

Developing and Sustaining Child Abuse Prevention Programs in Tough Times

This series contains excerpts from an online toolkit developed by the National Clearinghouse on Child Abuse and Neglect Information in partnership with the Office on Child Abuse and Neglect, Children's Bureau, U.S. Department of Health and Human Services, and other national child abuse prevention organizations.

PREVENTION FACT SHEETS IN THIS SERIES

Collaborating With Your Community
Making an Economic Case for Prevention
Marketing for Prevention
Evaluating Your Prevention Program
Funding Your Prevention Program

For more information see the Prevention Initiative website:
<http://nccanch.acf.hhs.gov/topics/prevention>

Making an Economic Case For Prevention

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WITH LIMITED FUNDING AVAILABLE for human service programs, it becomes increasingly important to establish the value of preventing child abuse and neglect. Accurate information on costs and outcomes of programs, as provided in economic analyses, can help prevention programs make their case to funders and policy makers.

Economic analyses can help answer the questions:

- What is the economic impact of child abuse and neglect on our community?
- How much money can be saved by preventing child abuse and neglect?
- Which prevention programs help the most for the least amount of money?

An analysis that only deals with dollars and cents can never fully convey the devastating impact of child abuse and neglect on children and families. Nor can economic analysis replace program evaluation, which assesses whether or not programs are effective in achieving their intended outcomes.

However, economic analyses can help key stakeholders understand the toll of child abuse and neglect on society and demonstrate that prevention programs represent a cost-effective use of limited resources.

This fact sheet contains information about some common types of economic analyses used by prevention programs, and tips and resources for developing these analyses at the local level. This information is only meant to provide a brief overview of this issue—prevention programs are advised to obtain additional guidance and technical assistance when undertaking an economic analysis.



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Gateways to Information: Protecting Children and Strengthening Families

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are services of the
Children's Bureau
Administration for
Children and Families
U.S. Dept. of Health
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Example*Invest in Wisconsin's Children Now*

The Wisconsin Children's Trust Fund compared the State's current spending on prevention programs to the total cost to "repair the damage" done by child abuse and neglect. Presented in a compelling visual format, the resulting document (which can be downloaded at <http://wctf.state.wi.us/home/Leg Packet/Dollars & Sense.pdf>) also includes a fictionalized illustration of the payoff of prevention and quantifies lost tax revenue annually due to deaths caused by child abuse and neglect.

Cost-of-Injury Analysis

Cost-of-injury analysis (also referred to as cost-of-illness or cost-of-failure analysis) attempts to estimate the economic impact of child abuse and neglect on society (or on a local community). In other words, how much does it cost when a community fails to prevent child abuse and neglect?

These analyses frequently estimate both direct and indirect costs associated with child maltreatment. Direct costs include those associated with addressing the immediate needs of maltreated children. They might include:

- Hospitalization for severe injuries resulting from abuse and neglect
- Medical treatment (such as physician visits, emergency department visits, outpatient clinics, dental visits, physical therapy, etc.) for health problems resulting from abuse and neglect
- Mental health treatment for issues resulting from abuse and neglect
- Child welfare services to intervene in existing cases of child abuse and neglect
- Law enforcement and judicial system costs associated with intervention

Indirect costs include those associated with the long-term and secondary effects of maltreatment, as well as productivity losses for the abused child (missing school) or parent/caretaker (needing to attend criminal hearings or stay home with an injured child). (For more information about the connection between child abuse and neglect and other social problems, see the National Clearinghouse on Child Abuse and Neglect Information fact sheet, *Long-Term Consequences of Child Abuse and Neglect.*)

Examples of indirect costs include:

- Special education costs
- Treatment for chronic physical and mental health problems as a result of child abuse and neglect
- Costs of increased juvenile delinquency and adult criminality
- Lost productivity to society (due to decreased earning potential, unemployment, or premature death)
- Costs associated with treatment of increased substance abuse
- Costs associated with interventions for domestic violence resulting from child maltreatment

**Example***Total Estimated Cost of Child Abuse and Neglect in the United States*

In 2001, Prevent Child Abuse America conducted a national cost-of-injury analysis to determine the total annual direct and indirect costs of child abuse and neglect in the United States.

Their estimate of \$94 billion per year is considered conservative because stringent categories were used for classifying abuse and neglect.

You can download a PDF version of the Prevent Child Abuse America report at www.preventchildabuse.org/learn_more/research_docs/cost_analysis.pdf.

Cost-Benefit Analysis

Cost-benefit analysis may be viewed as a way to calculate society's "return on investment" from an activity or program. These analyses attempt to calculate the actual costs of delivering services and the monetary value of improving particular outcomes for children and families, and to measure whether the benefits exceed the costs.

Cost-benefit analysis is often used at a macro level to compare programs that achieve different outcomes (for example, deciding whether to fund a child abuse prevention program or a program to reduce youth violence) or to measure the value of a particular program.

To do a cost-benefit analysis, programs must first accurately calculate their costs. (See "Calculating Program Costs," below.) Programs also must establish a causal relationship between the program and particular outcomes (benefits) through an outcome evaluation. (For more about outcome evaluation, see the National Clearinghouse on Child Abuse and Neglect Information fact sheet, *Developing and Sustaining Prevention Programs in Tough Times: Evaluating Your Prevention Program*.) Cost-benefit analyses then attach dollar values to those benefits.

For example, if a program can demonstrate that it led to a 10 percent reduction in out-of-home care services, it can attach a value to those services to determine the program's monetary benefit.

Child abuse prevention program benefits may include:

- Reduced health and mental health care costs
- Reduced costs of out-of-home care services
- Reduced costs of child welfare services
- Reduced law enforcement and judicial system costs for intervention in cases of child abuse and neglect
- Increased earnings of the child's family members

Although much more difficult to quantify, some cost-benefit analyses also attempt to account for a program's nonmonetary benefits, such as:

- Reduced personal and family stress
- Fewer incidents of child abuse
- Improved social functioning of the children
- Improved physical health
- Improved mental health
- Improved educational achievement

Programs can then compare the program's costs to its benefits. If benefits exceed costs, the program has established an economic justification for continuing these services. If not, programs will have to look for another justification (ethical, political, socially equitable).



Example

The Costs of Child Abuse vs. Child Abuse Prevention: A Decade of Michigan's Experience

In 2002, the Michigan Children's Trust Fund began a 10-year update of its 1992 research into the costs of child maltreatment and the benefits of prevention.

Among other findings, the research indicated that a statewide prevention program for all families having their first child would cost less than 3 percent of the money spent to treat the consequences of abuse and neglect.

An article reporting on this research may be found in the Winter 2003 issue of the National Alliance of Children's Trust and Prevention Funds newsletter. The article also is online in a PDF version at www.msu.edu/user/millsda/Winter2003.pdf.

Cost-Effectiveness Analysis

Cost-effectiveness analysis attempts to determine which practices and policies protect the greatest number of children for the lowest price. In this type of analysis, key measures of program effectiveness (outcomes) are identified, and different strategies developed to affect those outcomes are compared.

Cost-effectiveness analysis might be used by an organization with a limited budget to determine which strategy prevents more cases of child neglect; or, if two strategies achieve similar benefits, it might be used to determine which of these is least expensive to implement.

As with cost-benefit analysis, it is important first to establish a causal relationship between the program and the outcomes claimed, through a valid outcome evaluation. Outcome measures for child abuse prevention programs may include:

- Reduced incidence of family abuse
- Increased family cohesiveness
- Reduced delinquency
- Reduced child mortality

Programs also need accurate information about the cost of administering the program. (See “Calculating Program Costs,” below.)

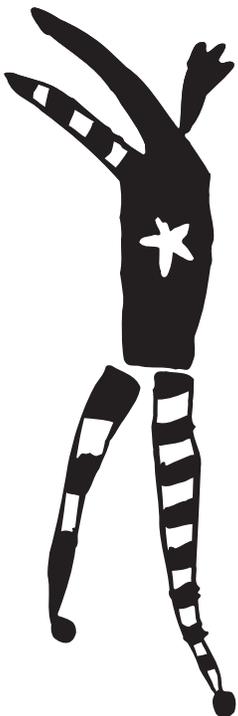
Programs can then be compared by dividing program costs by a particular outcome (for example, cost per case of child abuse prevented).

In general, one strategy is considered more cost-effective than another if it is:

- Less costly and at least as effective
- More effective and more costly, but the additional benefit *is* considered worth the extra cost, or
- Less effective and less costly, when the added benefit is *not* considered worth the extra cost

Often programs are interested in more than one outcome. In this case, programs can evaluate multiple outcomes separately (e.g., cost per case of child abuse prevented and cost per case of child death prevented) or combine the outcomes into one measure, in a cost-utility analysis. Cost-utility analysis is a variant of cost-effectiveness analysis, where quality of life and life expectancy are combined into a summary measure.

For more information about cost-utility analysis, see *Cost-Effectiveness Analysis: Methods and Applications* (H. Levin & P. McEwan), available at www.sagepub.com/book.aspx?pid=2029.



Example

Prevention Pays

In Washington State, research by a broad-based statewide work group, Prevention Pays, demonstrates the potential savings created by effective child abuse prevention and early intervention programs.

The group's report to policy makers outlines some of the long-term consequences of cuts to prevention programs, including poor school performance, the high costs of removing children from their homes, and increased crime and delinquency.

The report then cites specific cost savings of effective substance abuse prevention, early childhood care and education, child vaccination, and home visiting programs.

Download a summary of the Prevention Pays findings at www.wcpcan.wa.gov/Toolkit/prevention_pays.pdf.

Calculating Program Costs

To do a cost-benefit or cost-effectiveness analysis, organizations must accurately calculate the total cost of running a program. This information is important to monitor even if a program is not planning to perform a cost-benefit analysis. (For example, it is important for programs to be aware if the average cost per participant is increasing or decreasing over time, and why.)

Calculations of program costs should include both *financial* and *economic* costs.

Financial costs are monetary expenditures for resources required to implement the program. This type of cost is typically found in the organization's budget, and should be based on fair market prices. Examples of financial costs include:

- Salaries for project personnel
- Supplies
- Program administration (usually based on the percentage of an organization's administrative costs dedicated to a particular program)
- Physical space and utilities (also based on a percentage of the organization's total costs)
- Travel
- Participants' out-of-pocket expenses

Economic costs (or opportunity costs) are the value of forgone benefit because resources are not available for their next best use. These should also be based on market value. In the case of assessing prevention program costs, these might include:

- Volunteer hours
- Donated space
- In-kind donations

In addition to these economic costs, programs should be careful not to overlook other resources that are difficult to measure or value, resources used in small amounts, or resources already purchased.

Costs to evaluate the program are typically *not* included in the calculation of program costs, unless the evaluation is considered essential to future program implementation.

This section was adapted from *Cost-effectiveness Analysis for the Multi-site Evaluation* (Corso, P. S., 2003), National Center for Injury Prevention and Control, Centers for Disease Control and Prevention.



Resource

Framing an Economic Evaluation and Applying Cost Analysis to Public Health Programs

These curricula, developed by the Centers for Disease Control and Prevention, provide basic information about economic evaluation in a self-study format. They are appropriate for public health professionals at the local, State, or Federal level and for anyone who needs to evaluate the quality and validity of cost analysis studies.

Both curricula may be purchased online through the Public Health Foundation Training Resource Center.

Framing an Economic Evaluation: <http://bookstore.phf.org/prod230.htm>

Applying Cost Analysis to Public Health Programs: <http://bookstore.phf.org/prod227.htm>



Examples and resources in this document are informational only and do not represent an endorsement by the Children's Bureau.

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