

Syllabus, Eco 499, Economics of Crime

MWF 1pm-1:50pm, B&E room 306

Course description: This course uses economic theory and empirical methods to study the issue of crime and punishment. Traditional scholarly research in this area was done by criminologists or sociologists, who might focus on the deviant psychology of the criminal mind or the social forces that would drive someone to crime. Economists differ in focus when they discuss crime: we view most crime as utility-maximizing decisions made in response to incentives. As these incentives can be altered (say, by hiring more police, or expanding use of the death penalty), presumably crime is responsive to public policy. In some cases, economic theory will be the appropriate tool to analyze crime policy (for example, economists worry about bad incentives coming from three strikes laws), but more often, we will use empirical methods to measure how responsive crime is to different policy options.

Contact info: My name is Jeremy Sandford, and I am an assistant professor in the economics department at UK. Please call me Jeremy if you are comfortable doing so, otherwise Dr./Prof. Sandford is fine. My email address is jeremy.sandford@uky.edu. My website is jasandford.com. It has a detailed schedule, which I will update after each class, and information on homeworks and other assignments.

Office meetings: I will have regular office hours from 2:00-2:50pm each Monday. Additionally, I am often in my office during business hours, so you may stop by outside of office hours with a quick question. If you have a more involved question, please email me to set up an appointment (or come during office hours).

Expectations: I expect students to attend every class, actively participate in class discussions, and to do their best to absorb information from the class readings. Furthermore, students will complete one research paper, and one class presentation (more on both below). This is a “senior seminar” class. As such, there will be a fair amount of reading assigned, and I expect students to read required readings in advance, and come prepared to contribute to class discussion by asking questions, answering questions I pose, or by making any intelligent comments whatsoever. I will not give a high grade to a student who frequently misses class, and I reserve the right to determine the grades of marginal students based on quality of participation.

To incentivize reading papers, I will have an unspecified number of “reading quizzes,” including on required readings that we have not yet discussed in class. You may use written notes to complete these quizzes, but not the papers themselves. You should aim to understand each paper's main points, ideas, and results prior to the class, even if you are puzzled by the methodology or motivation. Reading quizzes will be written accordingly.

Readings: We will read a series of papers, most published in economics journals, a few from other disciplines such as law or criminology. All readings will fall into one of three groups: roughly “required,” “required light,” and “optional.” The first group I expect you to read cover to cover, and to do your best to understand. You should understand the main ideas and results of these papers prior to the class in which they are discussed, so that you are prepared to discuss them, and you may want to read them again, after they are discussed in class (reading quizzes may reflect both the current paper and previous class' papers). For papers in the

second group, we may be interested only in a small part, or we may need to read it only deeply enough to understand the main point. Again, you should look at these paper prior to the class in which they are discussed, but a detailed reading is optional. The final group will be papers I list only for interested students. One reason you might read an optional paper is as a jumping off point for the class research paper.

When possible, we will also read and discuss popular press articles, mainly post from economics blogs and articles from sources such as *The Economist*, *The Wall Street Journal*, *The New York Times*, or *The Atlantic*. All popular press articles listed on my website should be considered required.

Many readings are listed on this syllabus, and all will be available from my website, either via a link (which may require you to be on campus), or via a pdf download. I will post information about which papers are required and which are optional to the course website as the semester progresses. There is no required textbook.

Homework: There will be several graded homework assignments. Some will ask you about papers we have read, some will ask you to complete simple empirical exercises, and some may ask you to solve simple economics models. Students may work together on homeworks, but each student should turn in his own work, and no two assignments should be substantiative identical. To be clear, if two students work together, and so their answers are qualitatively identical, with similar structure, this is fine. Any text appearing verbatim on both students' answers is not fine, and will, at a minimum, result in a grade of 0 for the assignment.

Class presentation: Students will be assigned in pairs to a policy debate regarding an aspect of crime policy. Immediately before the presentations, each student will randomly be assigned to one side of the issue. You must thus prepare to argue both sides. The purpose of this uncertainty is to incentivize you to research both sides' strong points, which I believe is essential to a good presentation. Each student should plan on speaking for about 15 minutes. After both students present, each student will have a chance to ask questions of the other, and I and the rest of the class will also ask follow up questions. More detailed information on the presentations, including a schedule, will follow. General topics for the debates include the death penalty, Internet gambling, illegality of prostitution and drugs, US prison policy, the importance of 4th amendment protections, and the relationship between social policy and crime. Grading for the presentation will be based on the effectiveness of your arguments, how ably you respond to questions, and my assessment of how thoroughly you have prepared.

Research paper: You will complete a research paper on a topic of your choice. If you are interested in a topic covered in class, you may cover it in (much) greater detail in your paper. You may also pursue a topic related to the economics of crime that is not covered in class. Good papers may be either normative (advocating a particular position) or positive (describing an issue). The paper assignment will be discussed in greater detail early in the semester.

Grading: Course grades will be determined by a weighting of homework assignments (15% total), reading quizzes (20% total), a research paper (25%), an in-class presentation (20% total), and my assessment of your participation and effort towards the class (20%).

All students will be given the same opportunity to do well in this class. In particular, no student will receive a higher letter grade than a student with a higher numerical score, so appeals to me for a particular grade are very likely to be fruitless. There is no extra credit, and all students will have their grade calculated in the same manner. The circumstances of a particular student (such as a desire to obtain a particular GPA) are not relevant to the grade that student will be assigned in the class.

Academic dishonesty: Plagiarizing even a small part of a research paper is a serious violation of university policy and it is my responsibility to the university to pursue any such cases. I will seek to impose the maximum penalty allowed under university guidelines should I become aware of a student who has committed academic dishonesty. In the case of plagiarizing any part of a paper, this would most likely be a grade of XE in the course.

Students with disabilities: If you have a documented disability and need an accommodation, please make arrangements with me during the first week of the term. Please request that the counselor for students with disabilities send me a letter verifying your disability.

Topics Covered

Crime trends of the last 60 years

- Levitt, Steven (2004), "Understanding why crime fell in the 1990's: Four factors that explain the decline, and six that do not," *Journal of Economic Perspectives*, 18(1), 163-190
- Donohue, John and Steven Levitt (2001), "The impact of legalized abortion on crime," *Quarterly Journal of Economics*, CXVI(2), 379-420
- Foote, Christopher and Christopher Goetz (2005), "Testing economic hypotheses with state-level data: A comment on Donohue and Levitt (2001)," Federal Reserve Bank of Boston WP No. 05-15 <http://www.bostonfed.org/economic/wp/wp2005/wp0515.pdf>
- Donohue, John and Steven Levitt (2003), "Further evidence that legalized abortion lowered crime: A reply to Joyce," *Journal of Human Resources*, XXXIX(1), 29-49
- "Cracked up," Maia Szalavitz, 5/11/1999, Salon.com
- "America's real criminal element: Lead," Kevin Drum, January/February 2013 issue, *Mother Jones*

The economic model of crime

- Becker, Gary S. (1968), "Crime and punishment: An economic approach," *Journal of Political Economy*, 76(2), 169-217
- Ehrlich, Issac (1996), "Crime, punishment, and the market for offenses," *Journal of Economic Perspectives*, 10(1), 43-67
- "Thinking about crime," James Q. Wilson, September 1983 issue, *The Atlantic*

Demographic determinants of crime

- Blumstein, Alfred and Jacqueline Cohen (1987), "Characterizing Criminal Careers," *Science*, 238(4818), 985-991.
- Levitt, Steven D. (1999), "The Exaggerated Role of Changing Age Structure in Explaining Aggregate Crime Changes," *Criminology*, 37(3), 581-599
- "Latino immigrants and crime," Tyler Cowan, 2/20/2010, Marginal Revolution
- "Open doors don't invite criminals," Robert Sampson, 3/11/2006, *The New York Times*
- "His-Panic," Ron Uniz, 3/1/2010, *The American Conservative*

Economic determinants of crime

- Kelly, Morgan (2000), "Inequality and Crime," *Review of Economics and Statistics*, 82(4), 530-539.
- Lochner, Lance and Enrico Moretti (2004), "The Effect of Education on Crime: Evidence from Prison Inmates, Arrests, and Self-Reports," *American Economic Review*, 94(1), 155-189.
- "American murder mystery," Hanna Rosin, July/August 2008 issue, *The Atlantic*
- "Idle hands are the devil's workshop," James Hamilton, 5/1/2007, econbrowser.com

Deterrence: police

- Levitt, Steven (1997), "Using electoral cycles in police hiring to estimate the effect of police on crime," *American Economic Review*, 87(3), 270-290
- Klick, Jonathan and Alexander Tabarrok (2005), "Using terror alert levels to estimate the effect of police on crime," *Journal of Law and Economics*, 48(1), 267-279
- "Police, crime, and the usefulness of economics," Alex Tabarrok, 12/13/2012, Marginal Revolution
- "Broken windows," George Kelling and James Q. Wilson, March 1982 issue, *The Atlantic*

Deterrence: death penalty

- Ehrlich, Isaac (1975), "The Deterrent Effect of Capital Punishment: A Question of Life and Death," *American Economic Review*, 65(3), 397-417.
- Donohue, John J. and Justin Wolfers (2005), "Uses and Abuses of Empirical Evidence in the Death Penalty Debate," *Stanford Law Review*, 58, 791-845.
- Katz, Lawrence, Steven Levitt, and Ellen Shustorovich (2003), "Prison conditions, capital punishment, and deterrence," *American Law and Economics Review*, 5(2), 318-343
- "More on the economics of capital punishment," "The economics of capital punishment," "Further comments on capital punishment," Gary Becker and Richard Posner, 12/18/2005, 12/25/2005, Becker-Posner blog

- “The appeal of death row,” Mary Fischer, November 2011 issue, *The Atlantic*
- “The last line of defense,” Raymond Bonner, March 2012 issue, *The Atlantic*

Deterrence: Incapacitation

- Levitt, Steven D. (1995), “Why Do Increased Arrest Rates Appear to Reduce Crime: Deterrence, Incapacitation, or Measurement Error?,” NBER WP #5268.
- Chen, M. Keith and Jesse M. Shapiro (2004), “Does Prison Harden Inmates? A Discontinuity-Based Approach,” Cowles Foundation Discussion Paper No. 1450.
- “Does America imprison too many people”, Gary Becker and Richard Posner, 12/4/2011, Becker-Posner blog
- “Fear without function: Do sex offender registries reduce crime?” Alex Tabarrok, 8/15/2011, arginal Revolution
- “The caging of America,” Adam Gopnik, 1/20/2012, *The New Yorker*
- “For lesser crimes, rethinking life behind bars,” John Tierney, 12/11/2012, *New York Times*

Guns and gun control

- Lott, John R., Jr. and David B. Mustard (1997), “Crime, Deterrence, and Right-to-Carry Concealed Handguns,” *Journal of Legal Studies*, XXVI, 1-68.
- Duggan, Mark (2001), “More Guns, More Crime,” *Journal of Political Economy*, 109(5), 1086-1114.
- Miron, Jeffrey A. (2001), “Violence, Guns, and Drugs: A Cross-Country Analysis,” *Journal of Law and Economics*, XLIV(2, pt. 2), 615-634.
- Cook, Phillip and Jens Ludwig (2006), “The social costs of gun ownership,” *Journal of Public Economics*, 90, 379-391
- “What kind of gun control?,” “Gun control - Posner’s comment” Gary Becker and Richard Posner, 2/20/2011, Becker-Posner blog
- “Can gun control laws be effective,” Becker-Posner blog
- “The case for more guns, and more gun control,” Jeffrey Goldberg, December 2012, *The Atlantic*
- “More guns, less crime: A dialogue,” Ta-Nehisi Coates and Jeffrey Goldberg, 12/26/2012, *The Atlantic*
- “There’s little we can do to prevent another massacre,” Megan McArdle, 12/17/2012, *The Daily Beast*
- “The simple truth about gun control,” Adam Gopnik, 12/20/2012, *The New Yorker*
- “Carrie Nation at the New Yorker,” Ross Douthat, 12/20/2012, *The New York Times*

Drugs and drug laws

- Levitt, Steven and Sudhir Venkatesh (2000), “An Economic Analysis of a Drug-Selling Gang’s Finances,” *Quarterly Journal of Economics*, 755-789
- Miron, Jeffrey A. (1999), “Violence and the U.S. Prohibitions of Drugs and Alcohol,” *American Law and Economics Review*, 1-2, 78-114.
- “Crime, cocaine, and marijuana,” Tyler Cowan, 1/19/2004, Marginal Revolution
- “Cracked up,” Maia Szalavitz, 5/11/1999, Salon.com
- “Crime and crack,” Tyler Cowan, 5/23/2005, crookedtimber.org
- “Have we lost the war on drugs?” Gary Becker and Kevin Murphy, 1/4/2013, *The Wall Street Journal*
- “Marijuana use is too risky a choice,” David Frum, 1/7/2013, cnn.com

This list is preliminary. I will maintain an updated schedule on my website, jasandford.com, which will list the actual topic on each class day, as well as any additional required readings.