



THE ECONOMIC COST OF ADVERSE CHILDHOOD EXPERIENCES

There is no higher return on investment than that which protects the health and wellbeing of future generations.

We now know that Adverse Childhood Experiences (ACEs) are the single biggest predictor for later problems in adult health and wellbeing.¹

Across Europe and North America the long-term impact of Adverse Childhood Experiences (ACEs) on health and productivity is equivalent to 1.3 trillion dollars a year, according to a 2019 World Health Organization (WHO) co-authored paper, published in the *Lancet Public Health*². The cost is equivalent to a massive three per cent of the two regions combined Gross Domestic Product - or 1,000 dollars a year for every person in North America and Europe.

Adverse Childhood Experiences (ACEs) include being a victim of child maltreatment and being exposed to domestic violence, parental alcoholism and other severe forms of stress whilst growing up. The paper estimated that **as many as 319 million people aged 15 or over in Europe and 172 million in North America are currently living with a potentially health-corroding legacy of ACEs.**

Preventing ACEs across both regions would reduce pressure on health services from conditions including heart disease and cancer, as well as reducing the wider societal harms that arise from ACE related alcohol, drug use, anxiety and depression.

The paper found that ACEs are attributed to:

- **18.2 per cent of individuals smoking in Europe, and 23.7 per cent in North America - at an estimated cost of \$165 billion in Europe and \$160 billion in North America**
- **About 30 per cent of anxiety cases and 40 per cent of depression cases in North America, and more than a quarter of both conditions in Europe – at a combined annual cost of around \$51 billion in Europe and \$82 billion in North America**
- **More than a quarter of cases of respiratory disease in North America and about one-fifth of cases in Europe – at an estimated cost of \$99 billion in North America and \$47 billion in Europe**
- **Around 1 in 10 cancers in North America and Europe - at an estimated cost of \$95 billion in North America and \$117 in Europe**

Lead author of the paper, [Professor Mark Bellis](#), said:

“Individuals who suffer ACEs such as child maltreatment or domestic violence can pay a high price through life-long impacts on their health and economic prospects. As a society, though, we all pay for failing to tackle childhood adversity through its impacts on our health services, social systems and work force. All children deserve a safe and nurturing childhood, and our findings provide economic support for this, indicating that even a moderate 10 per cent reduction in the numbers suffering ACEs could equate to annual savings of \$105 billion per year.”

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In 2013 the UK government posed the question ‘How advisable is it for national or local policy-making bodies in the UK, with responsibility for child health or welfare, and control over spending, to switch investment more heavily to the early years?’³ It concluded:

“The short answer is there is general expert consensus that it is somewhere between economically worthwhile and imperative to invest more heavily, as a proportion of both local and national spend, in the very earliest months and years of life.”

Nine approaches to evaluating the outcomes of early years’ investment were reviewed in the associated report, with the following findings:

Every approach – even the most cautious and circumspect in its recommendations – **found that returns on investment on well-designed early years’ interventions significantly exceeded their costs.**

The benefits ranged from 75% to over 1,000% higher than costs, with rates of return on investment significantly and repeatedly shown to be higher than those obtained from most public and private investments.

Where a whole country has adopted a policy of investment in early years’ prevention, **the returns are not merely financial but in strikingly better health for the whole population.** The benefits span lower infant mortality at birth through to reduced heart, liver and lung disease in middle-age.

The logical links between the investments and the health benefits are described in the ‘Adverse Childhood Experiences’ (ACE) studies which reveal that **for every 100 cases of child abuse society can expect to pay in middle or old age for (amongst a wide range of physical and mental health consequences):**

- **one additional case of liver disease**
- **two additional cases of lung disease**
- **six additional cases of serious heart disease and**
- **16% higher rate of anti-depressant use**

None of these estimates, however, fully took account of the additional economic value of the knock-on effect that child abuse averted in one generation will itself result in a cumulative reduction in this dysfunction during future generations.

In 2017 the NSPCC calculated that the estimated average lifetime cost of non-fatal child maltreatment by a primary caregiver was £89,390 (with a 95% certainty that the costs fall between £44,896 and £145, 508).⁴

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And in the USA two influential reports ⁵⁶concluded that:

The estimated average lifetime cost per victim of nonfatal child maltreatment is \$210,012 in 2010 dollars, including \$32,648 in childhood health care costs; \$10,530 in adult medical costs; \$144,360 in productivity losses; \$7,728 in child welfare costs; \$6,747 in criminal justice costs; and \$7,999 in special education costs. The estimated average lifetime cost per death is \$1,272,900, including \$14,100 in medical costs and \$1,258,800 in productivity losses.

The total lifetime economic burden resulting from new cases of fatal and nonfatal child maltreatment in the United States in 2008 is approximately \$124 billion. In sensitivity analysis, the total burden is estimated to be as large as \$585 billion.

So the real question is not whether we can afford to invest in early childhood health and wellbeing, but whether we can afford not to

The Flourish Project focuses on the creation of values-based, ACES-informed and resilience-focused communities, cities and nations, within which everyone can be supported to flourish.

¹ Heckman, James <https://heckmanequation.org>

² Bellis M, Hughes K, Ford K, Ramos Rodriguez G, Sethi D, Passmore J, Life course health consequences and associated annual costs of adverse childhood experiences across Europe and North America: a systematic review and meta-analysis, www.thelancet.com/public-health Published online September 3, 2019 [http://dx.doi.org/10.1016/S2468-2667\(19\)30145-8](http://dx.doi.org/10.1016/S2468-2667(19)30145-8)

³ Wave Trust (2013) Conception to age 2 – the age of opportunity, Appendix 4

⁴ Conti G, Morris S, Melnychuk M, Pizzo E (2017) The economic cost of child maltreatment in the UK, NSPCC

⁵ Xiangming Fang, Derek S. Brown Curtis Florence and James A. Mercy - The Economic Burden of Child Maltreatment in the United States And Implications for Prevention, published in Child Abuse and Neglect 2012 Feb; 36(2): 156–165.

⁶ Haggerty RJ. Child health 2000: new pediatrics in the changing environment of children's needs in the 21st century. Pediatrics. 1995;96:804–812.

Additional Reading

UNICEF (2017) State of the World's Children Report

Stiglitz, J.E. (2012) The Price of Inequality: How Today's Divided Society Endangers our Future. W. W. Norton: London.

Wilkinson, R. and Pickett, K. (2009) The Spirit Level: Why More Equal Societies Almost Always Do Better. Allen Lane: London.