# Lab3: Reducing Crime

w203 Lab3

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## **Exploratory Data Analysis**

Perform an exploratory analysis to understand the determinants of crime and to generate policy suggestions that are applicable to local government.

## Setup

First, we load the necessary libraries.

```
suppressMessages(library(stargazer))
suppressMessages(library(corrplot))
suppressMessages(library(dplyr))
suppressMessages(library(car))
```

Then we load the dataset, which is in the same directory as this RMD.

```
# Load the data
rawCrimeData = read.csv("crime_v2.csv")
str(rawCrimeData)
```

```
'data.frame':
                    97 obs. of 25 variables:
             : int
   $ county
                    1 3 5 7 9 11 13 15 17 19 ...
                     87 87 87 87 87 87 87 87 87 87 ...
##
   $ year
              : int
##
   $ crmrte
              : num
                     0.0356 0.0153 0.013 0.0268 0.0106 ...
##
   $ prbarr : num
                    0.298 0.132 0.444 0.365 0.518 ...
   $ prbconv : Factor w/ 92 levels "","0.068376102",...: 62 88 12 61 51 2 58 77 41 85 ...
##
                    0.436 0.45 0.6 0.435 0.443 ...
   $ prbpris : num
##
                     6.71 6.35 6.76 7.14 8.22 ...
   $ avgsen
             : num
##
  $ polpc
                     0.001828 0.000746 0.001234 0.00153 0.00086 ...
              : num
   $ density : num
                     2.423 1.046 0.413 0.492 0.547 ...
##
   $ taxpc
                     31 26.9 34.8 42.9 28.1 ...
              : num
              : int
##
   $ west
                     0 0 1 0 1 1 0 0 0 0 ...
##
                    1 1 0 1 0 0 0 0 0 0 ...
   $ central : int
   $ urban
              : int
                     0 0 0 0 0 0 0 0 0 0 ...
##
   $ pctmin80: num
                     20.22 7.92 3.16 47.92 1.8 ...
##
   $ wcon
              : num
                     281 255 227 375 292 ...
##
   $ wtuc
              : num
                     409 376 372 398 377 ...
##
   $ wtrd
                     221 196 229 191 207 ...
              : num
##
   $ wfir
              : num
                     453 259 306 281 289 ...
##
   $ wser
                     274 192 210 257 215 ...
              : num
##
   $ wmfg
              : num
                     335 300 238 282 291 ...
##
                     478 410 359 412 377 ...
   $ wfed
              : num
##
                     292 363 332 328 367 ...
   $ wsta
              : num
                     312 301 281 299 343 ...
##
  $ wloc
              : num
              : num
                     0.0802 0.0302 0.4651 0.2736 0.0601 ...
                     0.0779 0.0826 0.0721 0.0735 0.0707 ...
   $ pctymle : num
```

The dataset contains 25 columns (variables) and 97 rows

## Data Quality/Clean-up

#### Remove NAs

```
sum(is.na(rawCrimeData$county))
## [1] 6
The data set contains 6 rows with NA county. We need to remove these rows before proceeding further.
crimeData <- rawCrimeData[!is.na(rawCrimeData$county),]</pre>
```

```
min(complete.cases(crimeData))
```

## [1] 1

Since there are no more incomplete rows, we're good to go.

#### Convert county to factor

Since county is not a measurement, we should convert it into factor so that it can be easily used for further analysis.

```
crimeData$county <- as.factor(crimeData$county)
length(levels(crimeData$county))</pre>
```

## [1] 90

This is interesting, we have 91 rows but only 90 levels. Eyeballing the data shows there are two identical rows for county 193, same can be varifired using duplicated function.

```
crimeData[duplicated(crimeData), "county"]
```

```
## [1] 193
## 90 Levels: 1 3 5 7 9 11 13 15 17 19 21 23 25 27 33 35 37 39 41 45 ... 197
so lets delete the duplicate row
crimeData <- crimeData[!duplicated(crimeData),]
```

#### Convert prbconv to number

Now lets convert proconv from factor to number because it is a probability value.

```
crimeData$prbconv <- as.numeric(levels(crimeData$prbconv))[crimeData$prbconv]</pre>
```

```
## Warning: NAs introduced by coercion
summary(crimeData$prbconv)
```

```
## Min. 1st Qu. Median Mean 3rd Qu. Max.
## 0.06838 0.34422 0.45170 0.55086 0.58513 2.12121
```

#### Ceil probabilities to 1 to fit them in valid probability range

Now lets see if any of the probability is crossing 0 to 1 range

```
filter(crimeData, prbarr< 0 | prbarr>1 |
         prbconv < 0 | prbconv > 1 |
         prbpris < 0 | prbpris > 1) [,c("county", "prbarr", "prbconv", "prbpris")]
##
               prbarr prbconv prbpris
      county
           3 0.132029 1.48148 0.450000
## 1
## 2
          19 0.162860 1.22561 0.333333
## 3
          99 0.153846 1.23438 0.556962
         115 1.090910 1.50000 0.500000
## 4
## 5
         127 0.179616 1.35814 0.335616
## 6
         137 0.207143 1.06897 0.322581
## 7
         149 0.271967 1.01538 0.227273
## 8
         185 0.195266 2.12121 0.442857
## 9
         195 0.201397 1.67052 0.470588
## 10
         197 0.207595 1.18293 0.360825
```

We have 10 counties where proconvis greater than 1 which means there are more convictions than arrests. Out of these 10 counties, one county (115) also has probar greater than 1 indicating more arrests than offences. We have two ways to clean this data, either we remove these 10 counties or we cap the max probabilities at 1. For this analysis we take second approach of capping the probabilities at 1.

```
crimeData$prbconv <- ifelse(crimeData$prbconv>1,1,crimeData$prbconv)
crimeData$prbarr <- ifelse(crimeData$prbarr>1,1,crimeData$prbarr)
summary(crimeData$prbarr)
##
      Min. 1st Qu. Median
                              Mean 3rd Qu.
                                               Max.
## 0.09277 0.20495 0.27146 0.29423 0.34487 1.00000
summary(crimeData$prbconv)
      Min. 1st Qu. Median
##
                              Mean 3rd Qu.
                                               Max.
## 0.06838 0.34422 0.45170 0.50799 0.58513 1.00000
summary(crimeData$prbpris)
##
      Min. 1st Qu.
                    Median
                              Mean 3rd Qu.
                                               Max.
   0.1500 0.3642 0.4222
                            0.4106 0.4576
                                            0.6000
```

## Univariate Variable Analysis of Key Variables

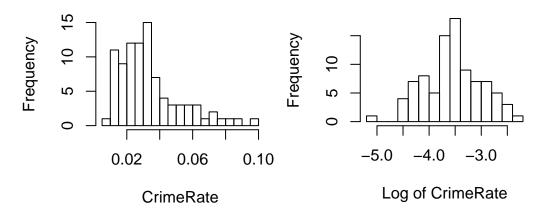
#### crmrte: crimes committed per person

Looking at the histogram of crime per person, the distribution appears to be positively skewed. Applying log() on crime shows the histogram to appear normally distributed.

```
hist(crimeData$crmrte, breaks=20, main = "Histogram of Crimes Committed"
   , cex.main=0.8, xlab="CrimeRate")
hist(log(crimeData$crmrte), breaks=20, main = "Histogram of Log of Crimes Committed"
   , cex.main=0.8, xlab="Log of CrimeRate")
```

#### **Histogram of Crimes Committed**

#### **Histogram of Log of Crimes Committed**

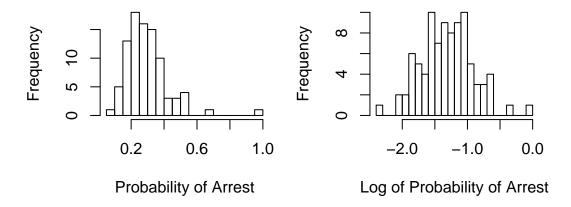


#### prbarr: probability of arrest

Looking at the histogram of arrest per person, the distribution appears to be positively skewed. Applying log() shows the histogram to appear *less* normally distributed.

```
hist(crimeData$prbarr, breaks=20, main = "Histogram of Probability of Arrest"
   , cex.main=0.8, xlab="Probability of Arrest")
hist(log(crimeData$prbarr), breaks=20, main = "Histogram of Log of Probability of Arrest Log"
   , cex.main=0.8, xlab="Log of Probability of Arrest")
```

## Histogram of Probability of Arrest Histogram of Log of Probability of Arrest L



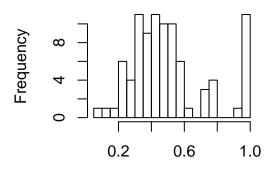
#### prbconv: probability of conviction

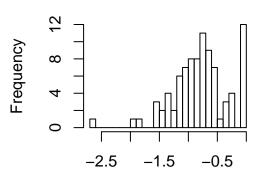
Looking at the histogram of probability of conviction, the distribution appears to be positively skewed. Applying log() shows the histogram to appear normally distributed.

```
hist(crimeData$prbconv, breaks=20, main = "Histogram of Probability of Conviction"
   , cex.main=0.8, xlab="Probability of Conviction")
hist(log(crimeData$prbconv), breaks=20, main = "Histogram Log Probability of Conviction"
   , cex.main=0.8, xlab="Log of Probability of Conviction")
```

## **Histogram of Probability of Conviction**

#### **Histogram Log Probability of Conviction**





Probability of Conviction

Log of Probability of Conviction

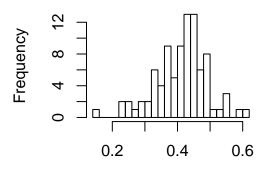
#### prbpris: probability of prison sentence

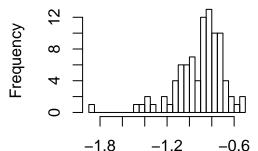
Looking at the histogram of probability of sentence, the distribution appears to be relatively normal. Applying log() shows the histogram to appear *less* normally distributed.

```
hist(crimeData$prbpris, breaks=20, main = "Histogram of Probability of Sentence"
   , cex.main=0.8, xlab="Probability of Sentence")
hist(log(crimeData$prbpris), breaks=20, main = "Histogram of Log Probability of Sentence"
   , cex.main=0.8, xlab="Log Probability of Sentence")
```

#### **Histogram of Probability of Sentence**

### Histogram of Log Probability of Sentence





Probability of Sentence

Log Probability of Sentence

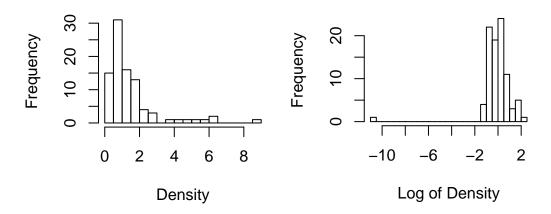
## density: people per sq. mile

Looking at the histogram of probability of sentence, the distribution appears to be positively skewed. Applying log() shows the histogram to appear *more* normally distributed, with one outlier.

```
hist(crimeData$density, breaks=20, main = "Histogram of People per sq. mile"
   , cex.main=0.8, xlab="Density")
hist(log(crimeData$density), breaks=20, main = "Histogram of Log People per sq. mile"
   , cex.main=0.8, xlab="Log of Density")
```

## Histogram of People per sq. mile

#### Histogram of Log People per sq. mile



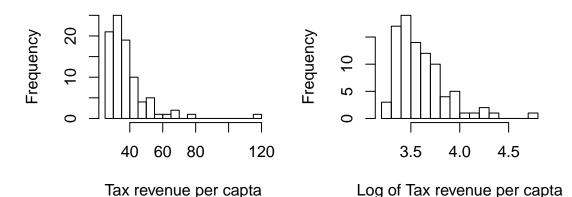
#### taxpc: tax revenue per capita

Looking at the histogram of probability of sentence, the distribution appears to be positively skewed. Applying log() shows the histogram to appear slightly positively skewed.

```
hist(crimeData$taxpc, breaks=20, main = "Histogram of Tax revenue per capita"
   , cex.main=0.8, xlab="Tax revenue per capta")
hist(log(crimeData$taxpc), breaks=20, main = "Histogram of Log Tax revenue per capita"
   , cex.main=0.8, xlab="Log of Tax revenue per capta")
```

#### Histogram of Tax revenue per capita

#### Histogram of Log Tax revenue per capita



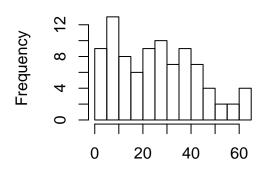
#### pctmin80: perc. minority, 1980

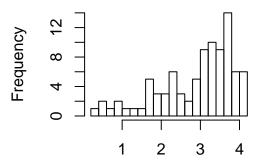
Looking at the histogram of probability of sentence, the distribution appears to be slightly positively skewed. Applying log() shows the histogram to appear negatively skewed.

```
hist(crimeData$pctmin80, breaks=20, main = "Histogram of % minority", xlab = "")
hist(log(crimeData$pctmin80), breaks=20, main = "Histogram of Log % minority", xlab = "")
```

## Histogram of % minority

## Histogram of Log % minority





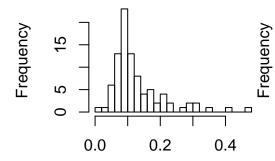
mix: offense mix: face-to-face/other

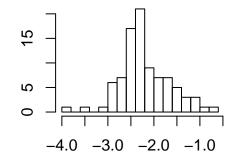
Looking at the histogram, the distribution appears to be slighly positively skewed. Applying log() shows the histogram to appear normally distributed.

```
hist(crimeData$mix, breaks=20, main = "Face-to-face/other"
   , cex.main=.8, xlab = "")
hist(log(crimeData$mix), breaks=20, main = "Face-to-face/other"
   , cex.main=.8, xlab = "")
```

## Face-to-face/other

Face-to-face/other





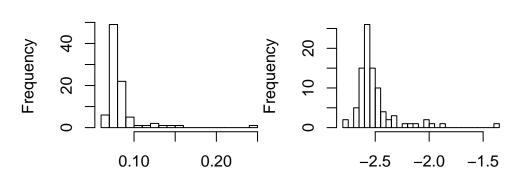
#### pctymle: percent young male

Looking at the histogram, the distribution appears to be positively skewed. Applying log() shows the histogram to appear positively skewed with one outlier.

```
hist(crimeData$pctymle, breaks=20, main = "Percent Young Male"
   , cex.main=.8, xlab = "")
hist(log(crimeData$pctymle), breaks=20, main = "Log Percent Young Male"
   , cex.main=.8, xlab = "")
```

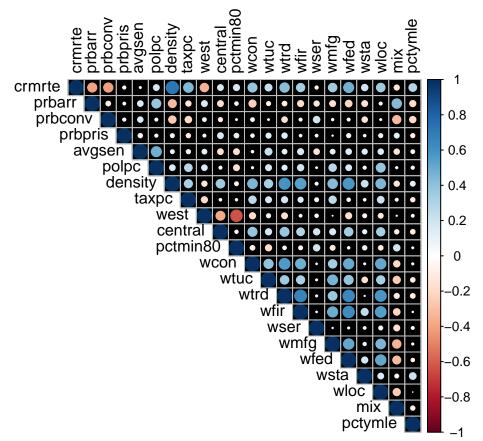


#### **Log Percent Young Male**



## Analysis of Key Relationships

It is very imperative to realize the relationship between crime rate and all the data available to us. We'll use corrplot to make the exploration of key relationships clearer.



The above plot indicates the following *positive* relationships with crime rate:

- 1. Density (density).
- 2. Tax revenue per capita (taxpc).
- 3. All wage varibles.
- 4. Young Male (pctymle)

The above plot also indicates the following negative relationships with crime rate:

- 1. Probability of Arrest (prbarr)
- 2. Probablity of Conviction (prbconv)
- 3. West region of NC (west)

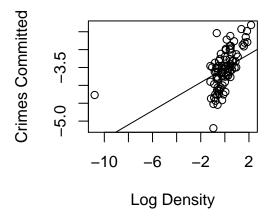
#### Crimes Committed per person (crmrte) & People per sq. (density)

As you can see from the correlation plot below, there is a positive linear relationship between crime rate and density.

```
plot(log(crimeData$density), log(crimeData$crmrte),
    main="Crime Density vs Crime Rate",
    xlab="Log Density",
    ylab="Crimes Committed", cex.main=0.8)
abline(lm(log(crimeData$crmrte) ~ log(crimeData$density)))
cor(crimeData$crmrte, crimeData$density)
```

#### ## [1] 0.7283706

#### **Crime Density vs Crime Rate**

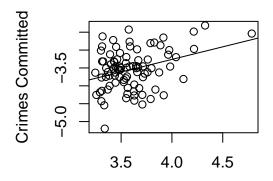


#### Crimes Committed per person (crmrte) & Tax revenue per capita (taxpc)

```
plot(log(crimeData$taxpc), log(crimeData$crmrte),
    main="Tax revenue per capita vs Crime Rate",
    xlab="Tax revenue per capita",
    ylab="Crimes Committed", cex.main=0.8)
abline(lm(log(crimeData$crmrte) ~ log(crimeData$taxpc)))
cor(crimeData$crmrte, crimeData$taxpc)
```

#### ## [1] 0.4487151

#### Tax revenue per capita vs Crime Rate



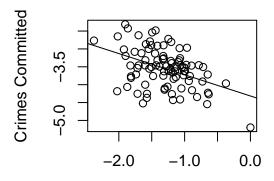
Tax revenue per capita

Crimes Committed per person (crmrte) & Probabiliy of Arrest (prbarr)

```
plot(log(crimeData$prbarr), log(crimeData$crmrte),
    main="Probability of Arrest vs Crime Rate",
    xlab="Probability of Arrest",
    ylab="Crimes Committed", cex.main=0.8)
abline(lm(log(crimeData$crmrte) ~ log(crimeData$prbarr)))
cor(crimeData$crmrte, crimeData$prbarr)
```

## [1] -0.4008525

#### **Probabiliy of Arrest vs Crime Rate**



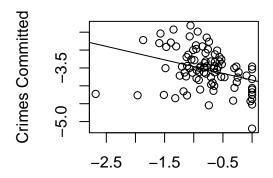
Probabiliy of Arrest

Crimes Committed per person (crmrte) & Tax revenue per capita (prbconv)

```
plot(log(crimeData$prbconv), log(crimeData$crmrte),
    main="Probablity of Conviction vs Crime Rate",
    xlab="Probablity of Conviction",
    ylab="Crimes Committed", cex.main=0.8)
abline(lm(log(crimeData$crmrte) ~ log(crimeData$prbconv)))
cor(crimeData$crmrte, crimeData$prbconv)
```

```
## [1] -0.4162266
```

#### **Probablity of Conviction vs Crime Rate**



**Probablity of Conviction** 

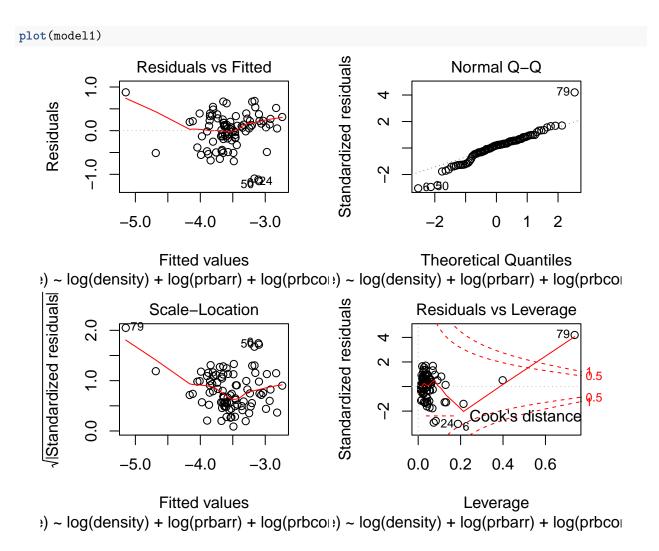
## **Proposed Models**

## Model 1: with only the explanatory variables

Using a combination of key positive and negative attributes to crime rate, we're recommending the following model:

```
crimeDeterm = \beta_0 + \beta_1 \cdot log(density) + \beta_2 \cdot log(prbarr) + \beta_3 \cdot log(prbconv) + \beta_4 \cdot log(pctymle)
```

```
model1 <- lm(log(crmrte) ~ log(density) + log(prbarr) + log(prbconv)</pre>
             + log(pctymle), data=crimeData)
summary(model1)
##
## Call:
  lm(formula = log(crmrte) ~ log(density) + log(prbarr) + log(prbconv) +
##
       log(pctymle), data = crimeData)
##
## Residuals:
                  1Q
                       Median
                                    30
## -1.15736 -0.17661 0.07757
                              0.23256
                                        0.87887
##
## Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
## (Intercept)
               -4.13558
                            0.70066
                                    -5.902 7.12e-08 ***
## log(density) 0.12876
                            0.03419
                                      3.766 0.000305 ***
## log(prbarr)
                -0.51962
                            0.12602
                                    -4.123 8.66e-05 ***
## log(prbconv) -0.42292
                            0.09510
                                     -4.447 2.62e-05 ***
## log(pctymle) 0.16282
                            0.23970
                                      0.679 0.498810
## ---
## Signif. codes:
                  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.4087 on 85 degrees of freedom
## Multiple R-squared: 0.4703, Adjusted R-squared: 0.4454
## F-statistic: 18.87 on 4 and 85 DF, p-value: 3.923e-11
```



## Model 2: with key explanatory variables and only covariates

In this model, we'll include the variables (avgsen, mix, taxpc), as we think they will contribute to the accuracy of your results without introducing substantial bias.

 $crimeDeterm = \beta_0 + \beta_1 \cdot log(density) + \beta_2 \cdot log(prbarr) + \beta_3 \cdot log(prbconv) + \beta_4 \cdot log(pctymle) + \beta_5 \cdot log(avgsen) + \beta_6 \cot log(mix) +$ 

```
model2 <- lm(log(crmrte) ~ log(density) + log(prbarr) + log(prbconv)</pre>
             + log(pctymle) + log(avgsen) + log(mix) + log(taxpc), data=crimeData)
summary(model2)
##
## Call:
## lm(formula = log(crmrte) ~ log(density) + log(prbarr) + log(prbconv) +
       log(pctymle) + log(avgsen) + log(mix) + log(taxpc), data = crimeData)
##
##
## Residuals:
##
        Min
                       Median
                  1Q
                                             Max
  -1.02543 -0.20624 0.05037
                               0.18800
                                         0.80637
```

```
##
## Coefficients:
                  Estimate Std. Error t value Pr(>|t|)
##
                 -4.40332
                               0.86979
                                         -5.063 2.50e-06
## (Intercept)
## log(density)
                  0.14822
                               0.03295
                                          4.499 2.23e-05
## log(prbarr)
                 -0.58672
                               0.12976
                                         -4.522 2.05e-05 ***
## log(prbconv) -0.24548
                               0.09918
                                         -2.475
                                                  0.01538 *
## log(pctymle)
                  0.36942
                               0.23129
                                          1.597
                                                  0.11406
## log(avgsen)
                 -0.06442
                               0.14870
                                         -0.433
                                                  0.66599
## log(mix)
                                          2.951
                                                  0.00413 **
                   0.27638
                               0.09365
## log(taxpc)
                   0.44179
                               0.16386
                                          2.696
                                                  0.00851 **
##
                       '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Signif. codes:
##
## Residual standard error: 0.3808 on 82 degrees of freedom
## Multiple R-squared: 0.5563, Adjusted R-squared: 0.5184
## F-statistic: 14.69 on 7 and 82 DF, p-value: 2.956e-12
plot(model2)
                                                   Standardized residuals
                   Residuals vs Fitted
                                                                     Normal Q-Q
          1.0
                                                                                      790
                0
    Residuals
          0.0
          -1.0
               -5.0
                                  -3.0
                                                                                      2
                        -4.0
                                                                 -2
                                                                            0
                                                                                 1
                      Fitted values
                                                                Theoretical Quantiles
   ~ log(density) + log(prbarr) + log(prbconv ~ log(density) + log(prbarr) + log(prbconv
    /Standardized residuals
                                                   Standardized residuals
                     Scale-Location
                                                                Residuals vs Leverage
          2.0
                079
                                                                                      790
                                                                       <sub>ര</sub>Cook's distance
          0.0
               -5.0
                         -4.0
                                  -3.0
                                                              0.0
                                                                     0.2
                                                                            0.4
                                                                                  0.6
```

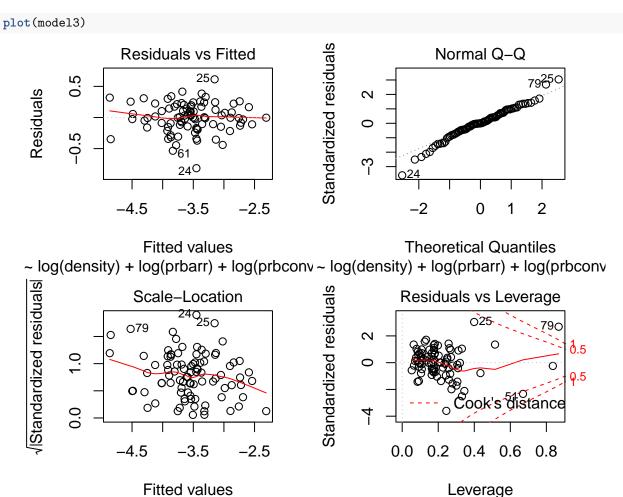
Fitted values Leverage ~ log(density) + log(prbarr) + log(prbconv ~ log(density) + log(prbarr) + log(prbconv

## Model 3: includes the previous covariates, and most, if not all, other covariates

In this model, we'll include all the data available to us to demonstrate the robustness of results to model specification.

 $crimeDeterm = \beta_0 + \beta_1 \cdot log(density) + \beta_2 \cdot log(prbarr) + \beta_3 \cdot log(prbconv) + \beta_4 \cdot log(pctymle) + \beta_5 \cdot log(avgsen) + \beta_6 \cdot log(mix) + \beta_7 \cdot log(prbconv) + \beta_8 \cdot log(prbc$ 

```
model3 <- lm(log(crmrte) ~ log(density) + log(prbarr) + log(prbconv)</pre>
           + log(pctymle) + log(avgsen) + log(mix) + + log(taxpc)
           + log(prbpris) + log(polpc)
           + log(pctmin80) + log(wcon) + log(wtrd) + wfir + log(wser) + log(wmfg)
           + log(wfed) + log(wsta) + wloc, data=crimeData)
summary(model3)
##
## Call:
## lm(formula = log(crmrte) ~ log(density) + log(prbarr) + log(prbconv) +
      log(pctymle) + log(avgsen) + log(mix) + +log(taxpc) + log(prbpris) +
##
##
      log(polpc) + log(pctmin80) + log(wcon) + log(wtrd) + wfir +
      log(wser) + log(wmfg) + log(wfed) + log(wsta) + wloc, data = crimeData)
##
##
## Residuals:
##
       Min
                    Median
                1Q
                                3Q
                                        Max
## -0.81487 -0.12815 0.00078 0.17083 0.61371
## Coefficients:
                 Estimate Std. Error t value Pr(>|t|)
##
## (Intercept)
               -7.9765187 3.0438773 -2.621 0.010731 *
## log(density) 0.1349984 0.0327227
                                    4.126 9.92e-05 ***
## log(prbarr)
               -0.5273866 0.0918840 -5.740 2.17e-07 ***
## log(prbconv) -0.2958338 0.0779353 -3.796 0.000307 ***
## log(pctymle)
                0.1993494 0.1777498
                                   1.122 0.265847
## log(avgsen)
               -0.3127518   0.1228004   -2.547   0.013040 *
## log(mix)
                0.0869621 0.0741604
                                    1.173 0.244867
## log(taxpc)
                0.0928229 0.1416848 0.655 0.514497
## log(prbpris)
               -0.3406009 0.1504179 -2.264 0.026607 *
## log(polpc)
                ## log(pctmin80) 0.2239484 0.0352295 6.357 1.73e-08 ***
## log(wcon)
                ## log(wtrd)
                0.4074503 0.3224142 1.264 0.210454
## wfir
               -0.0014377
                          0.0008326 -1.727 0.088566
## log(wser)
               ## log(wmfg)
                0.0995234 0.1631565
                                    0.610 0.543818
## log(wfed)
                0.7261151 0.3558213
                                    2.041 0.045003 *
## log(wsta)
                0.0529643 0.2776663
                                    0.191 0.849267
## wloc
               ## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.2604 on 71 degrees of freedom
## Multiple R-squared: 0.8204, Adjusted R-squared: 0.7748
## F-statistic: 18.01 on 18 and 71 DF, p-value: < 2.2e-16
```



~ log(density) + log(prbarr) + log(prbconv ~ log(density) + log(prbarr) + log(prbconv

## All 3 Regression models at a glance

	Dependent variable:			
	(1)	(2)	(3)	
og(density)	0.129***	0.148***	0.135***	
	(0.034)	(0.033)	(0.033)	
( 1 )	0.500	0.507	0.507	
og(prbarr)	-0.520***	-0.587***	-0.527***	
	(0.126)	(0.130)	(0.092)	
.og(prbconv)	-0.423***	-0.245**	-0.296***	
<u> </u>	(0.095)	(0.099)	(0.078)	

## ## ##	log(pctymle)	0.163 (0.240)	0.369 (0.231)	0.199 (0.178)
	log(avgsen)		-0.064 (0.149)	-0.313** (0.123)
	log(mix)		0.276*** (0.094)	0.087 (0.074)
	log(taxpc)		0.442*** (0.164)	0.093 (0.142)
	log(prbpris)			-0.341** (0.150)
	log(polpc)			0.445*** (0.119)
	log(pctmin80)			0.224*** (0.035)
	log(wcon)			0.287 (0.233)
	log(wtrd)			0.407 (0.322)
	wfir			-0.001* (0.001)
	log(wser)			-0.374*** (0.113)
	log(wmfg)			0.100 (0.163)
	log(wfed)			0.726** (0.356)
	log(wsta)			0.053 (0.278)
	wloc			-0.0002 (0.001)
## ## ##	Constant	(0.701)	-4.403*** (0.870)	-7.977** (3.044)
## ## ##	Observations R2 Adjusted R2	90 0.470 0.445 rror 0.409 (df = 85) 18.866*** (df = 4; 85)	90 0.556 0.518 0.381 (df = 82)	90 0.820 0.775 0.260 (df = 71) ) 18.014*** (df = 18; 71)

#### **Omitted Variables**

We believe that following omitted variables may contribute towards crime rate regression results.

- 1. Literacy: Higher the literacy crime rate should go down. In general terms as literacy increases, it is easier for people to find jobs, which deters them from conducting crimes.
- 2. Poverty: If per capita income is not distributed equally then there is high chance of crimes in that area. Tax per capita tries to proxy this variable but it does not capture the high to low distribution of income. If per capita income has huge variance from mean then crime rate should go up. Different wages provided in the data may act as proxy as they cover most of the wage range except may be farming and other self-employed people.
- 3. Corruption: Higher the corruption, more the crime rate in the area. More corruption generally disrupts employment and effectively pushes people into criminal activity.
- 4. Historic criminal rate of the area: If previous generation had high criminal rate in a particular area then new generation would grow in that area and continue following same foot steps. So we should also measure this continuity effect. It is much easier for new people to turn to criminals where there are already plenty of established criminals than areas where crime is low.

## Conclusion

Our Regression Model (Model 1) indicates that as Population density increases and the young male percentage increases in the population the crime rate grows. So Policy makers need to pay attention to more urbanized or highly dense regions with high male ratio. Also steps should be taken to improve gender by increasing woman population, which potentially can bring down Crime Rate

More important aspect is effect of strong Arrest and Conviction ratio on crime rate. Having string and effective police has noticeable deterrent effect on crime rate. So policy makers should concentrate on strengthening the Police and Judiciary system and deter people from committing crimes by setting strong examples of arrests and convictions.