



SPOTLIGHT ON PREVENTION: 2012 FACT SHEET SERIES

Costs and Benefits: A Snapshot of the Value of Investing in Prevention

Many policymakers and providers are reticent to invest in interventions to prevent mental, emotional, and behavioral (MEB) health problems—either because they are skeptical of the value of the interventions or they are unaware of the benefits derived from prevention policies and programs. In these financially strapped times, it is important for community-based organizations and other stakeholders to be aware of cost-effectiveness data for MEB interventions so they can make a compelling case for the allocation of scarce resources in a way that most efficiently builds healthy, productive communities.

This fact sheet provides data from a cost-benefit analysis of prevention and promotion programs that was conducted in Washington State and is used by the State government in resource allocation decisions. At the request of the legislature, Steve Aos and colleagues at the Washington State Institute for Public Policy developed methods for monetizing program costs and benefits, and they estimated cost-benefit ratios for several prevention and early intervention programs for young people. The results of their analyses are summarized in Table 1, and the econometric methods that the authors used are detailed in their report, which is referenced later in this fact sheet.

What is prevention?

Prevention consists of interventions that occur prior to the onset of a disorder and are intended to prevent or reduce risk for the disorder.

What is promotion?

In the context of mental health, promotion interventions aim to enhance individuals' ability to achieve developmentally appropriate tasks and a positive sense of self-esteem, mastery, well-being, and social inclusion, and strengthen their ability to cope with adversity.

Source: National Research Council and Institute of Medicine. (2009). *Preventing Mental, Emotional, and Behavioral Disorders Among Young People: Progress and Possibilities*.





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The estimated costs of the program, estimated savings, ratio of costs to savings, and net savings for each intervention are depicted in the table below. To calculate these savings, Aos and colleagues estimated the costs avoided, or benefits achieved, in seven specific outcome areas:

- Crime;
- Substance use;
- Educational achievement;
- Teen pregnancy;
- Teen suicide attempts;
- Child abuse or neglect; and
- Domestic violence.

The interventions are categorized by type of program.

Table 1: Summary of Benefits and Costs, 2003 Dollars

| Program | Benefits | Costs | Benefits Per Dollar of Cost | Benefits Minus Costs |
|---|----------|---------|-----------------------------|----------------------|
| Prekindergarten Education Programs | | | | |
| Early Childhood Education for Low-Income 3- and 4-Year-Olds | \$17,202 | \$7,301 | \$2.36 | \$9,901 |
| HIPPY (Home Instruction Program for Preschool Youngsters) | \$3,313 | \$1,837 | \$1.80 | \$1,476 |
| Parents as Teachers | \$4,300 | \$3,500 | \$1.23 | \$800 |
| Child Welfare/Home Visitation Programs | | | | |
| Nurse Family Partnership for Low-Income Women | \$26,298 | \$9,118 | \$2.88 | \$17,180 |
| Home Visiting Programs for At-Risk Mothers and Children | \$10,969 | \$4,892 | \$2.24 | \$6,077 |
| Parent-Child Interaction Therapy | \$4,724 | \$1,296 | \$3.64 | \$3,427 |



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| Program | Benefits | Costs | Benefits Per Dollar of Cost | Benefits Minus Costs |
|--|----------|---------|-----------------------------|----------------------|
| Youth Development Programs | | | | |
| Seattle Social Development Project | \$14,426 | \$4,590 | \$3.14 | \$9,837 |
| Guiding Good Choices | \$7,605 | \$687 | \$11.07 | \$6,918 |
| Strengthening Families Program for Parents and Youth 10–14 | \$6,656 | \$851 | \$7.82 | \$5,805 |
| Child Development Project | \$448 | \$16 | \$28.42 | \$432 |
| Good Behavior Game | \$204 | \$8 | \$25.92 | \$196 |
| Mentoring Programs | | | | |
| Big Brothers/Big Sisters | \$4,058 | \$4,010 | \$1.01 | \$48 |
| Big Brothers/Big Sisters (taxpayer cost only) | \$4,058 | \$1,236 | \$3.28 | \$2,822 |
| Youth Substance Abuse Prevention Programs | | | | |
| Adolescent Transitions Program | \$2,420 | \$482 | \$5.02 | \$1,938 |
| Project Northland | \$1,575 | \$152 | \$10.39 | \$1,423 |
| Life Skills Training | \$746 | \$29 | \$25.61 | \$717 |
| Minnesota Smoking Prevention Program | \$511 | \$5 | \$102.29 | \$506 |



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| Program | Benefits | Costs | Benefits Per Dollar of Cost | Benefits Minus Costs |
|--|----------|---------|--------------------------------------|----------------------------|
| Other Social Influence/Skills-Building Substance Prevention Programs | \$492 | \$7 | \$70.34 | \$485 |
| Project Towards No Tobacco Use | \$279 | \$5 | \$55.84 | \$274 |
| Teen Pregnancy Prevention Program | | | | |
| Teen Outreach Program | \$801 | \$620 | \$1.29 | \$181 |
| Juvenile Offender Programs | | | | |
| Dialectical Behavior Therapy (in Washington) | \$32,087 | \$843 | \$38.05 | \$31,243 |
| Multidimensional Treatment Foster Care (versus regular group care) | \$26,748 | \$2,459 | \$10.88 | \$24,290 |
| Adolescent Diversion Project | \$24,067 | \$1,777 | \$13.54 | \$22,290 |
| Functional Family Therapy (in Washington) | \$16,455 | \$2,140 | \$7.69 | \$14,315 |
| Multi-Systemic Therapy | \$14,996 | \$5,681 | \$2.64 | \$9,316 |

Source: Aos, S., Lieb, R., Mayfield, J., Miller, M., & Pennucci, A. (2004). *Benefits and costs of prevention and early intervention programs for youth*, p. 6. Olympia, WA: Washington State Institute for Public Policy.



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This summary does not include all of the programs that Aos and colleagues showed to be cost effective, but it offers a representative sample. Additionally, some programs that were evaluated were not shown to be cost effective, which is why it is so important for systems and practitioners to use the research that exists when deciding on program models.

It is clear, however, from the analysis conducted in Washington State that investment in prevention and promotion interventions are wise expenditures in the development of human capital and should receive preferential treatment in the allocation of government and philanthropic expenditures.

About This Initiative

This product was developed as part of the National Association of State Mental Health Program Directors' ongoing efforts to advance positive mental, emotional, and behavioral health and to prevent mental illness and substance use among Americans across the lifespan.

More information and resources can be found at <http://www.NASMHPD.org>.