Changing Crime Rates: An Updated Primer

Richard Rosenfeld
University of Missouri – St. Louis

Prepared for NRC Crime Trends Roundtable
June 25, 2013
Summary*

• Trends
  – Major upswings during 1960s and 1970s
  – Crime drop of the 1990s; flat or declining trends since

• Complementary data sources
  – UCR
  – NCVS
  – NVSS

* Rosenfeld (2011)
Summary, cont.

• Guiding analytic principles
  – Disaggregation
  – Trend duration
  – Multiple causation

• Explanatory factors
  – Demographic change
  – Imprisonment
  – Policing
  – Economy
  – Criminogenic markets
Summary, cont.

• Future research
  – Multivariate evaluation based on common data and measures
  – Forecasting crime trends
• Reliability vs. accuracy
• Forecast averaging
Five-Year Updates and the Great Recession
Forecasting the Present

• Should we have expected flat or declining crime rates since 2007?
  – Falling imprisonment rates
  – 2008-09 Great Recession

• A new “consensus of doubt”? 
New Consensus?

• Recent research reveals robust effects of changing economic conditions on crime rates*
• Beyond the unemployment rate: GDP, wages, consumer sentiment
• Direct effects limited to property crime; indirect effects on violent crime

*Arvenites and Defina (2006); Bushway, Cook, and Phillips (2013); Gould, Weinberg, and Mustard (2002); Rosenfeld (2009); Rosenfeld and Fornango (2007)
Great Recession

- Historic turnaround in imprisonment rates
- Unemployment rose; economic growth stalled; consumer confidence fell during 2008-09 recession (see Appendix)
- Crime rates dropped
- Resurgence of the “consensus of doubt”
Figure 1. UCR Violent and Property Crimes per 100,000 Population, 2007 - 2011

Property Crime (Burglary, Larceny, Motor Vehicle Theft)

Violent Crime (Murder, Rape, Robbery, Aggravated Assault)

-11.2%

-18.2%

Source: Uniform Crime Reports
Was the Great Recession Different?

• Unlike in previous recessions, inflation rates at historic lows
  – Prices *dropped* in 2009 for first time in over 50 years

• Anecdotal evidence of inflation – crime connection
  – 1930s: price deflation
  – 1950s: low inflation
  – 1960s: rising inflation
  – 1970s: stagflation

Falling crime rates
Rising crime rates
Figure 2. Percent Change in Consumer Price Index, 2007 - 2011

Source: Bureau of Labor Statistics
Figure 3. Yearly Percent Change in Consumer Price Index and Acquisitive Crimes per 100,000 Population, 1970-2009
Prior Research

• Scattered studies of inflation effects on crime show significant positive effects
• Little theoretical development
• Why does inflation matter?
• How does inflation differ from other indicators of economic adversity?
  – More widespread
  – More immediate
  – Closer relationship to demand for stolen goods
Inflation and the Market for Stolen Goods

• Supply
  – Offenders sell or trade goods they do not consume or give away
  – Offenders respond to incentives, including demand for stolen goods

• Demand
  – Consumers “trade down” as prices rise
  – Stolen goods are “inferior goods”: demand increases as prices rise (or aggregate income falls)
  – Acquisitive crime rises with increases in demand for stolen goods
Acquisitive Crime and Violent Crime

- Trafficking stolen goods risky business
- Underground markets “stateless” locations
- Violence potent enforcement mechanism
- Acquisitive crime source of violent crime
Discussion

• Inflation should be added to the menu of economic conditions related to crime trends
• Direct measures needed of price changes and demand in underground markets
• It is not yet time for theory and research on the economy and crime to succumb to a new consensus of doubt
Appendix
Figure A2. Unemployment Rate, 2007 - 2011

Source: Bureau of Labor Statistics
Figure A3. GDP Per Capita, 2007 - 2011 (2011 Constant $)

Source: Bureau of Economic Analysis
Figure A4. Index of Consumer Sentiment, 2007 - 2011

Source: Thomson Reuters - University of Michigan
References


