Making the Most of Taxpayer Dollars: Study Examines the Costs and Benefits of Programs to Prevent and Reduce Crime

How can we tell which programs that attempt to reduce crime make the best use of taxpayer dollars? In a recent study, Steve Aos of the Washington State Institute for Public Policy examined the “bottom-line” economics of various programs to prevent and reduce criminal behavior. His findings can be used by policymakers to direct scarce public resources toward programs that provide a positive return on taxpayer investment, and away from programs that are less cost-effective.

Aos and his fellow researchers systematically reviewed over 400 research studies conducted in the United States and Canada. They focused on sound program evaluations published in the last 25 years. Many of the programs they analyzed target youth or adults in the juvenile or adult justice system, although they also examined prevention programs aimed at preventing youth crime.

The central goal of the study was to examine which programs and policy options are likely to yield better returns for Washington State taxpayers. Aos determined cost-effectiveness by calculating the benefit a program is expected to produce minus the costs of the program. First, the return on investment was calculated for taxpayers. For every dollar of taxpayer money spent, Aos determined whether future rates of criminal activity could be reduced enough to avoid at least the amount in taxpayer criminal justice costs. Second, Aos took into account victim costs, including estimates of out-of-pocket expenditures and reduced quality of life. Finally, Aos divided the research literature into four broad areas, each covering programs that target different age groups across the lifespan— from programs for young children to programs for juvenile and adult offenders. Following are the major findings based on costs in Washington State:

What Works and What Doesn’t?

Early Childhood Programs: For this cost-benefit analysis, researchers identified two types of crime prevention programs that had been rigorously evaluated: nurse home visitation and early childhood educational programs for disadvantaged youth. From a taxpayer’s perspective, the benefits of reductions in future criminality do not effectively pay back the up-front costs of these programs. When the crime victim costs are factored in, however, the programs provide a return of $3.06 and $1.78 respectively for every dollar spent. Of course, the cost-effectiveness of these programs would be higher if the analysis took into account other documented benefits of these early interventions such as better school performance, fewer births, and less time on welfare. Aos is currently at work incorporating these additional benefits into his analysis.

Middle Childhood and Adolescent (Non-Juvenile Offender) Programs: Mentoring programs and a social development program for this age group are designed to promote students’ bonding to their families and their schools. From a taxpayer’s perspective, the substantial upfront cost of these programs was not offset by estimated reductions in future criminal justice costs, although they were cost effective when costs to potential future victims were taken into account.

Programs for juveniles: According to this analysis, the economics of programs aimed at juvenile offenders were the most attractive of any programs reviewed. Those with a prescribed curriculum were more effective than those without. However, the benefits to taxpayers for juvenile programs with prescribed curricula ranged from $5,720 to $31,661 per participant, a return of $5 to $11 for every dollar invested in these programs. When victim costs were considered, taxpayers received a return of $28 to $46 for every dollar spent. Most of these programs are designed for youthful offenders in a juvenile court setting, or as an alternative to juvenile court processing.

Three of the five most cost-effective programs are approaches that deliberately work with families. Family approaches have the potential not only to benefit the target child, but also any siblings growing up in the family.

Although the effects were not as strong as those above, taxpayers also benefit from programs such as diversion with services (compared to regular juvenile court processing), intensive probation (as alternative to incarceration), coordinated services, and other family-based therapy programs.

On the other hand, “Scarred Straight” type programs are generating no net benefit. These programs typically take young juvenile offenders to an adult prison where they are lectured by adult offenders about how their life will turn out if they do not change their ways.

Also, some programs actually increase criminal conduct. For example, studies comparing juvenile boot camps to regular juvenile institutional facilities actually show a 10% increase in the likelihood that juveniles in boot camps will commit future crimes.

Programs for adults: Generally, certain types of research-proven drug treatment for adult offenders works lower the chance that adults will re-offend. The reductions are not large, but are still cost-effective given that treatment costs are only $2,500 per participant. The average cognitive-behavioral sex offender treatment program saves more than it costs.

Programs such as work release, job counseling, in-prison adult and vocational education, and correctional industries provided a return greater than the taxpayer investment. Intensive supervision and adult boot camps were cheaper than prison, but neither was successful in deterring future crime.

One of the least cost effective adult offender interventions is surveillance-oriented intensive supervision. The economics of surveillance-oriented intensive supervision are not attractive: taxpayers lose $2,250 per participant and losses are still evident even when the crime victim perspective is included.

Summary

Cost benefit analyses reveal whether taxpayers would be better or worse off if they implemented certain programs. The main lesson learned is that business-like economic analysis can be used by legislators to give taxpayers a better return on their crime-fighting dollars.


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Changing Attitudes Toward Corrections:
Public Opinion Shifts in Recent Years

During the last two decades of the twentieth century, the United States has seen expenditures for state and local corrections increase over 600%, and incarceration rates increase 220%. Meanwhile, crime rates across the country began to fall. Between 1993 and 2000 violent crimes fell by almost half (44.1%); homicides (not included in the previous figure) dropped 61%; and property crimes fell 44.2%.

In the last decade, public attitudes toward corrections have also changed. In a 1994 survey by the Pew Research Center for the People and the Press, 29% of respondents thought that crime was the most important problem facing their community. By 2001, this percentage had dropped by well over half, with only 12% giving this same response. Public attitudes toward incarceration and rehabilitation appear to be changing as well. In 1994, an opinion poll by Peter D. Hart Associates found that 48% of Americans said they favored addressing the underlying causes of crime, while 42% preferred deterrence through stricter sentencing. In 2001, the same poll found a substantial change in these sentiments, with an increase in respondents preferring to address the root causes of crime (65%) and a decrease in those opting for more stringent sentencing (32%).

This same survey also found a change in attitudes toward mandatory sentencing. In 1995, 55% of those surveyed said that mandatory sentences were a good idea, while 38% said that judges should be able to determine a defendant’s appropriate sentence. In 2001, those numbers had almost reversed: only 38% responded that mandatory sentences were a good idea, while 45% said they preferred judicial discretion.

Results were similar in a representative poll of Nebraska adults conducted in 2000. In this poll, respondents chose “protecting society by rehabilitating offenders” as the most important of six functions of the state correctional system.

In a separate question, when respondents were asked to rank which of three areas was the most important for the state corrections system to explore, 44% chose “greater emphasis on rehabilitation,” 41% chose “alternatives to prison,” and only 14% chose “building more prisons.” Lastly, 79% of respondents agreed or strongly agreed that prison space should be reserved for violent or repeat offenders, and that non-violent first-time offenders should be directed toward alternatives to incarceration.

Interested in Corrections and Crime?
Check Out This Website

The Urban Institute
http://www.urban.org/content/PolicyCenters/Justice/Overview.htm

The Urban Institute is a nonprofit, nonpartisan research organization. The Justice Policy Center carries out nonpartisan research to inform the national dialogue on crime, justice, and community safety. This site includes publications on crime prevention efforts, corrections and prisons, crime statistics, and juvenile justice.

Connecting with the Experts

Questions on corrections policy? Contact:
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Steve Aos, Associate Director
Steve Aos is an economist and is the Interim Director of the Washington State Institute for Public Policy. He has 25 years of experience in conducting cost-benefit analyses in a wide range of public policy areas, as well as in the private sector. His current work focuses on identifying and evaluating the costs and benefits of programs and policies for reducing crime in Washington State. He received his BA from California State University and his MS from the University of California, Irvine. Contact Steve Aos at: saos@wsipp.wa.gov or (360) 586-2740, or visit http://www.wsipp.wa.gov—the Washington State Institute for Public Policy website.