

ECONOMIC IMPACTS OF CHILD ABUSE IN ALASKA

Alaska Children's Trust

Many look at the effects of child abuse with a short-term lens, leaving out the detrimental effect to victims that can last a lifetime. These effects not only hurt the health and quality of life of the individual, but also impose costs on society. In this report we quantify the costs of child abuse on the state of Alaska for fiscal year 2019.

Two methods for quantifying the lifetime economic costs of child abuse and neglect

The human capital approach
Values an individual life based on
lifetime earning potential.

The value per statistical life/ quality-
adjusted life-years (VSL/QALY) approach
Includes a dollar value that quantifies
mortality and quality of life.

Total for each non-fatal child abuse case in 2019



\$300,200

Human Capital



\$968,500

VSL/ QALY

Total economic cost of all 3,139 cases of child abuse

\$710

million

Human Capital



\$2.3

billion

VSL/ QALY



In 2019 alone, there were **3,139 cases** of child abuse and neglect in Alaska.



Each case leads to thousands of dollars of state spending, loss of potential revenue, and diminished quality of life. The key areas are:

-  **Criminal justice**
-  **Special education**
-  **Health care**
-  **Quality of life**
-  **Child welfare**
-  **Productivity loss**



Criminal justice **\$12,499 per victim**

Children who experience abuse or neglect are more likely to be arrested and charged with crimes, both as juveniles and adults.

This leads to increased costs to police departments, courts, and correctional systems. The value of these costs is \$12,499 per victim and over \$29 million total.



Productivity losses **\$164,861 per victim**

Abuse or neglect in childhood is correlated with decreased earning power over the course of a lifetime.

Adjusting for inflation, it is estimated that between the ages of 18 and 64, victims of maltreatment earn \$6,768 less than their peers each year. The total economic cost for all victims from lost productivity is \$388 million.



Special education **\$21,869 per victim**

Child maltreatment victims often experience delays in their educational progress, requiring special education services more frequently. The increased special education costs due to child abuse and neglect presently value **\$21,869 per victim** or nearly **\$51 million** for all victims in 2019.



Health care **\$86,044 per victim**

Victims of child abuse and neglect experience more health complications than the general population. For children, each victim incurs health care costs of \$5,637 per year above average. As adults, the added health costs are \$1,036 per victim annually. The total of these expenses is **\$86,044 per victim** and **\$202 million** for all victims in 2019.

Each child abuse case costs Alaska \$300,200, or **\$706 million total.**

When using the VSL/QALY approach and also accounting for mortality and quality of life, that number skyrockets to \$968,507 per victim, resulting in **\$2.3 billion** in spending/ losses.



Child welfare **\$14,928 per victim**

Government agencies spend resources investigating maltreatment reports, placing children in foster homes, and taking other protective actions. These costs had a present value of \$14,928 per victim in 2019, and over **\$35 million** in total.



Quality of life losses **\$833,168 per victim**

Intangibles like emotional anguish and quality of life are difficult to measure. Replicating previous approaches, we estimate that each victim of child abuse faces \$833,168 in reduced quality of life, or **\$1.96 billion** for all cases statewide.

Fatal cases of child abuse by the numbers

Fatal child abuse cases are less frequent than nonfatal cases, but extremely devastating to families and communities. These cases typically also have high associated medical care costs and huge productivity losses.

Human capital approach

Medical care costs per fatality

\$16,531

Productivity losses per fatality

\$1,475,829

Total economic loss for all fatalities

\$3.3 million

VSL/QALY approach

Medical care costs per fatality

\$16,531

Value per statistical life lost

\$18.2 million

Total economic loss for all fatalities

\$40 million

About the study: This study, *Economic Costs of Child Abuse and Neglect in Alaska in 2019* by Nolan Klouda, MPA, CECD, draws from a body of prior research and adopts the methodology of Fang et al. (2012) and replicated by Wood and Parrish (2019) while providing greater specificity on cost factors specific to Alaska. For more information on the methodology of this study and the sources it referenced, please visit:

www.alaskachildrenstrust.org/economiccostsofchildabuse