



Illinois Wesleyan University
Digital Commons @ IWU

John Wesley Powell Student Research
Conference

2003, 14th Annual JWP Conference

Apr 12th, 9:00 AM - 10:00 AM

The Relationship Between Unemployment Factors and Motor Vehicle Theft Rates

Matthew D. Melick
Illinois Wesleyan University

Robert Leekley, Faculty Advisor
Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>

Melick, Matthew D. and Leekley, Faculty Advisor, Robert, "The Relationship Between Unemployment Factors and Motor Vehicle Theft Rates" (2003). *John Wesley Powell Student Research Conference*. 28.

<https://digitalcommons.iwu.edu/jwprc/2003/posters/28>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Poster Presentation P27

**THE RELATIONSHIP BETWEEN UNEMPLOYMENT FACTORS AND
MOTOR VEHICLE THEFT RATES**

Matthew D. Melick and Robert Leekley*
Department of Economics, Illinois Wesleyan University

This study attempts to bring together two opposing theories used to explain the relationship between unemployment factors and motor vehicle theft rates. One theory is that higher unemployment rates create an increase in the supply of criminals, while the other theory suggests an increase in the unemployment rate reduces the supply of property crime victims. The study uses state level data, from 1978 until 2000, on unemployment rates, unemployment insurance (a.k.a. welfare), and motor vehicle theft rates to determine what effect unemployment rate changes and variations in the generosity of unemployment insurance have on the motor vehicle theft rate. Control variables are also implemented to help explain variations in motor vehicle theft rates across states. The author proposes that a negative relationship exists between stationary, current levels of unemployment and the motor vehicle theft rate while as unemployment rates increase from one period to the next so do motor vehicle theft rates. The author also proposes that more generous unemployment insurance programs lead to lower motor vehicle theft rates. While the study confirms the hypotheses regarding unemployment rates, there are mixed results relating unemployment insurance and the motor vehicle theft rate. These results show that both the supply of offenders and the supply of victims help determine the motor vehicle theft rate. The mixed results found for unemployment insurance show the data restrictions and the ambiguous nature of the subject.