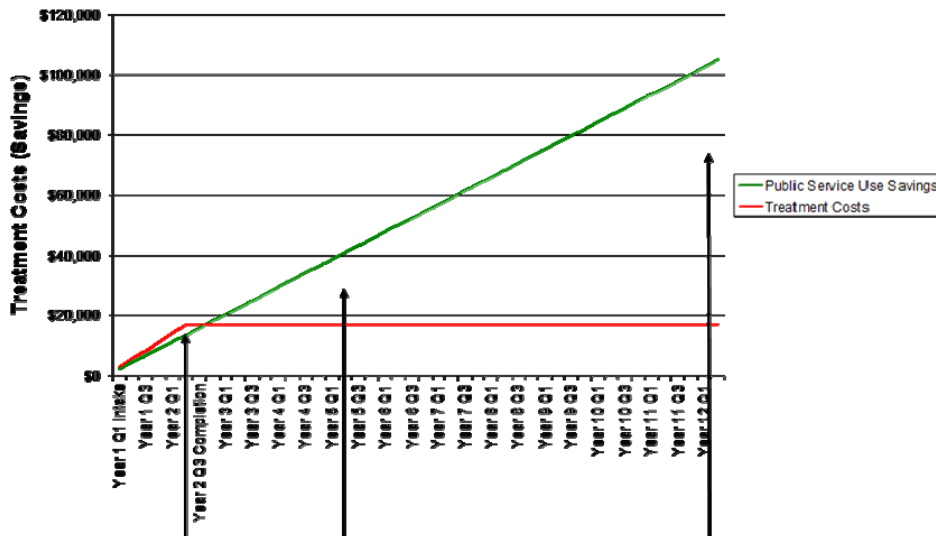




Cost-Benefit Analysis

Individual Cumulative Treatment Costs versus Public Service Use Savings



At Program Completion:	3 years Post-Completion:	10 years Post-Completion:
Public Service Use Savings: \$15,983	Public Service Use Savings: \$41,112	Public Service Use Savings: \$105,064
Treatment Costs: \$17,064	Treatment Costs: \$17,064	Treatment Costs: \$17,064
Ratio: 0.93 cents (saved) \$1 (spent)	Ratio: \$2.50 (saved) \$1 (spent)	Ratio: \$6 (saved) \$1 (spent)

THE CONCEPT:

Cost-benefit Analysis provides evidence for program financial accountability, and optimal resource allocation.

“How much money are you saving through analysis of outcomes?”

By associating cost and/or benefit with changes in specific outcomes, the overall ratio of savings provided to stakeholders versus cost of services can be calculated. To the right we show this with an example from a consumer within one of our criminal justice programs. Here we show that at completion of the program \$0.93 was saved for stakeholders for each \$1 in treatment spent, at three years post-completion it is \$2.50 saved for each \$1 spent on treatment. These numbers allow us to provide feedback on both the program outcomes and cost efficiency of the programs. Thus allowing for more informed allocation of service resources.

Benefits of Cost-Benefit Analysis:

- **Program Justification:** Supports implementation and continuation of programs by showing stakeholders the overall benefit of their investment.
- **Public Relations:** Cost-Benefit analyses provide the perfect mechanism to display a programs fiduciary results.
- **Optimize Resource Allocation:** Allocate resources to more efficient programs, thereby increasing services provided while decreasing costs.

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