

Asian Gold: Expected Returns to Crime and Thieves Behaviour

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Using plausibly exogenous changes in the prices of goods, we show that variations in the price of specific goods affects the location of crime as criminals reallocate efforts towards potential targets with higher probability of ownership of these goods. Our identification strategy relies on the common perception in the UK that families of South Asian descent keep a substantial amount of gold jewellery in their houses. The expected gains from targeting these households for burglaries consequently change exogenously with the gold price. Using a neighbourhood level panel on reported crime from UK police forces combined with census information and official gold prices, we find that neighbourhoods with a larger share of South Asians face a disproportionate increase in property crime relative to other neighbourhoods in the same municipality when the price of gold increases. Additionally, we estimate no displacement either from other crimes or geographically.