



State Policy Tool



# A PREVENTABLE COST

## The Economic Burden of Child Maltreatment and Child Welfare Involvement

This return-on-investment tool documents the significant economic burden of child maltreatment and child welfare involvement in the United States, estimating trillions in lifetime costs. It provides evidence of potential cost savings associated with prevention through the provision of economic and concrete supports to families, including public benefits spending, cash transfers, and supportive housing.

June 2024



This tool documents the economic burden of child maltreatment and child welfare involvement, and the cost savings associated with prevention through provision of economic and concrete supports to families. Investments in prevention, cost avoidance and return on investment are described.

ECONOMIC BURDEN OF CHILD MALTREATMENT AND CHILD WELFARE INVOLVEMENT	
<p><b>Total lifetime cost of child maltreatment cases from FFY 2018, nationally:</b></p> <ul style="list-style-type: none"> <li>• Investigated cases of child abuse and neglect = <b>\$2.94 trillion</b></li> <li>• Substantiated cases of child abuse and neglect = <b>\$563 billion</b></li> </ul> <p><i>This means that the cohort of children nationally from FFY2018 with CPS agency investigated cases of child abuse and neglect or substantiated cases of child abuse and neglect will collectively incur tangible &amp; monetized intangible costs of nearly \$2.94 trillion and \$563 billion, respectively, over their lifetimes</i></p>	<p>Klika, J. B., Roesnzweig, J., &amp; Merrick, M. (2020). Economic burden of known cases of child maltreatment from 2018 in each state. <i>Child and Adolescent Social Work Journal</i>.  <a href="https://doi.org/10.1007/s10560-020-00665-5">https://doi.org/10.1007/s10560-020-00665-5</a></p>
<p><b>Per-victim lifetime cost of child maltreatment from 2015, nationally:</b></p> <ul style="list-style-type: none"> <li>• Non-fatal child maltreatment per-victim lifetime cost = <b>\$830,928</b></li> <li>• Fatal child maltreatment per-victim cost = <b>\$16.6 million</b></li> </ul> <p><b>Total lifetime cost of child maltreatment from 2015, nationally:</b></p> <ul style="list-style-type: none"> <li>• Investigated cases of abuse and neglect = <b>\$2 trillion</b></li> <li>• Substantiated cases of abuse and neglect = <b>\$428 billion</b></li> </ul>	<p>Peterson, C., Florence, C., &amp; Klevens, J. (2018). The economic burden of child maltreatment in the United States, 2015. <i>Child Abuse &amp; Neglect</i>, 86, 178-183.  <a href="https://doi.org/https://doi.org/10.1016/j.chiabu.2018.09.018">https://doi.org/https://doi.org/10.1016/j.chiabu.2018.09.018</a></p>
<p><b>Annual cost of child maltreatment from 2012, nationally:</b></p> <ul style="list-style-type: none"> <li>• Direct costs = <b>\$33.3 billion</b>  <i>Includes acute medical treatment, mental health care, child welfare system, and law enforcement costs</i></li> <li>• Indirect costs = <b>\$50 billion</b>  <i>Includes special education, early intervention, emergency/transitional housing, mental health and health care, juvenile delinquency, adult criminal legal, and lost worker productivity costs</i></li> </ul>	<p>Gelles, R. J., &amp; Perlman, S. (2012). <i>Estimated annual cost of child abuse and neglect</i>. Prevent Child Abuse America.</p>
<p><b>Annual per child costs of foster care placement and negative social return on investment</b></p> <ul style="list-style-type: none"> <li>• Scenario 1 - child with "best case scenario" experience in foster care in terms of time in care, treatment, permanency achieved, etc             <ul style="list-style-type: none"> <li>▪ Investment per child = <b>\$32,711</b> (<i>includes government expenditure on child's medical needs, court costs, foster care maintenance costs, and administrative costs of the agency overseeing the child's removal and placement, including caseworker salary</i>)</li> <li>▪ Long-term costs of negative outcomes per child, after foster care = <b>\$119,069</b></li> <li>▪ <i>For every \$1.00 spent on a child in foster care, there is a -\$3.64 ROI</i></li> </ul> </li> <li>• Scenario 2 - child experiencing longer time in foster care, repeated placements, multiple caseworkers and aging out of care             <ul style="list-style-type: none"> <li>▪ Investment per child = <b>\$65,422</b> (<i>includes government expenditure on child's medical needs, court costs, foster care maintenance costs, and administrative costs of the agency overseeing the child's removal and placement, including caseworker salary</i>)</li> <li>▪ Long-term costs of negative outcomes per child, after foster care = <b>\$627,501</b></li> <li>▪ <i>For every \$1.00 spent on a child in foster care, there is a -\$9.55 ROI</i></li> </ul> </li> </ul> <p><i>This translates to a negative social return on investment, with the administrative costs of foster care outweighing the social return.</i></p>	<p>Alia (2019). <i>The unseen costs of foster care: A social return on investment study</i>.  <a href="https://www.aliainnovations.org/sroi-report">https://www.aliainnovations.org/sroi-report</a></p>

## COST SAVINGS ASSOCIATED WITH PREVENTION OF CHILD MALTREATMENT AND CHILD WELFARE INVOLVEMENT FROM PROVISION OF ECONOMIC & CONCRETE SUPPORTS

**Long-term cost savings due to reduced maltreatment-related costs from each additional \$1,000 spent on public benefit programs\* per person living below federal poverty limit = \$153 billion**

- Each \$1,000 per person living below the federal poverty limit is associated with 4.3% decline in maltreatment reporting, 4% decline in substantiations, 2.1% decline in foster care placements, and 7.7% decline in fatalities.  
*This means that \$1,000 of additional spending for each person living in poverty might have resulted in 181,850 fewer reports, 28,575 fewer substantiations, 4,168 fewer foster care placements, and 130 fewer fatalities in 2017 and each additional 13.3% that states invest annually in public benefit programs (which would total \$46.5 billion nationally) would save up to \$153 billion.*

*\*Spending on public benefits programs include (1) cash, housing, and in-kind assistance; (2) low-income housing infrastructure development; (3) child care assistance; (4) refundable EITC; and (5) Medical Assistance Programs (MAPs), inclusive of Medicaid and Children's Health Insurance Program)*

Puls, H. T., Hall, M., Anderst, J. D., Gurley, T., Perrin, J., & Chung, P. J. (2021). State spending on public benefit programs and child maltreatment. *Pediatrics*, 148(5), e2021050685.  
<https://doi.org/10.1542/peds.2021-050685>

**Lifetime costs savings due to reduced maltreatment-related costs from an additional \$1,000 unconditional cash payment to families in the early months of a child's life = \$18.9 million**

- An additional \$1,000 unconditional cash payment to families in the early months of a child's life is estimated to:
  - Reduce the likelihood of a CPS referral for neglect by 10% (by age 3)
  - Reduce the likelihood of a CPS referral for physical abuse by 30% (by age 3)
  - Reduce the likelihood of a substantiated CPS referral by 15% (by age 3)
  - Reduce the likelihood of child mortality by 30% (3 fewer child deaths) (by age 5)

Bullinger, L. R., Packham, A., & Raissian, K. M. (2023). [Effects of universal and unconditional cash transfers on child abuse and neglect](#). National Bureau of Economic Research.

**Annual cost savings due to reduced child maltreatment rate from implementation of Family Resource Centers = \$1.8 million (Orange County, CA 2017) and \$2.5 million (Teller County, CO 2018)**

- Orange County, CA: The reduction in child maltreatment cases in the Westminster Family Resource Center service area saved the child welfare system \$1.8 million in 2017, with a 451% ROI.
- Teller County, CO: After a formal partnership between child welfare and the Community Partnership Family Resource Center was established, Teller Co. saw a 63% reduction in its child maltreatment rate and saved an estimated \$2.5 million, with a 291% ROI.

OMNI Institute (2021). [Return on investment of a family resource center to the child welfare system: Westminster family resource center, Orange County, CA.](#)

OMNI Institute (2021). [Return on investment of a family resource center to the child welfare system: Community partnership family resource center, Teller County, CO.](#)

**Average per family savings due to reducing a family's time in the child welfare system through supportive housing = \$14,600**

- The impact and related savings from supportive housing varies by family characteristics and child welfare system involvement.

Tucker, L.P, Pergamit, M. & Bayer, M. (2023) [How much does supportive housing save child welfare systems?](#) Urban Institute. Washington, DC.