

“Child Maltreatment Costs of Intervention versus Prevention:
How and Where are we Spending our Money in Wisconsin?”

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Written on behalf of the Wisconsin Children’s Trust Fund

Executive Summary

Overview. The rationale for child abuse and neglect prevention efforts has been long supported by rigorous cost-benefit evaluations of child welfare programs and services at either the state or national level. However, minimal attention has been given to whether counties where children are at the most risk of maltreatment are targeted for higher levels of prevention expenditures to reduce costs associated with child abuse and neglect, and more importantly, help families keep children safe. While prevention leaders and advocates continue to communicate prevention strategies that are informed by cost evaluations, we argue that relying solely on the existing cost-benefit evidence from state-level or national analyses actually *weakens* a prevention agenda. Aggregate state and national estimates mask an unequal distribution of how much counties are spending on prevention commensurate with their needs, particularly in counties where children have a high risk of maltreatment.

Data. Using Wisconsin county-level data, we obtained cost data on county expenditures in out-of-home-care (OOHC) per child capita – a simple and conservative direct estimate of child maltreatment costs– and how much counties spend per child capita from state and federal funding sources related to universal and selective child maltreatment prevention programs. To examine the extent to which OOHC costs and prevention spending differ within Wisconsin, we divided the 72 Wisconsin counties into quartiles based on standardized OOHC costs and prevention spending levels. We also examined prevention spending and OOHC costs in relation to the risk level of child maltreatment within a county. To this end, we compared OOHC costs and prevention spending with the overall risk levels of child maltreatment for each county.

Summary of Findings. We find a general association between increasing OOHC costs and increasing risk levels of child maltreatment. We also find that a large proportion of Wisconsin counties spending relatively higher dollars on prevention still incur large OOHC costs. For example, 64 percent of counties in the bottom prevention spending quartile incur costs in the top two OOHC cost quartiles. Such cost inefficiencies in Wisconsin, our findings suggest, result from counties that have relatively higher risk levels of child maltreatment, but lower levels of prevention spending. Among counties that experience medium-high to very high maltreatment levels, between 39 percent and 50 percent allocate money for prevention at levels that are in the bottom two quartiles of the funding distribution.

Implications. In current cost/benefit evaluations of child maltreatment prevention, state programmatic costs are typically extracted from the counties in which they are incurred. Our study on county risk levels of maltreatment aims to better estimate the socioeconomic conditions that indirectly generate stressors on families and caretakers. In turn, our analysis can be used to marshal preventive services to families who live in areas with high levels of child maltreatment. Cost

evaluations of child maltreatment would improve considerably by understanding the context surrounding counties with high to very high risk levels of maltreatment.

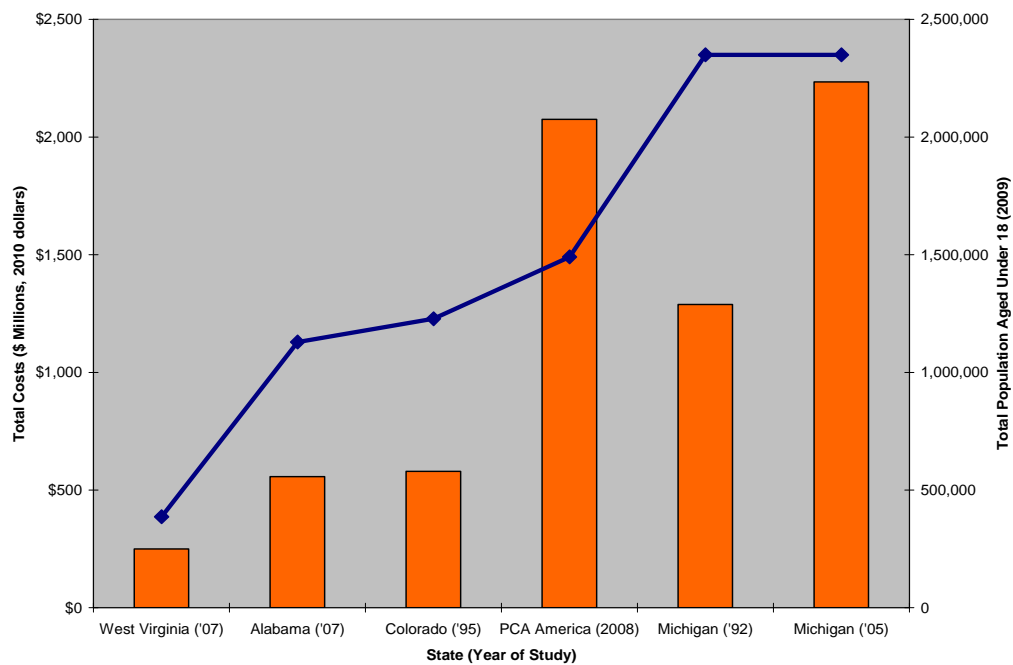
Recommendations. Wisconsin faces a \$3.6 billion deficit in its 2011-2013 biennial budget. In addition, the poverty rate has increased from 8.8% to 11.1% in 2010. Medicaid beneficiaries in Wisconsin have increased by more than 131% to reach over one million people. Furthermore, the unemployment rate in Wisconsin has nearly doubled from 3.6% in 1996 to more than 7% in 2011, reaching a 15-year high of 8.5% in 2009. Our study shows a connection between difficult county socioeconomic circumstances and both risks for maltreatment as well as increased OOHHC costs. As the economic situation of Wisconsin continues to worsen, policymakers and prevention leaders should aim to ensure that Wisconsin prevention dollars are efficiently used to help families keep children safe by pursuing the following recommendations:

- **Devote prevention funding to implement proven programs to counties with high risk.** Researchers found that evidence-informed and evidence-based prevention programs are more effective in controlling costs in riskier areas of child maltreatment and helping families keep children safe. Devoting more investments into prevention strategies that were rigorously tested and shown to work would better utilize state dollars and assist families that are most at risk.
- **Increase research on prevention program effectiveness which takes into account the quality of prevention programs.** Cost evaluations of child abuse and neglect generally give minimal attention to program quality. Further strategies to contain child abuse and neglect costs can be developed if prevention programs and managers were encouraged to examine the cost impact of leadership abilities; professional development; social capital in communities; and, a shared willingness between community stakeholders to participate in collaborative efforts to reduce child maltreatment.
- **More assistance should be given to local communities to pursue revenue generating ideas to diversify funding for prevention programs and create a meaningful local investment.** Local investments in prevention may help normalize prevention services in the community, and are also important to offset decreases in state and federal funding. As socioeconomic conditions of counties are steadily declining in Wisconsin, they may also prompt local leaders to build resilient and strategic partnerships that can contest negative socioeconomic conditions and create positive outcomes for children and families.
- **Prevention leaders should continue to mobilize maltreatment prevention strategies beyond exclusive parenting assistance and increasing public awareness to incorporating community-level approaches to address the risks for child abuse and neglect.** Minimal attention is currently given to preventing child maltreatment through campaigns that emphasize community and adult responsibility on a statewide basis. Yet, researchers find that the community context can reduce parental stress by influencing perceptions of personal safety or creating a sense of support. Prevention campaigns that focus directly on encouraging community members to become involved may have more profound impacts on maltreatment prevention.
- **Mobilize research discussions beyond only identifying costs related to child abuse and neglect to developing a plausible strategy to effectively use public dollars for ensuring that children live safe and healthy lives free from violence.** Debates over which social, economic, and health costs should be included in cost evaluations are certainly needed to raise awareness of how detrimental child abuse and neglect is on national and local economies. However, too much concern over obtaining the best measures can forestall the development of discussions over directing prevention resources and programs to areas that have high risks of child maltreatment.

Introduction

Child abuse and neglect have devastating effects on children and families. In addition to the effects on those who experience it directly, maltreatment is also detrimental to state and local economies. Various research studies suggest that child maltreatment generates significant economic costs. In six cost-benefit analyses of child abuse and neglect (see Figure 1), the average annual state cost was \$1.2 billion with a minimum estimate of \$370 million and a maximum estimate of \$2.7 billion. According to an analysis released by Prevent Child Abuse (PCA) America¹, child abuse and neglect in the United States was estimated to cost taxpayers \$103 billion in 2007, which translates into \$111 billion in 2010 after adjusting for inflation. Based on their estimate, states incurred an average of \$2.2 billion in child abuse and neglect costs in 2010. In addition, cost-benefit analyses such as these imply that as a state’s population under the age of 18 increases, the costs of child abuse and neglect are also expected to climb.

Figure 1. Total Inflation-Adjusted Costs Associated with Child Maltreatment by Year of Study and Total State Population Aged Under 18.²



As telling as these analyses may seem, however, scholars have highlighted many difficulties in estimating the full cost of child maltreatment. Recently, these works have been called into question by scholars who highlight the difficulties in quantifying the national economic impact of child maltreatment in the United States.³ For example, Corso and Fertig found that the estimate of the 2007 PCA America – a work that is frequently and broadly cited by activists, scholars, and news sources – is overstated by 35 percent.⁴ Furthermore, although previous research demonstrated that maltreated children are more likely to have difficulties with physical health, mental health, and substance abuse, it is still not clear whether these children might have required such services in the absence of maltreatment, and whether they are simply more likely to receive such services due to their involvement in a system that is designed to provide referrals and make connections with other community services. As a result, the costs of maltreatment vary widely depending on the costs one chooses to include in the estimate, and what assumptions are made regarding how much of these costs can be attributed to maltreatment. The six studies listed in Figure 1 range from including only three factors – direct costs to the state related to child protective services and juvenile facilities; costs associated with low birth weight babies; and, costs associated with the failure to immunize young children⁵ – to including multiple factors such as loss of tax revenue due to preventable infant deaths; medical injuries; special education costs; foster care; juvenile incarceration; and, psychological abuse to name a few.⁶ Despite the difficulties and variation in measuring the cost of child maltreatment, these cost evaluations have set a clear and consistent message: states are spending too little or not at all on high-quality prevention programs that are evidence-based or evidence-informed. In turn, states are imposing more costs on taxpayers by implementing short-term solutions and patchwork policies to address

negative externalities of child maltreatment that are associated with poor health, unstable employment, and low educational attainment.

Even if scholars and policy advocates were able to achieve reliable and consistent cost measures of child abuse and neglect, they would still leave unanswered questions about how and the extent to which costs and benefits associated with child abuse and neglect prevention are distributed within a state. As such, we ask in this brief: where does a state spend money to prevent child maltreatment, and where does it spend the most on the consequences of maltreatment? Deviating from traditional cost evaluations, we use two simple measures of county-level costs associated with child abuse and neglect: out-of-home-care (OOHC) costs and spending on universal and targeted child maltreatment prevention services. While recognizing that OOHC costs underestimate total child abuse and neglect costs, we argue that our OOHC measure is able to answer empirical questions that traditional cost evaluations have not yet examined. Taking OOHC county costs together with how much counties spend on universal or targeted maltreatment prevention services helps illustrate where prevention dollars are used within a state, potentially informing efforts to contain costs. As such, this paper is intended to provide an alternative way to think about cost-benefit analyses of child maltreatment prevention.

While prevention leaders and advocates continue to communicate prevention strategies in Wisconsin, we argue that relying solely on the existing cost-benefit evidence from state-level analyses fails to account for variation in spending, risk, and need within states. Aggregate state-level cost estimates mask an unequal distribution of how much counties are spending on prevention. Counties with high risks of maltreatment are not attracting prevention dollars commensurate with their need. By moving away from the traditional framework of assessing costs at the state-level, states and localities can identify disparities in both need and funding. In

turn, such data can encourage creative means of addressing these disparities, such as building local, regional and statewide collaborations that leverage existing connections and partnerships. As Wisconsin faces a \$3.6 billion deficit in its 2011-2013 biennial budget, policy discussions should transcend simple identification of maltreatment costs and uncover geographic patterns of maltreatment costs and program expenditures. In these ways, targeted and more effective uses of public dollars can help enhance prevention effects and ensure that children have safe and healthy lives free from violence.

Review

The rationale for prevention efforts has been long supported by rigorous analyses of costs, benefits, and cost-effectiveness. By preventing different milieu and therefore the costs associated with them, such efforts are rewarded from an efficiency standpoint.⁷ Estimating economic burden in terms of costs incurred to the states have allowed researchers, advocates, and policymakers to accomplish three general goals:⁸ 1) assessing which consequences of child maltreatment generate the greatest economic burden; 2) comparing the economic burden of child maltreatment to other diseases and injuries that impact children; and, 3) advocating for either more primary resources to prevent child maltreatment or more secondary and tertiary resources that provide the best care for victims.

Existing cost-benefit analyses on maltreatment prevention programs, though, have primarily centered on improving cost estimates based on the first two goals. The challenges of using a cost-benefit framework in the area of child maltreatment and prevention have been well documented. First, abuse and neglect are hard to estimate due to their enduring consequences. Currie and Widom⁹ found that individuals with histories of abuse and neglect are less likely to be employed and significantly less likely to own a bank account, stock, a vehicle, or a home,

which all lead to exceptional forms of lost productivity and tax revenue to society. Secondly, costs associated to abuse and neglect are difficult to calculate. Given the correlation between maltreatment and poverty, it is difficult to disentangle the short- and long-term health and development impacts of being poor from being poor and maltreated. Additionally, scholars found that consequences of child maltreatment extend into and beyond childhood to affect educational and employment outcomes, mental and physical health, relationship quality, and antisocial/criminal behavior¹⁰. Scholars often confront challenges to put a value on social aspects such as relationship quality as well as developing reliable cost measures of social behaviors after childhood. To be sure, research¹¹ has shown how many of the assumptions and techniques of standard cost-benefit methodology such as using economic measures of the value of a child's life work against most child abuse prevention programs targeting populations with an earning disadvantage. Furthermore, quantifying the long-term benefits of prevention on children is difficult since their financial contribution to society is many years in the future.¹² Despite these challenges, studies have still found that early investments in children can result in significant public savings.¹³

Prior work on evaluating the costs of child abuse and neglect devoted minimal attention to the variation in child maltreatment risk levels within a state mainly because of a reliance of using states as the unit of analysis. Due to a heavy reliance on public funding, prevention advocates inevitably need to justify their cause in financial terms. State-level spending on child maltreatment and prevention is a readily available and easily understandable level of analysis for researchers, advocates, and policymakers. In one of the earliest evaluations of child abuse and prevention costs, Caldwell¹⁴ preferred a state-level analysis over local or national analyses because:

“...many of the policy decisions about how to spend money in the area of child maltreatment are made at the state level. Second, the cost implications of these policy decisions are most directly felt on the state level (Caldwell 1992: 4).”

Even though policy analysts and scholars received much scrutiny over the reliability and precision of their estimates employed in cost-benefit analyses of child abuse and neglect, few have taken issue with whether the state should serve as the appropriate level of analysis in cost-benefit analyses. Since the time of Caldwell’s 1992 study, county jurisdictions have become important service deliverers in a political era of policy devolution. In Wisconsin statutes (Chapters 46, 48, 51, and 55), counties have clear and defined roles in delivering social, child welfare, and mental health services along with state agencies such as the Departments of Health Services (DHS) and Children and Families (DCF). In fact, counties have considerable flexibility to determine the funding allocated for types of social services within limits of available state funds. As localities have received more discretionary power and decision-making ability from state and federal governments, counties have received increased roles but have also felt more of the cost implications of state-level decisions contrary to Caldwell’s initial assumptions.

To be fair, a county-level analysis does not address all the problems that arise from using a cost-benefit framework to evaluate child abuse and neglect. However, such inquiries do provide new insights into scholarly discussions of and policy advocacy for high quality prevention programs. To understand how prevention is perceived as a cost by the public, as Mark Courtney¹⁵ argued, it is more informative to examine the service strategies that government uses to prevent maltreatment rather than simply ascertaining the costs associated with child maltreatment. Building on Courtney’s argument, we suggest that it is also important to determine *where* government – and, in this case, Wisconsin – is and is not deciding to respond to abuse.

Shifting attention from questions of “how much” and “what costs” to questions of “where” costs are distributed at local levels helps focus attention on whether state dollars are addressing geographic regions where children are at a high risk of maltreatment.

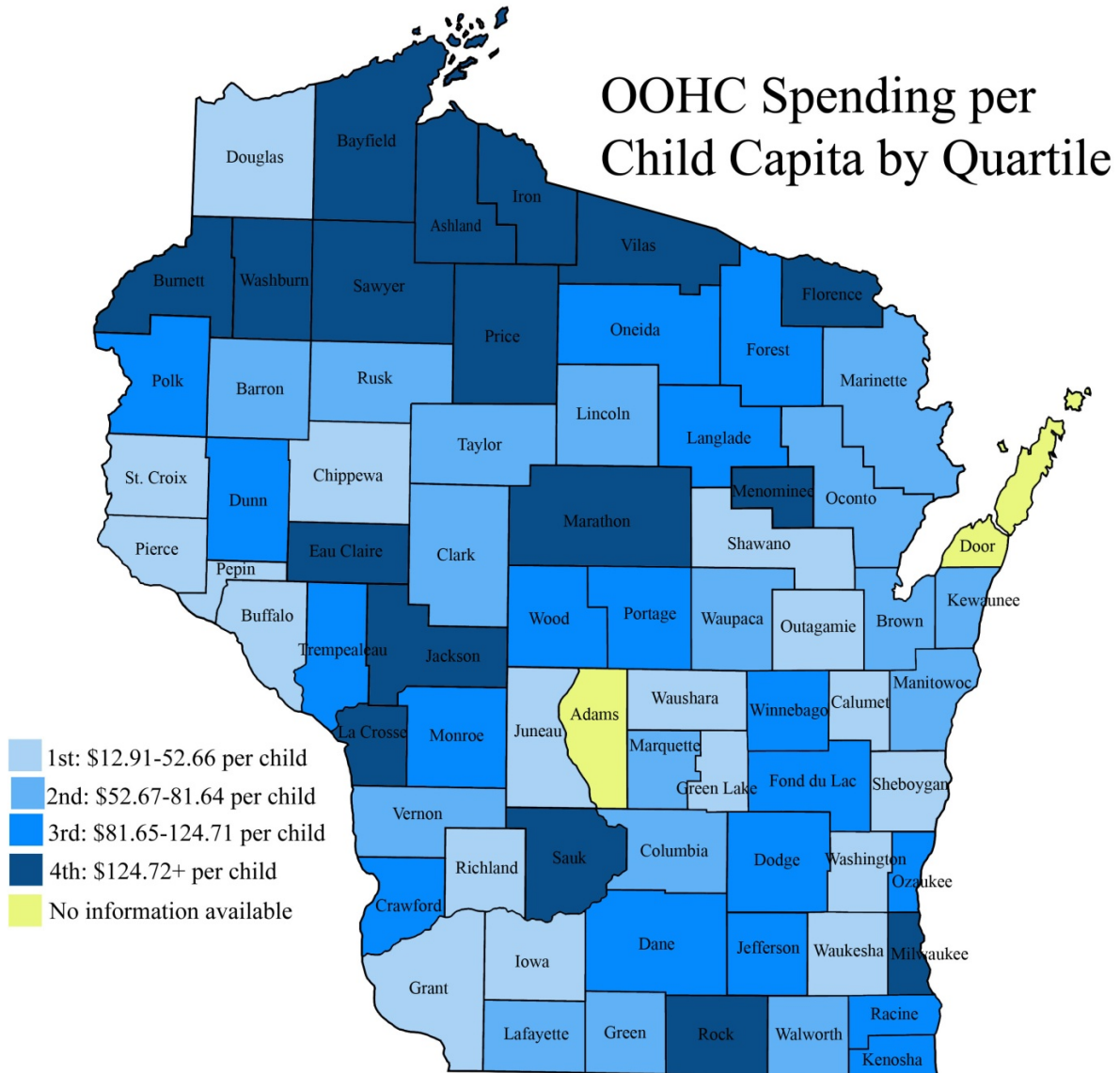
Data

Given the complicated nature of estimating the long-term costs of child maltreatment, and the challenges in locating reliable data for these costs, we rely on a simple and conservative direct estimate of the government cost of child maltreatment intervention: OOHC costs. Mark Courtney (1998) argued that OOHC costs are related to child maltreatment and can serve as proxies for deep-end social services.¹⁶ We acknowledge that any single measure inevitably and unavoidably underestimates the “true” cost of maltreatment.¹⁷ Furthermore, costs that are typically associated with child abuse and neglect in the literature are difficult to extract from county budgets. However, data on OOHC costs by Wisconsin county are available. OOHC cost data by county provide a useful starting point from which the debate over factors to include in cost evaluations can evolve into a discussion of containing costs and facilitating localized and cross-system prevention strategies.

We obtained data on the OOHC costs per child capita by Wisconsin county in 2010 from the Wisconsin Department of Children and Families.¹⁸ To examine the extent to which these costs differ within Wisconsin, we standardized OOHC per child capita costs and divided the 72 Wisconsin counties into quartiles. In Figure 2, we provide a map to visually illustrate the distribution of OOHC costs per child capita in Wisconsin. Counties that are in the lightest shade of blue have the lowest OOHC cost per child capita while counties that are in the darkest shade of blue have the highest OOHC cost per child capita. OOHC costs range from \$12.91 to \$483.94 per child in a county. The average OOHC cost per capita across Wisconsin counties is \$96.95

with a standard deviation of \$72.70. When only considering the total number of children in out of home care in Wisconsin, OOHC costs range from \$8,715 to \$62,680 per child.

Figure 2. Wisconsin County Map of Out-of-Home Care Cost per Child Capita by Quartile.



We then compared 2010 OOHC costs per child capita with how much counties spend on prevention between 2007 and 2008.¹⁹ Per child capita prevention spending estimates are based on Maguire-Jack and O'Connor (2010) who developed both liberal and conservative estimates. The authors conservatively estimated per capita spending using data from state and federal

funding sources related to universal and selective child maltreatment prevention programs during 2007-2008.²⁰ Relying on only the state and federal sources of prevention spending, we estimated that spending on prevention programs at the county level ranged from \$0 per child to \$98.99 per child, with an average of \$7.38 per child. Utilizing data on OOHC and prevention spending, we calculated how many counties as a percentage of a prevention spending quartile in 2007-2008 incurred different levels of OOHC costs in 2010.

We were also interested in examining prevention spending and OOHC costs in relation to the risk level of child maltreatment within a county. To this end, we compared OOHC costs and prevention spending with the overall risk levels of child maltreatment for each Wisconsin county. These risks include economic factors such as poverty and unemployment, child factors such as physical and emotional disabilities, parent factors such as education level and mental health problems, and family factors such as domestic violence and family structure. As the Wisconsin Children's Trust Fund and Wisconsin Council on Children and Families²¹ makes clear throughout a series of studies on public investments in prevention programs, the risk of child maltreatment is not evenly distributed throughout the state. Using the same coding framework developed by Maguire-Jack and O'Connor (2010), we classified each Wisconsin county as having the following risk levels: low; medium-low; medium-high; high; and very high.²² Based on these data, we made two more calculations: 1) the proportion of counties that experience the same risk level of child maltreatment in 2007-2008 incurring different OOHC costs in 2010; and 2) the proportion of counties that experience the same risk level of child maltreatment in 2007-2008 devoting different levels of prevention spending during the same time period.

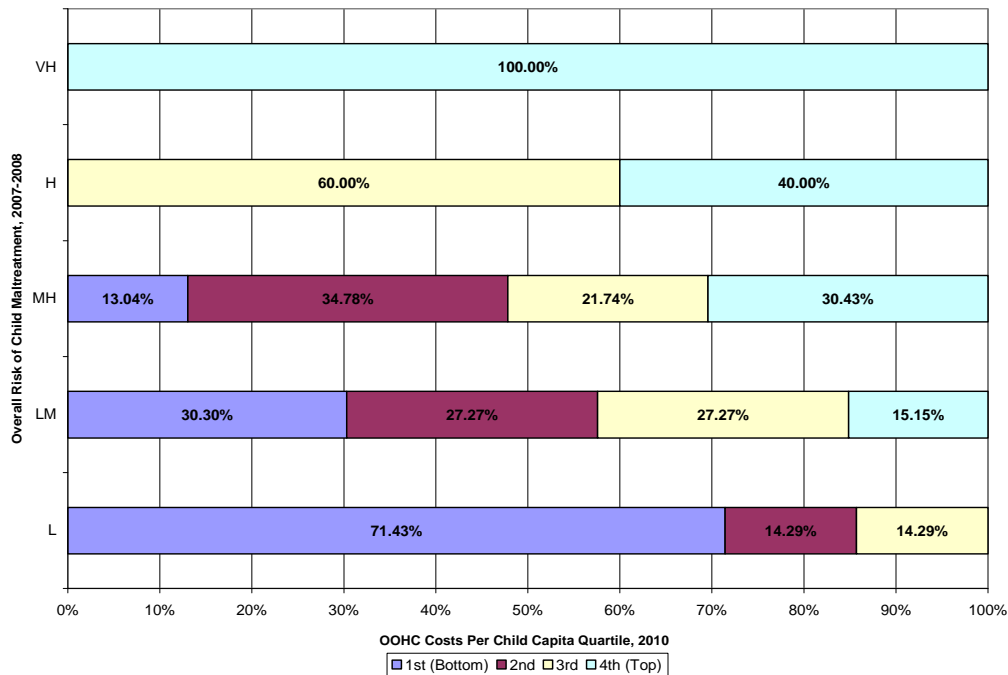
Analysis

We formulated two general expectations before analyzing the data. First, we expected to find a general association between higher OOHC costs and higher risk levels of child maltreatment. Second, we expected that a large proportion of Wisconsin counties spending relatively significant dollars on prevention would incur lower OOHC costs. Following, we discuss our results related to our expectations.¹

Figure 3 illustrates the proportion of counties experiencing the same risk level of child maltreatment in 2007-2008 incurring different OOHC costs in 2010. It appears that our first expectation that there is a general association between increasing OOHC costs and increasing risk levels of child maltreatment is supported by the data. A considerable percentage of counties incur OOHC costs in the bottom two quartiles and experience low to medium high risk levels of maltreatment; however, such counties with lower OOHC costs are not found at high to very high levels of maltreatment. As the risk level of maltreatment increases, we find an increasing percentage of counties incurring costs in the top two OOHC cost quartiles, thus providing support for the risk measures used in the series of briefs on maltreatment prevention published by the Children's Trust Fund.²³ Among counties that experience medium-high risk levels, over 50 percent incur costs in the top two quartiles. All counties that experience high levels of maltreatment (i.e. Racine, Kenosha, and Forest) incur costs in the top two quartiles, and Milwaukee and Menominee Counties that experience very high levels of maltreatment incur costs in the top quartile (see [Appendix I](#)).

¹ To facilitate our discussion, we also provided a Wisconsin county map of child maltreatment risk levels in [Appendix I](#). Please note: the maps and data contained in Maguire-Jack and O'Connor (2010) included data from 2008 in order to coincide with the time period of the prevention scan data. In this paper, we use the 5-year average of maltreatment risks over the period 2005-2009 because the prevention scan data are from 2008 and the OOHC cost data are from 2009. We chose to use the 5-year average data because these data are less susceptible to year-to-year minor fluctuations that can make a major difference in counties with relatively low populations.

Figure 3. Proportion of Wisconsin Counties in OOHC Costs per Child Capita Quartiles by Overall Risk of Child Maltreatment.

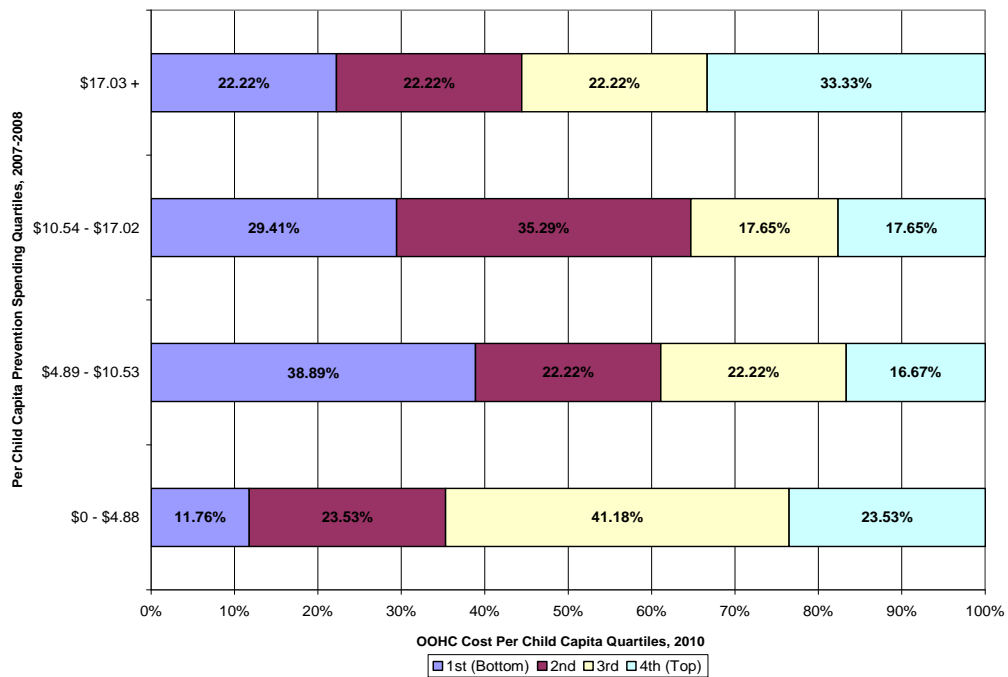


Cost evaluations of child maltreatment would improve considerably by understanding the context surrounding counties with high to very high risk levels of maltreatment, according to the data collected on child maltreatment risk described above. Counties that exhibit high risk of maltreatment are defined by having relatively higher child poverty rates; lower median family incomes; lower prenatal care; and, larger per capita children of color populations.²⁴ Furthermore, high risk counties also exhibit high child populations, and high rates of unemployment and mental health hospitalization. By using programmatic costs without considering the social context in which those costs are incurred, scholars and practitioners may underestimate the socioeconomic conditions that indirectly generate stressors on families and caretakers.

An inattention to the contexts that foster varying risk levels of maltreatment may also diminish the positive effects of prevention strategies that potentially can reduce costs associated with child abuse and neglect. Figure 4 shows the proportion of counties in a prevention spending

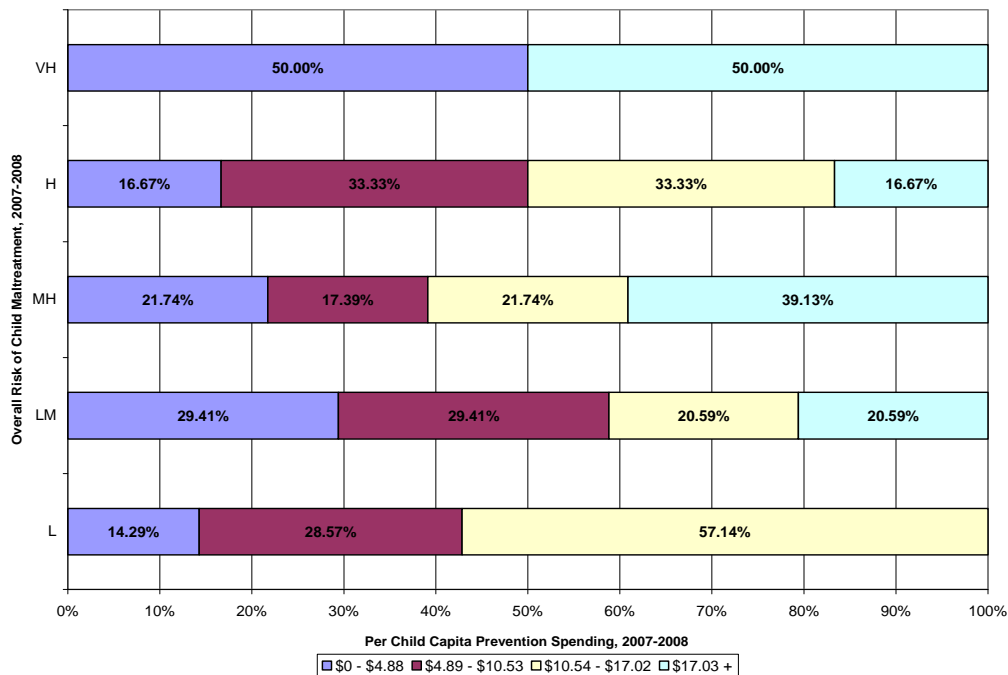
quartile in 2007-2008 incurring different levels of OOHC costs in 2010. Our results provide evidence that is contrary to our second expectation. Regardless of the level of prevention spending in Wisconsin, all counties face high OOHC costs. Counties that incur OOHC costs in the top quartile represent between 16.67% and 33% of all counties across the prevention spending quartiles. Nevertheless, our results suggest that prevention spending may not be used or targeted as effectively as possible. Among counties that spent between \$4.89 and \$17.02 per child capita on prevention spending in 2007-2008, over 60 percent incurred OOHC costs in the bottom two quartiles. This is nearly double the percentage of counties that spent in between \$0 and \$4.88. However, among counties that spent over \$17.03, only 44 percent of counties incurred OOHC costs in the bottom two quartiles. In comparison, 64 percent of counties in the bottom prevention spending quartile incur costs in the top two OOHC cost quartiles.

Figure 4. Proportion of Wisconsin Counties Incurring OOHC Cost per Child Capita in 2010 Based on Prevention per Child Capita Spending in 2007-2008.



Our findings also show that such cost inefficiencies may result from not devoting enough prevention spending to counties that have relatively higher risk levels of child maltreatment. In [Figure 5](#), among counties that experience medium-high to very high maltreatment levels, between 39 percent and 50 percent of counties have prevention spending levels in the bottom two quartiles. Only 16 percent of high risk counties devote more than \$17.03 per child capita on universal and targeted maltreatment programs. For children living in the riskiest counties, we find that Milwaukee County spends between \$0 and \$4.88 on prevention per child capita while Menominee County spends more than \$17.03 on prevention per child capita. We also find that only half of the counties with high or very high risk of maltreatment (i.e. Ashland, Forest, Menominee, and Racine) have prevention spending levels in the top two quartiles ([see Appendix I](#)). In sum, only half of high risk counties in Wisconsin are spending relatively higher amounts on prevention in Wisconsin.

Figure 5. Proportion of Counties Spending on Prevention per Child Capita Based on Overall Risk of Child Maltreatment in 2007-2008.



Implications

Our paper provides three main implications for cost evaluations of child abuse and neglect prevention. First, we aim to promote discussions of cost and benefits of child abuse and neglect prevention beyond simple comparisons of aggregate cost categories to thinking about where prevention dollars are spent within a state. Using standardized measures of prevention spending and OOHC costs, we focus on the extent to which spending and incurred child abuse costs differ within a state. Few cost-benefit works have considered how prevention money is actually spent at the local level. Our analysis thus provides deeper insights into associations between prevention spending and OOHC costs. We find that the social and economic contexts of counties – particularly the risk level of child maltreatment – are more important than previously acknowledged in cost evaluations that examine costs without considering the context in which such costs manifest. State-level cost analyses fail to capture variation within states and to identify associations between prevention spending, OOHC spending, and local risk factors within a state.

Secondly, rather than using prevention spending to reduce specific costs incurred by particular programs and government services on the deep end, prevention advocates and local leaders should devote more prevention funding towards counties with higher risk levels of child maltreatment. Incorporating local perspectives through in-depth area studies would enhance our understandings and practices of developing cost effective measures to address child abuse and neglect. In this paper, we advocate for incorporating county risk levels of child maltreatment into cost evaluations of child abuse and neglect prevention. Our results imply that Wisconsin would utilize its public spending more effectively by devoting more prevention spending to areas that experience higher risk levels of maltreatment. As such, we propose that future works should

consider county or local perspectives when building upon works of scholars who argue that programmatic features generate cost effectiveness.

However, it must be noted that by simply examining investments in prevention without simultaneously examining the quality of these investments, we are likely underestimating the true impact that high-quality prevention programs can have. In the data collected by Maguire-Jack and O'Connor (2010), less than 5% of prevention programs identified were evidence-informed or evidence-based. If we had more variation across counties in spending on evidence-based prevention programs, we may have been able to narrow the current analysis to only those programs and perhaps seen a different trend. However, because relatively few of the programs could show that they were evidence-informed or evidence-based, we were not able to consider quality of program in the current analysis. To address both of these concerns, more research must be conducted on the effectiveness of current prevention efforts in Wisconsin.

Another productive direction of research would examine how social networks of local relationships and partnerships in the field of prevention can help to contain costs associated with child abuse and neglect. To date, the actions and leadership qualities of local prevention actors and community stakeholders have mostly taken backstage in cost-benefit and cost effectiveness studies even though scholars find that intangible personal qualities such as organizational leadership, commitment to represent the interests of their most vulnerable clients, and developing social networks that work across a diverse group of constituents are responsible for improving administrative functions and operations.²⁵ Future research that integrates both qualitative and quantitative components would contribute new areas of understanding to cost-benefit and cost effectiveness studies.

Our results also suggest that prevention spending within a state often *does not* go to the areas with relatively higher risk of maltreatment, which should prompt policymakers and prevention leaders to devote more attention to areas that warrant more prevention resources. Although families living in all areas of the state need access to high-quality prevention programs, families living in communities that are at higher risk for maltreatment may have need for additional supportive services. Our results indicate a need to increase prevention spending in new and innovative ways. While we strongly support public calls for increased prevention spending, we also suggest that policymakers and funders do a better job of targeting additional funding to the regions where children are most likely to experience child maltreatment, while still supporting universal prevention programs.² Additionally, we recommend increased research efforts, so that the quality of prevention programs can be taken into account when examining the association between prevention spending and OOHC spending.

Finally, by not considering community-level factors such as risk levels of child maltreatment, estimates of state-level child abuse and neglect costs and proposed cost-savings generated by state-based prevention programs may be incorrectly valued by scholars and practitioners. Such estimates can only show the aggregate changes rather than highlighting meaningful changes at the community level. To this end, more research and advocacy is needed for targeting child abuse and neglect prevention spending for community-level initiatives within regions at high risk of maltreatment. A community-based child maltreatment prevention program, the Durham Family Initiative, was implemented in Durham, North Carolina in 2002.

² This includes raising the question of whether the amounts used in this paper to define the “top” per child capita spending quartiles are adequately preventing child maltreatment. We argue that counties are not spending enough on prevention commensurate with their need. However, this is not to suggest that counties with lower maltreatment risks should see a funding reduction in their prevention programs. Indeed, having high-quality prevention programs in these areas currently may be contributing to their relatively lower risk. Families in all counties deserve to have access to high-quality prevention programs.

Since that time, the official rate of community-wide child maltreatment has decreased by 50 percent. Strategies to contain child abuse and neglect costs will need to occur on two levels: 1) advocating for more prevention dollars to reach areas with higher risk levels of maltreatment; and, 2) using those dollars effectively by funding quality prevention strategies that foster healthy and safe environments for children.²⁶ Prevention leaders, scholars, and policymakers would be better served to reframe cost evaluations of child abuse and neglect prevention away from comparing programmatic costs and benefits to thinking about how effectively prevention spending can create community responsibility to protect children. Changing the ways in which government, communities, private funders, and families respond to abuse and neglect will not only shape what the American public thinks are public costs, but will also influence how child abuse and neglect prevention is perceived as either a societal priority or fiscal burden.

Conclusions and Recommendations

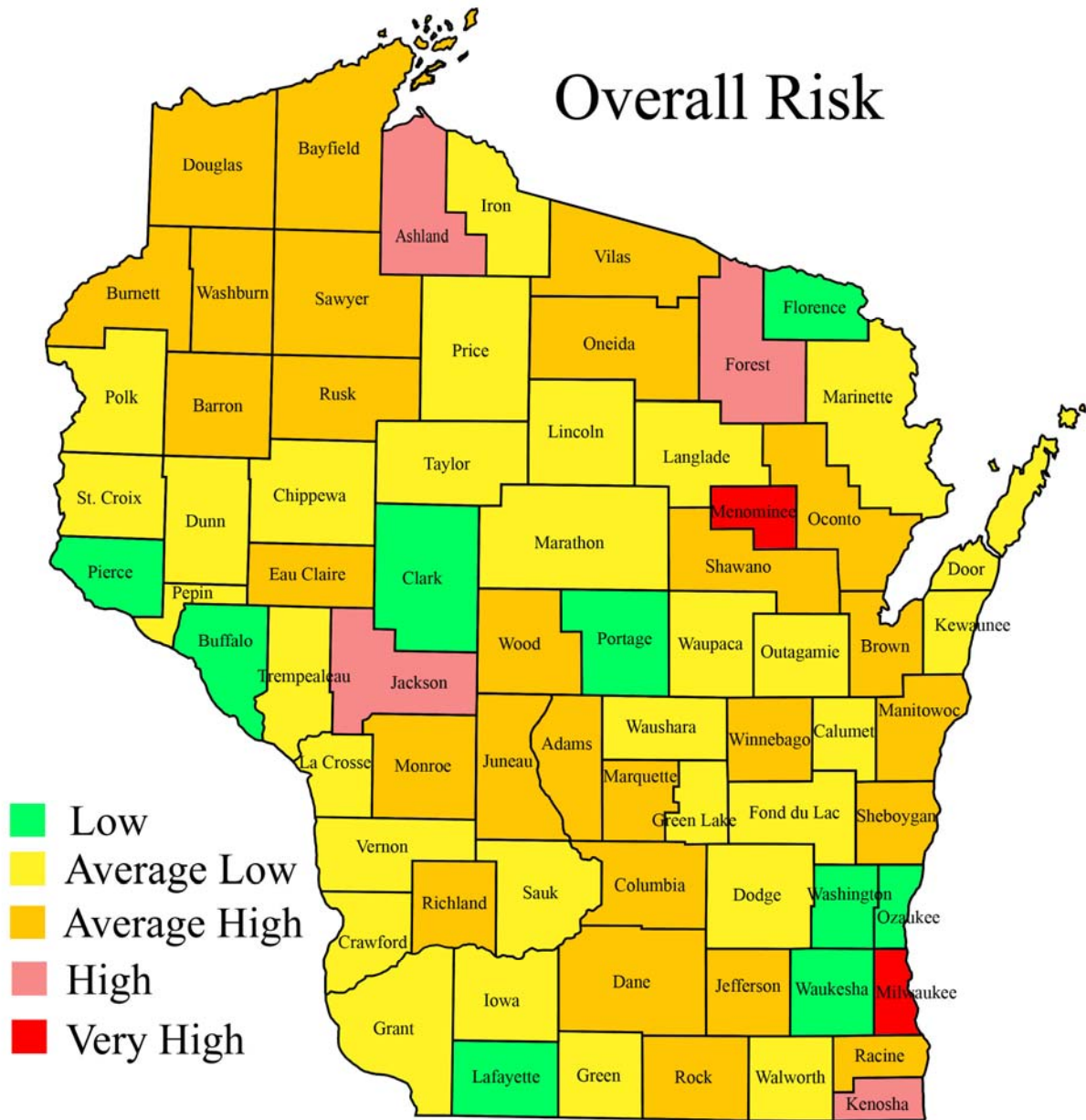
Since the federal government chose to devolve welfare decisions to the states in 1996, state and local governments and the people they serve have faced tough social and economic circumstances. In Wisconsin, the poverty rate increased from 8.8% to 11.1% in 2010. Medicaid beneficiaries in Wisconsin have increased by more than 131% to reach over one million people. Furthermore, the unemployment rate in Wisconsin has nearly doubled from 3.6% in 1996 to more than 7% in 2011, reaching a 15-year high of 8.5% in 2009. As the economic situation of Wisconsin continues to worsen, we might expect to see increases in spending on OOHC. In this paper, we find that regardless of prevention spending levels, there is a considerable percentage of counties incurring large OOHC costs. In addition, we find that a considerable number of counties with high risk levels of maltreatment are not spending as much as other counties with

comparable or even lower risk levels. To prevent rising OOHC costs and protect Wisconsin's children, we make the following recommendations.

1. Prevention advocates and local leaders should devote more funding for evidence-informed and evidence-based prevention programs in areas of Wisconsin with higher risk levels of child maltreatment.
2. Wisconsin should increase research on the effectiveness of prevention programs, so that the quality of prevention programs can be taken into account when examining the association between prevention spending and OOHC costs.
3. To ensure that Wisconsin prevention dollars are efficiently used, policymakers and prevention leaders should aim to devote prevention funding to counties with high risk. More assistance should be given to local communities to pursue revenue generating ideas to diversify funding for prevention programs and create a meaningful local investment. Local investments in prevention may help normalize prevention services in the community, and are also important to offset decreases in state and federal funding.
4. Prevention leaders should continue to mobilize maltreatment prevention strategies beyond exclusive parenting assistance and increasing public awareness to incorporating community-level approaches to address the risks for child abuse and neglect.
5. Future studies of cost effectiveness of child abuse and neglect prevention should move beyond comparisons of aggregate measures of cost categories to thinking about where prevention dollars are spent within a state.

Prevention leaders at the local, county, and state level in Wisconsin have dedicated a lot of time and resources into this very important work. The recommendations provided in this paper are intended to continue to advance the field of maltreatment prevention to create an environment in which all Wisconsin children grow up in healthy and nurturing environments – free from violence with an equal opportunity to reach their full potential.

Appendix I. 2008 Overall Risk for Child Maltreatment by Wisconsin County.



Acknowledgements

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¹ Wang, C. and Holton, J. (2007). *Total estimated cost of child abuse and neglect in the United States*. Prevent Child Abuse America, Chicago, IL.

² The West Virginia study was based on only three factors: direct costs to the state related to child protective services and juvenile justice. The cost estimate for the PCA America (2008) study is based on a non-weighted average of the fifty states. The total population aged under 18 is also based on an average of the fifty states. Total Population Aged Under 18 is based on KIDS COUNT (2009) Data.

³ Corso, P. and Fertig, A. (2010). The economic impact of child maltreatment in the United States: Are the estimates credible?" *Child Abuse and Neglect*, 34(5), 296-304.; Rovi, S., Chen, P., and Johnson, M.S. (2004). The economic burden of hospitalizations associated with child abuse and neglect. *American Journal of Public Health*, 94(ISSUE NUMBER), 586-90.

⁴ Corso and Fertig (2010).

⁵ Heasley, Steven (2007). *An Examination of Preventable Cost Factors in West Virginia's High Risk Families with Young Children*. Partners in Community Outreach: West Virginia.

⁶ Caldwell, R.A. (1992). *The costs of child abuse vs. child abuse prevention: Michigan's experience*. Lansing, MI: Michigan State University; Noor, I. and Caldwell, R. (2005). *The Costs of Child Abuse vs. Child Abuse Prevention: A Multi-Year Follow-up in Michigan*. Michigan: The Michigan Children's Trust Fund.

⁷ Woodward, A (1998). "Overview of methods: Cost-effectiveness, cost-benefits, and cost-offsets of prevention." In *Cost-Benefit/Cost-Effectiveness Research of Drug Abuse Prevention: Implications for Programming and Policy*. NIDA Research Monograph, No. 176. Cited in Noor and Caldwell (2005).

⁸ Corso and Fertig (2010)

⁹ Currie, J. and Widom, C.S. (2010). Long-term consequences of child abuse and neglect on adult economic well-being. *Child Maltreatment*, 15(20), 111-120.

¹⁰ Mersky, J. and Topitzes, D. (2010). Comparing early adult outcomes of maltreated and non-maltreated children: A prospective longitudinal investigation. *Children and Youth Services Review*, 32(8), 1086-1096.

¹¹ Daro, Deborah (1988). *Confronting Child Abuse: Research for Effective Program Design*. New York, NY: Macmillan, Inc.; Caldwell (1992).

¹² Caldwell (1992).

¹³ Heckman, J. (2006). Skill formation and the economics of investing in disadvantaged children. *Science*, 312(5782), 1900-1902.

¹⁴ Caldwell (1992).

¹⁵ Courtney, Mark (1999). The economics. *Child Abuse and Neglect* 23(10): 975-986.

¹⁶ Courtney, Mark (1998). The costs of child protection in the context of welfare reform. *Protecting Children from Abuse and Neglect*, 8(1): 88-102.

¹⁷ Courtney (1998; 1999); Daro (1988); Corso and Fertig (2010).

¹⁸ Out-of-Home Care Costs represent costs associated with the following placement categories: Detention; Foster Home Care; Foster Home – Level 1; Group Home Care; Institutions; Kinship Care; Residential Child Care; Shelter; Treatment Foster Home Care; and, Other Programs. In addition, wraparound costs and wraparound-in home costs were included.

¹⁹ We are hoping to obtain county OOHC cost data between 2007 and 2010 in future analyses of comparing county prevention spending in 2007-2008 with how much OOHC costs counties incur after 2007-2008. In our initial data request from the Wisconsin Department of Children and Families, we asked for the most recent data on any OOHC costs at the county level.

²⁰ The authors also develop a more liberal estimate using the previously mentioned sources in addition to a survey data on child maltreatment prevention funding from private foundations, competitive grants, county levy, and other sources. Since the liberal estimates are dependent on the quality of information they received in the survey, we chose to base the current analysis on the conservative spending estimates.

²¹ Maguire-Jack, K., and O'Connor, C. (2010). Child maltreatment prevention: Where we stand and directions for the future. *What it will take: Investing in Wisconsin's future by keeping kids safe today*. Madison, WI: Wisconsin Children's Trust Fund and Wisconsin Council on Children and Families.

²² For detailed information on the calculations of risk factors across Wisconsin Counties, see the brief titled "Risk and Protective Factors Related to Child Abuse and Neglect" available at: http://wccf.org/pdf/CTF_brief_4_abuse_neglect_risk_factors.pdf.

²³ Maguire-Jack, K., Kibble, N., Cranley, M., and O'Connor, C. (2010). Risk and protective factors related to child abuse and neglect. *What it will take: Investing in Wisconsin's future by keeping kids safe today*. Madison, WI: Wisconsin Children's Trust Fund and Wisconsin Council on Children and Families.

²⁴ Such demographics are factored into the risk scores computed by Maguire-Jack and O'Connor (2010).

²⁵ Brehm, John and Gates, Scott (1999). *Working, Shirking, and Sabotage: Bureaucratic Response to a Democratic Public*. Ann Arbor, MI: University of Michigan Press; Abernathy, Scott (2005). *School Choice and the Future of American Democracy*. Ann Arbor, MI: University of Michigan Press.

²⁶ Daro, Deborah and Dodge, Kenneth (2009). Creating community responsibility for child protection: Possibilities and challenges. *Future of Children* 19(2): 67-93.