



### BACKGROUND

Over the past decade, the vast majority of states have made substantial progress in reducing reliance on incarceration to address behavior by the nation's youth, with a 45 percent decline in the number of youth committed in residential

placement between 2001 and 2011. While the juvenile justice field is making progress in reducing confinement, juvenile justice systems and the elected officials that oversee them are still making policy choices that rely on the most expensive, but the least effective, response to delinquency. The most recent data shows that 62 percent of youth committed and confined in 2011 were there for a nonviolent offense, and that for every one white youth confined that year, nearly three youth of color were confined.

The issue is not whether some young people will be confined. Some will. But new research questions whether the overuse of incarceration is inefficient, causes harm, and costs all of us too much.

The report documents the direct, state-by-state costs to incarcerate youth and, using new methodologies advanced by academics and researchers in the field, provides an estimate of the long-term costs of unnecessarily confining young people in secure facilities. The report shows that the

impact of confining youth is not limited to just economic or fiscal costs, and that the costs to taxpayers and policymakers are not justified by the outcomes.

### SIGNIFICANT FINDINGS:

**The most expensive confinement option for a young person, on average, can cost \$400 a day or nearly \$150,000 a year.**

In a survey of state expenditures on confinement in 46 states, the Justice Policy Institute (JPI) found that the average costs of the most expensive confinement option for a young person was \$407.58 per day, \$36,682 for three months, \$73,364 for six months, and \$148,767 per year. The data show that in 33 states and jurisdictions taxpayers can spend \$100,000 a year or more on a single young person's confinement. By contrast, community-based programming that can provide individualized, wraparound services based on the unique needs of each youth and that engage the family and connect the youth to neighborhood resources can cost much less – as little as \$75 per day.

**Each year, the U.S. incurs an estimated \$8-\$21 billion in long-term costs for the confinement of young people.**

While the direct costs taxpayers will spend on young people's confinement every day or every year are high, these direct costs are just the tip of the iceberg of the exorbitant price to young people, their families and communities; and everyone pays for policy choices that needlessly confine youth.

Each year, the U.S. incurs an estimated \$8-\$21 billion in long-term costs for the confinement of young people.

|  | Low end of range                | High end of range |
|--|---------------------------------|-------------------|
|  | <i>Billions of 2011 Dollars</i> |                   |
| <b>Cost of recidivism</b>                        | \$0                             | \$7.03            |
| <b>Lost future earnings of confined youth</b>    | \$4.07                          | \$7.60            |
| <b>Lost future government tax revenue</b>        | \$2.07                          | \$3.87            |
| <b>Additional Medicare and Medicaid spending</b> | \$0.86                          | \$1.50            |
| <b>Cost of sexual assault on confined youth</b>  | \$0.90                          | \$1.37            |
| <b>Total, all costs</b>                          | <b>\$7.90</b>                   | <b>\$21.47</b>    |

**The modest silver lining of the youth deincarceration trend: Billions saved.**

The “youth deincarceration” trend has coincided with a decrease in crime and with policy changes in juvenile justice. Absent policy change and the crime trends, the estimated costs for youth confinement could have been much, much higher. JPI estimates that had the 45 percent decrease in the number of youth confined nationwide never occurred, the estimated costs for victims and taxpayers as a result of the confinement of young people might have been in the range of \$14 billion to \$39 billion.

JPI provides an estimate of the long-term costs of unnecessarily confining young people in secure facilities. The new estimate includes the cost to victims and taxpayers of recidivism related to the experience of confinement, the cost of lost educational opportunities and its implications on young people’s ability to work, pay taxes, their reliance on public assistance, and the cost when young people are more likely to come into harm’s way while confined. JPI estimates that the full cost of policies that needlessly confine young people include as many as 147,000 young people a year—a population that is 3.5 times larger than the number counted in a single, one day snapshot.

In total, the long-term costs of young people’s confinement may add up to an additional \$8 billion to \$21 billion each year, beyond the hundreds of thousands of dollars states and localities spend directly to confine young people.

The range in the estimates reflects the deep need for more scholarship in this area to help improve policymakers’ ability to know more precisely the negative impact and cost of confinement on young people’s lives and on our communities.

## RECOMMENDATIONS

As policymakers look at the use of confinement in their jurisdictions, they should also look for ways to keep young people out of the system entirely by making bigger investments before youth become justice involved, reduce their length-of-stay in confinement, and develop appropriate community-based options that can hold youth accountable and enhance public safety.

Key recommendations JPI offers to policymakers include:

- 1) ***Reduce spending on confinement and shift funding to community-based options for youth.*** Policymakers should shift public dollars away from the most restrictive, most expensive options to community-based options for treatment and supervision that keep young people at home or close to home.
- 2) ***Invest appropriately in juvenile justice, particularly in the right parts of the youth-serving system.*** Given the huge costs associated with incarceration, policymakers should invest more in diversion and primary prevention. The adolescent development research suggests that young

people engage in delinquency because it is normative, and services need to be delivered consistent with this research and for the right amount of time.

- 3) ***Address all the barriers that exist to reducing reliance on confinement in states and localities.*** In every state, policymakers should identify barriers to reducing needless reliance on confinement, consistent with the evidence, best practices, and what can be learned from other jurisdictions.
- 4) ***Improve system capacity to measure recidivism and track positive outcomes.*** Drawing upon a series of emerging new practices, policymakers should explore ways to develop a standard definition of recidivism that would allow for consistency from jurisdiction to jurisdiction.
- 5) ***Develop consistent standards for measuring per diem and confinement costs from place to place.*** Policymakers should explore ways to develop a standard definition of per diem and annual costs that would allow for consistency from place to place.
- 6) ***Expand executive and legislative capacity to develop cost-benefit analysis.*** Policymakers should consider expanding the mandate of their legislative and executive research arms to include cost-benefit analysis in their review of juvenile justice policy.
- 7) ***Expand research opportunities to study the long-term costs of confinement and juvenile justice system contact.*** Policymakers need a more comprehensive picture of the long-term costs of needlessly and inappropriately relying on youth incarceration and out-of-home placement. Policymakers should provide more resources for research that could transform the field, save taxpayers money, and help young people.

## ABOUT THE RESEARCH

### Developing the estimates of the long-term impacts and costs of confinement

The estimates of each negative outcome on confinement (e.g., lack of educational attainment, and reduced earning as a result) were calculated by multiplying:

- **The impact of the negative outcome:** the net impact of youth incarceration on the negative outcome (i.e., the percentage of incarcerated youth affected);
- **The cost:** the cost of the negative outcome per incarcerated youth expressed in terms of 2011 dollars; and
- **The number of youth incarcerated:** the number of youth who experienced incarceration in 2011, and who flow through the system (147,000 youth).

The impacts of youth incarceration used in the estimates were drawn from academic studies that used the most sophisticated statistical methods to isolate the impact of incarceration from other factors (e.g., challenges in schools in the community) that also affect the negative outcome. Since results in those studies varied, estimates of ranges of costs, rather than a single estimate, were made. Costs per outcome per youth (e.g., lost earnings due to failure to complete high school) were also taken from previous academic studies. The number of youth confined during 2011 was estimated from the federal *Census of Juveniles in Residential Placement* and *Juvenile Court Statistics*. Other data used in the cost calculations were drawn from other federal government sources (e.g., the *Consumer Price Index*).

### **Collecting direct per day and annualized costs of confinement**

Direct costs of confinement were collected from 46 states and jurisdictions based on what state juvenile corrections departments said were their per diem or annual costs (such as, through a direct communication with a juvenile director head or their designate), or retrieved from an agency annual report or legislative document (such as a budget document). The 46 states or jurisdictions from which information was collected to develop an average per day or per year cost represents 93 percent of the population of the United States in 2013 and 86 percent of committed youth in out-of-home placements in 2011. When a state or juvenile correctional system provided more than one cost of confinement, the most expensive is listed. Calculations of direct expenditures for 90 days (three months), 180 days (six months), and a year (365 days) were created based off of either an annual cost or the per day costs reported. These calculations were included to reflect the emerging consensus that if young person is in a secure facility, it should be for the shortest period of time possible to reduce harm to the youth and save money.

### **Using other research and information to inform the analysis**

*Sticker Shock: Calculating the Full Price Tag for Youth Incarceration* draws upon research, data and information from U.S. Justice Department agencies, such as the Office of Juvenile Justice and Delinquency Prevention, the Bureau of Justice Statistics, the Bureau of Justice Assistance, the

National Institute of Justice, and other federal agencies, such as the National Research Council of the National Academy of Sciences, the National Center for Education Statistics and the National Bureau of Economic Research. *Sticker Shock* draws upon peer reviewed academic research published in the *Journal of Quantitative Criminology*, *American Sociological Review*, *Sociology of Education*, *Journal of Urban Economics*, the *Journal of Emotional and Behavioral Disorders*, and academic research funded by federal agencies. Data, information, and research profiled in *Sticker Shock* were also published by nonprofit research organizations, universities, and foundations, such as Californians for Safety and Justice, National Council on Crime and Delinquency, the John Jay College of Criminal Justice Research and Evaluation Center, Youth Advocate Programs, the W. Haywood Burns Institute, and the Council of State Governments.

While all estimates, inferences and the way information is characterized are the *sole* responsibility of JPI, the research was reviewed at various stages by individuals in the field, including individuals that work with the Council of State Governments, National Center for Juvenile Justice, staff or former staff of the Vera Institute of Justice, and staff or former staff of juvenile corrections departments, and academics in the field of criminology, economics and juvenile justice.

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Justice Policy Institute is a national nonprofit organization that changes the conversation around justice reform and advances policies that promote well-being and justice for all people and communities. To read the full report, *Sticker Shock: Calculating the Full Price Tag for Youth Incarceration*, please visit [www.justicepolicy.org](http://www.justicepolicy.org) or contact us at Justice Policy Institute 1012 14th St. NW, Suite 400 Washington, DC 20005 Phone: (202) 558-7974 or at [info@justicepolicy.org](mailto:info@justicepolicy.org).