

## How Much Does Crime Cost?

There is no simple answer to this difficult question. Although many studies over the years have attempted to quantify the total direct and indirect costs of crime to government and society, the results have varied widely, but all conclude that the nationwide costs are in the tens to hundreds of billions of dollars annually.

Some components of the cost of crime (such as the government's cost of fighting crime) can be readily estimated. For example, in 1997-98, California spent about \$18.1 billion to fight crime, which included costs for police, prosecution, courts, probation, and incarceration. (California Department of Finance)

Other costs cannot be easily measured. For example, many crimes go undetected or unreported – such as fraud, embezzlement, or arson – and thus their costs to society are not captured. Also, some costs are difficult to estimate because the costs are “transferred,” such as the costs for goods and services that are transferred to consumers by manufacturers and retailers to cover their costs for crime prevention activities or losses from crime.

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## What Is Considered a “Cost” of Crime?

- ▲ **Costs to government** to operate the criminal justice system (police, prosecution, courts, probation, incarceration, parole).
- ▲ **Medical costs to individuals and government** because of injuries suffered due to crime.
- ▲ **Property stolen or damaged** resulting from crime.
- ▲ **Loss of productivity to society** because of death, medical and mental disabilities resulting from crime.
- ▲ **Loss of work time** by victims of crime and their families.
- ▲ **Loss of property values** in neighborhoods with high rates of crime.
- ▲ **Pain and suffering of crime victims**, their families, and friends, as well as communities plagued by crime.

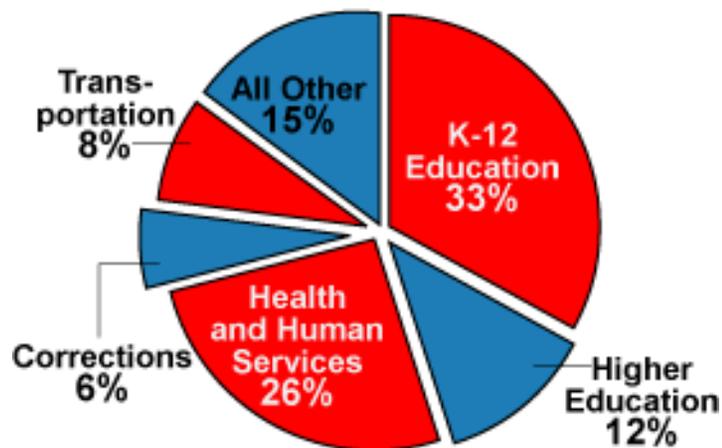
## Corrections Per Capita Cost Highest 1999-2000

	Number of Participants (in Millions)	Average Cost per Participant	
		General Fund	Total Government
<b>Corrections – inmates and wards</b>			
Prison	0.2	\$ 25,607	\$ 25,607
Youth Authority	0.01	41,700	41,700
<b>Education – students</b>			
K-12	5.8	\$ 5,944	\$ 7,253
UC	0.2	9,732	14,973
CSU	0.3	7,681	9,975
Community Colleges	1.0	4,002	4,303
<b>Health and Welfare – beneficiaries</b>			
Medi-Cal	5.0	\$ 1,479	\$ 3,854
CALWORKS <sup>a</sup>	1.7	1,033	3,117
SSI/SSP	1.1	2,300	6,129

<sup>a</sup> Replaced “Aid to Families with Dependent Children” as of January 1, 1998.  
Source: California Department of Finance.

- Youth Authority wards and prison inmates have the highest cost but are the least numerous. For example, it costs over \$41,000 to house a Youth Authority ward in 1999-2000, but just over \$7,200 to educate a student in K-12 school.
- The costs shown are averages. The range of individual costs is especially large in the Medi-Cal Program. Nursing home patients in the Medi-Cal Program, for example, cost about \$25,000 annually to support.

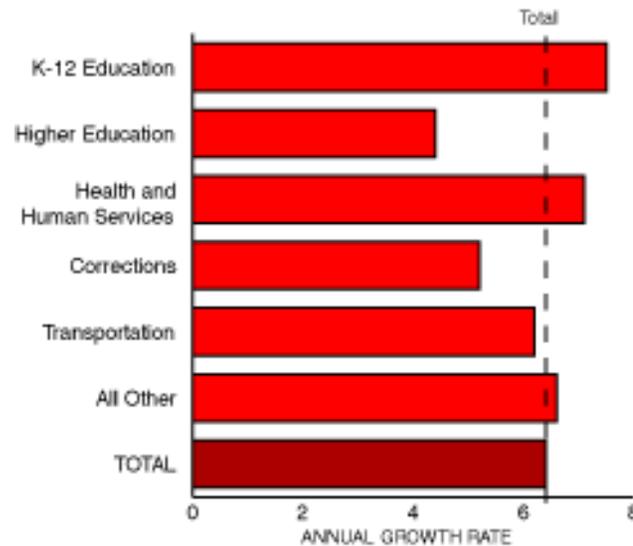
## Corrections Is Small Portion of Total 1999-2000 State Spending



Source: California Department of Finance.

- Spending for Corrections is about 6 percent of total state spending in 1999-2000.
- Ten years ago in 1989-90, spending for Corrections was about 4.5 percent of total state spending.

## Corrections Spending Has Stabilized 1989-90 Through 1999-2000



Source: California Department of Finance.

- From 1989-90 to 1999-2000, spending for Corrections increased, on average, about 5 percent per year. Total state spending increased about 6 percent annually during this time period.
- During the 1980s, Corrections' spending increased by an average of 19 percent annually, while the state's budget increased by about 9 percent per year.
- Reasons for the stabilization may be the slowing of admissions to State institutions, a lower incarceration rate for the last 2 years, and the overall reduction in crime during the last 8 years.

## What Are the Policy Implications?

The major policy implications of the data presented in this report are summarized briefly below.

***Recognize Divergence of Crime Data and Public Perceptions of Crime.*** Californians are more likely to be victimized by an accident in their own homes than they are by crime. Both public perceptions and crime data should be taken into account by decision-makers when shaping public policy affecting the state's criminal justice system.

***Recognize That Criminal Justice System Deals With Small Portion of Total Crime.*** As we indicated earlier, the criminal justice system deals with only a small portion of all criminal activity in society, principally because about 64 percent of all crimes go unreported to, or undiscovered by, police (U.S. Department of Justice). If policy-makers wish to affect a larger share of crime, it will require a significantly larger investment of funds than is currently being spent by government. Given scarce government resources, such an increased investment will require that policy-makers select new, cost-effective approaches (and new strategies) to crime fighting, not using scarce resources for activities that may result in only marginal changes in the crime rate.

***Recognize Importance of Demographics in Crime.*** As we indicated, a large amount of crime is committed by young people, and the decline in crime rates in California in the 1980s was due, at least in part, to the aging of the population (Source: Legislative Analyst's Office). For these reasons, it is important for policy-makers to recognize that the changing demographics of California – particularly the boom in juvenile population that is projected to occur during the early part of the 2000 decade – could result in a return to the high crime rates of the late 1970s and early 1980s.

**Recognize the Interrelationships Among the Parts of the Criminal Justice System and the Need for Flexibility.** The component parts of the state's criminal justice system are, by necessity, closely interrelated (persons arrested by *police* are prosecuted by *district attorneys*, decisions as to their fate are made by the *courts*, and punishment/treatment is applied by *probation* and *corrections officials*). It is important for policy-makers to understand and appreciate these interrelationships.

As we showed in the chart "Who Exercises Discretion in California's Criminal Justice System" (see page 31), the system includes significant flexibility at various levels. The greatest flexibility is generally at the "front-end" of the process – police and prosecutors. The system functions as a result of this flexibility, and efforts to reduce flexibility could significantly affect the system as a whole. For example, eliminating the ability of prosecutors to reduce the charges against a nonviolent offender could result in greater costs for prosecution, courts, and corrections, thereby limiting resources available to deal with violent offenders or other high-priority matters.



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## CJSC\* PUBLICATIONS IN PRINT AND ON THE INTERNET\*\*

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Crime and Delinquency in California, Advance Release\*\*  
Crime as Reported by Selected California Agencies, January through September\*\*  
Criminal Justice Profile - A Supplement to C&D (statewide and individual counties)\*\*  
Hate Crime in California\*\*  
Homicide in California\*\*  
Preliminary Report, Crime (January through June and January through December)\*\*

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Motor Vehicle Theft Recovery Data, 1983-1989 (October 1990)  
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Incapacitation Strategies and the Career Criminal (December 1992)  
Measuring White Collar Crime in Depository Institutions (December 1993)  
Prosecutors' Response to Parental Child Stealing: A Statewide Study (April 1995)  
Race & Delinquency in Los Angeles Juvenile Court, 1950 (December 1990)  
Survey Report: "The Expansion of the Criminal Justice and Penal System in California - Is greater coordination required?" (December 1988)

### Miscellaneous

Gang Organization and Migration/Drugs, Gangs & Law Enforcement  
Proceedings of the Attorney General's Crime Conference 85 (September 1985)  
Proceedings of Symposium 87: White Collar/Institutional Crime - Its Measurement and Analysis

\*Prior to 1991, the Criminal Justice Statistics Center (CJSC) was known as the Bureau of Criminal Statistics (BCS).

\*\*Available on the Internet.