

Changing Crime Rates: An Updated Primer

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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?

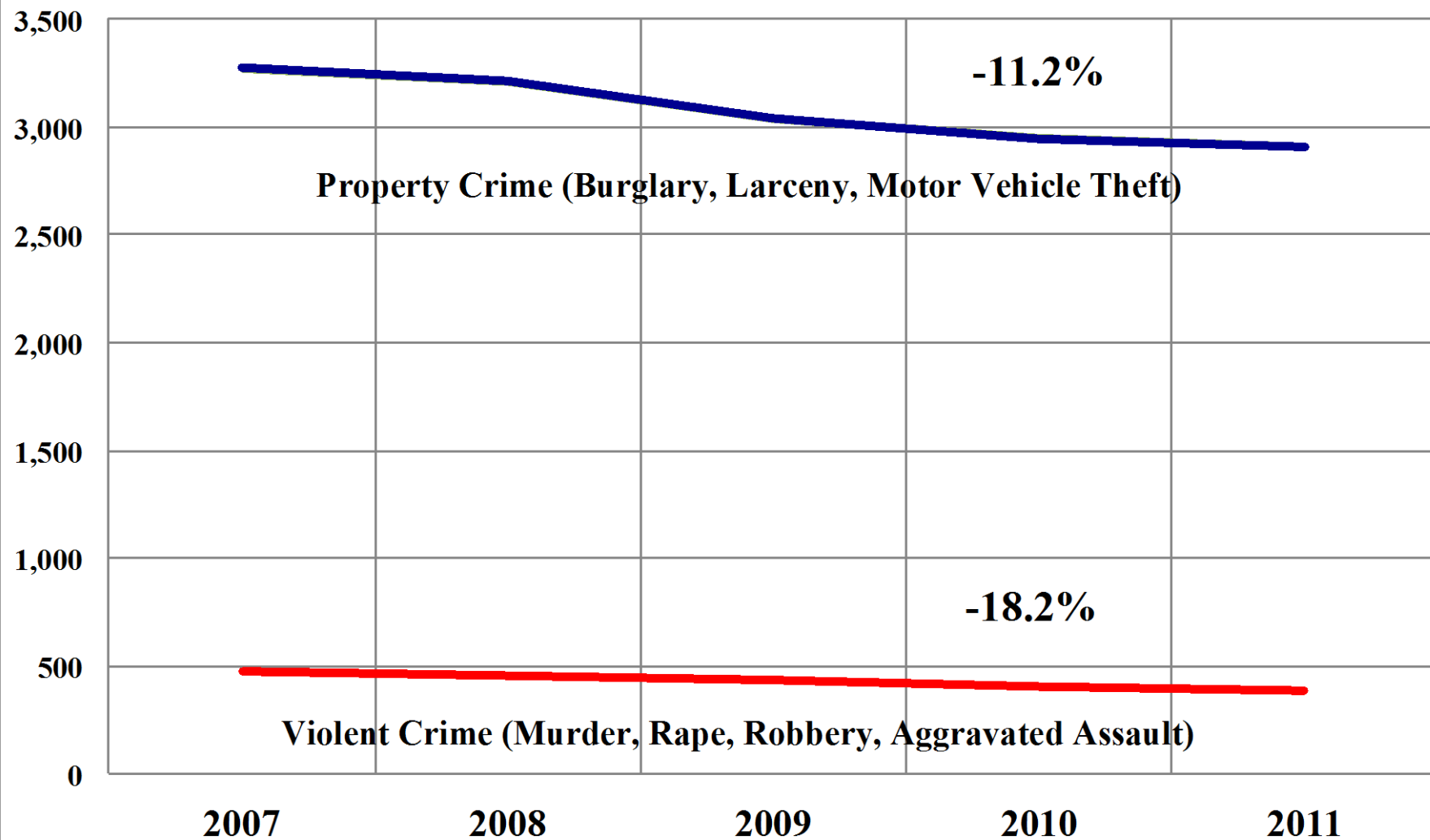
- Recent research reveals robust effects of changing economic conditions on crime rates*
- Beyond the unemployment rate: GDP, wages, consumer sentiment
- Direct effects limited to property crime; indirect effects on violent crime

*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**

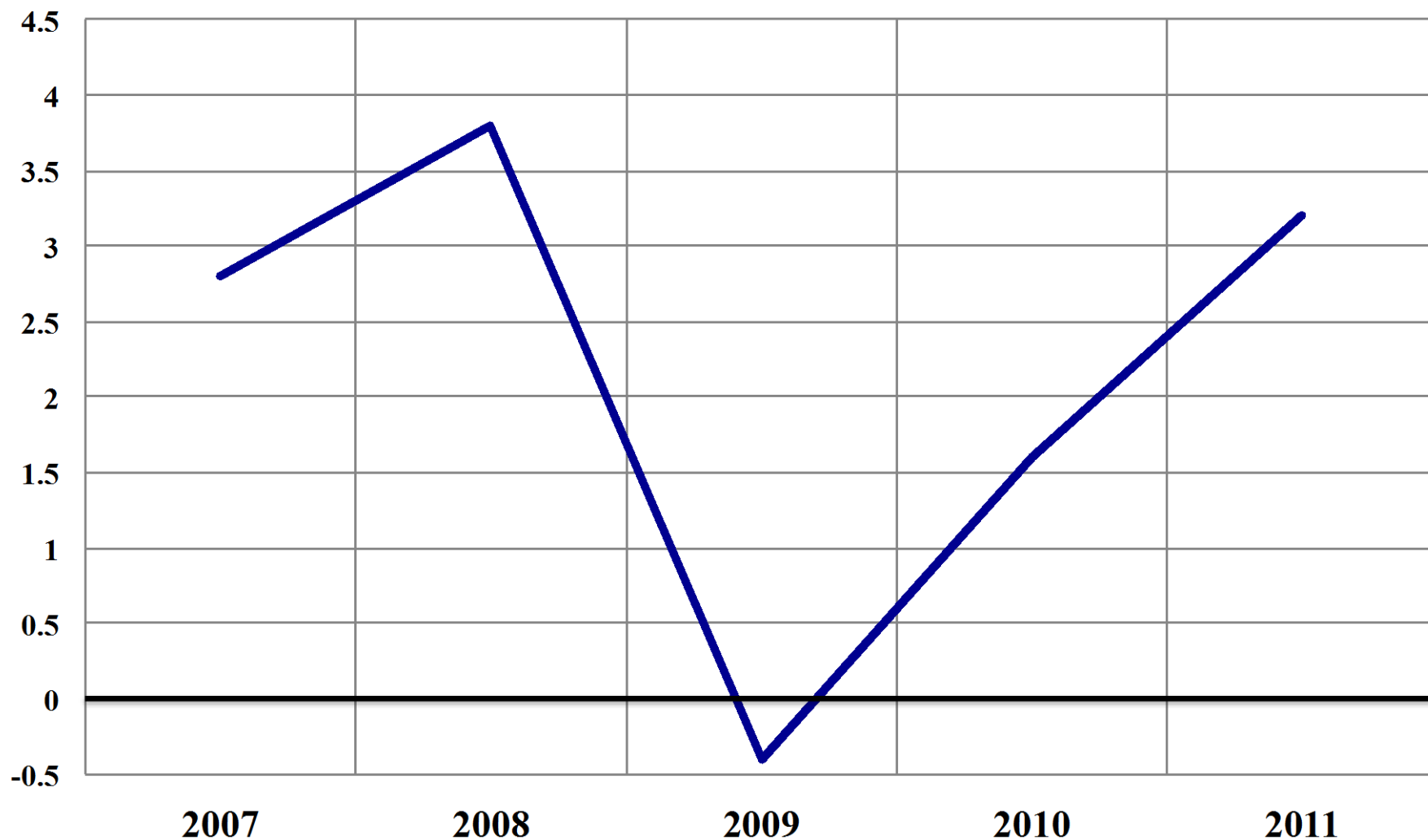


Source: Uniform Crime Reports

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

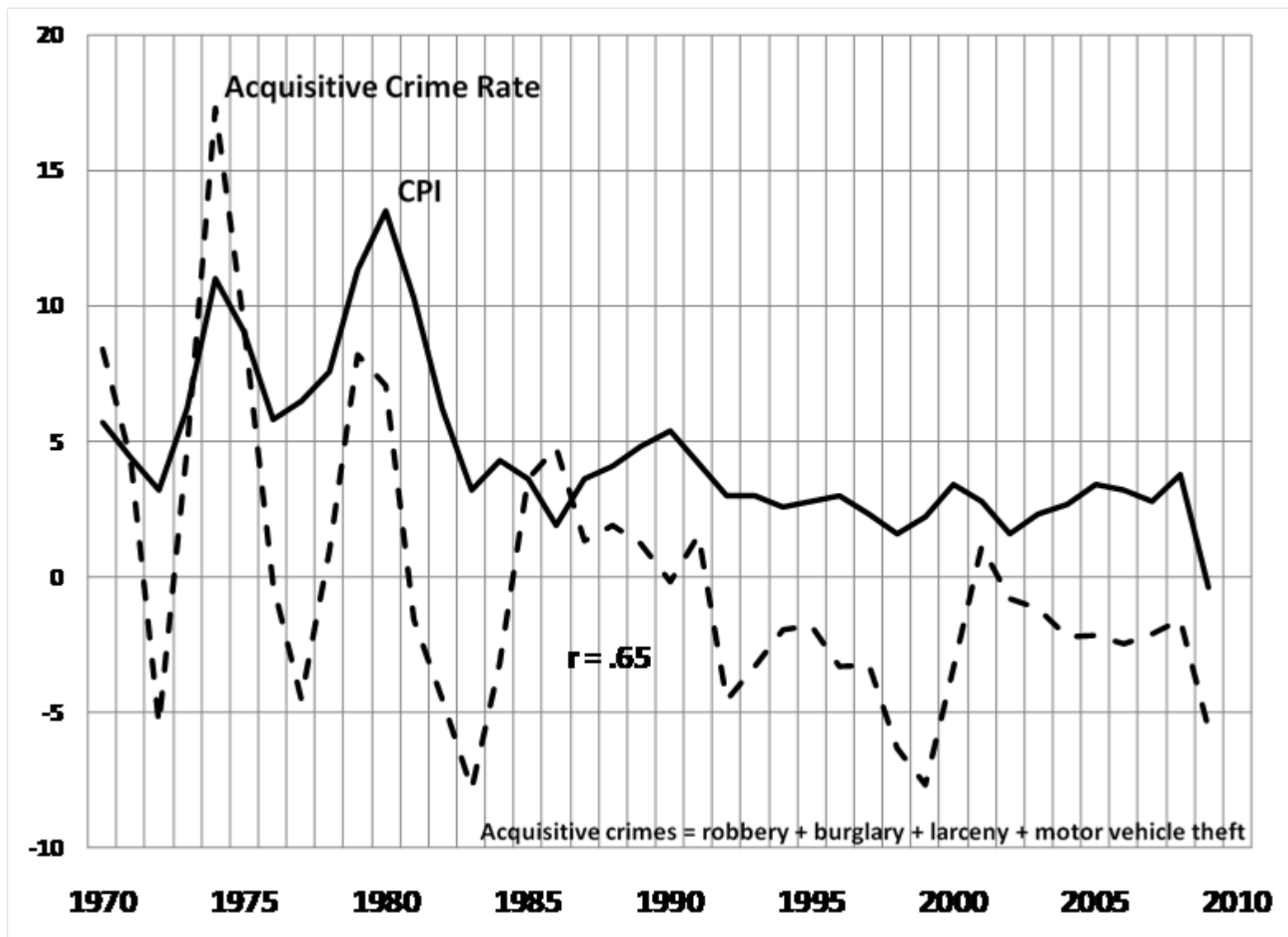


Figure 3. Yearly Percent Change in Consumer Price Index and Acquisitive Crimes per 100,000 Population, 1970-2009

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

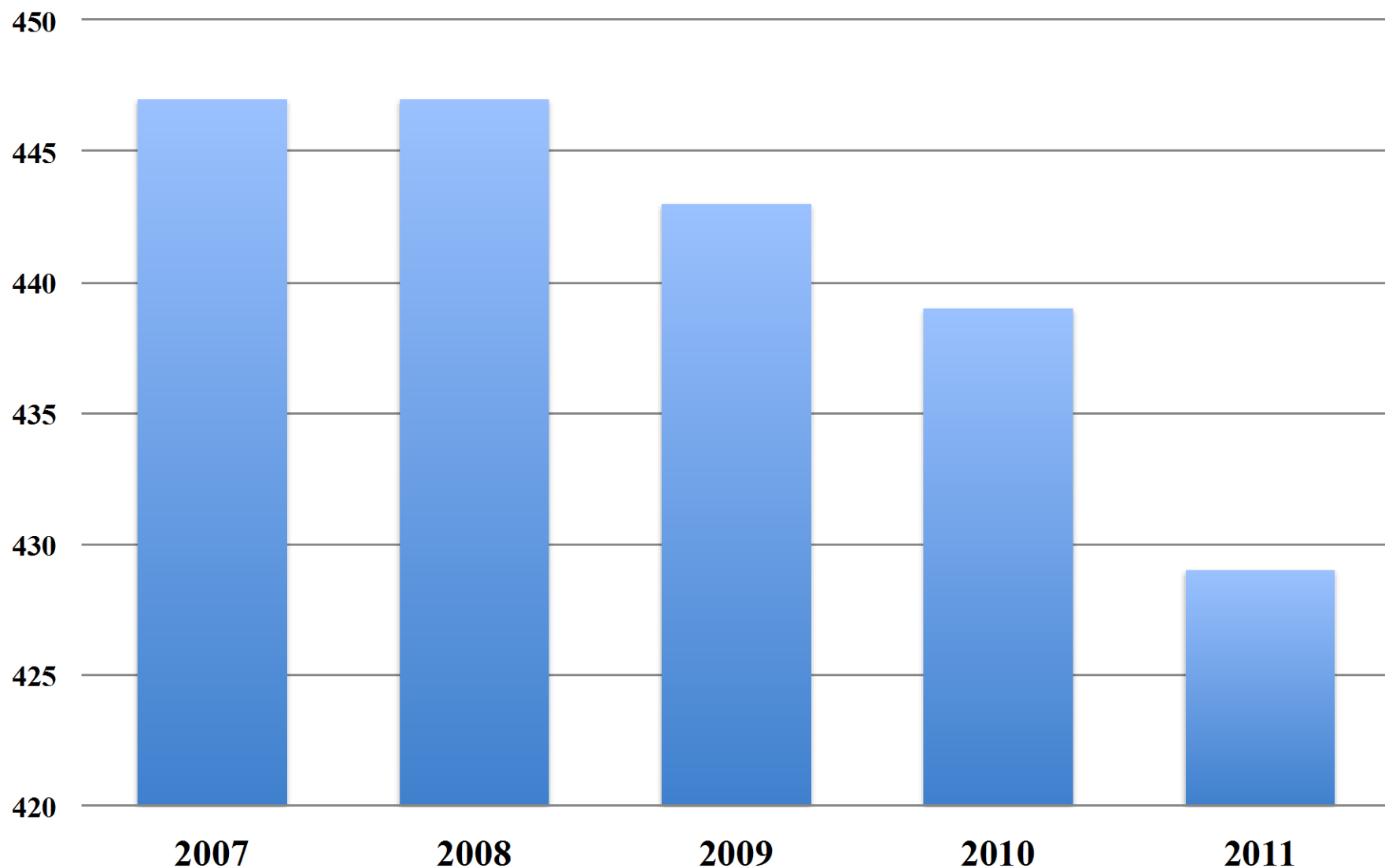
- Trafficking stolen goods risky business
- Underground markets “stateless” locations
- Violence potent enforcement mechanism
- Acquisitive crime source of violent crime

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

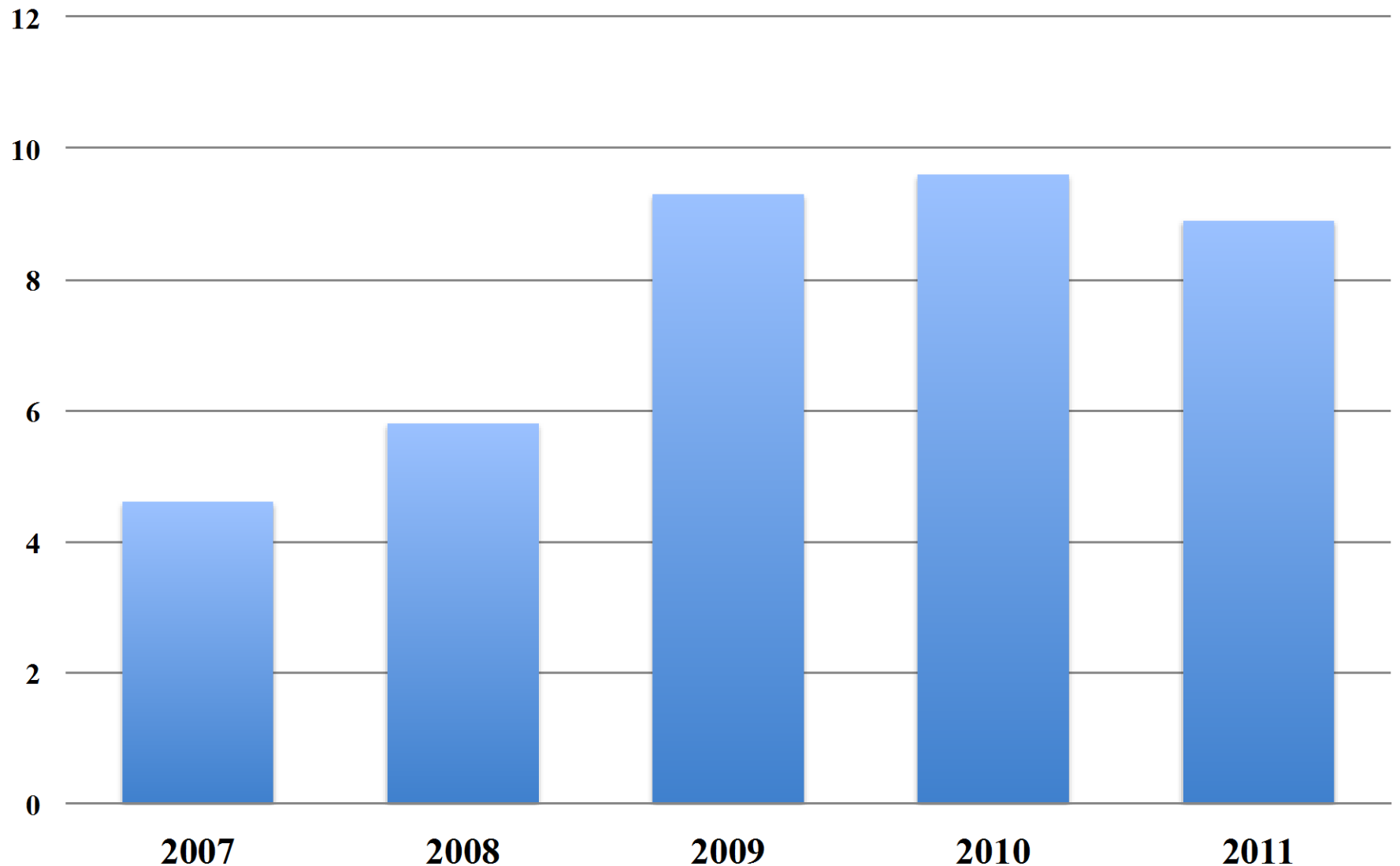
Appendix

Figure A1. State Prisoners per 100,000 Population, 2007 - 2011



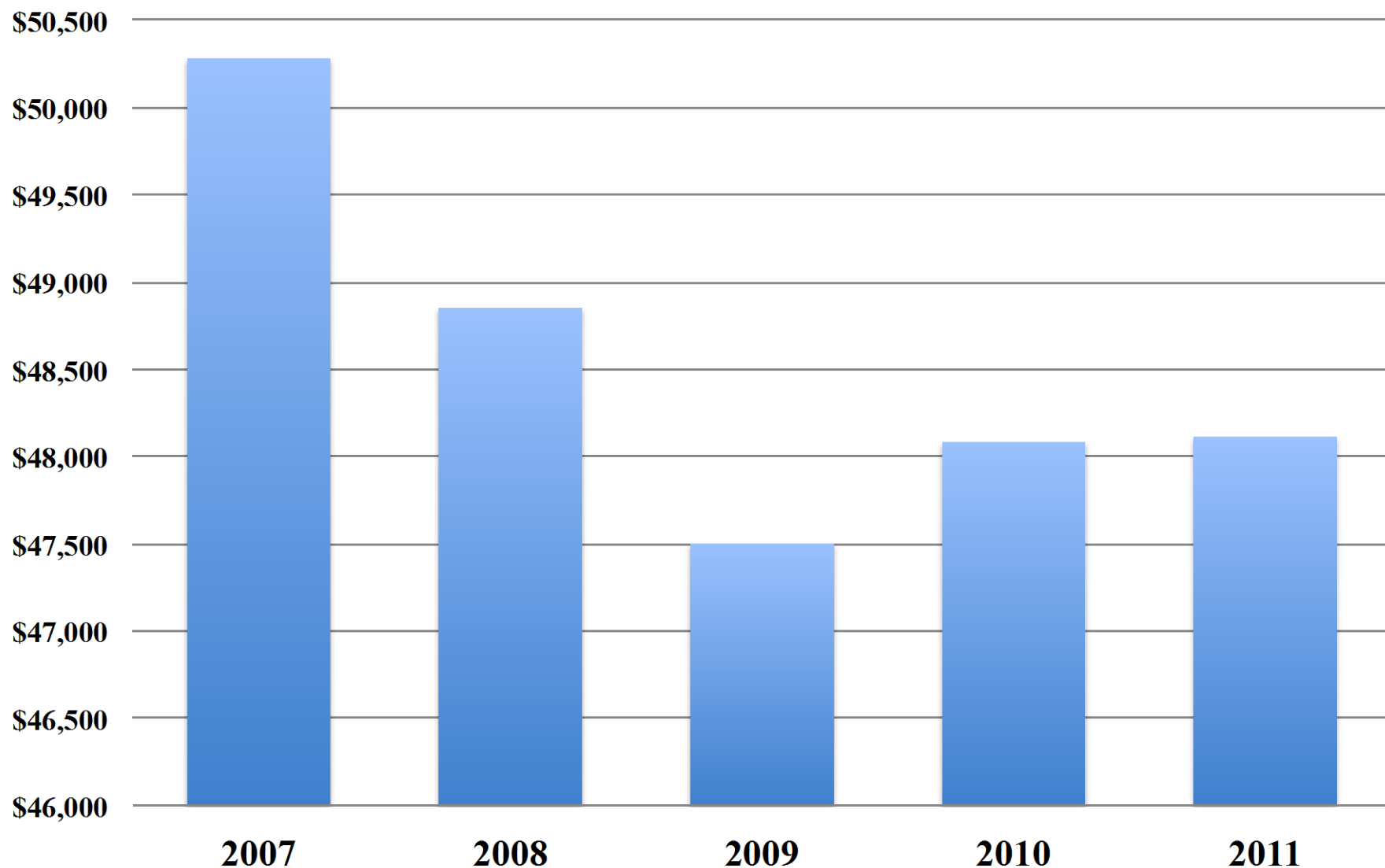
Source: Carson and Sabol (2012)

Figure A2. Unemployment Rate, 2007 - 2011



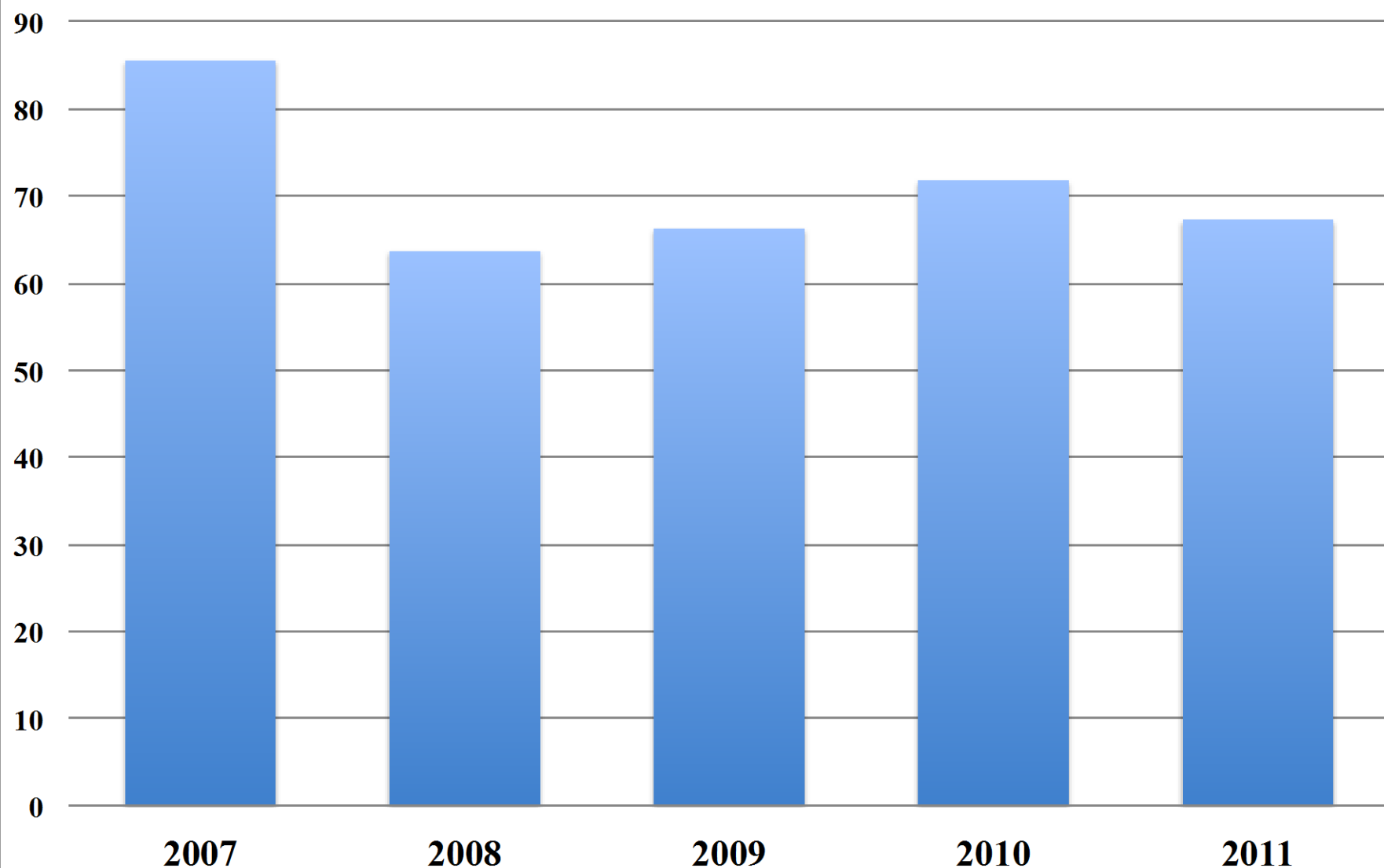
Source: Bureau of Labor Statistics

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

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