

Economic Costs of Gun Violence in Washington, DC

Emily Tiry, Arielle Jackson, and Paige S. Thompson

Like many cities, Washington, DC, has experienced a spike in homicides in the past few years, most involving guns. Gun violence and violent crime more generally impose substantial costs on communities. These include the direct costs like health care for victims and law enforcement and incarceration costs, but they also include indirect costs that may be seen in indicators of business activity, such as business openings and closures, employment, and sales revenue, and in indicators of housing market health, such as homeownership rates and home sale prices. Below, we summarize previous research findings in these areas and show how gun violence and violent crime may affect the DC economy.

THE HOUSING MARKET

The impacts of gun violence and violent crime in communities can be reflected in homeownership rates and property values. [Prior research](#) has found that in Washington, DC, increases in gun violence are associated with lower homeownership rates and home value appreciation the next year. [Another study](#) estimates that each additional homicide in a city is associated with an approximately 1.5 percent reduction in home prices the next year. Applying this finding to DC home prices, one additional homicide may be associated with a roughly \$9,000 decrease in the median home price, from a baseline of \$596,485 to \$587,418.

Similar, though smaller, effects on property values and housing prices have been observed with increases in violent crime generally, with disproportionate impacts in low-income neighborhoods. [One study](#) found that one additional violent crime per 1,000 residents is associated with a roughly 0.16 percent decrease in the median home price. Using 2018 data, in DC, an increase from 5.9 to 6.9 violent crimes per 1,000 residents would equal 703 additional violent crimes and could be associated with a nearly \$1,000 decrease in the estimated median home price, from \$596,485 to \$595,513.

RETAIL AND SERVICE BUSINESSES

Gun violence and other violent crime may also affect local business activity. Only a few studies have examined the relationship specifically between gun violence and business activity, but in general, these studies have found that increases in gunshots, gun homicides, and gun homicide surges and result in reduced indicators of business activity, such as business openings and employment. [One study](#) found that every additional gun homicide in a city reduced the number of retail and service businesses by two the next year. Using 2018 data, in DC, this would mean a 10 percent increase in gun homicides (about 16 additional gun homicides) could result in 24 fewer retail and service businesses and the loss of corresponding job opportunities and sales tax revenue.



-\$9,067

Change in median home price with one additional homicide per year



-\$972

Change in median home price with one additional violent crime per 1,000 DC residents per year



-24 businesses

Change in number of retail and service businesses with 10% more gun homicides per year

Sources: Open Data DC, Crime Incidents in 2018 (accessed April 12, 2022), <https://opendata.dc.gov/datasets/DCGIS::crime-incidents-in-2018/about>; US Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2019 annual average by area file, accessed April 12, 2022), <https://www.bls.gov/cew/downloadable-data-files.htm>; Open Data DC, Integrated Tax System Public Extract (accessed April 12, 2022), <https://opendata.dc.gov/datasets/496533836db640bcade61dd9078b0d63/explore>; US Census Bureau, "Nevada and Idaho Are the Nation's Fastest-Growing States," Release No. CB18-193, December 19, 2018, <https://www.census.gov/newsroom/press-releases/2018/estimates-national-state.html>; Robert J. Shapiro and Kevin A. Hassett, *The Economic Benefits of Reducing Violent Crime* (Washington, DC: Center for American Progress, 2012); George E. Tita, Tricia L. Petras, and Robert T. Greenbaum, "Crime and Residential Choice: A Neighborhood Level Analysis of the Impact of Crime on Housing Prices," *Journal of Quantitative Criminology* 22, no. 299 (2006), <https://doi.org/10.1007/s10940-006-9013-z>; Yasemin Irvin-Erickson, Mathew Lynch, Annie Gurvis, Edward Mohr, and Bing Bai, *A Neighborhood-Level Analysis of the Economic Impact of Gun Violence* (Washington, DC: Urban Institute, 2017).

SUMMARY

Our findings underscore the reality that gun violence imposes costs on communities other than those incurred by the people who directly experience it. This suggests that effective efforts to reduce gun violence would deliver benefits such as improved business activity and housing market indicators to the broader DC community.

ABOUT THE AUTHORS

Emily Tiry

etiry@urban.org

Emily Tiry is a senior research associate in the Justice Policy Center at the Urban Institute. Her research focuses on evaluations of programs and policies designed to help those impacted by the criminal legal system and the development and validation of risk assessment tools.

Arielle Jackson

ajackson@urban.org

Arielle Jackson is a research assistant in the Justice Policy Center. Her research focuses on youth involved in the juvenile system, front-end system reform, and corrections.

Paige S. Thompson

pthompson@urban.org

Paige S. Thompson is a research associate in the Justice Policy Center. Her research focuses on interventions and policies aimed at reducing gun and group violence, police-community relations, human trafficking, and responsible fatherhood.