Crime and the Economy: Break With the Past?

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Explaining Crime
Overview

1) Are crime rates related to changing economic conditions?
   – Property crimes?
   – Violent crimes?

2) How can we explain the connections among the economy, property crime, and violent crime?

3) How can we explain the absence of crime increases -- to date -- during the current economic crisis?
Past Research on Crime Trends and Economic Conditions

- Mixed, inconclusive results
- Divergent interpretations
  - No relationship (James Q. Wilson)
  - Positive and negative relationship
    - Criminal opportunities v. motivations
- Unemployment rate as a measure of changing economic conditions
  - Narrow scope
  - Lagging indicator
Recent Research Tells a More Consistent Story

• Crime trends related to *broader* economic indicators (GDP per cap)


• Crime trends related to *subjective* economic indicators (consumer sentiment)


• Crime *increases* during economic downturns
Robberies per 100,000 Population, 1960-2008
Robbery Rates and Consumer Pessimism, 1960-2008

Robbery

Pessimism
Robbery Rates and Consumer Pessimism, 1960-2008

Best Fitting Trend

Robbery

Pessimism

$r = .496$
Detrended Consumer Pessimism and Robbery Rates, 1960-2008

$r = .728$
What is the Mechanism Linking Property Crime to the Economy?

- Property offenders must sell goods they do not consume
- Offenders respond to incentives
- Demand for stolen goods expands during economic downturns
  - Consumers trade down to underground markets
  - Stolen merchandise as “inferior goods”:
    Demand increases as incomes fall
- Increased demand strengthens incentives for acquisitive crime
### Percentage of 1990s Crime Drop Attributable to Economy and Imprisonment

<table>
<thead>
<tr>
<th></th>
<th>Robbery</th>
<th>Burglary</th>
<th>Larceny</th>
<th>MV Theft</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICS</td>
<td>35.3%</td>
<td>33.0%</td>
<td>48.5%</td>
<td>28.5%</td>
</tr>
<tr>
<td>GDP</td>
<td>18.9%</td>
<td>--</td>
<td>39.1%</td>
<td>--</td>
</tr>
<tr>
<td>Prison</td>
<td>18.7%</td>
<td>22.7%</td>
<td>--</td>
<td>23.0%</td>
</tr>
<tr>
<td>Total</td>
<td>72.9%</td>
<td>55.7%</td>
<td>87.6%</td>
<td>51.5%</td>
</tr>
</tbody>
</table>
Extension to Violent Crime*

• Property crime affects violent crime
  – Property offending risky activity
  – Violence as social control in “stateless” locations
• Property crime mediates effect of economic conditions on homicide
• Replication of previous analysis on homicide rates

Direct and Indirect Effects of Consumer Sentiment and Imprisonment on Property Crime and Homicide

ICS

-0.251*

ICS-1

-0.245*

Property Crime

-0.314*

Homicide

-0.539*

Imprisonment

*p < .05
Responding to Crime
Untimely Data, Inadequate Response

- Time delays in dissemination of UCR data
  - Annual data available 9 months after collection year
  - Monthly data delayed up to 21 months
- Advocacy groups fill the void
  - PERF’s “Gathering Storm”
- No technical necessity for such lengthy delays
- Delays impede policy evaluation and response
Effective Response Requires *Comparative Data*

- Are local crime changes driven by local or general conditions?*
- Evaluating “what works” requires comparative assessment and common outcome measures

Example: Crime and the Recession

• Public concern and collective security
• National crime rates down in 2008 and first six months of 2009
• Comprehensive data unavailable to monitor crime changes as recession deepened
• Unanswered questions
  – Have crime rises occurred in areas hardest hit?
  – Have foreclosures spurred crime increases?
  – Do police cuts lead to crime increases?
  – Have drug markets expanded?
  – Stimulus effects?
What Should Be Done? Three Modest Proposals

• FBI: Quarterly dissemination of UCR crime and arrest data one month after collection period
• BJS: Semi-annual analysis of UCR data for representative sample of jurisdictions
• NIJ: Ongoing research program to explain and forecast crime changes
An Immodest Proposal: Transfer the UCR Program from the FBI to the BJS
Wrong Place, Wrong Time

- UCR program under resourced
- Little to no analytical capabilities
- Limited contact with research community
- Priorities elsewhere
“Our Priorities”

1. Protect the United States from terrorist attack
2. Protect the United States against foreign intelligence operations and espionage
3. Protect the United States against cyber-based attacks and high-technology crimes
4. Combat public corruption at all levels
5. Protect civil rights
6. Combat transnational/national criminal organizations and enterprises
7. Combat major white-collar crime
8. Combat significant violent crime
9. Support federal, state, local and international partners
10. Upgrade technology to successfully perform the FBI's mission

http://www.fbi.gov/
State UCR programs

- More than just a data pass-through or filter
- Functional infrastructure
- Closer ties to local agencies
- Responsive to local concerns
- Strong analytical and research capabilities
- Strong national leadership
If Not Now, When?
Further Reading


Rosenfeld, Richard. 2007. Transfer the Uniform Crime Reporting Program from the FBI to the Bureau of Justice Statistics. Criminology and Public Policy 6: 825-834.