

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)

Arvanites, Thomas M., and Robert H. Defina. 2006. Business cycles and street crime. *Criminology* 44: 139-164.

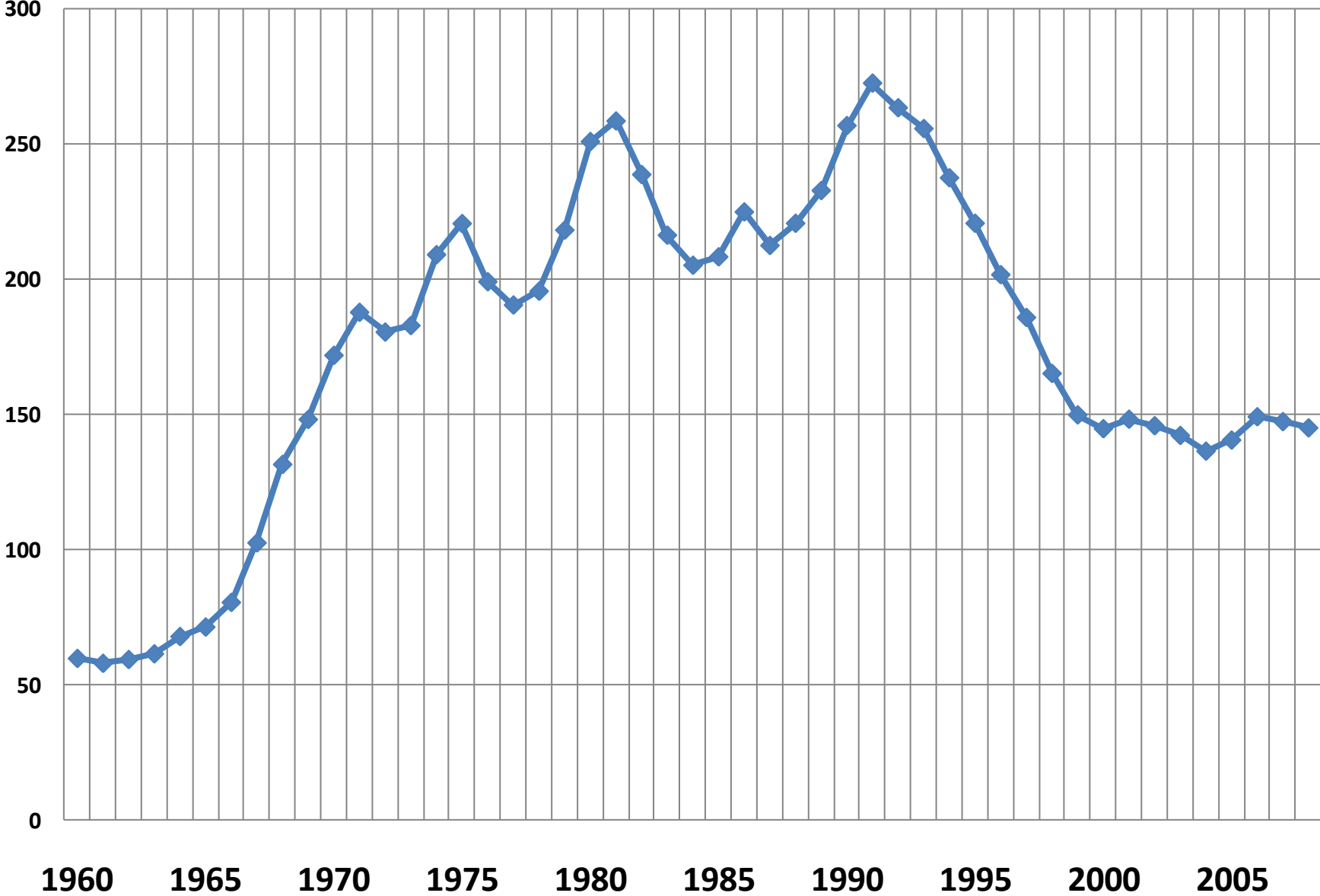
- Crime trends related to *subjective* economic indicators (consumer sentiment)

Rosenfeld , Richard and Robert Fornango. 2007. The impact of economic conditions on robbery and property crime: The role of consumer sentiment. *Criminology* 45: 735-769.

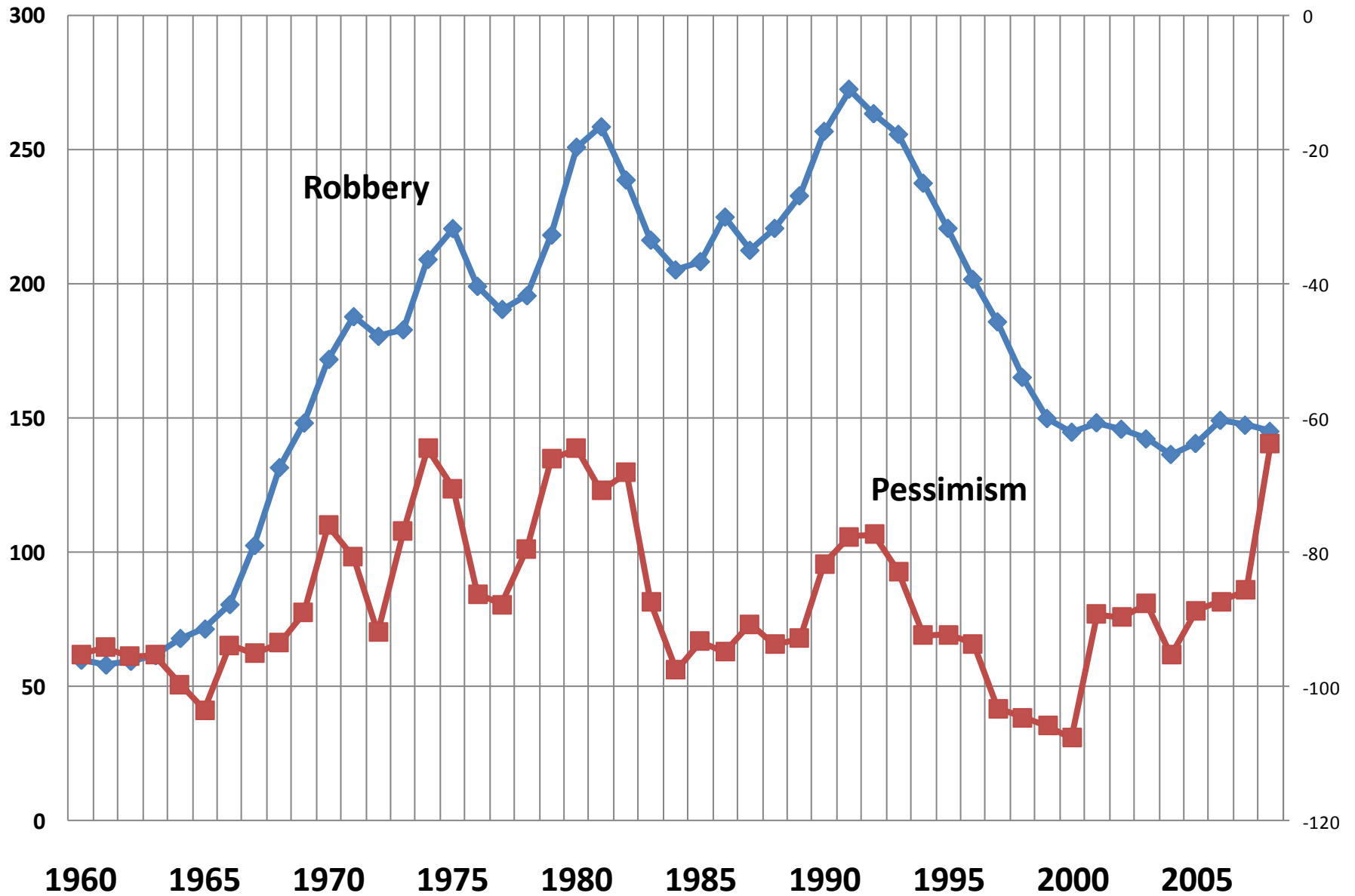
- Crime *increases* during economic downturns



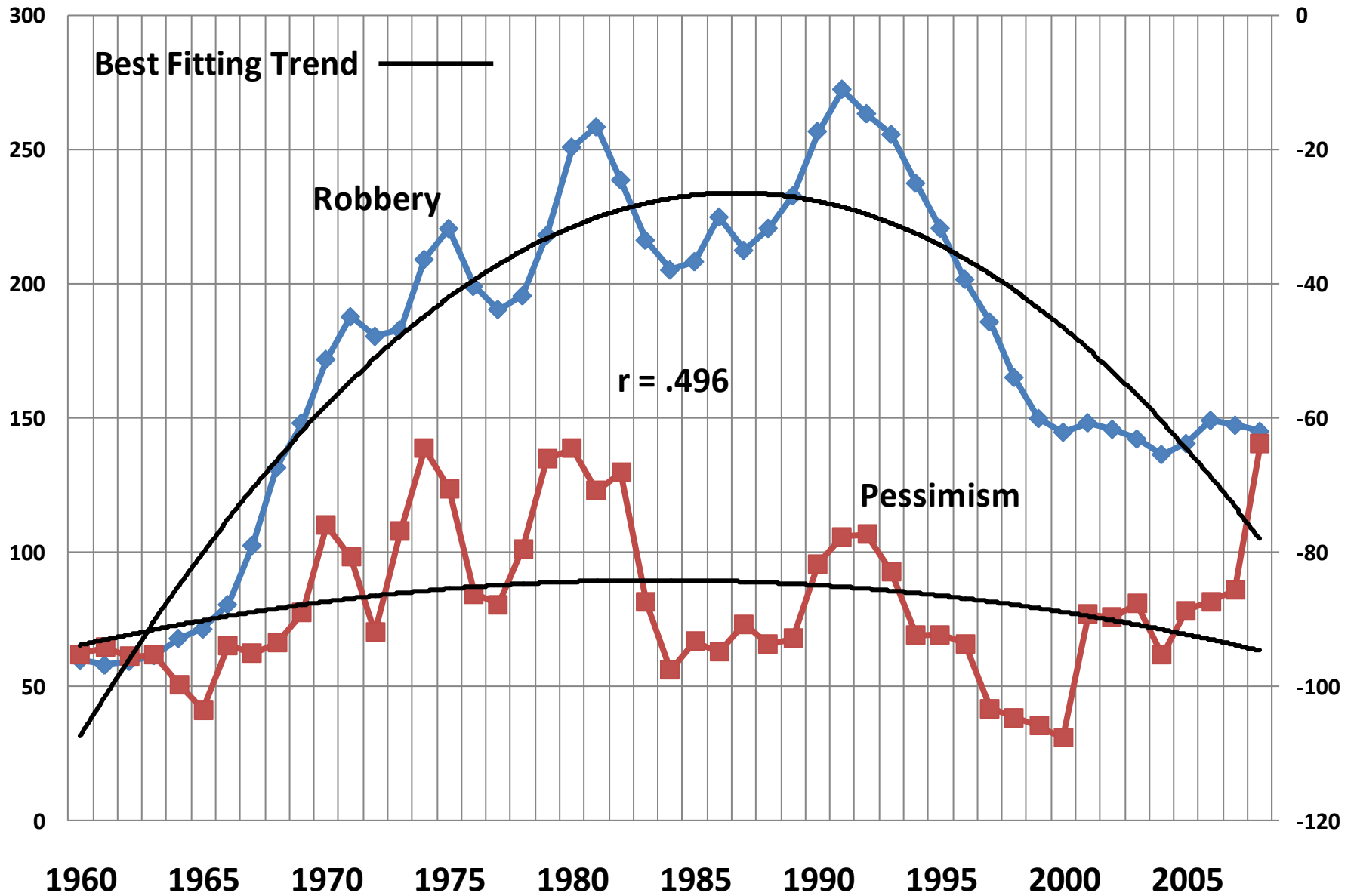
Robberies per 100,000 Population, 1960-2008



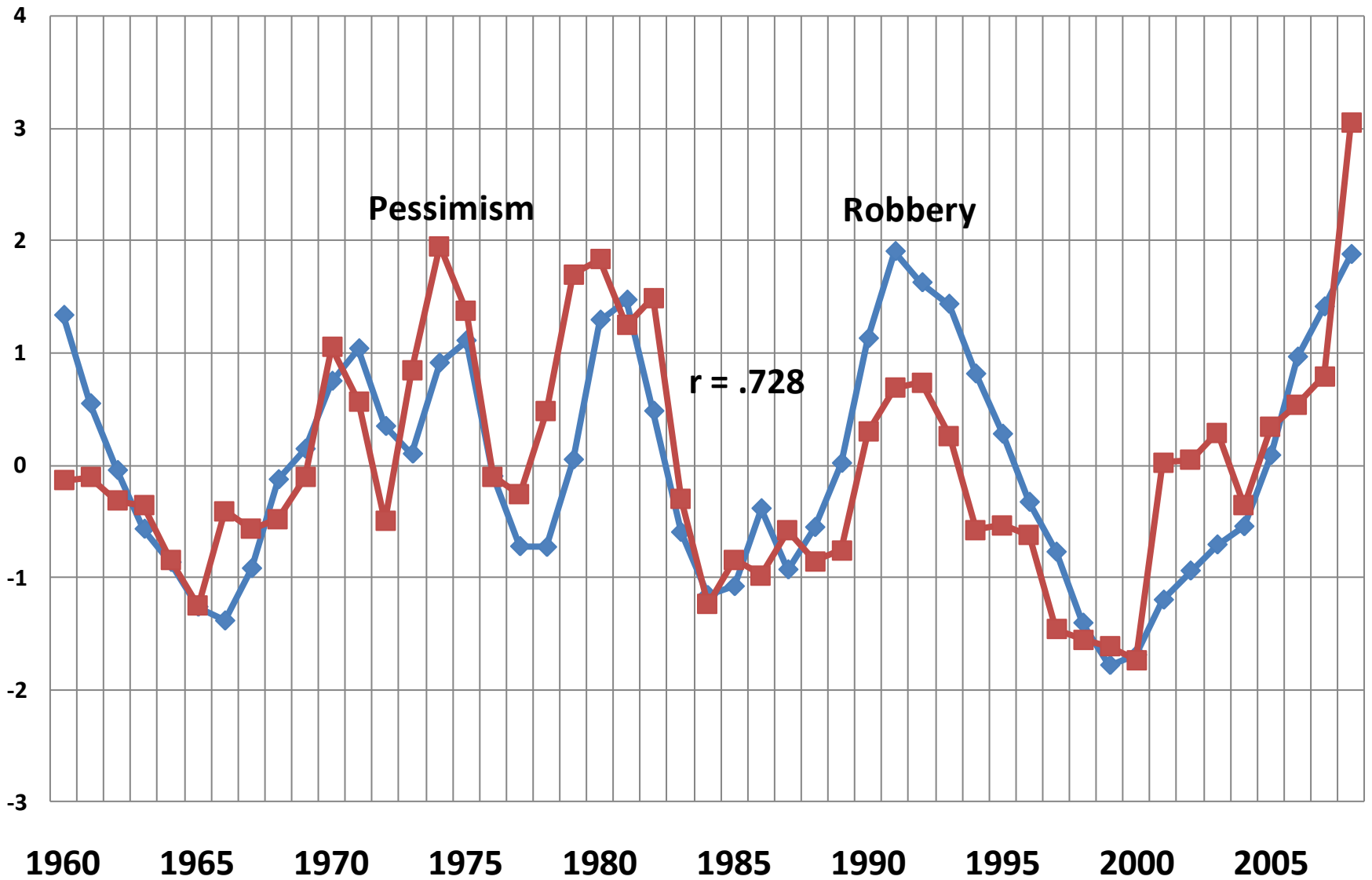
Robbery Rates and Consumer Pessimism, 1960-2008



Robbery Rates and Consumer Pessimism, 1960-2008



Detrended Consumer Pessimism and Robbery Rates, 1960-2008



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

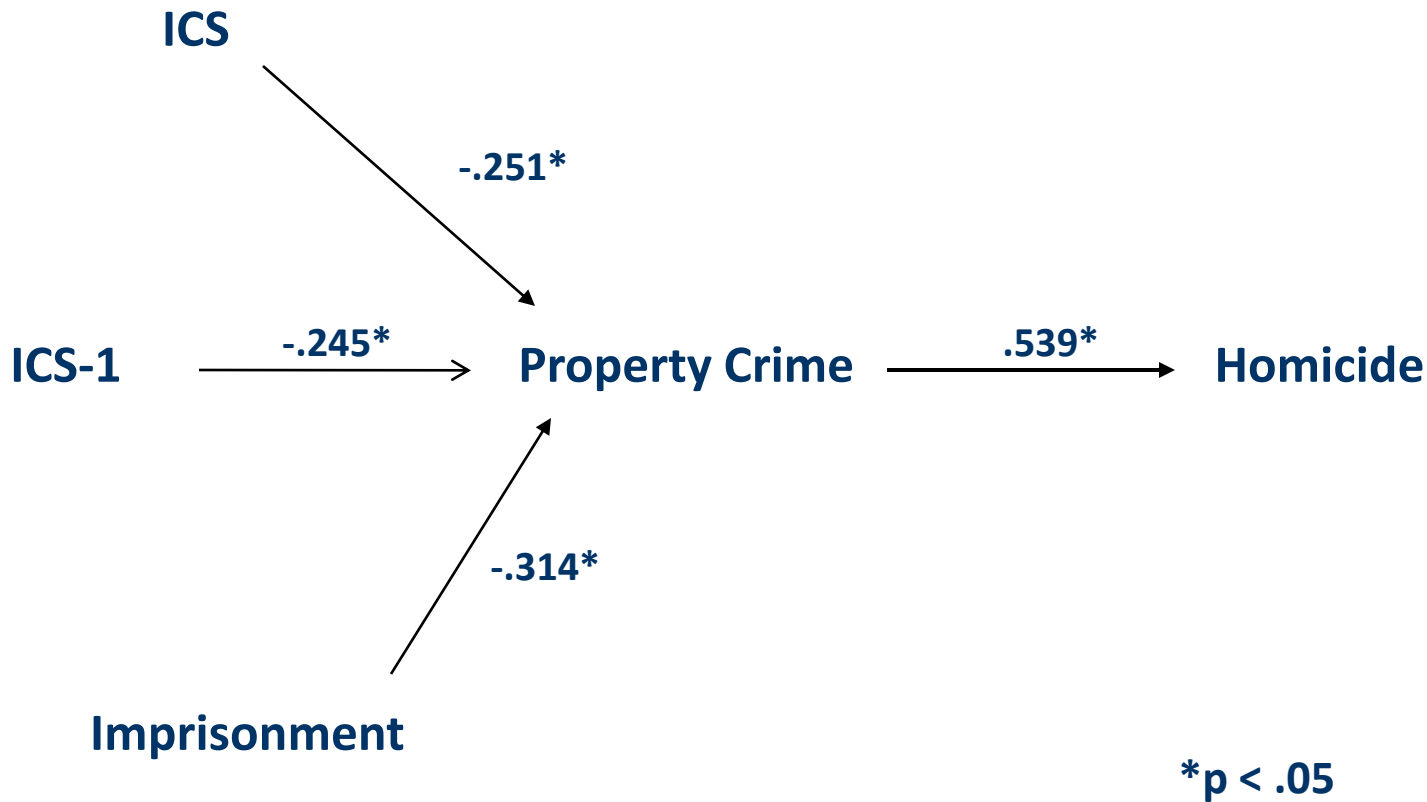
	<i>Robbery</i>	<i>Burglary</i>	<i>Larceny</i>	<i>MV Theft</i>
ICS	35.3%	33.0%	48.5%	28.5%
GDP	18.9%	--	39.1%	--
Prison	18.7%	22.7%	--	23.0%
Total	72.9%	55.7%	87.6%	51.5%

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

*Rosenfeld, Richard. 2009. Crime is the problem: Homicide, acquisitive crime, and economic conditions. *Journal of Quantitative Criminology* 25: 287-306.

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



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

*McDowall, David and Colin Loftin. 2009. Do US City Crime Rates Follow a National Trend? The Influence of Nationwide Conditions on Local Crime Patterns. *Journal of Quantitative Criminology* 25: 307-324.

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

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

- Goldberger, Arthur and Richard Rosenfeld, eds. 2009. *Understanding Crime Trends*. Washington, DC: National Academies Press.
- Groves, Robert M. and Daniel L. Cork. 2009. *Ensuring the Quality, Credibility, and Relevance of U.S. Justice Statistics*. Washington, DC: National Academies Press.
- 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.