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Disadvantaged Young Men and Crime

Richard B. Freeman

An extraordinary number of young disadvantaged American men commit crimes serious enough to put them under the supervision of the criminal justice system. These young persons have a "work"experience unlike that of persons engaged in legitimate activities. They make money doing illegal acts, commit violent crimes, are caught and arrested, are convicted and incarcerated or given a probationary sentence. Those who are incarcerated are paroled, work, commit other crimes, get arrested again, and so on. Some of these young men are "career criminals" who spend most of their work time at crime. But many more work at legal jobs when such jobs are available and also take criminal opportunities when they arise. Many youths combine legal and illegal work at the same time or over time. In poor communities in the United States crime in the 1980s and 1990s was not an aberrant or peripheral activity but rather a normal component of economic and social life for many young persons.

The massive involvement of young men in crime affects the national well-being. It harms the victims of crime.[1] It induces the government and private individuals to allocate substantial resources to crime prevention activities. The extent to which crime cuts into the public fisc was forcefully brought home to Americans in 1995, when the state of California announced that for the first time it spent more on prisons than on higher

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1. Estimates of the costs of crime vary widely. The most recent U.S. study, which includes evaluation of the nonpecuniary costs of crime, suggests a total social cost of $450 billion (*New York Times,* April 1996).

education.[2] Crime also adversely affects the families of the criminals, the majority of whom have children under the age of 18 (U.S. Department of Justice 1994a, 10),[3] and the impoverished communities from which they usually come.[4]

Who are the young men involved in crime? What kinds of criminal and legal activities occupy their time? Is the incarceration of young criminals a sufficient strategy for reducing the crime rate?

5.1 The Magnitude of the Problem

That large numbers of Americans are involved in crime to the extent that they end up under the supervision of the criminal justice system has been widely publicized, particularly by the Sentencing Project, which every few years releases a report on the numbers incarcerated based on Justice Department statistics. Even so, each time I look at the data, my jaw drops. My jaw dropped when I looked at 1989 figures, which showed some 1.2 million persons in jail or prison and 4.3 million under the supervision of the criminal justice system. It dropped more with the 1997 figures (table 5.1) that show 1.9 million in jail or prison. Because the vast majority of prisoners are men, the 1.9 million figure translates into over one man incarcerated for every 36 men employed. Since, in addition, for every person incarcerated nearly 1.8 times as many are convicted and on probation and 0.4 times as many on parole, the 1997 figures translate into 5.9 million persons "under the supervision of the criminal justice system." This in turn means one man under supervision for every 14 men employed.[5] But even this statistic does not capture the full involvement of American men with the criminal justice system. Many young persons charged with a law violation are treated as juveniles. In 1995 courts with juvenile jurisdiction processed an estimated 1.7 million juvenile delinquency cases involving persons under age 18.[6] The number of offenses charged to juveniles has

2. Spending on prisons rose from 2 percent of the state budget in 1980 to 9.9 percent in 1995 whereas spending on higher education shrank from 12.6 percent in 1980 to 9.5 percent. The number of inmates increased from 23,500 to 126,100 over the period and 17 new prisons were built. This was *before* the state's "three strikes and you're out" law. See *New York Times,* 12 April, 1995, p. A21.

3. Some of these men were living with their children; others were not. In 1991, 31 percent of male inmates had been living with a child. See U.S. Department of Justice (1994a, 15).

4. Blacks are disproportionately the victims of crime. Among blacks, men aged 12–24, who constitute just 1.3 percent of the U.S. population, experience a 17.2 percent rate of single-victim homicide. See U.S. Department of Justice (1994b).

5. Ninety-three percent of those in jail or prison are men, 89 percent of those paroled are men, and 79 percent of those probated are men, so that approximately 87 percent of all those under supervision are men. This gives an estimate of 4.9 million men under supervision compared to male employment of 67 million aged 19 or over in 1997. This gives a ratio of 7.3 percent, or 1 in 14.

6. U.S. Department of Justice (1997a) lists the states with different juvenile justice procedures. Sickmund et al. (1998) give the 1995 figures on delinquency cases.

Table 5.1 **Numbers of Adults Incarcerated and under Supervision of Criminal Justice System**

Year	Incarcerated in Prison or Jail	Probation	Parole	Under Supervision
1980	502,000	1,118,000	220,000	1,840,000
1990	1,146,000	2,670,000	531,000	4,347,000
1994	1,483,000	2,962,000	690,000	5,135,000
1997	1,855,000	3,285,000[a]	728,000[a]	5,868,000

Sources: U.S. Department of Justice, Bureau of Justice Statistics, "Correction Statistics," from www.ojp.usdoj.gov.bjsi.correct/.

[a]The 1997 figures for probation and parole are my estimates obtained by taking the 1996 figures of the Bureau of Justice Statistics (3,180,363 probated, 740,709 paroled) and updating them by the 3.3 percent increase in these numbers over the 1990s. See U.S. Department of Justice, Bureau of Justice Statistics, "Nation's Probation and Parole Population Reached Almost 3.9 Million Last Year," news release, 14 August 1997.

also trended upward, rising by 45 percent from 1986 to 1995, with a 99 percent increase in the juvenile violent crime index. Finally, the Bureau of Justice Statistics estimates that 9.0 percent of U.S. men and 28.5 percent of black men will be confined to a state or federal prison during their lifetimes (U.S. Department of Justice 1997b). Because these figures ignore persons who go to jail but not prison, they understate the chance that an American man will be incarcerated during his life.[7]

The vast majority of the crime-involved population are young men. Figure 5.1 shows that the likelihood of arrest rises sharply in the midteens, remains relatively high through the early twenties, then declines steadily with age. The age of prisoners is somewhat higher than that of arrestees because it often takes several arrests before a court will convict a young person and send him or her to prison. In 1991, 2.9 percent of 25–34-year-old American men were incarcerated, and approximately 10 percent were under the supervision of the criminal justice system.[8] Given the growth of the prison population, this figure is likely to have exceeded 4 percent by 1997. A disproportionate number of those incarcerated are black. In 1991 about 7 percent of black men over age 18 were incarcerated, and 12 percent of black men aged 25–34 were incarcerated. In 1996 the Sentencing

7. Many persons who go to jail later end up in prison, so one cannot simply use the chances of going to jail for the first time by age to estimate lifetime chances of any incarceration. According to the U.S. Department of Justice (1997b, table 3), 31.4 percent of persons who were admitted to state or federal prison had had a prior sentence to local jail, including juvenile facilities. In 1996, 59.5 percent of jail inmates had been previously incarcerated (U.S. Department of Justice 1998, table 7).

8. Figures on the demographic characteristics of state prisoners are provided by the Bureau of Justice Statistics in the *Survey of State Prison Inmates,* which is conducted every five years. Figures on the demographic characteristics of jail inmates are provided by the Bureau of Justice Statistics in the *Profile of Jail Inmates.* At this writing, the 1996 *Survey of State Prison Inmates* is not available, so I have used the 1991 data.

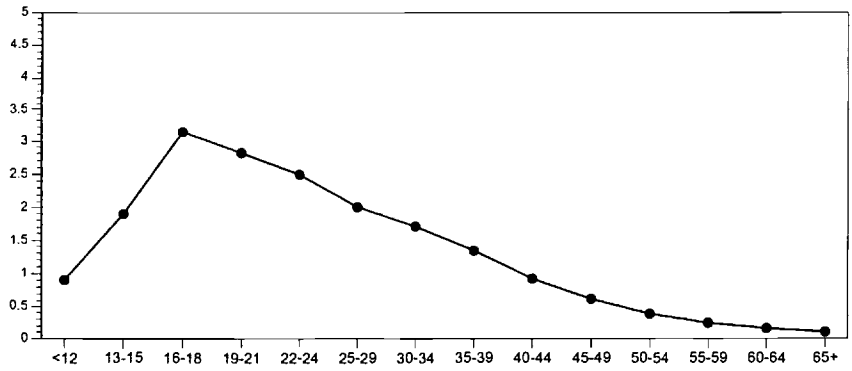

Fig. 5.1 Arrest rates of men and women by age relative to national arrest rate, 1995
Source: Tabulated from Maguire and Pastore (1997, table 4.4).

Project estimated that almost one in three young black males in the age group 20–29 was under some type of correctional control. Approximately two-thirds of men in prison were dropouts from high school in 1991. Among 25–34-year-olds approximately 12 percent of male dropouts were incarcerated in 1991. Combine race, age, and education and you discover that in 1991, 34 percent of high-school-dropout black men aged 25–34 were incarcerated. Since many of those noninstitutionalized are on probation or parole, moreover, a majority of young black male high school dropouts are likely to be under the supervision of the criminal justice system.

With a more than threefold increase in the number of criminals in jail or prison between the 1960s and 1990s, one would expect the rate of crime in the United States to be low and falling. One reason is the incapacitation of proven criminals: if we lock up the most crime-prone individuals, they cannot commit crimes (save in prison, against other criminals). Another reason is deterrence. If we increase the probability that a criminal will be apprehended or incarcerated, fewer people will commit crimes. In fact, the rate of crime reported by police departments in the Uniform Crime Report (U.S. Department of Justice) stabilized in the 1980s and then fell in the 1990s while the rate of crime in the National Crime Victimization Survey fell significantly in the 1980s and 1990s. But neither of these changes come close to the virtual elimination of crime that a threefold increase in incarcerations should have produced through incapacitation. The explanation for the discrepancy is that the rate of involvement in crime by the nonincarcerated population rose (Freeman 1996). Many youths who had not previously committed crimes elected to do so. The new supply was large enough to maintain a high rate of crime despite the massive "incarceration experiment." The number of juveniles involved in crime

rose substantially in the period, moreover, leading some analysts to fear a future wave of violent crime (Fox 1996).

Why has crime become more attractive to young men than in the past? One likely cause is falling real wages for legitimate work and continued high joblessness for the less skilled (Freeman 1996; Grogger 1997). Another is the expansion of the demand for drugs and arrest of persons for drug-related offenses (U.S. Department of Justice Statistics 1995). Another part of the story is that the incapacitation of a criminal creates an "opening" or opportunity in the crime market for someone else to take over his activity. Arrest one member of the criminal gang, and the gang finds a replacement. Lock up Joe the 15th Street drug dealer, and Harry decides to sell drugs on that block. Some criminologists also hypothesize that as more and more young men are involved in crime, the disincentive of incarceration becomes less potent: I may care less about going to prison if many of my peers also go. Similarly, if my friends are in a gang, I may join and commit crimes that I would otherwise not.

Whatever the cause, the fact is clear: the number of young men engaged in crime is large and growing, even in the face of a huge incarcerated population. Who are these young men who choose to be involved in crime? What crimes do they commit?

5.2 Who They Are and What They Do: NLSY

In this section I use the National Longitudinal Survey of Youth (NLSY) to examine the characteristics of the youths who commit crimes, the crimes they commit, and the relation between engaging in crime and legitimate employment. The NLSY asked a crime module in 1980, which provides some information on criminal behavior. In ensuing years, the survey interviewed some youths in prison or jail, providing additional information on involvement with the criminal justice system. The NLSY contains fairly detailed information on the personal characteristics of youths and the extent of youth crime that allows us to differentiate among youths who commit the most serious crimes, those more marginally involved in criminal activity, and those who eschew crime completely. (See Center for Human Resource Research 1979–88.)

Table 5.2 contrasts selected background characteristics of young men who engage in varying levels of crime with those of young men who do not engage in crime. The table uses two pieces of information to categorize criminal involvement: (1) self-reported criminal activity on the 1980 crime module and (2) whether the young men were interviewed in jail or prison in any year through 1989. Measures of crime based on self-reported criminal activity are contaminated by reporting bias. If people do not admit to criminal activity, self-reported crime would understate criminal participation. If, on the other hand, young men think it "cool" to claim to commit

Table 5.2 **Background Correlates of Male Youths by Criminal Involvement**

Characteristic	Youths in Mutually Exclusive Groups w/ Given Characteristics[a]					Ratio of Proportions		
	No Crime (1)	Stopped (2)	Charged (3)	Probation (4)	Jail (5)	Jail/ No Crime (6)	Jail/ Probation (7)	Probation/ No Crime (8)
Characteristics of family at age 14								
Black	.27	.26	.21	.22	.42	1.56	1.91	.81
Not father/mother family	.32	.32	.43	.39	.54	1.69	1.38	1.22
Family on welfare	.19	.17	.15	.24	.41	2.16	1.71	1.26
Mother less than high school	.42	.4	.42	.5	.59	1.4	1.18	1.19
Father less than high school	.44	.41	.36	.48	.63	1.43	1.31	1.09
Alcoholic relatives	.43	.47	.5	.57	.57	1.33	1.0	1.33
Mother white collar	.43	.46	.43	.46	.25	.54	.54	1.07
Mother laborer, service	.34	.32	.37	.37	.47	1.38	1.27	1.09
Father white collar	.32	.36	.37	.24	.13	.41	.54	.75
Father laborer, service	.18	.15	.17	.19	.25	1.39	1.32	1.06
Runaway from home								
One or two times	.013	.025	.029	.035	.051	3.9	1.46	2.7
More than two times	.006	.007	.021	.035	.061	10.2	1.74	5.8
School experience								
Expelled from school	.06	.07	.1	.16	.24	4	1.5	2.7
Truant from school, over four times	.034	.074	.115	.128	.11	3.3	.87	3.76
Drug and alcohol use								
High drug use	.05	.05	.07	.15	.13	2.6	.87	3.0
Uses needles for drugs	.01	.01	.02	.03	.07	7	2.33	3.0
Drinks a lot	.1	.18	.19	.21	.15	1.5	.71	2.1

Source: Tabulated from the National Longitudinal Survey of Youth. Maximum sample sizes for the various groups are no crime, 4,029; jail, 454; stopped, 855; charged, 243; and probation, 313.

[a]Each statistic gives the proportion of youth in each column who have the characteristic of each row.

crimes, self-reported numbers would overstate criminal participation. Criminologists have explored these biases by asking people whether they were arrested and then comparing their responses to police records. The evidence shows that young white males report criminal activity roughly accurately, but that young black males underreport criminal participation (Hindelang, Hirschi, and Weis 1981), possibly because criminal involvement among blacks extends beyond hard-core youths who may take pride in being "bad guys." The NLSY evidence that a youth was interviewed in jail or reported having been in prison or jail is thus probably a more valid indicator of criminal activity than the youth's self-report of crimes committed. Still, both types of information have value, and I use both in this study.

Table 5.2 summarizes the information about youth involvement in crime according to the seriousness of the offense and involvement with the criminal justice system. The numbers give the percentage of youths involved in different aspects of crime who had the given characteristic. For instance, column (1) gives the percentage of youths who report that they did not commit crimes: the .27 number for "black" tells us that 27 percent of the youths who did not commit crimes were black (and thus that 73 percent of the youths who did not commit crimes were nonblack). Similarly, the other numbers show that 26 percent of those who were stopped were black, that 21 percent of those who were charged with a crime were black, and so on. Column (5) shows the characteristics of youths who went to jail or prison. Columns (2), (3), and (4) show the characteristics of youths who engaged in crime but did not end up incarcerated in succeeding years. These categories are defined as discrete nonoverlapping groups, with youths classified in the group of their most serious involvement with the criminal justice system. Thus youths who were stopped by police but did not end up charged or probated or sent to jail are in the "stopped" group, those charged with crime but not probated or sent to jail are in the "charged" group, and so on. Columns (6), (7), and (8) give the ratios of figures in earlier columns and thus indicate how much different characteristics varied with differing levels of criminal activity. For instance, column (6) measures the relative difference in the probability that a youth would end up in jail as opposed to having no criminal involvement due to the given characteristic.[9]

The table highlights four aspects of the characteristics of young men who end up incarcerated or otherwise involved in crime. First, there are strong family background correlates to being incarcerated. Youths who go to jail or prison are disproportionately black, disproportionately from

9. The proportion of youths in the noncriminal set with characteristic x is N_x/N, and the proportion of youths in the jailed set with characteristic x is J_x/J; so the ratio is $(J_x/J)(N/N_x)$. This is just $(J_x/N_x)/(J/N)$, the relative increase in the chance that someone will be in the jailed set due to characteristic x.

families that did not have both parents present at age 14, and disproportionately from families that were on welfare. More of these youths than other youths have relatives who are alcoholic. More have parents employed in lower paying blue-collar jobs, and fewer have parents in white-collar jobs. Most striking, a disproportionate number of young men who end up in jail have run away many times from home. While the NLSY contains no information that would let us determine whether these youths were running away from bad home environments or running away to escape parental supervision that might have limited their criminal activity, evidence from surveys of prison inmates, which I examine later (table 5.7), shows that a large number of prisoners were physically or sexually abused as children, suggesting that many at least are running away from dysfunctional family situations rather than to escape normal adult supervision.

Second, the skills of youths who end up incarcerated are lower than those of youths not involved in crime. The youths who end up incarcerated are more likely to be expelled from school and to be truant many times when enrolled in school. Consistent with this, figure 5.2 shows that the youths who are incarcerated have lower scores on the Armed Forces' Qualification Test (AFQT), and they have fewer years of educational attainment in 1980 and eight years later.

Third, the youths who are engaged in crime are only moderately more likely to use drugs than other youths but are much more likely to use a needle for drugs. It is serious drug abuse, not modest "recreational use," that is associated with crime. There is only a modest difference in alcohol use between youths who end up incarcerated and those who commit no crimes.

Fourth, while the background characteristics of youths are monotonically related to their involvement in crime, the relation seems to be highly nonlinear. Youths who are only moderately involved in crime—having been stopped by police, charged with crime, and even probated—have background characteristics that are more similar to the noncriminal group than they are to those who end up incarcerated. This nonlinear break is demonstrated in columns (7) and (8) of the table, which give the ratios of the percentage with given characteristics among those receiving probationary sentences to the percentage with those characteristics among those who committed no crimes and similar ratios for the characteristics of the probated and those of the incarcerated. Despite the fact that both incarcerated and probated youths have been convicted of crimes, those given probationary sentences are closer in background characteristics to those who committed no crimes than they are to the incarcerated group.

The cross-tabulations in table 5.2, while valuable in showing the characteristics of youths who commit crimes, do not show the independent influence of any of the background factors on the criminal activity of youths. To isolate the independent effect of the various factors and determine

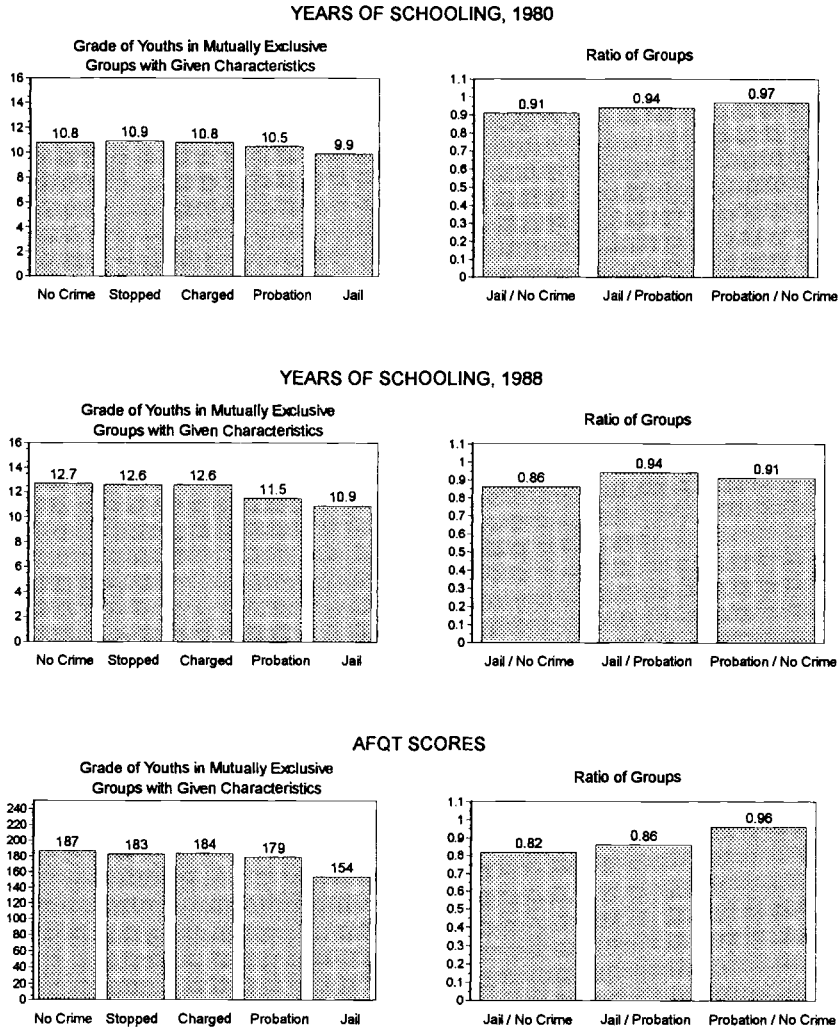

Fig. 5.2 Skill of youth

Source: Tabulated from the National Longitudinal Survey of Youth.

which factors have the most substantial effect on crime, I examine next the relation between the factors taken together and the dichotomous variable, whether the youth was ever incarcerated from 1980 to 1988, using a logistic equation. The results of these calculations are summarized in table 5.3. Column (1) gives the estimated coefficients and standard errors for selected personal and skill measures. All of these variables affect the probability of ending up incarcerated, but what stands out is the substantial impact of AFQT on incarceration, conditional on age, race, and years of

Table 5.3 **Logistic Curve Estimates of the Probability of Going to Jail**

Variable	(1)	(2)	(3)
Basic personal			
Age	.15 (.03)	.20 (.04)	.10 (.04)
Black	.33 (.12)	.32 (.16)	.31 (.16)
Grade in 1980	−.11 (.04)	−.18 (.05)	−.13 (.05)
AFQT	−.018 (.002)	−.020 (.003)	−.021 (.003)
Characteristics of family at age 14			
Not father/mother family		.37 (.17)	.29 (.16)
Family on welfare		.35 (.17)	.32 (.17)
Mother less than high school		−.35 (.17)	−.26 (.17)
Father less than high school		.33 (.17)	.28 (.17)
Alcoholic relatives		.47 (.4)	.35 (.15)
Runaway from home		.87 (.18)	.67 (.19)
Behavior of youth			
Expelled from school			1.04 (.19)
Truant from school, over four times			.06 (.06)
High drug use			1.15 (.25)
Uses needles for drugs			1.19 (.38)
Drinks a lot			0
N	4,970	3,692	3,686
Pseudo R^2	0.11	0.15	0.19
Percentage incarcerated, predicted:			
Yes	24	27	31
No	7	5	5

Source: Tabulated from the National Longitudinal Survey of Youth.
Note: Numbers in parentheses are standard errors.

schooling. Column (2) gives the results of calculations in which I have added the family background characteristics of youths. Absence of a two-parent family and being on welfare increase the chances that someone is incarcerated, as in the cross-tabulation. But other major indicators of family background do not show clear or consistent effects. The education of fathers is positively related to incarceration while the education of mothers is negatively related to incarceration. Measures of the occupational status of parents had such negligible effects on the chance of going to prison that I dropped the variables from the table. By contrast, the measure of whether the youth ran away from home remains a strong powerful predictor of incarceration.

The weak effect of parental education and parental occupation on going to jail or prison compared with the stronger effect of family composition, welfare, and the runaway variable suggests that criminal behavior among disadvantaged youths is due more to dysfunctional family activity than to poverty itself. If your family life was unpleasant enough that you ran away

from home several times, you have problems of the kind that produce criminal behavior. If your parents are poorly educated and in low-wage occupations, you are not so disadvantaged.

Finally, column (3) of the table records the coefficients and standard errors for logistic equation estimates that include measures of youth behavior in school and use of drugs or alcohol. Being expelled from school is a strong predictor of future incarceration, as is using a needle to take drugs.

The importance of running away from home and expulsion from school in determining criminal behavior suggests that social isolation—what Europeans call "social exclusion"—may also play a part in inducing youths into serious criminal behavior. Those isolated from normal family influences and school are more prone to crime than otherwise similar youths. At the minimum these factors are important advance or early warning indicators that a youth is likely to get into serious criminal justice system trouble.

How well do the background factors predict which youths are incarcerated? Since the dependent variable is a 0/1 variable while the logistic predictions give probabilities, one cannot simply apply the usual summary statistics to determine the overall success of the equations. One meaningful way to judge the predictive power of the equations is to rank the youths by the predicted probability that they are incarcerated, determine a cutoff probability so that the number of persons with a probability above the cutoff equals the actual number incarcerated in the sample, and then compare how many youths with above-cutoff and below-cutoff probabilities were incarcerated. If the equations do a good job of predicting involvement in crime, the proportion incarcerated in the above-cutoff group should greatly exceed the proportion incarcerated in the below-cutoff group. The bottom lines of table 5.3 show that the individuals in the group that the model predicts would end up incarcerated were in fact from 3.4 times (col. [1]) to 6.3 times (col. [3]) more likely to end up in jail or prison than persons predicted not to be incarcerated. From one perspective, a sixfold odds ratio for predicting an infrequent event is rather good. Still, the best model (col. [3]) predicted an erroneous incarceration outcome for over twice as many persons (69 percent) as it predicted a correct outcome for (31 percent). Thus, while there are strong background identifiers of the form of criminal behavior that leads to incarceration, these factors still lead to considerable misclassification. Many highly disadvantaged youths do not engage in crime or do so sufficiently infrequently or lightly to avoid incarceration.

5.2.1 Working at Crime

What crimes do young men commit? Which crimes result in prison or jail sentences? Do young men who engage in crime do so exclusively, or do they also work?

There are various ways to estimate the crimes that young men commit: through self-reports of crime by young people, through data on the charges made when the police arrest young person, through victimization reports, and through the crimes prisoners report that they committed before they were locked up. None of these measures is an ideal random sample of the crimes youths commit, but each still provides reasonably valid information of the type of criminal activities in which youths engage.[10]

The NLSY gives respondents the following instructions:

> On this form are descriptions of types of activities that some young people can get into trouble for. I want you to read each item and put a check mark after the category that best describes the number of times in the last year you have done the activities described.

The form lists 17 particular crimes, ranging from shoplifting to attacking someone with the idea of seriously hurting or killing that person. In table 5.4 I record the incidence of 15 of these crimes (I have excluded smoking marijuana or using drugs), ordered from the least to the most violent. The survey allows youths to report that they committed crimes 50 or more times, and some do so report. For ease of presentation the table aggregates the distribution between youths who commit a crime once or twice and those who commit a crime three or more times.

The column on the incidence of crime shows that a substantial minority of youths admit to committing a large array of crimes at least one or two times and that many admit to committing them three or more times. The proportion of youths involved in crime, including violent and serious crime, is quite high in this population. Overall, 82 percent of young men in the NLSY report having committed some crime; 77 percent admit that they committed a crime beyond either smoking marijuana or taking drugs. Thirty-seven percent report having committed at least one crime three times or more, and nearly the same percentage reported having committed at least three different crimes. Figure 5.3 records the distribution of the number of crimes exclusive of smoking marijuana or taking drugs committed by youths: the number is the sum of the number of times youths said they had committed each individual crime, with the top-coded category of 50 or more given the value 50. Even with this extremely conservative assumption, the distribution of crimes committed by youths is highly skewed, with a mean number of crimes of 20 for youths who commit crimes but a median number of about 5.5 crimes. Approximately 18 percent of crimes are committed by the 1 percent of the sample at the far right-hand tail of the distribution, and 59 percent of crimes are committed by youths in the top decile of the distribution. In this sample 8 percent of

10. The self-reported data suffer from youths' underreporting crimes. Victimization surveys suffer because victims will not know the ages of the criminals who victimized them. Arrest data miss crimes that the police do not clear with an arrest—roughly 80 percent of crimes (Maguire and Pastore 1997, table 4.20).

Table 5.4 **Crimes Committed in Past Year by Young Men and Involvement with Criminal Justice System**

Crime	Incidence (%)	Outcome (%)				
		None	Stopped	Charged	Probation	Jail
Property crime						
Times intentionally damaged property						
None	73	69	14	4	5	6
1–2	18	50	20	6	9	12
3 or more	10	41	22	5	9	17
Shoplift						
None	70	69	14	4	4	6
1–2	19	52	20	6	8	11
3 or more	10	39	21	5	11	17
Petty theft						
None	75	69	14	4	4	6
1–2	17	52	20	6	8	11
3 or more	8	39	21	5	11	17
Grand theft						
None	91	66	16	4	5	6
1–2	6	36	13	8	15	22
3 or more	3	15	16	4	16	43
Times sold marijuana/hashish						
None	86	67	15	4	5	7
1–2	6	40	23	7	12	15
3 or more	8	32	21	10	14	18

(continued)

Table 5.4 (continued)

Crime	Incidence (%)	Outcome (%)				
		None	Stopped	Charged	Probation	Jail
Times sold hard drugs						
None	97	64	16	5	6	7
1–2	2	31	20	4	16	24
3 or more	2	22	19	8	13	31
Times conned someone						
None	74	66	15	4	5	7
1–2	16	56	20	6	7	10
3 or more	10	48	20	5	9	15
Times auto theft						
None	89	66	15	4	5	7
1–2	8	43	19	5	10	9
3 or more	3	31	27	10	18	16
Times broken into building						
None	89	67	16	4	5	6
1–2	8	35	20	7	12	20
3 or more	3	20	20	7	14	32
Times sold/held stolen goods						
None	82	68	15	4	5	6
1–2	12	45	19	7	11	14
3 or more	6	29	20	6	14	26

Times aided in gambling operation						
None	92	64	16	4	6	7
1–2	2	39	24	5	9	22
3 or more	2	32	20	9	9	25
Violent crime						
Times fought in school/work						
None	60	69	14	4	4	6
1–2	25	58	18	6	7	9
3 or more	15	43	21	5	10	17
Used force to obtain things						
None	92	65	16	4	5	7
1–2	6	43	18	5	12	20
3 or more	2	30	21	10	9	25
Threatened to hit or hit someone						
None	54	71	14	4	4	6
1–2	27	57	18	6	7	9
3 or more	19	48	21	5	9	13
Times attacked someone or seriously hurt/kill						
None	86	67	15	4	5	6
1–2	10	42	19	8	9	16
3 or more	4	31	28	5	11	22

Source: Calculated from the National Longitudinal Survey of Youth.

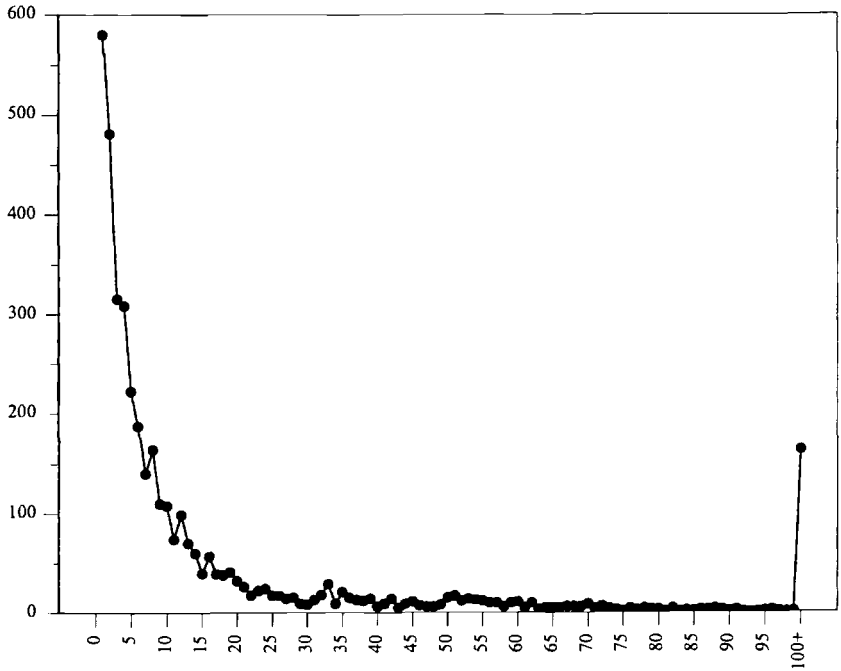

Fig. 5.3 Distribution of crimes among out-of-school young men who commit at least one crime

Source: Tabulated from the National Longitudinal Survey of Youth.

Note: Number of crimes (*x-axis*) vs. number of youths committing that number of crimes (*y-axis*).

young men engage in crime to such an extent that they end up incarcerated at some point over the ensuing period.

The crimes that youths commit range from the violent crime of attacking someone with the intent of causing injury (14 percent of the youths) to selling marijuana/hashish (also 14 percent), to various forms of theft (25 percent petty theft, 29 percent shoplifting, 9 percent grand theft, and 11 percent automobile theft), to dealing with stolen goods, damaging property, and so on. Because these patterns are similar to those shown in arrest figures for teenagers and young adults in FBI arrest records, they are probably reasonably accurate.[11]

The numbers under the heading "outcome" in table 5.4 show what happened to people who committed various levels of crime. They are row

11. The arrest statistics show that most arrests are for property crimes but that the proportion of arrests for violent crimes rises from the early teens until age 24 and then declines (Maguire and Pastore 1997, table 4.7).

percentages or conditional frequencies. For example, the 69 in the first row says that 69 percent of individuals who never intentionally damaged property had no involvement with the criminal justice system. By contrast, only 41 percent of those who said they had damaged property three or more times had no involvement with the criminal justice system; 17 percent of them spent time in jail or prison. Overall, the youths who were most intensively involved in crime were more likely to end up in jail than others, although some of those who report no involvement in particular crimes also end up incarcerated. One of the reasons for this is that some persons who did not commit a particular crime committed other serious offenses. Another reason is that some youths who did not commit a crime as of 1980 committed crimes after 1980. A third reason is that some youths presumably understated their criminal activity. Still, the table shows that the more involved youths were with crime in 1980, the more likely they were to have been incarcerated at some time. In one sense, the linkage between crimes reported in 1980 and ensuing incarceration provides a check on the reliability of 1980 reports of criminal involvement and suggests that the reports are reasonably valid, at least as indicators of differential criminal involvement.

To what extent does the chance of incarceration rise with the extent of criminal activities? I examine this question by estimating the relation between incarceration and a summary measure of criminal involvement: the number of crimes a youth committed.

The set of logistic regressions in table 5.5 shows that conditional on the other major determinants of incarceration, the number of crimes youths report significantly raises the chances that they are incarcerated at some point in the 1980s. In column (1) I enter the number of crimes as a linear variable, with a separate dummy for youths who commit no crimes. In column (2), I enter the number of crimes as a set of discrete dummy variables, with youths who commit crimes placed in the quartile of the distribution of crimes in which they fit. Here there is some evidence that the relation between the number of crimes and the chance of incarceration is nonlinear. The biggest impact of the number of crimes on the chance of incarceration comes between the top quartile and the third quartile. There are other ways to organize these data to explore the nonlinear relation between the extent of criminal involvement and ensuing imprisonment or other involvement with the criminal justice system,[12] but the basic result is clear: youths deeply involved in crime end up incarcerated whereas those less involved are more likely to avoid this outcome.

12. One way of looking for nonlinearity that does not work is to enter the squared number of crimes. Some youths commit so many crimes that the huge squared term produced obscures the basic nonlinear relation.

Table 5.5 **Logistic Curve Estimates of Effect of Numbers of Crimes and Illegal Share of Income on Ever Being Incarcerated**

Variable	(1)	(2)	(3)	(4)
Number of crimes	.010		.009	
	(.001)		(.001)	
No crimes				
Bottom quartile		.69		
		(.22)		
2d Quartile		.77		
		(.23)		
3d Quartile		1.25		
		(.22)		
Top quartile		1.98		
		(.22)		
Age	.22	.26	.22	.21
	(.04)	(.04)	(.04)	(.04)
Black	.29	.21	.22	.15
	(.14)	(.4)	(.15)	(.15)
AFQT score	−.017	−.019	−.018	−.015
	(.002)	(.002)	(.002)	(.002)
Weeks worked (1979)	−.020	−.021	−.020	−.020
	(.004)	(.004)	(.004)	(.004)
Years of schooling	−.199	−.204	−.186	−.206
(1980)	(.040)	(.040)	(.043)	(.043)
Share of illegal income			.81	1.86
			(.35)	(.30)
Summary statistics				
N	3,738	3,738	3,493	3,493
ln likelihood	−901	−889	−812	−839
Pseudo R^2	.170	.181	.171	.143

Source: Tabulated from the National Longitudinal Survey of Youth.

Note: Measure of number of crimes gives 50 for the top group, which reports 50 or more crimes. Numbers in parentheses are standard errors.

5.2.2 Crime and Work

Does engaging in criminal activity mean that a young person does not do any normal work, or do many young criminals combine crime and work? At one point, many social scientists and policy analysts viewed legal and illegal economic activities as mutually exclusive. The dividing line between making money from crime and making money from legal work was supposedly a sharp one. Many considered unemployment to be a major contributing factor to crime, and evidence that ex-offenders had lower employment rates than other workers suggested that many had made a permanent break with the legitimate job market. But there is no logical reason for an either/or relationship between crime and work. Several ethnographic studies suggest a blurring of distinctions between legal and

Table 5.6 **Percentage Employed in Survey Week in 1980 by Criminal Behavior of Out-of-School Nonmilitary Youth**

	Responses to Criminal Questions		Sample Sizes	
Criminal Activity	Yes	No	Yes	No
Admitted committing property crime	70.3	73.3	2,369	1,847
Reported positive illegal income	66.0	73.2	951	3,265
Charged with crime	58.6	71.5	744	3,279
Jail in following year	30.4	65.6	46	4,223

Source: Tabulated from the National Longitudinal Survey of Youth, with youths in school coded as missing. In these tabulations I have also excluded those in the military. Inclusion of youths in the military reduces the employment difference between those who reported crimes and those who did not (strengthening the argument in the text) but does not noticeably affect the difference in employment rates for those in jail the following year.

illegal work among disadvantaged youths (Sullivan 1989; Williams 1989; Padilla 1992; Adler 1985; Taylor 1990).

To see how much, if any, overlap exists between legal and illegal work in the NLSY, I have examined the work activity of persons who did and did not commit property crimes, which one would expect to be most negatively related to work. Table 5.6 records the employment status of young men according to four measures of criminal activity: admitted committing a property crime, earning illegal income, being charged with a crime, and ending up incarcerated in the following year. The sample is limited to out-of-school youths not involved in military service. There are differences in employment between those involved in crime and those not involved in crime, but they are relatively modest between those who committed and those who did not commit crime (3 percentage points) and between those with positive incomes from crime and those without such income (7 percentage points). The difference is larger but still not massive between those charged with crime and those not charged (13 percentage points). None of these differences support a crime-employment dichotomy. The only grouping that yields something close to that is between youths who end up incarcerated a year later and the rest of the sample—a 35 percentage point difference in employment.

Treating the decision to engage in crime as a dichotomous choice between legal and illegal work thus misses an important aspect of criminal activity. Because most offenders work outside of criminal organizations, and because the U.S. job market is characterized by considerable mobility and flexibility, it is easy to combine work with crime at a point in time or to move between the two activities over time. And many youths do this. One fruitful way to think about this type of behavior is to expand the concept of a reservation wage for work to allow for a reservation wage for

legal work and a separate reservation wage for illegal work. Consider a youth who faces an opportunity to commit a crime—say, to help some drug dealer sell or deliver his wares. The youth must decide whether to engage in that activity. At some rate of pay, he will accept this opportunity—his reservation wage for crime. He may the very next day hear about a short-term low-paying legal job and decide to take it, as long as the wage exceeds his reservation wage for normal work.

In some sense, the youth "forages" in his neighborhood for income opportunities, legal or illegal, much as animals forage for food, making decisions in a short period of time whether to "prey" on a particular food source or to turn that prey down to search for better prey, whether to exploit opportunities in a given patch or to search for new opportunities, and so forth (Stephens and Krebs 1986).

The foraging model directs attention to the factors that determine differing reservation wages for legal and illegal money-making activities, which presumably depend on the risk associated with the activities and the moral sentiment, be it guilt or pride, that accompanies those activities, and to the factors that determine the legal and illegal opportunities that a youth encounters. Freeman (1992) shows that young men in inner city poverty areas encounter many illegal and legal opportunities in a relevant (and short) time period: McDonald's may be hiring this week, Jones Construction may need a laborer, robbers may need someone to fence stolen goods, an elderly woman may wander along the wrong street, a car with an expensive stereo system may be parked in an alley, and so forth. In a world where short-run legal and illegal earnings opportunities arrive more or less randomly, it is natural for individuals to move between them, commit crimes while working, or take a legitimate job when available without giving up less time-intensive criminal pursuits. If this hypothesis is correct, and the behavior of crime-prone youths is similar to that of foraging animals rather than to that of adults with permanent careers, the supply of youths to crime will be quite elastic with respect to the number of criminal opportunities (and thus possibly to police presence in crime-intensive areas) or to the relative rewards from crime as opposed to legal work.

How might we examine the elasticity of youth to crime? In its 1980 crime module the NLSY asked youths the proportion of their income that came from illegal sources. I use responses to this question to assess the possible responsiveness of youths to economic incentives to commit crime. Let w be the legal wage, H the hours spent on legal work, i the wage from illegal work, and C the hours spent at crime, so that the share of income from illegal sources ($ILLSHARE$) is $Ci/(Ci+wH)$. The share of income from illegal sources has five nonzero values: very little (to which I assign the value .05), about a quarter (.25), about half (.50), about three-quarters (.75), and almost all (.95). Using this numeric scale the variable has a mean value of .17 for out-of-school youths who said that they made illegal

income. Conditional on C and H, the share of income from illegal sources will vary with the relative rewards to crime i/w. A 10 percent increase in the relative rewards from crime will raise the proportion of income from illegal sources by about 8 percent. NLSY data on weeks worked in 1979 provide a measure of H while data on the number of crimes committed in the past year provide a measure of C.[13] Then the following equation provides some notion of the responsiveness of youth criminal behavior to economic incentives:

$$(1) \quad \text{Prob}(\textit{Incarceration}) = a + b\ \textit{ILLSHARE} + c\ \textit{Weeks Worked} + d\ \textit{NUMCRIMES}.$$

Columns (3) and (4) of table 5.5 present logistic estimates of equation (1) for young out-of-school men in the NLSY. In column (3), where I enter both the number of crimes committed and the percentage of income that is illegal, the estimated logit coefficient of .81 on the illegal share of income variable suggests that an increase in the share of illegal income of, say, 0.10 percentage points would raise the proportion of youths ending up incarcerated by somewhat less than 1 percentage point, which is fairly substantial given that it takes many crimes to get a youth incarcerated. In column (4), I drop the number of crimes from the regression on the argument that decisions to engage in crime depend not only on the relative money rewards of crime but also on the number of criminal opportunities that face young people, which is reflected in the number of crimes committed. Because the number of crimes and the share of income from illegal sources are closely linked, the result is a large increase in the estimated effect of illegal earnings on future incarceration—a coefficient of 1.8. Given the crudity of the data and model, I would not put much weight on any of the specific estimated response parameters in the table. What the NLSY data show is that the proportion of income from crime is positively related to future incarceration in a way that is consistent with significant responsiveness of young men to the relative economic rewards from crime.

5.3 Who They Are and What They Do: Prison and Jail Inmate Surveys

Surveys of inmates in prisons and jails provide an alternative source of information on the characteristics of young criminals. These surveys have several advantages over the NLSY: They cover persons who have unquestionably committed serious crimes and provide detailed data on the criminal activity of these persons. They ask questions about family background that standard labor surveys do not ask and gather information about work

13. Since different crimes take different amounts of time, and since for some crimes the amount of time taken is very fuzzy, this is only a crude control.

Table 5.7 Percentage of Prison and Jail Inmates, by Characteristic

Characteristic	Male Prisoners, 1991		Jail Inmates, 1996
	Ages 18–24	Ages 25–34	
Personal			
Black	51	49	41
Noncitizen	5	5	8
Less than high school graduate	80	66	51[a]
High school graduate	16	23	35
More than high school graduate	4	10	14
Married	8	18	16
Have children	44	62	
Parental family			
When growing up lived mostly with both parents	30	42	40
Lived in foster home	11	9	14
Parents abused drugs	8	4	8
Parents abused alcohol	25	27	30
Physically/sexually abused	13	17	13[b]
Parent served time	12	7	17
Brother/sister served time	30	35	36
Any family member served time	37	38	46

Source: Tabulated from U.S. Department of Justice (1993, 1998).

[a]For comparability I report those who finished high school, excluding persons who earned GEDs or high school equivalencies.

[b]For comparability this is for males only.

activity prior to the arrest that led to incarceration. The 1991 prison inmate survey asked, in addition, a battery of questions about the activities of friends of the prisoners. The disadvantage of inmate surveys is that they do not contain information on the comparison group of nonincarcerated young persons.

Table 5.7 summarizes the personal and family characteristics of young men aged 18–24 and 25–34 from the 1991 prison inmate survey and the characteristics of all inmates in jail from the 1996 survey of jail inmates.[14] Some of the results mirror those found in the NLSY. The panel on personal characteristics shows that prisoners are disproportionately black and disproportionately high school dropouts. Jail inmates are somewhat

14. At this writing the Bureau of Justice Statistics has not yet reported results from the 1996 *Survey of State Prison Inmates* or made the data files publicly available. It has reported some results from the 1996 *Profile of Jail Inmates,* though the data files are not yet available for analysis. Thus I have patched together my analysis of the 1991 *Survey of State Prison Inmates* with the Bureau of Justice Statistics report on the 1996 *Profile of Jail Inmates.*

less likely to be black or to be high school dropouts, but these groups are still overrepresented in jail. In addition, while relatively few prisoners are married, a substantial number have children: 44 percent of the 18–24-year-old prisoners and 62 percent of the 25–34-year-old prisoners. The panel on parental background characteristics shows that relatively few prisoners grew up in a two-parent family. In 1991 just 30 percent of the 18–24-year-old prisoners and 42 percent of the 25–34-year-old prisoners report that when they were growing up, they lived mostly with both parents, while just 40 percent of jail inmates report that they lived mostly with both parents. These statistics compare to approximately 72 percent of all youngsters living with both parents.[15] Roughly one in ten of those in prison and one in seven of those in jail lived in a foster home or institution at one time. Eight percent of the 18–24-year-old prisoners and 8 percent of jail inmates report that their parents abused drugs, but just 4 percent of 25–34-year-old prisoners report drug abuse by their parents. These differences potentially reflect the rising use of drugs over time. Over a quarter of all the groups in table 5.7 report that their parents abused alcohol.

What is particularly striking, however, is that 13 to 17 percent of male prisoners report that they had been physically or sexually abused, mostly before age 18, and presumably by relatives. Child maltreatment is a significant social problem, but as best as I can tell, the rate of victimization of children in the country as a whole falls far short of these figures. In 1995 the rate of victimization of young persons under age 18 was approximately 1.5 percent, with an estimated 80 percent of the perpetrators being the parents of the victims (U.S. Department of Health and Human Services 1998, 1). While it is possible that 1.5 percent in a given year could cumulate to a double-digit figure close to that for the prisoners, the likelihood is much higher that many child abusers are repeat abusers, so that 1.5 percent in a given year cumulates to something far short of 13 to 17 percent. This is consistent with the stress that many criminologists place on the role of childhood experiences, particularly child abuse (Widom 1991), as a determinant of youth criminal behavior.

Finally the table shows that criminal behavior has a strong family component. Twelve percent of 18–24-year-old prisoners, 7 percent of 25–34-year-old prisoners, and 17 percent of jail inmates report that a parent had served time. Roughly a third reported that a brother or sister had served time. Taken together, nearly half of the jail inmates said that some family member had been incarcerated at one point. This remarkable statistic highlights the extent to which criminal behavior runs in families, for rea-

15. Men aged 18–24 in 1990 were in the parental home from roughly 1970 to 1990; those aged 25–34 were in the parental home from roughly 1965 to 1980. In 1970, 64 percent of black families had two parents; in 1980, 48 percent; and in 1990, 39 percent. The proportion for the total population varied from 87 percent in 1970 to 69 percent in 1990.

Table 5.8 Income and Work of Prison Inmates Prior to Incarceration (percent)

	Ages 18–24	Ages 25–34
Held job month before arrest	60	72
Work full time	79	87
Work part time	21	13
No job month before arrest	40	28
Looking for work	52	57
Not looking for work	48	43
Most important reason not looking		
Illegal activity	31	23
Drugs/alcohol	10	19
Total income year before arrest ($)		
0–4,999	45	31
5,000–7,499	13	11
7,500–9,999	8	9
10,000–14,999	13	19
15,000–24,000	10	18
25,000–49,000	5	8
50,000	6	5
Mean[a]	11,150	13,525
Admitted getting income from illegal sources	30	21
Amount of income from illegal sources		
Most of it	73	58
Some of it	16	21
Very little of it	11	21
Have children	44	62
Have children month before arrest and supported child	26	38
Family supported by welfare		
Before arrest	43	46
After arrest (now)	53	53

Source: Tabulated from U.S. Department of Justice (1993). The survey gives several figures on receipt of income from illegal sources. The figure in the table is based on variable 896: how much income from illegal sources.

[a]Calculated by using the median value in each category, except for the top category, which was assigned $50,000.

sons of genetic predisposition, or upbringing, or most likely some mixture thereof.

Table 5.8 summarizes these data for male prisoners aged 18–24 and 25–34 in 1991. The data on employment in the month before arrest provide further support for the claim that the boundary between legal and illegal work is quite porous. Some 60 percent of 18–24-year-old prisoners and 72 percent of 25–34-year-old prisoners reported that they held a job in the month prior to their arrest, with the vast majority holding a full-time job. A similar pattern is found in data on jail inmates for 1996: 64 percent of inmates report holding a job prior to arrest, largely (77 percent)

full-time jobs (U.S. Department of Justice 1998, 3). Both of these figures fall short of the employment rates for similarly aged men—an employment rate of 74 percent for nonincarcerated men who are not enrolled aged 16–24[16] in the late 1980s and an employment rate of 88 percent for men aged 25–34—but they still decisively reject the old dichotomous view of legal and illegal work. In addition, over one-half of the prison inmates and jail inmates who did not have a job in the month before they were arrested were looking for work. Among the prison inmates who said that they were neither working nor looking for work, 31 percent of the 18–24-year-olds and 23 percent of the 25–34-year-olds said that they were not looking for work because they were involved in illegal activity. This group constitutes about 5 percent of the prisoner population and gives a crude estimate of the proportion for whom the old dichotomy holds.

The income figures in the table show that inmates report relatively low income for the year prior to their arrest. Most 18–24-year-old prisoners had yearly incomes below $7,500 and most 25–34-year-old prisoners had incomes below $10,000. Jail inmates also reported low prearrest personal incomes, with 46 percent earning less than $600 per month. While low, these incomes are not "off the map" of the U.S. income distribution. In 1989, for example, just 17 percent of U.S. men aged 25–34 reported money income less then $10,000. Overall, the income of prisoners puts them in the lower third of the income distribution of similarly aged men in the United States.

Only a minority of prisoners said that they made income from illegal sources. As this is inconsistent with the fact that most have been arrested for property crimes, I am dubious of these figures. For what it is worth, the majority of those who admitted that they got income from illegal activities said it was the bulk of their income.

5.3.1 Social Interactions?

Social interaction models posit that individual behavior depends not only on the incentives facing the individual but also on the behavior of the individual's peers or neighbors. These models predict that with the same expected return from crime, a young person may be more likely to commit crimes if his peers commit crimes than if they do not commit crimes. His decision, in turn, affects their behavior. When the reservation wage for crime by individuals is influenced by the behavior of others in this manner, one gets a "behavioral multiplier" that can blow up elasticities of individual responses.

Ethnographic evidence on the role of youth gangs in crime suggests that social interaction models have some empirical validity. Gangs are an important social institution in the United States. The 1995 National Youth Gang Survey reported that over 665,000 young Americans were in gangs

16. Tabulated from U.S. Bureau of the Census (1990, table 633).

(Moore 1996). Much illegal work is organized within ethnic gangs that combine economic and cultural interests, often in very narrow geographic areas. In Boston, for instance, virtually all youth gangs are found in an area of 1.7 square miles, about 4 percent of the city's area (Kennedy, Piehl, and Braga 1996). The Rochester Youth Study found that gang members commit a disproportionate share of serious crimes and that youths commit twice as many crimes when they are gang members than when they are not (Thornberry and Christenson 1984). Taylor (1990) and Padilla (1992) stress the importance of money in inducing young blacks and Latinos into gangs and crime. Drug-selling groups function as economic units with management structures oriented toward the maintenance of profitability and efficiency.

Table 5.9 summarizes information from the 1991 prison inmate survey on youth gangs and the social groups with whom young criminals are involved. The upper panel of the table shows the proportions of inmates aged 18–24 and 25–34 who said that their friends were involved in various criminal activities. Two-thirds of the 18–24-year-old prisoners and over half of 25–34-year-old prisoners said that they had friends who did some illegal act. Roughly half of their friends used drugs, and sizable numbers engaged in a wide variety of criminal acts. The fact that criminals report having friends engaged in crime does not show that social interactions are a potentially important contributor to criminal behavior. But it is consis-

Table 5.9 **Percentage of Prisoners Whose Friends Engage in Illegal Activities and Percentage of Prisoners Who Are Gang Members**

	Ages 18–24	Ages 25–34
Has friends who		
Do some illegal act	66	55
Use drugs	49	47
Damage property	27	20
Fight	40	26
Shoplift	22	22
Steal motor vehicle	27	20
Fence stolen goods	29	25
Break into homes	27	23
Sell drugs	19	32
Mug or rob	18	13
Characteristics of gangs inmates joined		
Formal membership	12	8
Leader	15	10
Common clothing	18	9
Group name	17	9
Members from area	40	30
Have turf	25	15

Source: Tabulated from U.S. Department of Justice (1993).

tent with such an interpretation. Finally, the lower panel of table 5.9 focuses more narrowly on gang membership and activity. It shows a larger proportion of younger inmates than of older inmates were members of gangs and gives some of the characteristics of the gangs themselves.

5.4 The Payoff to Reducing Youth Involvement in Crime

The United States responded to the crime wave of the late 1960s to mid-1980s by massively increasing the number of persons incarcerated. Since incarceration is expensive, a natural question is whether such an expensive policy for controlling crime pays off. The answer to the question hinges on the marginal cost of crime to society, the marginal reduction in crime due to incarceration, and the cost of incarceration.

Estimates of the average cost of crime, much less of the marginal cost, are difficult to make. The National Crime Victimization Survey estimates direct monetary losses due to crimes by asking victims to estimate losses from theft or damage, medical expenses, and pay loss due to injury. The 1992 estimates were that the average burglary cost $834, the average auto theft $3,990, the average robbery $555, and so on (Klaus 1994). The average crime nominally cost victims 3.4 days of working time. The total economic loss to victims of crime, including medical costs and lost work time, was estimated to be $532 per crime, or $17.6 billion for all reported crimes in 1992.

But these figures do not cover the nonpecuniary costs of crime in the form of the misery created for victims. Some criminologists have estimated a more inclusive cost of crime, based on jury evaluation of nonpecuniary costs (Cohen 1988). These estimates are rough. Jury cases may involve greater misery than other victimizations. Some estimates include the lost legitimate earnings of incarcerated criminals, which may affect the well-being of spouses or children; others exclude earnings, on the argument that the criminal consumes most of those earnings (Levitt 1995). None include the suffering of the families of criminals or the cost to taxpayers of providing subsidies for families where the male earner is incarcerated. Miller, Cohen, and Rossman (1994) stress the medical cost of injuries to victims, including psychological problems. All of these estimates exceed reported monetary losses by massive amounts. For example, the estimated average pain and suffering and cost of risk of death created by a robbery is approximately 11 times the direct monetary loss (Cohen 1988, table 3). Estimates of the cost of pain, suffering, and economic loss for the average crime are on the order of $2,300 (DiIulio and Piehl 1991) to $3,000 (Levitt 1995).[17]

17. Levitt (1995) reports $45,000 as the estimated cost per criminal and estimates that criminals commit 15 crimes per year, for the $3,000 estimate that I use.

Estimating the marginal reduction in crime associated with increased incarceration is more problematic. Most analyses are based on the incapacitative effect of incarceration. The analyst multiplies estimates of the average cost per crime by an estimate of the number of crimes committed per criminal to obtain costs per criminal. In incapacitation models, the value of locking up someone is the number of crimes he or she would have committed, so the social benefit of putting the criminal in prison or jail is simply the cost of crimes committed per criminal. Using an estimated 180 crimes per criminal, Zedlewski (1987) found that the benefits of imprisonment exceeded the costs of imprisonment by 17 to 1. But 180 crimes per criminal is at the upper end of estimates of crimes committed by prisoners and almost certainly exceeds the number of crimes committed by marginal offenders.[18] At more moderate estimates of crimes per criminal, the benefit-cost ratio falls greatly. For instance, if each criminal committed 15 crimes per year, Zedlewski's (1987) benefit-cost ratio would fall to 1.4:1. Using estimates of the distribution of crimes per criminal, DiIulio and Piehl (1991) have shown that the benefit-cost ratio of incarceration exceeds one at the median number of crimes per criminal but falls below one for those in the lower quartile or so of the distribution of crimes. They conclude that the costs of crime are high enough to justify incarceration of offenders at current U.S. levels, though perhaps not at much greater levels. Since incarcerating an additional person costs society $20,000,[19] the marginal prisoner must cost society a similar amount of money. Given costs per crime of $2,000 to $3,000, incapacitating someone who commits 10 or so crimes a year passes their benefit-cost test.

Estimates of the marginal effect of incarceration on crime based on an incapacitation model should, however, be viewed cautiously. The incapacitation model ignores both labor supply responses to criminal opportunities (the replacement of one criminal with another, which will lower the marginal reduction in crime due to incarceration) and the deterrent effect of incarceration on crime (which will raise the marginal reduction in crime due to incarceration) and thus can be misleading.[20] Still, the studies of the social value of incarceration provide a useful benchmark for assessing

18. There are definitional problems with the number of crimes that prisoners and others report. If you sell drugs ten times, should this be counted as ten crimes or as one?

19. In 1993, $25 billion were spent on corrections. With 1.14 million persons in prison or jail in that year, the average cost is $22,000 per person. Annual current operating expenditures for prisoners are on the order of $15,000 (DiIulio and Piehl 1991). Estimates of the amortized value of prisons are on the order of $4,000 to $5,000 (Cavanaugh and Kleiman 1990, table 2). The annual operating costs and amortized construction costs thus also come out around $20,000.

20. That the biases are in opposite directions is mildly reassuring. Both Marvell and Moody (1994) and Levitt (1995) have examined the effect of increased incarceration on crime using aggregate data that should embody the replacement and deterrent effects. Levitt exploits the fact that overcrowding of prisons forced some states to let some prisoners out early, while Marvell and Moody exploit the fact that increases in crime do not show up quickly in increased prison populations. Both find that incarceration reduces crimes noticeably.

other crime prevention programs. Assume that the analyses are roughly right, so that on average the social benefit of incarceration exceeds the social cost, while the marginal benefit roughly equals the marginal cost. Given that incarceration is extremely costly, the implication is that any modestly effective crime prevention program focused on crime-prone disadvantaged youths should have a high social payoff. Society benefits from any crime prevention program in two ways: through the value of the reduction in crime and through the savings in the cost of incarcerating the criminal later. If we could make contracts with potential criminals to forgo crime or devise policies to train them or to subsidize their employment so that they would forgo crime, we would be willing to spend the $20,000 or so that they cost society and the $20,000 or so that it costs us to incarcerate them—or $40,000 per potential criminal. In fact, the favorable benefit-cost assessments of some social programs—such as the Job Corps or the Ypsilanti Perry Preschool Program—hinge critically on large estimated savings in criminal justice expenses due to reduced crime by participants.

To be sure, society cannot offer large sums to any takers who promise they will not commit crimes, but since so much crime is committed by disadvantaged young men, highly targeted programs could pass benefit-cost tests even if a substantial portion of the funds went to disadvantaged youths who would not have committed crimes in any case. For instance, if 50 percent of inner city black male high school dropouts are likely to commit crimes and end up incarcerated, a program that spent $4,000 per youth and reduced the proportion who committed crime to 40 percent would just pay off. The reduction in crime would save $2,000 per youth and the reduction in incarceration would save $2,000 per youth.[21] While I know of no "magic bullet" job or crime prevention program, meta-analyses show that the average juvenile delinquency program has some modest deterrent effect (Lipsey 1992), which given the likely modest cost could readily justify expanding the resources of such programs. In short, the high costs of crime and incarceration imply a potentially large payoff to finding programs that effectively deter some at-risk young men from crime, be they employment subsidies, job training programs, increased policing, or whatnot. If incarceration pays off, so too does any modestly effective crime prevention program.

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21. Since the reduction in incarceration is due solely to the reduction in crime, the deterrent effect of incarceration remains the same in this situation.

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