

# Research finds moving public assistance payments from cash to plastic cuts crime

March 24 2014

---

Counties that change their delivery of public assistance benefits from paper checks to an Electronic Benefit Transfer (EBT) system – using debit cards – see their street crimes drop significantly, according to a study published today by the *National Bureau of Economic Research*.

Titled "Less Cash, Less Crime: Evidence from the Electronic Benefit Transfer Program," the study is the first to empirically examine whether the introduction of an EBT system, which reduces the amount of cash circulated on the streets, will disrupt criminal activities that rely on the ease and relative anonymity of cash transactions.

"Our results indicate that implementation of the EBT program is associated with a 9.8 percent reduction in the overall crime rate. This was led by reductions in home burglaries, assault and larceny," said study co-author Volkan Topalli, associate professor of criminology at the Andrew Young School of Policy Studies at Georgia State University. "We also find fewer arrests for non-drug offenses in counties where EBT benefit payments were implemented."

The study was spurred by what offenders and criminals were telling criminologists doing research on the street, Topalli said.

"What's really neat about this study and others we do with economists," he said, "is using econometric methods to test important criminological ideas."

This study's co-authors include economist Erdal Tekin of the Andrew Young School – an expert on risky behaviors – criminologists Richard Wright, Richard Rosenfeld and Tim Dickinson of the University of Missouri-St. Louis and economist Chandler McClellan of the National Bureau of Economic Research.

"Our study shows that even a small reduction of cash has a positive effect in reducing street crime," Topalli said. "That's a good thing. But the question moving forward is, what will the impact of a future with even more cashless transactions be on the nation's poor, who up to now have relied disproportionately on cash?"

**More information:** Download the full report at [http://www.nber.org/papers/w19996?utm\\_campaign=ntw&utm\\_medium=email&utm\\_source=ntw](http://www.nber.org/papers/w19996?utm_campaign=ntw&utm_medium=email&utm_source=ntw)

Provided by Georgia State University

Citation: Research finds moving public assistance payments from cash to plastic cuts crime (2014, March 24) retrieved 7 July 2024 from <https://phys.org/news/2014-03-payments-cash-plastic-crime.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.