The Economic Toll of Gun Violence

The loss to the victims, families and communities affected by gun violence cannot be calculated, but the harms caused by gun violence cascade through the rest of our economy in real and measurable ways. The economic toll creates costs for families, communities and society overall.

- Gun violence injuries cost victims and their families more than $1 billion each year in initial direct medical costs alone.
- Exposure to gun violence negatively effects educational attainment, leading to worse lifetime outcomes for children.
- Increased school security measures in response to gun violence cost more than $3 billion each year, straining school budgets.
- Gun violence harms local economies by slowing business development and decreasing housing prices.

From health care to education and business formation to housing, the economic effects of gun violence are lasting and significant. Available research likely underestimates the economic toll of gun violence, leaving sections of costs undercounted or unaccounted for entirely. However, looking at the known costs gives insight into the wide scope of the economic impact of gun violence and huge losses it creates.

*Gun violence generates over $1 billion in direct health care costs for victims and their families each year*

Gun violence is associated with significant health care costs, both in the immediate aftermath and in the long-term, due to the physical and mental tolls that it causes. A study by the Government Accountability Office found that each year firearm-related injuries cause 30,000 initial in-patient hospital stays that cost an average of $31,000 each and 50,000 initial emergency room visits that cost an average of $1,500 each, for a total annual cost of over $1 billion. However, this is likely a significant underestimate because it does not include physician costs, which could increase total costs by about 20%.

Gun injuries put enormous financial burdens on survivors and health care providers. For those who required initial hospital care and survived their injuries, up to 16% require re-admittance at least once in the first year post-injury, costing an additional $8,000 to $11,000 per patient. In fact, survivors of gun-related injuries see their health care spending increase by nearly $2,500 per month on average for the year following the injury, with spending soaring by over $25,000 in the first month alone.
For victims of fatal firearm injuries, medical costs totaled $290 million in 2020 and cost an average of $9,000 per patient. Much of these costs are paid for by public health insurance providers, such as Medicaid, creating significant, avoidable costs for these programs.

**Firearm Injuries Cost Over Two Times More Than Other Hospital Care**

*Average cost of initial hospital care by injury type, 2016-2017*

<table>
<thead>
<tr>
<th>Inpatient Stays</th>
<th>Emergency Department Visits</th>
</tr>
</thead>
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<tr>
<td>$30,703</td>
<td>$1,478</td>
</tr>
<tr>
<td>$12,039</td>
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</tbody>
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Source: Government Accountability Office, *Firearm Injuries: Health Care Service Needs and Costs*

In addition to the direct cost of medical care for gun-related injuries, the mental and emotional impacts of exposure to gun violence can cause significant health effects down the road, which further add to health care costs. For survivors of gun violence injuries, psychiatric disorders increase by 200% in the month after injury. For children exposed to a fatal school shooting in their local area, antidepressant use increases by 21% in the two years following the incident. Treatment of these conditions, through therapy or medication, can be long-term and expensive, with spending for all mental health treatment reaching $225 billion in 2019 alone.

Gun violence also impacts victims’ families. One study found that family members of survivors sustaining a nonfatal gun-related injury saw a 12% increase in the incidence of psychiatric disorders when compared to families who experienced no such injury.

**Gun violence negatively impacts educational attainment, worsening outcomes for students**

Gun violence has been shown to negatively impact the educational and life outcomes of children in school, particularly in instances of school shootings. A study of school shootings in Texas found that in schools that experience a shooting the absence rate rises by 12%, and chronic absenteeism increases by 28%. In the two years following a school shooting, the rate of grade repetition more than doubles.
Gun violence at schools negatively impacts school-level proficiency. Children who survived the Sandy Hook elementary school shooting saw decreased test scores in math and English. In California, high school students who remained enrolled after being involved in a school shooting saw lower test scores on standardized tests.

Even after they leave school, students impacted by school shootings continue to suffer the harmful effects. Experiencing a school shooting in grades 10-11 reduces the likelihood of graduating high school by age 26 by 4% and makes students 10% less likely to attend any college. For those that do attend college, students who experienced a school shooting are then 15% less likely to receive a bachelor’s degree by age 26.

While all students are affected, Black and lower-income students experience relatively larger effects than their peers. This can contribute to race and income-based gaps in education and beyond that exacerbate economic disparities long term.

Gun violence also affects students who were not directly involved but who were a part of the communities that were impacted. In Connecticut, after the Sandy Hook elementary school shooting, other schools in Sandy Hook’s district saw decreased test scores in math and English in the years following the 2012 attack. Similarly, after the “Beltway Sniper” attacks in the D.C.-metropolitan area in 2002, school-level proficiency significantly decreased at schools that were in a five-mile radius of the attack. School proficiency levels declined by 2 to 5% at the elementary schools that were close to the violence in 2002.

**Increased security strains school budgets**

In response to rising gun violence, many schools have opted to undertake the process of ‘hardening’ their schools, implementing costly new security measures in an attempt to prevent tragedies like school shootings. However, hardening requires schools to divert educational funds towards school security products and services. In 2021, U.S. schools and colleges spent $3.1 billion on these measures, up from $2.7 billion in 2017. This total is expected to increase an average of 8% each year and does not include the billions spent on the addition of armed law enforcement officers to school campuses.

School hardening also takes a toll on state and federal budgets. In the wake of the Uvalde tragedy alone, many states have proposed increases in funding in order to help schools pay for these increased security measures. Iowa’s governor announced a $100 million investment in school safety funding to implement new protective measures, and Ohio’s governor announced $4.8 million in grants to help schools improve their buildings’ security. Federal spending for school security is also growing in response to school shootings. Reports indicate that since 2018 schools have spent $150 million in federal dollars on school safety and security.

**Business growth slows in response to gun violence**

Gun violence hurts local economies by significantly reducing the growth of new businesses and the number of jobs these businesses provide. The Urban Institute found that gun violence reduced local business growth by 4%. This is consistent with past research, which found that increased gun violence is associated with businesses scaling back and the reduction in new
business formation. Together, this results in fewer jobs in neighborhoods impacted by gun violence, exacerbating the economic harm. In Minneapolis, Minnesota, for example, one additional gun homicide in a neighborhood in a given year resulted in 80 fewer jobs in the next year.

Business owners in the study associated this setback in growth with the costs they must incur to protect their business. These costs include camera systems, Plexiglas, bulletproof windows, motion sensor lights, bars on doors, security staff and other security strategies. There are also costs caused by behavioral changes by business owners and residents reacting to increased gun violence that reduce sales. These costs include businesses closing earlier in the day, residents avoiding shopping during night hours, residents relocating and people avoiding moving to the high gun violence neighborhoods. While the Urban Institute study looked specifically at areas considered “high-crime,” increasing violence has been shown to affect low-crime areas as well, as fear of victimization harms business growth and development.

**Increasing gun violence slows housing price growth and harms neighborhoods**

Higher rates of gun violence can also have negative impacts on the housing market by affecting the perceived desirability of areas. A study by the Urban Institute found that in some higher crime cities, a surge in area gun homicides led to a slowing of home value appreciation by nearly 4%. Meanwhile a surge in gunshots decreased the home value growth by 3.6%. In two cities, each additional gun homicide was found to decrease the average home value by over $20,000. In Philadelphia, a similar study compared housing prices before and after a homicide, the vast majority of which involved a firearm, and found that each homicide decreased nearby home prices by 2.3%.

The residents in these higher-crime cities report that increased incidences of violence lead to increased relocation away from the area and higher vacancy rates, leading to lower home prices. Absentee homeownership also decreases homes values, as absentee owners are more likely to neglect property and allow it to deteriorate.

**Gun violence creates significant costs and current research likely underestimates its toll**

While gun violence creates huge visible costs through loss of life, injury and destruction, it also generates significant economic costs. Gun violence costs individuals, communities and society billions each year, and because current research likely underestimates the full economic toll of gun violence, the true economic burden is likely much higher.

A near ban on federal funding on gun violence research hindered data collection for more than two decades. Starting in 1996, the Dickey Amendment was added annually to the Congressional spending bill to prevent federal funds from being used to advocate or promote gun control. The Dickey Amendment effectively prevented health agencies, including the Centers for Disease Control and Prevention and the National Institutes of Health, from using federal money to conduct any gun violence research. This amendment stayed in place until 2018 when Congress clarified that health agencies could pursue gun violence research and then appropriated $25
million for the following year. Despite these new resources, funding remains inadequate for the scope of the problem.

As Congress seeks to address the crisis of gun violence, a renewed commitment to research would expand upon the many known economic costs of gun violence and demonstrate the opportunities for effective reform.