What do we know about the return on investment in preventing child maltreatment?

Background
An estimated 1 in 8 children will experience maltreatment before they reach the age of 18.\(^1\) For these children — as well as for their families, communities, and society at large — the burden is substantial. Children who experience abuse or neglect are at a significantly higher risk of involvement with the criminal justice system, developmental delays, mental health and substance abuse challenges, low academic achievement, delinquency, teen pregnancy, and a host of other negative outcomes, including diminished future productivity.\(^2,3\)

Given the long-lasting impact of child abuse and neglect, delivering programs that prevent child maltreatment not only is an effective approach to protecting children and strengthening families, but also one of the most pragmatic ways to reduce the enormous financial and societal costs incurred when children are harmed. And with the Family First Prevention Services Act providing states new flexibility to spend Title IV-E funds on evidence-based prevention services,\(^4\) this preventive approach now has an ongoing funding mechanism to support it.
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**Cost of maltreatment**

Over the past several years, researchers have sought to understand the economic burden of child maltreatment. Research estimates the cost of nonfatal child maltreatment at $830,928 over a child’s lifetime. This estimate includes both the tangible costs associated with child abuse and neglect (i.e., those related to medical care, special education, criminal justice involvement, etc.) and the intangible costs of pain and suffering experienced by the child and the broader community. In total, the lifetime economic burden resulting from new cases of child maltreatment in the U.S. is estimated to be approximately $428 billion each year. The economic burden is even greater for cases involving children who experience fatal child maltreatment at $16.6 million per child.

**Financial benefit of prevention and early intervention services**

A comprehensive approach to estimate the cost of child maltreatment is critical because it highlights the magnitude of the problem and allows for an accurate assessment of the value of prevention strategies. In fact, child maltreatment prevention and intervention programs can be very cost-effective, yielding anywhere from $1.79 to more than $20 per $1 invested in services.

Given the recently enacted Family First Prevention Services Act, child welfare agencies can now spend Title IV-E funds on evidence-based prevention services. There is an array of effective prevention and intervention programs that can offset the astronomical financial costs of child maltreatment. These programs have been found to improve outcomes for children and families and are relatively inexpensive to deliver. For example, Triple P, a parenting and family support program, costs $1,400 per child to administer, compared to an estimated $831,000 in lifetime costs to society for each child that experiences abuse or neglect. Given the substantial economic burden associated with incidences of child maltreatment, the benefits of investing in prevention programs significantly outweigh their costs.
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Snapshot of child maltreatment prevention and intervention programs and return on investment

The following table highlights findings on cost savings related to child maltreatment prevention and family strengthening interventions. The benefit-costs ratios go beyond child welfare savings to include medical, mental health, employment, criminal justice, and other long-term savings.10

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<tr>
<th>RESOURCE</th>
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<tr>
<td>Incredible Years Parent Training</td>
<td>The Washington State Institute for Public Policy found a return of $1.79 for every $1 invested.</td>
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<tr>
<td>Multidimensional Treatment Foster Care (now Treatment Foster Care Oregon)</td>
<td>A review of studies found savings of $1.85 for every $1 spent, with a lifetime savings of $9,185.</td>
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<tr>
<td>Nurse-Family Partnership</td>
<td>A recent cost analysis of Nurse-Family Partnership programs across six states, along with a review of 30 studies on program impacts, found an average cost in excess of other home visiting programs. However, the estimated benefits from successfully reducing child maltreatment exceeded program costs.11</td>
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<tr>
<td>Parent-Child Interaction Therapy</td>
<td>A review of studies found savings of $22,994 per family in the child welfare system, and a benefit-cost ratio of $15 for every $1 spent.</td>
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<tr>
<td>Triple P</td>
<td>The Level 4 individual program, which teaches parents strategies for decreasing their child’s problem behavior, could save $2,339 per participant by preventing child abuse and neglect. This amounts to $3.36 savings for every $1 spent. The Level 4 group program could result in savings of $2,201 per participant. A systemwide public health large-scale rollout for prevention purposes would return $9.29 for every $1 spent.</td>
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<tr>
<td>Functional Family Therapy</td>
<td>Overall savings for youth in state institutions were estimated to be $36,737 per youth, with $11.59 saved for every $1 spent.</td>
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<td>Homebuilders model</td>
<td>The benefit-cost ratio indicates a benefit of $4.73 for every $1 spent per participant. The total cost-savings of the program was $13,005 per participating family.</td>
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<tr>
<td>SafeCare</td>
<td>A review of studies in Washington state found that SafeCare yields savings of $2,753 per family, with a benefit of $20.25 for every $1 spent.</td>
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<td><strong>Family Assessment Response (FAR)/Alternative Response (AR)</strong></td>
<td>Long-term studies have demonstrated that AR programs, when compared to traditional interventions, show increased costs in the early stages of intervention due to the intensity of services provided to families. However, the cost of continued case management was found to decrease with each follow-up period, ultimately demonstrating that long-term savings outweigh the initial increase in early costs. For example: In Illinois, AR cases cost an average of $752 annually per case compared to $2,738 for the traditional interventions. An evaluation of Minnesota's FAR program found that the cost for AR cases during the initial response period was $1,142 compared to $905 for traditional cases. In the long term, for every $1 spent on the FAR program, the agency ultimately saved $13.49, with a lifetime savings of $3,042 per case.</td>
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<td><strong>Family Resource Centers</strong></td>
<td>The early intervention services offered through Family Resource Centers, including some programs highlighted above, are likely to save the child welfare system money and positively impact the well-being of the families served. For instance, a cost analysis of short- and long-term impacts for the Alabama Network of Family Resource Centers has shown that for every $1 invested, the state receives $4.70 in immediate and long-term financial benefits. Parenting programs had the largest financial impact, with a return of $29 million (as compared to program costs of $2.1 million). As another example, the Vermont Parent Child Center network saved the state an estimated $210,000 per family that otherwise would have been involved with child welfare if they had not received prevention services.</td>
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Assessing impact at the jurisdiction level

Several states have measured the costs of child maltreatment and the savings secured as a result of investments in prevention and family strengthening activities to demonstrate the potential return on investment.\textsuperscript{20} Studies in Alabama,\textsuperscript{21} Colorado,\textsuperscript{22} Michigan,\textsuperscript{23} and Washington\textsuperscript{24} concluded that, even with conservative intervention cost estimates, prevention programs can be highly cost-effective. For example, an analysis in Washington determined that after five years of implementing an evidence-based prevention programming strategy, the state would receive long-term net benefits between $317 million and $493 million (of which $6 million to $62 million would be net taxpayer benefits).\textsuperscript{25}

Key resources

A number of guides and tools have been developed to inform return on investment analyses:

- The American Public Human Services Association’s Social Return on Investment introduces the association’s Social Return on Investment approach and highlights the methodologies, tools, and models implemented by government, philanthropic, and for-profit and nonprofit organizations to better understand and demonstrate the return on funds invested in human services.

- Casey Family Programs’ Levels of Research Evidence and Benefit-Cost Data for Title IV-E Waiver Interventions categorizes Title IV-E demonstration interventions according to their effectiveness data, as well as benefit-cost data, when available.

- The Children’s Bureau’s Cost Analysis in Program Evaluation: A Guide for Child Welfare Researchers and Service Providers offers a framework for integrating cost analysis into program evaluations, including key principles and concepts in cost analysis; guidance for defining the scope and purpose of a cost analysis, and determining the information needed to conduct it; the core steps in conducting a cost analysis; and the advantages and disadvantages of specific methods of data collection and analysis.

- The National Technical Assistance Center for Children’s Mental Health’s Return on Investment report highlights return on investment results from studies of four multi-state projects and examples of cost savings and cost avoidance in 13 states. Key interventions include health care, foster care, juvenile justice diversion, and counseling services provided to at-risk children and vulnerable families.

- The Washington State Institute for Public Policy’s Benefit-Cost Results is a comprehensive return on investment website, which presents the latest findings regarding outcomes and cost-benefits of a range of evidence-based programs, in order to provide policymakers and budget writers with a list of well-researched programs that can lead to better outcomes coupled with a more efficient use of taxpayer dollars. Programs are sorted into a wide variety of categories, including child welfare, children’s mental health, juvenile justice, public health and prevention, and substance abuse disorders.
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10. Calculations are drawn from the work of the Washington State Institute for Public Policy at http://www.wsiipp.wa.gov/BenefitCost


18. Community Services Analysis Company LLC, 2014


