

Criminal Justice Spending: Perspectives and Comparisons

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In this installment of *State Fiscal Affairs*, the authors discuss state and local spending on the criminal justice system.

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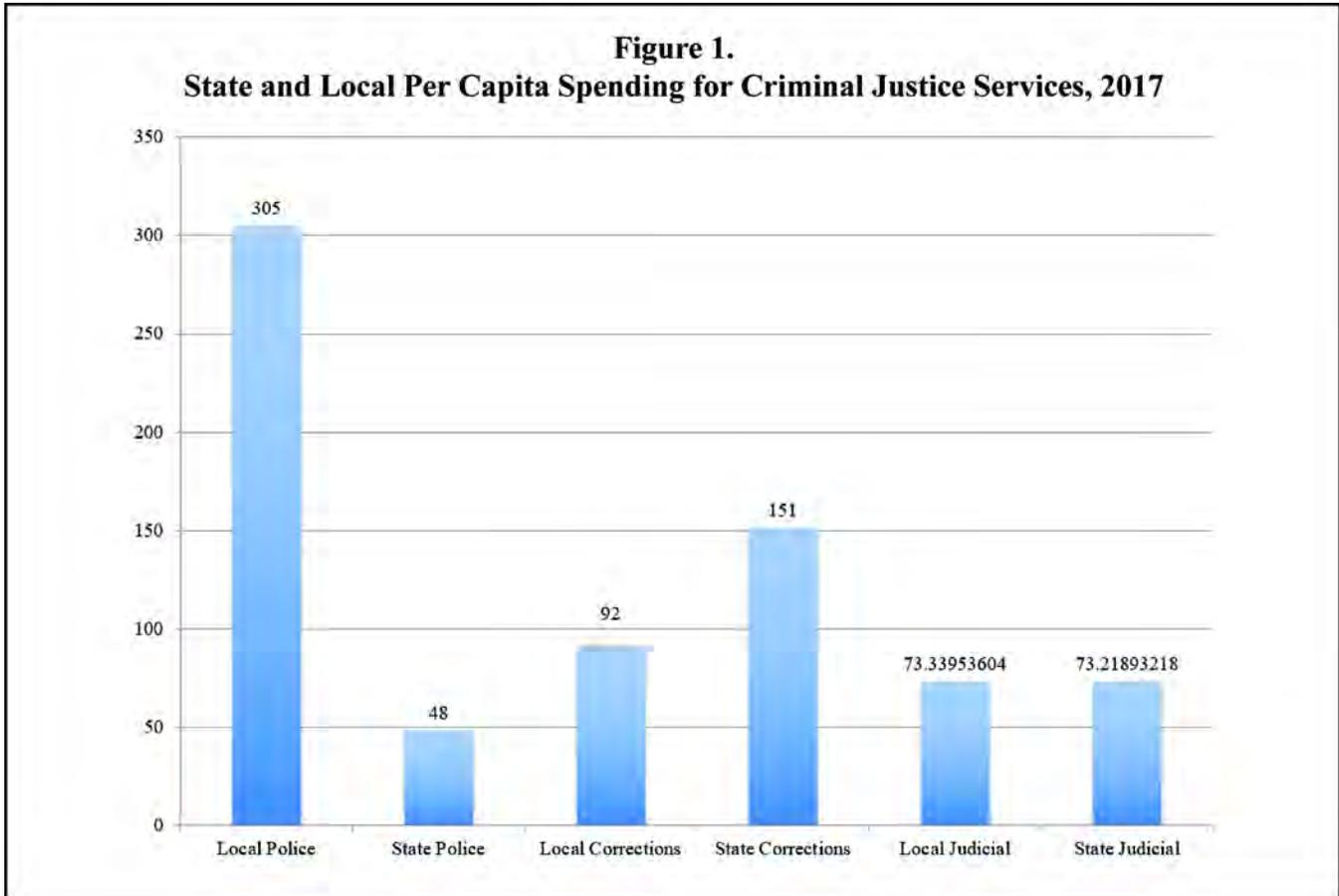
The death of George Floyd in Minneapolis, many other instances of Black citizens being killed by police action, and an overriding concern that the criminal justice system in the United States does not treat all citizens equally have prompted a renewed call for review of police spending. Although “defund the police”

has different meanings to different people,¹ a rational and careful consideration of this issue should begin with a clear understanding of how much we, as taxpayers, spend on the criminal justice system — not just on police, but also on incarceration, prosecuting attorneys, and the courts.

Here are some basic facts regarding criminal justice spending. Based on U.S. census data for 2017 (the most recent available), state and local governments nationally spent \$353 per person on funding state and local police organizations, including officers, staff, equipment, and supplies. Also, these governments spent \$243 per person on incarceration (what the census labels “corrections”) and \$147 per person on state and local prosecution and courts (see Figure 1). That amounts to \$743 per person — nearly \$3,000 for a family of four — that we spend every year through our state and local governments to support a criminal justice system intended to provide public safety.

In comparison, in 2017 state and local governments spent an average of nearly \$9,500 per person on all general public services — K-12 education, public higher education, Medicaid and healthcare, highways, fire protection, public hospitals, parks and recreation, and so on, in addition to criminal justice. Therefore, spending on criminal justice activity accounts for about 8 percent of general public service spending by states and localities. Although a relatively small fraction of total spending, the \$241 billion that state and local governments spent on these services is still substantial.

¹Henry Goldman, “Why ‘Defund the Police’ Is a Chant With Many Meanings,” *The Washington Post*, June 15, 2020.

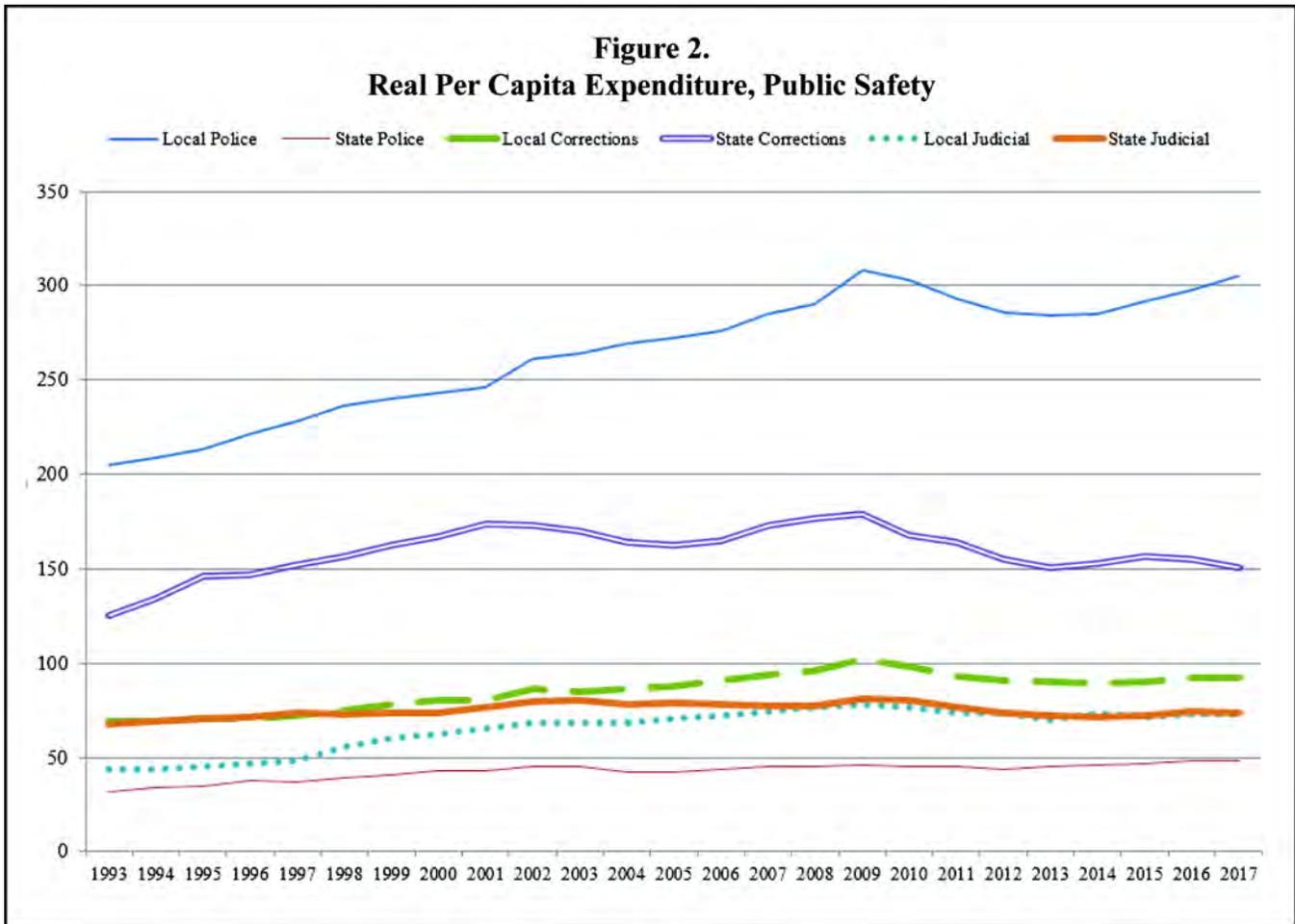


The aggregate spending data obscure key points. Local governments — counties, municipalities, and townships — account for nearly two-thirds of criminal justice spending, and state governments about one-third. Although criminal justice spending is only 8 percent of total state and local spending, it is a larger share of the budgets of many counties and cities. County and city governments typically have police departments and operate courts, and county governments typically operate jails as well. For county and municipal governments, these categories of criminal justice spending typically account for 15 to 20 percent of general expenditure.² For example, in Detroit expenditures for police, the prosecutor, and the court represent about 17 percent of the city budget (not including a jail facility in the

city operated by the state government and a county facility).

There are dramatic differences in the growth of the various categories of state and local government criminal justice spending, as shown in Figure 2. Although real per capita spending of all types increased in the past 25 years, the most substantial increase by far — accounting for half of the total — is for local government police. The recent trend is even more telling: Since the Great Recession, per capita spending for incarceration and the courts has declined, reflecting widespread policy actions by states to reform criminal justice laws and practices. Local police spending declined immediately after the Great Recession, but later increased to previous levels.

²The overall local government share is less because school districts and other types of local special districts have little of this type of spending.

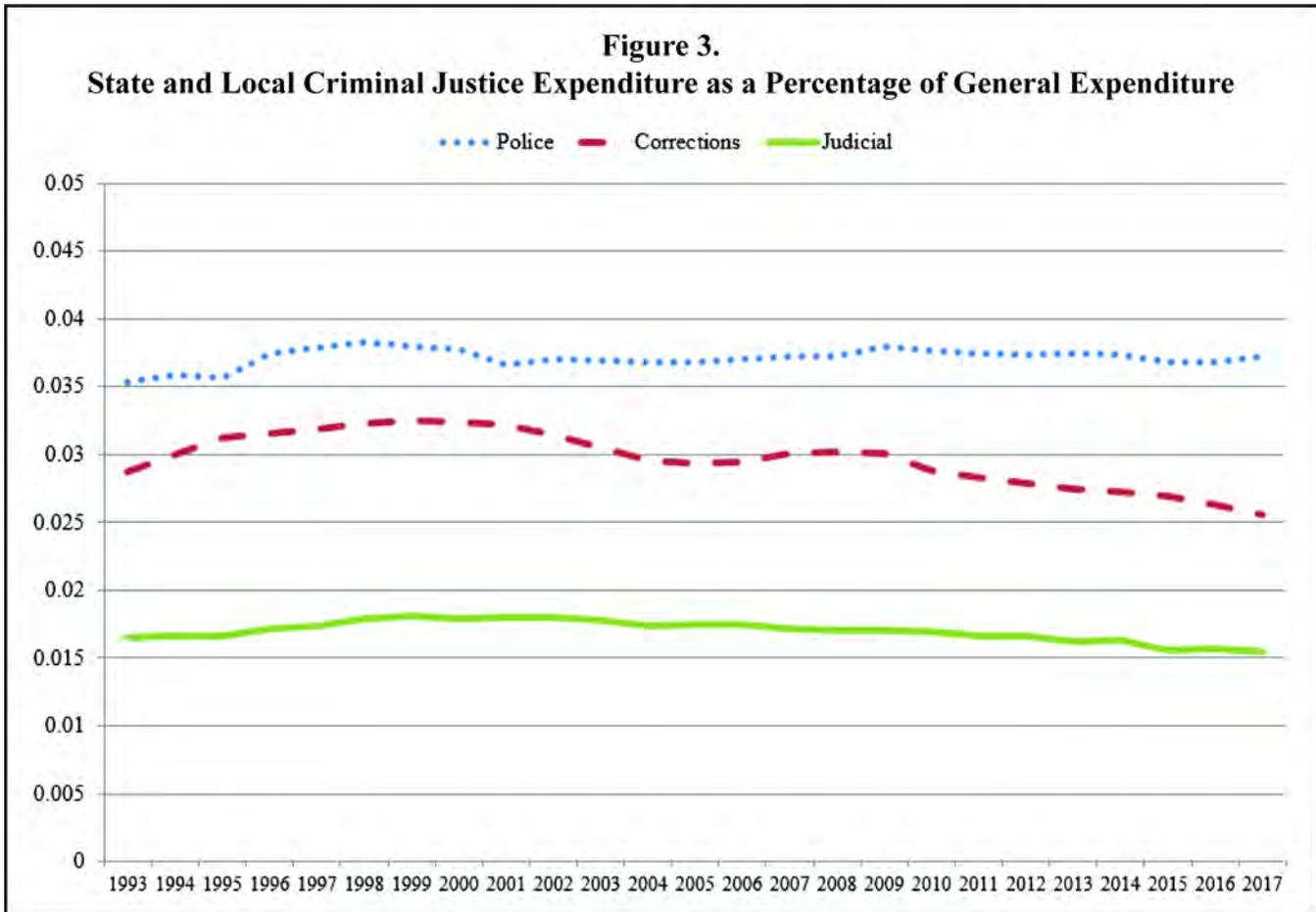


As is typical for state and local finance, there are substantial differences in spending levels among the states. For example, state and local spending for police varies from \$186 per person in Kentucky to \$530 in New York, and from 2.1 percent of general expenditure in Kentucky to 5.5 percent in Florida. State and local spending for incarceration varies from \$139 per person in Iowa and Massachusetts to \$436 in Alaska, and from 1.2 percent of general expenditure in Massachusetts to 3.6 percent in Idaho and Virginia.

The substantial increase in real (inflation-adjusted) local government police expenditure in the past 25 years — from \$202 per person in 1993 to \$305 in 2017 — stands out not only in comparison to other criminal justice categories, but also because the rates of both violent and property crime in the U.S. have been declining since the early 1990s. The decreasing relative amount of crime both fueled and permitted the decreases in

spending on incarceration and the judiciary (Figure 3).

One issue raised as part of the “defund” argument is whether it would be more advantageous to allocate some of these funds to other social service activities. Without evaluating the merits of this position, one can note that state and local spending on criminal justice activity swamps spending on public health services. As shown in Figure 4, public health spending is only about 40 percent of criminal justice spending, and the absolute gap has been growing. Public health expenditure provides such services as alcohol and drug abuse prevention and rehabilitation, mental illness care, control of socially transmitted diseases, health-related inspections, health laboratories, immunization efforts, and animal control, among many others. In 2017 we spent \$307 per person on these services, compared with the \$743 on criminal justice. Put another way, we spent \$436 more on criminal justice activity than on public health.



What to make of these comparisons? Taxpayers spend a lot of money every year through state and local governments on criminal justice services — more than \$240 billion, nearly \$750 per person, about 1 percent of GDP.³ Crime rates continue to fall. We have made important policy decisions to reduce spending on incarceration and the courts, but local police spending continues to increase. And we have not taken policy action to increase spending on public health services relatively or equivalently despite growing concern about drug abuse (opioids), mental illness, and infectious diseases.

The research and policy questions seem clear. Are there ways to reduce local police spending

and maintain public safety, like what is being done with incarceration? What policy actions, outside spending changes, might work toward preventing unwarranted police violence? How could improving or enhancing public health services simultaneously reduce demands on the criminal justice system and contribute to enhanced public welfare and safety?⁴ Obviously, government spending represents only a part of these issues, and more information and data may be necessary. However, we hope that this budget summary helps each of us have a clearer understanding of both the spending magnitudes involved in this policy discussion and the substantial potential for reallocations.

³This does not include federal spending on police (FBI), courts, and prisons.

⁴Staff, "Are We Asking Police to Do Too Much? 7 Experts Debate the Role Cops Should Play in Today's Society," *The Philadelphia Inquirer*, updated Feb. 28, 2019.

