



# The Economic Cost of Adverse Childhood Experiences (ACEs)

Adverse Childhood Experiences (ACEs) are traumatic events such as child abuse/neglect or having a caregiver experiencing substance use, mental health issues, family violence, or incarceration. Research has shown that severe and chronic adversity can disrupt a child’s neurodevelopment and increase the likelihood of negative health, behavioral, education, and economic outcomes.



**A 10% reduction in ACEs could save \$65 billion annually in disability-adjusted life-years across the US.<sup>i</sup>**

## Prevalence of ACEs in Texas

The National Survey of Children’s Health administered by the federal Health Resources and Services Administration (HRSA), offers the most comprehensive data available on the prevalence of ACEs in Texas; however, because their survey is based on parent self-report and does not include questions about child abuse and neglect, even these numbers likely underestimate the actual incidence of ACEs.

Questions Taken from the Original ACE Study	%	Population Estimate
Parent or guardian divorced or separated	25.8	1,809,973
Parent or guardian served time in jail	7.1	494,521
Saw or heard parents or adults slap, hit, kick, punch one another in the home	6.0	418,843
Lived with anyone who was mentally ill, suicidal, or severely depressed	9.8	684,684
Lived with anyone who had a problem with alcohol or drugs	8.4	582,042
Additional ACEs Questions Identified by National Survey of Children’s Health		
Parent or guardian died	3.2	228,544
Was a victim of violence or witnessed violence in his or her neighborhood	4.4	307,855
Treated or judged unfairly because of his and her race or ethnic group	5.0	347,730
Parent or guardian has a tough time covering food and housing on the family’s income (somewhat often)	12.4	891,052
Parent or guardian has a tough time covering food or housing on the family’s income (very often)	4.3	309,404



**In Texas, over 19% of children have experienced two or more ACEs before their 18<sup>th</sup> birthday, approximately 1.4 million Texas children. These traumas can impact children throughout their lifespan as well as future generations and the economic strength of Texas.**

For more information on ACEs in Texas, check out our recently published [ACEs one-pager](#) and report [ACEs in Texas](#).

## Economic Impact of Adverse Childhood Experiences

ACEs impact multiple systems:



### Child Maltreatment

- The lifetime cost of **non-fatal child maltreatment** is estimated to be **\$830,928 per victim** and the cost of **fatal child maltreatment** is estimated to be **\$16.6 million per victim**.<sup>ii</sup>
- In the US, the total economic cost of substantiated cases of child maltreatment is estimated to be **\$428 billion annually**.<sup>iii</sup>
- First-time child maltreatment is estimated to have cost the **US \$5.9 trillion in lifetime spending**, \$2.7 trillion in lost GDP, and 27.9 person-years of employment in 2014 alone.<sup>iv</sup>
- A 2014 study in Texas estimated the combined impact of lifetime social costs and lost earnings stemming from **non-fatal child maltreatment to be \$205 billion**.<sup>v</sup>
- TexProtects estimates that **the lifetime costs** associated with confirmed child maltreatment in Texas in 2019 alone **is \$52.9 billion**.<sup>vi</sup>
- The **Child Protective Services budget** was **\$1.9 billion in FY 2020**. That budget has increased by over \$800,000 over the last decade.



**In 2019, there were 67,313 confirmed cases of child abuse and neglect in Texas and 251 child abuse/neglect-related fatalities. Most were under age 3. Much abuse goes unreported.**

### Health

- When children experience multiple negative events, their bodies can be flooded with stress hormones, setting the stage for later health problems like **heart disease, diabetes, or depression**.
- Exposure to ACEs is associated with increased prevalence of costly health conditions such as arthritis, asthma, COPD, cardiovascular disease, and depression **and** health-related risk factors such as **heavy drinking, lifetime smoking, and obesity**.<sup>vii</sup>
- Annual healthcare **costs** attributable to ACEs in the US are **approximately \$748 billion**, with 82% of these costs resulting from individuals with two or more ACEs.<sup>viii</sup>



National costly risk factors associated with ACEs include:

- ❖ illicit drug use, \$168 billion in costs attributable to ACEs annually;
- ❖ smoking, \$160 billion annually;
- ❖ harmful alcohol consumption, \$73 billion annually; and
- ❖ obesity, \$65 billion annually.<sup>ix</sup>



**Texas already has some of the highest rates of obesity, diabetes, and cardiovascular disease in the country. It is estimated that the treatment of chronic diseases in Texas could cost up to \$166 billion per year.**

**Over half a million Texas children with two or more ACEs have at least two lifelong health conditions (ex. asthma, heart conditions, anxiety/depression, etc.)**

### Education & Employment



Individuals with **three or more ACEs are 1.53x more likely not to graduate from high school.** Individuals with four or more ACEs are 2.34x more likely to not graduate from high school compared to having no ACEs.<sup>x</sup>



Individuals with three or more ACEs, compared to those with none, are more than **twice as likely to be unemployed.**<sup>xi</sup>



**Approximately 104,000 Texas high school students dropped out during the 2018-2019 school year.**<sup>xii</sup>

### Economic Stability



Research shows that preventing ACEs may reduce trauma within families and improve their later financial outlook.<sup>xiii</sup>



Having four or more ACEs, compared to having none, is associated with being 1.6x more likely to live in poverty as an adult.<sup>xiv</sup>



**In 2019, about 1.5 million Texas children were living in poverty.**

**Compared to other states, Texas ranks 40<sup>th</sup>/50 in the United States for the overall poverty rate.**

### State Costs Due to ACEs



In Alaska, some analyses have estimated state-level costs incurred as a result of ACEs are associated with more than \$775 million in annual costs to the state from adult Medicaid use, smoking, diabetes, binge drinking, arthritis, and obesity.<sup>xv</sup>



In Tennessee, in 2017, ACEs were associated with a total annual cost to the state of \$5.2 billion due to medical costs and productivity losses.<sup>xvi</sup>



**By affecting health outcomes and behaviors, ACEs increase healthcare costs in taxpayer funded programs such as Medicaid/Medicare, raise employers' costs for healthcare and productivity loss, and shrink earnings for employees who miss work.**<sup>xvii</sup>

## Conclusions

Texas currently lacks a strategic, cross-agency and coordinated approach to preventing and mitigating the effects of childhood adversity. As a result, state investments may be ineffective, inefficient, and fail to address the root causes in a transformational way.

Texas must view ACEs as a multisystemic public health issue. When children and youth experience serious adversity, we have a shared responsibility to buffer the impact. Prevention strategies can reduce the prevalence and impact of ACEs and increase a child's opportunity for cognitive and emotional development, health, productivity, and economic wellbeing.



In the 87th Texas legislative session, [HB 3493](#) and [SB 1528](#) have been introduced to require the development of a strategic plan by DFPS to improve prevention and early intervention services, including developing an inventory of programs and services that contribute to the prevention of child abuse, neglect, and other ACEs.

This legislation focuses on how Texas can be more efficient and effective in preventing ACEs. Prevention and early intervention programs can relieve families' pressure, helping to head off childhood adversity before it happens. TexProtects is proud to champion these important bills for Texas children.

## For More Information

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