The Economy-Crime Relationship Revisited: The Significance of Recent Macroeconomic and Social Policy Changes for Poverty and Youth Violence Trends

Ph.D. Dissertation

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Abstract

Based on the established association between child poverty and youth violence trends, this study employs both macro- and micro-level research strategies to determine whether the recent changes in macroeconomic conditions and welfare reform policies that influenced child poverty trends throughout most of the 1990’s and the early 2000’s also influenced trends in youth violent victimization, and the mandatory work requirements enacted by welfare reform affected the immediate and long-term consequences of poverty for youth’s violence risks.

Utilizing data from the 1993-2004 National Crime Victimization Survey, various youth poverty and violent victimization trends were simultaneously plotted in a series of graphs to evaluate their relationships during the economic expansion (1993-2000), early post-reform (1997-2000), and economic downturn (2001-2004) periods, as well as the key similarities and differences in victimization trends disaggregated by race, ethnicity, and family structure. To assess the strength and statistical significance of the various relationships, first-differenced correlations were estimated. Logistic regression analyses were also conducted to examine how the consequences of poverty for youth’s violence risks changed over the pre-reform (1993-1996), early post-reform (1997-2000), and late post-reform (2001-2004) periods, proposing that they were exacerbated in the immediate wake of welfare reform and allayed over time.

The findings suggest that recent changes in macroeconomic conditions and welfare reform policies did not influence violent victimization trends for the overwhelming majority of youth, but impacts were observed for groups such as non-urban youth in married couple and female headed families (economic expansion), males and females in female headed families (early post-reform), and non-Hispanic white and black males (economic downturn)—suggesting that there is substantial group variation in the economy-crime relationship that has not been uncovered in prior research. The direct relationship between poverty and youth’s violence risks was also consistent with a welfare reform effect, but family structure fully mediated this relationship. The implications of these findings for future research are discussed.