

# Causes of Juvenile Shoplifting: Perspectives from Behavioral Economics and Psychology

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## ABSTRACT

Shoplifting is a commonly seen, entry-level, nonviolent petty crime, carried out by mostly juveniles. Harmless as it may seem, it, to a large extent, affects a country's economy and may evolve into much more serious offenses. The purpose of this study is to explore the causes of juvenile shoplifting from the behavioral economics and psychological perspectives, along with the decision-making process of juvenile criminals. We will try to explain juvenile shoplifting using economic models such as the prospect theory. What's more, we will approach the phenomenon from a psychological perspective, which involves factors like psychological traits, social learning, social control, and deterrence, to find out how those factors influence juveniles' decision-making process. This study expands the research on juvenile shoplifting and gives insights on practical implications for how to prevent juvenile shoplifting.

**Keywords:** *Juvenile, Shoplifting, Behavioral Economics, Psychological explanations*

## 1. INTRODUCTION

Shoplifting is a commonly seen, entry-level, nonviolent petty crime, carried out by mostly juveniles [1]. Its importance is stressed by its economic impact and future crime development. Juvenile shoplifting is a topic not commonly discussed but has various causes involving multiple aspects and impacts society to a very large extent. Compared with the grand topic of shoplifting, juvenile shoplifting is more specialized and has various controlled variables, making the discussion clearer and more understandable. As a petty crime, it is also worth discussing what triggers people to commit crimes like this since it does not involve the acquiring of a large amount of money. On the whole, the overall number of papers concerned with juvenile or adolescent shoplifting is limited. The primary directions of the debate are mainly from the perspectives of sociology, psychology, and criminology. However, not much research is done from the economic, or more specifically, behavioral economics perspective.

Shoplifting may seem like a small-scale and harmless crime, however, it, to a large extent, affects a country's economy. The most common cause of item theft is shoplifting [2]. Furthermore, shoplifting is frequently considered as a stepping stone to more serious actions for children. As pointed out by Forney, juvenile shoplifting is a pathway leading to chronic, numerous, and

delinquent criminal violations [3]. All of the above makes juvenile shoplifting a phenomenon worth noting. Juvenile shoplifting is especially interesting and worth researching because shoplifting tends to be taken out by juveniles instead of adults [1]. This special characteristic makes it easier to investigate for that many variables are controlled, and a view of developmental psychology can be adapted to explain the phenomenon. What's more, as a crime involving the stealing of products that can be converted into money rather than one that involves violent behaviors, it could also be explained from an economic perspective.

Thus, the purpose of this study is to explore the causes of juvenile shoplifting from behavioral economics and psychological perspectives, along with the decision-making process of juvenile criminals.

## 2. LITERATURE REVIEW

### 2.1. What Is Shoplifting

#### 2.1.1. Definition of shoplifting

Shoplifting is the theft of products from an open retail outlet, usually by hiding a shop item on one's person, in pockets, undergarments, or a bag, and leaving the store without paying. In most cases, the phrases "shoplifting" and "shoplifter" aren't defined in law. Shoplifting is

classified as a larceny offense in most jurisdictions, distinct from burglary, robbery, or armed robbery. Shoplifting is a type of theft that can lead to criminal charges. Shoplifting is prosecuted as a larceny offense or theft in many states, generally as petty or misdemeanor theft if the value of the item taken is less than a specific amount. To prosecute and punish, some states distinguish between shoplifting and general theft, and some jurisdictions classify shoplifting as an infraction rather than a misdemeanor, as opposed to other theft penalties. In Massachusetts, for example, a first or second offense for stealing products worth less than \$250 results in a fine-only, no-jail-time punishment. For stealing the same amount, however, the lowest-level larceny (theft) charge carries a sentence of up to a year in prison [4]. To determine crime levels, each state has its own set of criteria.

### *2.1.2. Current Situation*

Shoplifting is one of the most common types of criminal offense [5], and it has a huge negative influence on both the retail economy and the social burden of crime. According to the National Retail Federation, shop losses climbed from \$453,940 per \$1 billion in 2015 to \$719,458 per \$1 billion in 2020 [6]. In a survey of 55 stores, half of those polled reported shoplifting had increased in the previous year. Companies' average dollar loss per shoplifting incident has risen to \$461.86 according to the NRF's 2021 National Retail Security Survey [6]. The most important cause of merchandise loss is shoplifting [7].

Related research has shown that shoplifting can account for up to 2/5 of all stock losses a retailer endures, and usually, this loss is reversedly pushed on to the consumer through higher prices [8]. Of course, if the suspects are captured while stealing, the item is usually recovered by the merchants, and the store owner frequently suffers no loss when the merchandise is handed to the business. Furthermore, shops in several states can sue for civil damages to reimburse the expense of providing security. The National Association for Shoplifting Prevention (NASP) reveals that taxpayers pay up to \$2,000 every time an offender enters the criminal justice system, laying a heavy burden on a country's social security system.

Shoplifting is a crime conducted by people throughout the demographic, distinctively by juveniles [1]. Juveniles may make up the greatest category of shoplifters, according to multiple rather large-scale research. Over half of high school and college students admitted to shoplifting in research which includes samples from 20 different states [9]. A survey of 100,671 students regarding shoplifting behavior and attitudes was undertaken by French in 1980-81 [10]. The respondents' age ranged from 9 to 22, with 90 percent of the population being children, among which, 41 percent are

in pre-high school, and 49% are in high school. Almost half of the participants acknowledged shoplifting at least once.

Though it is estimated that more than 200 million shoplifting cases occur each year [11], its apprehension rate remains extremely low. According to the National Association for Shoplifting Prevention, approximately one out of every eleven Americans shoplifts. Shoplifters claim that they get caught just once out of every 49 occasions they steal. Chronic offenders report that they are apprehended once every 100 thefts. In Farrington's 1999 research, the surveys suggested that a conviction occurred in one out of every 40 to 250 instances [12]. He also mentioned that, according to police statistics, there are around 111,000 reported occurrences of shop theft in the UK each year, while the number might be as high as 17 million if all available data is taken into account.

## *2.2. Definition of Juvenile*

A person under the age of eighteen is referred to as a "juvenile.", and a violation of a United States law performed by someone under the age of 18 that would have been a crime if done by an adult is known as "juvenile delinquency." If the act of juvenile delinquency happens before the offender's eighteenth birthday, a person over eighteen but under twenty-one years of age still receives juvenile treatment (18 U.S.C. § 5031).

## *2.3. Causes of Juvenile shoplifting*

### *2.3.1. Economically*

#### *2.3.1.1. Separation Between the Immoral Act and Actual Money*

Dan Ariely, a Duke researcher, has done several experiments on how the separation between immoral acts and actual money can influence a person's behaviors. In the first experiment, as described in his book [13], he placed either six packages of Coca-Colas or paper plates with six \$1 bills in several MIT communal fridges. Within 72 hours, all of the Cokes were taken, but the money hasn't been touched by any one of the students. Ariely notes that the possible explanation for this is that students are accustomed to seeing sodas, or in this case, Cokes, in the fridge, so taking it — even if it doesn't belong to them — doesn't seem like a so immoral thing to do. However, the actual presence of solid money is inappropriate, so every action related to it may seem wrong altogether.

Take for example the tokens people were given in casinos, people will be more tempted to cheat than if they are given cash directly, even though the tokens represent actual money and would be exchanged for it later. In another experiment done by Ariely and his co-workers, it was discovered that individuals are two times more likely

to lie when money is one step away from a direct transaction.

Ariely and his co-workers established a new version of the matrix experiment, this time incorporating a scenario where cheating was one step away from money, to look at the distance between money and its impact on dishonesty in a somewhat more manageable way. Participants in the shredder condition, like in prior trials, had the option to cheat by destroying their worksheets and boasting about the number of matrices they'd completed properly. Participants will get the dollars that are equal to the number of matrices they claim to have solved. The "token" circumstance was the experiment's breakthrough. The token condition was identical to the shredder condition, except that instead of dollars, the participants were given plastic chips.

They would then stroll twelve feet to an adjacent table and give in their tokens in exchange for actual cash after receiving their chips. Those who lied for tokens that transformed into money a few seconds later were found to have been lying twice as frequently as those who lied for money directly. In the presence of nonmonetary things such as pencils and tokens, people are more inclined to be dishonest than in the presence of genuine money. This also answers why many white-collar criminals don't see their acts as crimes: lying about numbers that eventually equal cash but aren't actual dollars doesn't activate people's moral beliefs as harshly as lying about quantities that eventually represent money but aren't money does.

Unlike robbery, burglary, or other crimes involving the stealing or mugging of money or valuable things, the products that were stolen in the act of shoplifting are all simply products instead of money. However, the goods in shops all have price tags attached to them, making it some kind of 'token'. Thus the separation between the immoral act and actual money can be a possible explanation for the commonality of shoplifting.

### 2.3.1.2. Prospect Theory

Daniel Kahneman and Amos Tversky developed the prospect theory in 1979 [14], a theory of behavioral economics and behavioral finance. Prospect theory explains how individuals assess their loss and unequally gain perceptions based on the results of controlled experiments. One of the key concepts of the prospect theory is loss aversion, which is an asymmetric kind of risk aversion that states that people have different attitudes when faced with possible profits and losses. As a result, rather than making absolute judgments, people make decisions based on the potential advantages or losses relative to their unique position (the reference point), a phenomenon known as reference dependence.

According to some economics, shoplifting is very commonly seen because it is a kind of crime that does not need the acquisition of advanced skills, has low entrance

barriers, and may even be integrated into a regular lifestyle. That is to say, some shoplifters over time form a habit of shoplifting under a given frequency, and due to the low apprehension rate of shoplifting, he or she never gets caught, thus allowing him or her to keep reinforcing this habit.

For example, a boy walks back home from school every afternoon and passes a convenience shop, he gets really hungry and craves some snacks, so he takes a chocolate bar from the counter of the convenience shop and eats it without paying. Over time, he realized he would, in his perspective, never get caught, so the extra stolen chocolate bar becomes an everyday necessity for him. The chocolate bar then becomes something that the boy, in his mind, believes that he already possesses. The reference point for him becomes his own pocket money plus this extra chocolate bar. Under this circumstance, not shoplifting—in this case, eating the chocolate bar without paying—becomes a loss for him. According to the prospect theory, people will try to prevent losses, thus, the shoplifter will keep shoplifting to prevent his "loss".

## 2.3.2. Psychologically

### 2.3.2.1. Psychological Traits

Impulse control, aggressiveness suppression, consideration for others, and self-regulation are all psychological attributes that have a role in criminal behavior management. Consider impulse control. A developmental view of impulse control is largely inferred from Anna Freud's theoretical curve [15]. According to this curve, a 14-year-old has attained around 65 percent mature development in impulse control, while a 19-year-old has reached almost 95 percent control.

Cauffman and Steinberg [16] investigated the impact of three psychosocial factors (responsibility, perspective, and temperance) on judgment maturity and decision-making procedures in a total sample of 1,015 students ranging from eighth grade to college level in 2000. Individuals differ greatly in their psychosocial maturity as well as their anti-social decision-making, according to the findings, and these differences are mostly a function of age. Furthermore, psychosocial maturity appears to have a stronger impact on anti-social decision-making than age, with those with greater levels of responsibility, perspective, and temperance making more mature decisions than those with lower scores, regardless of age. Adolescents scored lower than adults on average, and even young adults were found to make more socially responsible choices than adolescents. The study also found that between the ages of 16 and 19, the most crucial transition point in psychological development and adult decision-making occurs. Thus, psychological maturity can explain the positive relationship between increasing

age and a decrease in shoplifting crime in this range [17, 18]

### 2.3.2.2. Social Learning and Social Control

The situational nature of crime and how certain "risky actions" increase the likelihood of encountering violent situations are also reinforced by studies from a social learning approach. Young people who put themselves in a perilous situation or a chaotic area are more likely to engage in criminal activities. Youth's closeness to and exposure to violence, as well as their probability of becoming perpetrators or victims of violence, rises when they engage in "risky activities," such as alcohol and drug use, gang involvement, and connection with antisocial peers [19, 20].

From the social control perspective, according to research, arrested criminals have a high rate of unemployment, which includes teenagers [21]. Teens who had a good relationship with their parents were better able to overcome social pressure to shoplift, according to a study of young offenders [22]. This shows the importance of social control or social strain on the depression of juvenile criminal behaviors. This also highlights the need for socialization programs and public awareness campaigns that emphasize the anti-social nature of retail theft to change people's opinions of the crime.

### 2.3.2.3. Deterrence

According to deterrence theory, the certainty, severity, and rapidity of legal consequences all contribute to deterrence. Deterrence theory states that rational offenders can be persuaded to refrain from committing crimes if the odds of being apprehended are high, the punishment is harsh, and justice is speedy. As a result, if criminals are logical, the relationship between punishment and crime should be inverse. As criminal penalties are increased, a threshold should be reached where it is no longer beneficial for the offender to participate in criminal activity. The danger and imminence of criminal punishment, by implication, is thought to influence and restrict crime rates. It is often assumed that if criminals were punished more harshly, they would choose not to commit crimes since the danger would be too great. Doob and Webster, on the other hand, examined deterrence studies over the preceding 30 years and found that disparities in sentence severity had no influence on the quantity of crime in society [23]. As a result, while deterrence makes intuitive sense, the actual study does not back it up.

Grasmick and Green went on to say that a person's judgment of his or her danger of apprehension and punishment, rather than general opinions on the likelihood of others being apprehended and punished, may be a better predictor of personal conduct, let alone the actual apprehension rate of shoplifting being fundamentally low. The case is especially true for young

offenders. LeBlanc and Frechette stated that offenders, especially young ones, practically never prepare for an offense. Although a moderate amount of preparation goes into criminal behavior, Ladouceur and Biron claim that the plans tend to focus on the immediate offense rather than the long-term consequences of that behavior [24]. Youth are impulsive and focused on the immediate gratification associated with offending; they do not consider the long-term consequences [25]. Even if youngsters consider the criminal justice repercussions, they believe they are unimportant because they are unlikely to be arrested. According to Robert, the low danger of being apprehended was a major motivator for shoplifting, and students who shoplifted the most viewed the least risk associated with stealing, both in terms of the likelihood of being caught and the harshness of the official and especially informal punishment [26].

What's more, the ambiguity of the definition of shoplifting also lowers the effectiveness of deterrence. In general, criminal larceny entails illegally obtaining property. Customers at self-service stores are allowed by the property owner to take physical control of the items by holding or moving them. This creates areas of ambiguity, which might lead to the criminalization of certain people for simple mistakes like accidentally putting a small object in one's pocket or forgetting to pay. As a result, the penalties for shoplifting are often less harsh than those for other types of theft. Because few jurisdictions have unique shoplifting statutes to distinguish it from other forms of theft, courts have a lot of leeway in imposing reduced fines. Most retailers are fully aware of the serious consequences of making a false arrest, and will only attempt to retain someone if their guilt has been shown beyond a reasonable doubt.

As juveniles, they are even more easily forgiven by adults or store owners, so the punishment for juvenile shoplifting becomes lighter. Social disapproval is also less high than other kinds of crimes. Also, since shoplifting is a petty crime, the overall punishment is lower. Thus, overall, the deterrence of shoplifting becomes low, especially for juveniles. Thus, low deterrence makes juveniles more attracted to committing the crime.

## **3. LIMITATIONS AND FUTURE IMPLICATIONS**

Several limitations of the current study need to be considered. Firstly, we have discussed only some of the psychological and economic explanations for juvenile shoplifting. We know that there are still many other explanations for juvenile shoplifting, such as mental illness, addiction, thrill-seeking, and other personal-psychological explanations, and many sociological explanations related to the family, community, school, traditional culture, etc. In this study, we did not discuss these points, which can also be used as a development

direction for future research. Secondly, this study is mainly based on the reinterpretation of primary models and the review of previous studies and results, it did not include experimental statistics, which might be a notable limitation of this study. In future studies, perspectives from neurobiologists, cognitive psychology, and other social theories can be introduced to the investigation of juvenile shoplifting, qualitative studies on this behavior are also recommended in further investigations.

#### 4. CONCLUSION

This study analyzed the current situation of juvenile shoplifting, including its economic impact, social burden, crime scale, and offender characteristics. The study also explains the behavior of juvenile shoplifting from the perspective of behavioral economics and psychology. By using economic models such as the prospect theory, the prevalence of teen shoplifting and the thinking models of different types of shoplifters are explained. In addition, combined with the perspective of psychology, taking the psychological development of adolescents as the research object, the influence of psychological development in the process of adolescent growth on shoplifting behavior was studied. Psychological traits including psychological maturity, social learning, and social control are all important factors influencing a juvenile's shoplifting behavior. The study also approaches the question by combining the deterrence theory, showing factors like juveniles' perception of apprehension, low apprehension rate, the ambiguity of the definition of shoplifting, light punishment of juvenile delinquency and low social disapproval all contribute to the low deterrence.

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