

Making the Case: *Why Prevention Matters*

Across the nation there has been great progress in work to improve the health and well-being of children. But the turbulent economy and the budget cutting that has come with it threaten to derail efforts to prevent child abuse and neglect at a moment when it is needed most. If the work that has done so much for children is to continue and to grow, it is important to show that it yields benefits on many levels—for children, their families, and their communities. Consistent decisions to support the needs of children are at the heart of a bright future. The information offered in the “Why Prevention Matters” series will help those working so hard to improve the lives of our youngest citizens.

Dollars and Lives: The Economics of Healthy Children

– Dr. Phaedra S. Corso

Author’s note: Healthy children lead to healthy adults. And healthy adults are more productive and drive a healthy economy. Because the nation cannot sustain its productivity potential if it has a large number of unhealthy adults, ensuring the physical and emotional well-being of our children through the prevention of child abuse and neglect must be one of this country’s top priorities.

The immediate, short-term economic impacts of child maltreatment are clear. They include the cost of healthcare services for acute injuries, the utilization of social and protective services to investigate and treat abused children, and the money spent on the legal and criminal justice systems involved. Perhaps the greatest economic impact of child maltreatment on society, however, is the unhealthy adults that are produced as a consequence.

The Cost to Society of Adults who were Childhood Victims of Abuse and Neglect

Research has revealed the impact on society of unhealthy adults who were exposed to childhood abuse.

First, adult survivors of child maltreatment are more likely to have decreased health-related quality of life⁽¹⁾ as shown by considerable evidence of higher levels of chronic and mental health diseases relative to non-abused adults⁽²⁾. There is evidence of a strong correlation between childhood exposure to abuse and adult obesity, cardiovascular disease, and adverse lifestyle behaviors such as alcohol and tobacco use. The economic implications of these and other adult chronic and mental health conditions being associated with abuse are very serious, resulting in excess utilization of our healthcare system. Research done by⁽³⁾ Dr. Amy Bonomi at Ohio State University reveals that the annual healthcare costs for adult women reporting physical abuse during childhood were 22% higher than costs for women reporting no abuse during childhood. If one considers this excess cost, which is about \$500, and multiplies it times the number of adult women in the US (about 110 million) and the prevalence of self-reported physical abuse from this study and others, ranging from 19 to 34 percent, then the excess healthcare costs associated with childhood physical abuse for women in the US is between \$10.4 and \$18.7 billion per year. Add to this the excess medical expenditures for men, which could be higher because their prevalence of self-reported physical abuse is higher⁽⁴⁾ and the excess medical expenditures for other types of abuse (sexual, emotional), and the economic impact on our healthcare system is even greater. When adult survivors have access to employer-based health insurance, these excess expenditures are borne by the employer and the survivor in terms of out-of-pocket expenditures and health insurance premiums. In cases where adult survivors do not have access to private health insurance, these excess expenditures are paid by society through tax dollars that support publicly-funded health insurance, primarily Medicaid and Medicare, or by cost shifting that results from uncompensated care delivered in hospital settings.

The Impact on the Labor Force

Higher levels of chronic and mental health conditions among adults who were victims of childhood abuse and neglect may also affect the labor supply through lower productivity. Good health, while vital for individual well-being, also plays a large role in employee productivity. When adult survivors of child abuse and neglect suffer from long-term effects of chronic and mental health conditions, the results are increased number of sick days and increased number of days at work marked by low productivity. Some studies have noted that productivity losses for chronic diseases can be up to 4 times higher than the costs of the associated medical expenditures⁽⁵⁾. This means that in addition to the direct medical expenditures estimated above, female survivors of childhood physical abuse cost the economy an additional \$40 to \$75 billion in lost productivity each year.

The Impact on Long Term Economic Growth

These estimates, exclusive of the impact on productivity losses for men and for other types of abuse, are just the tip of the iceberg in terms of real consequences for long-term sustainable economic growth. Hard to quantify productivity impacts of chronic diseases associated with adult survivors of abuse include: unwanted job changes, impediments to job promotion opportunities, and lack of proper educational attainment to obtain the desired job or to maintain one's job through ongoing continuing education and training. Most importantly, lifetime productivity losses associated with premature mortality resulting from child maltreatment make these estimates even greater.

The Adult Legacy of Childhood Abuse and Neglect

Finally, childhood exposure to abuse and neglect has been linked, both anecdotally and scientifically, to a lifetime trajectory of violence perpetration and victimization,⁽⁶⁾ non-violent criminal activity⁽⁷⁾, and increased utilization of social and welfare services. This means there is less money available for the criminal and legal justice systems, including police, prosecution, courts, probation, prison, and legal aid; and social welfare services, such as social security disability benefits. Beyond the economic impact associated with the actual survivor, it is also important to consider the influence on society and the family. For example, if child maltreatment has long-term impacts on the adult survivor's social functioning, coping skills, and relationship potentials, then one should also assume that there are negative spillover effects on the quality of life, physical and emotional well-being, and productivity potential for those in the survivor's sphere of influence. While not easy to quantify, these spillover economic impacts of child abuse and neglect may be no less important than those specific to the individual victim.

The costs to individuals and to society of childhood abuse and neglect are enormous. The savings through prevention in lives and dollars should be an important public policy objective.

For further reading, what follows are the research references mentioned in this article.

1. (Corso paper; Edwards paper),
2. (Felitti, and other papers),
3. Bonomi et al. found that,
4. (Briere and Elliott, 2003),
5. (Loeppke et al., 2007).
6. (Fang papers),
7. (Widom, NIJ cites),
8. R Loeppke et al., "Health and Productivity as a Business Strategy," Journal of Occupational and Environmental

About the Author

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Q. How Can One Connect the Dots Between the Implications of the ACE Study in Terms of Long Term Health Effects Associated with Child Maltreatment and the Economic Burden That Child Maltreatment (CM) Poses on Society?

A. The ACE Study shows that child maltreatment, in conjunction with a whole array of other adverse childhood events, is correlated with marginal increases in sustained chronic disease during adulthood and losses in quality of life. Since we know that chronic diseases such as obesity and diabetes are very costly for society in terms of medical costs and productivity losses, the ACE Study provides further evidence that preventing CM has substantial economic implications for society.

Q. From Estimates of the Economic Costs of Child Maltreatment, is There a One-to-One Relationship Between How Much Something Costs and How Much You Save if it Does Not Happen?

A. The one-to-one relationship between the costs of CM and the savings from preventing CM only exists if preventing CM costs society \$0. Since we know that resources are required to implement effective and affordable interventions to prevent CM, this one-to-one relationship likely does not exist. Instead, to calculate the savings from preventing CM, one would first estimate the economic costs of CM, and then subtract from this estimate the costs to implement interventions to prevent it.

Q. What About Neglect. How Do We Start Calculating the Impact of Neglect Which Drives More Kids into the Foster Care System Than Maltreatment by Physical or Sexual Abuse?

A. Calculating the economic burden of neglect is very challenging and requires a solid foundation of epidemiologic and longitudinal data as a starting point. To further exacerbate the problem, neglect often goes hand in hand with other forms of abuse, so determining the marginal impact of neglect alone is difficult. This is an area in which more research is needed.

Q. How Have Costs of CM Changed over Time?

A. The economic impact of CM over time is tied to the incidence and severity of CM over time. Although there is evidence that CM mortality and morbidity has either decreased or remained constant over the last few decades, we know that the costs of medical care have increased for all services. Therefore, at least in terms of medical costs, it is likely that the economic impact of CM has increased over time. Further, since we know little about the economic impact of neglect or the inter-generational effects of CM, there may be further economic implications that are not accounted for and which are cumulative over time for certain affected families.

Q. What Types of Healthcare (or Medical) Costs are Typically Associated with CM?

A. Examples of healthcare costs associated with CM include inpatient and outpatient hospital care, mental health care, medical transport required in the event of an emergency, medications and medical devices, and the medical treatment of chronic conditions resulting from the abuse. In general, any use of healthcare that would generate a medical claim or result in out-of-pocket expenses is considered in the estimates of medical costs associated with child maltreatment.

Q. How Are the CM Impacts on the Labor Force Estimated?

A. Labor force impacts in the US are typically measured by losses in productivity that are measured by wages plus some percentage of fringe benefits. Productivity losses due to CM can occur in parents, children, and/or adult survivors of CM who miss work or school because of CM-related illness or injury, CM-related prevention or treatment intervention, or other CM-related event such as involvement in the criminal justice system. Productivity losses are also accounted for in work or school attendance, where the parent, child, or adult survivor of CM works less than full capacity because of the CM event.

Q. How Do CM Costs in US Compare to Other Countries, or by State?

A. Unfortunately there are not good cross-country comparisons of the economic impact of CM. This is due, in part, to accuracy in CM reporting and availability of national data sources. Because data on medical care and the value of labor productivity differs by country, even if good reporting and data collection mechanisms existed, cross-country economic comparisons would probably not be that meaningful. State-level comparisons suffer from some of the same problems in terms of reporting and availability of state data sources.

Q. How Can States Develop Estimates of the Economic Impact of CM for Their Own State?

A. Several states have already developed their own estimates of the economic impact of CM, particularly for the utilization and costs of healthcare and in some cases, losses in productivity. If states have adequate incidence data, there are several national estimates of the unit costs of CM for healthcare and productivity losses that can be adjusted for regional differences and then applied to the state-based incidence data.

Q. How Does the Economic Impact of CM Vary by Type or Severity of Abuse?

A. Although the literature scarcely addresses this question, there are several natural assumptions one might make about the economic impact of CM by type and severity. By type, physical abuse may likely result in more utilization and costs of medical care, followed by sexual abuse and then emotional abuse and neglect. As severity increases, so too would the impact on the utilization and costs of medical care and losses in productivity and future wage earnings. For example, Shaken Baby Syndrome, undoubtedly one of the more severe forms of childhood physical abuse, results in substantial medical costs during the acute phase of the abuse. In the long term, Shaken Baby Syndrome also impacts educational outcomes which may impact future wage earning potential.

Q. What are the Per-Person Lifetime Costs Associated with CM and How Are They Calculated?

A. To calculate lifetime costs associated with CM, data are needed that follows a cohort of abused children over time. In the absence of these data, several studies have attempted to model lifetime costs of CM by including a range of direct and indirect costs. Direct costs typically include those associated with hospitalization, the mental health care system, the child welfare system, and law enforcement. Indirect costs typically include those associated with special education, juvenile delinquency, mental health and health care for long term effects, longer involvement with the criminal justice system, and losses in productivity.

