

# A Cure for Crime? Psycho-Pharmaceuticals and Crime Trends

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## **Abstract**

*In this paper we consider possible links between the diffusion of new pharmaceuticals used for treating mental illness and crime rates. We describe recent trends in crime and review the evidence showing that mental illness is a clear risk factor both for criminal behavior and victimization. We summarize the development of a number of new pharmaceutical therapies for the treatment of mental illness that came into wide use during the "great American crime decline." We examine limited international data, as well as more detailed American data, to assess the relationship between rates of prescriptions of psychotropic drugs and crime rates, while controlling for other factors that may explain trends in crime rates. Using state-level variation in the rates that various drug therapies disperse within populations to identify impacts on crime rates, we find some evidence that the expansion of psychiatric drugs is associated with decreased violent crime rates, but not property crime rates. We find no robust impacts on homicide rates and no effects on arrest rates. Further, the magnitudes of the estimated effects of expanded drug treatment on violent crime are small. Our estimates imply that about 5 percent of the decline in crime during the period of our study was due to expanded mental health treatment. © 2010 by the Association for Public Policy Analysis and Management.*

## **INTRODUCTION**

Following years of increasing crime rates, the early 1990s marked the beginning of a decline in crime in the United States that was widespread and large by historical standards (Zimring, 2007). This trend was especially pronounced for the violent crime rate, which peaked between 1992 and 1994. There is a large body of literature attempting to explain the declining crime rates.<sup>1</sup> Previous work by economists has focused on a variety of factors that affect the costs of crime, opportunity costs, and the number of persons in the population at risk of criminal behavior. For example, there is good evidence that the increase in the number of police on the street lowered urban crime rates, even if evidence about particular policing strategies is less clear (Cook, 2008; Levitt, 2004). It also appears that crime rates did not recede in response to the economic growth of the 1990s, but the waning of the crack cocaine epidemic was a factor (Levitt, 2004; Raphael & Winter-Ebmer, 2001).

Although much has been learned about recent trends in crime rates, it is clear, too, that many of the social, economic, and policy determinants of crime have had little

<sup>1</sup> See Cook (2008) for a review.