



VIOLENT VICTIMIZATION, LOST EARNINGS, AND IMPLICATIONS FOR SOCIAL SECURITY TRUST FUNDS AND SOCIAL SECURITY EARNINGS-BASED TAX REVENUE

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This study investigates the role of violent crime victimization in generating productivity interruptions such as lost work time or problems with work or school. Interruptions can lead to short-term earnings losses and possibly long-term changes in one's earning capacity. Both could impact the income tax base that supports the continuation of SSA programs.

Violent Victimization, Productivity Interruptions, and the Reinforcement of Social Inequality

Analyses employ data from the National Crime Victimization Survey (NCVS) spanning years 1992 to 2022 to explore patterns in both the risk of victimization and the likelihood of productivity interruptions among the victimized. Independent variable events of interest include violent crime victimization, victimization experiences aggravated by the use of hand weapons (such as bladed or blunt objects), and victimization experiences aggravated by the use of firearms. Productivity interruptions include lost work time for the victim, lost work time for a member of the victim's household, and reports of problems at work or school after one's victimization experience.

Several important results arise from this work. First, violent crime, crimes aggravated by firearms, and crimes aggravated by hand weapons all lead to significantly higher chances of productivity interruptions for victims and members of their household. Second, productivity interruptions following victimization appear to reinforce existing inequality by being more likely to affect less advantaged segments of the population. Third, higher risks of victimization for adolescents and young adults coupled with patterned productivity interruptions for each fuel continued concern that early life victimization can yield negative consequences with life course implications. Finally, time trends show stable variation in the likelihood of lost work time for a victim or family member over the last 30 years. At the same time, the probability of reporting post-victimization problems with work or school tripled from 2008 to 2022. This presents a puzzle as to why the frequency of this type of interruption has increased independently and what this increase implies for socioeconomic destinations.

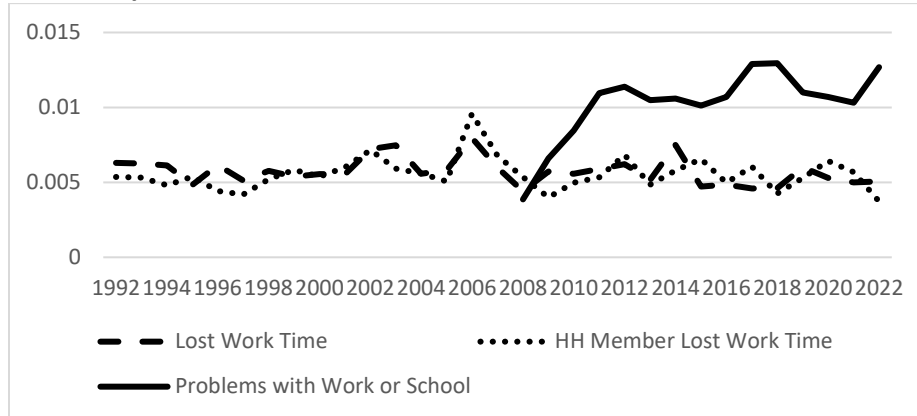
While work time losses following victimization experiences have been constant over the last 30 years, reports of problems with work or school following victimization tripled from 2008 to 2022 suggesting educational impacts.



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Figure 1: Proportion of Victimized Sample Reporting Productivity Interruptions Following a Victimization Experience, 1992-2022



Note: Figure 1 shows productivity losses for a base case of unarmed property crime. Estimates pertain to a reference respondent who is a 25- to 40-year-old never-married non-Hispanic white male who completed high school, has no military experience, and earns less than \$35,000 per year.

This analysis investigates productivity interruptions as a potential link connecting victimization experience and the reinforcement of social inequality. Results show that violent crime leads to significantly higher odds of productivity interruptions than property crimes. Similarly, victimization incidents involving firearms or hand weapons are significantly more likely to result in productivity interruptions than unarmed offenses. Victimization processes reinforce inequality through higher odds of productivity interruptions for marginalized or less advantaged segments of the population. Analysis of 30 years of nationally representative data show stable losses of work time for victims and members of their household, which lowers the base of federally taxable earnings that supports SSA trust funds. Also, reports of problems with work or school tripled from 2008 to 2022 suggesting a growing cost of victimization that could have long-term earnings implications.

Table 1: Percentage of Victimized Respondents Reporting Productivity Interruptions within Six Months of their Victimization Experience by Type of Crime and Type of Weapon Involved Controlling for Individual Characteristics and Year Fixed Effects

	Vic. Lost Work Time 0 - 6m	HH Member Lost Work Time 0 - 6m	Vic. Reports Work/Sch. Prob. Time 0 - 6m
Ref.	0.40%	0.40%	0.30%
Ref. *Violent	3.28%	0.70%	3.27%
Ref. *Violent*Hand Weapon	6.98%	1.12%	4.57%
Ref. *Violent*Firearm	4.05%	1.06%	4.50%

Note: Estimates pertain to a reference respondent who is a 25- to 40-year-old never-married non-Hispanic white male who completed high school, has no military experience, and earns less than \$35,000 per year.



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Implications

- Violent crime, crimes aggravated by firearms, and crimes aggravated by hand weapons all lead to significantly higher odds of productivity interruptions.
- The highest risks of firearm victimization are observed among non-Hispanic blacks, American Indians/Alaskans, non-Hispanics who identify as multiracial, and Hispanics (in that order). Hispanics and non-Hispanic blacks are most likely to lose work time following a victimization experience.
- Lost work time for victims and members of their household is a consistent source of lost earnings, and hence lost taxable income that could support social programs.
- High risks of victimization among adolescents and young adults result in higher odds of work and school problems for the victimized and higher odds of lost work time for members of their household (most likely parents and guardians).
- A sharp increase in reports of post-victimization problems with work or school coupled with stability in the likelihood of work interruptions suggests that victimization experiences are increasingly likely to negatively influence educational trajectories. Lower educational attainment suggests lower levels of taxable earnings to support SSA programs.

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