For 150 years, empirical criminologists have analyzed the relationship between general economic conditions and crime. The evidence is consistent that property crime, including robbery, is mildly countercyclical (with at least one exception—auto theft). The evidence with respect to violent crime is less clear but points to little or no relationship. Lauritsen and Heimer’s (2010, this issue) contribution is to refocus the discussion on victimization rates rather than on commission rates and to disaggregate by ethnicity. They find evidence that nonlethal violent victimization is countercyclical for Black and Latino males, but that result is limited to crimes committed by strangers and to robberies (as opposed to aggravated assaults). It is reasonable to interpret their article as confirming earlier findings.

In this essay, I provide a brief sketch of the mechanisms that in principle could generate a relationship between the business cycle and crime followed by a few highlights from the history of empirical research on this subject. I report results from my own research, past and current, and then go on to discuss the distinction between victimization and perpetration. I conclude with a short homily on why we should be interested in this line of inquiry. A key point throughout this commentary is that business cycles are extremely complex “experiments” with many crime-related variables changing simultaneously (or nearly so).

**Mechanisms and Findings**

The history of all advanced economies has been characterized by secular economic growth with an overlay of short-term cycles. The profound changes in technology, standard of living, culture, and routine activities associated with long-term economic growth affect criminal opportunities and behavior in a variety of ways, and no theoretical basis exists for predicting the net effect. Even the short-term fluctuations in socioeconomic conditions associated with the business
cycle are likely to have complex effects on crime with no clear prediction. The following is an incomplete accounting of the plausible mechanisms relating the business cycle to crime (Cook and Zarkin, 1985):

1. **Legitimate opportunities.** Economic recessions might increase property crime rates by reducing access to a legitimate means for achieving a desired standard of living. Recessions might increase both property and violent crime rates by reducing the opportunity cost of time spent in connection with criminal activity (including time in jail or prison).

2. **Criminal opportunities.** Recessions also might affect the quality of criminal opportunities. Potential burglary victims are more likely to be home (and thus serving as guardians for their property), and robbery victims will be carrying less cash and are perhaps more inclined to defend what they have. Prices for fenced merchandise might go down. As a result of such changes, property crime will be less profitable in bad times than in good.

3. **Drugs and alcohol.** Alcohol consumption goes down in recessions (Cook, 2007). To the extent that intoxication plays a role in crime, especially violent crime (both victimization and perpetration), we would expect fewer assaults. The cyclical pattern of drug use is less clear.

4. **Police and corrections.** Recessions reduce state and local tax collections, which might result in cuts in policing and corrections. The result might be some attenuation of the effects of the criminal justice system on crime via deterrence, incapacitation, and rehabilitation.

Even this incomplete list of possible linkages suggests that social scientists should have no trouble providing an explanation for most any empirical findings relating the business cycle to crime. Fortunately, the empirical findings are consistent for some types of crime, and social scientists have been analyzing the data on this issue for a long time, at least since the mid-19th century (Bonger, 1916).

Thorsten Sellin’s (1937) *Research Memorandum on Crime in the Depression* quoted a review of the literature written by Joseph Van Kan (1903) as follows:

> Crimes against property find in large measure their indirect causality in bad economic conditions; their direct causality in acute need and even more in chronic misery. . . . Material well-being generally exalts the vital instincts, increases alcohol consumption, and therefore increases crimes against morals. All our literature confirms this fact. . . . As for the question of the extent of the influence of economic factors on offenses against persons, the answers are less uniform.  

Similarly, Dorothy Swaine Thomas’ (1927) classic study *Social Aspects of the Business Cycle* reported correlations between detrended crime measures and an indicator of business conditions for Britain, 1857–1913, finding strong negative correlations for burglary and robbery and no effect for crimes of violence. These findings have stood up well during the ensuing century.

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I will not attempt to review the vast subsequent literature (some of which is referenced in Lauritsen and Heimer [2010]), except to mention my work, which is in line with Dorothy Thomas’ results. An analysis of U.S. business cycles (Cook and Zarkin, 1985) used annual time series for four types of index crime for the period 1933–1982, employing each of the nine cycles during that period as a “trial” in a natural “experiment.” We also computed regression results on postwar data that are very similar in spirit to the correlations reported in the Lauritsen and Heimer study in that we adjusted the variables for short-term trends. (Lauritsen and Heimer use a first-difference form, whereas we normed the variables by 3-year moving averages.) We used two different measures of economic conditions—the unemployment rate and the employment–population ratio. Both our nonparametric “natural experiment” study and the regression analyses confirmed that burglary and robbery are countercyclical and that homicide rates are not influenced (on balance) by the business cycle. The most surprising result was for auto theft; it is strongly procyclical, presumably reflecting profitability considerations. (The market for stolen cars and parts might be procyclical.) Recently, this research was extended using crime-series data through 2008, confirming and sharpening the findings from the earlier research (Bushway, Cook, and Phillips, 2010). The effect of economic fluctuations on homicide rates is a rather precisely measured “zero,” whereas property crimes are responsive.

Our conclusions, based on post-War Uniform Crime Report data through 2008, can be summarized as follows: A 10% increase in the unemployment rate (from, say, 9.0% to 9.9%) has the effect of increasing the robbery rate by 1.7%, increasing the burglary rate by 1.2%, and reducing the auto theft rate by 0.6% (Bushway et al., 2010). These effects are not large relative to the huge swings in crime rates that we have experienced since 1960, but they are estimated with considerable precision. The statistical effect on criminal homicide is effectively nil.

Effects on Victimization

Lauritsen and Heimer’s (2010) article offers several innovations, the most important of which is to use victimization-survey data rather than data from official records. Their dependent variable is the male victimization rate of attempted or completed robberies and aggravated assaults. They track three groups: Blacks, Latinos, and (non-Latino) Whites. In each case, they find a positive correlation between first differences in the violent victimization rate and their measure of economic conditions. The correlation is not significantly different from zero for Whites, but it is for the other two groups. Lauritsen and Heimer report qualitatively similar results

2. The employment ratio is not just the complement of the unemployment rate. The denominators are different. The unemployment rate is defined relative to the labor force, which excludes people who are not working or looking for work. The employment ratio includes the entire adult population in the denominator, which unlike the labor force measure, is not affected by the business cycle.


4. The authors disaggregated the crime victimization rates by ethnicity but did not do so for the Index of Consumer Sentiment, which is their main measure of economic conditions. In the future, it might be of interest to disaggregate the Index of Consumer Sentiment as well.
when they limit the “crime” variable to attacks by strangers. When they distinguish between robbery and aggravated assault, they find that Black robbery victimization is countercyclical, but the robbery results for Latinos and Whites are not significant—nor are any correlations for aggravated assault.

I take these results to be compatible with the literature as summarized earlier. Over the business cycle, robbery (a crime motivated by property acquisition) tends to be countercyclical (at least for one major victim group), but other crimes of violence that lack a property motive are not tied closely to macroeconomic conditions.

Lauritsen and Heimer’s (2010) use of victimization data encourages a particular line of speculation focused on the actions of potential victims rather than (or in addition to) that of potential perpetrators. Is there reason to believe that recessions are victimogenic? Perhaps, although they are not obviously so. Risk factors for robbery victimization, like getting drunk and carrying large amounts of cash or bling, are likely to be less common in recessions. The one exception that occurs to me is homelessness; the homeless are vulnerable to robbery, and it is reasonable to believe that homelessness is countercyclical. But by itself that would not account for the observed pattern in robbery victimization, especially in survey data (which does not include the homeless in the sampling frame).

In any event, the place to focus on in understanding why robbery victimization rates are countercyclical most likely is the incentives facing potential robbery perpetrators. Then we could interpret a conclusion that Black victimization rates are especially sensitive to the business cycle to the fact that Black victims are selected disproportionately by Black perpetrators (Cook, 2009), who in turn, are provoked by economic hardships associated with recessions.

**Criminologists’ Fascination with the Business Cycle**

Every recession brings with it extensive commentary in the media about how deteriorating economic conditions might account for increases in one crime rate or another. Criminologists have helped to fuel this discussion with 150 years of research on the subject. From a policy perspective, this interest might be justified by the use of apportioning credit or blame for observed crime fluctuations. If crime is observed to increase during a recession, and recessions are known to cause crime to increase, then the police chief will have a useful alibi for why he should keep his job. The link between the business cycle and crime also might be useful in forecasting crime rates and budgeting accordingly, but that only would be true if the business cycle could be forecasted accurately.

Another rationale for studying the macroeconomics of the crime rate is as a grand test for a common hypothesis concerning criminal behavior, namely that crime is a substitute for legitimate opportunity. In this view, just as criminals are drawn disproportionately from those with low incomes and poor employment prospects, so crime rates should increase in response to an across-the-board reduction in licit economic opportunity that occurs during a recession. The scientific problem is that the business cycle is far from a controlled experiment. As discussed, at the same time that recessions reduce legitimate opportunity, they also bring a broad range
of other changes, some of which are expected to reduce crime. So if, as I believe, no consistent relationship exists between the business cycle and either homicide or aggravated assault, then it does not contradict the belief that better job opportunities will tend to reduce crime—if other variables are held constant. In reality, the business cycle is so pervasive in its effects on society that virtually nothing is held constant.

**References**


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