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Does it pay to report property crime?

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Does it pay to report property crime?

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Abstract

Victimized individuals face the dilema of deciding whether or not to report the crime they suffered to law enforcement. The question is: does it pay to report crime? The answer can be indirectly observed in victimization surveys. The purpose of this paper is to model the decision-making process of victims of property crime, proxied by theft or robbery of persons. Individual data was used from 2003 and 2008 victimization surveys carried out in São Paulo city. We estimate a bivariate probit model with sample selection. We conclude that the probability of reporting an incident increases in the case of a violent crime and that it decreases with the frequency of repeated victimization. Moreover, the hypothesis of a positive, albeit not linear, relationship between wealth and reporting likelihood is also supported.

Keywords: underreporting, crime, victimization *JEL Classification*: K42

1. Introduction

Victimization surveys show that official crime figures based on police reports underestimate the true number of crimes. The recorded crime rate is below the actual crime rate, i.e., underreporting of crimes (henceforth

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only underreporting) prevails, leading to mismeasurement of crime indicators. Many experts, especially criminologists and sociologists, refer to this underreporting rate as the "dark figure".

Figure 1 shows the random path observed throughout the process between victimization and eventual reporting of a crime.

The volume of crime is divided into exposed and hidden crimes. Corruption is a good example of a hidden crime. It is possible for hidden crimes to be unveiled during police investigations of other crimes. Unfortunately, some of them are not registered in a formal police report, especially in societies marked by a high level of corruption. This fraction is the first source of crime underreporting.

Exposed criminality is composed of crimes directly detected by police and crimes in which the victims know they have been victimized. After being victimized, they have to decide whether they should go to a police station to report the crime or not. Unfortunately, many victims choose not to report. There are also victims who give up the idea of recording a crime after contacting law enforcement. So, unreported crimes are the second source of underreporting of crime.

Official crime figures can be used to earmark resources for public safety. When this is done, the allocation process is inefficient due to underreporting. For any policy adopted to fight crime, spending will be lower than what is actually required to reduce crime levels. Furthermore, the geographical allocation of resources will not be optimized because the percentage of crimes registered in a formal police report can vary between different areas. Hence, the inefficient allocation of public resources is an economic consequence of underreporting.

Early interruption of effective public security policies is another negative consequence of underreporting. Policymakers should know that an effective policy has two effects in the short run: a decrease in the actual number of crimes and an increase in crime reporting. The probability of crime reporting tends to be higher according to the extent to which a victim believes in the efficiency of public security institutions. On the one hand, a reduction is observed in recorded crimes because crime events are decreasing. On the other hand, recorded crime increases due to a reduction in underreporting. Therefore, in the short run, the result of implementing an effective policy is uncertain if observed through the lens of official crime statistics, i.e., using the recorded crime rate. It is plausible that an increase in official crime statistics will be observed, rather than any expected reduction. However,

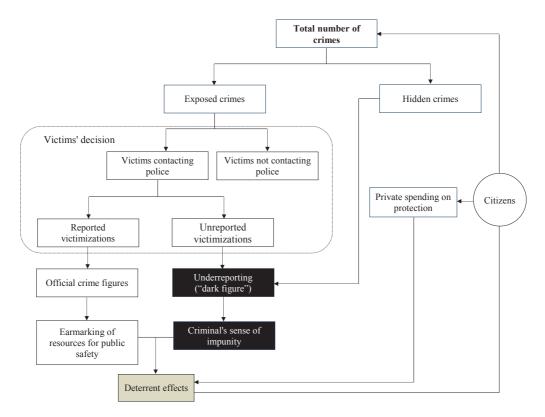


Figure 1: Official crime statistics and underreporting of crime

continuing to apply the policy will lead to a reversal of that fact in the long run¹. Unfortunately, public security policies that apparently failed to yield positive results in the short run are rarely continued by law enforcement agencies. This is another harmful consequence of underreporting.

The third negative consequence of underreporting is its impact on criminal behavior. The deterrent effect plays an important role in an individual's decision to engage in criminal activity. This decision is partially determined by the probability of failure in crime (Becker, 1968). Both hardened criminals and potential criminals, even if unconsciously, take into account the probability of failure if they choose to commit a crime. Criminals consider a conditional probability: that of being reported by victims (see Goldberg and Nold, 1980), that of being wanted by the police after being reported, that of being captured after being found, that of being arrested after being captured, that of being judged after being arrested, that of being convicted after being judged, and that of being imprisoned if convicted. They also consider the severity of the penalties or fines involved if convicted. We conclude that the probability of failure in crime is conditional on the sequence of random events that only occur if the victims report their victimization. This information is necessary for law enforcement to take action. As a result, the act of not reporting contributes to criminal activity. The greater the certainty that victims won't report a crime, the lower the probability of failure measured by criminals.

Criminals act rationally when choosing their victims by assessing potential gains and their risk of being caught (Becker, 1968). The hypothesis of economic rationality has been supported in empirical studies, especially with regard to property crime. Some authors argue that a victim's decision after victimization (to report a crime or not) is also guided by their economic rationality (Myers, 1980; Goldberg and Nold, 1980; MacDonald, 2001; Allen, 2007; Santos and Kassouf, 2008). Thus, a question emerges: does it pay to report property crime? Sometimes it just doesn't pay to report a victimization (Myers, 1980). Compared with the various economic studies about criminal behavior, the literature concerned with the causes of individual reporting behavior is very small (MacDonald, 2001). In this context, our purpose is to model the decision to report of property crime victims, proxied by theft/robbery of persons, considering that it is an economic choice.

This paper is structured as follows: Section 2 presents a useful theoretical framework for discussing the victims' decision; Section 3 provides a brief description of empirical modeling; Results are discussed in Section 4; Section 5 concludes the paper.

2. The victims' decision-making process

Victims who make the reporting decision must weight the expected utility from reporting, that is probabilistic by definition, against the stochastic utility from not reporting (Allen, 2007). Although some victimized individuals, especially those to whom the incident was an extremely disturbing experience, may not foresee any benefits from reporting, others may carefully balance the outcomes of their decisions based on a cost-benefit analysis (Myers, 1980). An economic or utilitarian model of reporting behavior by a rational victim was proposed by Myers (1980). This theoretical model is simple but useful for the discussion carried out in this study.

A population is defined for individuals, Ω^j , who have been victims of an offense j. This population is divided between those who report the crime, Ω_r^j , and those who do not report it, Ω_{nr}^j . It is assumed that the individual's decision to report victimization is guided by his or her desire to maximize the utility associated with belonging to the first or second group. Considering that \mathbf{x} is a vector of characteristics of the victim and the offense, the expected utility of reporting the crime is $U_r = f(\mathbf{x}) + \varepsilon_r$, and the utility of not reporting it is $U_{nr} = f(\mathbf{x}) + \varepsilon_{nr}$; where ε refers to identically and independently distributed random errors.

Although the utility from reporting is a non-observed variable, we can figure out the victims' decision using a database of victimization surveys. It is assumed that $U_r \geq U_{nr}$ when the victim decided not to report the crime, and $U_r < U_{nr}$ otherwise. Let **reporting** be equal to 1 if the victim reported a given crime and 0 if he or she did not report it. In short, Prob(**reporting** = $1|\mathbf{x}) = \text{Prob}(U_{nr} - U_r \leq 0|\mathbf{x}).$

The percentage of total reported crimes (actual crime) varies widely across different types of crimes (Soares, 2004). Individual reporting inclination, for instance, is greater in theft or robbery involving vehicles and smaller in cases of rape, assault, extortion, kidnapping, etc.

The victims' decision process is based on a cost-benefit analysis related to reporting a crime. The main direct cost derived from reporting a crime is the time lost in the reporting process. Time is the opportunity cost of reporting. Unfortunately, reporting an incident can be time-consuming. It also involves other minor costs, such as with bus tickets, fuel, fear of revenge from the criminal concerned, and so on.

Victims evaluate the expected benefits of their reporting decisions based on a subjective measure of the probability of recovering their losses and/or of the criminal being actually punished. When losses are unrecoverable, the expected benefit is solely derived from the desire to know that the criminal was actually punished. The higher the violence used in a crime, the higher the desire to make sure that the criminals involved are punished. The higher the confidence in public security institutions, especially in the police, the higher the expected benefit from reporting an incident.

In short, the subjective measurement of costs and expected benefits from reporting is conditional on the type of crime, the victims' characteristics, the victim's degree of confidence in public safety institutions, property loss, degree of violence used by criminals, and fear of revenge from criminals.

3. Empirical Modeling

3.1. Econometric procedures

The empirical modeling is made through the bivariate probit model² with sample selection³.

Let **reporting** and **victim** be crime reporting and victimization, respectively. A bivariate probit model with sample selection (de Ven and Praag, 1981) assumes that there is an underlying relationship (latent equation)

$$\operatorname{reporting}_{i}^{*} = \mathbf{x}_{i}\boldsymbol{\beta} + \varepsilon_{i}, \qquad (1)$$

such that we observe only the binary outcome (probit equation)

$$\operatorname{reporting}_{i}^{\operatorname{probit}} = (\operatorname{reporting}_{i}^{*} > 0). \tag{2}$$

The response variable, however, is not always observed. Rather, the response variable for observation i is observed if (selection equation).

$$\operatorname{victim}_{i}^{\operatorname{selection}} = (\mathbf{z}_{i}\gamma + \eta_{i} > 0), \tag{3}$$

where $\varepsilon_i \sim N(0, 1)$, $\eta_i \sim N(0, 1)$ and $\operatorname{corr}(\varepsilon_i, \eta_i) = \rho$.

3.2. Data and sample

The data set used is a pooled cross section sample of two victimization surveys conducted in São Paulo city in 2003 and 2008 by the Future Brazil Institute⁴ and the company Ipsos Public Affairs.

The observations were filtered to derive appropriate samples for the estimates. First, victims who had their personal documents stolen were excluded. This filter was necessary because when victims lose their personal documents in a victimization incident, their choice is almost always that of reporting the crime. Second, we excluded thirteen observations because they are panel data. This filter was applied to reduce imprecision in the estimates. After filtering and considering losses due to missing data, our pooled sample consisted of 4885 individuals (187 victimized and 4698 non-victimized individuals) aged between 16 and 70 years old.

3.3. Model specification

Recognizing the potential limitations of a utilitarian model of reporting behavior shown in Section 2, it is notwithstanding helpful to specify and estimate such a model because victims may still act as if they were rationally balancing the cost and benefit of reporting a crime.

We believe that victims are more likely to make a rational choice for property crimes than for crimes against persons. Thus, our empirical modeling will be performed for property crime reporting (proxied by theft/robbery of persons).⁵

It is assumed that crime reporting is an economic decision. This choice is captured by the dummy variable **reporting**, which is equal to 1 if this is so and 0 if not.

We think that wealth is a determinant factor for the victim's decision. The spending incurred by victims is a proxy to their wealth. We opted for a spending measure rather than for one related to income in order to reduce response bias. The spending variable is defined as the logarithm for total monthly per capita household spending (hereinafter just spending) as measured in real 2003 figures, (in *Reais*, the Brazilian currency).⁶

In Eq. (2) age, gender, ethnicity, economic activity, number of repeated victimization, if the criminal used a weapon of any kind, and time effect were controlled for. The three last controls are not applied in Eq.(3). For the model to be well identified, this equation should have at least one control variable that is not applied in the first equation. We used the same set of regressors used by Santos and Kassouf (2013) in the theft/robbery victimization model. Education level and marital status are controls used only in the selection equation.

Table 1 shows the names, definitions, means, and standard deviations of the variables. The reporting rate is a remarkablly low in the sample: only 26% of victimized individuals decided to report. Table 2 shows the frequency of conditional reporting in the categories of qualitative control variables. Women reported more than men and the reporting rate is higher when a weapon is used in the crime. However, the reporting rate in any category never exceeds 32%. Table 3 shows the mean of the quantitative control variables conditional on reporting. The number of repeated victimizations is higher among those who do not report than in the other group.

Table 1: Definition, mean and standard deviation of the variables used in the probit equation

Definition	Mean	Std. Dev.
1 if theft/robbery was reported and 0	0.2620	0.4409
otherwise.		
Total monthly per capita household spending,	451.25	504.68
in <i>Reais</i> (the Brazilian currency) in 2003.		
Age in years.		
16-24	0.3689	0.4838
25-35	0.3369	0.4739
36-50	0.2192	0.4148
51-70	0.3743	0.4852
1 if man and 0 if woman.	0.5454	0.4993
1 if white or yellow (Asian) and 0 otherwise.	0.6150	0.4879
1 if part of the economically active population	0.7647	0.4253
	0.4005	0.0000
-	00	0.9322
1 if the observation is from the 2008 survey and 0 if it is from the 2003 one.	0.3743	0.4852
	 1 if theft/robbery was reported and 0 otherwise. Total monthly per capita household spending, in <i>Reais</i> (the Brazilian currency) in 2003. Age in years. 16-24 25-35 36-50 51-70 1 if man and 0 if woman. 1 if white or yellow (Asian) and 0 otherwise. 1 if part of the economically active population and 0 otherwise. number of previous victimizations. 1 if the observation is from the 2008 survey 	1 if theft/robbery was reported and 00.2620otherwise.0.2621Total monthly per capita household spending, in Reais (the Brazilian currency) in 2003.451.25Age in years.0.3689 $25-35$ 0.3369 $36-50$ 0.2192 $51-70$ 0.37431 if man and 0 if woman.0.54541 if white or yellow (Asian) and 0 otherwise.0.61501 if part of the economically active population and 0 otherwise.0.42251 if the observation is from the 2008 survey0.3743

Table 2: Frequency of reporting conditional on the categories of the qualitative control variables

Variable	Category ·	repo	reporting	
Valladic		0	1	
man	0	68.63	31.37	
	1	80.00	20.00	
white or yellow	0	69.44	30.56	
	1	76.52	23.48	
age	16-24	68.12	31.88	
	25-35	80.95	19.05	
	36-50	70.73	29.27	
	51-70	78.57	21.43	
active	0	77.27	22.73	
	1	72.73	27.27	
weapon	0	83.82	16.18	
	1	68.07	31.93	
year	0	74.36	25.64	
	1	72.86	27.14	
Note: Precise definition Table 1.	s of variable	es are gi	ven in	

Table 3: Mean of the quantitative control variables conditional on reporting

Variable	reporting		
	1	0	
spending	530.29	423.19	
repeat victimization	0.2857	0.2120	
Note: Precise definitions of	variables are	e given in	
Table 1.			

4. Results and Discussion

Table 4 shows the selectivity-corrected probit estimates of the probability of reporting a theft/robbery incident.

Null hypothesis $H_0:\rho = 0$ of the Wald test is rejected at a 1% significance level. When $\rho \neq 0$, standard probit techniques applied to the first equation yield biased results. Fortunately, the probit model with sample selection provides consistent and asymptotically efficient estimates for the coefficients. The sample selection was also diagnosed in MacDonald (2001).

The wealth level, proxied by spending, can be associated with the decision to report in two ways. First, it determines personal assets. Considering that wealthier individuals suffer greater property losses when victimized, the expected benefit is greater for them than for less wealthy victims. Second, the opportunity cost of reporting tends to be higher for wealthier individuals.

The results suggest that spending, the proxy for wealth level, has an ambiguous effect on the reporting likelihood. Moreover, we observed a positive non-linear relationship between spending and reporting likelihood. This result is suggestive that the cost of reporting can increase more with wealth than the expected benefit of reporting. This indicates, for instance, that for the same property loss due to an incident it is plausible that for less wealthy victims the expected benefit will be greater than the cost of reporting. The other way around is also plausible.

All victimization surveys reveal that robbery underreporting is lower than theft underreporting⁷. Thefts are carried out without violence, since there is no contact between the criminal and the victim. Because of this, we used the variable **weapon** of any kind to control for violence committed by criminals. Violent crimes can cause severe emotional disorders. This variable is also used to control for crime type, i.e., to distinguish between theft and robbery. Moreover, the weapon used by a criminal can be positively associated with physical damage to the victims. Accordingly, given the cost, gun use implies a greater expected benefit from reporting a crime.

We control for the victims' confidence in law enforcement agencies and their tolerance regarding the number of crimes by the frequency of repeated victimization. When previous victimizations are reported, victims are able to assess their satisfaction with the services provided by law enforcement agencies. We believe that the likelihood of reporting a recent victimization is higher when the victim is satisfied with the performance of law enforcement, and lower otherwise. As the frequency of victimization increases, concerns

Probit equation: reporting	Without correction	With correction
constant	-2.171^{*}	-3.866^{*}
	(0.734)	(0.357)
ln(spending)	0.244^{***}	0.282^{*}
	(0.128)	(0.0615)
weapon	0.511^{**}	0.289^{**}
	(0.244)	(0.123)
man	0.132	0.0430
	(0.229)	(0.120)
age		
25-35	-0.549^{**}	-0.412^{*}
	(0.266)	(0.131)
36-50	-0.191	-0.389^{*}
	(0.275)	(0.136)
51-70	-0.544	-0.744^{*}
	(0.424)	(0.220)
white or yellow	-0.250	-0.112
·	(0.219)	(0.120)
active	0.159	0.0977
	(0.254)	(0.125)
repeat victimization	-0.224^{**}	-0.106***
-	(0.109)	(0.0555)
year	0.193	0.203***
	(0.222)	(0.116)
Selection equation: victim		
constant		-2.191^{*}
man		-0.414^{**}
age		-0.0261^{*}
age x man		0.0119^{*}
white or yellow		0.0206
works		0.0562
ln(spending)		0.226^{*}
year		0.0725
Wald test of indep. eqns $\chi(1)$ Statistics [p-value]		12.78 [0.0004]
Pseudo R^2	0.0875	
Number of observations	187	4885
Censored observations		4698
Uncensored observations		187
Notes: Robust standard errors are between paren	theses; Robust standa	rd errors for the

Table 4: Theft/robbery reporting probit equations with and without correcting for sample selection bias

Notes: Robust standard errors are between parentheses; Robust standard errors for the selected equation estimates are available upon request; *, ** and *** denote significance at 1%, 5% and 10%, respectively; The basic characteristics are women for gender, aged between 16 and 24 for years of age, black, mulatto or indigenous for ethnicity, and 2003 survey for year; Precise definitions for the variables are given in Table 1.

with crime level also tend to increase. Therefore, it is plausible that the probability of reporting increases with repeated victimizations. This happens, for example, when victims reach their tolerance limit for repeated victimizations. In such cases, although they might not believe in the efficiency of law enforcement agencies, they will still seek their help. Our results indicate that the probability of a theft/robbery being reported is lower if the individual has been the victim of others crimes, considering all types of crime occurred during the period covered by the surveys (one-year period).

The victim's age was controlled for by age brackets rather than by years of age because we suspected that there are differences in the cost-benefit analysis between age ranges. The cost of reporting a crime, especially the opportunity cost of this time-consuming process, is smaller for young and elderly individuals than for middle-aged ones (Goldberg and Nold, 1980; Craig, 1987). However, the property losses derived from crime tend to be smaller for young and elderly victims (Craig, 1987). Our estimates support these assumptions. The causal relationship between age and reporting likelihood found in our paper supports these economic thoughts. As compared with the group of victims aged 16-24, the probability of reporting is smaller if the victim is between 25-35 or 53-70 years old, and higher for victims aged between 36-50 years old.

Obviously, the results of this study are not directly comparable to those of other studies due to differences in the methodology, data set, crime types analyzed and empirical model specification. Nevertheless, recognizing this limitation, some comparisons are still possible.

We found evidence in favor of the hypothesis of a positive, albeit not linear, relationship between wealth (proxied by spending) and reporting likelihood. In MacDonald (2001) the income or spending of the victim was not controlled for; Allen (2007) did control for family income and did not find any linear effect on the probability of reporting a rape; Myers (1980), controlling for the percentage of high-income families, found a negative effect of this variable on the reporting likelihood. According to our results, ethnicity or gender do not appear to explain any variation in reporting probability across victims. Santos and Kassouf (2008), MacDonald (2001), and Madalozzo and Furtado (2011) have detected a gender effect. In their first study, the authors concluded that the likelihood of a robbery (of any kind) being reported is greater if the victim is male. The opposite was observed in others studies cited for reporting a burglary and theft/robbery of vehicle, respectively. It must be considered that in this last study the authors did not excludobservations regarding insured victims. In Santos and Kassouf (2008), no causal effect of ethnicity on the reporting likelihood was observed. Myers (1980) and MacDonald (2001) observed inconclusive results, since the effect of ethnicity appears to depend on the type of crime.

Concerning the age effect, we observed that this effect (either positive or negative) depends on the age range. Our results indicate that compared to victims aged 16-24 years old, those aged 25-35 or 51-70 are less likely to report. However, victims aged 36-50 are more likely to report as compared to the omitted category. Our results corroborate those obtained by Santos and Kassouf (2008) and Goldberg and Nold (1980). The results of these studies also suggest that there is a non-linear relationship between age and reporting likelihood.

Considering that wealth was proxied by spending and controlled for by the logarithm for spending rather than by income brackets, our evidence that wealth has a non-linear effect on the reporting likelihood is in tune with the findings of Goldberg and Nold (1980) and Santos and Kassouf (2008). We emphasize that wealth was proxied by spending and controlled for by the logarithm for spending rather than by income brackets.

Finally, we performed an additional exercise to investigate whether there is any indication of spurious regression for theft/robbery. We estimated a model for the reporting of assault and battery incidents. The specification includes marital status and whether there was any serious injury rather than the use of a weapon of any kind in order to control for violence. We believe that the hypothesis that the victim's decision is guided by economic rationality is more plausible for property crimes than for crimes against persons. In this sense, for instance, there are no reasons to expect a significant effect of spending on the probability of reporting an incident. Table 5 shows the results.

Notice that only the new control variables included in this model were significant, and that the null hypothesis $H_0: \rho \neq 0$ of the Wald test cannot be rejected. The results of the single probit model show that the probability is greater if the injury is classified as serious and when the victim has a spouse. In short, the other explanatory variables are not statistically significant at the usual levels, reinforcing previous evidence about reporting of property crime. The non-significant variables support more the rational choice hypothesis for property crimes.

Probit equation: reporting	Without correction	With correction
constant	-1.027	-2.113^{*}
	(0.727)	(0.599)
ln(spending)	-0.147	-0.0862
	(0.139)	(0.113)
serious injury	0.955^{*}	0.657
	(0.268)	(0.452)
marital status	0.804^{*}	0.356
	(0.244)	(0.397)
man	-0.228	-0.236
	(0.255)	(0.201)
age	× ,	· · · · · · · · · · · · · · · · · · ·
25-35	-0.158	-0.233
	(0.273)	(0.197)
36-50	-0.0377	-0.273
	(0.320)	(0.276)
51-70	0.641	-0.0203
	(0.455)	(0.604)
white or yellow	0.0612	-0.0242
	(0.246)	(0.191)
active	0.611***	0.465
	(0.349)	(0.357)
repeat victimization	0.00840	-0.00147
repeat victimization	(0.0343)	(0.0270)
year	0.134	-0.0362
year	(0.253)	(0.237)
Selection equation: victim	(0.200)	(0.201)
constant		-0.874^{*}
spouse		-0.288^{*}
years of schooling		-0.00863
man		-0.385^{***}
age		-0.0223^{*}
age x man		0.00881
white or yellow		-0.0555
white or yellow works		-0.0558
ln(spending)		$0.0355 \\ -0.179^{**}$
year Wold toot of index compared) Statistics [n reluc]		
Wald test of indep. eqns $\chi(1)$ Statistics [p-value]	0 1510	$0.83 \ [0.3613]$
Pseudo R^2	0.1516	10.00
Number of observations	193	4969
Censored observations		4786
Uncensored observations		183 rd errors for the

Table 5: Assault and battery reporting probit equations with and without correcting for sample selection bias

Notes: Robust standard errors are between parentheses; Robust standard errors for the selected equation estimates are available upon request; *, ** and *** denote significance at 1%, 5% and 10%, respectively; The basic characteristics are women for gender, aged between 16 and 24 for years of age, black, mulatto or indigenous for ethnicity, and 2003 survey for year; Precise definitions for the variables are given in Table 1.

5. Concluding Remarks

This study provides evidence of the determinants of property crime reporting and, consequently, of its underreporting. The data set allowed us to analyze the reporting decision for a given crime type where rational economic behavior is more plausible.

The first conclusion is that wealth level, proxied by spending, is one of the determinants of reporting an incident. We found evidence that its effect is positive and non-linear. The reporting likelihood increases with this variable, albeit at decreasing rates.

A victimized individual possesses a piece of public information: the crime incident. Knowing the actual number of crimes is very important for the police to take action and for developing effective public safety policies. We argue that crime reporting is a necessary condition for criminals to be punished. Appropriate punishment implies a deterrent effect on future criminal behavior (Becker, 1968). Moreover, the reporting likelihood observed by criminals is a victim-specific deterrent variable (Goldberg and Nold, 1980).

In this context, media campaigns designed to encourage the reporting of victimizations can be effective for reducing crime. Reporting can also be encouraged by reducing the time spent in the reporting procedure and, hence, the cost of reporting. Finally, the negative effect of repeated victimization on the probability of reporting indicates that if the crime rate decreases, the underreporting rate will also drop.

Finally, we must remember that a dummy variable was included for 2008 to capture possible time effects. Our results provide evidence of an increase in reporting likelihood between 2003 and 2008 in the city of São Paulo. This is good news!

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Notes

¹This fact was observed in the city of São Paulo in recent years (see Santos and Kassouf, 2012).

 2 For a straightforward introduction to binary choice models, we suggest Cameron and Trivedi (2005).

³This possibility was assessed by Goldberg and Nold (1980) and MacDonald (2001).

 4 As of February 2009, all the activities carried out by this institute were transferred to the Public Policy Center, which was incorporated into Insper – Education and Research Institute.

⁵The surveyed individuals were asked whether they had any good stolen or if they had been robbed of any good outside their home, vacation home, or vehicle during the period covered by the survey (one-year period).

⁶The figures for 2008 were deflated using the National Consumer Price Index.

⁷According to data from the Special Supplement of the National Household Sample Survey of 2009, it is estimated that 48.5 % of all robbery victims in Brazil get in touch with the police to report the incident. About 10 % of decline from reporting after contacting police. These percentages are around 37.9 % and 89.9 % for thefts, respectively.

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