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## Labor Markets and Crime

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The sustained and substantial drop in crime rates in the second half of the 1990s coincided with the longest economic expansion since 1945. This has refocused attention on the exciting possibility that an economic expansion reduces crime by increasing legitimate economic opportunities (Bernstein and Houston 2000). It also reinforces hope that employment-based policy interventions might aid low-income urban areas, where most crime in the United States is concentrated. The federal government currently sponsors several billion dollars worth of employment programs focused on inner city areas based at least partly on the hope of reducing crime. The goal of this chapter is to assess the current state of knowledge on how labor market-oriented programs impact crime prevention in high crime, urban areas.<sup>1</sup>

Although numerous theoretical justifications can be offered for a relationship between labor markets and crime,<sup>2</sup> the one that receives the most attention is individual and economic. In its simplest form, the economic theory of crime hypothesizes that people commit crime when the benefits outweigh the costs. The costs include forgone earnings from legitimate work and the risk of incarceration. The calculation is more than merely the sum of monetary factors and risks; individual attitudes also matter. Tighter labor markets mean more available jobs and / or higher wages, which, other things being equal, should then lower the participation in crime.

By focusing on the individual, this framework inadvertently focuses the attention away from the key policy question—Can changes in the labor market affect the crime rate, especially in places with very high crime rates?—and onto the general relationship between unemployment and crime at the aggregate level. Recent reviews of the unemployment and crime literature (Freeman 1999; Piehl 1998) conclude that while the unemployment rate does have a measurable impact on property crime of

approximately 2 percent for every one percentage point change in unemployment at the state or county level, this effect is quite small. For example, a relatively large drop in unemployment from 8 percent to 4 percent (approximately the range from trough to peak in a typical postwar business cycle) will only decrease the crime rate by 8 percent. This conclusion is consistent with the aggregate level research done in Europe (European Committee on Crime Problems 1985, 1994). Piehl and Freeman (1998; 1999) both conclude that aggregate unemployment levels cannot explain the high concentration of crime in poor inner city communities.

This focus on unemployment (and, indirectly, on the economic theory of crime) may understate the importance of labor markets. Many dimensions of the labor market (such as the distribution of jobs by skill and location) in addition to aggregate unemployment may affect crime rates in high crime communities. In this chapter we primarily focus on whether targeted labor market interventions, aimed at high-risk people or locations, can substantially reduce inner city crime.

We start by noting that labor markets, like other markets, have a demand and a supply side. The demand comes from employers seeking workers to fill specific jobs. The supply consists of individuals seeking work. An equilibrium wage and employment level will be reached in this market by interaction between employers and workers.

Because we are particularly interested in the role of labor markets for low-income urban areas characterized by high demographic homogeneity, it seems appropriate to concentrate on a broad classification of low skill labor markets.<sup>3</sup> In what follows, we will look at the relationship between the labor market and crime, focusing on what is known about how crime can impact and be impacted by the supply side (employees) and demand side (employers) of the low skill labor market. It is perhaps counterintuitive, but adopting a focus on labor markets rather than unemployment rates (which ignore the substantial numbers who may choose not to participate in the labor market at all), allows us to consider non-economic theories of crime, including but not limited to control theory and labeling theory. These more criminological theories of crime consider how the behavior of other participants in the labor market can impact the individual's decision to commit crime.

We consider the two components of the labor market separately, first examining demand, then supply. In each section, we begin by presenting evidence from observational data that try to establish the existence of the relationship or pattern in question, followed by evidence from policy interventions that attempt to leverage that relationship. We exclude general

macroeconomic policies, (for example, looser monetary policy aimed at lowering interest rates) though these have modest effects on crime; such policies are driven by other factors and are not focused on urban areas in any particular way. We include, however, a range of community and individual programs that do not specifically target crime, but rather target a component of the labor market thought to affect crime in these urban areas. Thus much of this review assesses just how effective such job training and job creation programs are at increasing employment in the targeted community or among the targeted groups, even if the programs do not target criminal justice-involved offenders. The crime consequences are inferred from our review of the relationship between employment and crime at various levels.

We also consider how crime itself may have an impact on the demand for and supply of labor. For policy purposes the reciprocal relationship of crime and employment presents a major challenge. Not only may a criminal history affect an individual's employability, but areas of high crime are unattractive for investment. Both property and personnel are at risk; goods are stolen, premises damaged, employees assaulted, and customers intimidated. Attracting capital requires a reduction in crime so as to allay the legitimate concerns of investors, employers, and customers. On the other hand, crime reduction on a large scale may require the creation of employment opportunities for the large numbers of young adults who are the source of so much of the crime in an area. Unfortunately, many offenders lack the skills needed to obtain and retain attractive jobs, that is, positions that pay enough to avoid poverty (well above the minimum wage for a two-parent, two-child household with only one wage earner) and that offer potential progress and a sense of accomplishment. Thus, improving their workforce skills may be essential even when capital, a prerequisite for new jobs, can be attracted into the community.

## DEMAND-SIDE FORCES

Substantial economic and social forces have led to the loss of many jobs in urban areas and to the movement of other jobs to the suburbs (Bluestone and Harrison 1982; Hughes 1993). New technology has led to new manufacturing processes. It is often easier to build new factories at suburban or ex-urban "greenfield" sites than to retrofit old buildings. Global competition in textiles and other industries has led to the mass relocation of manufacturing operations away from "Rust Belt" locations in northeastern U.S. cities with their old factories and heavily unionized workforces to

more rural "Sun Belt" locations with cheaper land and labor. In some cases, technological change has even led to the outright elimination of many jobs in a specific industry. Consider, for example, the development of container shipping in the late 1950s. Until the invention of containers that could be carried on trains, trucks, and ships, thousands of well-paid, union-organized longshoremen were needed to unload trains and trucks and reload the material onto ships in inner city ports located in most major coastal cities. Although the unions managed to negotiate contracts that eased the short-term impact of containerization, the long-term impact was the virtual elimination of many attractive low skill jobs in central city urban locations.

Massey and Denton (1993) also argue that the strong desire for racial segregation has been an additional impetus for the exit of jobs from center cities. "White flight" from urban areas has been a well-documented phenomenon in the United States as white middle class families (followed closely by a growing black middle class) have fled to suburbs in pursuit of cheaper, high quality housing, good schools, and safer communities (Cullen and Levitt 1996). Companies, especially those increasingly owned by nonlocal national and international corporations without a commitment to the urban area, often follow their workers and customer base into the suburbs. The result of these structural changes is a national net loss in low-skill, high-paying jobs (primarily in manufacturing) and a general flight of jobs, especially well-paying, low-skill jobs, from the inner cities into suburban and rural locations.<sup>4</sup> The effects are quite substantial. From 1967 to 1987, Chicago, Philadelphia, New York City, and Detroit lost more than 50 percent of their manufacturing jobs, numbers that represent millions of jobs (Wilson 1996). Furthermore, certain demographic groups were hit harder than others. Nationally, the proportion of employed black males age 20 to 29 working in manufacturing jobs fell from 37.5 percent to 20 percent between 1978 and 1987 (Black, Levitt, and Sanders 1998).

The link between job loss and crime is at some level fairly straightforward. The reduced availability of high-paying jobs makes crime more attractive to people who would otherwise be working. This is the standard economic model of crime. But more than a decade ago, William Julius Wilson (1987) proposed a more structural sociological explanation for the effects of employment changes in the inner city. He identified the loss of well-paying manufacturing jobs from the inner city as the key factor in the growing concentration of African-American poverty and social problems, including family dissolution, welfare, low levels of social organization, and crime. More precisely, Sampson and Wilson (1995) hypothesize that the permanent loss of high-paying manufacturing jobs leads to the destruction

of the social fabric of the community. It is this loss of the social fabric that ultimately worsens crime (for similar explanations, see White 1999; Gans 1990; Currie 1993).

Rosenbaum (1996) also argues that youths have difficulty finding employment when they live in impoverished neighborhoods because their friends and family are not likely to provide many job connections. Businesses that acted as a key social force by encouraging interaction either moved or closed. The general pattern of detachment from the legal world of work means that children no longer grow up in environments where adults go to work every day, eliminating a key socialization mechanism. This lack of socialization leads to low graduation rates and high attrition in training programs, maintaining the underinvestment in human capital of the previous generation in high poverty neighborhoods. These and other processes lead to a reduced level of social control in the environment, or of what Sampson, Raudenbush, and Earls (1997) refer to as collective efficacy. Crime is both more available and less disapproved in these disorganized environments.

Although the ethnographic evidence supporting this hypothesis is fairly well developed (Sullivan 1989; Anderson 1990; Wilson 1996), the supporting quantitative evidence is mixed. For example, Holzer (1991) finds that the most recent evidence suggests that the spatial mismatch hypothesis can explain some but not all of the black-white employment difference. Other researchers have not been able to link the lower levels of African-American employment to lower levels of marriage in the African-American community (Wood 1995; Lerman 1989). Berry, Portney, and Thomson (1991) show that living in a poor neighborhood has little effect on a person's political attitudes and behavior. Also, Jencks (1991) attempts to show that, while employment definitely declined in the inner cities, the plight of those in the inner cities has not gotten uniformly worse in the 1980s and, as a result, all problems are not inherently interconnected.

Wilson (1991) responds to these findings by claiming, rightly according to Peterson (1991), that much of this research has not focused on the extremely isolated, racially segregated, urban neighborhoods that are at the heart of his theory (and of our interest in this chapter). Other papers that do focus on these urban areas do appear to support parts of Wilson's theory (see, for example, Crane 1991; Mayer 1991). While we do not have the space to further detail the ongoing debate about Wilson's hypothesis, we do agree that the unemployment and crime literature has not focused on the places or on the types of economic dislocation discussed in Wilson's hypothesis. Most tests of the unemployment and crime relationship have



not distinguished between transitory economic slowdowns (the business cycle) and permanent loss of high-paying, low skill jobs focused in urban areas. Yet the impact of incentives for job search and educational decisions by individuals are quite different depending on whether one's unemployment is the result of a temporary recession or a permanent structural change in the labor market. Most of the unemployment and crime tests have also focused on higher levels of aggregation (that is, national and state level) rather than the community-level analysis suggested by Wilson's theory (Chiricos 1987).

There seems to be a consensus for the existence of a weak positive relationship between unemployment and property crime at the state and national level (Levitt, Forthcoming). The measured relationship is commensurate with what one would expect due to normal transitory economic changes, that is, the business cycle (Cook and Zarkin 1985). However, Chiricos (1987) has observed that studies which use intracity data (census tract or police precinct) provide stronger evidence for the positive relationship between unemployment (including withdrawal from the labor market, the "discouraged worker effect") and crime, including violent crime. He explains this result by suggesting that

researchers using more local data are better able to capture what can be termed the "milieu effects" of unemployment on a particular area. That is, high unemployment may have a demoralizing impact on a particular neighborhood or section of a city or county that creates a climate of hopelessness or anomie with criminogenic consequences even for those not directly unemployed (e.g., teenagers or others not in the labor force). (p. 195)

This explanation is consistent with the social control explanation explicated by Sampson and Wilson (1995).

One unpublished study (Black, Levitt, and Sanders 1998) tries to measure this effect directly by looking at the impact of changes in earnings on crime over time (1970–1993) in counties that were heavily dependent on steel manufacturing in 1969. Crime had a much stronger relationship with the changes in employment that were permanent as a result of steel plant closings than with changes that were not correlated with changes in the steel industry. These results are preliminary; similar work is needed to explore what happens to the crime rate when there are large structural changes in the makeup of the local economy. But we believe that there is enough evidence at this point to conclude that the social disorganization

story has some merit—permanent losses of low-skill, well-paid jobs may be a major contributor to subsequent social disorder and criminal activity.

Wilson (1996) argues forcefully that government employment-oriented programs can reduce the social problems of these communities. Yet, as we will see in the following section, stimulating economic development in the inner city through tax incentives or direct capital subsidies has proved very difficult.

### Enterprise Zones

Community development programs use demand-side policies to help particular neighborhoods. New jobs present more opportunities for legitimate work. Jobs visibly available in an area may also provide motivation for young people to continue their education and to enroll in training programs. The economic activity that new or expanded businesses represent can also lead to increased social interactions among residents and strengthen social institutions (for example, churches, business organizations, schools), which can exert a positive influence on individuals who might otherwise revert to crime.

The enterprise zone is one relatively new policy tool focusing tax incentives at generally narrowly defined, economically depressed geographic areas (Papke 1993; Erickson and Friedman 1991). These programs typically use investment, labor, and financial incentives to encourage job development (Erickson and Friedman 1991). The investment incentives include credits for property taxes, franchise taxes, sales taxes, investment taxes, and other possibly state-idiosyncratic employer taxes (for example, inventory tax credits). The labor incentives include a tax credit for job creation, for hiring a zone resident or some other disadvantaged person, and for training expenditures. Finally, the financial incentives sometimes include an investment fund associated with the program and preferential treatment for federal bond programs. These programs are based on the assumption that employers are sensitive to state and local tax incentives in their location decisions (Bartik 1991).

As of 1995, thirty-four states had a total of 3,091 active enterprise zone programs (median = 16), and the Federal Empowerment Zone and Enterprise Community Program has introduced 106 more zones (Wilder and Rubin 1996). The state zones are limited in the value of the incentives they can offer, precisely because federal taxes (for example, corporate profits tax) are so large and cannot be waived by the state. The median zone population for the state programs is about 4,500 persons, and the median

zone size is about 1.8 square miles (Erickson and Friedman 1991). Zone designation is usually based on unemployment rates, population decline, poverty rates, median incomes, the number of welfare recipients, or the amount of property abandonment. The federal government provided direct funding of about \$40 million in 1999. Beginning in 2000, the government started providing \$1.5 million each year per zone for the next ten years.<sup>5</sup>

All the evaluations consider only the immediate economic outcomes of these programs and do not examine the larger social implications, such as crime reductions; only Bartik and Bingham (1997) show an awareness of this shortcoming. The evaluations also do not attempt to determine the impacts of individual incentives. The incentives are typically used in concert, so that the economic growth in any given zone cannot be attributed to any one incentive; nor is it possible to separate out component effects using econometric techniques.

A New Jersey study (Boarnet and Bogart 1996) found that the zones had no impact on total employment or property values in municipalities with zones,<sup>6</sup> while an Indiana study (Papke 1994) found that the zones led to a long-term 19 percent decline in unemployment rates in municipalities with enterprise zones. More recently, four studies by a group of researchers attempt to go beyond these single state studies to look at variation across states for state enterprise zones (Bondonio and Engberg 2000; Engberg and Greenbaum 1999; Greenbaum and Engberg 1999, 2000). They have generally reported negative or insignificant employment effects. One study even suggested that enterprise zones are actually harmful in the most depressed locations.

In an attempt to peel back the layers of the onion on what may be going on in these enterprise zones, Greenbaum and Engberg (1999) looked at establishment-level employment statistics for enterprise zones in metropolitan areas in six states. They found that enterprise zones increased employment and business activity in new establishments while decreasing employment and business activity in old establishments. The net effect was a small decrease in employment. Essentially, this study finds that, as in England, zones lead to increased churning of business activity without any net gains in employment. In fact, the British government, which pioneered these zones, abandoned its enterprise zone program after researchers found that nearly all jobs in enterprise zones (86 percent) represented relocation from neighboring communities.

This new body of rigorous research on many zones over a number of states raises serious questions about the ability of state enterprise zones to significantly change the business environments in depressed urban areas.

The evaluation of the federal program should shed light on whether this approach with substantially more financial resources is capable of producing more of an impact.

## COMMUNITY DEVELOPMENT BLOCK GRANTS

The 1974 Community Development Block Grant (CDBG) Program represents the other major federally funded program aimed directly at revitalizing distressed neighborhoods. Instead of relying on tax credits as incentives, this program provides direct funding to local governments. In 1992, CDBGs provided local jurisdictions with \$4.8 billion to be spent on activities that support any one of three objectives: benefiting low- and moderate-income persons, preventing or eliminating slums or blight, and addressing other urgent community needs. The program funding breaks down broadly into five main areas: housing (38 percent), public facilities (22 percent), economic development (12 percent), public services (9 percent), and acquisition and clearance (6 percent). Although there are no outcome evaluations of this program<sup>7</sup>, the sheer size of the economic development component demands inclusion in this section.

A 1995 process evaluation (Urban Institute 1995) considered only economic outcomes. Most of the economic development grant money was spent on loans and grants to private businesses. The recipient businesses were generally small, and 37 percent of these businesses were minority owned. These loans seemed to perform better than the nongeographically targeted Small Business Administration loans. According to the U.S. Department of Housing and Urban Development (HUD) report, these loans were more important to the business activities of the recipients than the enterprise zone tax incentives,<sup>8</sup> but neighborhood residents held a comparable number of the newly created jobs under both programs (approximately 30 percent).

An effort was made to provide a before-and-after study of 250 census tracts in the CDBG program, using a survey on all CDBG funding and census data from 1980 and 1990. This study found a clear relationship between the level of funding and tract income: tracts that saw an increase in income received \$1,247 per capita, tracts that were stable between the two time periods received \$844 per capita, and tracts that declined received \$737 per capita. Improvement in low-income tracts usually only occurred through gentrification or emigration of low-income people, but in several instances the arrival of major industrial facilities resulted in an increase in income for the tract residents.<sup>9</sup>

In more general terms, the researchers concluded that the existence of an income mix among neighborhood residents and a healthy commercial district appeared to help development. Within the context of this review, these factors could signal the existence of a certain level of social control that would allow community programs to be effective. Neighborhoods without income diversity and a strong commercial center may not have enough social capital to take advantage of any community-based program.

## WEED AND SEED

Perhaps the middle class moves out and commercial districts become dilapidated because of the decline in well-paid employment. People have moved; school quality has declined; other related businesses have closed; and crime, particularly drug dealing, may well have replaced manufacturing as a major source of income for young men. In fact several authors have attempted to link the rise of crack in inner city neighborhoods in the mid-1980s to the loss of manufacturing jobs (Currie 1993; Hagedorn 1988). Even if there is no relationship between the two, it is a case of very bad timing, since the development of crack cocaine markets in many of these urban areas exacerbated many of the problems first caused by the loss of jobs. Furthermore, the increase in incarceration due to the "war on drugs" contributes to the social problems by disrupting families and reducing the number of productive males in an area. In these communities, as many as one-fourth of the men are under active supervision of the criminal justice system (Freeman 1999).

The net effect of many years of decline is that these neighborhoods are not attractive places to locate businesses. Evidence from Bostic (1996) shows that places with high crime rates have the hardest time attracting employers. Perhaps as suggested by Stewart (1986) in his classic, *The Urban Strangler*, the problem of crime has to be addressed before businesses will invest in an area. This line of reasoning represents the basic premise of Operation Weed and Seed.

Operation Weed and Seed represents an ambitious federal, state, and local effort to improve the quality of life in targeted high crime zones in urban areas. Launched in 1991 by the Department of Justice, Weed and Seed programs can be found in over 200 sites nationwide, with an average funding level of about \$225,000 per site. Key components of this strategy include (1) enhanced coordination among local actors to solve local problems, (2) "weeding" out criminals from target areas through concentrated efforts of local law enforcement, (3) proactive community policing intend-

ed to maintain a stable low crime equilibrium, and (4) "seeding" efforts consisting of human services provisions and a neighborhood revitalization effort to prevent and deter further crime.

A major national evaluation of Weed and Seed was released in 1999. This evaluation has a weak design, consisting of a before-and-after study of only eight Weed and Seed sites.<sup>10</sup> Weeding activity usually accounted for most of the funds, with increased special operations for targeted law enforcement. In general, local prosecutors' offices were not brought into the program, resulting in many arrests that were dismissed by the prosecutor or court. The Boston Gun Project has clearly demonstrated the value of including the prosecutor's office in any local law enforcement crackdown (Kennedy, Piehl, and Braga 1996). A wide array of youth programs, including job training, usually dominated the seeding activity, followed by neighborhood beautification programs. Adult employment and economic advancement programs only played a minor role in most sites. Seeding activity tended to be less well implemented relative to weeding and usually followed the weeding program sequentially, instead of occurring simultaneously. Weeding activities without seeding tended to alienate community residents. In terms of the desired outcomes, five of the eight sites had decreases in Index 1<sup>11</sup> offenses reported to the police four years after the implementation of Weed and Seed. These decreases exceeded the rates of decline in the cities as a whole. This comparison is not wholly satisfying, as the authors recognized, because of the differences between a small inner city neighborhood (the target area) and a large metropolitan area. It is noteworthy that the pattern of crime in the Weed and Seed site was consistently in the same direction as the observed pattern for the city as a whole, making it possible that the observed pattern is simply the result of citywide changes in crime rates.

Results of a neighborhood survey conducted at two-year intervals showed that in four sites many fewer residents perceived the neighborhood to be in decline, but only one site showed a decline in the victimization experiences of the respondents. In general, although there were no negative findings, the survey results showed little impact.<sup>12</sup>

A fair review of Weed and Seed based on this evaluation must conclude that there has been little sustained impact. This could be the result of many factors, including the relative paucity of the funding initiative, the lack of coordination of the Weed and Seed components, and the relative failure of the seeding initiatives. An amount of \$225,000 per area may simply not be enough money to make a difference in such a large and structurally complex problem.



## MOBILITY AND DISPERSION PROGRAMS

Perhaps government programs, at least politically feasible ones (that is, relatively inexpensive), cannot directly change the labor market in inner cities. An alternative approach is to transport the workers who live in these areas to jobs in a different physical location. This is the idea behind housing dispersal and mobility programs.

Policy makers have recently begun to develop ways to change the supply of labor by bringing inner city residents who want to work to suburban jobs, instead of bringing jobs to inner city residents. One way to do this is to physically relocate inner city residents to the suburbs (housing dispersal programs).

The first published outcome evaluation of the housing dispersal concept is based on what is known as the Gautreaux housing mobility program in Chicago. Starting in 1979, the Gautreaux program has given 6,000 inner city families (primarily single mothers) vouchers that allow them to relocate to low poverty neighborhoods throughout a six-county area in and around Chicago. The program, started as the result of a federal court ruling in a housing discrimination case, also allowed families to move within the city of Chicago. Families were assigned to the suburbs or the city based on the location of apartment openings when they became eligible for the program. Because the waiting list was long, and because families were placed at the back of the list if they rejected an opening, Rosenbaum (1992) claims that very few families rejected an apartment when it was offered, regardless of the location.

This created a type of natural experiment whereby the movers were roughly comparable with the nonmovers. Rosenbaum (1992) took advantage of this natural experiment to compare the employment and educational outcomes of the city movers with the suburban movers. It is not clear that a truly random sample of movers was located in each case, given that Rosenbaum was trying to locate movers several years after they had been given vouchers. Given that caveat, the women he located who moved to the suburbs were 28 percent more likely to be employed than the women he located who moved inside the city 5.5 years after moving, on average. This was true even though the wage gains attributed to the move were the same for all women who worked, regardless of their location. In addition, he found that nine years (on average) after the move, the children of the suburban movers were doing significantly better than the children of the city movers.<sup>13</sup> Although criminal activity was not measured, the children of the suburban movers dropped out of high school only 25

percent as often as the city movers, were in college track courses 1.6 times as often as the city movers, were 2.5 times as likely to attend college, were more than 4 times as likely to earn \$6.50 an hour if working, and only 38 percent as likely to be unemployed. These results suggest that for children in these environments, relocation can be an effective tool to change their focus toward positive outcomes, such as meaningful employment.

These large positive results have encouraged policy makers to fund programs relocating poor families to nonpoverty areas. Several programs modeled on the Gautreaux program were spawned and now operate in Cincinnati, Memphis, Dallas, Milwaukee, and Hartford. In 1992, HUD provided \$168 million to fund Moving to Opportunity (MTO) as a demonstration program for the housing mobility concept. MTO has sites in five large cities—Baltimore, Boston, Chicago, New York, and Los Angeles—and is funded for at least ten years. The project has been set up with a rigorous evaluation component. Households are randomly assigned to one of three groups—the treatment group, who are given a housing voucher which is only valid in places with less than 10 percent poverty along with extensive relocation counseling and assistance; a comparison group, who are given a voucher that is valid any place the tenant can find a suitable apartment; and a control group, who are allowed to remain in public housing in the central city.

Several evaluations of these programs are listed in Table 8.1. Perhaps not surprisingly, in each case, households assigned to the experimental treatment were less likely to move than the households assigned to the comparison group, suggesting that moving to low poverty neighborhoods is a nontrivial exercise for impoverished single-parent households. The Katz, Kling, and Liebman (1999) study of the Boston experiment found that the families who were assigned to move to low poverty neighborhoods had better life outcomes than the control groups and the unrestricted movers, despite the fact that less than half of the assigned households actually moved. In general, the mothers had significant improvements in their mental health, feelings of safety, and victimization relative to the control group. The boys in the sample had a 10–15 percent reduction in their problem behavior relative to the boys in the control group.

Ludwig et al. (1999, 2000) evaluate the MTO experiment in Baltimore. Once again, only half of the experimental households actually take advantage of the vouchers to move. They find that, three years after moving, the mothers in the experimental settings were 9.2 percent less likely to be on welfare than the control groups. Children in the treatment and comparison groups were both less likely to be arrested for violent

**Table 8.1**  
**Moving to Opportunity**

STUDIES	DESCRIPTION OF INTERVENTION AND FINDINGS
Ludwig, Duncan, and Pinkston 2000, MTO – Baltimore	Eligible families with children who resided in public housing were randomly assigned to a control group or one of two treatment groups: The experimental group received housing subsidies valid only in low poverty areas; the comparison group received unrestricted housing subsidies. Experimental treatment relative to controls had a 6.7% decrease in welfare receipt the first year post program (9.2% decrease three years post program) and a 5.6% increase in welfare-to-work exits. A smaller decrease was found for comparisons relative to controls.
Katz, Kling, and Liebman 1999, MTO – Boston	Experimental treatment relative to controls had a 10.6–15.0% reduction in problem behavior in boys; a 6.5% reduction in criminal victimization; and similar improvements in feelings of safety, child's physical health, and adult's mental health. Smaller changes were found for comparisons.
Ludwig, Duncan, and Hirschfield 1999, MTO – Baltimore	Treatment families that relocated had children at higher risk for criminal involvement. Experimental treatment relative to controls had a 7% decrease in violent crime arrests (a 10% decrease for comparisons relative to controls) in first year post program, but property crime arrests increased 8% for experimental youths. No change was found among comparisons.

NOTE: MTO = Moving to Opportunity.

SOURCE: Authors.

crimes than the children in the control groups. Contrary to predictions, members of the treatment group had higher arrest rates than the comparison group. In addition, children in both groups had more arrests for property offenses than the control group, perhaps because of the increased opportunity.

The authors warn against making too much of these early results, but it would appear safe to conclude that moving to lower poverty areas does have the potential to at least marginally help poor urban women and their children isolated in inner city public housing communities. It is also important to note that housing dispersal programs have met significant opposition from suburban residents afraid of the impact of poor minority families on their communities. For example, the expansion of MTO to include more than 1,300 families was defeated after it became a political issue in the 1994 election. The Mount Laurel decision in New Jersey, a two-decade-old, court-enforced dispersal strategy, is now being undermined by legislators. In addition, minorities sometimes voice a concern that the dispersal of minorities to the suburbs will weaken minority political power (Hughes 1993). According to Kale Williams, former director of the Gautreaux program in Chicago, part of the success of Gautreaux was because "it hasn't been large enough to threaten anyone and hasn't been concentrated enough to arouse apprehension." Given these problems, it seems politically unlikely that housing mobility programs will ever include a large fraction of the residents of poor, inner city neighborhoods.<sup>14</sup>

This reality, however frustrating, suggests that perhaps a strategy aimed at integrating workplaces instead of neighborhoods might be easier to implement. Using this logic, a useful approach to the problem of inner city poverty is mobility programs that provide transportation for inner city residents to the suburbs (Hughes 1993). Such a program recognizes and takes advantage of the power of the suburban labor markets to increase residents' incomes while avoiding the political problems associated with housing dispersal. This idea is relatively new and, as a result, only a small number of programs are in operation in the United States.<sup>15</sup>

HUD funded a \$70 million dollar demonstration program in five sites that started providing housing in 1994, and stopped providing new housing assistance in 1999. By 1999, 3,170 families had been offered Section 8 housing certificates under the program, and a total of 1,650 families had obtained new housing under the program. The strategy has three main components: a metropolitan-wide job placement service to connect inner city residents with suburban jobs, a targeted commute mechanism to provide transportation to the jobs, and a support services mechanism to try to



ameliorate some of the problems that may result from a long-distance commute into a primarily white suburban location. Rigorous evaluation with random assignment is currently being undertaken by Public/Private Ventures. Midstream process evaluations (all that are available now) suggest that implementation and operation of this type of program is difficult, particularly in tight labor markets. Tight labor markets mean that motivated workers can find decent jobs close to where they live on their own. The remaining workers often need serious training and skill development. As a result, these reverse commuting programs are spending time and resources on both worker training and job development. In other words, these programs are reaching the conclusion that the problem is not one of demand for labor, but rather the supply of labor. In the next section, we will begin a discussion of the relationship between labor supply and crime.

In summary, no program aimed at boosting the demand for labor in high crime communities—whether focused on increasing investment in those areas or on giving opportunities for residents of those communities to find jobs elsewhere—has a record of strong positive findings. Thus they are unlikely to reduce crime in these areas. To be fair, these programs are difficult to evaluate because of their community focus and the multitude of interventions typically implemented simultaneously. In addition, the United States has not yet tried the truly massive infusion of funds suggested by Wilson (1996).<sup>16</sup> The only programs with a positive record of success are housing dispersal programs—which do nothing positive for the environment (as opposed to the people) that is the focus of this chapter. This approach is not likely to be politically feasible on a large scale. We will provide our interpretation of this finding at the end of the chapter.

## SUPPLY-SIDE PROGRAMS

Fairly strong evidence indicates that an individual's criminal behavior is responsive to changes in his or her employment status, independent of what is occurring with the demand for labor at a macro level. Sampson and Laub (1993) used data from the Gluecks' 1939 Boston cohort to show that job instability from age seventeen to age twenty-five was correlated with higher arrest rates from age twenty-five to age thirty-two, even after controls for stable individual differences were included in the model. Thornberry and Christenson (1984) found unemployment positively correlated with more arrests, especially for minority youths in Wolfgang's 1945 Philadelphia cohort. Farrington et al. (1986) used data from the Cambridge Study of Delinquent Development to show that the probability

of conviction for property crime increased when an individual was unemployed, provided that the individual was predisposed to criminal behavior. Needels (1996) used data from a ten-year follow-up of ex-offenders in Georgia to show that crime and wages were negatively related. Finally, Uggen and Thompson (1999) showed that legal earnings have a negative effect on illegal earnings using data from a contemporary sample of Minnesota youth.

These results suggest that individuals participate in crime at least partially as a response to their labor market experiences. The flip side is therefore also possible—individuals' legal labor market participation is influenced by their criminal activities.<sup>17</sup> Many neighborhoods in the inner city have significant drug activity; and although self-reports on illegal income are hard to verify, there is some evidence to suggest that these illegitimate opportunities can be a significant source of income. For example, Viscusi (1986) found that average annual crime income for inner city black youth was \$1,607 in 1980, roughly 25 percent of what they made on average from legal jobs.

Reuter, MacCoun, and Murphy (1990) interviewed convicted drug dealers in Washington, D.C., during the mid-1980s and found that the hourly rate for drug dealing was \$30. Although drug dealers deal relatively few hours, this compared with the \$7 per hour median legal earnings in the same sample. The median annual earnings from dealing was approximately \$10,000. This was substantially more than what someone could earn working forty hours a week for a year at a minimum wage job (\$6,968 before taxes). In a review of these studies, Freeman (1999) concludes that, with one exception (Wilson and Abrahamse 1992), all studies over the previous twenty years concluded that crime (especially drug dealing) pays more on an hourly basis than legal work. This conclusion is certainly consistent with the high numbers of young men who have been arrested for drug dealing in some communities. For example, Reuter, MacCoun, and Murphy (1990) estimate that an astonishing 33 percent of black males born in 1967 in Washington, D.C., had been arrested for drug selling between the ages of eighteen and twenty-one.

Reuter, MacCoun, and Murphy (1990) also report that a substantial proportion of the youth arrested for drug selling have legal jobs as well. This runs counter to the conventional wisdom that an individual supplies labor either to the legal labor market or the illegal labor market. Clearly, many persons supply labor to both. However, involvement in crime may affect performance in legitimate jobs. Even if there were no other deleterious effects from crime, involvement in the criminal justice system (court dates and such) interferes with working in the legal labor market.

In addition, labeling theory (Lemert 1951; Sampson and Laub 1993) predicts that employers are less likely to hire ex-offenders because of their ex-offender status, which could lead to increased crime as individuals—shut out from legitimate activity—form a criminal identity. Substantial empirical evidence now demonstrates that there is in fact a stigma attached to a criminal history record in the legal labor market. Bushway (1996) showed that arrests for minor offenses could lead to instability for the offender in the job market. Fagan and Freeman (1999) showed that men who have been incarcerated have a lower rate of employment than they did before they were incarcerated. Kling (2000) used official record information on federal prisoners in California to show that there are only minor effects on employment, but substantial impact on earnings (about 30 percent lower) among a seriously disadvantaged sample. Grogger (1995) estimated that one-third of the racial difference in employment can be attributed to the effect of arrest and incarceration on subsequent employment. Holzer (1996) showed that those firms willing to hire ex-offenders tend to offer lower wages and fewer benefits.

Even if employers did not tend to shy away from ex-offenders, long-term involvement in criminal activity, especially if started at an early age, may mean that an individual becomes “embedded” in criminality (Hagan 1993). Thornberry (1987) describes the process as follows:

[A] behavioral trajectory is established that predicts increasing involvement in delinquency and crime. The initially weak bonds lead to high delinquency involvement, the high delinquency involvement further weakens the conventional bonds (represented, during adolescence, by attachment to parents, commitment to school, and belief in conventional values), and in combination both of these effects make it extremely difficult to reestablish bonds to conventional society at later ages. (p. 883)

Legal employment and marriage are the two most prominent ties to conventional society for adults. We know that most incarcerated individuals have extremely low levels of educational achievement and very limited job skills. According to the U.S. Bureau of Justice Statistics, only 59 percent of state prison inmates had a high school diploma or its equivalent (compared to 85 percent for the adult population as a whole), and only two-thirds of inmates were employed during the month before they were arrested for their current offense. This process of criminal embeddedness could be heightened and accelerated for people in some communities as

the result of the permanent loss of jobs discussed in the previous labor demand section.

The observation that many at-risk individuals lack basic job skills prompted interest in the early 1960s in assessing whether recidivism might be reduced by providing at-risk individuals with additional educational and job skills. Numerous programs have been developed to provide basic education, vocational training, and work experience for youths in high crime and high unemployment communities. The Training and Employment Services division of the Employment and Training Administration of the Department of Labor spends large sums (\$5.5 billion in FY 2000<sup>18</sup>) on skills-developing programs aimed at increasing the employment prospects of individuals who are at high risk of being persistently unemployed. Most of these interventions target youths, particularly adolescents, on the reasonable (but not unassailable) assumption that early interventions have higher payoff if successful. Another large set of interventions, funded separately by the various components of the criminal justice system, targets those already involved with the criminal justice system.

### **Job Training and Education Programs for At-Risk Youth**

Programs aimed at youths mostly fall into one of three categories, arrayed below in order of increasing expense and program intensity.

**1. The provision of summer work or other forms of subsidized employment in either public or private sector organizations.**<sup>19</sup> These programs typically cost about \$1,000 (in terms of 1995 dollars) per participant and last about three months for the individual. The Summer Youth Employment and Training Program (SYETP) is the Department of Labor's current summer jobs program, providing minimum wage summer jobs and some education to hundreds of thousands of disadvantaged youths, aged fourteen to twenty-one. Less typical is the more intense Supported Work program from the late 1970s, which provided about one year of full-time public sector employment to minority high school dropouts aged seventeen to twenty with job search assistance at the end of the work period.

**2. Short-term training with job placement for out-of-school youth.** These programs typically last about six months and cost \$2,500 to \$5,000 per participant. For example, the federal government's principal program

for disadvantaged youth, the Job Training Partnership Act (JTPA) program, enrolled 125,000 out-of-school youth aged sixteen to twenty-one for five months, during which they received on-the-job training, classroom training, and job search assistance. JOBSTART was a large-scale demonstration program, designed as a more intensive version of JTPA, lasting seven months and including more classroom training at a cost of \$5,000 per participant.

**3. Long-term, intensive residential programs providing vocational and life skills training, general education, and job placement after graduation.** The most prominent of these programs is Job Corps, a residential program aimed at extremely disadvantaged populations. In 1999, Job Corps received \$1.3 billion and enrolled 60,000 new youth in tailored, one-year programs that included classroom training in basic education and vocational skills, and a wide range of supportive services (including health care), at a cost of roughly \$15,000 per student.

Table 8.2 provides a summary of these results. Very few evaluations of these programs measure change in criminal behavior, simply because crime prevention is not generally a primary explicit objective and its measurement requires substantial and complex additional data collection.<sup>20</sup> Crime control is a secondary effect which may result from increased employment, the primary objective.

Subsidized work programs are the cheapest and least intensive of any of the training programs targeted to at-risk youth. Although all subsidized work programs show a marked increase in employment for the targeted population over the time period of the subsidy, no evaluation has shown any long-term effect on employment (for example, Piliavin and Masters 1981). The evaluators point to the failure of most participants to complete the program as one of the sources of error in the study. Overall, the conclusions from this literature seem robust—subsidized work does not increase productivity in any appreciable way and these types of jobs do not appear to be supportive of noncriminal behavior.<sup>21</sup>

The picture is only slightly less gloomy for short-term skills training programs. None of the rigorous evaluations in this category have shown any lasting impact on employment outcomes, although some of the programs show a short-term gain in earnings. It is again not surprising then that the one evaluation that looked at crime shows no lasting impact (JOBSTART). These programs are generally unable to increase productivity in any meaningful way within the constraints of a short-term nonintensive program.

Table 8.2

## Noncriminal Justice System: At-Risk Youth

AUTHOR AND PROGRAM	DESCRIPTION OF INTERVENTION AND FINDINGS
Ahlstrom & Havighurst 1982, Kansas City Work / Study	Combines work experience program with a modified academic program. There appeared to be a negative effect on arrest, as the experimental group was more likely to be arrested by the age of 16 than was the comparison group (51% versus 36%).
Cave & Quint 1990, Career Beginnings	Services of Career Beginnings include summer jobs, workshops and classes, counseling, and the use of mentors lasting from the junior year of high school through graduation. Experimentals were 9.7% more likely to attend college than controls (statistically significant); they therefore worked less and earned less.
Farkas et al. 1982, YIEPP	The program guaranteed full-time summer jobs and part-time school year jobs to disadvantaged youth who stayed in school. School year employment doubled from 20% to 40%, while summer employment increased from about 35% to 45%; however, YIEPP was unable to attain its goals of increased school enrollment and success despite the school enrollment requirement.
Grossman & Sipe 1992, STEP	The program, lasting 15 months, involves remediation, life skills, summer jobs over two years, and school year support. STEP had little or no impact on youth's educational experience and had not altered employment patterns for either in-school or out-of-school youth.
Maynard 1980, Supported Work	Structured transitional employment program which offers limited term employment at relatively low wage rates for up to 12 or 18 months, combined with peer group support and close supervision. Up to 18 months post program, there was a significantly larger percentage of treatment group youth employed; there was no significant impact on arrest rate of youths.
Summer Youth Employment and Training Program (SYETP)	This program provides summer jobs for youth. It appears to greatly increase summer employment rates among disadvantaged youth in sites where jobs are provided. No investigation has been done to see whether or not SYETP creates positive long-term impacts on employment after participants leave their summer jobs.



**Table 8.2**  
**Noncriminal Justice System: At-Risk Youth (Cont.)**

SHORT-TERM	DESCRIPTION OF INTERVENTION AND FINDINGS
Kemple and Snipes 2000, Career Academy (CA)	Academic and career-related high school (HS) courses provided students with work-based learning experiences. CAs produced little change in outcomes for students at low or medium risk of HS dropout. For students at high risk of HS dropout, CA was associated with a 33.9% lower rate of school dropout, a 36.6% lower rate of arrest, and higher rates of school performance and attendance.
Fogg and Sum 1999, Youth Opportunity Areas (YOAs)	YOAs targeted out-of-school youths in high poverty neighborhoods for education, employment, and training programs. Pre / post comparison found a 6.3% increase in labor force participation, a 6.9% decrease in unemployment, and similar increases in weekly hours of employment and wages. There was also a 9.2–21.0% decrease in high school dropout, a 7.0–63.1% increase in high school graduation, and a similar increase in post-secondary education. No significance testing was reported.
Needels, Dynarski, and Corson 1998, Youth Fair Chance (YFC)	YFC provided one-stop employment and education services to persons living in high poverty areas. Youths in YFC areas relative to youths in non-YFC areas had an increase in employment (12.5% vs. -1.8%) but a decrease in school enrollment. No differences for rates of public assistance, substance abuse, criminal or gang involvement, or single parenthood were found.
Bloom et al. 1994, JTPA	JTPA is the federal government's major training program for disadvantaged youth, which provides an average of 5 months of services including on-the-job training, classroom training, and job search assistance (an average of 420 hrs. of service). After 30 months no increase in earnings was found, and there was no decrease in crime rates.
Hahn, Leavitt, and Aaron 1994, Quantum Opportunities Program (QOP)	QOP offered disadvantaged high school students mentoring combined with financial incentives. QOP youths, relative to control youths, were 53.8% less likely to be in trouble with police, less likely to need help with a substance abuse problem, and 54% less likely to be HS dropouts. QOP youths were also more highly involved in school and volunteer activities, and were more optimistic about the future.

**Table 8.2**  
**Noncriminal Justice System: At-Risk Youth (Cont.)**

SHORT-TERM (CONT.)	DESCRIPTION OF INTERVENTION AND FINDINGS
Cave et al. 1993, JOBSTART	JOBSTART provides instruction in basic academic skills, occupational skills training, training-related support services, and job placement assistance. JOBSTART led to a significant increase in the rate of GED attainment, or completion of high school. In the final two years of the follow-up, experimentals' earnings appeared to overtake those of controls, but the magnitude of this impact was not significant.
Wolf et al. 1982, 70001 Ltd.	This program provides job search assistance, educational services, and job preparation classes to high school dropouts (an average of 80–90 hrs. of services are given). On long-term follow-up (24–40 months.), there were no significant earnings impacts reported; however, there was significant positive impact on GED attainment.
<b>INTENSIVE</b>	
Mallar et al. 1982, Job Corps	This residential program provides intensive skills training, basic education, support services, and job placement for one year. The average over the first five years after program exit was a 15% earnings increase and a 15% reduction in serious (felony) crime. Also, a large and significant increase in GED attainment and college enrollment was found.
Schochet, Burghardt, and Glazerman 2000, Job Corps (JC)	Experimental evaluation was done on average 22 months after enrollment. JC youths, relative to non-JC youths, had a 16% lower rate of arrest or being charged with a criminal complaint and a 21% lower rate of conviction. JC youths were more likely to receive a GED or high school diploma and to be employed at 30 months post-assignment, but were no more likely to attend college. There was an 8% increase in earnings by the end of the follow-up period.
Wolf, Leiderman, and Voith 1987, California Conservation Corps (CCC)	CCC combines work sponsored by various public resource agencies with youth development activities for up to one year. CCC is not an effective way of raising the earnings of all participants when they first enter the labor market; however, it did improve earnings of disadvantaged residential corps members and significantly increased their hours worked, post program.

NOTES: JTPA = Job Training Partnership Act; STEP = Specialized Training and Employment Project; YIEPP = Youth Incentive Entitlement Pilot Project.

SOURCE: Authors.

The most rigorously evaluated program, and one of the longest lasting, is Job Corps, a long-term, primarily residential training program with emphasis on academic and vocational credentials. The residential component is seen as a key component of the program because it provides people who are drawn from very disordered environments with the experience of living in a structured community committed to learning. The idea is that this environment is what makes the vocational and educational components actually work. The nonresidential programs are seen as a way to reach individuals—primarily women with children—who would otherwise not be able to take advantage of Job Corps. Job Corps is by far the most intensive and expensive nonmilitary training sponsored by the federal government. The high cost is a consequence of the residential element of the program and its severely disadvantaged population (over 80 percent are high school dropouts).

Two major evaluations of Job Corps have been done, one in 1982 (Mallar et al. 1982) and one in 2000 (Schochet, Burghardt, and Glazerman 2000). The earlier, nonexperimental evaluation found that four years after graduating from Job Corps enrollees earned on average \$1,300 more per year than the control group, a difference of 15 percent. These achievements corresponded with real increases in educational achievement. Enrollees were five times as likely to get a GED or finish high school, and twice as likely to go to college. Also, arrests for serious crimes, especially theft, declined significantly. However, there was also an unexplained increase in minor arrests, especially traffic incidents.

The 2000 evaluation (Schochet, Burghardt, and Glazerman 2000) was a large experiment involving random assignment based on all 80,883 applicants who applied to Job Corps between November 1994 and February 1996.<sup>22</sup> As in many of the more structured programs, many people did not complete the program—over 50 percent of the study group either did not start the program or lasted less than three months. The average participant enrolled for eight months and received roughly one additional school year of education, including vocational training. The participants were 70 percent more likely to receive a GED or high school degree, and more than twice as likely to have vocational certification than nonparticipants. In contrast to the earlier evaluation, Job Corps participants were found to be no more likely to attend college.

Employment is more difficult to evaluate, since participants were less likely than nonparticipants to work during their participation in Job Corps. As a result, it takes the Job Corps workers some time to “catch up” to peers who could have been working the entire time period. It appears

that this finally occurred in the last four months of the study. Job Corps participants were only 3 percent more likely to be working than nonparticipants, but the weekly wages of Job Corps participants were 8 percent higher than the control group. This is comparable to the academic estimates of a 5–8 percent increase in wages for every additional year of schooling. It remains to be seen if these gains are stable over a longer period of time.

In the thirty-month follow-up period, 23.3 percent of the treatment group were arrested compared to 27.7 percent of the control group, a difference of 15.9 percent. The treatment group was also 17 percent less likely to be convicted. As in the 1982 study, the biggest difference occurs during the first-year follow-up, when the treatment group is enrolled in Job Corps. Because Job Corps is a highly structured program that is usually residential, this finding is not surprising. It is tempting to dismiss this finding as the result of “incapacitation” rather than real behavioral change.<sup>23</sup> However, if, as suggested above, involvement in the criminal justice system leads to future problems through labeling, this small difference could be meaningful for later outcomes. Furthermore, unlike in the 1982 study, it is also true that there is a 17 percent difference in arrests during the last six months of the thirty-month follow-up, when virtually all applicants have graduated from Job Corps. This result is at least suggestive of a true impact of this program on criminality. The 2000 study also replicates the finding from the 1982 study that Job Corps participants who do commit crimes tend to be involved in less serious events than the nonparticipants who commit crimes.

The link between employment gains and crime reductions is an encouraging sign that real progress is being measured. However, there was little meaningful difference between participants and nonparticipants in lifestyle issues like drug use, family formation, and place of residence. This finding raises some doubt about the lasting impact of this program since lower drug use, movement out of disadvantaged neighborhoods, and better family relationships are thought to be highly correlated with long-term declines in criminality. We will return to some of the potential lessons from Job Corps in the conclusion.

Mentoring is another way of increasing both youth skills and workforce attachment. The strongest positive evaluation for a mentoring program is for the Quantum Opportunities Program (QOP), a demonstration program offering extensive academic assistance, adult mentoring, career and college guidance, a small stipend, and money set aside for a college fund. The rigorous evaluation of 100 students in four sites found that

42 percent of the QOP students were in post-secondary education versus only 16 percent of the controls; a total of 63 percent of the QOP students graduated from high school, versus only 42 percent of the control group (U.S. Department of Labor 1995). Unfortunately, there was no evaluation of criminal activity. Adult mentors were assessed to be the most important element. Apparently, the mentors provide the necessary focus and motivation for students to change their behavior and perform better in school.

### **JOB TRAINING PROGRAMS CONNECTED TO THE CRIMINAL JUSTICE SYSTEM**

Targeting human capital development programs at offenders while in, or just leaving, the criminal justice system has the merit of focusing resources on the highest risk group. It is a human services equivalent of Willie Sutton's famous line about the banks; in this case, we are going where the crime is. Like Sutton's strategy, it also has an obvious weakness; just as banks are well guarded, so offenders in the criminal justice system have already developed behavior patterns that are difficult to reverse with educational programs.

Secondary reviews from the early 1970s, after these programs had been around for roughly ten years, were uniformly negative. The Department of Labor's Manpower Administration sponsored research on these vocational programs in prisons, and provided a comprehensive review of the research in 1973 (Rovner-Pieczenik 1973). Despite strong commitment and great enthusiasm by program operators, the study reluctantly reported that very few programs led to a substantial decline in recidivism. By way of explanation, the report highlighted problems in persuading correctional institutions to focus on education and post-release objectives. The report also highlighted the great educational deficits of the offenders, generally high school dropouts reading several years below grade level with no discernible job skills. The author concluded, "[W]e entertain no fantasies about the degree of change which manpower projects for the offender can help to bring about. Some offenders will remain unemployed and unemployable no matter what programs are available" (Rovner-Pieczenik 1973, 77).

These disappointing conclusions were communicated to a much broader audience with Martinson's (1974) widely read review of 231 rehabilitative (including employment-based) programs. Martinson concluded that "with few and isolated exceptions the rehabilitative efforts that have been reported so far have had no appreciable effect on recidivism" (p. 25). This report has often been held responsible for the decline of the rehabili-

tative model in corrections and has limited the research done on these programs.

The sheer numbers of offenders, however, have led correctional officials to continue their efforts to curtail recidivism by attempting to reintegrate ex-offenders into the workforce. Evaluators have also continued their efforts to identify the causal impact of these programs on recidivism. In this section, we rely on a recent comprehensive review / meta-analysis of fifty-three experimental or quasi-experimental treatment-control comparisons based on thirty-three evaluations of prison education, vocation, and work programs by Wilson, Gallagher, and MacKenzie (In press). This list includes nineteen studies conducted during the 1990s.

Wilson and colleagues (In press) report that most of the evaluations find that participants in the treatment programs are less likely to recidivate than those who do not participate in a treatment program. The average effect is substantial. If we assume that the nonparticipants have a recidivism rate of 50 percent, the program participants have a recidivism rate of 39 percent, a reduction of more than 20 percent. Moreover, the studies that include a measure of employment find that program participants are substantially more likely to be employed than nonparticipants. Finally, the programs with the largest employment effect tend to also have the largest reduction in recidivism, validating in some sense the mechanism by which these types of programs are thought to reduce recidivism.

Wilson and colleagues (In press), however, include a strong caveat to these findings that is consistent with our earlier report (Bushway and Reuter 1997). These results are based on studies that are methodologically extremely weak. What this means in practice is that there are very poor controls for preexisting differences between program participants and nonparticipants. Unobserved differences in motivation (or other factors) could account for much of the resulting change in behavior attributed to the training programs. Only three studies used an experimental design and only one of the nonexperimental studies (Saylor and Gaes 1996) used what Wilson et al. considered to be strong statistical controls for selection bias between the participants and nonparticipants. Clearly, even the best of these evaluations has limited scope and serious methodological limitations. As noted by Wilson et al., it would be foolhardy to conclude on this type of limited evidence that vocational programs for incarcerated offenders work. The only reasonable conclusion is a two-fold statement that (1) it is possible that vocational programs aimed at inmates can reduce recidivism, and (2) rigorous evaluations of existing programs need to be implemented to verify that these programs increase employment and reduce recidivism.



The evaluations of these programs also show serious implementation and participation problems that are even larger, not surprisingly, than for programs outside of the criminal justice system. Attrition among staff and prisoners alike is a significant impediment both to program implementation and to adequate evaluation.

Given that the prison environment is at least part of the problem, it seems reasonable to provide work-based assistance to ex-offenders upon their exit from prison, when the need to transition to a life of noncrime becomes a reality. A large number of transitional assistance programs are, in fact, available in almost every state for ex-offenders after they leave prison. These programs tend to give some combination of the following services: (1) job search assistance, (2) remedial education, (3) occupational skills, (4) work experience, (5) on-the-job training, or (6) customized training for a particular employer. The National Institute of Justice website lists at least three different recent publications profiling programs at the state level that attempt to reintegrate offenders back into society through some type of work program. However, as in the case of in-prison training, there has been very little rigorous evaluation. Descriptions of what happens within these programs are provided, but it is impossible to assess what would have happened if the program had not been available.

One exception is an evaluation of ex-offender participation in the federal Job Training Partnership Act (JTPA) program by Finn and Willoughby (1996). They looked at all 521 ex-prisoners who enrolled in JTPA training programs in the state of Georgia for one year starting in July 1989. These enrollees were compared to 734 nonoffender JTPA participants. The researchers found no sign of any difference in employment outcomes for the two groups, either at program termination or fourteen weeks after termination. This result is hard to interpret. Other studies have shown a consistent difference between ex-offenders and other workers. Perhaps the finding of no difference indicates that JTPA programs have helped eliminate some of the stigma of offending. However, since JTPA programs are generally regarded as only minimally effective at improving employment outcomes, that conclusion is hypothetical at best. No existing evidence uniformly supports work-based transitional programs, but rigorous evaluations of any of the current breed of programs might provide support for this approach.

One exception to this blanket conclusion is the finding that transitional programs apparently have an impact for older ex-offenders. A recent review of the Supported Work experiments from the 1970s (Uggen 2000) built upon the initial report (Piliavan and Masters 1981) to show that the

programs had significant and substantial work and crime effects for male ex-offenders over the age of twenty-six. Older subjects in the Baltimore Life experiment also recidivated less often relative to their controls than did younger subjects. The authors of the Supported Work program review conclude, "[T]he evidence in this experiment and elsewhere suggests older disadvantaged workers, including those who are known offenders, may be much more responsive (than younger workers) to the opportunity to participate in employment programs" (Piliavan and Masters 1981, p. 45).

This result makes sense to us in terms of the motivation of the offenders. The growing literature on desistance from crime emphasizes that the first step in the process involves some type of personal change in motivation away from crime and toward more prosocial goals (Fagan 1989; Maruna 2001; Shover 1996). After this change has occurred, outside forces such as relationships or work can help the individual maintain this change in orientation.

Mother Nature has her own way of changing motivation: aging. It is possible that the same individuals who are not reachable as at-risk youth may be reachable by similar programs when they have reached adulthood. These older adults may have a reduced propensity to commit crime due to maturation. As a result, the number of crimes prevented by such a program might be less than for younger participants, but at the same time these individuals may be finally ready to take advantage of training programs that are offered. In reviewing the extensive literature on job training for the general population, Heckman (1994, p. 112) concludes the following:

Employment and training programs increase the earnings of female AFDC recipients. Earnings gains are (a) modest, (b) persistent over several years, (c) arise from several different treatments, (d) are sometimes quite cost-effective. . . . For adult males the evidence is consistent with that for adult women.

We conclude, based on this evidence, that modest but meaningful gains can be had for motivated individuals, including motivated ex-offenders.

It is hard to over-emphasize the importance that evaluators place on the individual motivation when they discuss the success and failure of work-related programs. It is also hard to overstate how difficult it is to deal with the motivation of these individuals in these programs. The high dropout rates for these programs can be tied directly to the lack of a work orientation on the part of the clients. Youths are likely to be less work oriented than the average adult. As a result, in the same review, Heckman

(1994) concludes that no program has been shown to be effective at increasing the earnings of youth. Job Corps, which according to the recent evaluation may be an exception to this conclusion, might succeed because its focus is not just on job skills but on changing the personal orientation of the participants. This is a much more difficult task than simply increasing someone's human capital. We will discuss this problem further in the conclusion.

## CONCLUSION

Our review of the labor demand problem began with the observation that cyclical changes in unemployment cannot explain the concentration of crime found in depressed urban areas. Yet permanent job loss, especially of well-paid, low-skill jobs, may in fact be responsible for a great deal of the social problems and the high crime rates in these communities. It is possible, therefore, that job creation programs such as enterprise zones, or economic development programs such as Community Development Block Grants, may be able to change the levels of crime found in these communities. Yet our review shows that none of the current set of evaluations has shown a sustained impact. While leaving hope that more expensive and extensive programs such as the Federal Empowerment Zone programs will have an impact, the current conclusion must be that economic development in these high poverty areas is a very difficult proposition.

Although there is little argument that the lack of labor market demand has worsened many of the problems in these communities, a cycle of decline has been set in motion by job loss that has led to a situation that jobs by themselves will not solve. The problems are no longer just economic, but social, and therefore require solutions that deal with social problems such as alcoholism, lack of family cohesion, welfare dependency, lack of community leadership, and other elements of what is sometimes referred to as social capital. While a healthy business area would help generate some of this social capital, employers are unwilling, and perhaps even unable, to locate in places with the levels of social disorganization found in the high crime, impoverished neighborhoods that are the focus of this chapter. Job creation appears to work best in communities that have some structure and leadership that can encourage and then capitalize on the economic engine represented by jobs. Moreover, a study of reverse commuting programs designed to bring people to jobs has found that at least in the boom of the late 1990s the problem is not lack of jobs but rather the lack of prepared individuals.

Our review of programs aimed at increasing the skills of the labor supply follow the same pattern as our review of labor demand. Ample empirical evidence suggests a link between individual employment and crime. As a result, there is reason to believe that job-training programs should help increase employment of individuals at risk of becoming or remaining involved in crime. Yet, the overwhelming evidence from thirty years and billions of dollars of government spending is that it is very difficult to change an individual's employment status and earnings level (and therefore their crime participation), especially for those individuals most embedded in criminal activity. We believe the primary reason is that they themselves need to be motivated to work before things like job skills can make a difference; although unemployment may have contributed to their criminal activity, a job opportunity (and job skill training) by itself does not solve the problem. Instead, the policy focus must be on shifting the orientation of the individual away from crime and back toward legitimate employment. This may be especially difficult if the individual has developed alcohol and drug dependencies while involved with crime, or if illegitimate activities such as drug dealing remain lucrative. The only completely convincing mechanism that has been identified to change motivation is age (Uggen 2000).

Very intense, expensive residential programs such as Job Corps may also be effective. Mentoring programs also focus directly on giving youth in particular alternative, positive role models on which to shape their lives. As in Job Corps, mentoring programs provide routine contact with adults who project a positive attitude about legitimate activities. It is impossible within the context of the current literature to determine if mentoring is better able to change the motivation of the at-risk youth than a program that involves some type of work training. However, it is clear that creating a focus on obtaining meaningful and productive employment as an important goal is necessary before youth will / can take advantage of job training or schooling.

We believe that the problem of individual detachment is inextricably linked to the problem of poor social structure identified in the labor supply section. In one particularly insightful process evaluation, counselors in a four-month-long job-training program for offenders concluded that they could not change the attitude of offenders toward work in four months, *especially since participants typically lived in criminogenic environments removed from the world of work* (Hillsman 1982). In other words, an individual's lack of work orientation can be directly tied to the social problems of their neighborhoods. The net result is that job programs, whether they

are focused on supply or demand, may not be the cure-all that policy makers hope them to be. This is unfortunate, since increased employment as a policy goal creates little opposition. Everyone can agree that employment is good. Other policy "levers" based on criminological evidence are not as value free or easy to implement.<sup>24</sup>

But, based on our review of the literature, we feel safe concluding that the problems of individuals and communities are not solely economic. As a result, programs, even programs with an economic intent such as employment training, need to address social and psychological issues confronting the communities and individuals they are intended to help.

Yet any program is working against a powerful force, the pull of peer pressure and community norms. Criminological research has identified no more powerful element correlated contemporaneously with crime than the actions of one's peers (for example, Warr 1993). Although the causal meaning of that correlation is unclear, it is undeniable that the actions of people in these neighborhoods constrain and influence the actions of other individuals. As a result, detaching one individual from that community and attaching them to the legal world of work means that the policy maker must work against powerful social and psychological forces.

Of course, it might be possible to reorient these forces by focusing not on reattaching one individual to the world of legitimate work, but on reattaching an entire community. But implementation of programs at the community level is difficult by definition. The program that best reflects this goal of reattaching a community, Weed and Seed, has had difficulty implementing the seed (which includes job training) part of the program systematically. Detaching a community from crime without providing alternatives is unlikely to be effective, and will probably antagonize local residents.

One reason that implementing programs at the community level is more difficult than implementing programs for individuals is simply scale. It is usually easier to effect change with one person rather than 1,000 people. But we do not believe that the problem is just one of scale. It is also possible that, at the community level, the process is not linear. In other words, one cannot expect to reconnect people to legal work one at a time until the majority of people in the community are focused on work rather than on crime or other enterprise. Perhaps, instead, it is necessary to create a large-scale change before any people are willing to tackle the types of changes these types of programs will inevitably inspire. This problem is a natural result of the type of neighborhood effects discussed earlier. Since what your neighbors do matters, policy makers might need to get

substantial numbers of people moving together, in order to allow them to support one another. This conclusion is the basis for the U.S. Department of Labor (1995, 63) recommendation that poor neighborhoods should be saturated with a range of interventions intended to alleviate poverty so that "the employment outcomes of some person within a community can lead to 'spillover effects' as other people in the neighborhood are influenced by the positive actions of their peers."

Youth Opportunity Act is the Department of Labor's response to that charge. The goal is to saturate low-income, high crime communities with educational, employment, and training programs aimed at sixteen- to twenty-four-year-old out-of-school youth. The level of funding is impressive (\$250 million a year targeted at forty-two sites). For the first time ever, community-level outcomes will be studied along with individual-level outcomes, formally recognizing the link between individual-level and community-level outcomes. Results from a three-site pilot study started in 1996 are cautiously optimistic. An audit of the process at the three pilot sites, however, showed once again that implementing intensive programs in highly disadvantaged areas can be a very difficult process, a lesson learned earlier in the Community Development Block Grant Program and Weed and Seed (Office of Inspector General 2000).

It may not be strictly necessary to create programs specifically focused on these communities to have an impact. Perhaps no policy innovation in recent times has attracted such intense analytic interest as the effort to fundamentally alter the longstanding basic federal welfare program, Aid to Families with Dependent Children (AFDC), now converted to Temporary Assistance for Needy Families (TANF), and made principally a state responsibility. The centerpiece of welfare reform is an effort to move women at risk of becoming long-term welfare recipients into employment. This has potentially enormous consequences for them and their children. If it is successful, a large number of young males will grow up in households that have regular contact with the workplace rather than with welfare checks. On the other hand, if welfare reform fails and large numbers of single mothers become even poorer and more reliant on illegal earnings, this may well have criminogenic effects on their children.

The fact that welfare participation has declined by 50 percent in six years must be seen as evidence that a major social change could be occurring, one with the potential to affect behavior, including the full range of delinquent behavior. To our knowledge, little attention is being given to the crime-prevention consequences of this change. We think this unfortunate, and would encourage researchers and policy makers to at least



consider the possibility that this national policy change might in fact have a communitywide impact on norms and attitudes which could be utilized with other comprehensive programs designed to aid people in their transition to work.

Within this same domain, it is possible that a large-scale economic boom that leads to substantial and *permanent* increases in employment and wages for workers in depressed urban areas, especially for African-American youth, could lead to substantial decreases in crime. Freeman and Rodgers (1999) claim that the boom of the late 1990s did in fact lead to a substantial change in the workforce participation of young people in these target areas, which has led to a decline in crime. Several other recent papers (Gould, Weinberg, and Mustard 1998; Raphael and Winter-Ebmer 1998) make a similar point using data that specifically focus on young African-American men in depressed urban areas during the 1990s. These results have substantially larger effects than previously estimated. We find these results interesting, but not completely convincing.<sup>25</sup> If these results can be replicated, we believe they provide an important opportunity to understand what is different about the boom of the 1990s that might have led to changes not observed during previous economic upturns. It is possible that there has been an increased demand for low-skill labor that has resulted in increased wages, which, when combined with decreased drug prices and high levels of incarceration, has led to a widespread change in motivation from crime to more legitimate pursuits. At this point, we believe such an argument, currently given by several scholars as an explanation for the decline in crime during the late 1990s (for example, Bernstein and Houston 2000), has not been proven, and we invite researchers to examine this claim more carefully. In particular, we hope that researchers pay special attention to the noneconomic changes in these neighborhoods that might explain wholesale changes in behavior.

For policy makers, the message of this chapter is clear but complicated. Labor markets matter, and finding ways of raising employment and wages in high crime communities is potentially an important means of reducing crime. But, it is far from clear what policies are likely to be effective in improving job market outcomes in those communities. It may well be that "only everything works," that is, that labor market interventions must be part of broader policies in these communities. Understanding how these policies interact and how to best implement these policies together is an important task for the next generation of policy makers.

# 9

## THE COMMUNITY

ROBERT J. SAMPSON

Public discourse on crime policy has traditionally been dominated by calls for the ever-greater penetration of official control—especially more police, more prisons, and longer mandatory sentences. Public-health approaches have begun to challenge this emphasis on reactive strategies by the criminal justice system, advocating instead crime prevention (Reiss and Roth 1993; Earls and Carlson 1996). In thinking about the prevention of crime, policymakers have turned to programs that attempt to change individuals (e.g., Head Start; job training) or families (e.g., child-rearing skills; conflict resolution).

Although individual- and family-level prevention are welcome partners in crime control, there is another target of intervention that until recently has been widely neglected in public policy circles—the community. This level of social inquiry asks how community structures and cultures produce differential rates of crime. For example, what characteristics of communities are associated with high rates of violence? Are communities safe or unsafe because of the persons who reside in them or because of community properties themselves? Perhaps most important, by changing communities can we bring about changes in crime rates?

As implied by these questions, the goal of community-level research is not to explain individual differences in criminal behavior, but to identify characteristics of neighborhoods, cities, or even regions that lead to high rates of criminality. A community-level perspective also points out how federal, state, and local governmental policies not directly concerned with crime policy may nonetheless bear on crime rates. In particular, not enough attention has been paid to "noncrime" policies—especially on housing, families, and child development—and how they influence the link between crime and the community.