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CRIME'S BIG IMPACT ON LOCAL RESIDENTS' MENTAL HEALTH

Living in parts of the UK where crime is rising causes considerable mental distress for residents, leading to anxiety and depression. A 20% increase in the crime rate in the area of residence implies an increase in mental distress that is about one tenth of the effect of the London bombings of 7 July 2005. This indirect cost of crime may add very substantially to the overall economic and social costs of crime.

These are the key findings of new research by Professor **Christian Dustmann** (University College London) and Dr **Francesco Fasani** (Queen Mary, University of London), to be published in the *Economic Journal*. Their analysis is based on data that combines official crime statistics provided by the UK Home Office with detailed survey information on individuals' mental well-being.

While official estimates by the Home Office put the total cost of crime against individuals and households in the UK at about £36.2 billion in 2003/04, or 3% of GDP, such estimates appraise 'physical and emotional impact on direct victims', which accounts for about 50% of total cost of crime. But they ignore the additional cost imposed by mental distress in the local population who are not themselves victims.

Dustmann and Fasani's study focuses on these additional costs. Their key findings:

- There is a strong and negative effect of overall local crime rates on the mental distress of residents in urban areas.
- This crime-induced mental distress generates anxiety and depression.
- Property crime seems to play a major role in producing mental distress, with burglary, car theft and vandalism causing major distress.
- Continuous exposure to frequent, although relatively minor crimes, severely affects residents' mental health.
- Women are more responsive to increases in crime rates than men, suggesting that they feel more vulnerable to crime.
- The magnitude of the effects is substantial: increases in local crime rates are about two to four times as distressing as comparable increases in local unemployment rates. A 20% increase in the crime rate in the area of residence implies an increase in mental distress that is about one tenth of the effect caused by the London bombings on 7 July 2005.

Professor Dustmann, co-author of the study, says:

'Our findings point to the importance of intangible costs of crime when assessing the damage that it does to society and the economy. Our evaluation of the costs of crime for non-victims suggests that the overall costs of crime are possibly far larger than what previous estimates suggest.'

Dr Fasani adds:

'Ignoring these indirect costs implies a potentially substantial underestimate of the benefits of crime reduction and crime prevention.'

ENDS

Notes for editors: The investigation is based on data from official crime statistics provided by the UK Home Office combined with detailed information on individuals' mental well-being obtained from two longitudinal surveys, the British Household Panel Survey (BHPS) and the English Longitudinal Study of Ageing (ELSA).

The research was conducted by Professor Christian Dustmann (University College London and the Centre for Research and Analysis of Migration, CReAM) and Dr Francesco Fasani (Queen Mary, University of London and CReAM).

The study is published as CReAM Discussion Paper No. 28/14 (http://www.cream-migration.org/publ_uploads/CDP_28_14.pdf) and will subsequently appear in the *Economic Journal*, the journal of the Royal Economic Society (RES).

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