

Study shows drop in crime rates are less where Wal-Mart builds

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Communities across the United States experienced an unprecedented decline in crime in the 1990s. But for counties where Wal-Mart built stores, the decline wasn't nearly as dramatic.

"The crime decline was stunted in counties where Wal-Mart expanded in the 1990s," says Scott Wolfe, assistant professor of criminology and criminal justice at the University of South Carolina and lead author of a new study. "If the corporation built a new store, there were 17 additional property crimes and 2 additional violent crimes for every 10,000 persons in a county."

The study, titled "Rolling back prices and raising [crime rates](#)? The Wal-Mart effect on crime in the United States," released last month in the *British Journal of Criminology*, was co-authored with David Pyrooz, assistant professor of [criminal justice](#) and criminology at Sam Houston State University.

Wolfe says the commonly known "Wal-Mart effect" is the company's overwhelming influence on numerous economic and social factors in communities, including jobs, poverty rates and retail prices.

The study was not intended to criticize Wal-Mart, he says. Instead, it attempted to answer the unexplored question of whether Wal-Mart could equate with either more or less crime.

"There have been dozens of studies on the 'Wal-Mart effect' showing the

company impacts numerous outcomes closely related to crime. Our objective was to determine if the Wal-Mart effect extended to understanding crime rates during arguably one of the most pivotal historical periods in the study of crime," Wolfe says.

Wolfe and Pyrooz based the study on 3,109 U.S. counties. They focused on Wal-Mart's expansion in the 1990s, a time of dynamic growth for the company and falling crime rates nationally. During that decade Wal-Mart expanded in 767 of those counties.

"There are reasons why Wal-Mart ranks among the most successful commercial enterprises in U.S. history," Wolfe says. "They are very strategic about where they build stores."

The researchers matched the counties where Wal-Mart expanded with counties similar in where Wal-Mart avoided. They tracked the crime rates in those counties over time.

"There is something unique about the counties that Wal-Mart selects," Wolfe says. "Wal-Mart tended to expand in counties with higher than average crime rates. These counties were more likely see Wal-Mart build even after accounting for crime-related predictors, such as poverty, unemployment, immigration, population structure and residential turnover.

The researchers speculate that much of this relationship occurred because Wal-Mart finds better success building in communities that are less likely to protest the company's arrival.

"Counties with more social capital—citizens able and willing to speak up about the best interests of the community—tend to have lower crime rates," Pyrooz says. "Counties with more crime may have less social capital and, therefore, less ability to prevent Wal-Mart from building."

Once Wal-Mart counties were matched with non-Wal-Mart counties based on crime rates and economic and demographic factors, the researchers found that the retailer's growth stunted what otherwise could have been greater drops in crime.

Wolfe and Pyrooz say the reason why Wal-Mart lessens a decline in crime is a complex question not easily answered by data typically available. Their findings didn't reveal that Wal-Mart growth corresponded with increases in poverty, economic disadvantage or other factors associated with crime.

"More research is needed to uncover why the Wal-Mart effect extends to crime," Wolfe says. "Does it reduce community social cohesion or simply increase opportunities for theft and other crimes in specific store locations that are great enough to influence county crime rates? These are questions that remain."

Wolfe says it is important to note that study stresses that Wal-Mart does not have a detrimental impact on all counties. In fact, Wal-Mart growth can be beneficial in some communities, particularly those in economic distress, he says.

"The problem, however, is that Wal-Mart is less likely to grow in communities with depressed economic conditions," Wolfe says.

More information: bjc.oxfordjournals.org/content/54/2/199.abstract

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