



EXECUTIVE SUMMARY

Why Crime Matters, and What to Do about It

by Jennifer Doleac

NOVEMBER 2024

Introduction

After decades of declining crime rates, the US experienced a spike in violent crime in the wake of the COVID-19 pandemic. Though the most recently available data indicate that criminal activity has resumed its descent, crime continues to be a first-order problem for many communities. The costs of crime—through law enforcement, punishment, direct costs to victims, and spillover costs to communities—provide ample economic motivation for finding effective ways of reducing crime.

In this paper, Jennifer Doleac describes what is known about crime trends in the US and outlines the best evidence to date on the effectiveness of various approaches to reducing crime through prevention, deterrence, and rehabilitation. She also helpfully identifies policies that are aimed at reducing crime but that have been shown to be ineffective. Based on the evidence, Doleac offers a number of potential strategies for communities to implement, highlighting three approaches in particular as the most likely to have meaningful effects: investing in early life interventions, including reducing young children's exposure to lead; making better use of police and technology to detect and deter crime; and increasing access to mental health care for high-risk populations.

Recent Crime Trends

Crime in the US rose during the 1980s and early 1990s before declining steadily until 2020. During the COVID-19 pandemic, homicides, shootings, and motor vehicle thefts spiked, due in part to a decrease in potential witnesses during lockdown. By late 2023, homicides and shootings had returned to their pre-pandemic levels. Because less serious offenses such as carjackings are much more difficult to track with nationwide data systems, we currently have an incomplete picture of how those crimes have trended in recent years across the country. That caveat notwithstanding, certain types of crime remain high, and Doleac emphasizes that crime continues to disproportionately affect certain urban areas and communities.

Economic Costs of Crime

Doleac considers the costs of crime on victims and communities through two channels: the indirect effects of fear for our personal safety and property, and the direct effects of crime on victims. Direct victim costs encompass both tangible costs—such as medical expenses, cash or property losses, and lost earnings due to injury or death—and intangible costs including pain and suffering.

In addition to directly affecting victims, crime indirectly affects broader communities through reduced property values, diminished business activity, reduced school attendance, and increased mental health issues like anxiety and depression arising from fear for personal safety and property. Such spillover effects are important but are in many ways more difficult to quantify than the direct costs to crime victims. One estimate finds that, just looking at the effects on mental well-being, the society-wide impact of crime is about 80 times more than the direct impact on the victim.

The costs of crime also come in the form of resources devoted to law enforcement and punishment. The majority of such efforts are conducted by state and local governments, which spent 7.5 percent of their overall budgets on the criminal justice system in 2021, amounting to \$274 billion. These funds cover the employment of law enforcement personnel, the costs of the judicial system, and the costs of housing prisoners in correctional facilities. The federal government contributes an additional \$58 billion to criminal justice expenses annually, or 1.5 percent of its budget. Combining the direct—tangible and intangible—costs to victims with the costs of law enforcement and punishment, researchers estimate that this aggregate cost of crime in the United States (excluding indirect costs) totals \$4.7–5.8 trillion each year.

Given the high cost of crime to victims and affected communities, as well as the substantial amount of resources devoted to deterring and punishing crime, it is important to allocate crime-prevention efforts to interventions with evidence of effectiveness. While there are many drawbacks to the disaggregated system in the US, one upside is the room for innovation to find new policy solutions.

Types of Criminal Justice Intervention

Doleac notes that the criminal justice system is one tool available to society to prevent crime and improve public safety, and she highlights multiple channels through which it aims to accomplish this goal: incapacitation, deterrence (specific and general), rehabilitation, and retribution. Individuals in jail or prison are physically prevented from committing further crimes in the community (incapacitation). Punishment is meant to provide a measure of justice but also to discourage the punished individuals and others around them from engaging in further criminal activity (deterrence). In addition, the prison system offers opportunities for people to improve their lives through programs such as group therapy, drug treatment, job training, and education (rehabilitation). (However, there is a risk that incarceration alongside high-risk individuals may negatively impact inmates' future trajectories.) Doleac also argues that the criminal justice system

offers an opportunity for retribution, holding criminals accountable for their actions—though this goal is distinct from the public-safety aim.

What Works to Reduce Crime

Researchers have studied the various crime-fighting approaches that jurisdictions around the country have implemented, and there is now a sizable body of credible evidence about approaches that are effective and those that are not. This research leads to the following broad lessons: (1) Interventions that help prevent someone's first criminal record are extremely effective; (2) increasing the probability that perpetrators are caught and face consequences has a much bigger deterrent effect on crime than does making the punishment longer or harsher; and (3) pulling someone out of the system once they're in it through rehabilitation efforts is much more difficult, though far from impossible.

Preventing someone's first interaction with the criminal justice system. Studies across several cities have found that offering summer jobs for teens, which provides positive career exposure and mentorship, reduces future violent-crime arrests and lowers mortality due to gun violence. Additionally, keeping young students in school longer and increasing the quality of the education they receive has been proven to reduce future criminal involvement. Cognitive behavioral therapy pushes individuals to think more deliberately about the relative costs and benefits of their actions. Evaluations of such programs, like the Becoming a Man in Chicago, have found meaningful reductions in violent arrests and recidivism.

Over the long term, investments in improving the health of children—such as removing lead from the environment and reducing air pollution—are extremely cost-effective, causing large improvements in educational attainment and reductions in criminal justice involvement.

Deterring crime in the community. At the community level, Doleac proposes two main strategies for cost-effective crime deterrence. First, putting more police on the streets remains an effective, evidence-based way to reduce crime relatively quickly. While concern is warranted about the social costs of policing, particularly those incurred by the unnecessary escalation of incidents, many cities are significantly under-policed, and police are an evidence-based method for rapid crime reduction. Second, employing technology such as cameras, DNA databases, and blood-alcohol content monitors can enhance crime detection at a lower cost than increasing police personnel.

Rehabilitating people with past criminal justice involvement. To enhance rehabilitation, erring toward leniency for first-time offenders—giving them a second chance to avoid a first criminal record—dramatically reduces recidivism. Research has found that first-time nonviolent misdemeanor defendants who were randomly assigned to more lenient prosecutors or who happened to receive a “deferred adjudication” were half as likely to show back up in court with new charges. Leniency avoids imposing barriers to societal reintegration of a criminal record, while providing defendants with a wake-up call. Doleac also recommends the broader use of electronic monitoring systems as an alternative to prison sentences; such systems provide similar safety benefits as incarceration, while minimizing incarceration’s deleterious effects.

Making mental health care affordable and easier to access is also a smart crime-reduction strategy. Research has found that expanding public health insurance reduces crime rates, particularly among people who rely on the program for medication related to mental illness. Low-touch interventions—such as connecting treatment centers with people who, on being released from jail, are screened as being at high risk of mental illness—also reduce recidivism. Finally, bans on public benefits for those with a criminal record should be repealed, as these bans not only increase recidivism rates but also increase future criminal activity for children of parents with criminal records, by decreasing children's access to resources during their formative years.

What Doesn't Work

Evidence also suggests that several popular policies do not work to reduce crime. Pretrial detention, long prison sentences, life without parole, and intensive community supervision do little to deter crime and come with high costs. First, extensive evidence from people on the margin of being detained pretrial demonstrates that temporary detention sets them on a significantly worse trajectory, increasing the likelihood of a conviction in the current case, reducing long-run employment and earnings, and increasing their propensity to re-offend. Second, most individuals “age out” of criminal activity by their early to mid-twenties, making long sentences that revoke the possibility of parole counterproductive, as such measures remove positive incentives for rehabilitation. Intensive supervision often leads to technical violations and reincarceration, with minimal public safety benefits.

Furthermore, many well-intentioned programs that may sound like good ideas have been shown to be ineffective in practice. Transitional services for recently released individuals have little to no effect on long-term employment rates for the formerly incarcerated. Wraparound services that address a broad range of challenges posed to

the formerly incarcerated including education, mental illness, legal documentation, housing, and substance abuse have also proven ineffective. Finally, despite their good intent, “Ban the Box” policies, which prevent employers from asking about a job applicant's criminal record have been shown to do more harm than good, as they increase race-based speculation on applicants while offering little improvement in employment for the formerly incarcerated.

Popular Policies with Little Evidence to Support Them

Finally, several currently popular policies require more research before we can know whether they are effective. Community violence interruption programs, which focus on building trust and mediating conflicts, are innovative but lack substantial evidence of efficacy. Clean-slate policies, which seal criminal records from public view, also appear to have a negligible impact on employment yet have been minimally studied. Both policies represent innovative ideas in criminal justice reform yet require more rigorous research prior to widespread implementation.

ABOUT THE AUTHOR

Jennifer Doleac

Executive Vice President of Criminal Justice at Arnold Ventures

Jennifer Doleac is an economist and the executive vice president of criminal justice at Arnold Ventures. She is also the host of the *Probable Causation* podcast. Before joining Arnold Ventures, Dr. Doleac spent over a decade as an economics professor, working on academic research on crime and discrimination. Dr. Doleac is a leading expert on the economics of crime and a vocal proponent of using rigorous research to inform policy. Her research addresses topics such as DNA databases, prosecutorial reform, risk assessment algorithms, and the unintended consequences of “ban-the-box” policies. Dr. Doleac’s work has been supported by several governmental and philanthropic organizations, and her research has been published in leading academic journals, including the *Quarterly Journal of Economics*, the *Review of Economics and Statistics*, and the *Journal of Labor Economics*. She currently serves on the board of editors at the *Journal of Economic Literature* and is frequently quoted in the media about criminal justice research and policy. Dr. Doleac holds a PhD in economics from Stanford University and a BA in economics and mathematics from Williams College. She lives in Houston, TX, with her rescue pup, Chula.