

## Estimated Annual Cost of Child Abuse and Neglect April 2012

Healthy families mean healthy children. Healthy communities. A thriving economy and strong nation.

Investments in prevention support healthy child development and lower the number of children affected by abuse and neglect, and the financial cost to our nation in turn.

Child abuse and neglect affects over **1 million** children every year. Child abuse and neglect costs our nation **\$220 million** every day.

For investigations. For foster care. Medical and mental health treatment. And later for special education, juvenile and adult crime, chronic health problems, and other costs across the life span.

We will pay a staggering **\$80 BILLION** to address child abuse and neglect in 2012. Child abuse and neglect **affect us all**.

Child abuse and neglect are **preventable**.

Gelles and Perlman's report details the terrible costs of child abuse and neglect. Our hope is to awaken the nation to the change we can make. Together we can prevent the abuse and neglect of our nation's children.

~ *Prevent Child Abuse America*

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Prevent Child Abuse America  
Chicago, Illinois

**Estimated Annual Cost of Child Abuse and Neglect**  
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At least 1.25 million children in the United States experienced child maltreatment in 2005-2006 (Sedlak et al., 2010). Victims of child maltreatment are at high risk for a host of adverse short- and long-term outcomes, including chronic health problems, mental health issues, developmental delays, poor educational well-being, and future involvement with the criminal justice system. The injuries and adverse outcomes associated with child maltreatment underscore the importance of identifying effective and cost-effective prevention strategies.

There have been a number of attempts to estimate the societal costs of child maltreatment. Deborah Daro (1988) first estimated that the immediate cost of hospitalizing maltreated children was \$20 million annually; rehabilitation and special education cost \$7 million; and, foster care cost \$460 million. Daro calculated that the longer term costs of maltreatment included \$14.8 million for juvenile court and detention, \$646 million for long-term foster care, and future lost earnings of maltreated children of between \$658 million and \$1.3 billion. Miller and his colleagues (Miller, Cohen, & Wiersema, 1996) calculated that the cost of child maltreatment in 1993 was \$56 billion.

Prevent Child Abuse America has published two estimates of the costs of child maltreatment. Fromm (2001) stated that the total direct and indirect cost of child abuse and neglect was \$94 billion. Direct costs included hospitalization, chronic health problems, mental health costs, costs incurred by the child welfare system, law enforcement, and costs of the judicial system. Indirect costs included special education, mental health and health care—not directly resulting from abuse or neglect, juvenile delinquency, lost work productivity, and adult criminality. The number of victims of child abuse and neglect was based on the “harm standard” definition of child maltreatment employed in the Third National Incidence Study of Child Abuse and Neglect (Sedlak & Broadhurst, 1996). Based on the “harm standard” there were 1,553,000 children who were abused and neglected in the United States in 1993.

Updating Fromm’s estimates from 2001, Wang and Holton (2007) set the cost of child abuse and neglect at \$103.8 billion in 2007. Since the data from the Fourth National Incidence Study of Child Abuse and Neglect were still being analyzed in 2007, Wang and Holton used the same number of abused children (1,553,800) in their 2007 update as was used by Fromm (2001). Wang and Holton employed the same categories as Fromm (2001) and adjusted costs for inflation.

Corso and Fertig (2010) identified several limitations with the Wang and Holton (2007) cost calculations. First, Corso and Fertig note that several of the cost estimates are based on an

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average overall cost, as opposed to the marginal adjusted cost associated with child maltreatment. Second, Corso and Fertig note that the direct cost associated with hospitalization was based on the charges for services and not the actual cost of the services. Third, Corso and Fertig note that in some instances, annual costs are reported, and in others lifetime costs are reported (notably, cost of lost productivity).

The present report addresses the Corso and Fertig (2010) critique and includes additional refinements. We use Wang and Holton's (2007) categories of direct and indirect costs and add two additional indirect costs: early intervention and homelessness. Cost estimates for each of the indirect costs (early intervention, special education, adult homelessness, juvenile delinquency, and involvement in the criminal justice system (i.e. *the additional cost of treating a maltreated child*, over and above the cost of treating a child who has not been victimized). For the hospitalization calculation for treating severe abuse, we addressed the Corso and Fertig critique by employing the cost-to-charge ratio. Additionally, all costs reported are the *annual* costs associated with child maltreatment – and not *lifetime* costs<sup>c</sup>.

While we would have preferred to produce a cost estimate that was comparable to Fromm (2001) or Wang and Holton's (2007) estimates, the adjustments we made in response to critiques of earlier attempts to calculate the economic impact of child maltreatment means that our calculations cannot be used to determine whether the cost of child maltreatment or the cost per child is changing over time.

### 2012 Cost Estimate

Incidence of Child Maltreatment. The calculation of cost estimates of child maltreatment is based on the most recent estimate of the incidence of child maltreatment in the United States. The Fourth National Incidence Study of Child Abuse and Neglect (Sedlak et al., 2010) employed the same “harm standard” definition as was used in the Third National Incidence Study of Child Abuse and Neglect (Sedlak & Broadhurst, 1996). An estimated 1,256,600 children were victims of child maltreatment in the study years 2005-2006.

Costs. Our initial calculation of the 2012 costs of child maltreatment used the same direct and indirect cost categories as those used by Wang and Holton (2007)<sup>d</sup>. The total direct and indirect cost of child maltreatment is \$78,405,740,013. Adding in two new categories of costs— indirect costs of early intervention (**\$247,804,537**) and emergency/transitional housing (**\$1,606,866,538**) increases the total costs to **\$80,260,411,087**.

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<sup>c</sup> A new study of the economic burden of child maltreatment in the United States calculated that the lifetime costs of child maltreatment are \$210,012 per child in 2010 dollars, including \$32,648 in childhood health care costs; \$10,530 in adult medical costs; \$144,360 in productivity losses; \$7,728 in child welfare costs; \$6,747 in criminal justice costs; and \$7,999 in special education costs. The estimated average lifetime cost per death is \$1,272,900, including \$14,100 in medical costs and \$1,258,800 in productivity losses. The total lifetime economic burden resulting from new cases of fatal and nonfatal child maltreatment in the United States in 2008 is approximately \$124 billion (Fang, Brown, Florence, & Mercy, 2012).

<sup>d</sup> Direct costs: hospitalization, mental health care system, child welfare system services, and law enforcement. Indirect costs: special education, juvenile delinquency, mental health and health care, adult criminal justice system, and lost productivity.

In conclusion, the decline in the number of recognized and reported victims of child abuse and neglect by nearly 300,000 children means that, even after accounting for inflation, there is a lower overall cost of child abuse and neglect. As noted earlier, while we cannot compare the current calculations to earlier estimates, one validity check of our cost estimate is the fact that as child abuse and neglect numbers declined in the last decade, so did the incidence of juvenile delinquency and adult crime. Thus, we believe our estimate of the decrease in the indirect cost of child abuse and neglect is accurate.

Child abuse and neglect, even with the decline in number of victims, still exacts a brutal and costly toll on the victims. The cost to society, while apparently lower than a decade ago, is still significant. Only a reduction in the occurrence of child maltreatment abates the cost to our children and our nation.

### **The Costs of Child Abuse and Neglect**

**Direct Costs.** The direct costs of child abuse and neglect include hospitalization of injured children and the mental health costs of treating victims of physical abuse, emotional abuse, sexual abuse, emotional neglect, and physical neglect. In addition, there are the costs of operating a child welfare system that is responsible for receiving reports of suspected abuse and neglect, screening and investigating reports, providing in-home services to families substantiated for abuse and neglect, and providing out-of-home care for children removed from abusive or neglectful homes. Lastly, direct costs include the cost of law enforcement. Police will sometimes participate in child maltreatment investigations and arrest perpetrators who not only maltreat their children but violate state criminal law. Prosecutors work for both the child welfare system and the criminal system and child maltreatment cases are heard in family and juvenile court as well as criminal court.

This report uses the estimates of the extent of child abuse and neglect reported in the Fourth National Study of Child Abuse and Neglect and cost estimates throughout the report have been adjusted to 2012 dollars. We calculated that the direct costs of child abuse and neglect were **\$33,333,619,510**.

**Indirect Costs.** The indirect costs of child abuse and neglect are those costs associated with the consequences or impact of maltreatment on children. As a result of being victims of abuse and neglect, many children require special education services as well as early intervention services to manage developmental delays. Maltreated children are also more likely to engage in juvenile delinquency and adult criminal behavior compared to children who do not experience abuse and neglect (Widom & Maxfield, 2001). Furthermore, research demonstrates that children who experience abuse are disproportionately more likely to experience homelessness as adults (Herman, Susser, Struening, & Link, 1997). As a result, child maltreatment leads to additional housing, juvenile justice and adult criminal justice expenditures. The developmental and behavioral impact of child maltreatment also leads to lost worker productivity. We estimate that the total indirect costs of child maltreatment were **\$46,926,791,578**.

Combining the direct and indirect costs of child abuse and neglect, the cost to society of the 1.2 million maltreated children in years 2005-2006 adjusted to 2012 dollars is **\$80,260,411,087**. The total yearly cost of each abused or neglected child in the United States is **\$63,871**.

## Cost Calculations

### Direct Costs

**Acute Medical Treatment – based on the cost of treating trauma or joint disorders for children experiencing serious harm.** An estimated 487,900 children experienced serious harm in 2005-2006 (Sedlak et al., 2010). Although most severely maltreated children do not require hospitalization, our cost estimate serves as a proxy for a range of medical expenses resulting from maltreatment, and we therefore assume that 50% of these children require some type of medical treatment (Daro, 1988). Adjusting for cost-to-charge ratio and inflation yields a cost of \$11,919 per case to treat trauma, fractures, or other joint injuries (Healthcare Cost and Utilization Project, 2012<sup>e</sup>); the cost of acute medical treatment for child victims of maltreatment is **\$2,907,592,094**.<sup>f</sup>

**Mental Health Care System.** The direct costs of mental health services are based on estimates derived from the Fourth National Study of Child Abuse and Neglect for each type of child maltreatment:

Physical Abuse:	323,000
Emotional Abuse	148,500
Sexual Abuse	135,300
Emotional Neglect	193,400
Educational Neglect	360,500

According to National Institute of Justice data, the costs of treating the mental health issues related to each form of maltreatment are the following (Miller, Cohen, & Wiersema, 1996):

	Miller et al. (1996)	Adjusted for Inflation--2012
Physical Abuse	\$2,700	\$4,286
Emotional Abuse	\$2,700	\$4,286
Sexual Abuse	\$5,800	\$9,206
Emotional Neglect	\$2,700	\$4,286
Educational Neglect	\$ 910	\$1,444

Based on the number of victims and cost estimates, the annual mental health cost of child maltreatment is **\$1,153,978,175**.

<sup>e</sup>A cost of \$11,156 (2009 dollars) was obtained from <http://hcupnet.ahrq.gov>, see Technical Appendix for more information. This figure is adjusted to hospital costs using a cost-to-charge ratio.

<sup>f</sup> In comparison, the medical cost estimate of \$2703 per child (in 2003 dollars) used by Fang et al., (2012) would yield a marginal adjusted cost of \$4.2 billion in this report, suggesting that our estimate is quite conservative.

**Child Welfare System.** Child Trends released a study estimating the public child welfare expenditures, including federal, state, and local costs, associated with child abuse and neglect in 2006 to be \$25.7 billion (DeVooght, Allen, & Geen, 2008). Our estimate is based on recalculating this cost based on an adjustment for inflation. The total cost of public child welfare services is **\$29,237,770,193.**

**Law Enforcement.** The National Institute of Justice (Miller, Cohen, & Wiersema, 1996) estimated the following costs of police services for intervention for each type of child maltreatment:

	Miller et al. (1996)	Adjusted for Inflation--2012
Physical Abuse	\$20	\$32
Emotional Abuse	\$20	\$32
Sexual Abuse	\$56	\$89
Emotional Neglect	\$20	\$32
Educational Neglect	\$2	\$ 3

Based on the number of victims and cost estimates, the annual law enforcement costs of child maltreatment are **\$34,279,048.**

**TOTAL DIRECT COSTS: \$33,333,619,509.64**

Indirect Costs

The indirect costs of child abuse and neglect are the costs associated with the consequences and secondary effects of victimization. The long term costs are based on research that examines the effects of abuse and neglect on child victims. Since the consequences continue across the developmental life span, adults continue to incur a cost of childhood victimization.

**Special Education.** Approximately 1 in 5 maltreated children of school age (21%, nearly 264,000 children) has a learning disorder that requires special education services (ACF, 2005). Based on national estimates, the rate of special education service utilization for children who have been maltreated is 6% higher than the rate of special education service utilization in the general population (Jonson-Reid, Drake, Kim, Porterfield, & Han, 2004). At an adjusted cost of \$10,958 for special education services (Reynolds, Temple, Robertson, & Mann, 2002) for the additional 6% of maltreated children receiving special education services, the total annual cost is **\$826,174,734.**

**Early Intervention.** Based on data from the National Survey of Child and Adolescent Wellbeing (ACF, 2005), 36% of children birth to five years in the child welfare system require early intervention services, in comparison to 13% in the general population of young children (Rosenberg, Zhang, & Robinson, 2008), a marginal increase of 23% of children. The cost of early intervention services is estimated to be \$4,086 per child (Kochanek & Costa, 1997), after adjusting for inflation. Based on the increased percent of maltreated children birth to five years in need of EI services, the total cost of early intervention services is **\$247,804,537.**

**Emergency/Transitional Housing.** Research suggests that children who experience abuse are disproportionately more likely than their peers to experience homelessness as adults. Of adults who experienced childhood physical abuse, 27.8% of them experienced homelessness as adults, compared to 2.4% who had not experienced physical abuse – for a difference of 25.4%. Of adults who had experienced sexual abuse, 6.4% experienced homelessness as adults compared to 4.1% who had not experienced sexual abuse – for a difference of 2.3% (Herman, Susser, Struening, & Link, 1997). The estimated cost of emergency shelter utilization adjusted for inflation is \$12,658 (Spellman, Khadduri, Sokol, & Leopold, 2010) for a total cost of **\$1,606,866,538**.

**Mental Health and Health Care.** We calculated a conservative estimate of the marginal adjusted cost of physical and mental health care. Based on the average annual health care cost for women who had experienced either physical or sexual abuse vs. those with no childhood abuse history, the adjusted cost associated with receiving services is \$591 (Bonomi et al., 2008). Considering only the NIS4 estimates for victims of physical or sexual abuse, the total estimated cost of **\$270,864,199**.

**Juvenile Delinquency.** Research on the effects of child maltreatment reports a correlation between maltreatment and subsequent juvenile delinquency. Widom and Maxfield (2001) estimate that slightly more than 1 in 4 maltreated children (27%) will engage in an act of juvenile delinquency as an adolescent, compared to 17% of children in the general population, for a difference of 10%. A conservative estimate is that 125,660 maltreatment victims engage in an act of delinquency each year at a cost of \$26,652 per child (Reynolds et al., 2002)—including administrative costs associated with arrest, adjudication, and incarceration, the cost of delinquency is **\$3,416,149,283**.

**Adult Criminal Justice Costs.** The U.S. Justice Department estimates that the annual direct cost of adult criminal behavior is \$227.6 billion (Kyckelhahn, 2011). The National Institute of Justice states that 13% of all violent crime can be attributed to early child maltreatment (Miller, Cohen, & Wiersema, 1996). The total adult criminal justice costs attributable to child abuse and neglect is **\$32,724,767,699**.

**Lost Worker Productivity.** Studies of the developmental consequences of child maltreatment find that abused and neglected children are more likely than non-maltreated children to be unemployed or underemployed. Currie and Widom (2010) estimated that adults with experiences of child maltreatment make, on average, \$5,000 less annually than adults without histories of child maltreatment. After adjusting this for inflation, and without calculating low worker productivity attributable to physical and mental health consequences of child maltreatment, the most conservative estimate of lost worker productivity annually is approximately \$6,234 per year per child. The total cost of lost productivity is **\$7,834,164,589**.

**TOTAL INDIRECT COSTS: \$46,926,791,578.**

**TOTAL DIRECT AND INDIRECT COST OF CHILD ABUSE AND NEGLECT:  
\$80,260,411,087.**

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## About the Authors

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Dr. Gelles is Dean of the School of Social Policy & Practice at the University of Pennsylvania, and holds The Joanne and Raymond Welsh Chair of Child Welfare and Family Violence. He is the Director for the Center for Research on Youth & Social Policy and Co-Director of the Field Center for Children's Policy Practice & Research.

Dr. Gelles is an internationally known expert in domestic violence and child welfare. He was influential in the passage of the Adoption and Safe Families Act of 1997.

Dr. Gelles is the author of the highly influential book, *The Violent Home*, which was the first systematic investigation to provide empirical data on domestic violence. His more recent books, *The Book of David: How Preserving Families Can Cost Children's Lives* and *Intimate Violence in Families*, Third Edition, have also made a significant impact in the study of child welfare and family violence. He is the author of 24 books and more than 100 articles, chapters and papers.

Most recently, Dr. Gelles co-authored *Current Controversies on Family Violence* (2005) with M. Cavanaugh and D. Loseke. He is currently in the process of co-authoring another text, *Intimate Violence and Abuse in Families*.

### Staci Perlman, PhD

Staci Perlman is an Assistant Professor in the Social Work Department at Kutztown University. Her primary role is teaching undergraduate and graduate social work research methods. Dr. Perlman completed her PhD in Social Welfare at the School of Social Policy & Practice at the University of Pennsylvania, where she also received her MSW.

Her research interests focus on using partnership-based, applied research to address the well-being needs of vulnerable young children who have experienced child maltreatment and homelessness. Currently, she is working with a local emergency/transitional housing provider to evaluate the feasibility of implementing an intervention focused on promoting positive parent-child interactions in the context of emergency/transitional housing.

Dr. Perlman is currently co-editing a book, *Supporting Homeless Families: Current Practices and Future Directions*. She is the co-chair of the APA Taskforce on Promoting Positive Parenting in the Context of Homelessness and was the 2011 recipient of the Child Maltreatment Section of the American Psychological Association's Early Career Award for Outstanding Contributions to Practice in the Field of Child Maltreatment.