

# The Financial Impact of Child Abuse & Neglect

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## **I. Introduction**

When children are raised in healthy environments, they can grow up to become contributing members of society; they are our future employees and employers. Conversely, toxic stress in a child's formative years can set a course for lifelong consequences, including risky behavior, poor health, and even early death, all with a tremendous human and monetary cost to taxpayers, the business sector, and our society. Businesses, both large and small, have an opportunity to promote healthy child development so America can do what it does best: compete and win in a global economy.

## **II. What We Must Do**

As a nation, we must develop and promote a comprehensive strategy that begins with a national vision for children and encourages state-led public and private activities that are efficient, comprehensive, cost-effective, early-acting, and maintained throughout a lifespan. The investment in child abuse prevention and healthy child development is a contribution to the betterment of society and the economy. Prevention can be promoted through a variety of services targeted at not only parents and children, but the roles all adults can play. As a nation, we must develop strategies that promote and incentivize healthy child and family development. We must encourage parents to establish life-long relationships with their children and we must encourage communities to support healthy and nurturing child relationships at schools, at play, and throughout the child's environment.

## **III. The Cost of Child Abuse & Neglect and its Impact on Business**

Child abuse and neglect incur both direct and indirect costs. A national report found that direct costs of acute medical treatment, the mental health care system, the child welfare system, and law enforcement totaled \$33 billion each year. Indirect costs totaled about \$47 billion, including nearly \$8 billion due to lost worker productivity. Altogether, the total estimated annual cost of child abuse and neglect to the U.S. is \$80,260,411,088; this translates to about \$292 million per day, \$9 million per hour, \$64,000 per child, and \$370 per taxpayer, each year. These findings demonstrate the extensive and broad scope that this preventable issue has financially and socially.<sup>1</sup>

The Adverse Childhood Experiences (ACEs) study evaluated child maltreatment and its effects on overall well-being in adulthood. ACEs include abuse (physical, emotional, and sexual), neglect (physical and emotional), and household dysfunction (mental illness, incarcerated relative, mother treated violently, substance abuse, and divorce). Growing up with one or more ACEs can lead to problem behaviors (lack of physical activity, smoking, alcoholism, drug use, and missed work) as well as physical and mental health problems (severe obesity, diabetes, depression, suicide attempts, sexually transmitted diseases, heart disease, cancer, stroke, Chronic Obstructive Pulmonary Disease, and more). These preventable health and social problems pose a strain on society.<sup>2</sup>



#### **IV. The Current Situation: Incidence of Child Abuse & Neglect**

There must be sense of urgency in our response to child maltreatment. In 2011, Child Protective Services confirmed that approximately 681,000 children (nearly 1 in every 100 children) were victims of child maltreatment, and these are only the cases that come to the attention of authorities. The UNICEF international report card on child well-being ranked the U.S. near the bottom of 29 developed countries based on material well-being, health and safety, education, behaviors and risks, and housing and environment.<sup>3</sup>

#### **V. What Business Can Do**

Child abuse and neglect prevention is directly related to business, according to Michael E. Axelrod, Managing Member of Trinova Partners in Atlanta and former Prevent Child Abuse America Board Chair.<sup>4</sup> Prevention assists in managing and decreasing expenses on healthcare costs, absenteeism, and recruitment and training costs related to staff turnover, while increasing worker productivity and quality of work.<sup>5</sup> Prevention helps children realize their full potential, leading directly to a stronger, highly educated workforce that will increase overall marketplace presence. These benefits will bring rise to a more skilled and productive workforce that increases profitability. With increased prevention and decreased rates of child abuse and neglect, the business community can benefit immensely.

In the business sector, businesses that create family-friendly policies and resources for parents can realize immediate benefits. Businesses can provide information and resources for parents in their employment. Parental leave at the birth of a child and on-site child care can strengthen the parent-child relationship, reducing the risk of maltreatment. Benefits such as health care for employees and dependents, living wages, and other financial stability resources can diminish stress that can trigger child abuse. Corporations can further contribute to a stronger workforce by supporting prevention efforts that reach even more children and families, through strategies such as early childhood home visiting, community mobilization efforts, and media campaigns. In these ways and more, businesses of all sizes can lead the way in developing and maintaining the kinds of communities in which we want to raise our children.

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<sup>1</sup> Gelles, R. & Perlman, S. (2012). *Estimated Annual Cost of Child Abuse and Neglect*. Chicago IL: Prevent Child Abuse America.

<sup>2</sup> Centers for Disease Control & Prevention. *Adverse Childhood Experiences*. Accessed 8/8/13 at [http://vetoviolence.cdc.gov/childmaltreatment/phl/resource\\_center\\_infographic.html](http://vetoviolence.cdc.gov/childmaltreatment/phl/resource_center_infographic.html).

<sup>3</sup> UNICEF Office of Research (2013). *Child well-being in rich countries: A comparative overview*. Innocenti Report Card 11. Florence, Italy: UNICEF Office of Research. Available at: [www.unicef-irc.org/publications/pdf/rc11\\_eng.pdf](http://www.unicef-irc.org/publications/pdf/rc11_eng.pdf).

<sup>4</sup> Axelrod, M. (October 2010). "Better Lives for Children Lead to a Better Climate for Business." Chicago IL: Prevent Child Abuse America. Available at: [www.preventchildabuse.org/images/docs/axelrod\\_wht\\_ppr.pdf](http://www.preventchildabuse.org/images/docs/axelrod_wht_ppr.pdf)

<sup>5</sup> Kelly, E., Kossek, E., Hammer, L., Durham, M., Bray, J., Chermack, K., Murphy, L., Kaskubar, D. (2008). Getting there from here: Research on the effects of work-family initiatives on work-family conflict and business outcomes. *Academy of Management Annals*, 2, 305–49. Available at: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2892913/>

