The Impact of California's Felony Theft Threshold Law on Theft and Robbery

Danielle Rayon[1], Lisa Stolzenberg[2], PhD, Stewart J. D'Alessio[3], PhD

Abstract

We use an interrupted time series analysis to evaluate the effect of California's felony theft threshold law on thefts of $400 and above (hereafter above $400) in eight of the largest California cities. Thefts under $400 act as a control series in the analysis because the law change did not impact these thefts. Maximum likelihood results show that California's felony theft threshold law had little consequence in increasing thefts above $400 based on preexisting trends for all eight California cities. No noteworthy effect of the law was also observed for the eight cities combined or the state overall. The analysis also revealed that robberies did not rise markedly after the felony theft threshold law went into effect. A supplemental analysis further showed little impact of the law on the burglary rate. These findings challenge the veracity of the frequently proffered claim that lessening the severity of punishment for theft by raising the felony theft threshold will result in a rise in theft crimes.

Keywords: felony theft threshold law, larceny, robbery, time series

1. Background

Larceny is a common crime in the U.S. involving the theft of property. Data indicate that over five million larcenies occurred nationwide in 2018 (Federal Bureau of Investigation, 2019a). Larceny is classified officially as either a misdemeanor offense (petty theft) or a felony offense (grand theft) based on the total dollar amount of property stolen (Gramlich, 2020). Of course, a misdemeanor offense is legally less serious than a felony offense. While a conviction for a misdemeanor crime can culminate in a maximum jail sentence of up to one year, a felony conviction may induce an incarceration sentence of more than a year. The exact dollar amount where a misdemeanor theft becomes a felony offense is called the felony theft threshold. Most felony thresholds range between $1,000 and $2,500, with a low of $200 in New Jersey and a high of $2,500 in Wisconsin and Texas (Herring, 2020). Because of the state variability in felony theft thresholds, a misdemeanor theft in one state is defined as a felony theft in another. Thus, the same theft in two states can result in the offender receiving an entirely different punitive sanction depending on whether the state deems the offense a felony or misdemeanor.

Several states raised their monetary threshold for theft in recent years. For example, while Texas initially had a relatively high theft threshold compared to other states, it decided to raise its threshold from $1,500 to $2,500 in 2015. Several factors engendered the widespread increase in felony theft thresholds in the U.S. One factor is inflation (Pew Charitable Trusts, 2017). As inflation rises, state governments experience pressure to raise their felony theft threshold to keep the classification of a felony theft comparable to the monetary worth of the property stolen. Some states, such as Alaska, even adjust their felony theft threshold every five years to coincide with changes in the inflation rate (Sakala & King, 2016).

States can also accrue savings in court and correctional costs relating to the prosecution and imprisonment of larceny offenders by periodically raising their felony theft threshold (Gayla, 2017). Larceny offenders comprise about 3% of the incarcerated inmate population in the U.S. (Carson, 2020), with the cost of incarcerating an offender falling between $38,000 and $112,000 annually (Henrichson & Delaney, 2015). Thus, financially strapped states can help defray the typical cost of incarcerating low-level felony larceny offenders by raising their felony theft threshold.

[1] PhD candidate and Teaching Assistant, Department of Criminology and Criminal Justice, Florida International University. E-mail: drayo002@fiu.edu
[2] Chair and Professor, Department of Criminology and Criminal Justice, Florida International University. E-mail: stolzenb@fiu.edu
[3] Professor, Department of Criminology and Criminal Justice, Florida International University. E-mail: dalessi@fiu.edu

A rise in the felony theft threshold also helps mitigate the negative consequences of a felony arrest and conviction for a larceny crime. Larceny-thefts comprised 73% of all reported property crimes in 2019, resulting in approximately five million arrests (Federal Bureau of Investigation, 2019b). Criminal record histories often result from these arrests, with about 11% of these larceny crimes resulting in felony convictions (Rosenmerkel, Durose, & Farole, 2009). The social stigma that typically results from being labeled as a criminal felon in our society, even for a relatively minor crime like larceny, can have many adverse consequences for the individual. These negative consequences include magnifying the difficulty in securing employment (D'Alessio, Stolzenberg, & Flexon, 2015), lowering wages (Agan et al., 2023), finding a marriage partner (Van Schellen, Poortman, & Nieuwbeerta, 2012), being admitted to college (Pierce, Runyan, & Bangdiwala, 2014), impeding an individual's ability to obtain rental housing (Evans & Porter, 2015), hindering a person's ability to vote (Manza & Uggen, 2006), and engendering adverse health outcomes (Redmond et al., 2020) among others.

The criminal label resulting from a felony larceny arrest may also amplify criminal activity by damaging the labeled person's self-concept, which is derived primarily from the perceptions of others (Cooley, 1902). People often interact negatively with a criminally branded person based largely on their view of the label. These negative associations further solidify the objectionable characteristic of criminality in a self-fulfilling prophecy called the dramatization of evil (Tannenbaum, 1938). The initial labeling of a person as a criminal, even for a minor offense like larceny, can thus have lasting destructive ramifications by further escalating the individual's criminal behavior. In contrast, without the state's official label, the person's future criminal behavior may have ended or remained relatively minor.

In addition, the arrest and sanctioning of an individual for larceny can amplify crime by intensifying the response of social control agents. Based on a considerable amount of research (DeLisi, 2005), there is a widespread view that chronic offenders perpetrate a substantial amount of criminal activity that we experience in society. This belief, usually manifested in three-strike laws and habitual offender statutes, increases the likelihood that the criminal justice system will harshly deal with offenders possessing a prior criminal record. In a recent study, Stolzenberg, D'Alessio, and Flexon (2021) examined the relationship between a criminal suspect's criminal record and the likelihood of arrest. They theorized that criminal suspects with a prior criminal history would be more likely to be arrested by police than suspects without a criminal record. Their results showed that a criminal suspect with a prior criminal record was 29 times more likely than a suspect without a criminal record to be arrested by police, even after controlling for factors like offense seriousness, race, and sex commonly associated with the arrest decision. They concluded that this result was due to the firm belief among police officers that criminal suspects with a prior criminal record are criminally predisposed, notwithstanding whether they are guilty of the alleged offense.

Despite the many states that have raised their felony theft thresholds, there is a dearth of empirical research on whether such laws influence larceny crime to any substantial degree. These empirical studies are essential because individual criminal offenders may modify their criminal activity based on changes in felony theft thresholds and the possibility of organized retail crime. Previous econometric research shows that criminal incentive plays a salient role in how likely an offender is to commit a crime because the potential payout helps to discount the imposed threat of arrest and punishment (Ehrlich, 1973). For example, a recent study by Draca, Koutmeridis, and Machin (2019) found a robust relationship between changes in the price of consumer goods and crime levels. More specifically, they observed that a 10% increase in the price of consumer goods resulted in a 3.5% rise in crime. Thus, it seems reasonable to speculate that an increase in illicit monetary reward magnifies crime by mollifying the negative consequences associated with the potential risk of apprehension and punishment.

There is also the possibility of organized retail crime, which results in a cumulative loss of approximately $30 billion annually for retail businesses (Gayla, 2017). Organized retail crime occurs when groups of professional criminals participate in large retail theft operations (Finklea, 2011). The goods acquired in these thefts are resold for profit. It seems likely that organized theft groups are cognizant of felony theft thresholds and attempt to operate slightly below them to reap the rewards associated with stealing valued items while simultaneously circumventing harsher punishments if arrested (Finklea, 2011).

The few studies evaluating the impact of changes in felony theft thresholds on criminal activity are inconsistent. Some studies report that raising the felony theft threshold increases larceny crime, whereas others evince evidence of only a weak or negative association. Others report mixed findings. Jackson (2020) observed a slight rise in the larceny-theft rate 120 days after an increase in the felony theft threshold among different states, although the impact of the change varied by pre-enactment labor wages. His results showed a significant decline in the larceny-theft rate in low-wage areas with high labor market pre-enactment wages and a considerable increase in larceny rates in high-wage areas with low labor market pre-enactment wages following an increase in the

larceny-theft threshold. Mosteller (2018) found a decrease in larceny crimes in most of the states that reformed felony theft thresholds since 2001. The exception to this observed decrease in theft crime rate occurred in New Mexico, where there was an increase in crime by about 60%. Nevertheless, in almost all other states examined, larceny decreased by over 10%. Nebraska experienced the largest decrease (45%) and Alaska the smallest (9%).

A study by Pew Charitable Trusts (2017) also cast some doubt on the belief that raising the felony theft threshold results in a dramatic increase in criminal activity. Specifically, they compared 30 states that updated their felony theft threshold with 20 states where it remained unchanged. Their analysis showed no change in property crime rates or larceny, a steady decrease in theft crimes in states that did and did not update their thresholds, and that the minimum dollar amount of a threshold had little effect on theft crime rates. States that did not update their thresholds showed a more significant decline in crime than states that made changes, though the overall reduction was relatively modest.

2. Current Study

Although prior research has undoubtedly advanced our understanding of felony theft thresholds, further investigation of these laws is paramount when considering the widespread increase in these thresholds among the states. However, while such research is warranted, it is unlikely that any single study can contribute substantially to the existing literature unless improved empirical strategies are devised to address the methodological problems encountered in prior research. One major issue that may help to account for the disparate findings reported in the literature is the continued analysis of theft data aggregated at the state level. The use of state-level data may obfuscate the relationship between felony theft thresholds and larceny because the effect of these laws might not be uniform across the state. It thus seems appropriate for researchers to focus their attention on large cities because the impact of felony thresholds on theft is potentially more significant in these locations. This enhanced effect is speculated to occur because of the heightened ability of criminal offenders to steal more expensive and readily available merchandise in large cities than in rural areas. Simply put, it would likely be challenging for offenders to reach a high felony theft threshold in rural areas of a state.

The analysis of city-level data also helps to clarify whether larceny crime rates are salient in motivating state legislators to raise the felony theft threshold in their state. Criminal law formation is reactive to public pressure. Legislators often implement crime-related laws when politically expedient. If such a scenario is operative, any observed decrease in theft following an increase in the felony theft threshold might result from a preexisting downward trend that engendered the change in the felony theft threshold law in the first place. The analysis of several cities rather than states helps to attenuate the likelihood of this problem manifesting itself because all cities analyzed in a state would need to show a similar downward trend in larceny immediately before the change in the felony theft threshold law. This situation is less apt to transpire when multiple cities in a given state are analyzed instead of a single state because the state legislature determines felony theft thresholds.

A second issue with prior research is the reliance on a difference-in-difference model to generate parameter estimates. Researchers commonly use difference-in-difference models because you only need a few measurement periods to generate parameter estimates. However, a significant problem with a difference-in-difference model is the assumption that the treated unit and the control group would have followed the same trend over time in the absence of the treatment. This is called the assumption of parallel trends. It is a critical assumption, and if violated, the estimates produced are likely biased. The problem here is that detecting violations of this assumption is challenging because there is no definitive statistical test to confirm parallel trends. Some researchers have attempted to counter this problem by using a synthetic control series to construct the counterfactual series. However, the size of the weights used to create the series, issues with confidence intervals/significance tests, and subjective selection of the donor pool in estimating the counterfactual outcome all plague the synthetic control series.

Lastly, a crime amplification effect is possible following an increase in the felony theft threshold. Most published studies typically examine the impact of felony theft threshold laws on theft crimes. However, people may be more apt to protect their property from criminals when their property is of higher monetary value (O'Flaherty & Sethi, 2004), thus morphing a theft into a robbery because an offender might need to employ force to seize the higher value property. Although many people consider robbery a violent crime, the primary objective of a robber is to obtain property (Conklin, 1972). Interestingly, previous research suggests a strong likelihood that criminal offenders amplify their dangerousness when confronted by a more determined citizenry. For example, D'Alessio et al. (2023) found that stand-your-ground and castle doctrine laws resulted in an escalation in gun use by criminal offenders to help counter the heightened threat posed by less legally constrained armed citizens. Thus, it seems plausible that California's felony theft threshold law may have unintentionally made criminals more

dangerous by motivating them to use force against victims trying to protect their higher-value property from theft. Such an effect would be analogous to a type of offense displacement, whereby an offender selects a new offense as a substitute for another offense.

The results generated in this study are important for policy decision-making. Did California's felony theft threshold law amplify the number of high-value thefts perpetrated by offenders? Because of the greater number of thefts classified as misdemeanor crimes following California's felony theft threshold law, a possibility exists that the threshold change engendered an escalation in offenders' larceny of higher-value items. Such an outcome suggests raising the felony theft threshold may decrease public safety. However, it is also conceivable that California's felony theft threshold law had little impact on the theft of higher-value items. Suppose an increase in the felony theft threshold does not magnify theft substantially. In that case, one frequently proffered argument against a state increasing the felony theft threshold can legitimately be eliminated from serious discussion. Finally, it is necessary to examine whether the implementation of California's felony theft threshold law escalated robbery because of the possibility that the potential loss of higher-value property due to theft may have engendered greater victim resistance.

3. Data

The data used in this study were obtained from two sources. The crime data were obtained from the California Department of Justice Criminal Justice Statistics Center using their Open Justice data online portal at https://openjustice.doj.ca.gov/. The California Department of Justice Criminal Justice Statistics Center collects information on crimes and clearances reported by law enforcement agencies throughout the state. Criminal offenses include homicide, rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. The data were collected as a participant of the Federal Bureau of Investigation's Uniform Crime Reporting (UCR) Program. Supplemental data were also gathered on the characteristics of some crime types and the value of property stolen and recovered. The value of the property stolen is determined in the UCR by fair market value, the victim's valuation, or replacement cost. The yearly population data used to calculate rates were acquired online from the U.S. Census Bureau QuickFacts at https://www.census.gov/quickfacts.

Legislators passed California's felony theft threshold law in 2010. The law was enacted on January 1, 2011, and is coded zero before January 2011 and one thereafter. This law made felony thefts from $400 to $950 misdemeanor offenses. While many applauded the law's implementation, debate persists about whether the law increased high-value thefts because of the decline in the legal seriousness of these offenses. The primary purpose of this study is to investigate this issue. Using monthly data and an interrupted time series research design, we evaluate the impact of California's felony theft threshold law on thefts over $400 and robberies in eight large cities in California. The cities include Anaheim, Bakersfield, Long Beach, Los Angeles, San Diego, San Jose, Fresno, and Sacramento. These cities were selected based on their size. Although San Francisco and Oakland were initially included in the sample of cities, they were dropped from the analysis because of a substantial amount of missing data. The study reflects the period from January 1, 2007, to December 31, 2019. The starting date was selected because many measurement periods are needed in an Autoregressive Integrative Moving Average (ARIMA) model to accurately represent the pre-intervention period (Box et al., 2015). The beginning of the Covid-19 epidemic in the U.S. in 2020 led to our decision to use 2019 as the end date of the study. Additionally, the California Department of Justice revised its reported larceny value categories beginning in 2021. The highest value category, over $400, was replaced with over $200.

Monthly rather than yearly data is also beneficial because causality is more readily discernable when calibrated into fine temporal units (Tiao & Wei, 1976). For there to be an external threat to validity in the time series analysis, the extraneous causal factor must arise in the same month that the law passed. This is an important but often overlooked point because cause and effect can be distinguished using fine time units since simultaneous effects do not occur in nature (Einstein, 1920). As Granger (1969, p. 430) points out: "… in many economic situations an apparent instantaneous causality would disappear if the economic variables were recorded at more frequent time intervals." Thus, a small unit of time, like in the current study, is far superior for inferring causal effects than using a large unit of time.

The data were also disaggregated by city because the effect of the law on thefts over $400 and robbery might not be uniform across cities. Criminal offenders have more pronounced opportunities to steal high-value items in cities than in rural areas. Thus, if the change in California's felony theft threshold law resulted in an increase in thefts over $400 or robberies, there is an expectation that this effect should be amplified in cities rather than rural areas. Rates are used to help control population changes in the cities. Additionally, because this analysis

compares theft changes within a single city over time rather than across different cities, potential biases resulting from unaccounted dissimilarities between cities are minimized.

3.1 Control Variables

Each city model in the over $400 theft rate analysis also included a variable measuring the under $400 theft rate as a statistical control. This variable is noteworthy because implementing the felony theft threshold law should have little effect on thefts less than $400 since the law only applies to thefts over $400. Thus, using the under $400 theft rate as a control variable helps avoid assigning significance to the passage of the law that should more accurately be ascribed to a deterioration in economic conditions or some other independent but coincidental event that could influence thefts over $400 in a city.

We also incorporated two additional dummy coded control variables in the over $400 felony and robbery rate models to account for the passage of Proposition 47 and the Supreme Court decision in Brown v. Plata. The primary purpose of Proposition 47, which was passed in 2014 with nearly 60% support of California voters, was to improve the functioning of felony theft threshold law by reclassifying offenses to misdemeanors that could previously be prosecuted as either a felony or misdemeanor crime (wobblers) depending on a prosecutor's discretion in the charging decision. Criminal offenders previously prosecuted for these modified crimes could also have the severity of their sentence lessened if they were still in the system. Moreover, individuals were allowed to have their previous felony conviction reclassified if their sentence had already been completed. Proposition 47 was coded zero before November 2014 and one thereafter.

The other dummy coded control variable accounts for the Supreme Court decision in Brown v. Plata in 2011 that prison overcrowding in California violated the Eighth Amendment rights of inmates. The ruling mandated that California's inmate population be reduced substantially. This control variable was coded zero before June 2011 and one thereafter and accounts for the possibility that the release of inmates from prisons in California influenced crime levels. The average larceny-theft rate of $400 and above, larceny-theft rate below $400, robbery rate, and burglary rate for the entire 156-month study period (2007-19) are reported in Table 1.

Table 1: Mean (SD) and Description of Variables Used in the Analysis, 2007-19

	Larceny-theft rate ($400 and above)	Larceny-theft rate (Below $400)	Robbery rate	Burglary rate
California	50.95 (4.76)	86.06 (8.28)	12.58 (1.89)	45.96 (8.06)
Anaheim	52.04 (7.34)	96.07 (12.06)	11.18 (2.81)	35.40 (7.28)
Bakersfield	75.65 (10.79)	138.20 (20.70)	15.77 (2.98)	94.86 (13.58)
Fresno	74.49 (12.02)	152.47 (17.44)	16.24 (3.26)	72.31 (18.64)
Long Beach	37.97 (8.25)	92.80 (14.91)	21.43 (4.61)	54.86 (10.56)
Los Angeles	59.03 (4.83)	68.64 (5.84)	22.30 (4.31)	36.03 (4.75)
Sacramento	78.39 (11.64)	110.16 (21.37)	22.69 (6.70)	69.85 (20.24)
San Diego	51.78 (7.65)	65.26 (13.33)	9.76 (2.37)	34.96 (10.42)
San Jose	43.07 (9.15)	67.89 (12.18)	9.84 (1.65)	36.73 (6.15)
Cities combined	59.05 (17.22)	98.94 (34.47)	16.15 (6.46)	54.38 (24.64)

N = 156 months. Reported crime rates are per 100,000 population.
Intervention means and definitions:
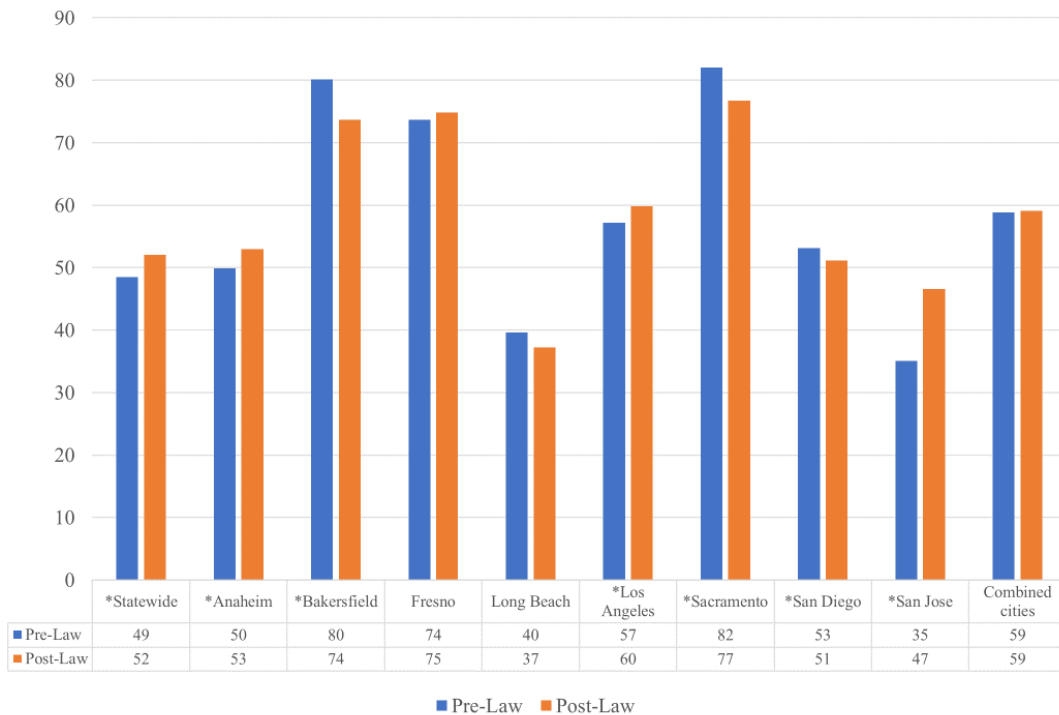Felony theft threshold law = 69. Coded 1 for January 2011 and thereafter, 0 before.
Proposition 47 = .40. Coded 1 for November 2014 and thereafter, 0 before.
Brown v. Plata = .66. Coded 1 for June 2011 and thereafter, 0 before.

4. Descriptive Analysis

We began the descriptive analysis of the impact of California's felony threshold law by constructing a figure depicting the mean change between the pre-intervention and the post-intervention periods for the over $400 theft rate for the state of California, the eight California cities and the eight California cities combined (see Figure 1). A visual examination of this figure shows a statistically substantive increase in theft in three cities and statewide. A noteworthy decrease in theft also occurred in three cities following the law's implementation. The remaining cities (Fresno and Long Beach) experienced no change in theft levels. The collective city mean for the over $400 theft rate during the pre-intervention period was 58.9. After the law's enactment, the theft rate of over $400 rose slightly to 59.1.
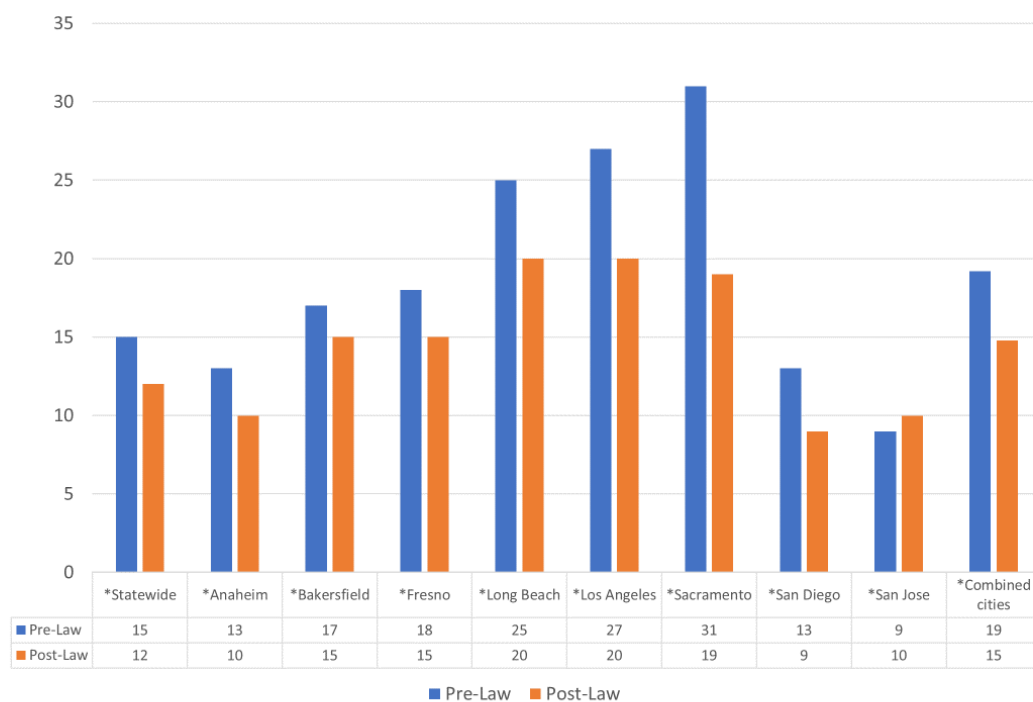
Figure 1: Average Monthly Larceny-Theft Rates (>= $400) Per 100,000 Population Before and After the Felony Theft Threshold Law in California, 2007-19

	*Statewide	*Anaheim	*Bakersfield	Fresno	Long Beach	*Los Angeles	*Sacramento	*San Diego	*San Jose	Combined cities
Pre-Law	49	50	80	74	40	57	82	53	35	59
Post-Law	52	53	74	75	37	60	77	51	47	59

■ Pre-Law   ■ Post-Law

* The mean difference between the pre-and post-law series is significant (p < .05, two-tailed t-test).

Figure 2 shows the mean change in the robbery rate between the pre-and post-intervention periods. Only the city of San Jose showed a statistically discernable increase in the robbery rate during the post-intervention period. Figure 2 further reveals a marked decrease in the robbery rate statewide and for most cities. The overall mean robbery rate for the eight cities before the law was 19.2. After the law's enactment, the robbery rate decreased by approximately 23%. This reduction in the robbery rate is statistically significant at the .001 level of analysis. However, it is essential to note that if some thefts morphed into robberies following the law's implementation, the robbery rate should have increased rather than decreased in the cities.

Figure 2: Average Monthly Robbery Rates per 100,000 Population Before and After the Felony Theft Threshold Law in California, 2007-19

	*Statewide	*Anaheim	*Bakersfield	*Fresno	*Long Beach	*Los Angeles	*Sacramento	*San Diego	*San Jose	*Combined cities
Pre-Law	15	13	17	18	25	27	31	13	9	19
Post-Law	12	10	15	15	20	20	19	9	10	15

■ Pre-Law ■ Post-Law

The mean difference between the pre-and post-law series is significant (p < .05, two-tailed t-test).

Lastly, we constructed a figure that depicts thefts above $400 and robberies over the entire study period for all eight cities included in the analysis (see Figure 3). The change to California's felony theft threshold law in January 2011 is noted in the figure. A visual examination of Figure 3 shows that the trend in thefts over $400 was relatively stable before the implementation of the felony theft threshold law. This trend probably explains the small difference in pre- and post-intervention means noted in Figure 1. An inspection of Figure 3 also reveals that the robbery rate was already declining in the cities immediately before the enactment of the felony theft threshold law. Consequently, one may question whether the statistically significant difference in the pre-and post-intervention robbery rate means noted in Figure 2 was due to the felony theft threshold law or a preexisting downward trend in the robbery. Further evidence is necessary before a determination can be made regarding this issue. The ARIMA intervention analysis is employed for this purpose.

Figure 3. Average Monthly Larceny-Theft ($400 and Above) and Robbery Rates Before and After Felony Theft Threshold Law, 2007-19 (8 Cities Combined)
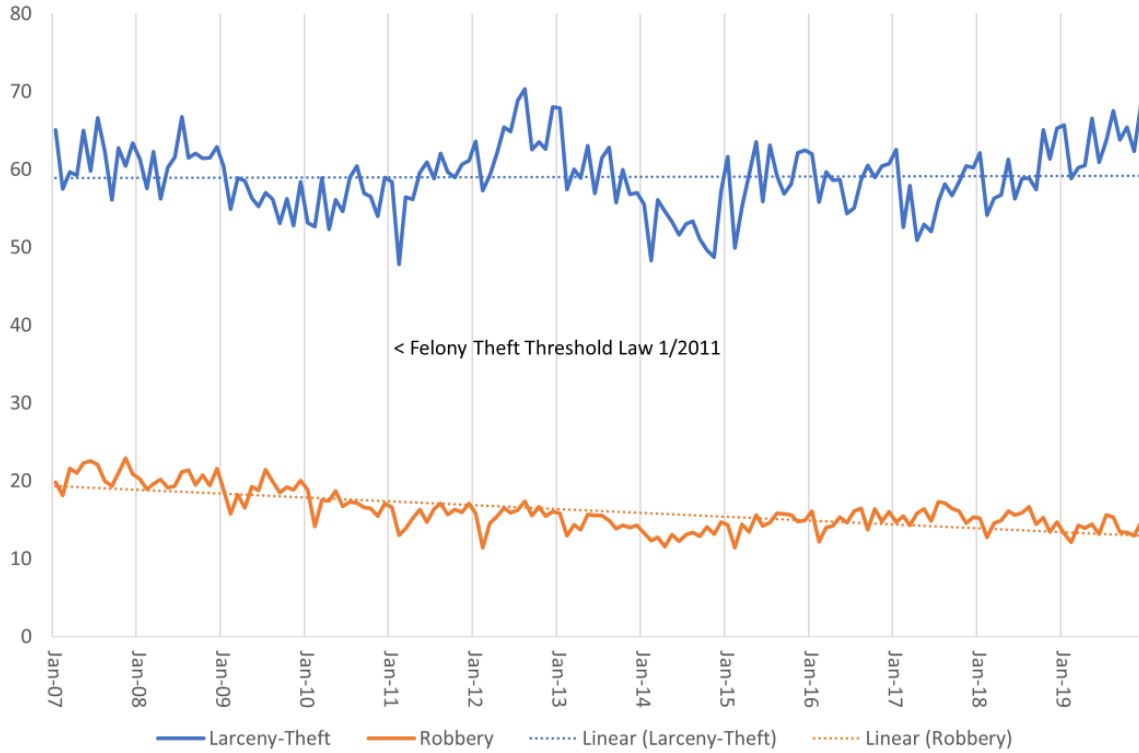
5. Intervention Analyses

We began the intervention analysis by constructing ARIMA models for the over $400 theft and robbery rates series for each of the eight California cities. We relied primarily on the ARIMA Expert Modeler in SPSS 28 to automatically identify the best-fitting ARIMA (Autoregressive Integrated Moving Average) model for the time series data. The dichotomous felony theft threshold law intervention variable and control variables were included in the models as event variables. Event variables indicate the occurrence or absence of an event at a particular point in time.

An ARIMA model is specified by three order parameters: (p, d, q), where 'p' is the order of the autoregressive part, 'd' is the order of differencing, and 'q' is the order of the moving average process. The Expert Modeler uses maximum likelihood to estimate the parameters for each model after determining whether a series is stationary in variance, stable in trend or has a seasonal process. After estimating the parameters, the Expert Modeler uses goodness-of-fit measures to select the best-fitting model with the fewest parameters. Once the best-fitting model is selected, the Expert Modeler scrutinizes the residuals of the chosen model to ensure they behave like white noise (Ljung & Box, 1978). The software then adjusts the model or its parameters if the residuals are not white noise to derive the best-fitting ARIMA model. The primary objective of the Expert Modeler is to assist users in creating accurate ARIMA models without requiring them to test different parameter combinations manually.

The ARIMA results for the over $400 felony theft and robbery rate models are presented in Table 2. It is important to point out that while the goal of the Expert Modeler is to generate the best-fitting model, manual adjustments were made to produce non-significant coefficients for the felony theft threshold law variable. Otherwise, the non-significant coefficients would not be reported. The two dummy-coded control variables are also noted in Table 2. Inspection of Table 2 shows that California's felony theft threshold law had little impact on the over $400 theft rate because none of the dummy coded intervention coefficients for the eight cities are statistically significant. The intervention coefficients for the statewide and combined city equations are also not of substantive importance. Additionally, only one city (Anaheim) experienced a marked rise in the $400 and above larceny-theft rate following the passage of Proposition 47. None of the other estimates for Proposition 47 or Brown v. Plata reached statistical significance.

The only control variable that had a consistent effect was the under $400 theft series. As thefts under $400 increased in the California cities, so did thefts over $400. This relationship is not an unexpected finding.

Table 2: ARIMA Intervention Estimates on Monthly Reported Larceny-Theft Rate ($400 and Above), 2007-19

	Felony theft threshold law		Proposition 47		Brown v. Plata	
	Estimate	SE	Estimate	SE	Estimate	SE
Statewide	.492	1.221	.399	1.209	.960	1.221
Anaheim	.400	3.588	4.574***	1.359	-2.444	3.608
Bakersfield	-1.647	5.252	-.531	5.147	3.213	5.239
Fresno	2.632	4.930	.611	5.174	7.191	4.814
Long Beach	2.420	5.102	7.854	5.102	2.070	5.131
Los Angeles	1.662	1.731	1.850	1.815	.729	1.743
Sacramento	.931	5.757	.241	5.556	7.406	5.532
San Diego	-5.380	3.381	-1.402	3.381	5.272	4.358
San Jose	-.698	2.837	2.347	2.741	3.609	2.828
Cities combined	-.267	1.935	1.136	1.968	2.544	1.943

N = 156 months. ***p < .001, **p < .01, *p < .05 (two-tailed t-tests).
The monthly reported larceny-theft rate (below $400) is included as a control.

The effects of the felony theft threshold law, Proposition 47, and Brown v. Plata on the robbery rate are reported in Table 3. Findings show that only two intervention coefficients are statistically significant for felony theft. Specifically, there were notable decreases in reported robberies in Bakersfield and San Diego following the passage of California's felony theft threshold law. However, based on the null findings for the other cities, state, combined series, and the negative rather than positive intervention coefficient, it seems likely that these cities are an aberration. The passage of Proposition 47 appeared to increase robbery in Sacramento and combined city series, while Brown v. Plata seemed to amplify the robbery rate in San Diego. Nevertheless, despite these findings, only three coefficients were of substantive importance out of the 20 coefficients estimated.

In sum, the ARIMA results reported in Tables 1 and 2 furnish strong evidence that preexisting trends, rather than the implementation of the felony theft threshold law, account for the slight increase in the over $400 theft rate series and for the nominal decrease in the robbery rate series depicted in Figure 3.

Table 3: ARIMA Intervention Estimates on Monthly Reported Robbery Rate, 2007-19

	Felony theft threshold law		Proposition 47		Brown v. Plata	
	Estimate	SE	Estimate	SE	Estimate	SE
Statewide	-.717	.385	.555	.379	.382	.382
Anaheim	-1.777	1.251	-.203	.548	-1.371	1.260
Bakersfield	-1.762*	.786	.568	.870	.180	1.483
Fresno	.515	1.664	1.803	1.603	.459	1.650
Long Beach	.780	2.395	.723	2.212	3.068	2.323
Los Angeles	.007	1.128	1.892	1.127	.056	1.125
Sacramento	-3.632	1.939	3.900*	1.754	.816	1.872
San Diego	-1.537*	.732	.964	.639	1.431*	.710
San Jose	.181	.854	-.056	.809	.496	.860
Cities combined	-.045	.686	1.379*	.665	.118	.672

N = 156 months. ***p< .001, **p< .01, *p< .05 (two-tailed t-tests).

6. Supplemental Analysis

We conducted a supplemental analysis to help ensure that our original findings remained robust across different specifications. Our initial analysis was rooted in the assumption that the relationship between the law and theft might increase robbery incidents if individuals naturally have a greater proclivity to defend higher-value property from being stolen. However, we felt it would also be appropriate to analyze the impact of the law change on a pure property crime like burglary. Results of this analysis, which are reported in Table 4, show that the felony theft threshold law had little substantive effect on the burglary rate.

Anaheim was the only city that experienced a noteworthy impact of the felony theft law, but the effect was negative. The influence of Proposition 47 and the Brown v. Plata decision on the burglary rate for the eight cities, the eight cities combined, and the state of California were generally null. Only two out of 20 estimates reached statistical significance. Taken in their totality, these results suggest that the felony theft law, Proposition 47, and the Brown v. Plata decision had little impact on the burglary rate.

Table 4: ARIMA Intervention Estimates on Monthly Reported Burglary Rate, 2007-19

	Felony theft threshold law		Proposition 47		Brown v. Plata	
	Estimate	SE	Estimate	SE	Estimate	SE
Statewide	-2.060	1.225	-1.580	1.237	.798	1.248
Anaheim	-10.638**	4.221	-1.062	4.096	6.250	4.196
Bakersfield	-1.272	6.263	-15.631***	2.702	2.664	6.315
Fresno	-4.940	6.167	5.412	6.098	12.523*	6.223
Long Beach	-4.048	5.097	-9.512	4.916	-2.362	4.925
Los Angeles	-2.386	1.698	-1.654	4.694	.754	1.682
Sacramento	-7.549	6.469	3.493	6.144	-10.273	6.547
San Diego	-3.267	2.722	.521	2.704	3.509	2.671
San Jose	-.756	3.089	-.780	2.658	3.618	3.082
Cities combined	-4.825*	2.284	-1.220	2.191	3.018	2.240

N = 156 months. ***p < .001, **p < .01, *p < .05 (two-tailed t-tests).

7. Conclusion

There has been a proliferation of felony theft threshold laws in recent years. Approximately 37 states have increased their felony theft threshold laws one or more times since 2000 (Pew Charitable Trusts, 2017). These laws lower the severity of criminal punishment by raising the value of stolen property for theft to be considered a felony crime. The primary justification for these laws is that criminal penalties based on the value of stolen property must account for rising inflation to be fair. The penalties for theft should be adjusted accordingly if the property's value changes over time. Another reason for raising the felony theft threshold is that limited and costly prison space should not be wasted on incarcerating low-level theft offenders.

Despite these widely adduced justifications for raising the felony theft threshold, disagreement persists about how these laws affect theft. It is argued that raising the felony theft threshold increases theft because criminals can steal higher-value items with an attenuated likelihood of severe punishment should they be apprehended and convicted. There is also the possibility that these laws may engender a rise in robberies because of the greater propensity of victims to protect higher-value items from thieves. A thief may find it necessary to use force in such a situation to acquire the higher value property from the victim, transforming the theft into a robbery.

The results generated in this study show that the impact of California's felony theft threshold law on thefts over $400 in eight large California cities was negligible. California's felony theft threshold law also failed to amplify robbery to any substantial degree. However, while the evidence in this study supports the position that California's felony theft threshold law had relatively little substantive effect on thefts over $400 and on robbery, it does not identify the potential reasons for these null findings. In other words, why did the felony theft threshold law have little impact on the theft of higher-value items or robbery?

The most likely explanation that merits some consideration is the possibility that criminals are less rational than commonly thought. The deterrence thesis argues that people are free-will actors who engage in criminal activity after rationally contemplating such activity's potential benefits and probable liabilities. Criminal offenders may also choose to perpetrate a less severe crime when the severity of the sanction exceeds the potential reward derived from the crime. This downgrading in the seriousness of the crime committed is commonly referred to as a marginal deterrence effect (Torres, D'Alessio, & Stolzenberg, 2024).

However, some argue that rational choice advocates exaggerate the view that the decision to offend or downgrade their offending is the culmination of a thoughtful weighing of potential costs and rewards because the thought processes of criminal offenders are likely constrained or bounded (Sunstein, Jolls, & Thaler, 1998). Criminals simply fail to fully process all the useful information hypothetically available to them regarding the commission of a crime. Criminals are also highly present-oriented and opportunistic.

Many crimes involve little or no advanced planning (Wright & Decker, 1997), resulting from the desire to maintain a live-for-today hedonistic lifestyle (Shover & Honaker 1992), occur for the acquirement of status among their peers (Jacobs & Wright 1999), and transpire for the thrill generated by the offense (Katz, 1988). All these factors suggest that criminals employ a much less complete thought process in their decision to partake in illegal activities than that predicted by rational choice theory. In sum, if criminals are opportunistic and fail to comprehend the full ramifications of their illicit behavior, it seems likely that a reduction in the severity of punishment for certain types of thefts, where the offender might not even be cognizant of the exact monetary value of the property stolen, would have little effect on modifying an individual's criminal offending behavior.

While the results generated in this study have important policy implications, there will remain a question as to whether the evidence presented here suffices to sufficiently discredit the possibility that felony theft threshold laws act to escalate theft and or robbery. Certain caveats need to be highlighted. First, despite the possibility that offenders are not aware of the exact value of the property and the number of thefts falling within the $400-$950 range is relatively small, one can reasonably argue that thefts between $400 and $950 should be measured rather than all thefts over $400 because thefts over $950 remained a felony crime after the law change. We were unable to investigate this issue because of data limitations. Other researchers with access to more detailed data might find it fruitful to focus on specific monetary values of stolen property when evaluating the impact of felony theft threshold laws.

Second, the data analyzed here were drawn from eight large cities in one state. Would our inability to manifest a robust positive influence of California's felony theft threshold law on thefts over $400 apply to urban areas in other states? Can the same be said for robbery? It seems probable that city demographics play a salient role in determining the impact of felony theft threshold laws. Social scientists should consider replicating this study in other cities that have recently modified their felony theft threshold law. Confidence in the effects of felony theft threshold laws can be amplified the more frequently such research is conducted.

Despite these caveats, our findings have obvious policy implications. Many assume implicitly that felony theft threshold laws increase theft, but this study fails to support such a belief. When considering thefts under $400, previous trends, and seasonal fluctuations, California's felony theft threshold law did not have an observable effect on the over $400 theft rate. The law also had little impact on the robbery rate.

The effect of felony theft threshold laws on theft is a frequently broached topic, with scarce and inconsistent evidence to base conclusive answers. The purpose of this study was to shed additional light on this salient issue. Because our findings show that California's felony theft threshold law did not substantially increase the over $400 theft rate or the robbery rate in eight large California cities, we conclude that raising the felony theft threshold by policymakers has practical benefits without the downside of amplifying theft or robbery to any significant degree.

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