

New research examines the cost of crime in the U.S., estimated to be \$2.6 trillion in a single year

February 8 2021, by Evan Curran

For the first time in 25 years, a team of researchers, including Professor Mark A. Cohen of Vanderbilt University, has provided a comprehensive overview of the number of incidents of crime in the United States and their staggering financial costs. Cohen, along with research team leader Ted R. Miller of the Pacific Institute for Research and Evaluation and colleagues, found that more than 120 million crimes were committed in the U.S. in 2017 (including 24 million violent crimes), amounting to a financial impact of \$2.6 trillion.

The findings, which will be published in an article in the *Journal of Benefit-Cost Analysis* on Feb. 5, could help determine the efficacy of the nation's myriad initiatives designed to reduce crime, including criminal justice advocacy, [policy reforms](#), early childhood education and youth interventions. In the article, the team identifies the timely need for accurate estimates of crime incidence and cost, particularly as the country grapples with a system of criminal justice that disproportionately affects communities of color through racial bias. Cohen says that working with more [accurate data](#) will allow [policy makers](#) to address inequities and put resources toward programs that have the potential to have the biggest effect.

Since no comprehensive national database depicts crime incidence, the team amalgamated models that rely on local data with the best available crime counts from various public databases. For example, to estimate the

number of police-reported crimes nationally, the researchers combined arrest rates by crime in communities that report to the National Incidence-Based Reporting System with national arrest counts.

After determining more accurate crime incidence statistics, the team was able to engage in a thorough analysis of the true costs of crime. Some costs of crime are direct, out-of-pocket expenses. The direct costs cover police response, medical and behavioral health care, victim services, court and child welfare proceedings, incarceration and other sanctions, and the value of stolen goods or damaged property. Some of these costs are direct losses to victims or perpetrators; others are paid for in whole or in part by insurance, by private hospitals providing uncompensated care or by taxpayers.

These direct costs, however, are a small fraction of the costs of violence. Costs of violent crime are dominated by wages and housework (productivity) and quality of life losses by victims and their families, as well as wage losses of incarcerated perpetrators. In considering policy implications of these estimates, the research team advocates for a more comprehensive definition of the "cost" of crime to incorporate cost to the individual victim and costs to society at large.

Overall, personal crime in the U.S. cost almost \$2.6 trillion in 2017. Direct costs to victims and taxpayers totaled \$620 billion—about \$1,900 for every person in the U.S. That figure represents 3.2 percent of U.S. gross domestic product and exceeded the \$590 billion spent on the military or the \$450 billion spent on social welfare programs in 2017. Health care costs alone totaled more than \$90 billion—about 2.5 percent of U.S. health care expenditures.

While there has been a steady decline in violent crime, crimes that had previously been excluded from national counts carry a massive cost. The researchers note that these new, more accurate figures can improve the

effectiveness of policy decisions.

"What is surprising about these figures is that over the past 25 years, traditional street crime such as burglary, robbery and assaults has actually gone down considerably," Cohen noted. "When Ted Miller and I last published similar cost estimates based on 1993 crime rates, we found that tangible costs represented about 1.5 percent of GDP—less than half what we estimate now. The main reason costs have increased so much is that we have now been able to include many nontraditional crimes such as fraud and identity theft, child maltreatment and impaired driving crashes. These three crimes alone represent about half the total direct [costs](#) of [crime](#)."

Provided by Vanderbilt University

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