I. ABSTRACT
This study estimates economic factors that explain crime rates for larceny, burglary, and robbery in the 50 states from 2002 to 2009. A panel data set was used, covering 2002, 2004 to 2009. Our explanatory variables were sorted into three categories: economic, deterrence, and demographic. Economic variables included unemployment and poverty rates. Deterrence variables included concealed carry weapon laws, preventative spending, and incarceration rates. Demographic variables included urbanization rate, dropout rate, and the young male population, as well as the racial composition of the population.

Our analysis suggests it is challenging to successfully model the factors that determine larceny, burglary, and robbery. So it is also difficult to glean meaningful policy recommendations from the results. We speculate that perpetrators may not employ rational economic calculation when making their decisions about whether or not to commit a crime. Instead, crime may be motivated by other factors—such as emotion and opportunity—which are harder to statistically verify.