ment of traditional health insurance benefits in favor of health maintenance organizations and other less costly alternatives. Alas, "both of these shifts appear to have largely run their course."

To some extent, those who talk of a "new era" or "new economy" may just be dazzled by all the "new" products now available, suggests Jack E. Triplett, a Visiting Fellow at the Brookings Institution. Many of these new products and services—from medical goods to financial services—enhance productivity in ways that aren't captured in statistics.

But what is important is not the number of such improvements but their *rate* of increase, Triplett points out. The American grocery store seemed a spectacle of abundance in 1994. It was stocked with 19,000 items, compared with 9,000 in 1972. But a 1948 store stocked 2,200 items, Triplett notes; the 1948–72 rate of increase was nearly twice the 1972–94 rate. The real "golden age" of abundance (at least in grocery stores) is behind us.

Even so, Triplett believes that the computer is having a significant impact on productivity *in certain industries*—including financial services, wholesale trade, business services, equipment rental and leasing, insurance, and communications. But the "output" of these industries is generally hard to measure, and because they sell mostly to other businesses, the impact of their productivity is diffused. "Even if productivity growth in these computer-using industries were tremendous," he notes, it would not greatly increase overall national productivity. The New Age may be here, it seems—but not for everyone.

When Crime Pays

"Market Wages and Youth Crime" by Jeff Grogger, in *Journal of Labor Economics* (Oct. 1998), 1101 E. 58th St., Chicago, Ill. 60637.

During the 1970s and '80s, the wages paid to young men fell, while their arrest rates rose. There's a little-noticed connection, contends Grogger, an economist at the University of California, Los Angeles.

It's no secret that young men are far more prone to crime than other groups. In a 1980 national survey, nearly one-fourth of the men aged 17 to 23 who were neither in school nor in the military admitted earning money from crimes committed the previous year. Ninety-five percent of the criminals also worked, but less than their upright peers, and their legitimate earnings for the year were about 11 percent less.

From his analysis of the survey data, Grogger calculates that a drop (or rise) in wages results in a roughly similar increase (or decline) in youthful participation in property crime. Thus, if wages, adjusted for inflation, fall by 20 percent, youth crime should go up 20 percent. And indeed, he points out, for men aged 16 to 24, real wages fell 23 percent after the mid-1970s, while arrest rates between the early 1970s and late 1980s went up 18 percent. (However, the decline in wages was not the only factor, he notes, "as evidenced by increases in arrests among adults, who generally experienced smaller declines in real wages.")

Interestingly, Grogger finds that education and marital status seem to have no significant effect on youthful participation in crime. But past experience on the wrong side of the law, perhaps enhancing criminal "productivity," appears to make such participation more likely. So does having a brother who is a criminal (and who therefore can show one the ropes).

Wages not only affect the crime rate among young men but also help to explain two well-known crime phenomena, Grogger finds. "Blacks typically earn less than whites, and this wage gap explains about one-fourth of the racial difference in criminal participation rates," he says. In addition, "wages largely explain the tendency for crime to decrease with age." Since wages generally rise as the worker grows older and gains more experience, turning to crime becomes correspondingly less attractive. Though Grogger does not say so, the solution to America's crime problem now seems obvious: pay raises all around!