider divesting from them: private prisons' lack of transparency about how they treat a population that cannot advocate for itself should make Princeton—a supporter of free speech and open debate—wary of association.

10. Concluding Statement

The Committee’s deliberations over the past two years attest to the complexity of the issue of private prisons. Our attention to the issue has motivated multiple paths of inquiry and generated numerous discussions, with robust arguments on both sides. As President Eisgruber describes in his 2015 letter, exceptions to the University’s presumption against expressing social or political positions through its investment policy should be drawn narrowly “because of the University’s deep regard for diversity of opinion and for the positive value of association.” As demonstrated by a lack of consensus within the Committee itself, significant potential exists for informed and reasonable people to hold differing views on the appropriateness of private prison divestment, and, therefore, we cannot submit a formal recommendation to the Trustees at this time. It is our Committee’s hope and belief, however, that research and debate about mass incarceration—and the role of private prisons in it—should continue at Princeton.

Notes

¹ Board of Trustees of Princeton University, “Guidelines for Resources Committee Consideration of Investment-Driven ‘Social Responsibility’ Issues,”

<https://cpucresources.princeton.edu/sites/cpucresources/files/guidelines/GUIDELINES-FOR-RESOURCES-COMMITTEE.pdf>

² President Chris Eisgruber to Professor Marc Fleurbaey, April 15, 2015,

<https://cpucresources.princeton.edu/sites/cpucresources/files/reports/Correspondence-between-the-Committee-President-Eisgruber-and-Mr-Golden.pdf>

³ Direct investments are those owned directly by Princeton University. Managed funds are typically commingled pools of money from multiple clients invested in various companies or assets by an investment manager. The percentage of Princeton’s portfolio held in direct investments has fallen dramatically over the past 50 years; this is also true of our peer institutions’ portfolios.

⁴ Andy Golden to Chris Eisgruber, April 13, 2015,

<https://cpucresources.princeton.edu/sites/cpucresources/files/reports/Correspondence-between-the-Committee-President-Eisgruber-and-Mr-Golden.pdf>

⁵ Siew Hong Teoh, Ivo Welch, and C. Paul Wazzan, “The Effect of Socially Activist Investment Policies on the Financial Markets: Evidence from the South African Boycott,” *Journal of Business* 72, no. 1 (1999): 35-90.

⁶ “Report of the Resources Committee Regarding Investment in Companies Conducting Operations in Sudan,” May 2006,

https://cpucresources.princeton.edu/sites/cpucresources/files/past/Report-of-the-RC-Re-Investment-in-companies-Conducting-Operations-in-Sudan_2006.pdf.

⁷ For information on recent reforms to the USG referendum process, see here:

<http://www.dailyprincetonian.com/article/2015/12/usg-reforms-referendum-rules-to-streamline-process>

⁸ “Princeton Private Prison and Detention Divestment Proposal” (revised version), December 2, 2016, https://docs.wixstatic.com/ugd/a47674_5879ef8fd9b841e1b430f0906aa29a19.pdf

⁹ “Criminal Justice Facts,” *The Sentencing Project*, <http://www.sentencingproject.org/criminal-justice-facts/>

¹⁰ “Does the United States really have 5 percent of the world’s population and one quarter of the world’s prisoners?”, *The Washington Post*, April 30, 2015, https://www.washingtonpost.com/news/fact-checker/wp/2015/04/30/does-the-united-states-really-have-five-percent-of-worlds-population-and-one-quarter-of-the-worlds-prisoners/?utm_term=.15e839b5932c

¹¹ Bruce Western, *Punishment and Inequality in America* (New York: Russell Sage Foundation, 2006): 13.

¹² Jeremy Travis, Bruce Western, and Steve Redburn, Editors, Committee on the Causes and Consequences of High Rates of Incarceration, *The Growth of Incarceration in the United States* (Washington, D.C.: National Academies Press, 2014): 2.

¹³ Bruce Western, *Punishment and Inequality in America* (New York: Russell Sage Foundation, 2006): 32.

¹⁴ *Ibid*, 43-44.

¹⁵ Jeremy Travis, Bruce Western, and Steve Redburn, Editors, Committee on the Causes and Consequences of High Rates of Incarceration, *The Growth of Incarceration in the United States* (Washington, D.C.: National Academies Press, 2014): 29.

¹⁶ Sharon Dolovich, “State Punishment and Private Prisons,” *Duke Law Journal* 55, no 3 (2005): 438.

¹⁷ Lauren-Brooke Eisen, *Inside Private Prisons* (NYC: Columbia UP, 2018): 46

¹⁸ Bruce Western, *Punishment and Inequality in America* (New York: Russell Sage Foundation, 2006): 12.

¹⁹ “Criminal Justice Fact Sheet,” *NCAAP*, <http://www.naacp.org/criminal-justice-fact-sheet/>

²⁰ In *Inside Private Prisons* (NYC: Columbia UP, 2018), Lauren-Brooke Eisen explains that while “for-profit prison corporations claim that they don’t lobby for changes in criminal justice policy, they spend large amounts of money every year on lobbying firms that advocate for their financial interests in Congress and state legislatures” (188).

²¹ See “Consequences for Communities” in Jeremy Travis, Bruce Western, and Steve Redburn, Editors, Committee on the Causes and Consequences of High Rates of Incarceration, *The Growth of Incarceration in the United States* (Washington, D.C.: National Academies Press, 2014): 281-301.

²² As Lauren Brooke-Eisen explains in *Inside Private Prisons* (NYC: Columbia UP, 2018), NPR investigated the influence that private prisons have on immigration policy, revealing that CCA officials were at a 2010 meeting of the American Legislative Exchange Counsel (ALEC), at which a model immigration bill was drafted that was subsequently adopted by the state of Arizona. This bill made it a “state misdemeanor crime for an undocumented citizen to be in Arizona” (158).

²³ See Lauren Brooke-Eisen’s chapter, “Shadow Prisons: Inside Private Immigrant Detention Centers” in *Inside Private Prisons* (NYC: Columbia UP, 2018): 137-168.