

Study: When local revenue falls, traffic citations go up

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Got a lead foot? Hold on to your wallet.

A new study to be published in next month's *Journal of Law and Economics* finds statistical evidence that local governments use traffic citations to make up for revenue shortfalls. So as the economy tanks, motorists may be more likely to see red and blue in the rearview.

Study authors Thomas Garrett, assistant vice president at the Federal Reserve Bank of St. Louis, and Gary Wagner from the University of Arkansas Little Rock, examined 14 years of revenue and traffic citation data from counties in North Carolina. They found that the number of traffic citations issued goes up the year following a revenue drop.

"Specifically, a one percentage point decrease in last year's local government revenue results in roughly a 0.32 percentage point increase in the number of traffic tickets in the following year," Garrett and Wagner write.

That number may sound small, but it's a statistically significant correlation, the authors say.

The study controlled for demographic and economic differences in the sample, which contained data from 96 North Carolina counties collected from 1990 to 2003.

The finding adds credence to something many drivers have long

suspected: Safety isn't the only motive in traffic enforcement efforts. Since many municipalities retain the money generated by traffic fines, perhaps traffic enforcement also acts as a bit of a fundraiser.

"There is ample anecdotal evidence that local governments use traffic tickets as a means of generating revenue....," Garrett and Wagner write. "Our paper provides the first empirical evidence to support this view...."

And don't expect to be able to throttle up when the economy recovers. The study found no significant drop in tickets when revenues increased.

Article: Garrett, Thomas A., Gary A. Wagner, "Red Ink in the Rearview Mirror: Local Fiscal Conditions and the Issuance of Traffic Tickets," *Journal of Law and Economics*, 52:1, Feb. 2009

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