

## Multidimensional Treatment Foster Care Juvenile Justice

Benefit-cost estimates updated December 2017. Literature review updated July 2017.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our [Technical Documentation](#).

**Program Description:** Multidimensional Treatment Foster Care (MTFC) is an intensive therapeutic foster care alternative to institutional placement for adolescents who have problems with chronic antisocial behavior, emotional disturbance, and delinquency. MTFC activities include skills training and therapy for youth, as well as behavioral parent training and support for foster parents and biological parents. Participating youth are closely monitored by the foster parents. The length of the program varies, and ranged from 5 to 15 months. The studies in this meta-analysis compared MTFC to treatment as usual, which typically involved placement in a group home care institution.

### Benefit-Cost Summary Statistics Per Participant

#### Benefits to:

Taxpayers	\$4,999	Benefit to cost ratio	\$1.85
Participants	(\$72)	Benefits minus costs	\$9,185
Others	\$17,923	Chance the program will produce	
Indirect	(\$2,899)	benefits greater than the costs	70 %
<b>Total benefits</b>	<b>\$19,951</b>		
<b>Net program cost</b>	<b>(\$10,766)</b>		
<b>Benefits minus cost</b>	<b>\$9,185</b>		

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2016). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our [Technical Documentation](#).

## Detailed Monetary Benefit Estimates Per Participant

Benefits from changes to: <sup>1</sup>	Benefits to:				
	Participants	Taxpayers	Others <sup>2</sup>	Indirect <sup>3</sup>	Total
Crime	\$0	\$5,042	\$17,940	\$2,538	\$25,520
K-12 grade repetition	\$0	\$2	\$0	\$1	\$3
Labor market earnings associated with major depression	\$4	\$2	\$0	\$1	\$7
Health care associated with major depression	\$2	\$5	\$6	\$2	\$15
Costs of higher education	(\$77)	(\$51)	(\$23)	(\$26)	(\$178)
Adjustment for deadweight cost of program	\$0	\$0	\$0	(\$5,416)	(\$5,416)
<b>Totals</b>	<b>(\$72)</b>	<b>\$4,999</b>	<b>\$17,923</b>	<b>(\$2,899)</b>	<b>\$19,951</b>

<sup>1</sup>In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

<sup>2</sup>"Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.

<sup>3</sup>"Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

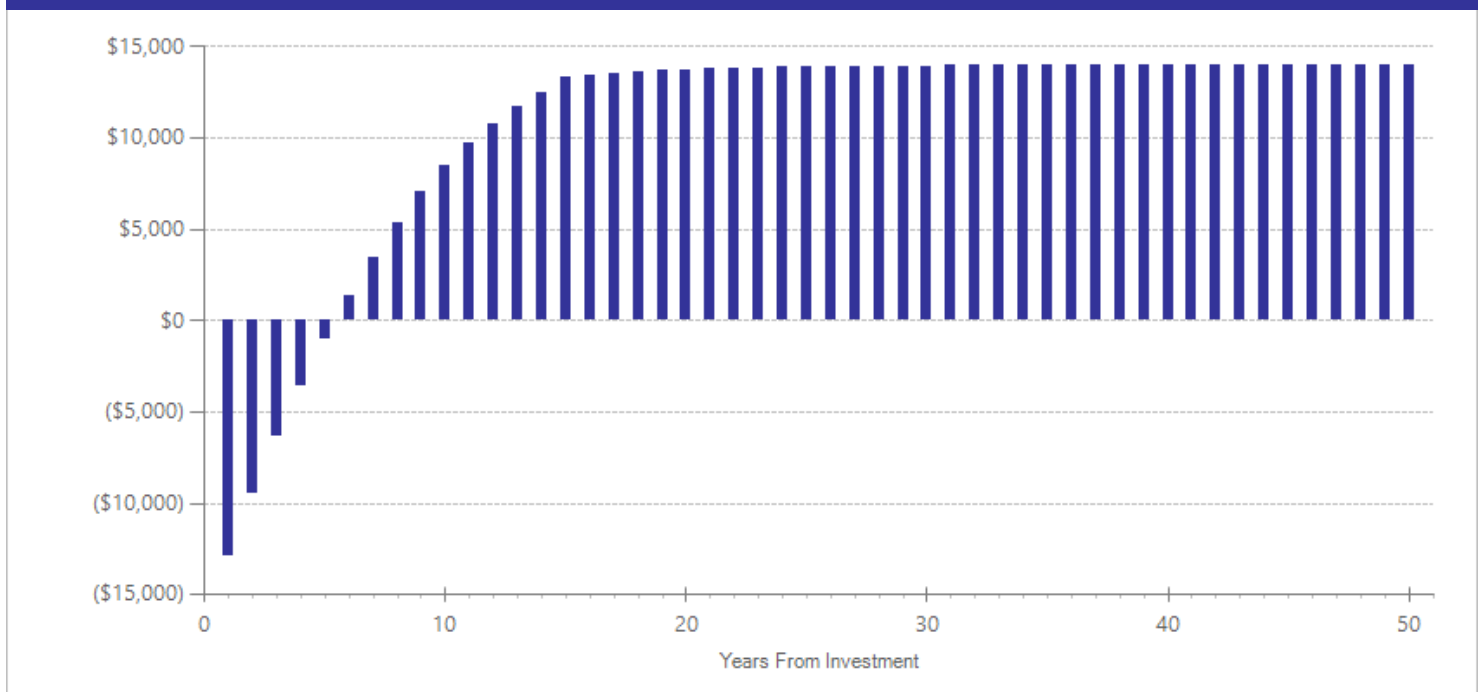
## Detailed Annual Cost Estimates Per Participant

	Annual cost	Year dollars	Summary	
Program costs	\$31,883	2007	Present value of net program costs (in 2016 dollars)	(\$10,766)
Comparison costs	\$25,226	2014	Cost range (+ or -)	10 %

The per-participant cost estimate provided by the Juvenile Rehabilitation Administration is based on the average length in the program during 2010 and includes oversight, coordination, and administration costs. Average daily costs for ten months of Group Home Care were retrieved from McKay, P., Hollist, D., & Mayrer, J. (2016). *Foster or group home care for youth on probation*.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our [Technical Documentation](#).

## Detailed Annual Cost Estimates Per Participant



The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in non-discounted dollars to simplify the “break-even” point from a budgeting perspective. If the dollars are negative (bars below \$0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach \$0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above \$0, the benefits of the program exceed the initial investment.

Meta-Analysis of Program Effects											
Outcomes measured	Treatment age	No. of effect sizes	Treatment N	Adjusted effect sizes and standard errors used in the benefit-cost analysis						Unadjusted effect size (random effects model)	
				First time ES is estimated			Second time ES is estimated			ES	p-value
				ES	SE	Age	ES	SE	Age		
Alcohol use <sup>^</sup>	15	1	32	-0.019	0.240	17	n/a	n/a	n/a	-0.051	0.833
Cannabis use <sup>^</sup>	15	1	32	-0.233	0.241	17	n/a	n/a	n/a	-0.629	0.011
Crime	15	6	189	-0.166	0.105	17	-0.166	0.105	27	-0.388	0.001
Externalizing behavior symptoms	15	1	20	-0.232	0.343	17	-0.111	0.183	20	-0.627	0.073
Internalizing symptoms <sup>^^</sup>	15	1	20	-0.158	0.342	17	-0.115	0.271	19	-0.428	0.216
Major depressive disorder	15	1	81	-0.140	0.155	17	0.000	0.017	18	-0.378	0.016
Psychosis symptoms (positive) <sup>^</sup>	15	1	75	-0.135	0.162	17	-0.100	0.346	18	-0.365	0.091
Regular smoking <sup>^^</sup>	15	1	32	-0.233	0.241	17	n/a	n/a	n/a	-0.629	0.011
Substance use <sup>^</sup>	15	2	51	-0.252	0.207	17	n/a	n/a	n/a	-0.473	0.023
Suicidal ideation <sup>^</sup>	15	1	81	-0.169	0.156	17	n/a	n/a	n/a	-0.458	0.004
Suicide attempts <sup>^</sup>	15	1	81	0.035	0.237	17	n/a	n/a	n/a	0.095	0.685
Teen pregnancy (under age 18) <sup>^</sup>	15	1	78	-0.199	0.212	17	n/a	n/a	n/a	-0.538	0.004

<sup>^</sup>WSIPP’s benefit-cost model does not monetize this outcome.

<sup>^^</sup>WSIPP does not include this outcome when conducting benefit-cost analysis for this program.

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our [Technical Documentation](#).

## Citations Used in the Meta-Analysis

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