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Comparative Costs and Benefits of Programs to Reduce Crime A Review of National Research With Implications for Washington State

The Washington State Institute for Public Policy recently completed a report describing the “bottom-line” economics of various programs that attempt to reduce criminal behavior. This research brief summarizes the primary findings from that study. Readers interested in the full report can obtain a copy from the Institute’s website, or request a printed copy.

This research was prepared for the Washington State legislature. The legislature directed the Institute to evaluate the costs and benefits of certain criminal justice policies, violence prevention programs, and other efforts to decrease the criminal recidivism of juvenile and adult offenders and certain at-risk behaviors of youth.¹

In the research, we identify the types of programs that can—as well as those that apparently cannot—reduce criminal offending in a cost-beneficial way. Among other uses, this information can assist decision-makers in allocating scarce public resources. For a wide range of programs—from prevention programs designed for young children to correctional programs for juvenile and adult offenders—we examine whether a program’s benefits are likely to outweigh its costs. Our estimates are based on a common methodological approach, allowing an “apples-to-apples” comparison of the economics of programs aimed at very different age groups. This approach is similar to a financial analysis an investment advisor might use to study rates of return on mutual funds, bonds, real estate, or other diverse investments. The focus is on the *comparative* economic bottom line.

We evaluate the economics of programs from two perspectives. First, there is the taxpayer question. For every dollar of taxpayer money spent on a program, can rates of future criminal activity be reduced to avoid at least that amount in downstream criminal justice costs? In other words, by spending a taxpayer dollar now on a program, will more than one taxpayer dollar be saved in the years ahead?

Second, in addition to the taxpayer’s perspective, the costs incurred by crime victims are estimated. If a program can reduce rates of future criminal offending, not only will taxpayers receive benefits through lower future criminal justice costs, but there will be fewer crime victims as well. In our economic analyses, we estimate the benefits to both taxpayers and crime victims and present both figures.

¹ RCW 13.40.500, RCW 70.190.050, and the 1999 Legislature’s E2SSB 5421, SSB 5011, and E2SHB 1006.

As a first step in this project, the Institute systematically reviewed research in the United States and Canada, focusing on studies published in the last 20 years that used sound research methods. While we believe our review covers a substantial portion of the published evaluation research, it is likely that we missed some studies. As new evaluations are completed, or as relevant studies are uncovered, the information can be added to subsequent versions of this report. Thus, the “program inventory” in this report provides an initial, expandable base of information to assist Washington State policy makers and program designers.

At present, this review does not include the full range of criminal justice topics. We omit, for example, research on policing practices and the effect of deterrence and incapacitation in sentencing policies. As more research is undertaken both in Washington and elsewhere, our cost-benefit analysis can be extended to encompass these and other areas of interest to policy makers.

Our analysis follows a three-step process for each program (or program area) reviewed:

1. We examine existing evaluations to gauge whether a particular program has been shown, somewhere in the United States or Canada, to be effective in lowering crime rates. We then estimate how the program might be implemented in Washington’s system.
2. Next we estimate the value to Washington taxpayers of reducing crime (from Step 1) in terms of avoided downstream criminal justice costs. The value to crime victims is also estimated at this stage.
3. Finally, we calculate an economic “bottom line” by subtracting the expected costs of a particular program from its projected benefits (from Step 2).

Summary of the Findings

SOME PREVENTION AND INTERVENTION PROGRAMS LOWER CRIMINALITY, SOME DO NOT

- ✓ Our first finding is *not* that “prevention works” or that “intervention works.” That is too general a statement since we found well-researched programs that failed to affect rates of criminality. Rather, *the main lesson is that some prevention or intervention programs work with certain groups of people in certain settings.* Selecting and successfully implementing the right programs for the right populations is the real challenge for policy makers and program administrators.
- ✓ Programs with the most favorable outcomes often demonstrate success rates that many would consider modest. For example, we found that the most successful programs for adult offenders lower the chance of re-offending by 10 to 15 percent. An example can help put this number in perspective. In Washington State, about 50 percent of all adult offenders leaving prison are subsequently re-convicted for another felony offense within eight years from release.² A 10- to 15-percent reduction from a 50 percent starting point would result in a 43- to 45-percent recidivism rate—a significant, but not huge, reduction in recidivism.

² The 50 percent felony recidivism rate is based on longitudinal analyses conducted by the Institute.

Summary of Key Economic Measures for Programs

(All Dollar Values are in 1998 Dollars)

	Estimated Program Cost Per Participant	Criminal Justice System Benefits (Taxpayer Cost Savings)		Criminal Justice System AND Crime Victim Benefits	
		Per Participant	Benefits Per Dollar of Cost	Per Participant	Benefits Per Dollar of Cost
	(1)	(2)	(3)	(4)	(5)
Early Childhood Programs					
Perry Pre-School	\$13,938	\$9,237	\$0.66	\$20,954	\$1.50
Syracuse Family Development Research Program	\$45,092	\$8,613	\$0.19	\$15,487	\$0.34
Nurse Home Visitation	\$7,403	\$6,155	\$0.83	\$11,369	\$1.54
Middle Childhood Programs					
Seattle Social Development Project	\$3,017	\$2,704	\$0.90	\$5,399	\$1.79
Adolescent (Non-Juvenile Offender) Programs					
Quantum Opportunities Program	\$18,292	\$1,582	\$0.09	\$2,290	\$0.13
Big Brothers Big Sisters of America	\$1,009	\$1,313	\$1.30	\$2,143	\$2.12
Juvenile Offender Programs					
Community-Based Programs					
Multi-Systemic Therapy	\$4,540	\$38,047	\$8.38	\$61,068	\$13.45
Functional Family Therapy	\$2,068	\$14,167	\$6.85	\$22,739	\$10.99
Aggression Replacement Training	\$404	\$7,896	\$19.57	\$12,674	\$31.40
Adolescent Diversion Project	\$1,509	\$11,508	\$7.62	\$20,547	\$13.61
Multidimensional Treatment Foster Care	\$1,934	\$27,202	\$14.07	\$43,661	\$22.58
Juvenile Intensive Supervision (Probation)	\$1,500	\$1,347	\$0.90	\$2,235	\$1.49
Juvenile Intensive Supervision (Parole)	n/a	n/a	n/a	n/a	n/a
Institutional-Based Programs					
Juvenile Boot Camps	-\$1,964	(\$4,680)	\$0.42	(\$7,511)	\$0.26
Juvenile Institutional Treatment Services	n/a	n/a	n/a	n/a	n/a
Adult Offender Programs					
Community-Based Programs					
Job Counseling & Job Search for Inmates Leaving Prison	\$539	\$1,532	\$2.84	\$2,154	\$4.00
Drug Courts	\$2,000	\$3,385	\$1.69	\$4,368	\$2.18
Short-term Financial Assistance for Inmates Leaving Prison	\$2,718	\$2,080	\$0.77	\$2,924	\$1.08
Subsidized Jobs for Inmates Leaving Prison	\$10,089	\$6,750	\$0.67	\$9,490	\$0.94
Adult Intensive Supervision Programs	\$3,345	\$1,298	\$0.39	\$1,730	\$0.52
Case Management Substance Abuse Programs	\$2,144	(\$329)	(\$0.15)	(\$456)	(\$0.21)
Work Release Programs	\$0	\$0	n/a	\$0	n/a
Community-Based Substance Abuse Treatment	n/a	n/a	n/a	n/a	n/a
In-Prison Programs					
Moral Reconciliation Therapy	\$285	\$2,330	\$8.17	\$3,275	\$11.48
Reasoning and Rehabilitation	\$296	\$750	\$2.54	\$1,039	\$3.51
In-Prison Vocational Education	\$1,876	\$4,316	\$2.30	\$6,068	\$3.23
Adult Basic Education	\$1,888	\$3,220	\$1.71	\$4,528	\$2.40
In-Prison Therapeutic Communities	\$5,500	\$4,202	\$0.76	\$5,908	\$1.07
Sex Offender Treatment Programs	\$6,435	\$1,591	\$0.25	\$1,681	\$0.26
Life Skills Programs	\$809	\$0	\$0.00	\$0	\$0.00
Correctional Industries	n/a	\$1,725	n/a	\$2,426	n/a
In-Prison Non-residential Substance Abuse Treatment	n/a	n/a	n/a	n/a	n/a
Other Cognitive Behavioral Therapy	n/a	n/a	n/a	n/a	n/a

Note: An "n/a" means that the Institute was not able to develop estimates because of insufficient information.

For each program, three key summary measures are reported on the table.

- The cost of the program, per participant.** This estimated cost is shown in the first column of the table.
- Taxpayer benefits.** Columns 2 and 3 provide our estimates of the crime-related benefits to taxpayers that a program can produce. Column 2 indicates the estimated *total* dollar amount of benefits—per program participant—a taxpayer is expected to receive in avoided downstream criminal justice costs. Column 3 divides the total taxpayer benefits (in column 2) by the costs (in column 1) to arrive at a benefit-to-cost ratio. Values in column 3 greater than \$1.00 mean that, from a taxpayer's perspective, the crime-reducing benefits are greater than the costs.
- Taxpayer and crime victim benefits.** Columns 4 and 5 provide our estimates of the taxpayer benefits (from column 2) AND the benefits to crime victims when a program lowers crime. Column 4 reports the *total* estimated taxpayer and victim benefits per program participant, while column 5 divides this sum by the program costs (from column one) to produce a benefit-to-cost ratio.

SOME PROGRAMS SAVE MORE MONEY THAN THEY COST

- ✓ The Institute applied a cost-benefit analysis to the program evaluations we reviewed. The cost of crime to taxpayers (who pay for the criminal justice system) and crime victims (who suffer personal and property losses) is high. We found that reasonably-priced programs that achieve even modest reductions in future crime rates yield positive economic returns.
- ✓ The Institute found a number of programs with positive benefit-cost ratios. This implies that there are options available to Washington State policy makers to improve the efficiency of the State's criminal justice system. That is, there are several ways to both lower crime and lower the costs of the criminal justice system.
- ✓ We found the largest and most consistent economic returns for programs designed for juvenile offenders. Several of these interventions produce benefit-to-cost ratios in the order of five to ten dollars of taxpayer benefits for each dollar of taxpayer cost. Three of these programs are now being implemented by the juvenile courts in Washington State as a result of recent legislative and administrative actions. The economics of the three programs—*Multi-systemic Therapy*, *Functional Family Therapy*, and *Aggression Replacement Training*—are summarized on the previous page and described in the full report. The Institute is charged with evaluating these programs to see if their favorable benefit-cost ratios can be achieved in Washington.
- ✓ We also found economically attractive prevention programs for young children and adolescents and, at the other end of the age spectrum, for adult offenders. A nurse home-visitation program, an anti-drug and anti-violence curriculum for grade schools in high-risk neighborhoods, and a mentoring program for high-risk adolescents can produce positive economic returns. For adult offenders, we found a few employment, education, drug treatment, and counseling programs that produce favorable returns.
- ✓ Not all of the economic findings, however, are positive. We found some programs do not lower criminality and, thus, they have a negative economic bottom line. Resources spent on these programs would be better directed toward programs that yield positive returns.
- ✓ We also found programs that demonstrate some success in reducing the criminality of participants, but the program cost is greater than any savings realized. The economics of crime prevention or intervention require not only program effectiveness, but the services must also be delivered economically. In this regard, crime prevention and intervention is like any business: in order to have a positive economic bottom line, not only does a product need to work and be successful, it also needs to be produced in a cost-efficient manner. In our review of the available crime reduction options, not all programs passed these two tests.

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