

# Macroeconomic Study Reveals Crime Imposes \$405B 'Security Tax' on Global Productivity

*As retail shrink hits \$132B, a new economic appraisal highlights defensive spending costs, while MyTSV expands its network to restore local business trust.*

DEERFIELD, IL, UNITED STATES, June 15, 2026 /EINPresswire.com/ -- A

comprehensive macroeconomic and institutional appraisal published by MyTSV.com has sparked intense discussion among economists, policymakers, and business leaders by exposing the profound, hidden structural drag that [property crime](#) and defensive expenditures place on global economic growth. Titled "The Economics of Crime: An Institutional and Macroeconomic Appraisal," the research thoroughly dismantles long-standing myths surrounding the alleged stimulative effects of forced replacement spending. Simultaneously, the publication marks the nationwide expansion of MyTSV.com (My Trusted Services Videos), a pioneer in [video-verified business directories](#), as a direct market solution designed to mitigate trust deficits and reclaim localized economic efficiency.



The rising cost of defensive spending: Surveillance cameras monitoring a local retail store environment highlight the growing multi-billion-dollar 'security tax' burden on businesses. Image created by mytsv.com.

## Dismantling the "Broken Window Fallacy"

The foundational core of the appraisal addresses a persistent analytical error in [traditional national accounting](#) systems: the misconception that property destruction, theft, and forced replacement purchases stimulate aggregate demand. Relying on Frédéric Bastiat's seminal 1850 economic framework, *That Which Is Seen and That Which Is Unseen* [1], the study deconstructs the infamous "Broken Window Fallacy."

When a vandal breaks a shopkeeper's window, the visible transaction involves the shopkeeper paying a glazier to repair the glass. Uninformed onlookers often herald this transaction as an

economic benefit because it circulates currency and generates local employment. However, the appraisal emphasizes the unseen opportunity cost: the capital expended to restore the asset to its original baseline would have otherwise been deployed by the shopkeeper to acquire new, utility-enhancing goods—such as capital machinery, employee wages, or expansion assets.

Consequently, society as a whole does not gain wealth; instead, it is permanently poorer by the precise value of the destroyed asset. The research explicitly defines crime as a negative-sum redistribution enforced through coercion or stealth. While theft shifts ownership without generating net value, it simultaneously destroys aggregate utility and consumes finite, scarce resources during both the execution and the prevention of the illicit transfer.

**The Massive Scale of the Defensive Spending Crisis**A primary focus of the new economic appraisal is the explosive growth of the global private security sector. According to data published by ASIS International and the Security Industry Association (SIA) in their joint study, *Complexities in the Global Security Market* [2], the global physical security market reached a staggering \$405.0 billion and is on a clear trajectory to eclipse \$500.0 billion.

This multi-hundred-billion-dollar defensive infrastructure breaks down into several rapidly expanding sectors documented by industry intelligence trackers:

**Physical Security Hardware and Systems:** Documented by Omdia and fortune intelligence pipelines, this segment commands a massive global footprint, with video surveillance alone accounting for roughly half of the hardware sector [2].

**Manned Guarding Services:** Global security guarding services account for an estimated 47 percent of the total security services landscape, maintaining high global market dominance [2].

**Locks, Smart Locks, and Surveillance:** Driven by massive residential and commercial adoption across North America and the Asia-Pacific region, consumer and corporate spending on localized access barriers continues to expand at record paces.

**Ballistic Protection Market:** Driven by rising domestic defense and law enforcement security provisions, commercial asset protection budgets continue to outpace traditional infrastructure growth.

The appraisal notes that standard national accounting systems, such as Gross Domestic Product (GDP), paradoxically treat these astronomical numbers as positive economic growth. Because GDP utilizes a rigid input-output framework, every marketed delivery of a security camera, alarm system, or manned guard service is calculated as a positive contribution to final demand.

To correct this measurement distortion, advanced macroeconomists utilize the Genuine Progress Indicator (GPI) framework [3], which explicitly subtracts "defensive

expenditures"—costs incurred to protect a society from its own social failures and institutional breakdowns—from personal consumption metrics.

The human capital allocation required to sustain this industry is equally sobering. The ASIS/SIA study confirms that the physical security market now employs more than 30 million people worldwide [2]. The appraisal highlights a stark economic asymmetry: high-trust, low-crime nations like Japan and Iceland enjoy superior structural efficiency. Human labor that would otherwise be constrained to defensive guarding or monitoring is systematically freed to engage in directly productive, wealth-generating sectors, including advanced technology manufacturing, software development, and biomedical research. Conversely, high-crime regions suffer from a permanent "security tax," forcing private capital into defensive tech rather than real corporate innovation.

**The Carceral State and Diminishing Returns**The study turns an analytical lens toward the public infrastructure of crime control, documenting massive public expenditures with highly diminished returns on investment (ROI). In the United Kingdom, data from the National Audit Office (NAO) and the Ministry of Justice's 10-Year Prison Capacity Strategy reveals that the capital expenditure required to expand the prison estate has nearly doubled from an original estimate of £5.2 billion up to a staggering £9.4 to £10.1 billion [4].

In the United States, the expansion of the prison-industrial complex has institutionalized structural anomalies that penalize fiscal efficiency. Private prison conglomerates, which generate combined annual revenues exceeding \$4 billion, frequently embed "bed guarantees" or minimum occupancy clauses ranging between 80 percent and 100 percent into contracts with state and federal governments. Under these legal arrangements, taxpayers are financially penalized when crime rates successfully drop and prison beds remain empty.

Empirical evaluations cited from historical consensus reports by the National Research Council [5] and ongoing justice metrics from the Vera Institute of Justice [6] confirm that expanded mass incarceration has yielded a near-zero effect on reducing overall crime rates over the past two decades. Instead, macro data indicates that the vast majority of historic crime drops are entirely explained by underlying macroeconomic and demographic shifts, such as aging populations, rising high school graduation rates, consumer confidence, and real wage growth.

**Retail Shrinkage as a Regressive Consumer Tax**On the retail front, independent market research records show that global inventory shrinkage reached a projected \$132 billion, fueled heavily by external theft and Organized Retail Crime (ORC) syndicates [7]. The appraisal demonstrates that these losses are never absorbed by corporate profit margins. Instead, they operate as a highly regressive tax on everyday consumers. High-theft environments face escalating insurance premiums and operational overheads, forcing major retailers to either raise baseline consumer prices or shut down unprofitable locations entirely, which accelerates the growth of urban food deserts and destroys local employment opportunities.

Please read full article here: <https://mytsv.com/blogs/the-economics-of-crime-an-institutional->

## [and-macroeconomic-appraisal](#)

### MyTSV.com: Re-Engineering Local Trust Architecture

As a direct market response to the vulnerabilities highlighted in the research, MyTSV.com has officially announced its expansion from the Chicagoland area into a nationwide directory network. Standing for My Trusted Services Videos, the platform aims to fundamentally transform how consumers and local businesses interface, directly targeting the high-cost trust deficits that destabilize local economies.

By utilizing a video-first directory architecture, MyTSV.com allows consumers to visually "meet their town specialists" before entering a transaction. This transparent verification ecosystem neutralizes informational asymmetries and lowers the socio-economic friction typical of low-trust market interactions. By replacing blind risk with visual transparency, MyTSV.com empowers vetted, honest local specialists to thrive, ensuring that private capital remains anchored within communities to build sustainable local commerce rather than being siphoned away into defensive expenditures.

### References / Sources Cited

[1] Bastiat, Frédéric (1850). "Ce qu'on voit et ce qu'on ne voit pas" (That Which Is Seen and That Which Is Unseen). Paris: Guillaumin.

[2] ASIS International & Security Industry Association (SIA) / Omdia (2024). "Complexities in the Global Security Market: 2024 Through 2026." Joint Macroeconomic Industry Report.

[3] Genuine Progress Indicator (GPI) Standards. Bureau of Economic Analysis / Ecological Economics Frameworks on Defensive Expenditures.

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[5] National Research Council (2014). "The Growth of Incarceration in the United States: Exploring Causes and Consequences." Washington, DC: The National Academies Press.

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[7] Capital One Shopping Research / National Retail Federation (NRF) (2024/2025). Global Retail Shrinkage and Organized Retail Crime (ORC) Annual Industry Analysis.

### About MyTSV.com

MyTSV (My Trusted Services Videos) is a premier digital video directory network dedicated to simplifying, humanizing, and enhancing the way consumers locate and verify local service providers and businesses. Originating in the Chicagoland area and currently executing a

nationwide expansion, MyTSV enables users to securely connect with top-tier local specialists through immersive, high-integrity video profiles, fostering deep community trust and optimizing regional economic productivity.

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