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POLITICS MONEY

The shoplifting scare might not have been real — but its effects are

It turns out shoplifting isn't spiraling out of control, but lawmakers are pushing for tougher penalties for low-level and nonviolent crimes anyway.

By Abdallah Fayyad | abdallah.fayyad@vox.com | Jan 7, 2024, 7:00am EST



New York City Mayor Eric Adams speaks during a press conference on reducing shoplifting. | Barry Williams/NY Daily News via Getty Images

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Over the last couple of years, it seemed that America was experiencing a shoplifting epidemic. Videos of people **brazenly stealing merchandise** from retailers often went viral; chains **closed some of their stores** and **cited a rise in theft** as the primary reason; and drugstores such as CVS and Walgreens started locking up more of their inventory, including **everyday items** like toothpaste, soaps, and **snacks**. Lawmakers from both major parties **called for**, and in some cases **even implemented**, more punitive law enforcement **policies** aimed at bucking the apparent trend.

But evidence of a spike in shoplifting, it turns out, was mostly anecdotal. In fact, there's little data to suggest that there's a nationwide problem in need of an immediate response from city councils or state legislatures. Instead, what America seems to be experiencing is less of a shoplifting wave and more of a moral panic.

For some time, retailers had indeed been complaining about **a rise in theft**. In April, the National Retail Federation, a lobbying group for retailers, published a report to back up that claim. It said that nearly half of all inventory loss in 2021, which amounted to roughly \$94 billion, was driven by "organized retail crime" — that is, coordinated shoplifting for the purpose of reselling goods on the black market. As it turned out, organized shoplifting didn't come close to costing businesses that much: With a few exceptions, major US cities actually saw **lower shoplifting rates in 2022** than in 2019, and in December, the National Retail Federation **retracted its alarming claim**.

That's not to say that shoplifting ought to be ignored. Particularly concerning are reports of **organized rings stealing merchandise** to turn a profit, rather than people who steal products they need but can't afford, **like baby formula**. One **expert told the New York Times** that organized retail theft accounts for roughly 5 percent of total inventory loss — a far more modest estimate than the National Retail Federation's original erroneous claim, but one that still amounts to billions of dollars a year. While that's a minuscule problem for big retailers, small businesses that are targeted can feel the pinch. Added security measures also mean a more unpleasant experience for consumers, as well as a potentially more expensive one because, as some analysts say, the added costs for retailers are **reflected in higher prices**.

In the years leading up to the **Covid-19 pandemic**, progressive prosecutors, who pushed for a more lenient and less punitive **criminal justice** system, had been gaining ground. But their **critics have pounced** on faulty statistics like the one put out by the National Retail Federation as **evidence** that America needs to expand policing and once again impose harsher penalties for petty crimes, reversing reforms that have sought to reduce incarceration rates, including **looser enforcement of laws** around things like drug possession, loitering, or, in some cases, shoplifting low-cost goods.

Now, those more forgiving criminal justice policies are at risk, in part because of a perceived trend that **appears to have been overblown**.

What we actually know about shoplifting

In the early months of Covid, shoplifting declined because businesses closed and people stayed home. But as life started going back to normal, so did shoplifting, and rates of retail theft started to creep up again.

The change since 2020 wasn't at all drastic. A report by the nonpartisan Council on Criminal Justice, which looked at 24 big cities, found that amid generally lower **shoplifting rates in most cities**, seven saw increases. Some were modest — shoplifting incidents in Pittsburgh grew by 8 percent between 2019 and 2023 — but others were more serious. New York City, for example, saw a 64 percent increase in that period, though even there, the trend seems to be coming to an end: The city saw lower shoplifting rates in the first half of 2023 than in 2022.

There had been evidence that fears of a major shoplifting wave were overblown. In 2021, Walgreens closed five stores in San Francisco, **citing** a rise in organized shoplifting. When

the San Francisco Chronicle analyzed police data, the newspaper found that there was **little evidence to back up Walgreens's claim**. The Chronicle reported that “the five stores slated to close had fewer than two recorded shoplifting incidents a month on average since 2018.”

In an earnings call with investors last year, a Walgreens executive suggested that the company had indeed **overstated concerns about shoplifting**. “Maybe we cried too much,” he said, adding that it may have resulted in the retailer spending more than it should have to bolster security.

So where did the National Retail Federation get the number that nearly half of retailers’ “shrink” — the industry term for inventory loss due to a range of factors, including theft but also damage and tracking mistakes — was a result of shoplifting? A spokesperson for the group **told Reuters** that it came from 2021 congressional testimony from the former president of the advocacy group the Coalition of Law Enforcement and Retail, who claimed that retailers lose \$45 billion a year because of organized retail theft. But it’s unclear where that number came from.

Previous reports from the National Retail Federation showed that shoplifting was nowhere near as dire. In a 2020 report, **the lobbying group found** that retailers lost, on average, roughly \$720,000 for every \$1 billion in sales due to organized retail theft. Shoplifting, in other words, amounts to less than 0.1 percent of total revenue — a cost that retailers often accept as part of operating a business.

Like any crime, shoplifting is often underreported, and it’s hard to figure out the extent to which it is. That’s in part because there is no national data set to parse, and many law enforcement agencies **have not reported their recent crime data** to the FBI, according to the Marshall Project. But Adam Gelb, the president and CEO of the Council on Criminal Justice, said there are factors other than the total number of reported incidents to consider when trying to understand the overall picture, including how shoplifting incidents have changed.

The Council on Criminal Justice report found that the number of shoplifting incidents that involved another crime, including assault, increased by 9 percent between 2019 and 2021. That could mean shoplifters have a higher tolerance for risk than they used to: an argument that security might be too lax. It could also indicate more organized crime. Still, those

incidents accounted for less than 2 percent of overall shoplifting events, and they also started to decline in the first half of 2023.

Regardless, part of the reason so many retailers and lawmakers have sounded the alarm on a rise in thefts might be because reports of shoplifting had plummeted when Covid first hit, and then shot back up after stores reopened. That created the impression that the problem was spiraling out of control when in reality, shoplifting rates remained below pre-pandemic levels.

“People don’t know if something is high or low or medium on some scale, historical or otherwise. But they have a sense of whether it’s getting better or getting worse,” Gelb said. “And when things are moving in the wrong direction, people want to see action.”

The great American shoplifting scare has already had consequences

Since the number of reported shoplifting incidents rose after the initial collapse in 2020, there have been plenty of media reports and viral videos about the potential crime wave. Republicans used the alleged lawlessness, particularly in big Democratic cities, to paint a grim picture of **Joe Biden’s** America. It didn’t matter what the reality was; it seemed that the public’s perception of rising crime was enough for politicians from both major parties to feel the need to look tougher — be they Eric Adams, the Democratic mayor of New York City, or **Ron DeSantis**, the Republican governor of Florida and candidate for president.

As a result, many policies that were championed by progressive criminal justice reform advocates, including the progressive prosecutor movement, have come under scrutiny, criticized as not only insufficient at combating crime but as policies that promote breaking the law.

Evidence points to the contrary. In Boston, a former district attorney implemented a policy of declining to prosecute certain low-level offenses that are associated with poverty, such as shoplifting. In one study, researchers found that **the new policy had positive impacts** — not only in reducing the number of people who get sucked into the criminal justice system but also in reducing the likelihood of reoffending. Low-level and nonviolent crimes, researchers found, also did not increase as a result of looser enforcement.

As shoddy data about shoplifting helps stir up fear of a potential crime wave, voters are becoming less tolerant of those kinds of policies, and progressive prosecutors have faced

tough election cycles in recent years as a result. That **includes Boston**, and other places, too: Chesa Boudin, the former San Francisco district attorney who became nationally prominent for his more lenient approach to addressing low-level crime, **was recalled in 2022**, for example, after a fearmongering campaign about rising crime, including shoplifting, was launched against him.

Legislatures have also started passing stricter laws. Since 2022, at least **nine states have imposed** harsher penalties for organized retail crime offenses, according to CNBC.

But given how unclear the data on shoplifting actually is and how much is still unknown, this could ultimately be a misdirection of resources — as Walgreens seems to have figured out after beefing up security measures. And given that preliminary data from 2023 shows that the apparent shoplifting trend might actually be moderating, it's worth waiting for more data before drafting up laws that could have lasting consequences.

In a presidential election year, that might be too much to ask for. Everything, after all, is politics, and shoplifting — real or imagined — is no exception.

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