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# ARIZONA PUBLIC SAFETY COMPETITIVENESS INDEX

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## ABOUT THE AUTHORS



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**Zachary Milne** is the Senior Economist and Research Analyst for the Common Sense Institute AZ. Zachary works with the Arizona research team to craft important and thoughtful research concerning the Arizona economy.

Prior to CSI, Zachary attended Arizona State University, where he first attained a bachelor's in economics and statistics, followed by a master's degree in economics. Zachary has also worked in the Arizona Governor's budget office, where he served as an economist. In this capacity he developed the state's revenue forecasts and advised a team of budget analysts on the creation of K-12 and Medicaid caseload figures for the State's annual budget. He also advised the Executive policy and leadership teams on fiscal policy, and regularly presented detailed analyses on each of the dozens of tax bills introduced in the Arizona Legislature each year.

## ABOUT COMMON SENSE INSTITUTE

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Arizona's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Arizonans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Arizona economy and individual opportunity.

## TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

## INTRODUCTION

Crime directly affects the lives of all Arizonans and, if left unchecked, can significantly hamper the growth of the local economy. For the free enterprise system to prosper and attract both productive individuals and businesses alike, property rights and individual safety must be protected. This means that an effective and efficient public safety apparatus is necessary for the economic health of a state.

While Arizona has historically had a higher overall crime rate than the U.S., this gap has been shrinking since the mid-1990s due to a large persistent decline in property crime rates. Along with these declines, though, Arizona has also experienced a decline in the relative size of the police force and resources allocated towards law enforcement, as well as a rise in drug overdoses and homelessness coinciding with the explosion of fentanyl onto city streets across the U.S. Additionally, violent crime in Arizona has bucked the prior trend, exhibiting a concerning increase beginning in 2015 and exacerbated during 2020. These findings should at the very least elicit caution among citizens and policy makers regarding the prospect of future crime declines in the midst of falling law enforcement resources.

## KEY FINDINGS

- Arizona's Public Safety Competitiveness Index, and thus its ranking among all 50 states and D.C., fell four places between 2011 and 2023 due to declines in four of the five sub-metrics included in the broader index. Of those four metrics that declined, police per-capita and homelessness per-capita declined the most.
- Coincident with the onset of the fentanyl epidemic, Arizona has experienced rising drug overdoses through 2021, which decreased the Drug Overdoses Per-Capita Competitive Index by four points.
- The number of police officers per capita in Arizona has been declining since 2011, dropping from 2 officers per 1,000 residents in 2011 to 1.7 in 2022 – a 15% decline. Additionally, Arizona's police force is shrinking relative to the rest of the country, falling from 86.2% the size of the average per-capita police force to 75.7%.
- The fall in overall crime rates has masked a significant uptick in violent crime that started in 2015 and was exacerbated in 2020. Property crime rates have continued to decline over the Index period, but more slowly than they were falling during the "Great Crime Decline".

# STATE PUBLIC SAFETY COMPETITIVENESS INDEX

CSI's annual Free Enterprise Report assesses a state's competitiveness relative to its national peers across nine subject areas, including public safety. The goal of this assessment is to indicate how well a state's policy in these areas (and in its overall economy) conforms to free-market principles, and given that conformity, how well the sector itself performs.

While a state's public safety system does not directly contribute to the strength of its overall economy, it is nonetheless necessary for a free enterprise system to flourish. Crime – both property and violent – has social and economic costs. These costs combined with loss of trust are detrimental to the free and open exchange of goods and services and harmful to economic growth. In order to set the foundation on which a prosperous economy can grow, policy makers at all levels of government must ensure that the public safety apparatus is both well-funded and granted sufficient legal capacity to limit crime.

To gauge how well Arizona performs in the realm of public safety, CSI produces a Public Safety Competitiveness Index for all 50 states and the District of Columbia consisting of five metrics that capture its distinct components: public safety spending per capita, drug overdose deaths, the number of sworn law enforcement officers per capita, the crime rate, and the size of a state's homeless population.

Each state and D.C. are given a score for each metric, and then Arizona is ranked relative to its peers. The five ranked metrics are then equally weighted, summed, and normalized to produce an aggregate state Competitiveness Index value. Values range between 50 and 100 (with 100 being the best) and are reported in effective rank order (the worst-performing state receiving a 50, and the best a 100). This aggregate measure of public safety competitiveness over time is shown in **Figure 1**.

**FIGURE 1 – ARIZONA PUBLIC SAFETY COMPETITIVENESS INDEX**



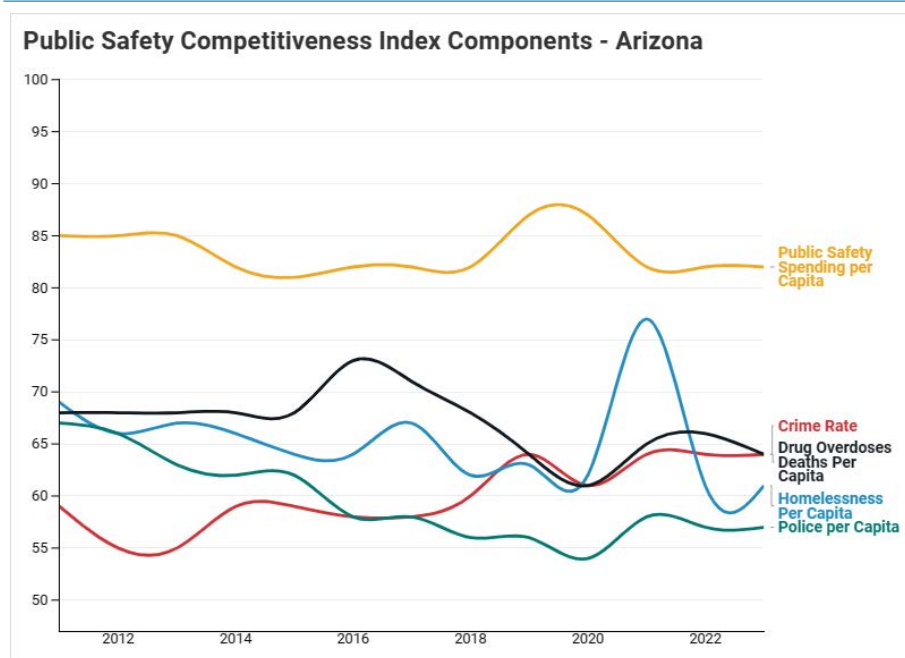
Arizona's Public Safety Competitiveness Index was 70 in 2011 and then declined to 66 in 2023. An increase (decrease) in the Public Safety Competitiveness Index represents a positive (negative) qualitative change – i.e., the state is more competitive as the index approaches one hundred and less competitive as the index declines. It should be noted that data is not available through 2023 for some of the metrics included in this report. For those metrics, we present the results through the latest year of data available.

**Figure 2** shows the evolution of the five components included in the Public Safety Competitiveness Index.

Arizona's relative decline in the Public Safety Competitiveness Index was the result of declines in all but one component index – the crime rate Competitiveness Index. While some of these metrics showed a slight improvement in later years – namely police per capita, drug overdoses, and public safety spending – they nonetheless remained lower than in the first year of measurement.

The index declines for homelessness per capita and police per capita were particularly pronounced. Between 2011 and 2023, Arizona fell 8 places in the relative rankings for homelessness per capita, and 10 places for police per capita. This reflects the states particular ongoing struggle with homelessness, drug use and abuse (particularly fentanyl), and our southern border – conditions CSI Arizona has studied at length.

**FIGURE 2 - ARIZONA PUBLIC SAFETY COMPETITIVENESS INDEX COMPONENTS**



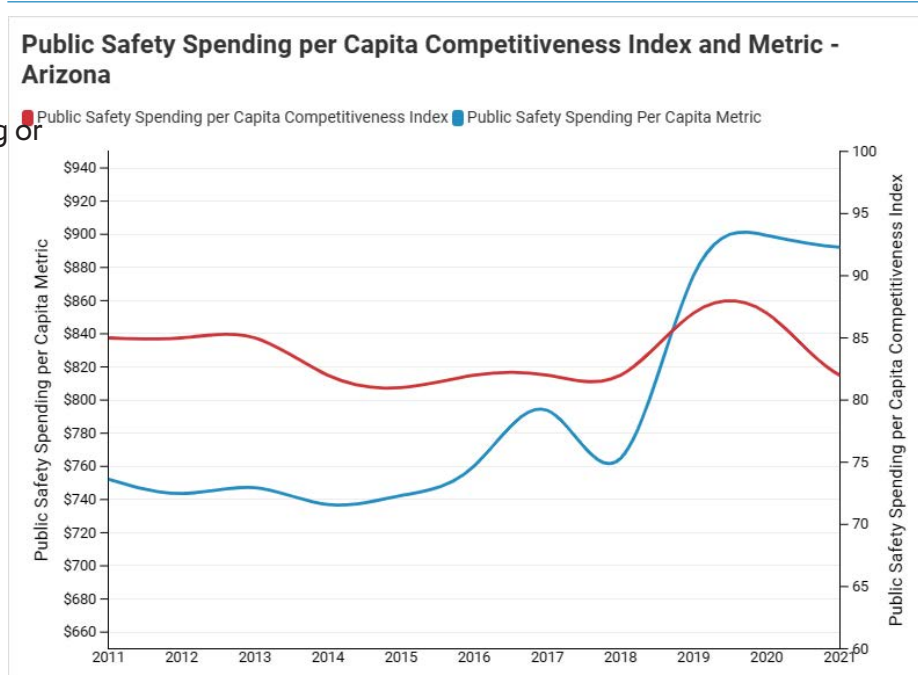
*Arizona's Public Safety Competitiveness Index was 70 in 2011 and then declined to 66 in 2023*

# PUBLIC SAFETY SPENDING PER CAPITA - COMPETITIVENESS INDEX COMPONENT

**Figure 3** presents the change in the public safety spending per capita index (normalized and ranked) against the change in the underlying metric itself. This enables us to better assess whether the change in Arizona’s performance was the result of a change in its own performance, or a change in the performance of its peers (or both).

The index declined from 85 in 2011 to 82 in 2023. This decline occurred despite significant increases in spending on public safety over the last decade because some states increased their spending more. For example, Arizona increased its per capita spending on public safety 18.6% between 2011 and 2021, while the average increase among all states and D.C. during this same time was 25.7%. In dollar terms, Arizona’s public safety spending per capita increased to \$892.17 per resident in 2021 from \$752.27 in 2011.<sup>i</sup> These results likely reflect the ongoing national struggle with surging crime, homelessness, and drug abuse following the end of the “Great Crime Decline” during or just prior to the pandemic, when crime-rates stopped their long-term trend of gradual decline.<sup>ii</sup>

**FIGURE 3 – ARIZONA PUBLIC SAFETY SPENDING PER CAPITA COMPETITIVENESS INDEX AND METRIC**





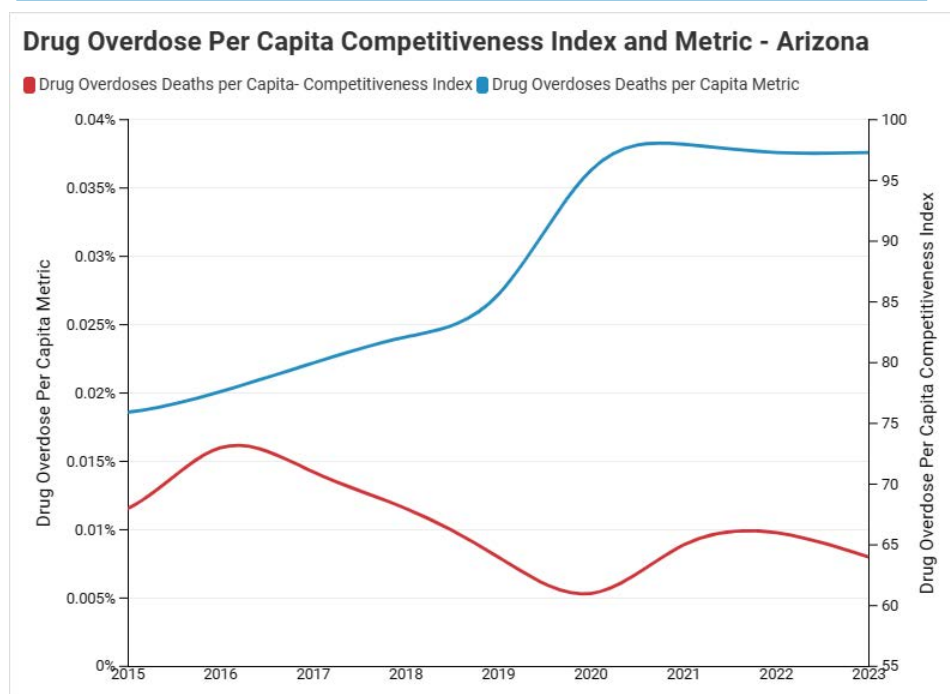
# DRUG OVERDOSE DEATHS PER CAPITA - COMPETITIVENESS INDEX COMPONENT

**Figure 4** presents the change in the Drug Overdose Per Capita Index (normalized and ranked) against the change in the underlying metric itself. This enables us to better assess whether the change in Arizona's performance was the result of a change in its own performance, or a change in the performance of its peers (or both).

The index declined from 68 in 2015 to 64 in 2021 due to a large rise in the number of drug overdoses in the state. For instance, in 2015 Arizona recorded 19 drug overdoses for every 100,000 residents in the state. By 2023, this figure rose to 38 overdoses per 100,000 residents, a 103% increase from just eight years earlier. <sup>iii</sup>

Unsurprisingly, the rise in drug overdoses coincides with both a rise in the level of homelessness in the state (discussed below) and the nation more broadly, and the shift in opioid demand from illicit prescriptions to fentanyl and other cheaper black-market substitutes likely smuggled across America's border with Mexico. Prior studies by CSI have identified the links between the fentanyl and immigration crises, and the link between homelessness and drug dependence.

**FIGURE 4 - DRUG OVERDOSE DEATHS PER CAPITA - COMPETITIVENESS INDEX AND METRIC**



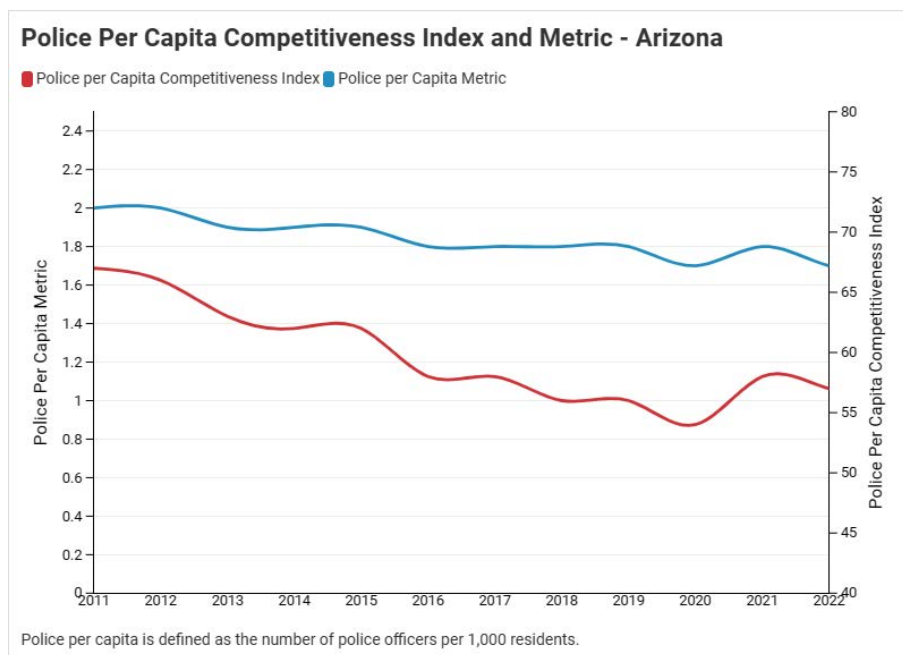
## POLICE PER CAPITA - COMPETITIVENESS INDEX COMPONENT

**Figure 5** presents the change in the number of Police Officers Per Capita Index (normalized and ranked) against the change in the underlying metric itself. This enables us to better assess whether the change in Arizona’s performance was the result of a change in its own performance, or a change in the performance of its peers (or both).

The primary driver of the decline in the competitiveness index was the result of a decrease in the underlying metric, meaning there were fewer police per capita in 2022 than in years past. According to data from the FBI, Arizona law enforcement agencies employed 2 police officers per 1,000 residents in 2011. This figure steadily declined in the following decade, eventually reaching 1.7 officers per 1,000 residents by 2022. Similarly, the average number of police officers per 1,000 residents across all states and D.C. declined from 2.3 in 2011 to 2.2 in 2022, representing a 3.2% decline – far less in magnitude than the 15% decline experienced in Arizona.

Additionally, while the per-capita police force in Arizona was shrinking overall during this time, it was also losing ground relative to other states in the nation. For example, in 2011 Arizona’s per-capita force was 86.2% the size of the average per-capita police force for all states and D.C. By 2022 that figure fell to just 75.7%. Note as well the reversal in this trend following the seeming reversal of the “Great Crime Decline” and subsequent escalation of the state’s fentanyl abuse crisis.

**FIGURE 5 - POLICE PER CAPITA (1,000 RESIDENTS) COMPETITIVENESS INDEX AND METRIC - ARIZONA**



## CRIME RATE - COMPETITIVENESS INDEX COMPONENT

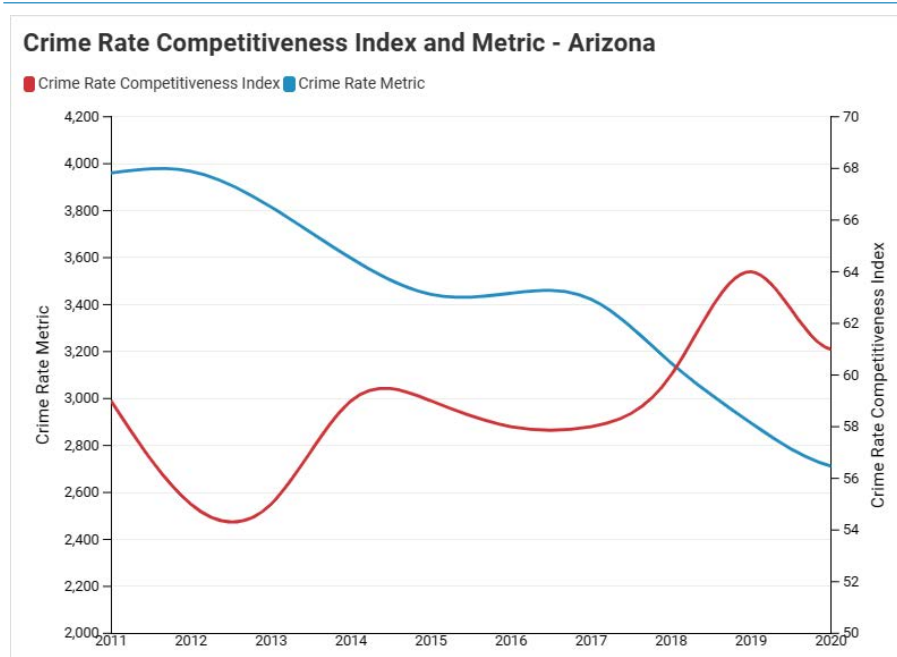
**Figure 6** presents the change in the Crime Rate Competitiveness Index (normalized and ranked) against the change in the underlying metric itself. This enables us to better assess whether the change in Arizona's performance was the result of a change in its own performance, or a change in the performance of its peers (or both).

Due to a change in the classification of the FBI crime data utilized for this report, this metric only covers the 2011 to 2020 period. Subsequent reports will feature updated data for more recent time periods.

The overall crime rate in Arizona has continued to decline from the highs experienced in the mid-1990s, which is reflected in a decline in the underlying crime rate metric. While crime in Arizona has followed a similar pattern to most of the U.S. – i.e. most states have been experiencing declines since the 1990s – it has fallen faster in Arizona, leading to a rise in its competitiveness index from 59 to 61.

CSI notes as well that the Crime Rate Metric here is the indexed combination of all crimes – violent and property. While property crime in Arizona continued falling through 2020 (contrary to experience in some other states), though at a slower pace than the prior long-term trend, violent crime rates in Arizona began rising again in 2015. Since 2020 and not reflected in Figure 6, crime rates in Arizona have remained elevated, particularly relative to prior trends (further discussed below).

**FIGURE 6 - CRIME RATE COMPETITIVENESS INDEX AND METRIC - ARIZONA**



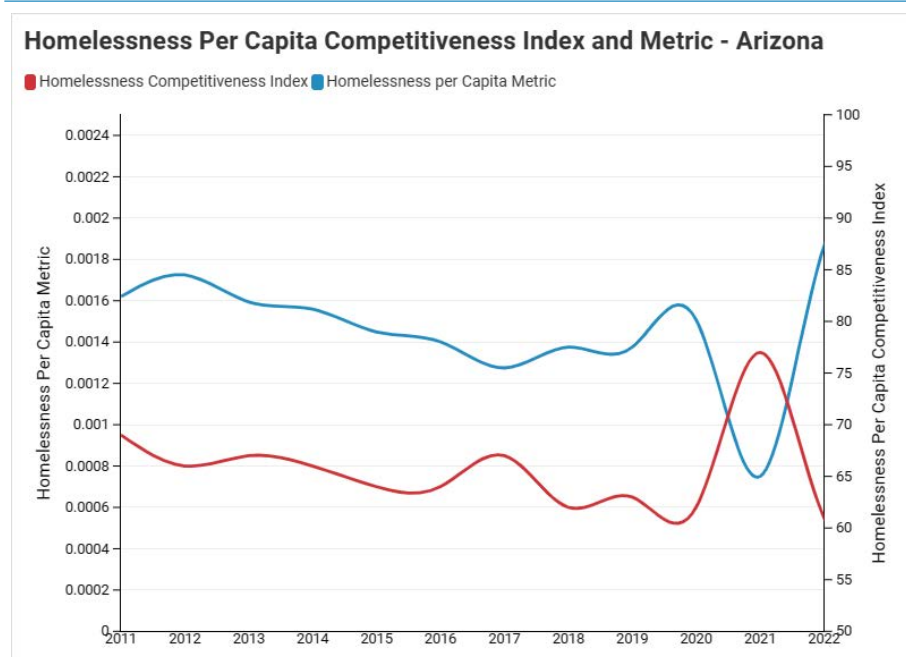
## HOMELESSNESS PER CAPITA - COMPETITIVENESS INDEX COMPONENT

**Figure 7** presents the change in the Homelessness Per Capita Competitiveness Index (normalized and ranked) against the change in the underlying metric itself. This enables us to better assess whether the change in Arizona's performance was the result of a change in its own performance, or a change in the performance of its peers (or both).

The underlying metric increased 15.0% between 2011 and 2023, representing a change from 162 homeless individuals per 100,000 residents in 2011 to 186 in 2022. However, prior to 2018, the number of homeless individuals per capita in Arizona was declining, aligning with broader trends across the nation. By 2018, this trend of declining homelessness reversed, rising 46.1% in the five years between 2017 and 2023.

Although average homelessness per capita across all states has followed a similar pattern to that experienced in Arizona, the decline prior to 2018 was more significant (-17.2% versus -15.1% in Arizona) and the post 2017 rise was less significant (+1.8% versus +46.1% in Arizona), leading to a decline in Arizona's ranking among its peers, and thus the competitiveness index.

**FIGURE 7 - HOMELESSNESS PER CAPITA COMPETITIVENESS INDEX AND METRIC - ARIZONA<sup>1</sup>**



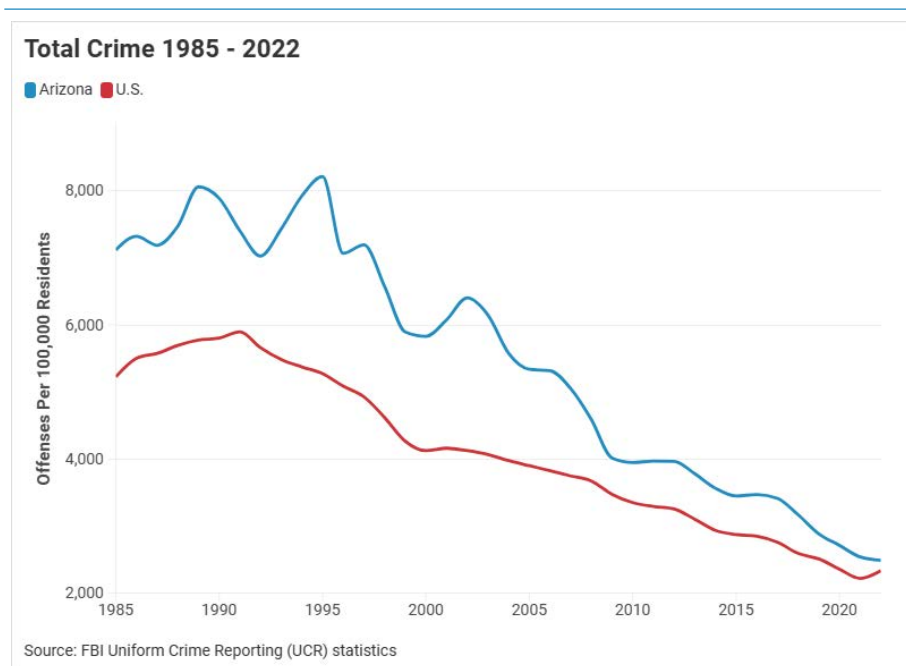
<sup>1</sup> Due to temporary limitations during the COVID pandemic, homelessness counts in Arizona were artificially low in 2021, leading to a large decrease (increase) in the homelessness per capita metric (index).

## CRIME & PUBLIC SAFETY IN ARIZONA AFTER 2020

Because this monthly Index Report is based on data compiled and published in the annual Free Enterprise Report late in 2023, it is based on data that (largely) goes through only calendar year 2020. However, given rapid and ongoing change in conditions in some of America's major cities since the pandemic – including the greater Phoenix area – and CSI's past and ongoing research in the area, we provide additional context here. While the following data points are not reflected in our Index above, they are informative.

As of the 2022 data available through the FBI's Uniform Crime Reporting (UCR) statistics, overall crime in Arizona has declined 35.1% since 1985 - compared to a 24.1% decline for the U.S. overall. These declines are primarily attributable to the persistent decline in property related crimes over this period, as property crimes make up the vast majority of total crime experienced in the U.S. This decline has meant that Arizona – which has historically had higher total crime rates – has closed the gap between it and the average state. This convergence has accelerated due to the recent uptick in national total crime rates (**Figure 8**). In 2020, the overall crime rate in Arizona was 15% higher than in the U.S. As of 2022 that number has dropped to just 6.6%. Despite the continued decline in total crime rates, violent crime in Arizona has joined the nation in arresting its long-run decline beginning in the early 1990's – a phenomenon called the "Great Crime Decline". Between 2014 and 2020, Arizona experienced a 23.5% increase in violent crime even as property crime rates continued to plummet. Although the violent crime rate declined 11% in 2022 relative to 2020 levels it remains nearly 10%

**FIGURE 8 – TOTAL CRIME 1985 - 2022**

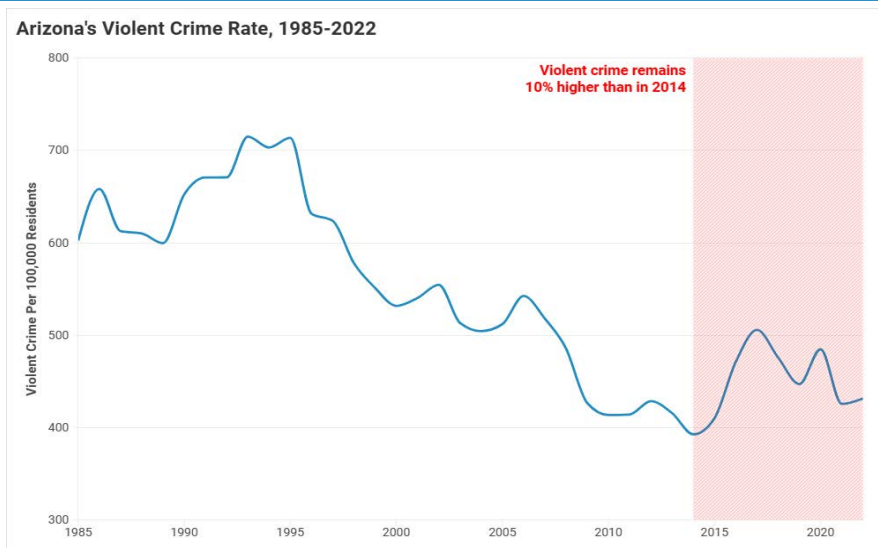


higher than 2014 levels (its long-term minimum). Coincidentally, the states opioid drug crisis began in the mid-2010's, and the states crackdown on prescription opioid abuse in 2017 coupled with the collapse of security along Arizona's southern border has fueled rapid growth in its fentanyl market.

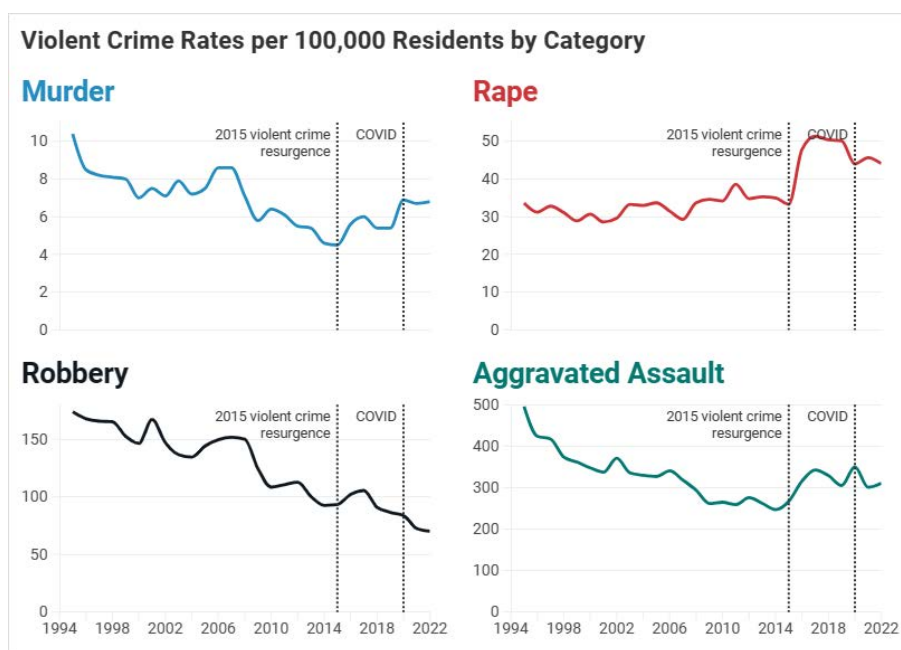
While the state has outperformed the United States since 2020 in terms of property crime (avoiding any aggregate increase here), we have identified several concerning trends: based on industry-reported data, overall "loss rates" across the nation are rising despite no increase in overall reporting, and though not rising, property crime declines have either stalled or are proceeding in Arizona at a slower pace today than they were prior to 2015.

Given the relative performance in public safety spending and police per capita, rising violent crime rates are of particular concern for Arizona. As of 2020, the state ranks 39th best in its crime rate per 100,000 residents, even with the slight improvement highlighted in this report. With less resources, less police, and rising violent crime, the public safety environment in the state is at risk of further deterioration, even though the relative ranking of the state may not change drastically due to nationwide trends.

**FIGURE 9 – ARIZONA'S VIOLENT CRIME RATE, 1985 - 2022**



**FIGURE 10 – VIOLENT CRIME RATES PER 100,000 RESIDENTS BY CATEGORY**





## THE BOTTOM LINE

Following the almost-forgotten struggles in American's big cities during the 1970's and 1980's with crime – particularly drug- and organized-crime – many Americans had over the last thirty years come to accept the “Great Crime Decline” as normal and inevitable. Indeed, it was more common to hear about America's problem with “overincarceration” than any potential problems with crime and crime rates.<sup>iv</sup>

Since the pandemic in particular, experience has again demonstrated the importance of effective policing and public-safety policies to maintaining this low-crime environment. While Arizona continued to outperform the country, our Public Safety Competitive Index provides a cautionary note for the public and policymakers.

## SOURCES

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- iv. Lopez, German, "The case for capping all prison sentenced at 20 years", Vox, Feb 12th, 2019.