

Invest in Kids Working Group Meeting  
David Cleary, Cleary & Oxford Associates, Alexandria, Virginia  
“Child Abuse Prevention and Treatment: Economic Development with a High Public  
Return”  
September 17, 2007

David Cleary, of Cleary & Oxford Associates, and a founder of Stop Child Abuse Now (SCAN) presented a paper using an internal rate of return analysis to compare the costs and benefits of reducing child abuse and neglect. He presented these results not as final data, but as an example of how this type of analysis used in the private sector could highlight the benefits of investing in the public sector.

Internal Rate of Return (IRR) serves as a good model for evaluating policies/programs for investors, but several challenges were raised that are relevant to such studies:

**Data:** A major problem for this paper (and many others) is lack of good data, a necessity for properly evaluating a program’s efficacy. Both investors and government need this information: without it, firms cannot get a good sense of the “starting point” they’re using, city and state governments have no basis on which to construct a payment schedule. One question raised by the group is, how do you get such data?

- One option is to work with small governments, such as Rhode Island or a smaller city in North Carolina, where there is less mobility and more homogeneity, and thus less difficulty collecting and disseminating such data.
- Cleary has data from four evaluations that were conducted of Hampton model, which he can provide to the group.

**Diffusion of benefits:** Because governments are so fractured, the returns on a public “investment” arrive into many different coffers, e.g., crime prevention, drug treatment, and special education. This serves as a disincentive for investment; government departments are reluctant to expend funds without knowing that at least that much revenue will come back to them.

**Private management pros and cons:** The HMO-type model offers a structure for governments to contract with private investors, and thus an incentive for both sides to engage in this win-win. At the same time, critics assert that costs are cut by denying services and cutting corners, so not only is our critical audience – at-risk kids and their families – not helped, but, in the long run, the states and cities will have to bear the long-term costs of the less-than-optimal care.

**Scalability:** Given the size of workforce we would need to implement Hampton-type programs *en masse*, where would it come from? The next step might be to involve existing organizations that can help provide labor, such as the Red Cross, public schools, colleges, social work students, medical associations, etc. This would also help build a base of support to promote this idea at the state- and city-level.

**Inclusion of various factors in cost-benefit analysis:** Another question raised was the efficacy of public information campaigns, with some, such as the Truth campaign, noted as effective, but many others not at all.

Members also offered some ideas for related topics:

- Stretching time between pregnancies, which is closely related to child abuse incidence, can be shown to prevent worker absenteeism, thus save costs for employers.
- Early Head Start impact shows significant reduction in harsh parenting practices.
- A researcher at the University of Chicago looked at this issue through a study in the city's Woodlawn area. Using public school data, he identified household structures as a key factor, finding that kids who stayed in school and graduated had two adults in the household caring for them.
- Look at programs that increase family income, since that has a big impact on incidence of child abuse. The Partnership has commissioned one study to look at this.
- A Head Start- (HS) and Child Care Bureau- funded program, Social and Emotional Foundations for Early Learning, provides training for HS teachers to learn better classroom control and meet kids' social and emotional needs. This model can be used for outreach to many different types of people who are working with kids.