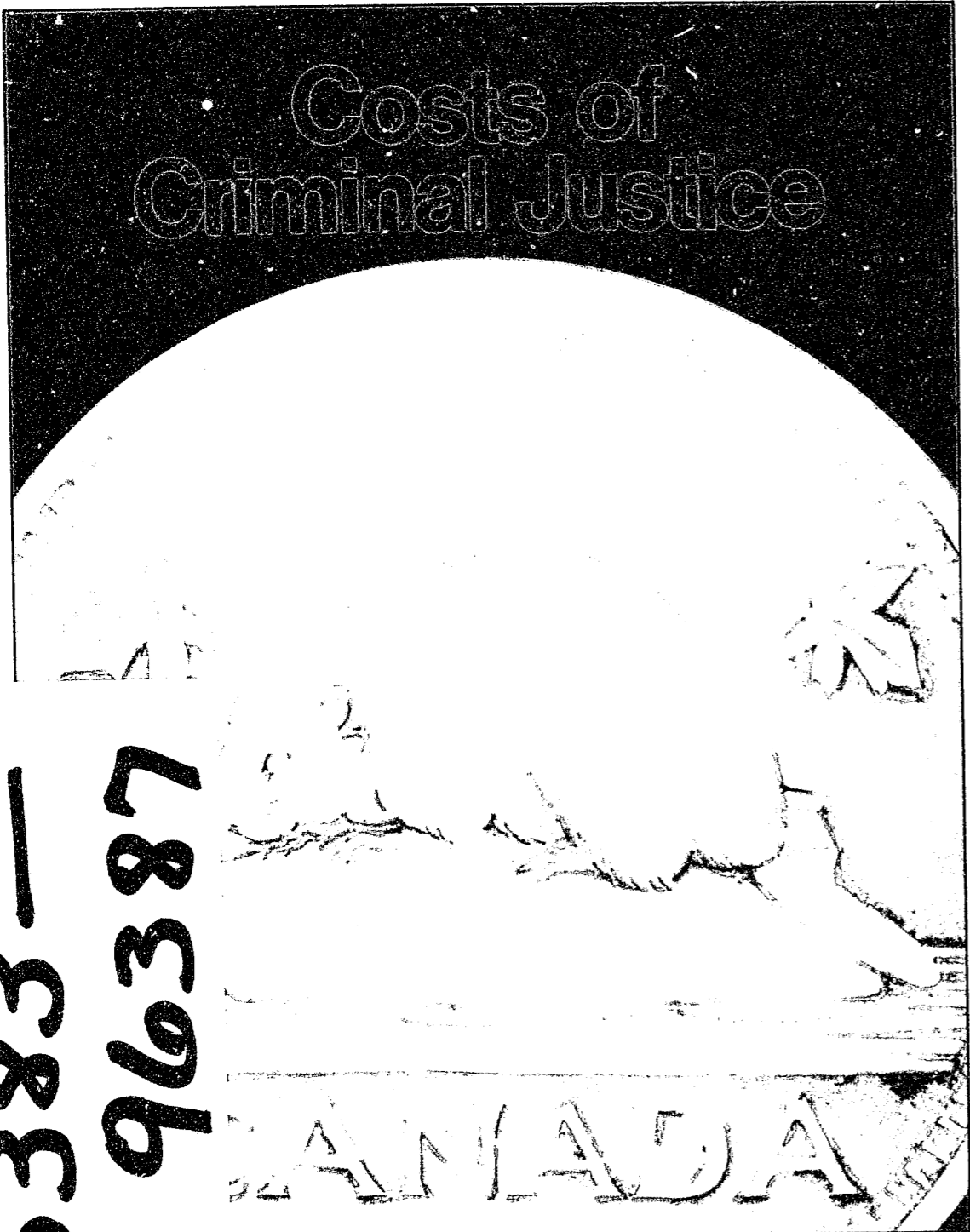


No 2/1984

# IMPACT

## Costs of Criminal Justice



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# IMPACT

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## Costs of Criminal Justice

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**IMPACT is a periodical which presents research and statistics about crime and criminal justice**

The aim of this publication series is to bring together, in concise and readable form, key research, statistical and other information pertaining to crime and criminal justice that will be useful to legislators, policy and program decision-makers and others involved or interested in the Canadian criminal justice system.

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© Minister of Supply and Services Canada 1984  
Cat. No. JS41-2/2-1984E  
ISBN 0-662-13639-X

Published by the Communications Division, under the authority of the Hon. Elmer MacKay, P.C., Q.C., M.P., Solicitor General of Canada. Available in English and French at the above address.

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**NCJRS**

**JAN 9 1985**

**ACQUISITIONS**

## Costs of Crime: Introduction

**JOHN L. EVANS**

*Director General,  
Research and Statistics Group*

Concern about the costs of crime — in all of its meanings — is not recent. Over the last fifteen years, however, the need for good cost data has become increasingly apparent. Information on the costs of crime can serve several purposes:

- a) cost data allow a complementary and, in some cases, particularly meaningful way of quantifying the amount of crime in a society;
- b) by reference to such concepts as gross national product or constant dollars, cost data allow standardized historical comparison of crime and the response to crime;
- c) cost data allow important comparisons between criminal justice and other basic social expenditures; and
- d) cost data allow comparative cost-benefit analyses to help evaluate social programs and contribute to social policy development.

Some might quarrel at such a cold, practical and amoral measure of crime. Certainly crime involves many issues of ethics and ethical choices. Moreover, many of the most important costs of crime — the psychological and emotional suffering of victims, the fear and insecurity of those who believe they are at risk, the loss of freedom and potential productive labour that incarceration means for the criminal who is caught, the pain and often anger of the families of victims — cannot be measured in dollars. These often intangible, and largely unmeasurable, costs must be a significant part of any cost-benefit equations.

The "cost of crime" is simply a convenient shorthand for a diversity of expenditures and damages, costs to victims, costs to society, costs to some segments of society, costs to criminals, private and public costs, direct and indirect costs and so on. Criminologists speak of average costs, marginal

costs or total costs. Some seek a measure of the ultimate costs of crime — some estimate of national income as it would be in a crime-free society. We are very far from being able to estimate global or ultimate costs.

Nevertheless, until we link social issues to some economic cost concept, until we know more about the costs of crime to society, to victims, and, indeed, to criminals, we will be unable to answer our ethical questions to our own satisfaction. That is, ethical choices about crime demand knowledge about the consequences of crime. Obviously, questions of efficiency demand cost information, but so too do the more fundamental questions about whether social programs and policies are working. If we think they are "working", we will still want to know at what price. When we wish to choose among beneficial programs we will also want to know their relative costs. Social policy and program development would benefit from knowledge about which crimes cause the greatest losses and which the least, and which groups or categories of people suffer the costs most heavily.

Our major difficulty is that we are far from having good quality data on the costs of crime. The laborious process of conceptual clarification and data collection has only begun. For example, we know little about the social and economic costs of enterprise crime, although a Federal/Provincial Study Group promises to provide some systematic data. We know little about criminal court expenditures, although the Canadian Centre for Justice Statistics is addressing this problem. We have not the data to know which crimes produced the largest expenditures of criminal justice dollars. Nor do we have data on which criminal justice objectives — control, prevention, punishment, rehabilitation, incapacitation — consume most dollars. We have only a glimmering of the large expenditures involved in private security and private justice more generally. We know little about expenditures by social and health agencies which are directly related to crime.

The problems only start here: add to the multiplicity of jurisdictions, the multiplicity of agencies involved in responding to crime, and the multiplicity of functions within each agency. Take the police as an example. Quite apart from the number of police departments and jurisdictions — federal, provincial and local — we know that much police activity is not specifically focused on crime. Traffic control, twenty-four hour social service and similar police activities would be necessary even in the theoretical crime-free society.

The first article in the issue offers global estimates of some aspects of the cost of crime control. But, as the author has indicated, the data provided require cautious interpretation. The data used, some of which were collected by others and for other purposes, inevitably represent a variety of accounting and counting procedures. Crime in Canada is a multi-jurisdictional phenomenon. Attempting to sum or integrate data from such diverse sources is always hazardous.

The second article focuses on the costs of policing. Canadian taxpayers and their governments in 1980 paid over 1.6 billion dollars or \$71.25 per

capita for police services (Sol. Gen., 1981). The average costs for employing a single police officer in 1980 was \$34,397 up from 27,028 in 1977-78 (Quebec Ministry of Justice, 1982). Though the growth in the costs of policing generally mirrored similar increases in all government expenditures, the evidence suggests that policing increased more than its proportional share of total expenditures. If policing has become expensive in Canada, it is partly because it has grown so dramatically — more than other components of criminal justice — in the last twenty years. Although recent indications show these costs are being controlled and indeed in some communities are being cut back, the present problems have made cost-effectiveness and efficiency major issues in policing. The article focuses on one relatively large municipal police force to show more clearly just how these dollars are being spent.

The third article focuses on the costs of corrections. We have long known that the costs of incarcerating offenders are high, and that these costs have increased over the years. Along with these increased costs, there has been a substantial increase in the penitentiary and prison populations in recent years. The effect has been serious overcrowding in many Canadian jurisdictions, one result of which has been the introduction of double-bunking (i.e., housing two inmates in a cell designed for one) in Canadian penitentiaries. In view of the enormous cost of building new facilities, and amidst serious doubts about the effectiveness of incarceration as a response to crime, there is considerable pressure to seek ways of reducing the growth in penitentiary and prison populations. Indeed, the principle that incarceration be used as a last resort has gained broad acceptance in current criminal justice thinking, and there has been a major thrust to develop community-based alternatives to incarceration. These alternative sanctions for those offenders who do not pose a danger to society are intended to meet the goals of criminal justice at lower financial and human costs than those incurred by incarceration. In sorting out these policy issues, costs clearly cannot be ignored. Perhaps the most important contribution of this article is that it seeks to sort out the conceptual confusions which have produced varied and conflicting statements about the costs of incarceration.

The final article focuses on the costs of crime to victims, who have all too often been ignored in such assessments. We have only recently collected data on the costs of crime to victims as we have only recently become sensitized to their needs. The data presented in this article are drawn from the Canadian Urban Victimization Survey conducted by the Ministry with the assistance of Statistics Canada. Many of these findings are being published for the first time.

These articles offer our best estimates of some aspects of the costs of crime. We hope they will underscore the importance of the questions and encourage the work necessary to begin providing more refined answers.

salaries and fringe benefits; in 1981 they were at the leading edge in both areas.

How did the rise in police expenditures compare with other selected indicators? About all that can be said is that the costs of everything rose markedly during the period 1961-1981, and that the costs of policing seem to have risen somewhat further and faster than did other indices. The municipal area did not increase; the population increased by 12%; the Consumer Price Index increased by 223%; the residential tax rate by 274%; the municipal budget by 275%; the Average Industrial Wage by 350%; the crime rate by 483%; the Gross National Product by 630%; police cost per capita by 807%; and gross annual expenditure for police by 918% (figures not corrected for inflation).

The real increase of about 200% in police costs can also be described as an increase from 11% to 14% of the municipal budget. The fire department portion of the budget declined somewhat, from 12% to 10%, while increasing by 566% overall. Expenditures for education, a former growth industry now in decline due to demographic factors, decreased from 69% to 61% of the budget, while increasing by 644% overall. Expenditures for Community services such as parks and libraries increased from 10% to 15%, or 1,208% overall (fire, education, parks and libraries figures not corrected).

The increase in local government expenditure followed a trend apparent throughout Canada. Expenditures are based on political decisions by city council members, and no accurate judgement can be made about whether or not the police or other departments received "disproportionate" shares of the municipal budget, or whether the funds allocated to one area curtailed operations in other areas.

#### D. Conclusion

The analysis presented here has shown that municipal police costs rose rapidly during the period 1961-1981, at a rate significantly higher than did other relevant indices. This increase was due mainly to a large increase in personnel and to gains in salaries and benefits. Essentially, the police gained parity with the highest paid blue-collar workers. Viewed from that perspective the increases were not disproportionate.

Given current official restraints, and the fact that the police have caught up to the rest of the labour force with respect to salaries and benefits, police departments in future may be required to justify policies and programs in terms of cost-effectiveness. The use of innovative patrol, investigative and administrative procedures may be required as a condition governing police budget increases. Extensive community crime prevention programs and a greatly increased participation by citizen volunteers may be required to maintain adequate protection, as the police face a relative decline in the amount of resources available to carry out the law enforcement function.

## ✓ Corrections Costs

ROBERT B. CORMIER

Research Division

This paper presents an overview of current corrections costs, and recent trends in costs, for the federal, provincial and territorial correctional agencies. International comparisons of current costs and interjurisdictional comparison of trends allow some perspective for interpreting the gross cost figures; however, comparisons of actual costs among jurisdictions must take into consideration the wide differences in operation, as well as differences in the collection and reporting of data.<sup>1</sup>

#### Federal Corrections Costs

A. *Total Expenditures*: The total expenditures of The Correctional Service of Canada and the National Parole Board from 1976-77 to 1980-81 are presented in Figure 1. The costs (in current dollars) increased at an average rate of 14% per year (a cumulative increase of 68% over the five fiscal years), reaching a total of \$430 million in 1980-81.

When the data are corrected for the appropriate inflation rates<sup>2</sup>, the net cumulative increase over the five years is 26%. Thus, 62% of the increase in actual costs during this period was due to inflation.

B. *Institutional Costs*: The institutional operating costs of penitentiaries from 1976-77 to 1980-81 are presented in Figure 2. These operating costs include internal administration costs, maintenance, salaries, benefits and institutional supplies, but do not include national and regional administration and capital expenditures. Operating costs increased at an average rate of 12% per year, and showed a cumulative increase of 56% over the five year period. When these costs are corrected for inflation, the net cumulative increase for the five years is 15%.

It is evident from Figures 1 and 2 that the rate of increase in total corrections costs from 1976-77 to 1980-81 has been greater than the

rate of increase in institutional operating costs. When the institutional operating costs are deducted from the total costs, the cumulative increase in the remaining costs is 95%, or a net increase (minus inflation) of 53%. This increase in remaining costs is not due to an increase in capital construction expenditures (which, in fact, were greater in 1976-77 than in 1980-81), nor to a marked increase in parole operating costs. It reflects the increase in administrative costs due to the greater emphasis on management systems in federal corrections during these years.

C. *Cost per Inmate*: Corrections costs often are expressed as "cost-per-inmate". The actual figure will vary depending on which costs are used in the calculations, as well as how inmates are counted. Inmates in penitentiaries are routinely counted in two ways. The "on register" count includes those inmates on day parole and at large from the institution, while the "midnight count" identifies the number of inmates actually housed in the institution. Following are four ways of calculating a cost per inmate, using the midnight count as the denominator:

- i) One could argue that total corrections costs, including the costs of maintaining parole services and the parole board, should be used in calculating the cost per inmate. Parole is a requirement for processing inmates through the correctional system, and, as a necessary component, might well be included in the cost figure. This formula yields a cost per inmate of \$48,600 for the fiscal year 1980-81. If the total number of inmates and parolees is entered into the calculations, one obtains a cost per offender of \$29,700.
- ii) One could argue that the calculation of a cost per inmate should be based on the total corrections costs minus parole costs. Although it is a simple matter to identify the costs of the parole board, as well as the costs of operating parole offices, the national and regional headquarters costs associated with maintaining parolees and those associated with maintaining inmates cannot be separated due to the amalgamation of institutional and parole services within The Correctional Service of Canada. One way of handling this situation is to divide these administrative costs in proportion to the number of inmates and parolees, and to include in the calculation only the administrative costs for inmates. The cost per inmate, according to this formula, was \$45,600 for the fiscal year 1980-81. This figure will be used in referring to the cost per inmate at later points in this paper.
- iii) A third option is to calculate a cost per inmate based solely on the operating costs at the institutional level. This method misses the national and regional costs, as well as capital costs, but isolates the on-site costs of maintaining inmates in penitentiaries. This formula yields a cost per inmate of \$33,000 for the fiscal year 1980-81.
- iv) The average cost per inmate, however calculated, does not mean that it would cost that amount to house one *additional* inmate. In view of the extremely high fixed costs of a correctional system, this

incremental cost per inmate would be very much lower than the average cost per inmate. One estimate of the incremental cost is the "annual variable cost of maintaining an offender", as reported in the Correctional Services Program 1983-84 Spring Review of Operational Plans. This variable cost is a figure based on the cost of supplies and contract services associated with the "planning elements directly affected by increased offender population" (p.127). These elements include inmate rations, institutional services, health care, educational services, inmate pay, and aftercare services in the community. The variable cost per offender (i.e. based on the total number of inmates and parolees) is presented in the Operational Plans as \$5,393.

#### Provincial Corrections Costs

- A. *Total Expenditures*: Since precise figures on capital costs for specific years are not available from some jurisdictions, it is not possible to obtain an exact figure for the total expenditures of correctional agencies in the provinces and territories. However, if one estimates capital costs for fiscal year 1980-81 on the basis of the long-term construction cost figures for these jurisdictions (as outlined in *Correctional Services in Canada*, 1982), one arrives at a total expenditure, including the operation of parole boards in three provinces (i.e. Ontario, Quebec and British Columbia), of \$465 million. When this figure is combined with the \$430 million spent on the federal correctional system, it is clear that almost \$900 million was spent on corrections in Canada during the fiscal year 1980-81. This total expenditure translates to an expense of \$37.30 per Canadian.
- B. *Institutional Costs*: The institutional operating costs for correctional agencies in the provinces and the territories, for fiscal years 1978-79 to 1980-81, are presented in Figure 3. Institutional costs rose 29% from 1978-79 to 1980-81, which is very close to the inflationary increase in general costs during those three years. Figure 3 also shows that Ontario has had the highest expenditures in this area. There was a surprising difference between Ontario and Quebec institutional operating costs, due to a large difference in the number of sentenced admissions to provincial institutions in the two provinces. Specifically, 20,380 individuals received sentences of less than two years in Quebec in 1980, compared with 42,005 in Ontario for fiscal year 1980-81. Furthermore, a recent research report of the Ministry of the Solicitor General, (Hann, 1982) reported that in 1976, only 33% of the inmates housed in Ontario were under federal jurisdiction, while the corresponding figure for Quebec was 54%.
- C. *Per Diem Inmate Costs*: Institutional costs are often expressed as a "per diem inmate cost" (i.e. the daily operating cost per inmate). The per diem cost is calculated by dividing the institutional operating costs by the average number of inmates housed in the institution throughout the year, and dividing this figure by 365. Figure 4 presents the average per diem

inmate cost in 1980-81 for each correctional jurisdiction in Canada. The per diem cost ranged from \$90.43 in the federal system to \$38.52 in New Brunswick. This variability may be due to differences in the proportion of high level security institutions, occupancy rates within institutions, the degree of consolidation of jails, and the nature and extent of institutional programs.

#### International Comparisons

Canada's net cumulative increase of 26% in federal corrections costs falls between the increases in costs in the U.S. and England and Wales. U.S. state and federal expenditures for adult and juvenile correctional services, from 1976-77 to 1980-81, (Figure 5) increased at an average rate of 11% per year, a cumulative increase of 50%.<sup>3</sup> In England and Wales (Figure 6) the average yearly increase in the total expenditures on prisons, remand centres, borstals and detention centres was 22%, a cumulative increase of 118%. Corrected for inflation, the net cumulative increases over the five years were 5% and 50%, for the U.S. and England and Wales respectively.

In Canada, the average cost per inmate (1980-81) was about \$45,000,<sup>4</sup> while the average cost in England and Wales was approximately \$20,500 (Canadian). The estimated figure for the U.S. is \$8,100.00.<sup>5</sup>

There are, no doubt, several reasons for these differences. First, there is the matter of economy of scale. While the largest Canadian institution houses about five hundred inmates, it is not uncommon for U.S. prisons to house three or four thousand inmates. Second, inmates in Canadian penitentiaries are housed in individual cells, whereas two inmates to a cell is common in U.S. prisons. Third, there is a higher staff-inmate ratio in Canada than in the U.S. In general, Canadian penitentiaries rely less on control through weapons (e.g. one guard with a shotgun in a gun cage in a gym), and rely more on control through manpower (e.g. two officers on a post, with a few other officers able to converge on the scene as required). The relatively high staff-inmate ratio in living unit institutions has given rise to the concept of "relationship security", whereby an element of security is attained through the development of a relationship between a living unit officer and the inmates on his caseload. Obviously this effect cannot be produced in large prisons in the U.S. In short, the living conditions and institutional environment are significantly different in Canadian institutions as compared to the American correctional system.

#### Summary and Implications

The total expenditure on corrections in Canada, federal and provincial, in fiscal year 1980-81 was about \$900 million. Federal corrections costs in Canada have been increasing on average in recent years at a rate of five percentage points per annum higher than inflation. This rate of increase is greater than that occurring in the U.S. and less than that in England. The

most recent figures (1980-81) indicate that the average institutional cost per inmate in Canadian jails, reformatorys and penitentiaries is about \$27,000. In short, the cost of incarcerating offenders in Canada is high, and it is not likely to decrease in the future. The most optimistic projection would be that it would increase at a rate equivalent to the inflation rate. Indeed, The Correctional Service of Canada has set a goal (in the 1982-83 Estimates Part III, Expenditure Plan), to maintain a zero growth in constant dollars in the institutional operating cost per inmate.

The high cost of operating institutions, coupled with concerns about overcrowding, is causing correctional analysts and policy advisors to consider seriously ways of controlling penitentiary population levels. In a recent research report for the Solicitor General of Canada, Billingsley (1982) outlined a number of strategies adopted by various jurisdictions (principally in the U.S.) to control or reduce the number of persons incarcerated and the length of their incarceration. These strategies include the implementation of pre-trial diversion programs, the increased use of non-carceral sentences, the introduction of restrictive changes to sentencing legislation, and the increased use of parole.

Implementation of such strategies in Canada would require changes in policy which, in some instances, would require changes in legislation. Of course, in addressing the matter of controlling penitentiary population levels, one must consider to what degree carceral sentences are necessary and desirable. To answer this question requires discussions about the purposes of criminal sanctions-retribution, deterrence, rehabilitation, and incapacitation and how these purposes are best realized. In the final analysis, correctional services reflect the nature and quality of the Canadian system of criminal justice, and corrections costs are those required to provide these services at a level consistent with the demands of our society.

#### **NOTES**

<sup>1</sup> The Home Office in London reports figures for England and Wales combined.

<sup>2</sup> Inflation rates were obtained from Statistics Canada: Consumer Prices and Price Indexes, 1982, Catalogue No. 62-010. Inflation rates for the calendar years 1977 to 1980 were used to calculate the net cumulative increases in corrections costs. Corresponding rates for the U.S. and England were used to calculate net cumulative increases for these countries.

<sup>3</sup> These data were obtained from the ACA Directory on Juvenile and Adult Correctional Departments, Institutions, Agencies and Paroling Authorities. More refined data are provided in the Sourcebook of Criminal Justice Statistics, and Expenditure and Employment Data for the Criminal Justice System, both produced by the U.S. Department of Justice. However, the figures available from these publications are too dated (i.e. two years) to be useful in a presentation of current trends. See Dolesnal (1979) for a guide to sources of Criminal Justice Statistics in the U.S.



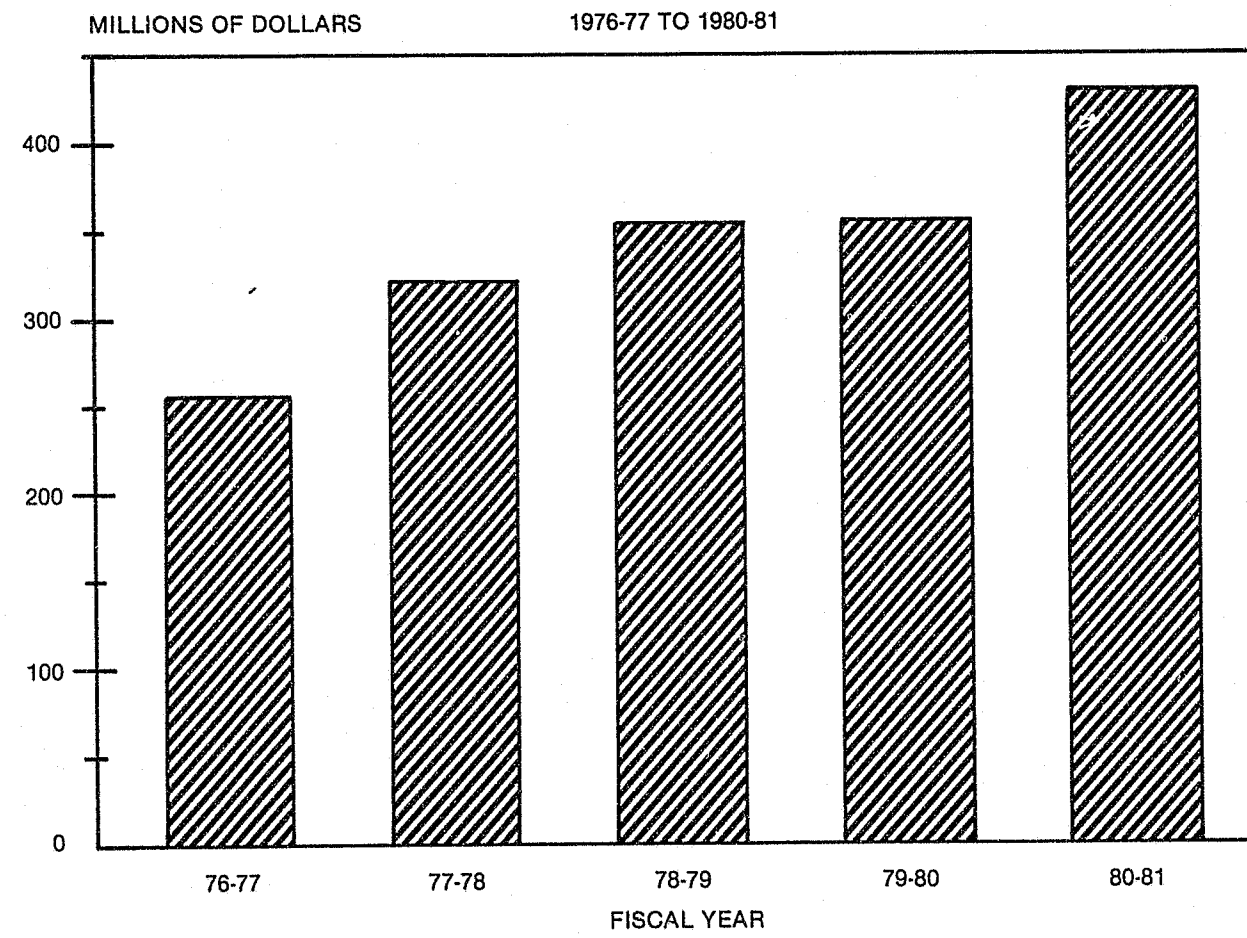
<sup>4</sup> This figure represents the overall average institutional cost per inmate housed in federal, provincial and territorial correctional facilities in 1980-81. (Source: Statistics Canada, Correctional Services in Canada, 1980-81). In those jurisdictions where the "midnight" count was not available, it was estimated at 10% less than the "on register" count.

<sup>5</sup> Personal correspondence from Quentin Thomas, Home Office, London, England. Personal correspondence from Dr. David Ward, Department of Criminal Justice Studies, University of Minnesota (based on the 1976-77 cost of \$5,400, and an overall cumulative increase from 1976-77 to 1980-81 of 50%).

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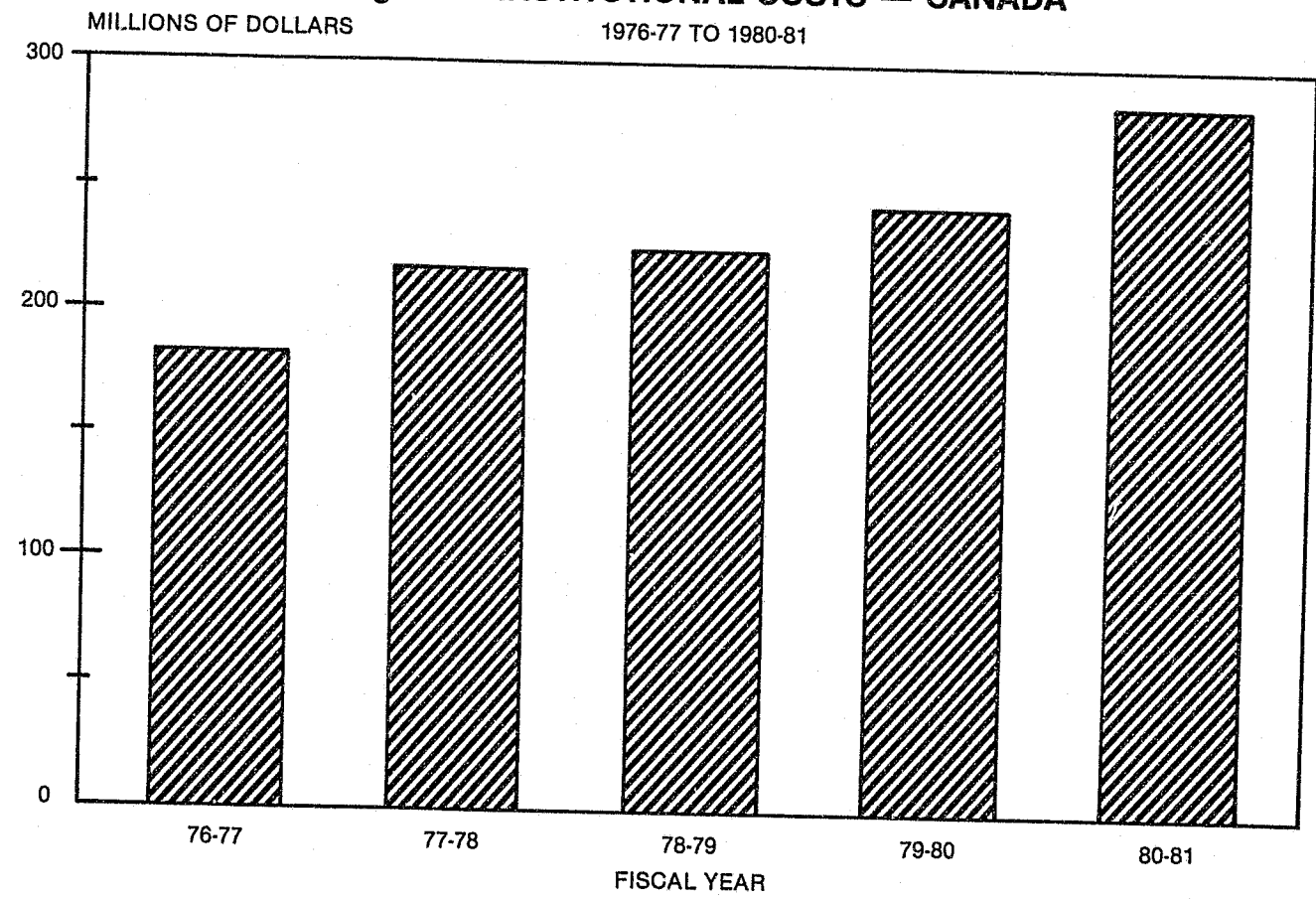
**Figure 1 CORRECTIONS COSTS — CANADA**



Source: Supply and Services Canada, *Estimates*, Catalogue No. RT 31-2, Ottawa, Annual.



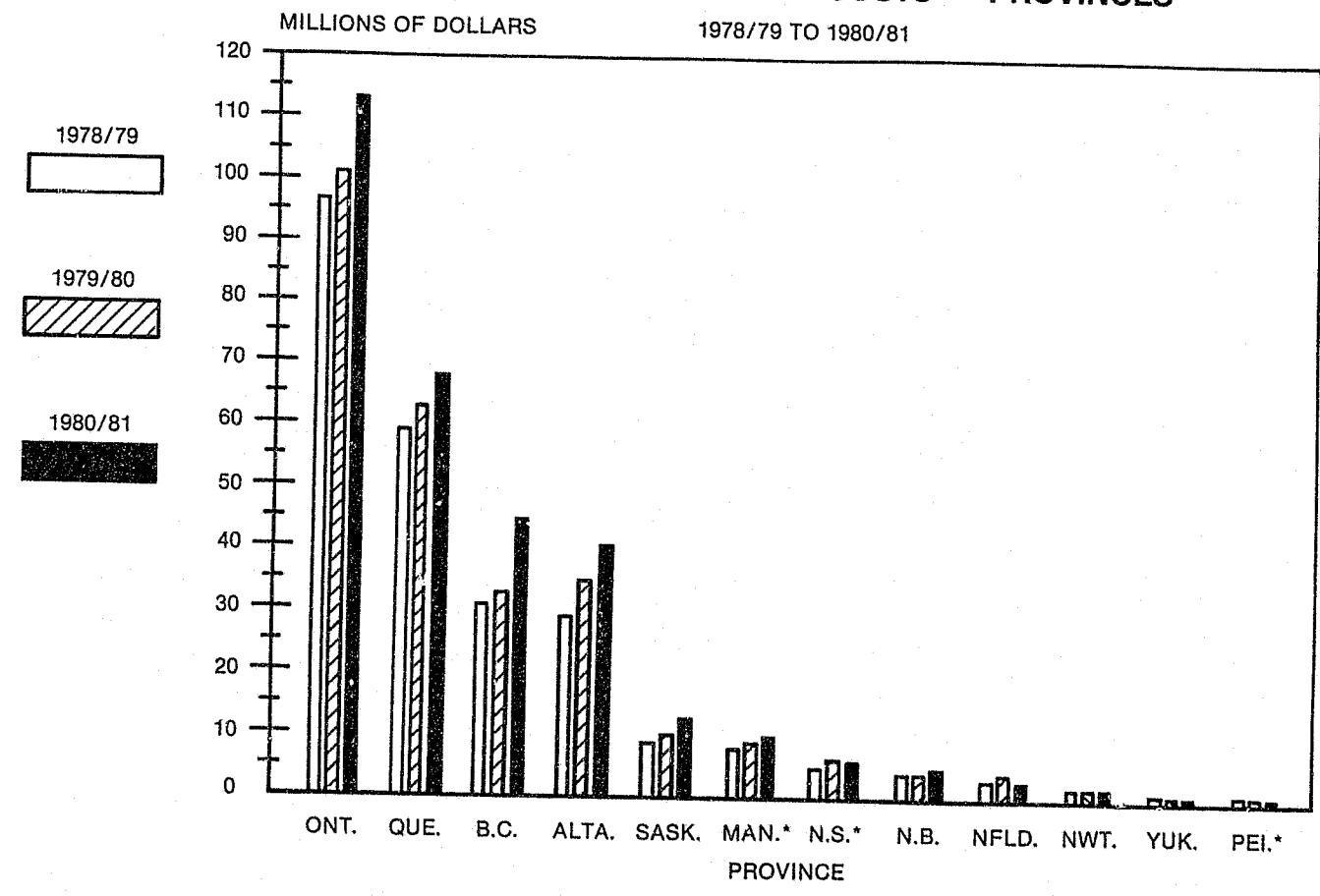
**Figure 2 INSTITUTIONAL COSTS — CANADA**



Note: Parole operating expenditures relating to inmates have been reallocated to the institutions on the basis of the average inmate population for this year only. This amounted to approximately \$8 million.

Source: Correctional Service of Canada, *The Cost of Maintaining Offenders*, Ottawa, Annual.

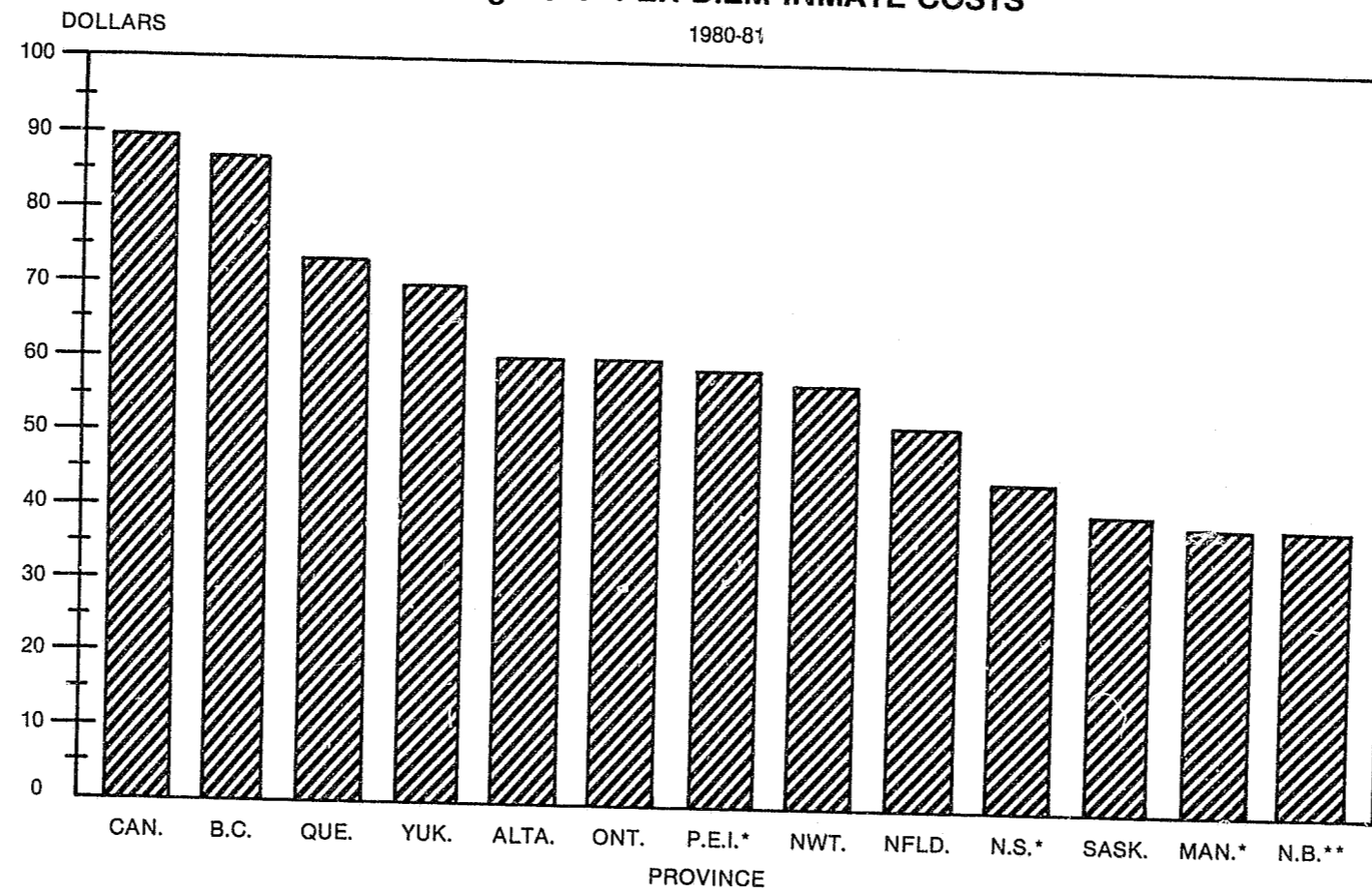
**Figure 3 INSTITUTIONAL COSTS — PROVINCES**



\* Data presented for calendar years 1978, 1979 and 1980.

Source: Statistics Canada, *Correctional Services in Canada*, Catalogue No. 85-211E, Ottawa, Annual.

Figure 4 PER DIEM INMATE COSTS

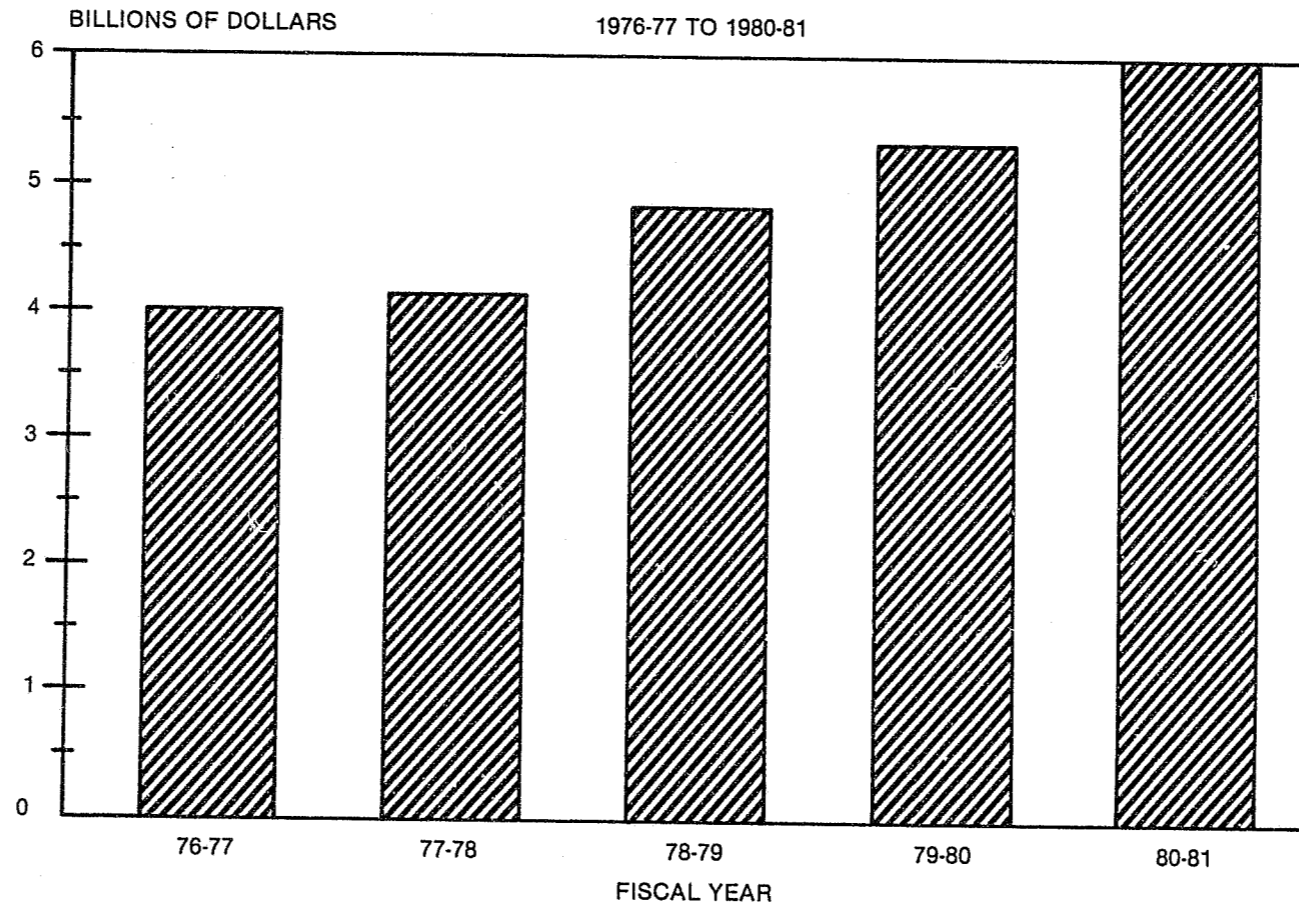


\* Cost based on calendar year 1980.

\*\* Cost based on "on register" count rather than the actual number of inmates in the Institutions.

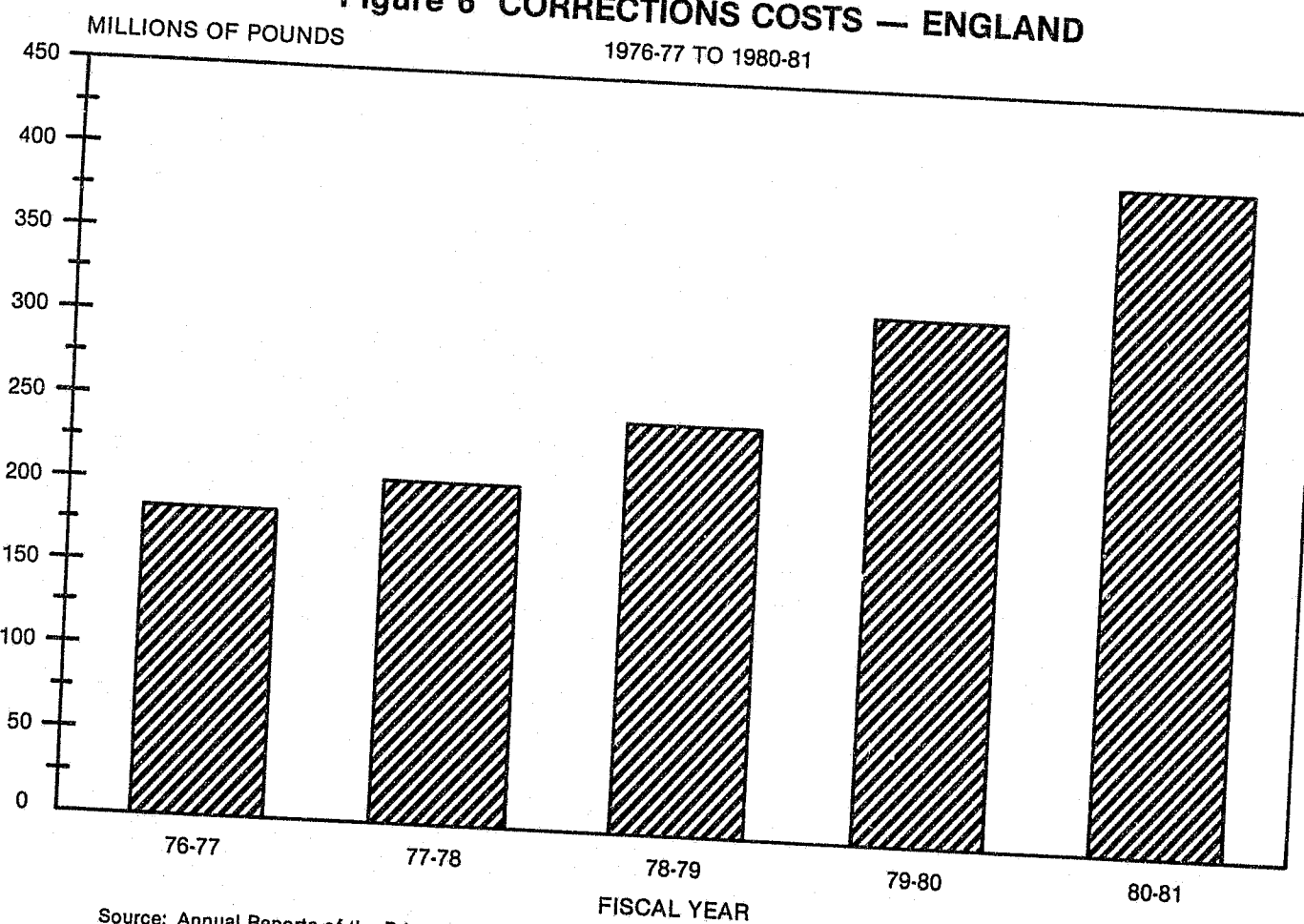
Source: Statistics Canada, *Correctional Services in Canada*, Catalogue No. 85-211E, Ottawa, Annual.

Figure 5 CORRECTIONS COSTS — U.S.



Source: American Correctional Association, *Directory of Juvenile and Adult Correctional Departments, Institutions, Agencies and Paroling Authorities*, Annual.

**Figure 6 CORRECTIONS COSTS — ENGLAND**



Source: Annual Reports of the Prison Department of the Home Office, London (Personal Correspondence, Quentin Thomas.)

**END**