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Child Abuse and Neglect Cost Nation over \$100 Billion per year; Most Federal Child Welfare Funds Unavailable for Prevention Services and Programs

Indiana has one of the nation's best records in reuniting families after children were in foster care

WASHINGTON, DC – An economic impact analysis released today estimates the costs of child abuse and neglect to society were nearly \$104 billion last year, and a companion report highlights the unavailability of federal child welfare funding for programs and services shown to be effective at reducing incidences of child abuse and neglect.

Total Estimated Cost of Child Abuse and Neglect in the United States, by Prevent Child Abuse America (PCAA) and *Time for Reform: Preventing Child Abuse and Neglect*, by Kids Are Waiting (KAW), a project of The Pew Charitable Trusts, show that while the economic costs associated with child abuse and neglect rose to a staggering \$103.8 billion in 2007, merely ten percent of federal money dedicated for child welfare, approximately \$741.9 million, can currently be used to prevent child abuse and neglect from occurring by strengthening families.

The PCAA report documents pervasive and long-lasting effects of child abuse on children, their families, and society as a whole. The \$103.8 billion cost of child abuse and neglect includes more than \$33 billion in direct costs for foster care services, hospitalization, mental health treatment, and law enforcement. Indirect costs of over \$70 billion include loss of productivity, as well as expenditures related to chronic health problems, special education, and the criminal justice system.

“Prevention of child abuse and neglect makes sense – and makes ‘cents,’ too,” said PCAA President & CEO Jim Hmurovich. “The data in these reports show that a greater focus on prevention will decrease both the short and long-term costs to society. But it is impossible to calculate the pain, suffering, and reduced quality of life that victims of violence against children experience throughout their lifetime.”

The KAW report finds that the current federal child welfare financing structure does not adequately support services and supports that could help keep more children safely with their families. The report shows that the majority of dedicated federal funding for child welfare is currently reserved for placing and maintaining children in foster care and cannot be used for prevention or reunification services or programs.

States may access dollars under Title IV-E, the principal source of federal child welfare funding, only after children have been removed from their home and enter foster care. Of the \$7.2 billion federal funds dedicated for child welfare in 2007, approximately 90 percent supported children in foster care placements (\$4.5 billion) and children adopted from foster care (\$2.0 billion). States can use about 10 percent of federal dedicated child welfare funds flexibly for family services and supports, including prevention or reunification services.

The report recommends specific policy options to keep children safe and strengthen families:

- Ensure a sufficient, flexible and reliable federal resource to help support the continuum of services needed by at-risk children and families.
- Reward states for safely reducing the number of children in foster care and achieving all forms of permanence.

- Make all abused and neglected children eligible for federal foster care support.

The KAW report shows that most children (54%) who leave foster care reunite with their families, after having stayed in foster care for an average of six months. In fact, safely reunifying foster children with their parents is a primary goal of the child welfare system. States vary widely in the percentage of children rejoining their families upon leaving foster care, from 30 and 33 percent in DC and Virginia respectively to 76 percent in Idaho. Indiana ranks among the top 10 states with the highest reunification rates in the nation. (Top 15 and bottom 15 state reunification rates listed in the table below.)

“Prevent Child Abuse Indiana and The Villages are committed to continuing to work closely with Indiana communities and the Indiana Department of Child Services to enhance the safety, well being and permanency of children” stated Sharon Pierce, President & CEO.

States with the highest and lowest rates of children reunified with their families after foster care in 2005

Top 15 highest reunification rates				Bottom 15 lowest reunification rates			
Rank	State/District	N	%	Rank	State/District	N	%
1	Idaho	1,067	76%	37	Kentucky	1,727	46%
2	Nebraska	2,507	73%	38	Montana	532	46%
3	Iowa	3,425	72%	39	Ohio	5,517	45%
4	New Mexico	1,417	69%	40	South Carolina	1,381	45%
5	Minnesota	4,903	67%	41	Alabama	1,461	45%
6	Delaware	448	66%	42	Arkansas	1,466	43%
7	New Jersey	4,992	66%	43	North Carolina	2,313	42%
8	Wyoming	663	66%	44	Illinois	2,517	41%
9	Wisconsin	3,759	65%	45	New Hampshire	219	40%
10	Indiana	3,910	63%	46	Maine	386	39%
11	Rhode Island	856	63%	47	Utah	680	34%
12	Nevada	1,989	63%	48	Texas	4,146	34%
13	Oregon	3,150	63%	49	Maryland	908	34%
14	Connecticut	1,180	62%	50	Virginia	1,120	33%
15	Washington	3,770	62%	51	District of Columbia	310	30%

Note: Percentages represent the number of children reunified of total exits from foster care in 2005.

Source: National Data Archive for Child Abuse and Neglect (NDACAN), Cornell University.

Federal child welfare financing reform could help prevent child abuse and neglect in the first place and reduce the current reliance on foster care by lessening the need for some children to enter the foster care system and helping others safely reunify with their families more quickly.

The Kids Are Waiting report highlights an array of services that have been shown to be effective at:

1. **Decreasing the incidence of abuse and neglect.** The Nurse-Family Partnership program, active in 20 states, resulted in a 48 percent lower level of abuse and neglect for children whose families received home visitation services compared with the control group. An evaluation of the Healthy Families New Jersey program showed that 99 percent of the children served were free from abuse and neglect.
2. **Reducing short and long term trauma to children.** In Tennessee, the Renewal House, a residential program for mothers who have an addiction and their children, demonstrated that fewer infants born to mothers in the program require neonatal intensive care.
3. **Lessening the need to remove children from their families.** Due to increased investment in prevention services, Allegheny County, Pennsylvania, was able to maintain more than 65 percent of children at home for the entire time they were served by the child welfare system.
4. **Lowering the costs of care per child.** Wraparound Milwaukee decreased the number of children in foster care placement by sixty percent and reduced the cost of care from \$5,000 to less than \$3,300.

“Taking children away from their families is a traumatic experience that will stay with them forever,” said Marci McCoy-Roth, program officer with The Pew Charitable Trusts. “Foster care should not be the only option available to keep children safe and help families in crisis. States and the federal government must work in partnership to

prevent child abuse and neglect and ensure that all children have safe families. The importance of family is a fundamental American value. How much longer must our children wait for the permanent families they deserve?"

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