

Figure 1. Location of Liquor Stores in Long Beach, California

So does the presence of a liquor store mean increased crime in a neighborhood? The answer is that it depends. There are many liquor stores in the city of Long Beach that show low rates of simple assault nearby while other liquor stores show high rates of simple assault nearby. Certainly there are other demographics and behaviors at play in answering the proposed question.

Figure 2 shows the poverty level in the city of Long Beach by census tract. A visual (not rigorous mathematical) comparison of the percent poverty level shown in Figure 2 with the simple assault rate seems to show a “correlation”. Higher simple assault rates near liquor stores seem to occur in the areas of the city with the highest poverty rates.

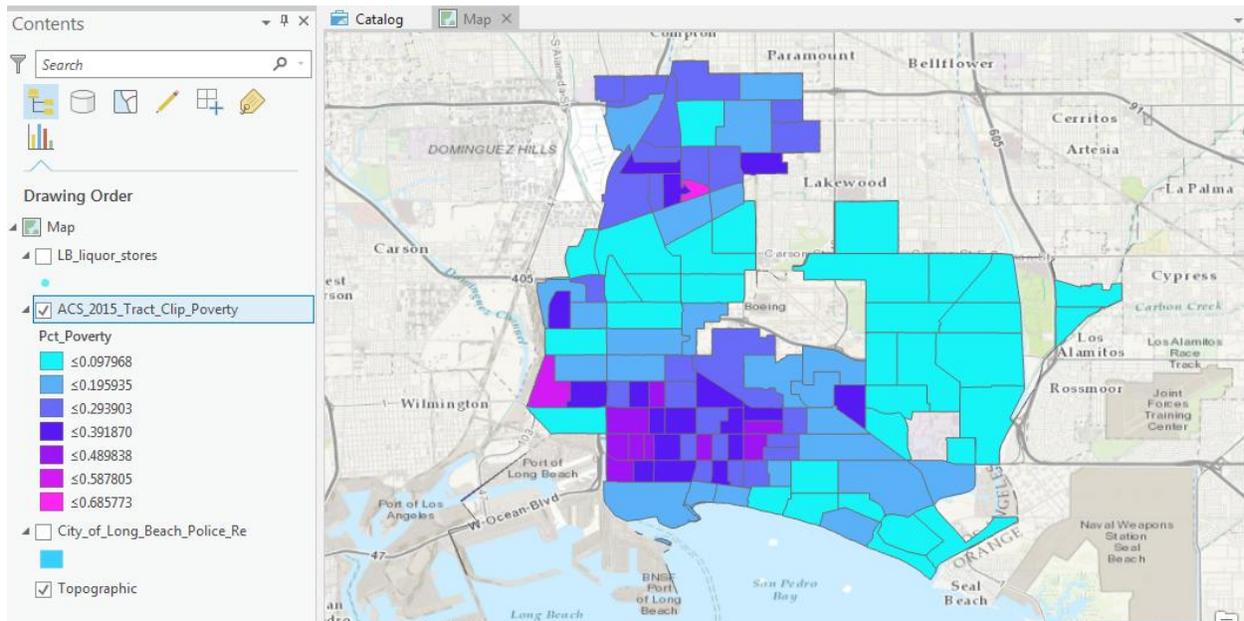


Figure 2. Poverty Rate in Long Beach, California By Census Tract

The general public would now argue that the density of liquor outlets in some of these troublesome areas should be closed. But which ones do you close? The low-hanging fruit would be the liquor outlets that have had the greatest number of police calls and violent crime associated with them. But is the liquor outlet itself the cause of the crime or it just happens to be in a bad neighborhood. And are you going to go to the owners of these liquor stores and tell them we’re closing you down because you’re in a bad neighborhood?

What do you think? Tell me your ideas and I’ll add them on to subsequent posts.

References

1. The, Bing-ru, “Do Liquor Stores Increase Crime and Urban Decay? Evidence from Los Angeles”, UC-Berkeley Job Market Paper, 11 December 2007.