

ANNA, AGE EIGHT

Understanding the economic costs of Adverse Childhood Experiences (ACEs): Implications for New Mexico

ACEs include the following ten behaviors: physical neglect, emotional neglect, physical abuse, emotional abuse, sexual abuse, and living in households where adults misuse substances, have mental health challenges, are violent to partners, parents are separated, or a family member is incarcerated.

The more ACEs endured, the more likely one is to have emotional, educational and physical challenges¹—and all these challenges have financial implications for taxpayers.

The following costs are a starting point for a much broader state dialogue about the costs associated with the ten ACEs.

The lifelong costs of childhood toxic stress are enormous, as manifested in adverse impacts on learning, behavior, and health.²

ACEs and Mental Illness: There is a correlation between ACEs and mental health challenges,^{3,4} which can impact school achievement and employment.

Child Welfare System: ACEs result in child welfare involvement with costs related to funding a multimillion-dollar agency, and their partners in law enforcement and the judicial system.⁵ ACEs contribute to Juvenile Justice involvement,⁶ incurring further costs.

School Dropout and Underemployment: ACEs can impact a student's capacity to learn, leading to poor academic achievement and drop out.⁷ High school dropouts find fewer job opportunities and experience a higher poverty rate than those with college degrees. While there is no direct link between dropping out and prison, for dropouts between the ages of 16 and 25, incarceration rates were 63 times higher than among college graduates.⁸

Substance Misuse: Those with higher ACEs scores are at risk for substance misuse, leading to injury and illness (with costs related to DWI, hospitalization and substance overdose death). In 2007, prescription opioid misuse and dependence cost New Mexico \$890 million.⁹

Impact on Employers: ACEs can lead to various forms of mental health challenges and substance use which cost employers, nationally, an estimated \$225.8 billion each year. The largest indirect cost of mental illness comes in the form of absenteeism, or missing work, and presenteeism, or working while sick.¹⁰

Conclusion and Recommendations

The financial costs associated with ACEs are significant in the public and private sectors. Further research should be supported and on-going. The implementation of data-driven and cross-sector prevention strategies customized for each county is strongly recommended.

This document was developed by Katherine Ortega Courtney, PhD and Dominic Cappello, authors of Anna, Age Eight: The data-driven prevention of childhood trauma and maltreatment and developers of the Data Leaders for Child Welfare program.

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