

CHAPTER 16

A METHOD FOR DETERMINING THE SIZE OF THE UNDERGROUND CASH ECONOMY FOR COMMERCIAL SEX IN SEVEN US CITIES

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In this chapter, we seek to (1) derive a more rigorous estimate of the underground commercial sex economy (UCSE) in seven major US cities and (2) provide an understanding of the structure of this underground economy.¹ To estimate the size of the UCSE accurately, we had to produce simultaneous estimates in each city of the size of the cash-based trade in both illegal drugs and illegal firearms. Ordinarily, estimates for each of these are independent of one another and often for a single locale at a single time. Our approach goes in the opposite direction. The operating assumption of the estimation process that follows is that estimates of the size of various domains of the underground economy (UE) are more accurate when comparative data across time and across different locations are taken into account and when estimates of the size of

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