THE ECONOMIC COST OF GUN VIOLENCE IN NEBRASKA

In recent years, Nebraska has experienced an average of 45 gun-related homicides, 115 gun-related suicides, 173 nonfatal interpersonal shootings, and hundreds of unintentional shootings per year. Gun violence exacts a high physical, emotional, and financial toll on families and communities in the state. We often hear about the heartbreak and physical pain these shootings cause, but there is another aspect of the gun violence epidemic that doesn’t receive as much attention: the overwhelming financial cost.

TALLYING THE NUMBERS

The 520 shootings that occur each year in Nebraska are a serious drain on the state’s economy. Based on the expenses we can directly measure, including healthcare costs ($17 million per year), law enforcement and criminal justice expenses ($22 million per year), costs to employers ($2 million per year), and lost income ($301 million per year), the initial price tag of gun violence in Nebraska is over $342 million per year.

Much of this tab is picked up by the public. Up to 85% of gunshot victims, for example, are either uninsured or on some form of publicly funded insurance. Additionally, law enforcement efforts are funded entirely by taxpayer dollars. As a result, the direct annual cost of gun violence to Nebraska taxpayers is over $61 million.

GUN VIOLENCE IS BAD FOR BUSINESS

Nebraska’s business community is severely impacted by the negative economic consequences of gun violence. Shootings engender fear in affected neighborhoods, which keeps potential customers away, forces businesses to relocate or limit hours of operation, and decreases foreign and local tourism.

A 2016 report by the Urban Institute found that in Washington DC each additional homicide was associated with the loss of two retail or service establishments in the following year.

In 2018, a shooting outside a busy big-box retailer in Omaha left one woman dead and a child orphaned. Despite the fact the incident occurred in the parking lot, police were still forced to shut down the store for hours, turning away customers and countless dollars in potential sales. With hundreds of shootings occurring every year in the state, it’s easy to see how gun violence directly impacts the economy.

Conversely, reducing shootings improves local economies. The same Urban Institute report found that in Minneapolis just one fewer gun homicide was associated with the creation of 80 jobs and an additional $9.4 million in sales across all businesses the following year.

$342+ MILLION TOTAL DIRECTLY MEASURABLE COSTS
When the reduced quality of life attributable to pain and suffering ($639 million) is considered, the overall estimate of the economic cost of gun violence rises to $981 million per year. While this number is staggering, it actually underestimates the true cost of gun violence in Nebraska because it doesn’t include significant, yet difficult-to-measure costs, including lost business opportunities, lowered property values, and reductions in the tax base.

REDUCING GUN VIOLENCE

There is much work to be done. Fortunately, a number of proven solutions exist that would reduce gun violence in Nebraska, including requiring a background check for all firearm purchases, giving law enforcement discretion to deny concealed handgun permits, and extreme risk protection order laws. The investment required to implement these lifesaving solutions is minuscule compared to the yearly cost of gun violence in the state.

1. Fatal firearm injury data came from the Centers for Disease Control and Prevention’s WISQARS Fatal Injury Reports (www.cdc.gov/injury/wisqars/fatal.html). Nonfatal firearm injuries were obtained from the Agency for Healthcare Research and Quality’s HCUPnet Query System (https://hcupnet.ahrq.gov/#setup).
2. Estimates of the cost of gun violence were created using a model published in 2012 by economists at the Pacific Institute for Research and Evaluation (PIRE). PIRE is a nonprofit research organization that focuses on using scientific research to inform public policy. This model can be found at www.pire.org/documents/gswcost2010.pdf. All cost estimates were adjusted to 2016 dollars.

WE’RE ON A MISSION TO SAVE LIVES

For 25 years, the legal experts at Giffords Law Center to Prevent Gun Violence have been fighting for a safer America by researching, drafting, and defending the laws, policies, and programs proven to save lives from gun violence. Founded in the wake of a 1993 mass shooting in San Francisco, in 2016 the Law Center joined with former Congresswoman Gabrielle Giffords to form a courageous new force for gun safety that stretches coast to coast.

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