Lab 3 Prework

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Introduction

The motivation for this analysis is to determine the factors that lead to crime rate in North Carolina counties in 1980. We are assuming the role of data scientists for a political campaign around the same era within North Carolina to determine methods that can be employed to reduce the crime rate. Note, that this requires our analysis to look for causal variables so we can provide concrete and actionable resolutions.

Initial EDA

```
crime = read.csv("crime_v2.csv", header = TRUE)
str(crime)
   'data.frame':
                     97 obs. of
                                 25 variables:
##
    $ county
              : int
                      1 3 5 7 9 11 13 15 17 19 ...
##
    $ year
                      87 87 87 87 87 87 87 87 87 87 ...
    $ crmrte
              : num
                      0.0356 0.0153 0.013 0.0268 0.0106 ...
##
                      0.298 0.132 0.444 0.365 0.518 ...
    $ prbarr
              : num
    $ prbconv : Factor w/ 92 levels "","","0.068376102",..: 63 89 13 62 52 3 59 78 42 86 ...
##
##
    $ prbpris : num
                      0.436 0.45 0.6 0.435 0.443 ...
##
    $ avgsen
                      6.71 6.35 6.76 7.14 8.22 ...
              : num
                      0.001828\ 0.000746\ 0.001234\ 0.00153\ 0.00086\ \dots
##
    $ polpc
               : num
##
                      2.423 1.046 0.413 0.492 0.547 ...
    $ density : num
##
    $ taxpc
               : num
                      31 26.9 34.8 42.9 28.1 ...
##
                      0 0 1 0 1 1 0 0 0 0 ...
    $ west
               : int
##
    $ central : int
                      1 1 0 1 0 0 0 0 0 0 ...
##
    $ urban
               : int
                      0 0 0 0 0 0 0 0 0 0 ...
##
    $ pctmin80: num
                      20.22 7.92 3.16 47.92 1.8 ...
##
                      281 255 227 375 292 ...
    $ wcon
               : num
##
    $ wtuc
                      409 376 372 398 377 ...
               : num
##
    $ wtrd
                      221 196 229 191 207 ...
               : num
##
                      453 259 306 281 289 ...
    $ wfir
               : num
##
    $ wser
               : num
                      274 192 210 257 215 ...
##
    $ wmfg
                      335 300 238 282 291 ...
               : num
##
                      478 410 359 412 377 ...
    $ wfed
               : num
##
    $ wsta
               : num
                      292 363 332 328 367 ...
    $ wloc
                      312 301 281 299 343 ...
##
               : num
##
    $ mix
               : num
                      0.0802 0.0302 0.4651 0.2736 0.0601 ...
                       \hbox{0.0779 0.0826 0.0721 0.0735 0.0707 } \dots 
    $ pctymle : num
```

Here, we see something interesting. prbconv is a factor due to a rogue 'character being added to the bottom of the file. When we view the dataframe, we actually see that this rogue tick mark has also introduced 6 null values in the file. We take steps to remove these records from the file to clean our dataset.

```
crime <- crime[!is.na(as.numeric(as.character(crime$prbconv))),]
## Warning in `[.data.frame`(crime, !
## is.na(as.numeric(as.character(crime$prbconv))), : NAs introduced by</pre>
```

coercion

```
#crime$prbconv = as.numeric(crime$prbconv) / 100
crime$prbconv <- as.numeric(as.character(crime$prbconv)) ### used the same method used above, when remo
#crime=subset(crime, !is.na(crmrte)) #### all NAs already removed in the first step
str(crime)
## 'data.frame':
                    91 obs. of 25 variables:
    $ county : int 1 3 5 7 9 11 13 15 17 19 ...
              : int 87 87 87 87 87 87 87 87 87 87 ...
   $ crmrte : num 0.0356 0.0153 0.013 0.0268 0.0106 ...
                     0.298 0.132 0.444 0.365 0.518 ...
##
   $ prbarr : num
   $ prbconv : num  0.528 1.481 0.268 0.525 0.477 ...
##
   $ prbpris : num  0.436 0.45 0.6 0.435 0.443 ...
##
   $ avgsen : num
                     6.71 6.35 6.76 7.14 8.22 ...
   $ polpc
                     0.001828 0.000746 0.001234 0.00153 0.00086 ...
             : num
##
   $ density : num
                    2.423 1.046 0.413 0.492 0.547 ...
                     31 26.9 34.8 42.9 28.1 ...
   $ taxpc
              : num
##
   $ west
              : int
                     0 0 1 0 1 1 0 0 0 0 ...
##
   $ central : int
                     1 1 0 1 0 0 0 0 0 0 ...
##
   $ urban
              : int
                    0 0 0 0 0 0 0 0 0 0 ...
   $ pctmin80: num
                     20.22 7.92 3.16 47.92 1.8 ...
                     281 255 227 375 292 ...
##
   $ wcon
              : num
##
   $ wtuc
              : num
                     409 376 372 398 377 ...
##
   $ wtrd
              : num
                     221 196 229 191 207 ...
   $ wfir
                     453 259 306 281 289 ...
              : num
              : num
                     274 192 210 257 215 ...
##
   $ wser
##
                     335 300 238 282 291 ...
   $ wmfg
              : num
##
   $ wfed
              : num
                     478 410 359 412 377 ...
##
   $ wsta
              : num
                     292 363 332 328 367 ...
##
   $ wloc
                     312 301 281 299 343 ...
              : num
                     0.0802 0.0302 0.4651 0.2736 0.0601 ...
##
   $ mix
              : num
                     0.0779 0.0826 0.0721 0.0735 0.0707 ...
   $ pctymle : num
summary(crime)
##
        county
                         year
                                     crmrte
                                                        prbarr
##
   Min. : 1.0
                           :87
                                 Min.
                                        :0.005533
                                                    Min.
                                                           :0.09277
                    Min.
   1st Qu.: 52.0
                    1st Qu.:87
                                 1st Qu.:0.020927
                                                    1st Qu.:0.20568
   Median :105.0
                    Median:87
                                 Median :0.029986
                                                    Median :0.27095
##
   Mean
         :101.6
                    Mean
                           :87
                                 Mean
                                        :0.033400
                                                    Mean
                                                           :0.29492
##
   3rd Qu.:152.0
                                 3rd Qu.:0.039642
                    3rd Qu.:87
                                                    3rd Qu.:0.34438
##
   Max.
           :197.0
                           :87
                                        :0.098966
                                                    Max.
                                                           :1.09091
##
       prbconv
                         prbpris
                                           avgsen
                                                             polpc
```

```
:0.06838
                                             : 5.380
                                                               :0.0007459
##
   Min.
                     Min. :0.1500
                                      Min.
                                                       Min.
                     1st Qu.:0.3648
##
   1st Qu.:0.34541
                                      1st Qu.: 7.340
                                                        1st Qu.:0.0012308
   Median :0.45283
                     Median :0.4234
                                      Median : 9.100
                                                        Median :0.0014853
##
   Mean
           :0.55128
                     Mean
                            :0.4108
                                      Mean
                                             : 9.647
                                                       Mean
                                                               :0.0017022
   3rd Qu.:0.58886
                     3rd Qu.:0.4568
                                       3rd Qu.:11.420
##
                                                        3rd Qu.:0.0018768
##
   Max.
           :2.12121
                     Max.
                            :0.6000
                                      Max.
                                             :20.700
                                                       Max.
                                                               :0.0090543
##
       density
                         taxpc
                                           west
                                                          central
           :0.00002
                     Min. : 25.69
##
  Min.
                                      Min.
                                              :0.0000
                                                       Min.
                                                               :0.0000
##
   1st Qu.:0.54741
                     1st Qu.: 30.66
                                       1st Qu.:0.0000
                                                        1st Qu.:0.0000
  Median :0.96226
                                       Median :0.0000
                                                        Median :0.0000
                     Median : 34.87
  Mean
         :1.42884
                     Mean : 38.06
                                      Mean
                                             :0.2527
                                                        Mean :0.3736
```

```
3rd Qu.:1.56824
                       3rd Qu.: 40.95
                                          3rd Qu.:0.5000
                                                            3rd Qu.:1.0000
                               :119.76
##
    Max.
           :8.82765
                       Max.
                                         Max.
                                                 :1.0000
                                                            Max.
                                                                   :1.0000
                          pctmin80
##
        urban
                                               wcon
                                                                wtuc
            :0.00000
                               : 1.284
                                                                  :187.6
##
   Min.
                       Min.
                                         Min.
                                                 :193.6
                                                           Min.
##
    1st Qu.:0.00000
                       1st Qu.: 9.845
                                          1st Qu.:250.8
                                                           1st Qu.:374.6
    Median :0.00000
                       Median :24.312
                                         Median :281.4
                                                           Median :406.5
##
    Mean
           :0.08791
                       Mean
                              :25.495
                                         Mean
                                                 :285.4
                                                           Mean
                                                                  :411.7
##
    3rd Qu.:0.00000
                       3rd Qu.:38.142
                                          3rd Qu.:314.8
                                                           3rd Qu.:443.4
##
    Max.
            :1.00000
                       Max.
                               :64.348
                                         Max.
                                                 :436.8
                                                          Max.
                                                                  :613.2
##
         wtrd
                          wfir
                                            wser
                                                              wmfg
##
    Min.
            :154.2
                     Min.
                             :170.9
                                      Min.
                                              : 133.0
                                                                :157.4
                                                        Min.
    1st Qu.:190.9
                     1st Qu.:286.5
                                      1st Qu.: 229.7
                                                        1st Qu.:288.9
##
##
    Median :203.0
                     Median :317.3
                                      Median : 253.2
                                                        Median :320.2
            :211.6
                                      Mean
##
    Mean
                     Mean
                             :322.1
                                              : 275.6
                                                        Mean
                                                                :335.6
##
    3rd Qu.:225.1
                     3rd Qu.:345.4
                                      3rd Qu.: 280.5
                                                        3rd Qu.:359.6
##
    Max.
            :354.7
                     Max.
                             :509.5
                                              :2177.1
                                                        Max.
                                                                :646.9
##
                                            wloc
         wfed
                          wsta
                                                             mix
##
    Min.
            :326.1
                             :258.3
                                              :239.2
                                                               :0.01961
                     Min.
                                      Min.
                                                       Min.
    1st Qu.:400.2
                     1st Qu.:329.3
##
                                      1st Qu.:297.3
                                                       1st Qu.:0.08073
##
    Median :449.8
                     Median :357.7
                                      Median :308.1
                                                       Median: 0.10186
##
    Mean
           :442.9
                     Mean
                             :357.5
                                      Mean
                                              :312.7
                                                       Mean
                                                               :0.12884
    3rd Qu.:478.0
                     3rd Qu.:382.6
                                      3rd Qu.:329.2
                                                       3rd Qu.:0.15175
##
                             :499.6
                                              :388.1
##
    Max.
            :598.0
                     Max.
                                      Max.
                                                       Max.
                                                               :0.46512
##
       pctymle
##
   \mathtt{Min}.
            :0.06216
##
    1st Qu.:0.07443
##
   Median :0.07771
    Mean
            :0.08396
##
    3rd Qu.:0.08350
##
    Max.
            :0.24871
```

Included the observation that probconv now also has values above 1, rode the same explanation —- Comment

Something we notice here is that both the probability of arrest and probability of conviction have at least 1 record that is over 1. Thinking through this further, this is not impossible. Multiple people can participate in a crime together, leading to multiple arrests and/or convictions per criminal offense and so this anomaly may be a product of the operationalization of the particular variables. Thus, we will not discard this variable.

Our data file is now clean and ready for further analysis.

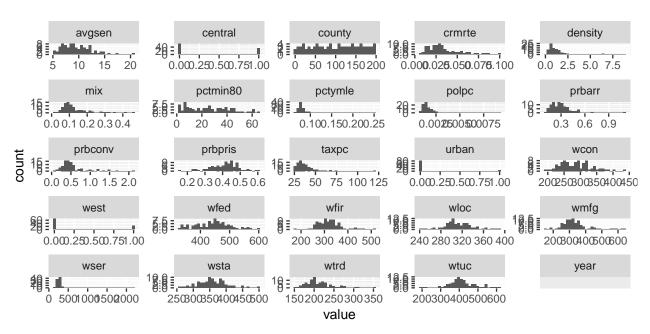
Trying to figure out how to increase the height of these facets - Comment

Model Building Process

```
crime %>%
  keep(is.numeric) %>%
  gather() %>%
  ggplot(aes(value)) +
   facet_wrap(~ key, scales = "free") +
   geom_histogram()
```

`stat_bin()` using `bins = 30`. Pick better value with `binwidth`.

```
## Warning: Computation failed in `stat_bin()`:
## `binwidth` must be positive
```

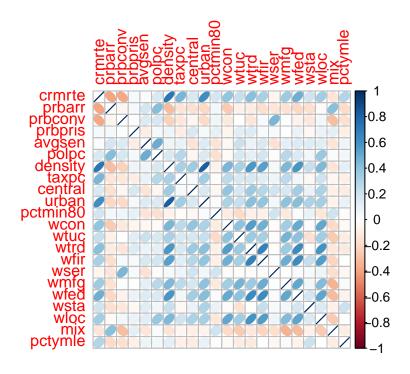


From the above, the distribution of most of the numeric variables presented are approximately normal, with the exception of prbconv, pctymyle and polpc that stand out as non-normal. We now take a look at a scatterplot matrix to examine the bivariate relationships embedded within this dataset.

Suspected collinearity between wage variables and tax revenue per capita. Also the more tax per capita, the more money there is to spend on police forces, so police per capita is suspected to be related to tax revenue per capita. Lastly, density could have a confounding effect on per capita variables. Assume we have 2 counties, ceteris paribis, differing only in population density. This means that the per capita measurements for the more densely populated county will be lower than the more sparsely populated county.

Removed a few of the columns — Comment

```
\#corr\_crime = cor(crime[, c(-1,-2,-11,-12,-13)]) \#\#\# explored removing the urban, west and central var corr\_crime = cor(crime[, c(-1,-2,-11)]) \#\# removed the county and year columns corrplot(corr\_crime, method = "ellipse")
```



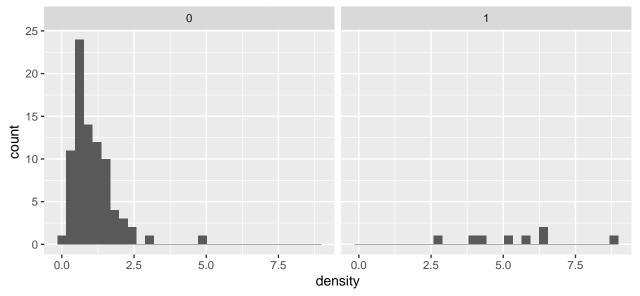
Examining density

The first relationships we decide to investigate further are the density variables against the binary urban, west and central variables. From the correlation matrix and our intuition, we expect that urban areas are more dense.

```
crime %>%
  ggplot(aes(density)) +
  facet_wrap(~ urban) +
  geom_histogram() +
  ggtitle("Non Urban (0) vs Urban Density (1)")
```

`stat_bin()` using `bins = 30`. Pick better value with `binwidth`.

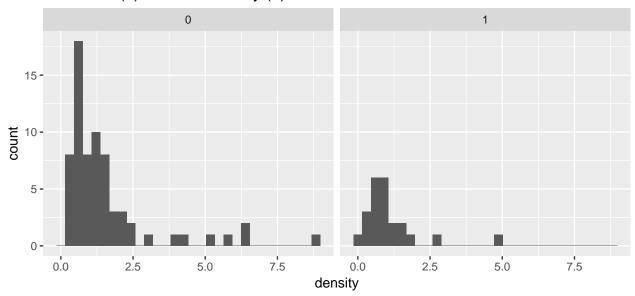
Non Urban (0) vs Urban Density (1)



```
crime %>%
  ggplot(aes(density)) +
  facet_wrap(~ west) +
  geom_histogram() +
  ggtitle("Non West (0) vs West Density (1)")
```

`stat_bin()` using `bins = 30`. Pick better value with `binwidth`.

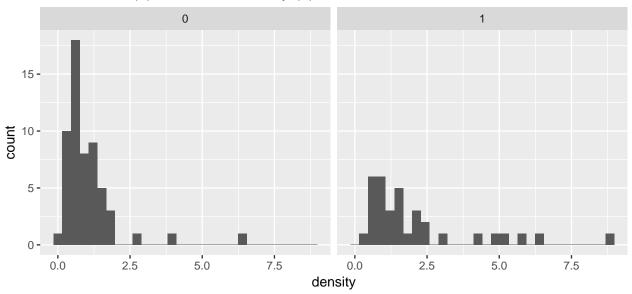
Non West (0) vs West Density (1)



```
crime %>%
  ggplot(aes(density)) +
  facet_wrap(~ central) +
  geom_histogram() +
  ggtitle("Non Central (0) vs Central Density (1)")
```

`stat_bin()` using `bins = 30`. Pick better value with `binwidth`.

Non Central (0) vs Central Density (1)

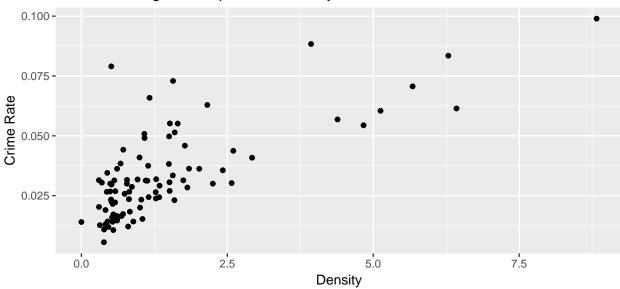


Urban areas tend to have higher densities, as expected. Thus, the density and urban variables are collinear. The other 2 variables don't show as strong of a relationship with density, and from the scatterplot matrix are not particularly correlated with crime rate. Thus, these variables will likely not be included in our first model specification.

Taking a closer look at crime rate against population density, this does look like a promising variable to include in the first specification.

```
ggplot(crime, aes(x=density, y =crmrte)) +
  geom_point() +
  ggtitle("Crime Rate against Population Density") +
  xlab("Density") +
  ylab("Crime Rate")
```





Examining Income-related variables

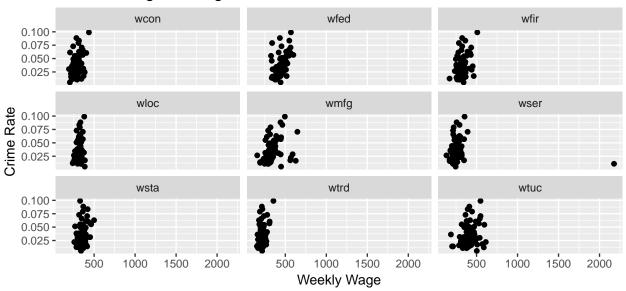
Next, ### c we notice from the scatterplot matrix that each wage variable seems to be highly correlated with each other,

and there is some positive correlation with the crime rate. We investigate these closer to see any opportunities for transformation.

The outlier in wser affects the x-axis squashing the values for it to be accommodated. Run the same graph without wser, and it is clearer

```
crime_wage <- crime %>%
  select(crmrte, wcon, wtuc, wtrd, wfir, wmfg, wfed, wser, wsta, wloc) %>%
  gather(sector, wkly_wage, -crmrte)
ggplot(crime_wage, aes(x=wkly_wage, y=crmrte)) +
  facet_wrap(~sector) +
  geom_point() +
  ggtitle("Crime rate against wages across each sector") +
  xlab("Weekly Wage") +
  ylab("Crime Rate")
```

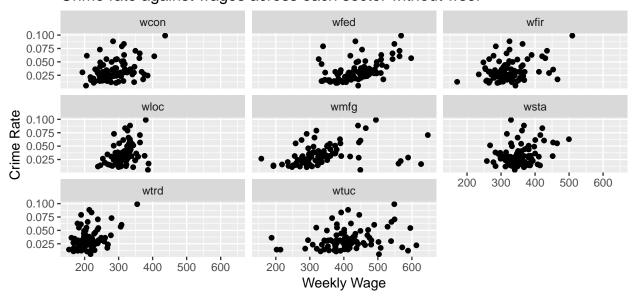
Crime rate against wages across each sector



$\#+\ theme(strip.text.x = element_text(margin = margin(2,0,2,0, "cm")))$

```
crime_wage <- crime %>%
  select(crmrte, wcon, wtuc, wtrd, wfir, wmfg, wfed, wsta, wloc) %>%
  gather(sector, wkly_wage, -crmrte)
ggplot(crime_wage, aes(x=wkly_wage, y=crmrte)) +
  facet_wrap(~sector) +
  geom_point() +
  ggtitle("Crime rate against wages across each sector without wser") +
  xlab("Weekly Wage") +
  ylab("Crime Rate")
```

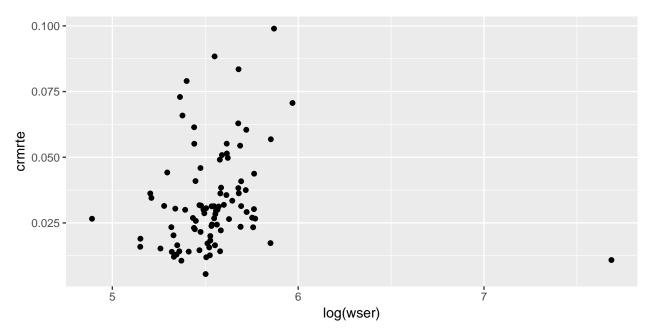
Crime rate against wages across each sector without wser



```
#+ theme(strip.text.x = element_text(margin = margin(2,0,2,0, "cm")))
```

Only wtrd, wmfg, wfed, wsta(a little), wloc(a little) seem to have a good amount of correlation with. As shown below, wser seems to have very slight correlation with crime rate (log used because of the outlier) — Comment

```
ggplot(crime, aes(x=log(wser), y=crmrte)) + geom_point()
```



From above, we see that all of the wages have a positive relationship with crime rate. This explains the phenomenon that more burglaries / thefts / kidnappings are likely to be targeted on wealthier victims.

The one point that stands out is the outlier in wser (service industry wage) when plotted against the crime rate. This reflects a county that has a substantially high wage for service workers, and has a lower crime rate. This is likely an area that has been highly gentrified and is predominantly populated my members of in service roles (with fewer individuals who are in the other, lower paying industries.) We don't believe that removing this outlier is valid, as this county could have another attribute that is worth investigating as a case study of a "successful" community with a low crime rate, and would be of high interest to our political campaign.

Taking a closer look at this outlier:

```
crime_outlier <- crime %>% filter(wser>2000)
head(crime_outlier)
```

```
##
     county year
                    crmrte
                              prbarr prbconv prbpris avgsen
                                                                  polpc
## 1
              87 0.0108703 0.195266 2.12121 0.442857
                                                         5.38 0.0012221
##
       density
                  taxpc west central urban pctmin80
                                                                  wtuc
                                                          wcon
                                                                            wtrd
## 1 0.3887588 40.82454
                                             64.3482 226.8245 331.565 167.3726
                                    1
                                          0
##
         wfir
                  wser
                                 wfed
                                                wloc
                          wmfg
                                        wsta
                                                            mix
                                                                    pctymle
## 1 264.4231 2177.068 247.72 381.33 367.25 300.13 0.04968944 0.07008217
```

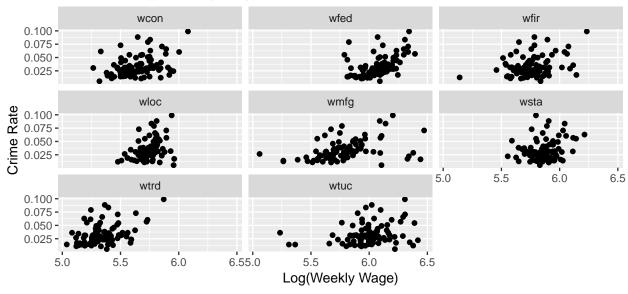
Preparing to add something on the corelation of the wage variables, it may need further analysis – Comment

Interestingly, the tax revenue per capita is lower than what we would expect for such a supposedly affluent county. Further investigation is required here to better understand the exact job market of this population. It is likely that there are only 1 or 2 members of this county who have high paying jobs, driving up wser. In this dataset, we would hope to see a percentage breakdown of workers in each sector. This would allow us to weight each wage parameter accordingly and provide context as to how much of an influence we would expect a sector's wage to have on its crime rate.

Across all the plots, we see that points are clustered along the lower end of the x axis. Therefore, we take the log of the wage parameters.

```
ggplot(crime_wage, aes(x=log(wkly_wage), y=crmrte)) +
  facet_wrap(~sector) +
  geom_point() +
  ggtitle("Crime rate against log(wages) across each sector") +
  xlab("Log(Weekly Wage)") +
  ylab("Crime Rate")
```

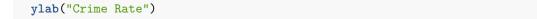
Crime rate against log(wages) across each sector

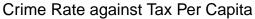


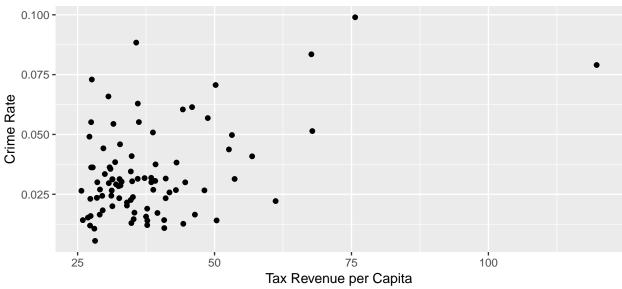
This distributes the data much more effectively. Note that even though the wage parameters may not make it into the first specification, in the later specifications we will eventually be factoring these variables in. At that time, we will be taking the log of the wages as shown above.

As mentioned above, we note that taxpc is related to the wages of workers in each county, as higher taxes are applied to individuals with a higher income. We notice this in the correlation matrix at the top of this report, where taxpc shows at least a light blue relationship with each of the wage variables individually (this is expected as we anticipate that taxpc is more tightly correlated with a linear combination of these variables). From the correlation matrix, we expect to see the same positive relationship between taxpc and crmrte. Taking a closer look at this relationship, we can verify that this relationship holds.

```
ggplot(crime, aes(x=taxpc, y =crmrte)) +
  geom_point() +
  ggtitle("Crime Rate against Tax Per Capita") +
  xlab("Tax Revenue per Capita") +
```





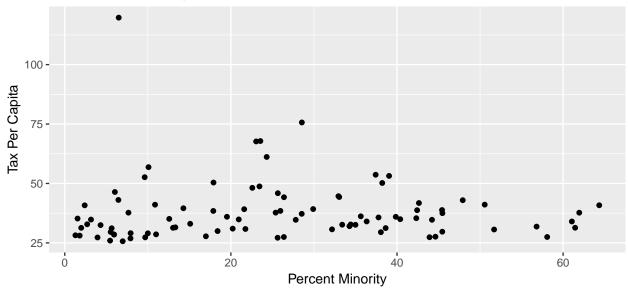


Investigating demographic variables

We notice a variable pctmin80, which is the percentage of minority groups in the populaiton. We predict that neighborhoods with higher percent minorities had lower tax revenue per capita, as socio-economic barriers often forced minority groups to take lower paying roles, and racism factors often implied that minority groups would be paid less for the same jobs as white coworkers.

```
ggplot(crime, aes(x=pctmin80, y =taxpc)) +
geom_point() +
ggtitle("Percent Minority against Tax Per Capita") +
xlab("Percent Minority") +
ylab("Tax Per Capita")
```



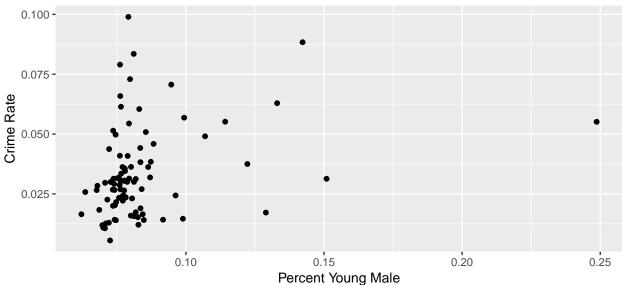


Contrary to the above discussion, Tax Revenue per Capita does not seem to be related to the percentage of minorities in a population.

Now looking at percent young male. This variable is of interest as the perpetrators of crime are often thought to come from this demographic group.

```
ggplot(crime, aes(x = pctymle, y = crmrte)) +
  geom_point() +
  ggtitle("Crime Rate against Percentage Young Males") +
  xlab("Percent Young Male") +
  ylab("Crime Rate")
```

Crime Rate against Percentage Young Males

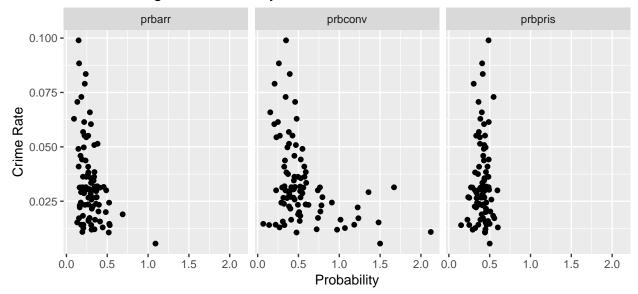


The influence of fear - probability of punishment

Now looking at the probabilities associated with arrest, conviction and prison sentence. These 3 probabilities all illustrate the likelihood of being punished for a crime. Therefore, we expect that only one of these parameters is necessary to include in our model to avoid any confounding effects.

```
crime_prob_punishment <- crime %>%
  select(crmrte, prbarr, prbconv, prbpris) %>%
  gather(punishment, probability, -crmrte)
ggplot(crime_prob_punishment, aes(x=probability, y=crmrte)) +
  facet_wrap(~punishment) +
  geom_point() +
  ggtitle("Crime rate against Probability of Arrest, Conviction, and Prison Sentence") +
  xlab("Probability") +
  ylab("Crime Rate")
```

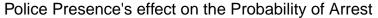
Crime rate against Probability of Arrest, Conviction, and Prison Sentence

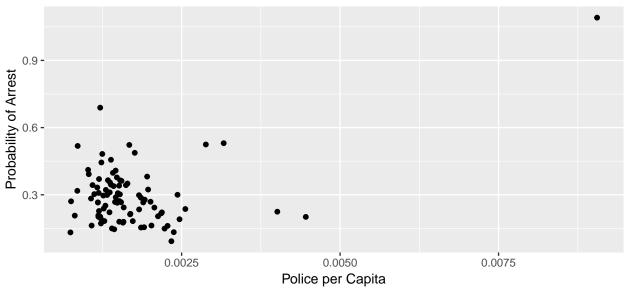


As suggested by the correlation matrix and the analysis above, there is a negative relationship between the probability of arrest and conviction with crime rate.

From intuition, police presence can either be positively related with crime (more police are needed in more crime active areas) or they can be negatively related (higher plice presence serves as a deterrant of crime). In the former case, police presence is an outcome variable of crime, and in the latter case, crime is the outcome variable.

```
ggplot(crime, aes(x = polpc, y = prbarr)) +
  geom_point() +
  ggtitle("Police Presence's effect on the Probability of Arrest") +
  xlab("Police per Capita") +
  ylab("Probability of Arrest")
```



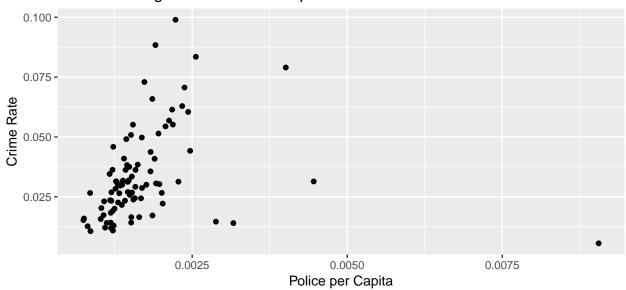


There is one outlier where a very high police per capita leads to a high probability of arrest. This likely could be a neighborhood where crime is espcially high, so police are typically stationed here. This is not grounds to remove the outlier from our analysis, though we do note that, aside from this point, there doesn't seem to be a relationship between the police per capita and probability of arrest.

We question if more police officers could be a deterrent of crime from occuring in the first place. Thus, let us plot police per capita against the crime rate.

```
ggplot(crime, aes(x = polpc, y = crmrte)) +
  geom_point() +
  ggtitle("Crime Rate against Police Per Capita") +
  xlab("Police per Capita") +
  ylab("Crime Rate")
```

Crime Rate against Police Per Capita



From above, the more police there are the more crime there is, with the exception of the outlier at the bottom

right, reflecting an area with high police per capita and low crime. This is the same point as the outlier of the previous graph. Therefore, this one county has a High number of Police with a high likelihood of arreset, and a low crime rate. This likely is an area that is actively cracking down on crime. Overall though, we cannot make any conclusions on whether police presence reduces crime, or whether crime increases police presence. Therefore, this variable will likely not be included as part of our first model specification.

```
crime_outlier2 <- crime %>% filter(polpc>0.0075)
head(crime_outlier2)
                    crmrte prbarr prbconv prbpris avgsen
##
     county year
                                                                polpc
                                               0.5
## 1
              87 0.0055332 1.09091
        115
                                       1.5
                                                     20.7 0.00905433
       density
                 taxpc west central urban pctmin80
                                                       wcon
                                                                 wtuc
                                                                          wtrd
## 1 0.3858093 28.1931
                                  0
                                        0 1.28365 204.2206 503.2351 217.4908
                                      wsta
                                                         pctymle
         wfir
                  wser
                         wmfg wfed
                                             wloc mix
## 1 342.4658 245.2061 448.42 442.2 340.39 386.12 0.1 0.07253495
```

Added a fourth specification - Comment

Bringing our analysis together

The Regression Table

crm rate as a function of Density, all the wages, probability of arrest, pct young male

```
stargazer(model1,model2,model3, model4
    , type ="text"
    , column.labels = c("Specification 1", "Specification 2 ", "Specification 3")
    , report = "vc", title = "Model Summaries"
    , keep.stat = c("rsq","adj.rsq")
    , omit.table.layout = "n")
```

Model Summaries

```
Dependent variable:
------

crmrte
Specification 1 Specification 2 Specification 3

(1) (2) (3) (4)
```

taxpc 0.0004 0.0002 0.0002 0.0002 density 0.007 0.005 0.005 0.005 pctymle 0.179 0.088 0.122 0.102 prbarr -0.020 -0.056 -0.051 -0.055 prbconv -0.019 -0.017 -0.019 prbpris -0.0001 avgsen - 0.0004polpc 6.510 6.813 6.271 pctmin80 0.0004 0.0004 0.0004 $\log(\text{wcon}) 0.004$ $\log(\text{wtuc}) 0.004$ log(wtrd) 0.007 0.010 log(wfir) -0.009 $\log(\text{wser}) - 0.006$ $\log(\text{wmfg}) - 0.002 \ 0.003$ $\log(\text{wfed}) 0.012$ log(wsta) - 0.008 $\log(\text{wloc}) 0.004$ mix - 0.019Constant -0.001 0.018 -0.021 -0.051

The Omitted Variables Discussion

There are several omittied variables that would be valuable in conducting this analysis:

- 1. Severity of crime. Crimes can vary from being petty (jaywalking or parking in a no parking zone) to severe crimes that do warrant arrest, conviction and prison sentences (kidnapping, thefts, sexual violence). Having a parameter that indicates the severity of the crime would help differentiate the varying levels of crime and focus analysis on reducing the likelihood of harsher crimes.
- 2. Income gap. There are several variables that point to the affluence of a region, but we are interested in seeing the percentage of upper/middle class individuals compared to percentage of lower class. We predict that the difference in these percents would be a better indicator of crime rate. Currently, we only have the wage within each sector (it is unclear whether this wage is a median or a mean or some other aggregated measure). There also could be omitted sectors, and we don't know the relative proportion of individuals in each sector

Added three omitted variables, read through -Comment

3. Police bias. Bias among police officers in certain areas may contribute to the crime rate because of spurious arrests and convictions. This may be difficult to measure directly

- 4. Crime rate in neighbouring counties. Proximity to other areas where crime is high may have an influence on the crime rate in a particular county due to spillovers of activity.
- 5. Size of the economy. The size of the economy for each county may be a factor. Explanations could be made for crime rate to be higher or lower in a given county depending on other counties. It would be intersting to see how the crime rate varies with the size of the economy (measured by GDP or similar measure)

Conclusion