

# **The Crime Rate in America: How Influential is the Economy in Affecting the Level of Crime?**

**Joseph Kuhar<sup>a</sup>**

## **Abstract:**

This paper explores the determinants of the crime rate, and whether or not the economy and its many indicators play a substantial role in affecting this rate. Many factors affect the crime rate in a given country/state/area including the number of police, the rate at which crime is reported, as well as the population. This paper will explore the following variables: the crime rate (dependent), number of police, conditions that affect the crime rate, the reported crime rate, and the reporting rate. It will also analyze the following economic conditions and whether or not they have a substantial effect on the crime rate: poverty level, income per capita, unemployment rate, and GDP. The model clearly shows which variables do/do not have a significant effect on the dependent variable, in this case, the crime rate. The results of this regression show that the various levels of poverty and unemployment affect the crime rate substantially, but in different ways. While an increase in one variable may cause the violent crime rate to decrease, property crime may increase. Ultimately, a poor economy seems to increase the overall level of crime.

JEL Classification: J11, J21, K1

Keywords: Crime Rate, Determinants, Unemployment, Poverty

<sup>a</sup> Student at Bryant University, 1150 Douglas Pike, Smithfield, RI 02917. Phone: (609) 602-0689.

Email: [jkuhar@bryant.edu](mailto:jkuhar@bryant.edu)

---

The author thanks the U.S. Census Bureau, the U.S. Department of Justice, NBER, BLS and other sources for their assistance with this research, and also Professor Ramesh Mohan for his help and guidance.

## **1.0 INTRODUCTION**

The volatility of the crime rate is dependent on a number of factors, many of which are entirely unrelated to crime itself. The relationship that exists between the crime rate and the economy is both very unique and very fascinating. On one hand, an increase in crime may have a negative effect on economic conditions in a given region. On the other hand, negative shocks to the economy may cause the total amount of crime to increase. In the United States, many major metropolitan areas as well as states as a whole have done a tremendous job in combating what seemed to be an ever looming issue. For example, New York City, the largest metropolitan area in the United States, was faced with a crime rate that seemed to be spiraling out of control. In order to coral this problem, the mayor placed more uniformed officers on the streets as well as improving the policing strategies and tactics. This occurred in the early 1990's and coincided with an overall decrease in crime in the United States for that period.

This study aims to improve the understanding of what factors lead to an overall decreasing rate of crime in the United States in the year 2007. It will explore various social, economic, and demographic factors that influence whether or not a state has a relatively low or high rate of crime. Some of these factors include unemployment rate, the percentage of males ages 18-34, as well as the number of major cities located within a given state.

Many theories have emerged over many years concerning this topic and like many theories in any field; conflicting views and ideas have been developed. The traditional view seems to be that if a state sees an overall increase in law enforcement officers, the crime rate will drop. Many economists supporting this theory believe that a police officer on the street is a major deterrence for criminals, and thus, less crime is committed. While there are other factors that go into the

overall level of law enforcement, such as the actual effectiveness of each individual officer, it is no doubt favorable to place more officers on the street.

This paper will go into depth exploring whether or not an increased law enforcement presence, as well as a favorable economy are significant in affecting the crime rate. As stated previously, a debate has continued to rage on as to whether the crime rate affects regional/state/local economies, or vice versa. This paper will explore a cross-sectional data sample from each of the fifty states from the year 2007. While it seems clear that an increased level of police as well as a strong economy would deter crime, this paper leaves open the possibility that varying economic states, whether good or bad, see either increases or decreases in certain types of crime.

The research objectives that differs this study from other studies include: the investigation as to whether or not major metropolitan areas in a given state negatively affect the crime rate, as well as the introduction of new economic factors into the model itself.

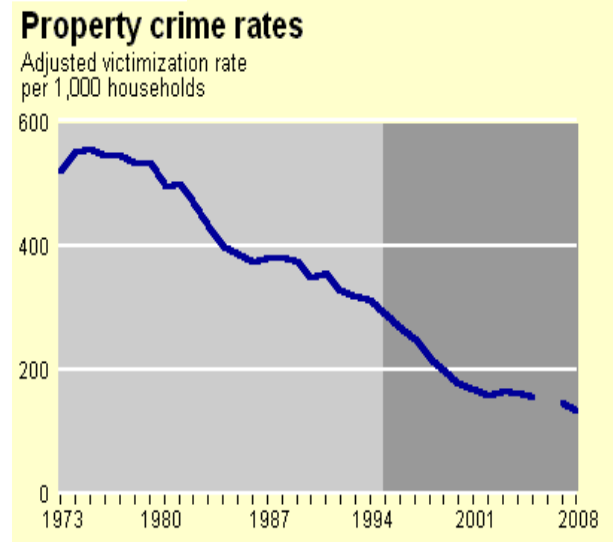
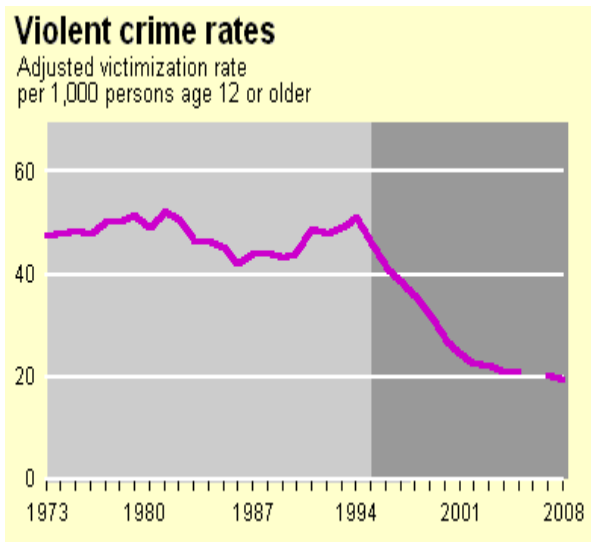
## 2.0 RECENT TRENDS

Since the early 1990's, the United States has experienced a steady decline in the total combined violent and property crime rates. Historically, the crime rate rose tremendously in the 1970's as

well as the 1980's. **Figure 1**

Source: BJS

ate **Figure 2** ed a many ups



and downs. However, from around 1994 on both the violent and property crime rates decreased drastically, as seen in both Figures 1 and 2. The cause of this decline cannot be pinpointed but many theories exist as to what is causing such a steady decline in crime. This study will focus on positive or negative economic factors, and whether or not they are the driving force behind a high or low crime rate. Some theories credit the legalization of abortion on the decreasing level of crime. This theory is most riveting. A large percentage of those receiving abortions are single mothers, with little or no income. This child, if it were to be born, would have little support and would fail to receive proper care. The chances of this child committing crime in the future is quite high, thus abortion may limit the amount of crimes committed.

Going along with the increased law enforcement theory, another possibly explanation for the lower levels of crime is the implementation of the Three Strikes Law. This law states that felony offenders who commit a third offense receive life in prison. If a person commits three crimes, it is clear that at some point in the near future a fourth crime will be committed. Thus, the Three Strikes Law prevents future crimes from happening.

### **3.0 LITERATURE REVIEW**

The majority of economic theory regarding the determinants of the crime rate would agree that an increase in police levels will lead to an overall decline in crime. Many theories would also agree that a good economy would lead to less crime. A decline in crime will improve overall economic conditions and improve the overall welfare of society. There has been a great amount of research done on this subject in the past thirty years, both internationally and domestically. In the mid to late 1990's, a study was done in the Netherlands that looked at whether or not an increase in police force lowered the crime rate. Vollard (2005), suggested that an increased

number of police officers led to a lower number of violent crimes reported, as well as decreased levels of property crime. The research suggested that a very substantial portion of this decline in crime is attributed to the simple fact that more law enforcement officers were on the streets. In his research, Vollard accounts for many regional and local variables, as well as some economic measures.

However, other research has suggested that increased police levels have nothing at all to do with the decline in crime. Niskanen (1994) suggests that while an increase in police may lower property crime, the violent crime rate is marginally affected. His research shows that in many cases, areas with a higher number of law enforcement officers see higher crime rates. This theory is based on the belief that officers are placed in certain areas in response to more crime, not to prevent it. Determining the crime rate can be such a difficult task because most crimes are never reported, and Niskanen does a great job in making this point. Ultimately, he attributes much of the decline in crime to positive economic, social, and demographic conditions, which this research will explore further.

Some have gone as far as to state that historical and current crime rate trends should be taken as they are, and that crime itself is an independent phenomenon. LaFree (1999) believes that crime booms or busts cannot be significantly pinpointed, predicted, or analyzed efficiently. According to LaFree, although crime has declined rapidly since the 1970's, research is still hampered by a "lack of longitudinal analysis" as well as inaccurate approaches. LaFree makes his case on the fact that although crimes are decreasing, they are not yet decreasing at a rate close to the rate crime was increasing during the 1960's and 1970's.

This paper will explore further a number of economic factors and whether or not they have a significant effect on the crime rate. Previous research done by Crutchfield and Pitchford (1997) suggests that a positive correlation does exist between unemployment and the crime rate. This research explores the labor market from a number of different angles and whether or not the crime rate is truly affected. Their research shows that individuals employed in “secondary sector jobs” are more likely to commit crimes than those in the most stable jobs. It also showed that time out of the labor force is positively related to criminal involvement, and those individuals who expect their current employment to be of a longer duration they are less likely to commit a crime.

One of the main variables in this study is the number of cities in each state with a population over four hundred thousand. While it is common knowledge to know that urban areas have more crime than rural areas, it is much more difficult to pinpoint why this is actually true. Glaeser and Sacerdote (1999) attempted to determine why urban areas have higher rates of crime. Their research suggests that crime is higher in cities because criminals may be more enticed by higher monetary rewards. They also attribute it to lower possibilities of recognition or arrest since urban areas consist of much higher populations. This study attributes most of the high urban crime rates on the increased number of female-headed households. This ties directly in to the research in this study. Many individuals are born with little or no opportunity in life, and are forced onto the streets, making crime the only means of survival. The variables in this study are mostly economic, involving such statistics like median household income, per capita GDP, and the poverty rate. Female-headed households in urban areas almost all experience low economic numbers, and thus, crime will increase.

Much like LaFree, Levitt (2004) throws much of the conventional wisdom regarding crime out the window. His research focuses on the major decrease in the crime rate during the 1990's and focuses on determining what factors really caused the decline. Conventional theories attributed the decline to an increase in the number of police officers and better policing strategy, as well as a much improved economy. Levitt's research says otherwise and attributes the drop in crime on four main factors: an increase in the number of police officers, the end of the crack epidemic, an increase in prison population, and the legalization of abortion.

Finally, Wolf (2006) analyzes the effects that welfare and food stamp recipients have on the crime rate. Although this study is mostly qualitative, Wolf points out that those persons with past criminal records are at a disadvantage when it comes to finding employment. This disadvantage causes an even further increase in the crime rate. He also explores the notion that many of those on welfare are also saddled by numerous children and these children are being brought up in broken homes, another contributor to a rise in crime. Ultimately, Wolf believes that the aid for certain individuals and families is simply not enough.

This study adds a combination of elements to the overall research of crime rate determinants that are often overlooked, as well as factors that influence policing, such as the protection spending per capita per state. It will attempt to explain what factors truly affect the crime rate of a given state. Regression analysis will clearly show what factors undertaken in this study have a substantial affect on determining the crime rate here in the United States. Ultimately, this study will provide sound information into what truly determines the crime rate.

## 4.0 DATA AND EMPIRICAL METHODOLOGY

### 4.1 Definition of Variables

#### *Violent/Property Crime Rate*

For our purposes, both the violent and property crime rates are the total amount of reported crimes that are classified as either committed in a violent nature or those that are committed with some sort of property at stake, respectively. From state to state, both violent and property crime rates are higher or lower, depending on a number of factors. Due to the fact that many crimes are committed in cities, those states with many large, urban areas typically see higher crime rates. Also, a number of economic factors, which will be explored in this study, have an effect on whether or not a state has a high crime rate. In this study, two models will be used, one in which the violent crime rate is the dependent variable, and another in which the property crime rate is the dependent variable. The variables along with their abbreviation, definition and source can be found in Appendix A.

The independent variables for the property crime rate model include: protection spending per capita (PRO), number of welfare recipients (WELF), divorce rate (DIVORCE), the number of urban areas with populations over four hundred thousand (URBAN), total number of law enforcement officers (LEO), and the unemployment rate (UE). The model is written as follows:

$$\mathbf{PROPERTY} = \beta_0 + \beta_1\mathbf{PRO} + \beta_2\mathbf{WELF} + \beta_3\mathbf{DIVORCE} + \beta_4\mathbf{URBAN} + \beta_5\mathbf{LEO} + \beta_6\mathbf{UE} + \varepsilon$$

The independent variables that affect the violent crime rate model include: protection spending per capita (PRO), percentage of people in poverty (POV), number of welfare recipients (WELF), divorce rate (DIVORCE), number of people receiving food stamps (FS), and the per capita real GDP (GDP).

$$\mathbf{VIOLENT} = \beta_0 + \beta_1\mathbf{PRO} + \beta_2\mathbf{POV} + \beta_3\mathbf{WELF} + \beta_4\mathbf{DIVORCE} + \beta_5\mathbf{FS} + \beta_6\mathbf{GDP} + \varepsilon$$



## 4.2 Data

This study uses data from the state wide level for the year 2007. Almost all information comes from either the United States Census website, the Bureau of Labor and Statistics, or the United States Department of Justice. Another major source of information was the National Bureau of Economic Research. The individual state data that was not available or not able to be located was found using other sources. Summary statistics for the data can be found below in Table 1. The data itself can be found in Appendix B.

**TABLE 1: Summary Statistics**

<b>Variable</b>	<b>Obs.</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Min</b>	<b>Max</b>
LEO	50	20,259	24,509	1,481	120,976
PRO	50	\$240.52	\$68.19	\$131.00	\$489.00
URBAN	50	1	1.4463	0	8
WELF	50	84,060	169,519	478	1,144,529
DIVORCE	50	3.9%	.8%	2.3%	6.5%
GDP	50	\$38,923.70	\$21,083.78	\$24,147	\$178,470
UE	50	4.32%	1.01%	2.6%	7.2%
POV	50	12.6%	3.1%	7.1%	20.6%
INC	50	\$50,166.92	\$8,140.52	\$36,338	\$68,080
FS	50	526,843	533,205	22,608	2,422,198
MALEPOP	50	704,212	822,176	61,591	4,683,107

## 5.0 EMPIRICAL RESULTS

As stated previously, the purpose of this paper was to determine the main contributors to a rising or decreasing crime rate. The main focus of this paper was both increased levels of law enforcement and a number of influential economic factors. Using a simple least-squares

regression model, various data was inputted in order to obtain various results. All fifty states were researched for this paper, however some of the major data points were missing or unavailable for certain states. In these cases, the average for all fifty states was substituted. Each regression takes into account a different number of observations and these observations are contingent on the data available for that specific state. For both the property crime rate and the violent crime rate I included six variables believed to be the most significant. In both the violent and property crime cases, half of the variables explored were significant.

### *Property Crime Rate*

In terms of the crime rate specifically for property crime, six variables were tested yet only three proved to be statistically significant. One variable was significant at the one percent level and that was the number of cities with a population over four hundred thousand. The six variables tested include: protection spending per capita, total number of welfare recipients, divorce rate, number of cities with a population over four hundred thousand, total law enforcement officers, and the unemployment rate. The three significant variables were the divorce rate, the total number of cities with a population over four hundred thousand, and the unemployment rate. This can be summarized in Table 2 below.

**TABLE 2: Property Crime Regression Results**

<b>Variable</b>	<b>Coefficient</b>	<b>t-Statistic</b>	<b>Expected Sign</b>
PRO	1.495092	1.012256	-
WELF	-0.002376	-1.258025	+
DIVORCE**	26841.42	2.385253	+
URBAN***	373.4767	2.991200	+
LEO	-0.000775	-0.091294	-
UE*	19852.51	2.010291	+

Note: \*\*\*,\*\*,\* denote significance at 1%, 5%, and 10% respectively.

Of the three variables that proved to be significant, it is quite easy to see the correlation between them and the property crime rate. Previous research and studies have shown that poor economic conditions promote more crime. Ishikawa (2009), showed that as the unemployment rate increases and overall economic conditions worsen, the crime rate increases. Although this study confirms the research of Ishikawa to a slighter degree, it nonetheless does show that as the economy worsens, the crime rate increases. As the economy worsens, people are more inclined to commit property crime, in order to obtain things that they cannot obtain legally. Aside from the number of cities with populations over four hundred thousand, the variables that proved to be the most significant are all closely tied to the economy.

Of the six variables tested, the three that proved to be most significant came as somewhat of a surprise. Although protection spending per capita and the total number of law enforcement officers proved to be insignificant, the regression results found in Appendix C show that they do play a pivotal role. It came as somewhat of a surprise that the protection spending per capita showed a positive correlation to the crime rate. Shouldn't an increase in protection spending per capita cause a decrease in crime? At first glance this seems strange, however, when analyzed further, it seems as though many states boost protection spending after the crime rate is already at a high level. Instead of the spending occurring in a preventive fashion, it occurs because of crime levels going up.

The three variables that proved to be significant all displayed positive correlation signs. As stated previously, many theorists believe that the crime rate is higher in urban areas, and this is proved true in this regression. The more cities a state has, the higher the crime rate. Many also believe that crime can be attributed to broken homes and female-headed households. Thus, an

increase in the divorce rate positively affects the crime rate, causing it to rise. Unemployment also leads to a higher property crime rate.

### *Violent Crime Rate*

While it is believed that the economic conditions play a huge role on the total amount of property crime, studies have shown that violent crime is much more independent. Many people commit property crime because they have to. Violent crime, on the other hand, is not dependent on certain economic factors so it must be looked at as entirely separate. In running this regression, only two of the variables showed significance. This is summarized in Table 3 below.

**TABLE 3: Violent Crime Regression Results**

<b>Variable</b>	<b>Coefficient</b>	<b>t-Statistic</b>	<b>Expected Sign</b>
PRO***	1.509639	3.800785	-
POV	1631.580	1.525703	+
WELF	-0.000460	-.920276	+
DIVORCE	3217.642	1.027106	+
FS*	0.000140	1.815604	+
GDP	-0.000436	-0.379441	-

Note: \*\*\*, \*\*, \* denote significance at 1%, 5%, and 10% respectively.

Previous studies have presented research and findings that show that the violent crime rate typically has very little influence from the overall economy. If a person is going to commit a violent crime, the crime will be committed regardless of whether or not the economy is good or poor. Levitt (2004) researched crime in the United States during the 1990's and why it declined so rapidly. His study focused on violent crime and the factors that caused crime to decline. None of the major factors he found to be important had any relation to the economy. This could

explain why the amount of protection spending per capita is so highly significant. Even if the economy was poor and the amount of crimes was increasing, if citizens are more protected, the violent crime rate will decrease.

One variable in this regression that showed somewhat surprising results was the total number of welfare recipients. It is a known fact that more crimes occur in areas with higher poverty levels. Why then would the welfare variable display a negative coefficient, implying that as the number of recipients goes up, the crime rate goes down? If more and more people obtain welfare benefits, it is safe to assume that more poor people exist in society. However, I believe that this variable displays a negative correlation because if poor people do receive these benefits, they have less of a reason to commit crime. If the benefits themselves increase, the motivation to commit crime decreases.

## **6.0 CONCLUSIONS**

As seen in recent years, cities and states alike are beginning to see how devastating a high crime rate can be. New York City was one of the first cities to receive major publicity when it began cracking down on petty crimes during the 1990's, which ultimately led to an overall major decrease in crime. Many states are instituting three strike laws and others are hiring more and more uniformed officers. While this study explores the causes of crime, mainly, how important the economy is in affecting the crime level, it must also be noted that a high crime rate has many negative effects. Ultimately, a high level of crime lowers the standard of life for any person affected by it in any way. A poor economy could affect the crime rate, causing an increase, and this increased level of crime could cause a region's economy to continue a decline. This is somewhat of a crime rate trap. A poor economy leads to more crime, and more crime leads to an

even worse economy. Hopefully this research will provide readers with a much clearer outlook on the root causes of crime, and what measures can be taken by officials to ensure that innocent people are protected.

**APPENDIX A: Variable Description and Data Source**

<b>Abbrev.</b>	<b>Description</b>	<b>Source</b>
<b>VIO</b>	Total number of violent crimes reported per	Bureau of Justice
<b>PROP</b>	Total number of property crimes reported per	Bureau of Justice
<b>LEO</b>	Total number of law enforcement officers	F.B.I.
<b>PRO</b>	Amount of protection spending per capita	U.S. Census Bureau
<b>URBAN</b>	Number of cities with populations over four	U.S. Census Bureau
<b>WELF</b>	Total number of welfare recipients	B.L.S./New York Times
<b>DIVORCE</b>	Divorce rate per 1,000 people	National Center for Health
<b>GDP</b>	Per Capita Real GDP	B.E.A.
<b>UE</b>	Unemployment Rate	B.L.S.
<b>POV</b>	Percentage of people living in poverty	U.S. Census Bureau
<b>INC</b>	Median household income	U.S. Census Bureau
<b>FS</b>	Total number of food stamp recipients	U.S. Dept. of Agriculture
<b>MALEPOP</b>	Male population between the ages of 18 and 34	U.S. Census Bureau

## **APPENDIX B: Data**



State	Violent100	Property100	TotalLEI	ProSpendC	Region40C	ConditionV	DivorcePer	PerCapRealG	Unemplo	zPeopleinPc	MedianHouseI	FoodStamps	MalePop18-3
AL	448	3,972	16,347	\$ 201.00	0	42,920	4.6%	\$ 29,426.00	3.50%	16.9%	\$ 40,554.00	545,955	522,003
AK	661	3,380	1,888	\$ 317.00	0	7,974	4.2%	\$ 44,853.00	6.20%	8.9%	\$ 64,333.00	56,181	92,150
AZ	483	4,414	22,144	\$ 274.00	3	88,235	3.9%	\$ 33,300.00	3.80%	14.2%	\$ 49,889.00	544,688	771,646
AR	529	3,953	8,455	\$ 180.00	0	21,075	5.9%	\$ 27,810.00	5.40%	17.9%	\$ 38,134.00	379,768	322,420
CA	523	3,033	120,976	\$ 361.00	8	1,144,529	3.9%	\$ 42,319.00	5.40%	12.4%	\$ 59,948.00	2,048,185	4,683,107
CO	348	3,006	16,756	\$ 252.00	1	24,720	4.4%	\$ 40,742.00	3.80%	12.0%	\$ 55,212.00	250,704	618,003
CT	256	2,400	9,873	\$ 259.00	0	39,042	3.2%	\$ 178,470.00	4.60%	7.9%	\$ 65,967.00	212,562	366,258
DE	689	3,370	3,125	\$ 489.00	0	9,244	3.7%	\$ 58,071.00	3.40%	10.5%	\$ 54,610.00	67,185	94,411
FL	723	4,089	74,562	\$ 328.00	2	74,994	4.6%	\$ 33,702.00	4.00%	12.1%	\$ 47,804.00	1,232,803	1,965,209
GA	493	3,901	28,979	\$ 210.00	1	42,608	3.9%	\$ 34,792.00	4.40%	14.3%	\$ 49,136.00	950,038	1,147,765
HI	273	4,225	3,678	\$ 168.00	0	10,617	3.9%	\$ 38,692.00	2.60%	8.0%	\$ 63,746.00	89,629	163,700
ID	239	2,247	4,068	\$ 189.00	0	2,234	4.9%	\$ 30,442.00	2.70%	12.1%	\$ 46,253.00	87,068	179,561
IL	533	2,936	53,537	\$ 294.00	1	68,001	2.6%	\$ 40,142.00	5.00%	11.9%	\$ 54,124.00	1,246,400	1,560,367
IN	334	3,397	16,163	\$ 165.00	1	117,097	3.9%	\$ 33,317.00	4.50%	12.3%	\$ 47,448.00	587,156	740,195
IA	295	2,616	7,812	\$ 192.00	0	42,174	2.8%	\$ 36,243.00	3.80%	11.0%	\$ 47,858.00	238,349	339,213
KS	453	3,679	10,532	\$ 230.00	0	34,391	4.3%	\$ 34,571.00	4.10%	11.2%	\$ 47,451.00	182,407	332,338
KY	295	2,518	10,301	\$ 157.00	1	58,555	4.7%	\$ 29,988.00	5.50%	17.3%	\$ 40,267.00	602,022	489,246
LA	730	4,076	20,981	\$ 275.00	1	21,841	3.9%	\$ 33,022.00	3.80%	18.6%	\$ 40,926.00	650,357	521,319
ME	118	2,429	3,612	\$ 168.00	0	34,224	4.3%	\$ 30,248.00	4.70%	12.0%	\$ 45,888.00	162,602	131,357
MD	642	3,432	20,600	\$ 287.00	1	52,084	3.0%	\$ 38,788.00	3.60%	8.3%	\$ 68,080.00	317,825	621,175
MA	432	2,392	20,325	\$ 260.00	1	108,077	2.3%	\$ 47,388.00	4.50%	9.9%	\$ 62,365.00	456,192	726,859
MI	536	3,066	26,318	\$ 231.00	1	226,520	3.4%	\$ 32,940.00	7.20%	14.0%	\$ 47,950.00	1,204,409	369,076
MN	289	3,037	13,514	\$ 251.00	0	76,525	3.9%	\$ 41,060.00	4.60%	9.5%	\$ 55,802.00	276,414	604,391
MS	291	3,201	8,651	\$ 194.00	0	24,052	4.5%	\$ 24,147.00	6.30%	20.6%	\$ 36,338.00	426,116	342,149
MO	505	3,738	19,951	\$ 202.00	1	111,780	3.8%	\$ 32,532.00	5.00%	13.0%	\$ 45,114.00	823,915	682,781
MT	288	2,765	2,741	\$ 202.00	0	7,836	4.1%	\$ 27,991.00	3.10%	14.1%	\$ 43,531.00	79,969	107,773
NE	302	3,161	4,621	\$ 189.00	1	23,790	3.5%	\$ 37,131.00	3.00%	11.2%	\$ 47,085.00	120,634	804,984
NV	751	3,778	9,537	\$ 357.00	1	21,062	6.5%	\$ 40,657.00	4.80%	10.7%	\$ 55,062.00	122,224	301,019
NH	137	1,892	3,256	\$ 209.00	0	11,270	3.8%	\$ 37,829.00	3.60%	7.1%	\$ 62,369.00	59,101	136,173
NJ	329	2,213	41,672	\$ 347.00	1	97,358	3.0%	\$ 44,834.00	4.20%	8.6%	\$ 67,035.00	414,503	934,625
NM	664	3,726	5,644	\$ 262.00	1	34,346	4.3%	\$ 30,624.00	3.50%	18.1%	\$ 41,452.00	233,918	235,147
NY	414	1,979	86,952	\$ 393.00	1	408,313	2.9%	\$ 48,869.00	4.50%	13.7%	\$ 53,514.00	1,801,984	2,240,725
NC	466	4,087	30,631	\$ 216.00	1	47,898	4.0%	\$ 36,398.00	4.70%	14.3%	\$ 44,670.00	882,946	1,046,494
ND	142	1,890	1,664	\$ 166.00	0	6,700	3.0%	\$ 35,454.00	3.20%	12.1%	\$ 43,753.00	45,122	84,768
OH	343	3,455	30,950	\$ 235.00	2	172,074	3.4%	\$ 33,829.00	5.60%	13.1%	\$ 46,597.00	1,076,764	1,277,655
OK	500	3,526	11,266	\$ 188.00	1	20,686	5.2%	\$ 28,851.00	4.30%	15.9%	\$ 41,567.00	421,316	438,435
OR	288	3,526	10,022	\$ 254.00	1	44,803	3.9%	\$ 38,751.00	5.20%	12.9%	\$ 48,730.00	438,498	435,288
PA	417	2,361	29,582	\$ 204.00	1	212,788	2.9%	\$ 35,337.00	4.40%	11.6%	\$ 48,576.00	1,135,146	1,334,318
RI	227	2,623	3,240	\$ 269.00	0	24,093	2.8%	\$ 36,516.00	5.00%	12.0%	\$ 53,568.00	76,315	121,867
SC	788	4,272	14,999	\$ 197.00	0	32,886	3.0%	\$ 28,676.00	5.90%	15.0%	\$ 43,329.00	545,293	503,387
SD	169	1,652	2,220	\$ 167.00	0	5,929	3.1%	\$ 36,791.00	3.00%	13.1%	\$ 43,424.00	60,246	93,454
TN	753	4,089	24,698	\$ 199.00	2	151,843	4.3%	\$ 34,012.00	4.70%	15.9%	\$ 42,367.00	864,870	696,124
TX	511	4,121	84,403	\$ 208.00	6	136,797	3.3%	\$ 38,055.00	4.30%	16.3%	\$ 47,548.00	2,422,198	3,021,778
UT	235	3,500	7,827	\$ 216.00	0	11,218	3.6%	\$ 32,413.00	2.70%	9.7%	\$ 55,109.00	123,475	382,390
VT	124	2,323	1,481	\$ 219.00	0	12,017	3.6%	\$ 34,383.00	3.90%	10.1%	\$ 49,907.00	52,612	66,751
VA	270	2,466	23,306	\$ 227.00	1	62,715	3.8%	\$ 41,608.00	3.00%	9.9%	\$ 59,562.00	515,032	914,626
WA	333	4,031	14,637	\$ 208.00	1	112,583	4.0%	\$ 40,218.00	4.50%	11.4%	\$ 55,591.00	536,333	763,033
WV	275	2,525	4,212	\$ 131.00	0	21,223	5.1%	\$ 24,970.00	4.60%	16.9%	\$ 37,060.00	269,343	197,978
WI	291	2,838	18,732	\$ 257.00	1	38,803	2.9%	\$ 35,178.00	4.90%	10.8%	\$ 50,578.00	382,770	643,507
WY	239	2,866	2,092	\$ 322.00	0	478	5.0%	\$ 39,807.00	3.00%	8.7%	\$ 51,731.00	22,608	61,591

## APPENDIX C: Complete Regression Results

### Property Crime

Dependent Variable: PROPERTY100K

Method: Least Squares

Date: 04/18/10 Time: 23:42

Sample: 1 50

Included observations: 44

	Coefficient	Std. Error	t-Statistic	Prob.
PROSPENDCAP	1.495092	1.476990	1.012256	0.3180
CONDITIONWF	-0.002376	0.001889	-1.258025	0.2163
DIVORCEPER1K	26841.42	11253.07	2.385253	0.0223
REGION400K	373.4767	124.8585	2.991200	0.0049
TOTALLEO	-0.000775	0.008487	-0.091294	0.9278
UNEMPLOY	19852.51	9875.443	2.010291	0.0517
C	723.3563	685.5881	1.055089	0.2982
R-squared	0.414650	Mean dependent var		3102.284
Adjusted R-squared	0.319728	S.D. dependent var		749.1932
S.E. of regression	617.9240	Akaike info criterion		15.83552
Sum squared resid	14127712	Schwarz criterion		16.11937
Log likelihood	-341.3814	Hannan-Quinn criter.		15.94078
F-statistic	4.368339	Durbin-Watson stat		2.723237
Prob(F-statistic)	0.001976			

## Violent Crime

Dependent Variable: VIOLENT100K

Method: Least Squares

Date: 04/18/10 Time: 23:48

Sample: 1 50

Included observations: 44

	Coefficient	Std. Error	t-Statistic	Prob.
PROSPENDCAP	1.509639	0.397191	3.800785	0.0005
_PEOPLEINPOV	1631.580	1069.396	1.525703	0.1356
CONDITIONWF	-0.000460	0.000500	-0.920276	0.3634
DIVORCEPER1K	3217.642	3132.725	1.027106	0.3110
FOODSTAMPS	0.000140	7.72E-05	1.815604	0.0775
PERCAPREALGDP	-0.000436	0.001150	-0.379441	0.7065
C	-311.8225	193.3667	-1.612597	0.1153
R-squared	0.415832	Mean dependent var		403.0136
Adjusted R-squared	0.321102	S.D. dependent var		186.0587
S.E. of regression	153.3036	Akaike info criterion		13.04763
Sum squared resid	869574.2	Schwarz criterion		13.33148
Log likelihood	-280.0478	Hannan-Quinn criter.		13.15289
F-statistic	4.389650	Durbin-Watson stat		2.634250
Prob(F-statistic)	0.001913			

## BIBLIOGRAPHY

Bureau of Justice Statistics. 18 Mar. 2010 <<http://bjs.ojp.usdoj.gov/>>.

Bureau of Labor Statistics. 12 Mar. 2010 <[www.bls.gov](http://www.bls.gov)>.

Crutchfield, Robert D and Susan R Pitchford. "Work and Crime: The Effect of Labor Stratification." Social Forces (1997): 93-118.

Federal Bureau of Investigation. 1 April 2010 <[www.fbi.gov](http://www.fbi.gov)>.

Glaeser, Edward L and Bruce Sacerdote. "Why is There More Crime in Cities?" The Journal of Political Economy (1999): 225-258.

Ishikawa, Mitsuyasu. "A Relationship Between Economic Conditions and Crime Rate." 2009.

LaFree, Gary. "Declining Violent Crime Rates in the 1990's: Predicting Crime Booms and Busts." Annual Reviews (1999): 145-168.

Levitt, Steven D. "Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six That Do Not." The Journal of Economic Perspectives (2004): 163-190.

Niskanen, William A. "Publications: CATO Institute." 14 November 1994. CATO Institute. 18 March 2010 <<http://www.cato.org/pubs/pas/pa-218.html>>.

U.S. Bureau of Economic Analysis. 4 April 2010 <[www.bea.gov](http://www.bea.gov)>.

U.S. Census Bureau. 20 Mar. 2010 <[www.census.gov](http://www.census.gov)>

U.S. Department of Agriculture. 3 April 2010 <[www.usda.gov](http://www.usda.gov)>.

Vollaard, Ben. "Police Numbers Up, Crime Rates Down: The effect of police on crime in the Netherlands, 1886-2003." CPB Netherlands Bureau for Economic Policy Analysis (2005).

Wolf, Richard. "How Welfare Reform Changed America." USA Today 18 July 2006.