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# Costs of crime in Canada, 2014

Ting Li

Research and Statistics Division

Department of Justice Canada

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# 1. Introduction

Crime in Canada is a costly social phenomenon that affects everyone. The effects of crime are far-reaching and can include:

- direct financial costs to the institutions that make up the criminal justice system;
- indirect costs to other social institutions and to the Canadian economy more broadly; and,
- physical, emotional, and financial toll costs to victims and their families.

While some of these costs are tangible and more easily counted (e.g., actual dollars spent by an institution), others are intangible and more difficult to measure (e.g., pain and suffering). An important body of work has however, attempted to translate the intangible impacts of crime into economic losses or costs.<sup>1</sup> Interpreting the impacts of crime in this way can help policy makers to budget and allocate resources more effectively. It can also help to develop evidence-based strategies for crime-prevention that weigh the costs of crime against the costs of social interventions. Such strategies could include, for example, investing in social programs that prevent and reduce the effect of crime on people, businesses, institutions, and the Canadian economy.<sup>2</sup>

This study estimates the costs of crime in Canada in 2014. It builds on an earlier study (Zhang, Costs of Crime in Canada, 2008, 2011) by the Department of Justice Canada, using more recent data and an expanded costing methodology (Hoddenbagh, Zhang, & McDonald, 2014). Costs are presented as a total, as for three types categories of crime-related costs: criminal justice system costs, costs to direct victims of crime, and third-party costs.

## 2. Methodology

### 2.1 Cost categories

This study separates the costs of crime into three categories:

1. **Criminal justice system costs:** costs of delivering police services, court services, prosecution services, legal aid and correctional services, and *Criminal Code* Review Boards;<sup>3</sup>
2. **Costs to direct victims of crime:** medical costs, lost productivity, pain and suffering, loss of life, and other costs (stolen, damaged, or destroyed property, burglar alarm installation costs, and restraining or protection order); and,
3. **Third-party<sup>4</sup> costs:** employer losses, operating costs of social services, loss of affection and enjoyment to the family, loss of productivity (value of lost productivity of friends/neighbours/family members, value

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<sup>1</sup> Intangible costs make up an essential part of the costs in this analysis. In previous research, economists used a variety of methods to estimate the value of the intangible effects of crime, for example, "Pain, Suffering, and Jury Awards: A Study of the Cost of Crime to Victims" (Cohen, Pain, Suffering, and Jury Awards: A Study of the Cost of Crime to Victims, 1988) and "How to Value a Life" (Viscusi, 2008). Our study estimates intangible costs using the methods developed by Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014).

<sup>2</sup> For example, Public Safety's *Tyler's Troubled Life: The Study of One Young Man's Path Towards a Life of Crime*, a fictional depiction of how early cognitive-behavioural therapy could have netted significant cost savings.  
<https://www.publicsafety.gc.ca/cnt/rsracs/pblctns/2016-r005/index-en.aspx>

<sup>3</sup> The *Criminal Code* Review Boards are expert tribunals that make and review dispositions about any accused found not criminally responsible (NCR) either because of a mental disorder or because they are unfit to stand trial (UST). Each province and territory must establish a review board under Section 672.38 of the *Criminal Code*.

<sup>4</sup> Third parties are those indirectly affected by the crime (employers, family, and friends).

of lost productivity of co-workers), and other costs (family medical service costs, funeral service costs, and family counselling costs).

## 2.2 Estimation

Each cost item uses a unique estimating method. The methods used mostly follow those presented in Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014), with some adaptations. Brief explanations of these methods are presented in Sections 3 and 4 of this report. To avoid extreme values (minimum or maximum) for estimating a cost, this study uses the most conservative estimate. Moreover, numbers in the tables and calculations may not up stated totals due to rounding.

Data sources for this study include the 2014 Police Administration Survey, the 2013–14 and 2014–15 Integrated Criminal Court Survey (ICCS), the 2014 General Social Survey (GSS) on Canadians' Safety (Victimization), and various government and academic publications.

Where possible, this study produces estimates using national data and separates them by sex<sup>5</sup> to support a gender-based analysis of programs, policies, and legislation. This study also estimates the costs of correctional services separately for adult and youth offenders and by type of offence. These include crimes against the person, crimes against property, administration of justice, other *Criminal Code* offences, *Criminal Code* traffic offences, and other federal statutes.

## 2.3 Data limitations

Data limitations are the greatest challenge in costing studies. A lack of data across topics and jurisdictions limits the possibilities and accuracy of costing analysis. For example, although national estimates are produced where possible, in some cases data were not available for all provinces and territories. For instance, at the time that this report was prepared, victimization data from the 2014 General Social Survey were not available for the territories. Additionally, while this study makes every effort to estimate costs separately by sex, disaggregated data were not always available.<sup>6</sup>

# 3. Criminal justice system costs

## 3.1 Police costs

Statistics Canada (Statistics Canada, 2016a),<sup>7</sup> estimated that total Canadian police spending was \$13,810,878,000 in 2014. This figure included criminal activities, and non-criminal activities, such as road safety, youth education, and safety programs. To calculate the percentage of spending that police spent on crime-related activities, this study drew estimates from *Expenditure Analysis of Criminal Justice in Canada* (Office of the

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<sup>5</sup> For the reference period of this study, most justice data were available separated by sex with the binary options, male and female.

Some more recent national data collection efforts are beginning to collect information on gender of person, including added options to identify gender and sex (see: <https://www.statcan.gc.ca/en/concepts/definitions/gender-sex-variables>).

<sup>6</sup> A majority of the results throughout the report were considered separately by sex.

<sup>7</sup> Table 6 (Statistics Canada, 2016a). In 2013–14 and 2014–15, spending on policing was \$13,596,645,000 and \$13,882,289,000, respectively. Therefore, police spending for 2014 was \$13,810,878,000 ( $=\$13,596,645,000*0.25 + \$13,882,289,000*0.75$ ).

Parliamentary Budget Officer, 2013) and *A Better Estimation of Police Costs by Offence Types* (Ellingwood, 2015).<sup>8</sup>

According to *Expenditure Analysis of Criminal Justice in Canada*, in 2010 the Ottawa Police Service (OPS) allotted 86% of its budget to crime-related activities, including patrolling costs related to crime. The Ontario Provincial Police (OPP) similarly allotted 61% and the Royal Canadian Mounted Police (RCMP) 59% of their budgets. Meanwhile, *A Better Estimation of Police Costs by Offence Types* suggests that an average of 53% of Waterloo Police Services’ reactive and preventive policing costs in 2012 and 2013 were spent on crime-related activities. In that study, OPP data show that crime spending varied slightly, that is, OPP crime-related costs were higher than spending on non-criminal activity. Those data show that the average cost of crime per year was 75.95% of total police spending from 2009 to 2012. Factoring in patrol costs in 2013 reduced the average of crime-related costs to 45% of total spending.

These two reports stated that police spent an average<sup>9</sup> of 60.8% of their total spending on crime-related activities. This study thus estimates that police spent a total of \$8,397,013,824 on crime-related activities in 2014 (table 1).

**Table 1. Police costs in the criminal justice system**

Total police spending in 2014	\$13,810,878,000
Proportion of spending on crime	60.8%
<b>Total police costs (\$13,810,878,000 * 60.8%)</b>	<b>\$8,397,013,824</b>

According to data from the 2013–14 and 2014–15 ICCS, in 2014,<sup>10</sup> 80.0% of the accused in criminal court cases were male and 20.0% were female. The survey assessed police costs by sex, assuming that police spending by sex (table 2) is consistent with how accused by sex are distributed in criminal court cases (Statistics Canada, 2017) .

**Table 2. Police costs by sex of accused in the criminal justice system**

Male accused	\$6,717,611,059
Female accused	\$1,679,402,765
<b>Total police costs</b>	<b>\$8,397,013,824</b>

<sup>8</sup> A previous costing study by Justice Canada used a different method for calculating the %age of police spending on crime-related activities (Zhang, Hoddenbagh, McDonald, & Scrim, 2012). This study used estimates from *Expenditure Analysis of Criminal Justice in Canada* (Office of the Parliamentary Budget Officer, 2013) and *A Better Estimation of Police Costs by Offence Types* (Ellingwood, 2015), which may have resulted in lower estimates.

<sup>9</sup> The average of the five numbers is (86% + 61% + 59% + 53% + 45%) / 5 = 60.8%.

<sup>10</sup> A data request from Statistics Canada. Statistics Canada, 2013–14 and 2014–15, Integrated Criminal Court Survey (ICCS). According to the data, male accused accounted for 290,911 (80% = 290,911 / (290,911 + 71,769)) criminal court cases, whereas female accused accounted for 71,769 cases (20% = 71,769 / (290,911 + 71,769)).

### 3.2. Court costs

At the time that this report was prepared, the most recent data available on court spending were from 2002–03 (Statistics Canada, 2004a). After adjusting for inflation and the increase in elapsed time<sup>11</sup> per criminal case in court from 2002–03 to 2014–15 (a factor of 1.12),<sup>12</sup> the estimated total court spending for 2014 was \$1,614,017,311. This figure includes both criminal and civil courts.

To more precisely estimate court costs for criminal matters, the Integrated Criminal Court Survey was used to obtain criminal court data, and the Civil Court Survey (CCS) was used to obtain civil court data. Costs were estimated in the following steps (steps 1 to 4 were calculated for adult and youth, and by sex):

- 1) total court time for each offence (in days) = median days spent in court for an offence multiplied by the number of court cases of that offence;
- 2) proportion of court time devoted to each offence = total court time for an offence divided by the sum of total court times for all criminal cases and civil cases;
- 3) total proportion of court time for all offences = the sum of proportions of court time devoted to each offence;
- 4) total court expenditures on crime = total proportion of court time for all offences multiplied by court expenditures;
- 5) total court spending on crime by sex = total court spending for adult offenders by sex plus total court spending for youth offenders by sex; and,
- 6) total court costs on crime = total court spending for female offenders plus total court spending for male offenders.

The total court costs for criminal matters was estimated at \$488,667,141 in 2014 (table 3).

**Table 3. Court costs by sex of accused in the criminal justice system**

Female accused	\$103,530,512
Male accused	\$385,136,629
<b>Total court costs</b>	<b>\$488,667,141</b>

### 3.3. Prosecution costs

When this study was conducted, the most recent data available on prosecution spending were from 2002–03 (Statistics Canada, 2004b). In 2002–03, total prosecution spending was \$352,139,000, with 421,811 total criminal cases (including adult and youth cases).<sup>13</sup>

Total prosecution spending was divided by the total number of criminal cases for a total prosecution cost per case of \$835 in 2002–03. After adjusting for inflation and the increase in elapsed time in court (see footnote 11)

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<sup>11</sup> Elapsed time for a case refers to the number of days it takes to complete a case, from first appearance to final decision.

<sup>12</sup> As the elapsed time per criminal case has increased by approximately 12% between 2002–03 and 2014–15, it is assumed that there has been a general trend towards lengthier and more complex cases. These changes should be reflected in the associated court costs. As such multiplier of 1.12 is applied to reflect the increased use of court resources per case.

<sup>13</sup> Statistics Canada, tables 35-10-0029-01 and 35-10-0040-01, Adult and Youth courts, cases by median elapsed time in days, annual (number).

from 2002–03 to 2014 (a factor of 1.12), the prosecution cost per case in 2014 was \$1,183. Male accused accounted for 290,911 criminal court cases, whereas female accused accounted for 71,769 cases. The number of criminal cases for males (290,911) and females (71,769) multiplied by the prosecution cost per case (\$1,183) resulted in total prosecution costs of \$344,269,148 for male and \$84,932,390 for female accused. Adding these together, the total prosecution costs in Canada were thus \$429,201,538 in 2014 (table 4).<sup>14</sup>

**Table 4. Prosecution costs by sex of accused in the criminal justice system**

Female accused	\$84,932,390
Male accused	\$344,269,148
<b>Total prosecution costs</b>	<b>\$429,201,538</b>

**3.4. Legal Aid costs**

Information on legal aid spending was obtained from the 2013–14 and 2014–15 *Legal Aid Survey*. The spending covered both criminal and civil matters and consisted of direct spending, central administration spending, and other spending, but only criminal matters were considered in this section.

The legal aid cost per court case was estimated using the 2013–14 and 2014–15 figures for total legal aid spending on criminal matters (Statistics Canada, 2019). First, the direct legal aid spending for criminal and civil matters were combined to get the total direct legal aid spending. Second, the proportion of direct legal aid spending on criminal matters was obtained by direct legal aid service spending on criminal matters divided by the total direct legal aid spending. Then the proportion was applied to central administration and other spending to obtain the central administrative and other legal aid spending on criminal matters.

Summing the amounts for direct, central administration, and other legal aid spending on criminal matters resulted in total legal aid spending on criminal matters of \$439,098,092 in 2014. There were 362,680 criminal court cases in 2014.<sup>15</sup> Dividing the legal aid spending in 2014 on criminal matters by the number of criminal court cases resulted in a cost of \$1,211 per case for legal aid.

According to data from the 2013–14 and 2014–15 *Legal Aid Survey*, 70.0% of criminal court cases were approved for legal aid in 2013–14 and 74.1% in 2014–15; an estimated 212,335 approved legal-aid cases in 2014 with a male accused and 52,390 approved legal-aid cases with a female accused in 2014. These numbers were multiplied by the cost of legal aid per case for total legal aid costs of \$257,075,113 for male accused and \$63,428,845 for female accused,<sup>16</sup> in 2014, and a total of \$320,503,958<sup>17</sup> in legal aid costs (table 5).

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<sup>14</sup> Numbers may not match the stated total due to rounding.  
<sup>15</sup> A data request from Statistics Canada. Statistics Canada, 2013–14 and 2014–15, *Integrated Criminal Court Survey (ICCS)*.  
<sup>16</sup> Numbers may not match the stated total due to rounding.  
<sup>17</sup> Due to the legal complexities of each case, not all costs are included in total legal aid spending. Therefore, the legal aid costs for criminal matters in this report are underestimated.



**Table 5. Legal Aid costs for approved cases by sex of accused in the criminal justice system**

Female accused	\$63,428,845
Male accused	\$257,075,113
<b>Total costs of legal aid for approved cases in 2014</b>	<b>\$320,503,958</b>

### 3.5. Correctional services costs

In Canada, the federal and provincial/territorial governments share responsibility for correctional services. The federal correctional service administers sentences for offenders who have been sentenced to two years or more in custody. Provincial/territorial correctional services administer correctional services for youth and sentences for offenders who have been sentenced to custody for two years less a day or less as well as community sentences.

The type of sentence varies by the type of court in which an offender is sentenced. Offenders convicted in an adult criminal court (18 years and older) can be sentenced to federal custody, provincial/territorial custody, remand, a conditional sentence, probation and/or a fine, restitution, and other sentences.<sup>18</sup> Offenders found guilty in youth court (12 to 17 years old) receive a youth sentence in most cases. In exceptional cases, these offenders can receive an adult sentence. Youth sentencing options include:

- custody and supervision orders;
- deferred custody and supervision;
- intensive support and supervision;
- Probation;
- attending a non-residential program;
- a fine;
- a community service order;
- a reprimand; and,
- other sentences.<sup>19</sup>

This study estimates costs associated with federal and provincial/territorial custody for adults and youth, conditional sentences for adults, deferred custody and supervision orders for youths,<sup>20</sup> and probation. A fine is a type of sentence in which the court orders an offender to pay a specific dollar amount to the court. It is a cost to offenders, not the courts. It can thus be a form of revenue for the criminal justice system. Fines are therefore not included in total cost estimates for the criminal justice system.<sup>21</sup> No cost estimates are possible for other types of sentences due to a lack of data.

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<sup>18</sup> Other sentences include absolute and conditional discharge, suspended sentence, community service order, and prohibition order among others.

<sup>19</sup> The category "other sentences" includes, for example, absolute discharge, restitution, prohibition, seizure, forfeiture, compensation, pay purchaser and conditional discharge, as well as other court-imposed conditions such as apologies and essays.

<sup>20</sup> According to the Canadian Center for Justice and Community Safety Statistics (CCJCSS), conditional sentences are reported by one jurisdiction and the same jurisdiction also reports deferred custody and supervision. Therefore, when considering the number of offenders receiving a conditional sentence, a conditional sentence and deferred custody and supervision are added together for youth.

<sup>21</sup> The method for calculating fines can be found in Hoddenbagh, Zhang, & McDonald, 2014.

The *Youth Criminal Justice Act* (YCJA) emphasizes that the criminal justice system for young persons must be separate from that of adults. Youth and adult offenders must serve their sentences in different facilities. This section therefore shows the costs for adult and youth correctional services separately.

The methods for estimating correctional costs were developed by Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014). Correctional services costs were also estimated by sex and by type of offence. These include crimes against the person, crimes against property, administration of justice, other *Criminal Code* offences, *Criminal Code* traffic offences, and other federal statutes. In 2014, the total cost of correctional services was nearly \$3 billion (table 6). Youth correctional services represented eight% of the total costs (table 6.1).

**Table 6. Total costs of correctional services by sex of offenders in the criminal justice system**

Female offenders	\$475,756,668
Male offenders	\$2,424,552,939
<b>Total costs of correctional services</b>	<b>\$2,900,309,607</b>

**Table 6.1 Total costs of correctional services by adult and youth offenders in the criminal justice system**

Adult offenders	\$2,665,898,947
Youth offenders	\$234,410,660
<b>Total costs of correctional services</b>	<b>\$2,900,309,607</b>

3.5.1. Federal custody costs

This study considered two factors in estimating federal custody costs: the difference in costs for the time offenders served in custody versus in the community (under parole or statutory release),<sup>22</sup> and the difference in costs of incarcerating a female offender versus a male offender. Convicted offenders who receive sentences of two years or more go into federal custody. For youth who receive sentences of more than two years, the YCJA requires that they be sentenced to a youth facility until they are 18. At that time, they may serve the remaining portion of the sentence either in a youth facility (until they are 21) or in an adult provincial/territorial facility or federal penitentiary. When the youth turns 18 years old, the provincial director (a person chosen by a provincial or territorial government to carry out duties under the YCJA) may apply to the youth justice court in certain circumstances to transfer the youth to an adult facility. The youth may be transferred to a federal penitentiary if two or more years of their sentence remain.<sup>23</sup>

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<sup>22</sup> Parole and statutory release are forms of conditional release where an offender is supervised in the community under specific conditions. Parole (full) is a discretionary form of release for which an offender is eligible after serving about one-third (or seven years) of a fixed-length sentence. Statutory release is required by law once a federal offender has served two-thirds of a fixed-length sentence.

<sup>23</sup> A very small number of youth are sentenced to custody for a term longer than 24 months. In certain circumstances, once the youth turns 18, they may be transferred to an adult facility to complete their sentence. The data that are currently available do not indicate where those youth served the remainder of their sentence (in a provincial/territorial or federal facility, or in a youth facility). To avoid overestimating the cost estimates, these cases are excluded from federal correctional costs.

In 2014, the daily cost to incarcerate a male inmate in federal facilities was \$312 and the cost for a female inmate was \$589 (Public Safety Canada, 2017). The higher cost for a female inmate was partly due to economies of scale because there were more male inmates. The daily cost of supervising an offender on parole was \$91 (Public Safety Canada, 2017).<sup>24</sup> The daily cost of supervising an offender on statutory release was assumed to be the same as the cost of probation (Hoddenbagh, Zhang, & McDonald, 2014): \$5.59<sup>25</sup> in 2014. The Parole Board of Canada (PBC) reviews and makes parole decisions for all federal offenders at a cost of \$2,017 per review (Canada P. B., Parole Board of Canada 2013-14 Departmental Performance Report, 2014) (Canada P. B., Parole Board of Canada 2014-15 Departmental Performance Report, 2015).

Federal custody costs include the total cost for offenders in federal custody, the total costs of offenders on parole and statutory release, and the total cost for offenders’ parole board reviews. These costs were calculated separately by sex and type of offence. The costs were computed as follows:

- total incarceration cost for federal offenders = the daily cost of an offender in federal custody multiplied by the total number of days offenders spent in federal custody;
- total cost of offenders on parole = the daily cost of supervising an offender on parole multiplied the total number of days spent on parole by offenders;
- total cost of offenders on statutory release = the daily cost of supervising an offender on statutory release multiplied by the total number of days spent on statutory release by offenders; and,
- the cost of the parole board review = the per-offender cost of parole board review multiplied by the number of offenders sentenced to federal custody.

Summing up all these costs, the total federal custody costs in 2014 were estimated to be \$1,761,984,402 (table 7).<sup>26</sup>

**Table 7. Costs of federal correctional services by sex of offenders in the criminal justice system**

Female offenders	\$341,334,820
Male offenders	\$1,420,649,582
<b>Total costs of federal custody</b>	<b>\$1,761,984,402</b>

3.5.2. Provincial/territorial custody costs (adults and youth)

The total cost of provincial/territorial custody takes both adult and youth offender costs into account. In 2014, it cost an average of \$198 per day to incarcerate an adult offender in provincial/territorial facilities (Statistics Canada, 2016b). The YCJA strongly focuses on rehabilitating, reintegrating, and reducing youths’ risk of reoffending. The court must therefore consider all reasonable alternatives to custody before it can impose a custodial sentence.

Custodial sentences for youth are intended primarily for violent offenders and serious repeat offenders. If sentenced to custody, a youth may be placed in either an open-custody or a secure-custody facility, depending

<sup>24</sup> This figure cannot be separated by sex.

<sup>25</sup> Please see the explanation of this amount in the section on the costs of probation (adults and youth).

<sup>26</sup> For detailed methods, please see (Hoddenbagh, Zhang, & McDonald, 2014).

on the seriousness of the offence and the youth's history of charges or sentences.<sup>27</sup> The costs of open custody and secure custody vary. They depend on how much security is needed and what types of specialized programs are offered to respond to the distinct needs of youth offenders. These include education, dealing with substance use issues, self-control and anger management, and decision-making and problem solving.<sup>28</sup> Open-custody facilities are typically smaller residences where youth are supervised. Secure-custody facilities are separate from and do not have regular access to the community.

The average daily cost per youth varied significantly between both types of facilities. According to the Office of the Auditor General of Ontario's Annual Report in 2014, the average cost of holding a youth in custody costs is about \$1,444 per day.<sup>29</sup> At the same time, the British Columbia Office of the Provincial Health Officer found that in 2014, holding a youth in custody cost on average about \$646 per day.<sup>30</sup> Since costing data for youth were only available for Ontario and British Columbia, the average of these two figures was used. This resulted in an average cost per day of \$1,045.

There are no national data on the average daily cost of parole and statutory release supervision. This study therefore uses estimates for Ontario provided by the John Howard Society of Ontario. The Society estimates that in 2014, parole cost an average of \$40 a day.<sup>31</sup> Supervising an offender on probation cost \$5.59 a day.<sup>32</sup> This figure was used as a substitute for the cost of supervising an offender on statutory release. The average daily cost of supervising a youth in the community was estimated to be \$60.<sup>33</sup> Each provincial and territorial parole board conducts parole reviews for offenders who are serving their custody sentence in a province or territory. This study assumed that the average cost in 2014 for each provincial and territorial review was the same as the cost for each federal review: \$2,017.

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<sup>27</sup> A youth who is found guilty of a serious offence or who is a persistent offender and cannot be reasonably supervised in the community will end up in secure custody. In contrast, a youth who cannot be placed in a community setting, but who can be managed effectively with stringent controls, is placed in open custody. Source: Province of British Columbia (2013). Youth Custody Services, <https://www2.gov.bc.ca/gov/content/justice/criminal-justice/bcs-criminal-justice-system/youth-justice/youth-justice-in-british-columbia/serving-a-youth-sentence/youth-custody>

<sup>28</sup> [When a youth is found guilty in court | Ontario.ca](https://www2.gov.on.ca/en/justice/criminal-justice/youth-justice/youth-justice-in-british-columbia/serving-a-youth-sentence/youth-custody)

<sup>29</sup> See page 540, 2014 Annual Report to the Office of the Auditor General of Ontario, [https://www.auditor.on.ca/en/content/annualreports/arreports/en14/2014AR\\_en\\_web.pdf](https://www.auditor.on.ca/en/content/annualreports/arreports/en14/2014AR_en_web.pdf). It is an estimated figure, which was adjusted for inflation.

<sup>30</sup> In British Columbia, each youth in custody cost about \$215,000 per year in 2014. The average daily cost of custody per youth in 2009 was \$589 (\$215,000/365). The cost was \$646 in 2014, factoring in inflation. Source: Kendall, Perry. 2009. *Kids, Crime and Care: Health and Well-Being of Children in Care: Youth Justice Experiences and Outcomes*. [BC-YouthJusticeReport.pdf \(cwrp.ca\)](#)

<sup>31</sup> The John Howard Society of Ontario. 1997. Fact Sheet, Reconsidering Community Corrections in Ontario, <https://johnhoward.on.ca/wp-content/uploads/2014/09/facts-9-reconsidering-community-corrections-in-ontario-january-1997.pdf> Supervising a person in the community cost about 20% of the daily cost of incarceration (\$198 in 2014).

<sup>32</sup> Please see the explanation of this amount in the section on probation costs (adults and youth).

<sup>33</sup> It costs up to \$20,000 per year for each youth under community supervision. The daily cost of supervising a youth offender in the community in 2009 was \$55 (\$20,000/365). Dollar amounts are in 2014 constant dollars. Source: Kendall, Perry. 2009. *Kids, Crime and Care, Health and Well-Being of Children in Care: Youth Justice Experiences and Outcomes*. [BC-YouthJusticeReport.pdf \(cwrp.ca\)](#).

This study estimated the total cost of:

- Incarcerating both adult and youth offenders in provincial and territorial custody;
- offenders (adult) on parole and statutory release;
- community supervision for youth; and,
- provincial and territorial parole board review for adult offenders.

The provincial and territorial costs of correctional services for offenders in custody were estimated separately for adults and youth, by sex, and by type of offence.

The study used methods similar to those adopted for federal correctional services to estimate the total costs of:

- offenders in provincial and territorial custody;
- offenders on parole and on statutory release; and,
- provincial and territorial parole board reviews.

The study also estimated the total cost of supervising youth in the community. This was done by multiplying the daily cost of supervising a youth in the community by the total number of days youth offenders spent under community supervision. Total custody costs in 2014 for the provinces and territories were estimated at \$932,993,949 (tables 8 and 8.1).<sup>34</sup>

**Table 8. Costs of provincial and territorial correctional services by sex of offenders in the criminal justice system**

Female offenders	\$89,329,970
Male offenders	\$843,663,979
<b>Total costs of PT correctional services</b>	<b>\$932,993,949</b>

**Table 8.1. Costs of provincial and territorial correctional services by adult and youth offenders in the criminal justice system**

Adult offenders	\$827,200,085
Youth offenders	\$105,793,864
<b>Total costs of PT correctional services</b>	<b>\$932,993,949</b>

### 3.5.3. Conditional sentence (adults) and deferred custody and supervision order (youth) costs

A conditional sentence allows adult offenders to serve their sentence in the community. This takes place under strict conditions (house arrest, no contact with specific people, keeping the peace, and good behaviour) rather than in custody, for up to two years less a day. Some of the requirements include:<sup>35</sup>

- no minimum prison term;

<sup>34</sup> For detailed methods, please see (Hoddenbagh, Zhang, & McDonald, 2014).

<sup>35</sup> *Criminal Code of Canada*, Section 742.1. <https://laws-lois.justice.gc.ca/PDF/C-46.pdf>

- a sentence of less than two years;
- not endangering the safety of the community; and,
- whether sentence is consistent with the purpose and principles of sentencing, i.e.:
  - deterrence;
  - denunciation;
  - rehabilitation;
  - reparation;
  - promoting responsibility in offender; and,
  - separating offender from society where necessary.

According to the YCJA, a deferred custody and supervision order allows youth to serve their sentences in their communities under a set of strict conditions for a maximum of six months. Since these orders are similar to adult conditional sentences, the average daily cost of a conditional sentence was used to estimate the costs of a deferred custody and supervision order.

Supervising an offender with a conditional sentence cost an estimated \$26 per day.<sup>36</sup> The costs of a conditional sentence (and deferred custody and supervision order) were calculated for each type of offence in the following way:

- costs of a conditional sentence (and deferred custody and supervision order) = average length in days of a conditional sentence (and deferred custody and supervision order) multiplied by the daily cost of conditional sentences multiplied by the number of offenders sentenced to conditional sentences (and deferred custody and supervision orders)

This was done for adult and youth offenders separately, and also by sex and type of offence. The total cost of conditional sentences (and deferred custody and supervision orders) for all types of offences was \$47,251,172 in 2014 (tables 9 and 9.1).

**Table 9. Costs of conditional sentence, deferred custody and supervision orders by sex of offenders in the criminal justice system**

Adult female offenders	\$11,704,041
Adult male offenders	\$35,547,131
<b>Total costs of conditional sentence, deferred custody and supervision orders</b>	<b>\$47,251,172</b>

<sup>36</sup> According to Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014), the estimated average daily cost of supervision for an offender with a conditional sentence was about \$24. After adjusting for inflation, the cost for 2014 was \$26.

**Table 9.1 Cost of adult conditional sentences and youth offenders’ deferred custody and supervision orders in the criminal justice system**

Conditional sentence – Adult offenders	\$43,326,622
Deferred custody and supervision order (including conditional sentence) <sup>37</sup> – Youth offenders	\$3,924,550
<b>Total costs of adult conditional sentences and youth offenders’ deferred custody and supervision orders</b>	<b>\$47,251,172</b>

#### 3.5.4. Probation costs (adults and youth)

The average lengths of probation sentences were calculated using data from the Integrated Criminal Court Survey.<sup>38</sup> Estimates were calculated separately for adult and youth offenders, by sex, and by offence type. These include crimes against the person, crimes against property, administration of justice, other *Criminal Code* offences, *Criminal Code* traffic offences, and other federal statutes.

There is currently no official estimation of the daily cost of each offender’s probation. As a result, that figure was derived from the total cost of community supervision services. These include conditional sentences, probation, and parole (Hoddenbagh, Zhang, & McDonald, 2014).

To isolate the cost of probation, the cost of conditional sentences and parole were estimated and deducted from the total cost of community supervision services as follows:

- total annual spending on conditional sentences and parole = average daily counts of offenders serving a conditional sentence and a parole sentence<sup>39</sup> multiplied by average daily costs multiplied by number of days in a year (365);
- estimated total annual spending for probation and statutory release = total cost of community supervision services (adjusted for inflation) minus total annual spending on conditional sentences and parole; and,
- daily probation and statutory release cost for each offender = estimated total annual spending for probation and statutory release divided by average counts of offenders with these supervision types and number of days in a year. This resulted in the daily probation cost for each offender of \$5.59 in 2014.

Since the average length of probation sentences varies by type of offence, the total probation costs for adults and youth for each offence type were calculated. Estimates were also calculated separately by sex. We multiplied the total number of offenders on probation for each type of offence by the corresponding average sentence length (in days) and the average daily cost of probation. We then summed these total probation costs for each offence type to obtain the total probation costs for all offences combined: \$158,080,085 in 2014 (tables 10 and 10.1).

<sup>37</sup> See footnote 20.

<sup>38</sup> Source for adults: Statistics Canada, Table: 35-10-0035-01: Adult criminal courts, guilty cases by mean and median length of probation. Source for youth: Statistics Canada, Table: 35-10-0046-01: Youth courts, guilty cases by mean and median length of probation.

<sup>39</sup> The average daily counts of offenders serving probation and conditional sentences were based on Statistics Canada, 2015a and Reitano, 2016. The average daily counts of offenders released on full parole, day parole, and statutory release were based on Statistics Canada Table: 35-10-0155-01 Average counts of offenders in federal programs, Canada and regions.

**Table 10. Probation costs by sex of the offenders in the criminal justice system**

Female offenders	\$33,387,838
Male offenders	\$124,692,247
<b>Total costs of probation</b>	<b>\$158,080,085</b>

**Table 10.1 Probation costs of adult and youth offenders in the criminal justice system**

Adult offenders	\$141,447,289
Youth offenders	\$16,632,796
<b>Total costs of probation</b>	<b>\$158,080,085</b>

## 4. Victim costs

This section uses the General Social Survey (GSS) on Canadians' Safety (Victimization) to calculate victim costs.<sup>40</sup> The term "victim" in this report refers to a person aged 15 years and older who has suffered physical or emotional harm, property damage, or economic loss due to a crime under the *Criminal Code*.

Victims bear the direct effects of crime and incur both tangible and intangible costs. The tangible costs estimated in this study include medical costs, loss of productivity, and other costs (table 11). The traumatic experience of being a victim can cause severe pain and suffering. This study considers pain and suffering as an intangible cost because no financial transaction takes place. Therefore, its "value" is not determined by a market.

This study estimates the pain and suffering for victims of physical assault, robbery, break and enter, sexual assault, and homicide as economic costs. The monetary values of pain and suffering for physical assault and robbery are drawn from McCollister et al. (McCollister, 2010) who use the method developed in Cohen (Cohen, Pain, Suffering, and Jury Awards: A Study of the Cost of Crime to Victims, 1988), using more recent data. Costs associated with break and enter and drawn from Cohen (Cohen, Pain, Suffering, and Jury Awards: A Study of the Cost of Crime to Victims, 1988), with the costs adjusted for inflation.

Calculating the costs associated with sexual assault is more complex. Previous work assigning monetary values to the pain and suffering of sexual assault has distinguished between "rape" and other forms of sexual assault (Dolan, 2005). In Canada, the term "rape" was removed in the 1983 amendments to the *Criminal Code*.<sup>41</sup> Today the *Criminal Code* defines three levels of sexual assault, similar to the three levels of physical assault. Police-

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<sup>40</sup> For previous work examining the costs of spousal violence in Canada, see *An Estimation of Economic Impact of Spousal Violence in Canada*, 2009. [https://www.justice.gc.ca/eng/rp-pr/ci-jp/fv-vf/rr12\\_7/rr12\\_7.pdf](https://www.justice.gc.ca/eng/rp-pr/ci-jp/fv-vf/rr12_7/rr12_7.pdf)

<sup>41</sup> For more information on the history of *Criminal Code* sexual assault provisions, see Section 3.1 in the 2018 report entitled: Reporting, Investigating and Prosecuting Sexual Assaults Committed Against Adults – Challenges and Promising Practices in Enhancing Access to Justice for Victims – CICS / SCIC (scics.ca)



reported data and criminal court data therefore report on the number of sexual assaults for levels 1, 2, and 3.<sup>42</sup> In addition to this challenge, it is well known that sexual assault is underreported to police,<sup>43</sup> and therefore undercounted in police-reported data and court statistics. Therefore, surveys collecting self-reported data are often thought of as a more suitable method for estimating the prevalence of sexual violence.

In the GSS Canadians' Safety (Victimization), respondents are asked to self-report experiences of "sexual attacks" and "unwanted sexual touching." This again, does not precisely align with previous work to estimate the economic costs of sexual assault. In this study, a proportion of "sexual attacks" self-reported in the GSS were classified as "rape" and the remaining were classified as "sexual assault."<sup>44</sup> As per Dolan et al., higher values of pain and suffering were attributed for victims who were raped compared with victims who were not.

Homicide victims' loss of life is another significant intangible cost included in victim costs. To calculate this, we adopted the value of a statistical life (VSL) approach from Viscusi (Viscusi, 2008). Viscusi (2008) used the "willingness to pay" or "willingness to accept" method. The willingness to pay method measures how much money a person is willing to pay to reduce the risk of death in some events, activities, or jobs. Stating a monetary amount, it is argued, reveals how much a person values life. For example, Zhang et al. 2012 state (Zhang, Hoddenbagh, McDonald, & Scrim, 2012), "If an individual is willing to pay \$500 to eliminate a 0.01% risk of death, the implicit VSL for that person is  $\$500 / 0.01\% = \$5 \text{ million.}$ "

The current report uses more refined methods to estimate intangible costs. It uses the approach and framework developed by Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014). Hoddenbagh et al.'s report estimates assault victims' pain and suffering separately for assault levels 1, 2, and 3. It assigns different values of pain or suffering to victims of each level of assault, because it assumes that victims of a level 3 assault would endure more "pain and suffering" than the victims of level 1 or 2 assaults. In addition, their report uses the number of victims,<sup>45</sup> not the number of incidents, to estimate intangible costs, counting each victim only once.

Based on the methods developed by Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014), we found that tangible victim costs were \$13,992,525,789 (table 11), and intangible victim costs were \$14,391,475,555 in 2014 (table 11). Overall, estimated victim costs were \$28,384,001,344 in 2014. Female victims accounted for 55.5% of the total, male victims 44.5%. This difference was due to a higher violent victimization rate among females in 2014 (Statistics Canada, 2015). According to the 2014 GSS, the rate was 85 violent incidents per 1,000 women compared with 67 incidents per 1,000 men that year. Two factors explain this difference:

- the majority of victims of sexual assault continued to be women; and,
- decreasing rates of other violent crimes, which mostly involved male victims.

### Table 11. Victim costs

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<sup>42</sup> Brennan and Taylor-Butts (Brennan, 2008) page 7 summarize the definitions of sexual assaults in Canada, based on the *Criminal Code*: Sexual assault level 1 (s. 271): An assault committed in circumstances of a sexual nature such that the sexual integrity of the victim is violated. Level 1 involves minor physical injuries or no injuries to the victim. Sexual assault level 2 (s. 272): Sexual assault with a weapon, threats, or causing bodily harm. Aggravated sexual assault (level 3): Sexual assault that results in wounding, maiming, disfiguring or endangering the life of the victim.

<sup>43</sup> According to the 2014 General Social Survey, the majority (83%) of sexual assaults were not reported to police.

<sup>44</sup> Data from the office for National Statistics (UK) were used to estimate proportions of sexual assaults were rape.

<sup>45</sup> The current report uses the number of victims, not incidents, for a conservative estimate. Some victims might have experienced numerous incidents.

Cost category or items	Female victims	Male victims	Total
<b>Medical costs</b>			
Initial health-care	\$12,077,347	\$21,393,516	\$33,470,863
Long-term health-care	\$214,124,156	\$58,015,994	\$272,140,150
Costs of suicide attempts	\$8,748,769	\$93,664	\$8,842,432
Cost of autopsy for homicide victims	\$163,035	\$413,172	\$576,207
<b>Total medical costs</b>	<b>\$235,113,307</b>	<b>\$79,916,345</b>	<b>\$315,029,652</b>
<b>Lost productivity</b>			
Lost current income	\$145,426,252	\$122,469,864	\$267,896,115
Lost household service	\$58,358,519	\$25,078,722	\$83,437,242
Lost education	\$3,487,082	\$1,607,715	\$5,094,797
Lost child-care service	\$1,123,731	\$241,913	\$1,365,643
Lost future income	\$5,692,338,342	\$7,124,314,821	\$12,816,653,163
<b>Total lost productivity</b>	<b>\$5,900,733,926</b>	<b>\$7,273,713,035</b>	<b>\$13,174,446,961</b>
<b>Intangible costs</b>			
Cost of pain and suffering	\$8,204,556,875	\$1,955,848,706	\$10,160,405,582
Cost of loss of life – homicide	\$1,197,163,209	\$3,033,906,764	\$4,231,069,973
<b>Total intangible costs</b>	<b>\$9,401,720,085</b>	<b>\$4,989,755,470</b>	<b>\$14,391,475,555</b>
<b>Other costs</b>			
Stolen, damaged, or destroyed property	\$216,685,175	\$271,499,249	\$488,184,423
Burglar alarm installation	\$8,565,553	\$1,619,831	\$10,185,384
Restraining or protective order	\$2,272,515	\$2,406,854	\$4,679,369
<b>Total other costs</b>	<b>\$227,523,242</b>	<b>\$275,525,934</b>	<b>\$503,049,176</b>
<b>Total victim costs</b>	<b>\$15,765,090,560</b>	<b>\$12,618,910,784</b>	<b>\$28,384,001,344</b>

## 5. Third-party costs

Crime affects victims most acutely, but it also affects family members, employers, and taxpayers to varying degrees (Cohen, *The Costs of Crime and Justice* 2005). For example, family members of crime victims may need to take time off work to take a victim to a doctor or look after the victim. They may need counselling to deal with their grief from losing a loved one. When an injured victim is off the job, employers may need to hire a replacement worker or pay workers overtime. Employees who are victims of a crime may come to work late, not come to work at all, or be distracted. All of these contribute to a decline in productivity. Another third-party cost is the cost for taxpayers, who help pay for crime prevention and criminal justice programs.

This report estimates the third-party costs as employers' losses, operating costs for social services, loss of affection and enjoyment to the family, lost productivity or services of other people, and other costs (table 12). The loss of affection and enjoyment to the family is an intangible cost. The death of a family member or loved one can have a profound emotional effect on a person. For instance, a grieving person may develop mental health issues as a result of the loss (depression, anxiety, sleeping problems, and other mental health issues) (Lichtenthal, 2004; Biondi, 1996). The value representing the loss of affection and enjoyment to the family is used only for costing purposes. It does not imply that the loss of affection is "worth" this amount.

The methods for calculating third-party costs were developed by Hoddenbagh et al. (Hoddenbagh, Zhang, & McDonald, 2014), except for the calculations of traffic delays due to drinking and driving and other spending related to crime. Since it is not possible to divide the costs for traffic delays and other spending related to crime by sex, these costs are included in tables that are separate from other third-party-cost items. In 2014, the grand total of third-party costs was \$2,225,857,801. This included total third-party costs (table 12), costs of traffic delays due to drinking and driving (table 13), and other spending related to crime (table 14).

**Table 12. Third-party costs**

Cost category or items	Female	Male	Total
<b>Employer losses</b>			
Administration costs	\$929,391	\$297,493	\$1,226,885
Tardiness and distraction costs	\$9,684,600	\$5,065,219	\$14,749,819
Lost wage spending	\$7,364,700	\$3,003,647	\$10,368,347
Lost additional output	\$7,562,165	\$6,368,433	\$13,930,598
<b>Total employer losses</b>	<b>\$25,540,856.09</b>	<b>\$14,734,792.42</b>	<b>\$40,275,648.51</b>
<b>Social services operating costs</b>			
Victim services and compensation programs cost	\$335,324,243	\$111,774,748	\$447,098,990
Costs of shelter for victims	\$463,519,983	\$0	\$463,519,983
Crisis line cost	\$1,434,205	\$547,125	\$1,981,330
<b>Total social services operating costs</b>	<b>\$800,278,430</b>	<b>\$112,321,873</b>	<b>\$912,600,303</b>
<b>Intangible costs</b>			
Loss of affection and enjoyment to family	\$23,562,715	\$59,713,731	\$83,276,446
<b>Total intangible costs</b>	<b>\$23,562,715</b>	<b>\$59,713,731</b>	<b>\$83,276,446</b>
<b>Lost productivity/services of other people</b>			
Value of friends' /neighbours' /family members' lost productivity	\$399,780,051	\$375,433,567	\$775,213,618
Value of co-workers' lost productivity	\$75,552,868	\$118,283,092	\$193,835,959

<b>Total lost productivity/services of others</b>	<b>\$475,332,919</b>	<b>\$493,716,659</b>	<b>\$969,049,578</b>
<b>Other costs</b>			
Funeral service costs	\$874,467	\$2,216,115	\$3,090,582
Family medical care costs	\$12,185	\$30,879	\$43,064
Family counselling costs	\$120,265	\$304,782	\$425,048
<b>Total other costs</b>	<b>\$1,006,917</b>	<b>\$2,551,777</b>	<b>\$3,558,694</b>
<b>Total third-party costs</b>	<b>\$1,325,721,838</b>	<b>\$683,038,831</b>	<b>\$2,008,760,669</b>

**Table 13. Traffic delays due to drinking and driving**

Per capita cost of traffic delays due to drinking and driving in 2008 <sup>46</sup>	\$1.42
Per capita cost of traffic delays due to drinking and driving in 2014 (adjusted for inflation)	\$1.57
Population in Canada 2014 <sup>47</sup>	35,540,400
<b>Costs of traffic delays due to drinking and driving (\$1.57 x 35,540,400)</b>	<b>\$55,798,428</b>

**Table 14. Other spending related to crime<sup>48</sup>**

Spending on countering crime <sup>49</sup>	\$156,298,704
Reducing violence against Indigenous women and girls	\$5,000,000
<b>Total of other spending related to crime</b>	<b>\$161,298,704</b>

In 2014, female third parties bore 66.0% of total third-party costs whereas male third parties bore 34.0% (table 13).<sup>50</sup> Lost productivity or the services of other people accounted for 48.2% of the total third-party costs. Social services operating costs accounted for 45.4% of total third-party costs. Intangible costs – loss of affection and enjoyment to family – accounted for 4.1% of total third-party costs. Employer losses accounted for 2.0% of the total costs, and other costs, such as funeral services costs, family medical costs, and counselling costs, accounted for 0.2% of the total costs.

<sup>46</sup> Department of Justice Canada, Costs of Crime in Canada, 2008.

<sup>47</sup> Statistics Canada: Canada's population estimates: Age and sex, 2014. Released: 2014-09-26. <https://www150.statcan.gc.ca/n1/daily-quotidien/140926/dq140926b-eng.htm>

<sup>48</sup> Public Safety Canada, Departmental Performance Report 2014–2015.

<sup>49</sup> The countering-crime program provides federal policy leadership, coordination, and program support on a continuum of activities related to preventing crime, enforcing the law, and rehabilitating those who have committed criminal offences.

<sup>50</sup> The costs for traffic delays due to drinking and driving, spending on counter crime, and reducing violence against Indigenous women and girls were not included here because they cannot be separated by sex.

## 6. Conclusion

In 2014, the total tangible costs of crime in Canada were estimated at about \$28.7 billion,<sup>51</sup> a per capita cost of \$807 per year.<sup>52</sup> The costs of operating the Canadian criminal justice system in 2014 was estimated at just over \$12.5 billion for policing, courts, prosecution, legal aid, correctional services (table 15) and *Criminal Code* Review Boards (table 16). Male accused/offenders were responsible for 80.8% (excluding *Criminal Code* review board costs) of criminal justice system costs, whereas female accused/offenders were responsible for 19.2% of the costs. Gender-based differences in costs were related to differences in the volume and nature of crimes committed by male and female offenders.

Historically, females have made up a much smaller percentage of accused/offenders overall. For example, 23.7% of people accused of a crime (all *Criminal Code* violations (including traffic)) in 2015 were female. Females account for a slightly smaller proportion of those accused of violent crimes (22.5%) compared with non-violent crimes (24.2%). Females made up a very small proportion of some of the most serious violent crimes, including homicide (11.5%); sexual assault (all levels) (2.8%); and forcible confinement, kidnapping, or abduction<sup>53</sup> (9.5%) (Mahony, 2017).

A breakdown of the total criminal justice system costs by sector showed that policing services accounted for the majority of justice spending (67.0%), followed by corrections (23.1%), courts (3.9%), prosecutions (3.4%), legal aid (2.6%), and *Criminal Code* Review Boards (0.11%).

**Table 15. Criminal justice system costs<sup>54</sup>**

Summary of costs			
Cost category or item	Female	Male	Total
<b>Criminal justice system costs</b>			
Police costs	\$1,679,402,765	\$6,717,611,059	\$8,397,013,824
Court costs	\$103,530,512	\$385,136,629	\$488,667,141
Prosecution costs	\$84,932,390	\$344,269,148	\$429,201,538
Legal aid costs	\$63,428,845	\$257,075,113	\$320,503,958
Total corrections costs <sup>55</sup>	\$475,756,668	\$2,424,552,939	\$2,900,309,607
Federal custody costs	\$341,334,820	\$1,420,649,582	\$1,761,984,402
Provincial custody costs	\$89,329,970	\$843,663,979	\$932,993,949
Conditional sentence costs	\$11,704,041	\$35,547,131	\$47,251,172

<sup>51</sup> This figure excluded intangible costs.

<sup>52</sup> Per capita is a common term used in economics and means per person. For this report, per capita equals the total social and economic costs of crime in Canada divided by the 2014 Canadian population (35,540,400).

<sup>53</sup> Includes forcible confinement; kidnapping; abduction under 14, not by a parent/guardian; abduction under 16; removal of children from Canada; abduction under 14, contravening a custody order; abduction under 14, by a parent/guardian

<sup>54</sup> Numbers may not match the stated total due to rounding.

<sup>55</sup> Total corrections costs = federal custody costs + provincial custody costs + conditional sentences costs + probation costs.

Probation costs	\$33,387,838	\$124,692,247	\$158,080,085
<b>Total justice system costs<sup>56</sup></b>	<b>\$2,407,051,180</b>	<b>\$10,128,644,888</b>	<b>\$12,535,696,068</b>

**Table 16. Criminal Code Review Board costs, 2014**

Criminal Code Review Board costs, 2008 <sup>57</sup>	\$12,000,000
Criminal Code Review Board costs, 2014 (adjusted for inflation)	\$13,272,727
<b>Total Criminal Code Review Board spending</b>	<b>\$13,272,727</b>

In 2014, costs to direct victims of crime were about \$14.0 billion (excluding intangible costs). These included medical costs, loss of productivity, and other costs (table 11). Productivity losses represented 94.2% of the total tangible victim costs, followed by other costs (3.6%) and medical care costs (2.3%).

In 2014, total costs for third parties were about \$2.1 billion (excluding intangible costs). These included employers' losses, social services operating costs, lost productivity/services of other people, and other costs (table 12), traffic delays due to drinking and driving (table 13), and other spending related to crime (table 14).

Intangible costs do not have a market price at which values are determined. Estimating these values is difficult since every victimization experience is different. Thus, the intangible effects each victim feels are different. Therefore, different methods are used to estimate the value of intangible impacts.

The current study estimates that total intangible costs were about \$14.5 billion in 2014 (table 17). Because there were more female than male victims, female victims bore 65.1% of intangible costs and male victims bore 34.9% of the intangible costs.

**Table 17. Intangible costs**

Cost category or items	Female victims	Male victims	Total
Pain and suffering costs	\$8,204,556,875	\$1,955,848,706	\$10,160,405,582
Loss of life costs	\$1,197,163,209	\$3,033,906,764	\$4,231,069,973
Loss of affection and enjoyment to family	\$23,562,715	\$59,713,731	\$83,276,446
<b>Total intangible costs</b>	<b>\$9,425,282,800</b>	<b>\$5,049,469,201</b>	<b>\$14,474,752,001</b>

Placing a monetary value on intangible costs may seem insensitive, but it is critical to estimating the costs of social phenomena. Intangible costs are very personal and affect victims acutely. By no means does this study imply that the effects of crime are “worth” the values assigned to them. They simply provide a standard way to compare the extents of different social issues. Without including intangible costs, these cost analyses would be inadequate.

<sup>56</sup> Total justice system costs=police costs + court costs + prosecution costs + legal aid costs + total corrections costs.

<sup>57</sup> Costs of Crime in Canada, 2008

Adding total intangible costs (\$14.5 billion) to total tangible costs (\$28.7 billion),<sup>58</sup> the total cost of crime in Canada was estimated at \$43.2 billion in 2014. This cost is close to the total spending on economic affairs<sup>59</sup> (\$44.2 billion)<sup>60</sup> by the provincial-territorial and local governments<sup>61</sup> in 2014. Notably, conservative estimates were used to avoid the effect of extreme values.

This study could not estimate many costs because various data were not available, or methodology not yet developed. Notably absent are costs incurred by offenders and their families, as well as the costs of the many social services that support them. The total cost of crime in Canada in 2014, even at over \$43.2 billion, is therefore largely an underestimation.

Previous work by Justice Canada has estimated the costs of crime in Canada in other years (Zhang, *Costs of Crime in Canada*, 2008, 2011). The current report builds on this work, using newer data and improved methodology. However, given the differences in methodology, it is not possible to compare the results of this study to the previous work. Future studies will be required to measure and monitor changes in the costs of crime over time.

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<sup>58</sup> This figure includes criminal justice system costs, victim costs, third-party costs, *Criminal Code* Review Board costs, traffic delays due to drinking and driving (table 13), and other crime-related spending (table 14).

<sup>59</sup> According to Statistics Canada's definition: "Economic affairs includes expenditure on general economic, commercial, labour affairs, and citizenship and immigration; agriculture, forestry, fishing, and hunting; fuel and energy; mining, manufacturing, and construction; transport; communication; and other industries." CCOFOG 2014 - 704 - Economic affairs ([statcan.gc.ca](http://statcan.gc.ca)).

<sup>60</sup> Statistics Canada, Table: 10-10-0005-01: Canadian Classification of Functions of Governments (CCOFOG) by Consolidated government component. Canadian Classification of Functions of Government (CCOFOG) by consolidated government component ([statcan.gc.ca](http://statcan.gc.ca))

<sup>61</sup> This includes provincial and territorial governments, health and social service institutions, universities and colleges, municipalities, and other local public administrations, and school boards.

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