

## Abstract

### *Introduction*

Previous research showed that debts of adolescents and young adults have increased over recent years. Some of the various direct causes of debts among youth are playing poker, using mobile phones, and fraud with cash cards. The judicial youth policy department (Directie Justitiele Jeugdbeleid) assumes that young people with debts are at risk of criminal behaviour and that youngsters with risk behaviours have a stronger tendency to borrow large amounts of money.

The present study was conducted upon instructions from the Research and Documentation Centre of the Ministry of Security and Justice (WODC) and focused on the link between debts and criminal behaviour. The main research questions were:

- Are problematic debts associated with criminal behaviour in adolescents and young adults?
- Are problematic debts a result of one or more risk factors of crime?
- Are problematic debts a risk factor for criminal behaviour or are they a result of crime in adolescents and young adults?

We postulated the following hypotheses on the basis of theories that purport to explain criminal behaviour. The hypothesis that connects to the first research question is: problematic debts are linked to criminal behaviour in adolescents and young adults. The second hypothesis is: debts and criminal behaviour are related because of shared risk factors. For the third research question two hypotheses were formulated on the basis of the literature: a) the

presence of problematic debts is a risk factor of criminal behaviour and b) criminal behaviour is a risk factor of having problematic debts, particularly in persistent offenders.

### *Method*

We conducted several studies to answer the research questions, including a systematic review, a secondary analysis of a qualitative study and several secondary analyses of quantitative studies. The secondary analysis of the qualitative study concerned the investigation of interviews with homeless young adults and practitioners who worked with this problematic group of young people and teachers ('Kredietcrisis onder risicojongeren', Stichting Alexander/ Noorda en Co). All homeless young adults had problems with debts. The interviews concentrated on the amount of debts, type of debts, explanations for the development of debts and potential problems in interventions and policy aimed at reducing debts among young adults.

The secondary analyses of the quantitative studies included four studies. The first study was the Monitor self-reported juvenile crime ('Monitor zelfgerapporteerde jeugdcriminaliteit', WODC). In this study data was collected on juvenile delinquency and debts of adolescents. Researchers of the WODC investigated the link between financial problems and juvenile delinquency, taking age, sex and ethnic background into account. The second study focused on formerly detained adults. Researchers of the WODC investigated to what extent debts are present in formerly detained young adults (18-24 years of age) and compared these figures with those of adults (ages 24 and older). The third study was the TRAILS-study (TRacking Adolescents' Individual Lives Survey), a longitudinal study on the physical, psychological and social development of almost 2900 Dutch children in North-Netherlands. Researchers from the University of Groningen analyzed the data of the fourth measurement of participants (ages 18-21) regarding financial problems and delinquency. Finally, the fourth study was a secondary analysis of the USAD-data (Utrecht longitudinal Study of Adolescent Development) that focused on longitudinal links between financial problems and antisocial behaviour in adolescents and young adults. We analyzed data from the first two waves.

### *Conclusions*

The present study revealed that having debts or financial problems is linked to criminal behaviour. Adolescents and young adults who have more debts, show relatively more criminal behaviour. We therefore accept the first hypothesis.

An important part of the present study was to investigate which possible explanation exists for the link between problematic debts and criminal behaviour. The second research question connects to this issue. The answer to this research question is less clear cut. At this stage it is unclear whether or not debts are a result of known risk factors of criminal behaviour, as studies on debts and financial problems concentrated on risk factors related to financial issues such as money management, while studies on crime generally focus on risk factors in the domains of the individual, family, peers, school and society. We should not rule out that shared risk factors for problematic debts and criminal behaviour exist, but relevant research is scarce and findings are contradictory. We therefore neither accept nor reject the second hypothesis.

The third research question relates to the direction of the effect: is having debts a risk factor of criminal behaviour or is criminal behaviour a risk factor for having debts? We formulated two hypotheses on the basis of relevant theories: a) the presence of problematic debts is a risk factor of criminal behaviour and b) criminal behaviour is a risk factor of having problematic debts, particularly in persistent offenders. We found some evidence for both hypotheses. It seems that criminal behaviour, particularly in adolescents, is a risk factor for the development of debts. By the time these youngsters have entered into young adulthood these have increased. Debts of criminal young adults who have been detained increase the risk for recidivism. These debts seem to hinder these young adults in desisting from crime. However, we cannot draw firm conclusions with regard to the direction of the bidirectional influence of debts and criminal behaviour because of the limitations of previous research.

Problematic debts seem to be more prevalent in vulnerable populations, such as homeless, (formerly) detained or addicted youth. We found some evidence to suggest that having debts increases the risk of recidivism in (young) adults. Therefore, intervention programs aimed at the prevention of re-offending should focus on dealing with debts and financial problems of delinquent young

people. Given that it is unclear which factors are responsible for the development of debts among youth, future research should focus on potential risk factors of debts and the mutual influence of debts and crime. This knowledge is important for developing theoretically sound programs for youngsters with debts.