



**JULY 2023**

# **The Cost of Crime and its Economic Impact on Colorado:**

## Crime's Impact on the Economy and Residents

**Authors:** George Brauchler, Mitch Morrissey, and Steven L. Byers, PhD.

## ABOUT THE AUTHORS



**Steven Byers, Ph.D.** is the Senior Economist with Common Sense Institute. Steven's experience as an economist spans twenty-three years, including work at federal regulatory agencies (SEC, CFTC, PCAOB) and quantitative economic analysis supporting international trade litigation cases brought before the U.S. International Trade Commission.

## 2023 OWENS - EARLY CRIMINAL JUSTICE FELLOWS



**George Brauchler** served as the elected District Attorney for the 18th Judicial District, Colorado's most populous district, which includes Arapahoe, Douglas, Elbert, and Lincoln counties, from 2013-2021. As a state prosecutor, he handled felony cases from the Columbine High School mass shooting case, the Aurora Theater (Batman) mass shooting case, and more recently, the STEM Academy school mass shooting case.



**Mitch Morrissey** served as the elected District Attorney for the 2nd Judicial District covering Denver, Colorado from 2005-2017. Mitch is internationally recognized for his expertise in DNA technology and applying that technology to solve crimes. He has trained law enforcement officers and prosecutors throughout the United States, the Middle East, Central America, and Canada. He currently runs a company that solves Cold Cases with DNA and Investigative Genetic Genealogy.

## *About Common Sense Institute*

---

Common Sense Institute (CSI) is a non-partisan research organization dedicated to the protection and promotion of our economy. As a leading voice for free enterprise, CSI's mission is to examine the fiscal impacts of policies, laws and educate voters on issues that impact their lives.

CSI's founders were a concerned group of business and community leaders who observed that divisive partisanship was overwhelming policymaking and believed that sound economic analysis could help people make fact-based and common sense decisions.

CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

## *Teams & Fellows Statement*

---

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. CSI's work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. The CSI team's work is informed by data-driven research and evidence.

The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

# TABLE OF CONTENTS

---

<b>About the Author</b> .....	<b>2</b>
<b>About Common Sense Institute</b> .....	<b>2</b>
<b>Teams &amp; Fellows Statement</b> .....	<b>2</b>
<b>Key Findings</b> .....	<b>6</b>
<b>Crime Rates in Colorado</b> .....	<b>8</b>
<b>Crime Concentration by County</b> .....	<b>12</b>
<b>Cost of Crime in Colorado</b> .....	<b>16</b>
<b>Cost of Crime in Colorado by County</b> .....	<b>19</b>
<b>Economic Impact of Crime</b> .....	<b>21</b>
Incarcerated Population Becomes Zero .....	<b>22</b>
Cost of Crime Related to Quality of Life Decreases to Zero .....	<b>23</b>
Impact of Decreased Insurance Premium Related to Tangible Cost of Crime Becoming Zero .....	<b>23</b>
Combined Impact of Zero Cost of Crime .....	<b>24</b>
<b>Crime in the First Half of 2023</b> .....	<b>25</b>
<b>Concluding Remarks</b> .....	<b>28</b>
<b>Appendix</b> .....	<b>29</b>

## FIGURES

---

Figure 1 – Average Monthly Crime Rate in Colorado .....	9
Figure 2 – Change in Average Monthly Crime Rate 2021–2022 .....	10
Figure 3 – County Shares of Crime .....	11
Figure 4 – Number of Crimes by County .....	12
Figure 5 – Crime Concentration for All Crime .....	13
Figure 6 – Crime Concentration for Crimes Against Person .....	14
Figure 7 – Crime Concentration for Crimes Against Property .....	15
Figure 8 – Crime Concentration for Crimes Against Society .....	16
Figure 9 – Cost of Crime in 2022 .....	18
Figure 10 – Cost of Crime in Colorado by County .....	19
Figure 11 – Per-resident Cost of Crime by County .....	20
Figure 12 – Employment Impact of Zero Prison Population .....	22
Figure 13 – Economic Impact of the Cost of Quality of Life Due to Zero Crime .....	23
Figure 14 – Employment Impact of a 25% Decrease of Insurance Premiums .....	24
Figure 15 – Total Employment Impact of Crime Decreasing to Zero .....	25
Figure 16 – Total Crime Rate (per 100,000) .....	25
Figure 17 – Crime against Persons (Crime Rate per 100,000) .....	26
Figure 18 – Violent Crime (Crime Rate per 100,000) .....	27
Figure 19 – Crimes against Property (Crime Rate per 100,000) .....	28
Figure 20 – Crime Concentration by Type of Crime by County .....	29



# The Cost of Crime and its Economic Impact on Colorado:

## Crimes Impact on the Economy and Residents

Few people in Colorado have not directly experienced crime. From property offenses to violent crimes, every crime leaves a traumatized victim. Whether the wounds are physical, psychological, or financial, it is important to acknowledge the profound effects that a crime can have on its victims. At Common Sense Institute, our goal is to address the economic impact of crime while remaining conscious of the suffering that it causes.

This report analyzes the cost of crime in Colorado and the economic impact on households. This study encompasses the period of 2008 to 2023 and the data comes from Colorado Crime Statistics (2023).

Crime results in direct or tangible costs including unrecovered stolen property, damaged property, victims' out-of-pocket medical expenses, the cost of police, courts and correctional institutions, and lost earnings by both victims and perpetrators who are arrested and convicted.

Crime also inflicts indirect or intangible costs like the pain and suffering of victims, reduced quality of life for everyone, and lower levels of investment and lower property values.<sup>i</sup> Intangible costs are difficult to measure with precision but, among those who have estimated them, there is a consensus that the intangible cost of crime far exceeds the tangible cost.

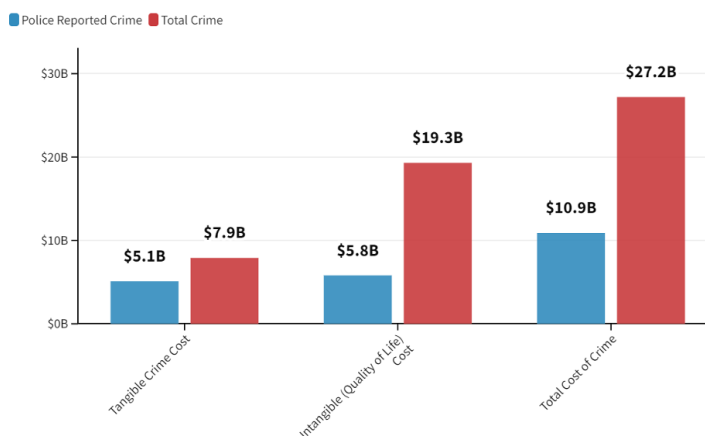
Reducing current rates of murder, rape, assault, theft, and robbery would produce a wide range of savings and other benefits to families, individuals, property owners and taxpayers. All estimates of the cost of crime in this report are adjusted for inflation and are reported in 2020 dollars so that costs can be compared across years. In 2021, after an extraordinary rise in crime, CSI estimated a total cost of crime of \$31 billion. Although the cost declined slightly in 2022 to \$27 billion, Colorado is on track to have another year of extraordinarily high crime-related costs in 2023. **This is driven by an 18% increase in the murder rate; murder is the highest costing crime in the analysis at \$8.8 million per incident.**

# Key Findings

- The crime rate in Colorado was 28% higher in 2022 than in 2008 (see **Figure 1**).

- The total cost of police-reported crime is \$10.9 billion, and the total cost of all crime is \$27.2 billion (see the following graph).

**Cost of Crime - Police Reported and Total**



Source: Colorado Crime Stats and CSI Calculations

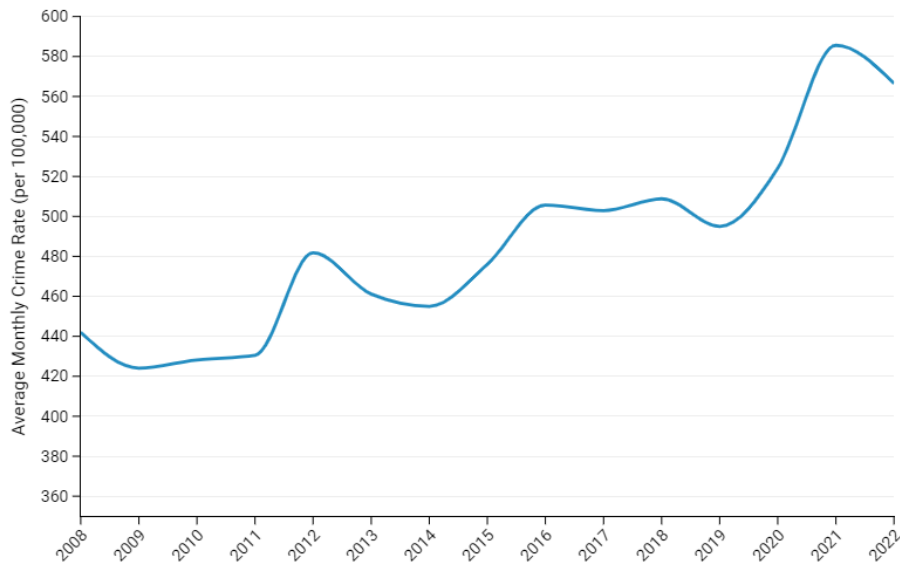
- Tangible police-reported crime: \$5.1 billion
- Tangible total crime: \$7.9 billion
- Intangible police-reported crime: \$5.8 billion
- Intangible total crime: \$19.3 billion
- The total cost of crime in 2022 was equivalent to \$4,623 per Coloradan.
  - The overall cost of crime declined from 2021 levels, largely driven by a 12% reduction in rape and other sexual assault crimes. The reduction in these crimes, which produce remarkably excessive costs, offset cost increases due to rising aggravated assault and auto theft.
  - The per capita cost of all crime is highest in these 10 counties: Adams (\$10,243), Pueblo (\$8,176), Denver (\$7,585), Alamosa (\$7,576), Kiowa (\$7,404), Saguache (\$5,925), Montezuma (\$5,639), Bent (\$5,497), Otero (\$5,253), and Garfield (\$5,138).
- Both the tangible and intangible costs of crime impact the state’s economy. For every 1% decrease in the number of crimes, the state adds:
  - 474 jobs
  - \$56.2 million to GDP
- If the prison population were set to zero (no one is sentenced to prison), total employment would fall by 10,335 jobs and GDP would fall by \$1.08 billion.
- If crime were to decrease to zero, the economic impact of increased quality of life would add \$1.80 billion to GDP and increase employment by 17,335.
- If insurance premiums were to decrease by 25% as a result of crime falling to zero, consumers would have \$1.71 billion more in their pockets to spend. It would also add 40,445 jobs and increase GDP by \$4.97 billion.
- The total impact of zero crime would be an increase of 47,319 jobs and a \$5.62 billion increase in GDP.
- The concentration of crime (share of crime/share of population) is highest in Adams County, followed by Gilpin, Denver, Alamosa, and Pueblo.
- Adams and Denver Counties combined account for 40% of all crimes but only 21% of the state’s population.
- Adams County has the highest concentration of crimes against persons, followed by Alamosa.

# Crime Rates in Colorado

The average monthly crime rate in 2020 was 566.5 incidents per 100,000, which was an increase of 28.2% above 2008's 442.0 incidents per 100,000. Crime peaked in 2021 at 585.6 per 100,000 and declined by 3.3% in 2022 (see **Figure 1**).

**Figure 1 – Average Monthly Crime Rate in Colorado**

**Colorado Average Monthly Crime Rate (per 100,000)**

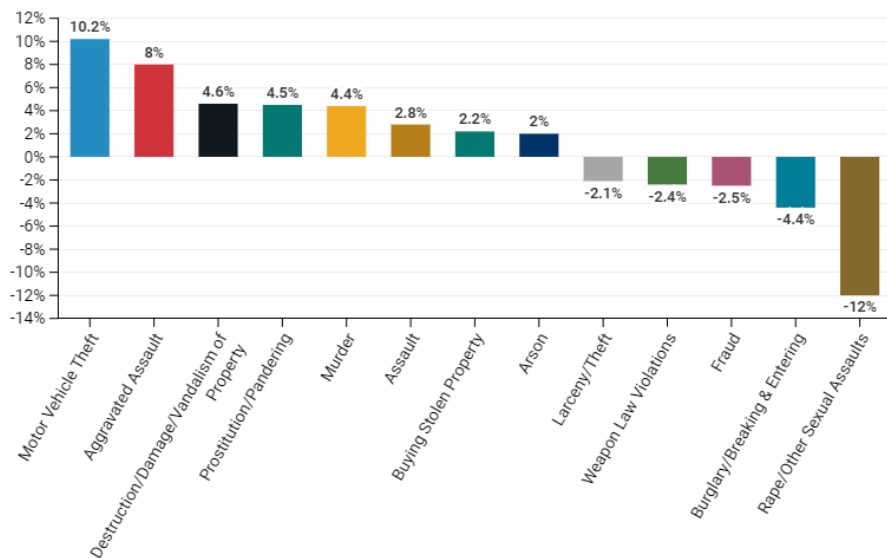


Source: Colorado Crime Stats

**Figure 2** shows the changes in rates of major categories of crime from 2021 to 2022. Motor vehicle thefts increased the most (10.2%) followed by aggravated assault (8%). Rape/other sexual assault exhibited the largest decrease (-12%).

**Figure 2 – Change in Average Monthly Crime Rate 2021–2022**

**2021-2022 Change in Average Monthly Crime Rate (per 100,000)**



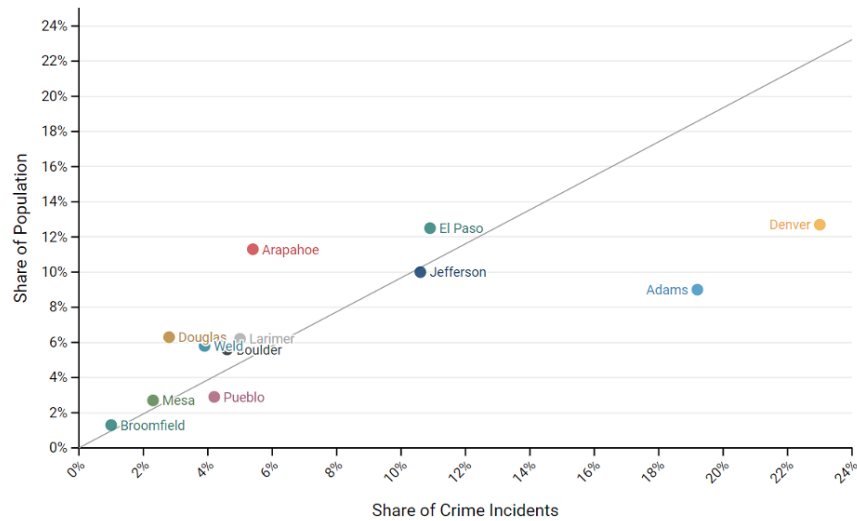
Source: Colorado Crime Stats



**Figure 3** shows the 12 most populous counties' shares of crime incidents. The diagonal line represents concentrations of crime exactly proportional to population (consistent with the statewide average). Counties that are above the line have lower-than-average concentrations of crime; counties below the line exhibit higher-than-average concentrations. Counties near the line have levels of crime incidents roughly equal to their expected values given their populations. Denver and Adams Counties account for a disproportionate share of the state's total crime relative to their populations. Jefferson and Pueblo Counties do as well but to a lesser extent.

**Figure 3 – County Shares of Crime**

**2022 County Share of Crime**



Source: Colorado Crime Statistics

**Figure 4** shows the number of crimes reported in each county in 2022. Denver had the highest number of crimes, followed by Adams County. Combined, these two counties account for 39.7% of all reported crimes in Colorado. Further on in this report, these crime statistics are used to calculate the cost of crime by county.

**Figure 4 – Number of Crimes by County**

Number of Crimes by County in 2022							
No. of Crimes		No. of Crimes		No. of Crimes		No. of Crimes	
<b>Colorado</b>	397,419	<b>Alamosa County</b>	1,688	<b>Chaffee County</b>	327	<b>Ouray County</b>	80
<b>Denver County</b>	80,704	<b>Summit County</b>	1,541	<b>Prowers County</b>	273	<b>Lake County</b>	78
<b>Adams County</b>	76,864	<b>Delta County</b>	1,307	<b>Archuleta County</b>	266	<b>Kiowa County</b>	70
<b>El Paso County</b>	45,333	<b>Montezuma County</b>	1,265	<b>Kit Carson County</b>	264	<b>Dolores County</b>	47
<b>Jefferson County</b>	42,670	<b>Morgan County</b>	1,144	<b>Bent County</b>	220	<b>Conejos County</b>	36
<b>Arapahoe County</b>	23,916	<b>Logan County</b>	1,101	<b>Grand County</b>	208	<b>Baca County</b>	23
<b>Larimer County</b>	20,897	<b>La Plata County</b>	1,077	<b>Saguache County</b>	200	<b>Phillips County</b>	23
<b>Boulder County</b>	19,233	<b>Routt County</b>	1,062	<b>Park County</b>	190	<b>Jackson County</b>	18
<b>Pueblo County</b>	17,149	<b>Teller County</b>	911	<b>Huerfano County</b>	179	<b>San Juan County</b>	13
<b>Weld County</b>	16,985	<b>Las Animas County</b>	889	<b>Washington County</b>	166	<b>Hinsdale County</b>	11
<b>Douglas County</b>	11,846	<b>Otero County</b>	851	<b>Custer County</b>	165	<b>Sedgwick County</b>	8
<b>Mesa County</b>	9,746	<b>Gilpin County</b>	800	<b>Crowley County</b>	152	<b>Cheyenne County</b>	0
<b>Broomfield County</b>	4,314	<b>Moffat County</b>	631	<b>San Miguel County</b>	125	<b>Costilla County</b>	0
<b>Garfield County</b>	2,437	<b>Pitkin County</b>	566	<b>Elbert County</b>	118	<b>Mineral County</b>	0
<b>Fremont County</b>	1,894	<b>Rio Grande County</b>	557	<b>Yuma County</b>	114		
<b>Montrose County</b>	1,799	<b>Gunnison County</b>	521	<b>Rio Blanco County</b>	110		
<b>Eagle County</b>	1,767	<b>Clear Creek County</b>	379	<b>Lincoln County</b>	91		

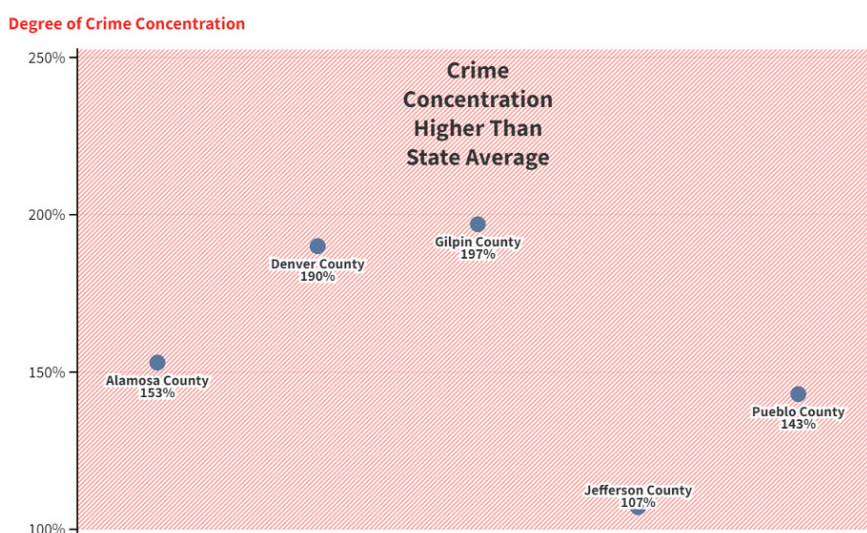
# Crime Concentration by County

Crime concentration is calculated as a county's share of total crime in Colorado divided by that county's share of population multiplied by 100. Colorado's crime concentration, for example, is 100% because 100% of the crime takes place in Colorado and the state has 100% of the population. **Figures 5–8** show the crime concentrations of each of Colorado's 64 counties for total crime, crime against persons, crime against property, and crime against society. Each figure highlights those counties that have crime concentrations higher than the state's and, thus, whose residents are at higher-than-average risk of victimization. **Figure 20** in the appendix shows the detailed crime concentration data behind **Figures 5–8**.

**Figure 5** shows county concentrations of total crime (all offenses). Out of 64 counties, only 6 have higher concentrations than the state average. These are Adams (214%), Alamosa (153%), Denver (190%), Gilpin (197%), Jefferson (107%) and Pueblo (143%).

**Figure 5 – Crime Concentration for All Crime**

**Colorado Counties Exceeding State Crime Concentration - All Offense Types**

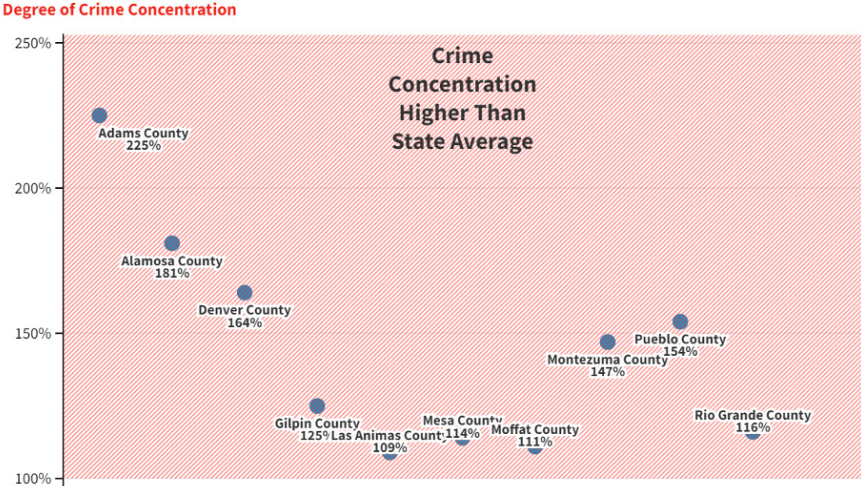


Source: Colorado Crime Stats and CSI Calculations

**Figure 6** shows the highest county concentrations of crime against persons. This category includes assault, homicide, human trafficking, kidnapping/abduction, and sex crimes. Adams County has a high concentration for of crimes against persons because it has an exceptionally large share of the state's violent crime (23%), murder (22%), aggravated assault (23%), non-consensual sex offenses (19%), and robbery (28%).

**Figure 6 – Crime Concentration for Crimes Against Person**

**Colorado Counties Exceeding State Crime Concentration - Crimes Against Person**

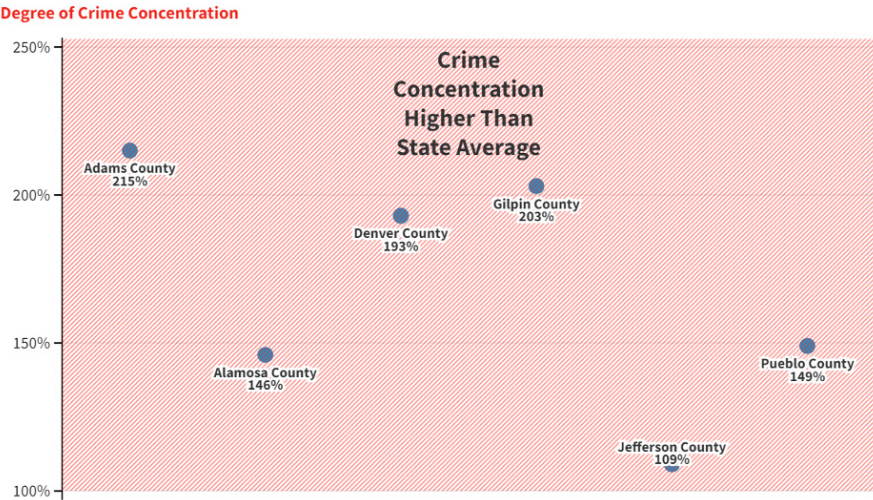


Source: Colorado Crime Stats and CSI Calculations

**Figure 7** shows the highest county concentrations of crime against property. This category includes arson, burglary/breaking & entering, destruction/damage/vandalism, larceny/theft, motor vehicle theft, robbery, and stolen property crimes. Adams County has the highest concentration.

**Figure 7 – Crime Concentration for Crimes Against Property**

**Colorado Counties Exceeding State Crime Concentration - Crime Against Property**

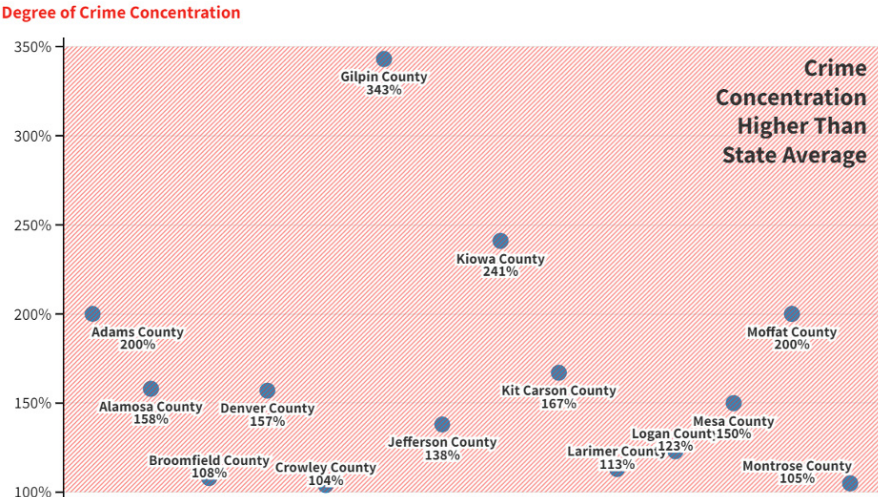


Source: Colorado Crime Stats and CSI Calculations

**Figure 8** shows the highest county concentrations of crime against society. This includes drug/narcotic violations, betting/wagering, illegal gambling, sports tampering, pornography, prostitution, weapons violations, and animal cruelty. Gilpin County and Kiowa County have extremely high numbers of crimes related to drug/narcotic violations and drug equipment violations. Gilpin County is home to Black Hawk and Central City, the location of the majority of gambling establishments, and so has a high concentration of related crimes. Kiowa County registers a high concentration as well due to an unusually high number of drug violations for such a small population.

**Figure 8 – Crime Concentration for Crimes Against Society**

**Colorado Counties Exceeding State Crime Concentration - Crime Against Society**



Source: Colorado Crime Stats and CSI Calculations

## Cost of Crime in Colorado

Crime imposes large economic costs on its victims in addition to whatever loss of life or physical harm it causes. Crime also imposes large costs on communities through loss of property, lower property values, higher insurance premiums, higher taxes, lower productivity, lost earnings, and reduced investment. Additionally, the intangible cost of crime, including the victims' pain, suffering, and inconvenience, is several times greater than the direct cost. Reducing crime can produce substantial economic benefits for individuals, communities, and taxpayers.

To estimate the tangible and intangible cost of crime in Colorado, CSI utilized a model by Miller, *et al.*, published in the Journal of Benefit-Cost Analysis titled "Incidence and Costs of Personal and Property Crimes in the United States, 2017."<sup>ii</sup> In this report, all of its cost estimates are converted to 2020 dollars.

The inputs to the model are the number of crimes for the following categories of police-reported crime: murder, rape, sexual assault, robbery, assault, arson, burglary, larceny/theft, motor vehicle theft, fraud, buying stolen property, vandalism, prostitution/pandering, drug possession/sales, gambling violations, weapons violations, liquor law violations, drunkenness, disorderly conduct, vagrancy, and curfew/loitering violations. Statistics for these crime categories were obtained from Colorado Crime Statistics.<sup>iii</sup>

*Reducing crime can produce substantial economic benefits for individuals, communities, and taxpayers.*

Many crimes go unreported to the police. This analysis accounts for this by inflating police-reported crime values based on national statistics on the ratio of unreported to reported crimes. The tangible cost of crime is the sum total of the following categories of cost: medical, mental health, lost productivity, property loss, public services related to crime, adjudication and sanctioning, and perpetrators' lost work. The intangible cost of crime is defined as costs related to quality-of-life losses. The total cost of crime is the sum total of tangible and intangible costs.

**Figure 9** shows the costs of crime by category of police-reported crime and total crime. The tangible cost of police-reported crime is \$5.1 billion, the intangible (quality of life) cost is \$5.8 billion, and the total cost is \$10.9 billion. The tangible cost of all crime, which includes police-reported crime and non-police-reported crime, is \$7.9 billion, the intangible cost is \$19.3 billion, and the total cost is \$27 billion (\$4,623 per Coloradan).

Figure 9 – Cost of Crime in 2022

2022 Total Cost of Crime in Colorado, (Millions of 2020 Dollars)										
PR = Police-reported	Medical	Mental Health	Productivity	Property Loss	Public Services*	Adjudication & Sanctioning	Perpetrator Work Loss	Subtotal: Tangible Costs	Quality of Life	Total Cost
<b>Murder</b>	\$4.85	\$5.02	\$817.56	\$0.09	\$74.45	\$216.11	\$79.52	\$1,197.59	\$2,154.92	\$3,352.51
<b>Rape</b>	\$111.88	\$275.39	\$327.28	\$12.76	\$0.52	\$15.10	\$7.54	\$750.46	\$14,177.50	\$14,927.96
<b>Rape (PR)</b>	\$25.26	\$45.87	\$54.01	\$1.34	\$7.25	\$325.47	\$162.57	\$621.77	\$2,222.01	\$2,843.77
<b>Other Sexual Assault (PR)</b>	\$0.12	\$0.30	\$0.36	\$0.01	\$0.01	\$0.06	\$0.03	\$0.90	\$15.47	\$16.37
<b>Robbery</b>	\$11.66	\$1.40	\$27.62	\$12.32	\$7.31	\$106.94	\$54.06	\$221.31	\$98.12	\$319.43
<b>Robbery (PR)</b>	\$8.63	\$0.95	\$20.44	\$6.71	\$8.09	\$71.15	\$35.97	\$151.94	\$70.00	\$221.94
<b>Assault</b>	\$217.15	\$24.42	\$162.22	\$6.51	\$339.85	\$453.22	\$210.88	\$1,414.26	\$2,793.95	\$4,208.21
<b>Assault (PR)</b>	\$119.24	\$25.27	\$130.79	\$5.32	\$348.00	\$386.05	\$179.62	\$1,194.31	\$1,308.33	\$2,502.63
<b>Arson</b>	\$4.06	\$0.07	\$5.54	\$32.25	\$6.61	\$4.29	\$1.55	\$54.36	\$10.51	\$64.87
<b>Burglary</b>	\$0.00	\$0.00	\$1.50	\$107.79	\$18.26	\$56.50	\$85.24	\$269.28	\$0.00	\$269.28
<b>Burglary (PR)</b>	\$0.00	\$0.00	\$1.04	\$76.92	\$17.96	\$19.13	\$28.87	\$143.93	\$0.00	\$143.93
<b>Larceny/Theft</b>	\$0.00	\$0.00	\$6.84	\$209.83	\$57.97	\$588.09	\$62.43	\$925.16	\$0.00	\$925.16
<b>Larceny/Theft (PR)</b>	\$0.00	\$0.00	\$4.42	\$150.21	\$151.11	\$351.70	\$37.33	\$694.77	\$0.00	\$694.77
<b>Motor Vehicle Theft</b>	\$0.00	\$0.00	\$4.74	\$292.00	\$30.43	\$464.00	\$221.98	\$1,013.14	\$0.00	\$1,013.14
<b>Motor Vehicle Theft (PR)</b>	\$0.00	\$0.00	\$6.50	\$401.39	\$45.57	\$103.57	\$49.55	\$606.59	\$0.00	\$606.59
<b>Fraud (TC)</b>	\$0.00	\$0.00	\$42.41	\$1,368.53	\$64.21	\$45.02	\$14.02	\$1,534.19	\$0.00	\$1,534.19
<b>Fraud (PR)</b>	\$0.00	\$0.00	\$2.12	\$68.51	\$3.21	\$2.25	\$0.70	\$76.80	\$0.00	\$76.80
<b>Buying Stolen Property</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$7.20	\$25.04	\$8.48	\$40.72	\$0.00	\$40.72
<b>Vandalism</b>	\$0.00	\$0.00	\$0.00	\$27.49	\$1.67	\$48.56	\$17.32	\$95.03	\$0.00	\$95.03
<b>Prostitution/Pandering</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.13	\$0.43	\$0.21	\$0.76	\$0.00	\$0.76
<b>Drug Possessions/Sales</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$98.41	\$70.19	\$34.02	\$202.61	\$0.00	\$202.61
<b>Gambling Violations</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Weapons Carrying</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.76	\$24.81	\$12.02	\$37.59	\$0.00	\$37.59
<b>Liquor Laws</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.20	\$3.08	\$1.49	\$4.77	\$0.00	\$4.77
<b>Drunkenness</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Disorderly Conduct</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.40	\$6.24	\$3.02	\$9.65	\$0.00	\$9.65
<b>Vagrancy</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Curfew/Loitering (PR)</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.05	\$0.75	\$0.36	\$1.17	\$0.00	\$1.17
<b>All PR Crime</b>	\$162.2	\$77.48	\$1,042.79	\$770.24	\$771.07	\$1,658.89	\$652.64	\$5,135.27	\$5,781.23	<b>\$10,916.50</b>
<b>All Crime CO TC Crime</b>	\$349.7	\$306.60	\$1,398.19	\$2,138.08	\$711.62	\$2,130.68	\$814.87	\$7,849.76	\$19,250.47	<b>\$27,023.44</b>

# Cost of Crime in Colorado by County

Based on the same model used to estimate the total cost of crime in Colorado, CSI estimated the cost of crime in each of Colorado’s 64 counties. Crime data was not available for Cheyenne, Costilla, and Mineral Counties. Therefore, there are no cost estimates for these counties.

**Figure 10** shows the total costs of police-reported and total crime. The table is sorted by the total cost of police-reported crime from largest to smallest. Denver had the highest cost of police-reported crime, followed by Adams County. Adams County has the highest cost of *total* crime.

Figure 10 – Cost of Crime in Colorado by County

Cost of Crime by County, Sorted by All Police-reported Crime (PR)					
County	All Police Reported Crime	All Crime CO Total Crime	County	All Police Reported Crime	All Crime CO Total Crime
Colorado	\$ 10,914.4	\$27,023.4	Moffat County	\$ 10.6	\$ 24.8
Denver County	\$ 2,370.9	\$5,349.4	Rio Grande County	\$ 10.3	\$ 32.3
Adams County	\$ 2,277.2	\$5,368.2	Gilpin County	\$ 9.7	\$ 25.0
El Paso County	\$ 1,459.1	\$3,728.5	Pitkin County	\$ 9.5	\$ 29.2
Jefferson County	\$ 794.6	\$2,037.8	Bent County	\$ 8.3	\$ 32.3
Pueblo County	\$ 632.4	\$1,396.2	Clear Creek County	\$ 8.3	\$ 28.6
Boulder County	\$ 561.9	\$1,567.1	Chaffee County	\$ 7.1	\$ 22.1
Weld County	\$ 484.8	\$1,263.0	Archuleta County	\$ 7.0	\$ 20.0
Larimer County	\$ 427.9	\$1,243.4	Lake County	\$ 5.6	\$ 26.4
Arapahoe County	\$ 389.3	\$923.4	Grand County	\$ 5.6	\$ 21.8
Douglas County	\$ 320.4	\$978.3	Kit Carson County	\$ 4.5	\$ 12.5
Mesa County	\$ 243.6	\$698.4	Park County	\$ 4.4	\$ 13.2
Garfield County	\$ 108.4	\$321.4	Yuma County	\$ 3.9	\$ 17.0
Broomfield County	\$ 91.3	\$246.2	Huerfano County	\$ 3.5	\$ 10.8
Fremont County	\$ 75.1	\$ 150.3	Rio Blanco County	\$ 2.7	\$ 8.4
Montezuma County	\$ 69.8	\$ 149.4	San Miguel County	\$ 2.6	\$ 7.7
Alamosa County	\$ 63.2	\$ 126.8	Kiowa County	\$ 2.4	\$ 10.8
Otero County	\$ 61.4	\$ 97.3	Lincoln County	\$ 2.0	\$ 7.0
Eagle County	\$ 42.1	\$ 153.1	Crowley County	\$ 1.9	\$ 3.2
Teller County	\$ 41.2	\$ 76.3	Ouray County	\$ 1.7	\$ 7.1
Montrose County	\$ 36.2	\$ 84.3	Washington County	\$ 1.7	\$ 3.3
Saguache County	\$ 30.3	\$38.9	Phillips County	\$ 0.9	\$ 3.2
Summit County	\$ 30.3	\$ 107.3	Conejos County	\$ 0.6	\$ 1.1
Delta County	\$ 27.3	\$ 64.1	San Juan County	\$ 0.6	\$ 2.7
Morgan County	\$ 25.4	\$ 94.0	Hinsdale County	\$ 0.6	\$ 2.8
Logan County	\$ 24.0	\$ 82.1	Baca County	\$ 0.5	\$ 0.9
La Plata County	\$ 21.6	\$69.4	Dolores County	\$ 0.4	\$ 0.7
Routt County	\$ 20.9	\$ 78.7	Jackson County	\$ 0.2	\$ 0.7
Las Animas County	\$ 17.3	\$ 52.6	Sedgwick County	\$ 0.05	\$ 0.04
Prowers County	\$ 13.6	\$ 20.5	Cheyenne County	\$ 0.0	\$ 0.0
Gunnison County	\$ 12.7	\$ 45.7	Costilla County	\$ 0.0	\$ 0.0
Custer County	\$ 11.8	\$ 20.4	Mineral County	\$ 0.0	\$ 0.0
Elbert County	\$ 11.6	\$ 15.3			

**Figure 11** shows the cost of crime per resident in each county. Saguache County, with a population of 6,559, has the highest, per resident, cost of police-reported crime at \$4,618 across 200 crimes. The next highest, per resident, cost of police-reported cost is Adams County at \$4,345 (population: 524,062) across 76,864 crimes. Adams County has the highest total crime cost, per resident, at \$10,243.

**Figure 11 – Per-resident Cost of Crime by County**

<b>Per-resident Cost of Crime by County, Sorted by All Crime in 2020 Dollars</b>					
<b>County</b>	<b>All Police Reported Crime</b>	<b>All Crime CO Total Crime</b>	<b>County</b>	<b>All Police Reported Crime</b>	<b>All Crime CO Total Crime</b>
<b>Colorado</b>	\$1,869	\$4,627	<b>Gunnison County</b>	\$720	\$2,595
<b>Adams County</b>	\$4,345	\$10,243	<b>Douglas County</b>	\$848	\$2,588
<b>Pueblo County</b>	\$3,703	\$8,176	<b>Delta County</b>	\$852	\$1,997
<b>Denver County</b>	\$3,362	\$7,585	<b>Montrose County</b>	\$833	\$1,937
<b>Alamosa County</b>	\$3,778	\$7,576	<b>Moffat County</b>	\$811	\$1,890
<b>Kiowa County</b>	\$1,641	\$7,404	<b>Kit Carson County</b>	\$657	\$1,828
<b>Saguache County</b>	\$4,618	\$5,925	<b>Yuma County</b>	\$398	\$1,721
<b>Montezuma County</b>	\$2,636	\$5,639	<b>Prowers County</b>	\$1,132	\$1,711
<b>Bent County</b>	\$1,416	\$5,497	<b>Pitkin County</b>	\$550	\$1,681
<b>Otero County</b>	\$3,317	\$5,253	<b>Huerfano County</b>	\$503	\$1,530
<b>Garfield County</b>	\$1,733	\$5,138	<b>Archuleta County</b>	\$492	\$1,413
<b>El Paso County</b>	\$1,962	\$5,012	<b>Arapahoe County</b>	\$595	\$1,411
<b>Boulder County</b>	\$1,712	\$4,774	<b>Grand County</b>	\$349	\$1,364
<b>Mesa County</b>	\$1,535	\$4,400	<b>Ouray County</b>	\$322	\$1,356
<b>Gilpin County</b>	\$1,626	\$4,216	<b>Rio Blanco County</b>	\$414	\$1,310
<b>Logan County</b>	\$1,119	\$3,823	<b>Lincoln County</b>	\$358	\$1,228
<b>Custer County</b>	\$2,184	\$3,771	<b>La Plata County</b>	\$380	\$1,220
<b>Hinsdale County</b>	\$744	\$3,660	<b>Chaffee County</b>	\$344	\$1,074
<b>Weld County</b>	\$1,389	\$3,620	<b>San Miguel County</b>	\$319	\$945
<b>San Juan County</b>	\$808	\$3,605	<b>Park County</b>	\$244	\$734
<b>Las Animas County</b>	\$1,176	\$3,578	<b>Phillips County</b>	\$200	\$718
<b>Lake County</b>	\$759	\$3,563	<b>Washington County</b>	\$340	\$671
<b>Jefferson County</b>	\$1,379	\$3,537	<b>Jackson County</b>	\$161	\$548
<b>Summit County</b>	\$980	\$3,473	<b>Elbert County</b>	\$412	\$545
<b>Larimer County</b>	\$1,171	\$3,403	<b>Crowley County</b>	\$304	\$520
<b>Morgan County</b>	\$877	\$3,249	<b>Dolores County</b>	\$158	\$304
<b>Broomfield County</b>	\$1,199	\$3,234	<b>Baca County</b>	\$146	\$258
<b>Routt County</b>	\$825	\$3,107	<b>Conejos County</b>	\$79	\$142
<b>Teller County</b>	\$1,639	\$3,035	<b>Sedgwick County</b>	\$21	\$17
<b>Clear Creek County</b>	\$872	\$3,018	<b>Cheyenne County</b>	-	-
<b>Fremont County</b>	\$1,491	\$2,985	<b>Costilla County</b>	-	-
<b>Rio Grande County</b>	\$915	\$2,865	<b>Mineral County</b>	-	-
<b>Eagle County</b>	\$754	\$2,745			



## Economic Impact of Crime

Although the cost of all Colorado crime in 2022 was \$27 billion, that amount does not describe the totality of crime's economic impact in the state. There is a large body of research concerning the connection between crime and the economy that has produced widely varying results.

Mincer (1981) showed that acquired abilities of individuals are the ones which have an impact on economic growth. Together with an increase in physical capital, they create the framework of the aggregate production function, and yield higher economic growth.<sup>iv</sup>

An economy that attracts and maintains its human capital stock and encourages investment in physical capital (businesses, factories, infrastructure, universities and so on) will have higher economic growth if its crime rate is under control. High crime rates can discourage businesses and citizens, leading them to relocate to areas that they perceive are safer. This phenomenon has been demonstrated repeatedly here in the United States. Many crime-ridden city centers have deteriorating local economies. St. Louis, San Francisco, Portland (Oregon), and Seattle are prime examples.

For instance, as crime increased, since 2019, based on publicly available data on businesses filing changes of address with the U.S. Postal Service, 2,692 businesses in downtown Portland's have left the area's five zip codes.<sup>v</sup> In San Francisco, out of 203 retailers that were open in 2019, only 107 are still operating in the downtown area.<sup>vi</sup>

The counterargument to the causality described in the previous paragraph is that a deteriorating economy and the loss of jobs causes crime to increase. Undoubtedly, this is true; there are many examples throughout the Rust Belt of factory closures gutting cities and causing crime to rise dramatically.

There is a statewide industry that manages crime including the criminal justice system, public defenders, the Department of Corrections, and communities and businesses that provide services to prisons, jails, and detention centers. In order to evaluate the benefits of reducing crime, it is necessary to look at the economic benefits that this industry provides to the economy. The difficulty of determining the net economic impact of reducing crime can best be illustrated by the following scenario. Hypothetically, it is assumed that resources are put into effect that reduce crime to zero and the correctional population (prison and jails) becomes zero.

Some of the benefits of this are: 1) Former prisoners are released and they re-enter the labor force and increase gross income in the economy. 2) The prisons and jails are closed, so the cost of maintenance and upkeep is reduced to zero and the facilities can be repurposed. 3) Government budgets targeting crime prevention and policing can be spent in other areas like infrastructure or education and/or taxes can be lowered.

*An economy that attracts and maintains its human capital stock and encourages investment in physical capital will have higher economic growth if its crime rate is under control.*

Some of its detriments are: 1) disemployment of the police, prison guards, parole officers, lawyers, district attorneys, bail bondsmen, etc., who may have to be retrained and educated or may never be gainfully employed again. 2) Closures of prisons and jails currently serving as major employers in the community will cause a decrease in demand for services that support the operations and the workers who are employed at the facilities.

CSI regularly utilizes the REMI PI+ dynamic economic model to assess the economic impact of policy initiatives, changes to tax law, economic subsidies, and the like. It was used for this report to examine the impact of reducing crime to zero: the economic cost of the prison population vanishing alongside the economic benefits of restoring crime’s \$19.3 billion of quality-of-life costs to the state and reducing insurance premiums by 25%. The impacts of these three components are presented separately and in combination.

## INCARCERATED POPULATION BECOMES ZERO

According to the Prison Policy Initiative, there are 15,865 inmates in state prisons, 1,681 in federal prisons, 12,710 in local jails, 49 in Indian jails, and 753 in juvenile facilities (a total of 31,058 inmates) in Colorado. In the REMI model, there is a policy variable called “Prison Population.” Changing this variable affects the stock of incarcerated people in state, federal, and local jails. Reducing Colorado’s prison population by 31,058 has the following economic impact: employment decreases by 10,335, GDP decreases by \$1.13 billion, and personal income falls by \$1.42 billion. The impact on individual industries is shown in **Figure 12**. The services sector experiences the largest decrease in jobs followed by state and local government, construction, and retail/wholesale trade.

Figure 12 – Employment Impact of Zero Prison Population

Employment Impact of Zero Prison Population	
Industry	Change in Jobs
All Industries	-10,335
Natural Resources	-49
Construction	-1,689
Manufacturing	-253
Retail and Wholesale	-1,330
Transportation and Public Utilities	-280
Services	-4,635
State and Local Government	-2,100

## COST OF CRIME RELATED TO QUALITY OF LIFE DECREASES TO ZERO

The largest component of the total cost of crime is quality-of-life cost (totaling \$19.25 billion). In REMI, the policy variable “Non-pecuniary (Amenity) Aspects” represents a quality-of-life measure; an area with a positive amenity is considered to have a high quality of life rating relative to the nation. Quality of life refers to things like weather, air quality, crime rates, etc.— attractiveness of an area not explained by economic costs. An amenity increase perceived as a real compensation gain makes a region more attractive, so a greater number of economic migrants enter the region.

The economic impact of a \$19.25 billion increase in quality of life (because crime has vanished) results in an increase of 17,335 jobs and a \$1.8 billion increase in GDP. **Figure 13** shows the employment impacts in the Denver metro region and the rest of Colorado by industry. The Denver metro area realizes 61% of the employment increase.

**Figure 13 – Economic Impact of the Cost of Quality of Life Due to Zero Crime**

<b>Employment Impact of Increase in the Quality of Life Due to Zero Crime</b>			
<b>County</b>	<b>Denver Metro</b>	<b>Rest of Colorado</b>	<b>Statewide</b>
<b>All Industries</b>	10,508	6,827	17,335
<b>Natural Resources</b>	62	37	99
<b>Construction</b>	1,533	1,102	2,635
<b>Manufacturing</b>	288	161	449
<b>Retail and Wholesale</b>	1,066	754	1,820
<b>Transportation and Public Utilities</b>	397	149	546
<b>Services</b>	4,726	2,734	7,460
<b>State and Local Government</b>	2,437	1,889	4,326

## **IMPACT OF DECREASED INSURANCE PREMIUM RELATED TO TANGIBLE COST OF CRIME BECOMING ZERO**

The primary assumptions of CSI’s insurance premium modeling are that \$7.85 billion of tangible crime is reported to the insurance industry and that insurance companies respond by increasing premiums by 25% of what they would be otherwise. There is support for these assumptions: the Colorado Department of Insurance reported that, from January 2019 to December 2022, homeowners insurance rates increased by 51.7% on average.<sup>vii</sup> Health insurance premiums have increased by 19.56% from 2022 to 2023 according to a report by Value Penguin.<sup>viii</sup> Premiums would increase by \$1.96 billion to cover the submitted claims of about \$295 per Coloradan. If crime were to vanish, however, this would leave an additional \$1.71 billion more in consumers’ pockets to spend. In this scenario, consumer spending is increased by \$1.96 billion and the price of insurance decreases by 25%. The impact on employment is an increase of 40,445, and the GDP impact is an increase of \$4.97 billion. **Figure 14** shows the employment impact by industry and region.

**Figure 14 – Employment Impact of a 25% Decrease of Insurance Premiums**

<b>Employment Impact of a 25% Decrease of Insurance Premiums</b>			
<b>County</b>	<b>Denver Metro</b>	<b>Rest of Colorado</b>	<b>Statewide</b>
<b>All Industries</b>	28,853	11,592	40,445
<b>Natural Resources</b>	138	78	216
<b>Construction</b>	4,264	2,038	6,302
<b>Manufacturing</b>	666	283	949
<b>Retail and Wholesale</b>	3,205	1,499	4,704
<b>Transportation and Public Utilities</b>	895	233	1,128
<b>Services</b>	18,421	6,782	25,203
<b>State and Local Government</b>	1,274	670	1,944

## COMBINED IMPACT OF ZERO COST OF CRIME

Combining the three previous scenarios and modeling the impact of crime decreasing to zero produces the following results: Employment increases by 47,319 and GDP increases by \$5.62 billion. **Figure 15** shows the employment impact by industry.

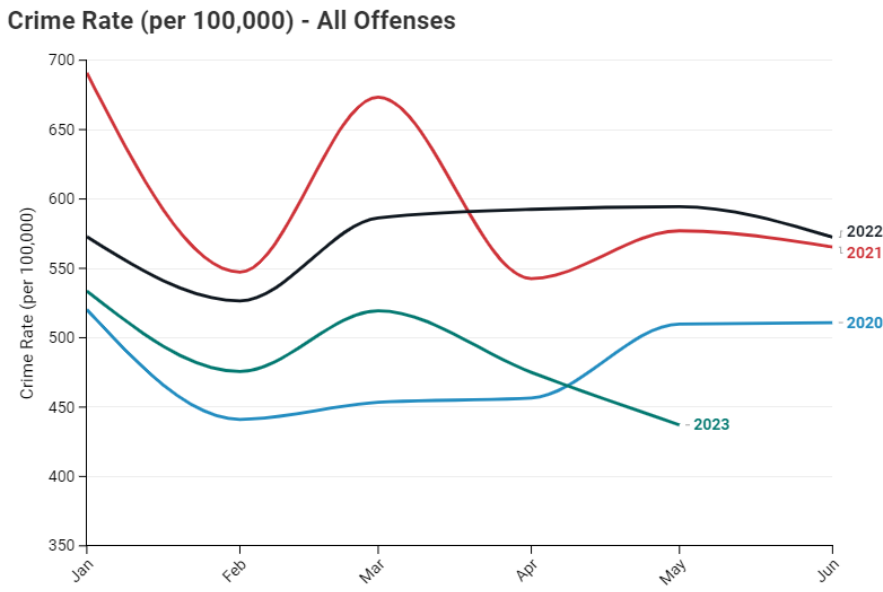
Figure 15 – Total Employment Impact of Crime Decreasing to Zero

Employment Impact of a 25% Decrease of Insurance Premiums			
County	Denver Metro	Rest of Colorado	Statewide
<b>All Industries</b>	35,524	11,795	47,319
<b>Natural Resources</b>	176	90	266
<b>Construction</b>	5,239	1,999	7,238
<b>Manufacturing</b>	837	305	1,142
<b>Retail and Wholesale</b>	3,796	1,378	5,174
<b>Transportation and Public Utilities</b>	1,139	251	1,390
<b>Services</b>	21,215	6,727	27,942
<b>State and Local Government</b>	3,122	1,045	4,167

## Crime in the First Half of 2023

There has been a lot of media attention to crime this year. There are claims that Colorado may be experiencing a “summer of violence” similar to that of 1993.<sup>ix</sup> As **Figure 16** demonstrates, however, the crime rate per 100,000 in the first five months of the year is much lower than it was in 2021 and 2022.

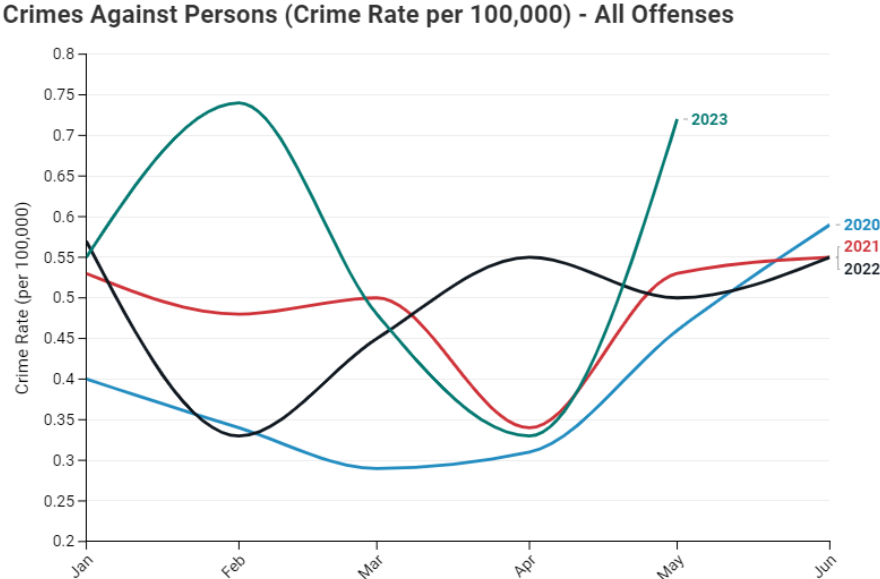
Figure 16 – Total Crime Rate (per 100,000)



Source: Colorado Crime Stats

The claim that this summer is trending to be worse than 1993 for violent crime is based solely on murders. **Figure 17** shows the crime rate against persons per 100,000, which was much higher this May than it was in the previous three years.

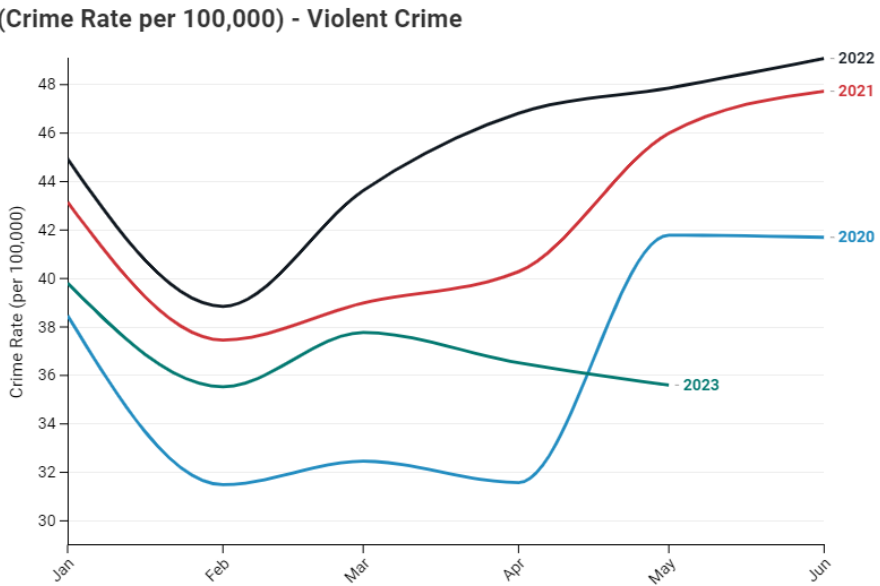
**Figure 17 – Crime against Persons (Crime Rate per 100,000)**



Source: Colorado Crime Stats

Focusing on one type of violent crime is misleading. The good news is that, in 2023 through May, the violent crime rate was lower than it was in 2021 and 2022 and lately has been trending lower than it was in 2020 (see **Figure 18**).

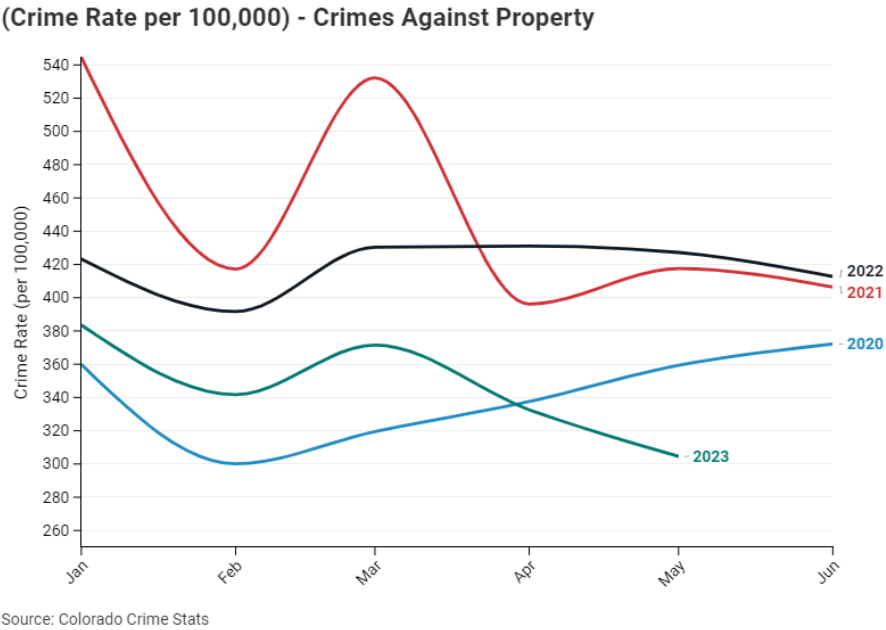
**Figure 18 – Violent Crime (Crime Rate per 100,000)**



Source: Colorado Crime Stats

**Figure 19** shows the rate of crime against property, which, in 2023, has been lower than it was in 2021 and 2022 and may end lower than it was in 2020. This is primarily due to a drop in motor vehicle thefts. The net result is that, with the exception of murder, the drivers of the cost of crime are trending downward. If this continues for the remainder of the year, the total cost of crime will be lower than it was in the previous three years.

**Figure 19 - Crimes against Property (Crime Rate per 100,000)**



## *Concluding Remarks*

---

Despite the high collective value of the many businesses and services that comprise the industry dedicated to crime management in Colorado, the cost of crime as a whole is far greater. Determining the value of a total reduction in crime, though unrealistic, illustrates the enormous burden crime imposes on our economy and citizens. The goal of policymakers who want to see Colorado thrive should be to take immediate steps to reduce crime. There are massive economic benefits to all Coloradans when crime is low. Policy, despite its intention to create a more humane criminal justice system, has instead adversely affected the quality of life enjoyed by the state's law-abiding majority. Victims should be prioritized, not perpetrators. It is time for legislators and leaders to act to reverse current trends, recognize the need to punish illegal behavior, and impose strong penalties on criminals at all levels of crime. Failure to do so will only cause Colorado to become a less attractive location for people and businesses.

# Appendix

Figure 20 – Crime Concentration by Type of Crime by County

2022 Total Cost of Crime in Colorado, (Millions of 2020 Dollars)									
	All Offense Types	Crime against Persons	Crimes against Property	Crimes against Society		All Offense Types	Crime against Persons	Crimes against Property	Crimes against Society
<b>Colorado</b>	100%	100%	100%	100%	<b>Lake</b>	17%	37%	13%	8%
<b>Adams</b>	214%	225%	215%	200%	<b>La Plata</b>	29%	39%	26%	36%
<b>Alamosa</b>	153%	181%	146%	158%	<b>Larimer</b>	80%	73%	79%	113%
<b>Arapahoe</b>	48%	40%	52%	33%	<b>Las Animas</b>	93%	109%	86%	95%
<b>Archuleta</b>	29%	66%	20%	36%	<b>Lincoln</b>	28%	42%	25%	20%
<b>Baca</b>	11%	28%	2%	49%	<b>Logan</b>	69%	81%	62%	123%
<b>Bent</b>	64%	91%	59%	30%	<b>Mesa</b>	84%	114%	72%	150%
<b>Boulder</b>	81%	91%	81%	73%	<b>Mineral</b>	0%	0%	0%	0%
<b>Broomfield</b>	73%	44%	77%	108%	<b>Moffat</b>	69%	111%	45%	200%
<b>Chaffee</b>	26%	33%	22%	41%	<b>Montezuma</b>	76%	147%	59%	55%
<b>Cheyenne</b>	0%	0%	0%	0%	<b>Montrose</b>	60%	67%	54%	105%
<b>Clear Creek</b>	64%	85%	60%	45%	<b>Morgan</b>	57%	77%	55%	52%
<b>Conejos</b>	8%	13%	8%	0%	<b>Otero</b>	77%	89%	76%	32%
<b>Costilla</b>	0%	0%	0%	0%	<b>Ouray</b>	23%	42%	22%	7%
<b>Crowley</b>	34%	42%	26%	104%	<b>Park</b>	18%	44%	11%	14%
<b>Custer</b>	43%	62%	39%	57%	<b>Phillips</b>	6%	20%	4%	9%
<b>Delta</b>	60%	59%	59%	76%	<b>Pitkin</b>	51%	55%	54%	12%
<b>Denver</b>	190%	164%	193%	157%	<b>Prowers</b>	35%	42%	32%	48%
<b>Dolores</b>	32%	24%	33%	39%	<b>Pueblo</b>	143%	154%	149%	75%
<b>Douglas</b>	43%	43%	42%	57%	<b>Rio Blanco</b>	23%	48%	20%	21%
<b>Eagle</b>	45%	71%	42%	27%	<b>Rio Grande</b>	79%	116%	71%	71%
<b>Elbert</b>	7%	14%	5%	6%	<b>Routt</b>	59%	84%	52%	83%
<b>El Paso</b>	85%	93%	86%	78%	<b>Saguache</b>	49%	54%	45%	77%
<b>Fremont</b>	54%	89%	47%	47%	<b>San Juan</b>	28%	39%	21%	51%
<b>Garfield</b>	55%	86%	45%	90%	<b>San Miguel</b>	26%	35%	21%	41%
<b>Gilpin</b>	197%	125%	203%	343%	<b>Sedgwick</b>	5%	0%	7%	0%
<b>Grand</b>	21%	24%	19%	21%	<b>Summit</b>	74%	96%	70%	61%
<b>Gunnison</b>	47%	66%	40%	65%	<b>Teller</b>	54%	73%	46%	90%
<b>Hinsdale</b>	25%	39%	24%	0%	<b>Washington</b>	54%	68%	52%	32%
<b>Huerfano</b>	41%	35%	41%	39%	<b>Weld</b>	71%	75%	69%	81%
<b>Jackson</b>	20%	22%	22%	0%	<b>Yuma</b>	17%	27%	15%	16%
<b>Jefferson</b>	107%	90%	109%	138%					
<b>Kiowa</b>	76%	54%	57%	241%					
<b>Kit Carson</b>	58%	71%	42%	167%					



## REFERENCES

- i. Shapiro, R.J., Hassett, K. A., "The Economic Benefits of Reducing Violent Crime, A Case Study of 8 American cities." Center for American Progress, June 2012.
- ii. Miller, T.R., Cohen, M.A., Swedler, D.I., Ali, B., and Hendrie, D.V. Journal of Cost-Benefit Analysis, Volume 12, Issue 1, Spring 2021, pp.24-54
- iii. Colorado Crime Statistics (state.co.us)
- iv. Mincer, J. (1981). Human Capital and Economic Growth. NBER Working Paper Series #803, 1-25.
- v. <https://www.dailymail.co.uk/news/article-11807717/Portland-business-owners-say-theyre-fleeing-city-en-masse-crime.html>
- vi. <https://www.dailymail.co.uk/news/article-12101001/Crime-ridden-San-Francisco-lost-HALF-downtown-stores-COVID-hit-95-shuttering.html>
- vii. Homeowner Availability Study -Colorado Department of Regulatory Agencies (DORA) – Division of Insurance, Prepared by Oliver Wyman,
- viii. <https://www.valuepenguin.com/average-cost-of-health-insurance>
- ix. Is a new 'Summer of Violence' brewing in Metro Denver? | Subscriber Content | denvergazette.com