



The Economy & Crime Trends

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Current State of Relevant Literature

- Research is, for the most part, cross sectional
- Results are mixed
- Utilitarian explanation
- Growing ethnographic literature focusing on social and economic disadvantage and crime & delinquency



Economic Variables

- Work and Employment
 - Unemployment rates
 - Joblessness
 - Labor market “marginality”
- Disadvantage
 - Usually measured as hyper poverty
- Others
 - Business cycles
 - Consumer confidence



Unemployment and Crime

- General view is that the association is a weak positive relationship
 - When unemployment increases substantially crime goes up
- But...
 - Some have found no relationship
 - One notable study (Cantor & Land, 1985) found a negative association for some crimes
 - Other evidence suggest that we should be thinking about crime as causing unemployment, not necessarily the reverse (Thornberry & Christenson, 1984; Hagan, 1993; Pager, 2007)



Unemployment & Crime—taking time into account

- Relationship between unemployment & crime disappears when trends are taken into account, but there is an association between unemployment & imprisonment (Parker & Horwitz (1986)
- No effect of economic factors on crime in 1990s. It was more police, more imprisonment, decline in crack markets, and legalization of abortion (Levitt, 2004)
- Effects of unemployment are invariant or slow moving. When this is taken into account there is a positive association between unemployment and crime (Worrall, 2008)



Beyond Unemployment Rates

- The “off the books” economy
 - Fagan and Freeman (1999)
 - View illegal work as on a continuum with legal work to really understand
- Labor stratification and crime
 - Focus should not be limited to unemployment—too narrow of a measure of labor market activity
 - Labor market marginality (LMM)—unemployment, joblessness, underemployment, secondary sector employment
 - Conditional positive effect of LMM on both violent and property crime
 - Important condition is the state of the local labor market where people live



The Economy and Juvenile Delinquency

- Kids and jobs
 - Not as is popularly assumed
 - Doing well in school is more important than jobs
 - Good students with jobs is a good thing
 - Bad students with jobs is problematic
 - Kids who are not in school should be working
- Adult employment and juvenile delinquency
 - When parents are not doing well there is an indirect positive effect on delinquency through school
 - Disadvantaged neighborhoods dampen the protective force of doing well in school



Macro Economics, Crime & Delinquency

- The myth
 - Crime did not increase during the Great Depression but...
 - crime did increase during the economically robust 1960s
- The reality
 - Some crimes did not increase in the Depression (homicide) but others did (burglary)
 - During the 60s, while there was overall economic growth, unemployment in some inner-city black communities exceeded 25%



Macro Economics, Crime & Delinquency--Continued

- Business cycles (Cook & Zarkin, 1985)
 - Crimes differ in how they respond to economic changes
 - Burglary and robbery increased during economic downturns
 - Violent crime, except for robbery, were unchanged by economic decline
- Consumer Confidence (Rosenfeld & Fornango, 2007)
 - Consumer confidence is a more reliable predictor than unemployment rates
 - When consumer confidence is high they contribute to a more robust economy and robbery and property crime decreases



My Thoughts Two Years Later

- As I wrote, I struggled with the continuing crime decline during the Great Recession
- Some ethnographic and anecdotal evidence that either the amount or nature of crime was changing problematically in disadvantaged, inner-city communities
- Thinking back to the point made by Worrall (2008), about the slow moving effects of unemployment change
- I am increasingly wondering if labor market forces primarily effect crime in disadvantaged places
 - Increasing disadvantage
 - The most marginalized workers



I Think We Should Be Thinking About

- It is not just overall effects of the economy on overall crime trends
- The economy effects specific types of crimes differently
- The influence of the economy on crime is influenced not just overall, but in specific places.
- My focus would be on disadvantaged places which grow in size and more desperate with prolonged economic decline