Safe Babies
A Program of ZERO TO THREE™

Summary of **New Benefit-Cost Study** of the **Safe Babies Approach**

ZERO TO THREE
Early connections last a lifetime

INTRODUCTION

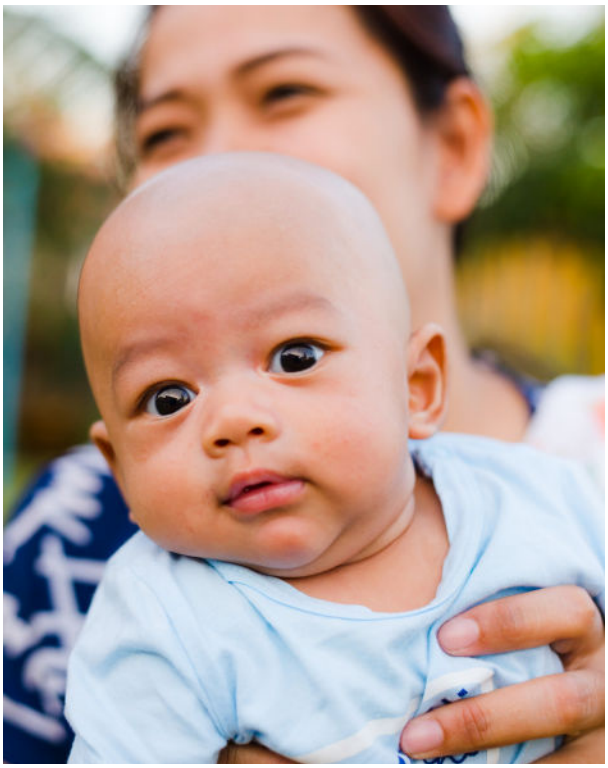
A new benefit-cost study from the Center for State Child Welfare Data, Chapin Hall assesses the potential impact of implementing ZERO TO THREE's Safe Babies approach. Children under the age of 3 enter the child welfare system more than any other age group.[1] Moreover, infants and toddlers spend more of their childhood in out-of-home care than children who enter care later in life.[2] Investments that improve the quality of care for this population are essential because of their impact on well-being, especially if such investments provide a positive return measured as less time spent in foster care. Results of this study demonstrate that states investing in the Safe Babies approach may realize significant economic benefits to their child welfare systems — projected at up to $18.9 million when implemented over a five-year period, depending on the size of the program and other considerations.

1. Children's Bureau. (2024 March 13). AFCARS Report #30. U.S. Department of Health and Human Services, Administration for Children and Families. https://www.acf.hhs.gov/sites/default/files/documents/cb/afcars-report-30.pdf
2. Wulczyn, F. (2020). Foster care in a life course perspective. The Annals of the American Academy of Political and Social Science, 692(1), 227–252. https://doi.org/10.1177/0002716220976535

Key Findings

- Under various scenarios, Safe Babies has either a positive benefit-cost comparison (i.e., the benefits exceed the costs) or a neutral impact.
- Even small reductions in length of stay can produce large financial benefits that offset the increased cost of implementing Safe Babies. This is particularly true when done at scale, as demonstrated in the report's modeling of the potential impact of Safe Babies at the state level for all children from birth to age 3 in foster care, which found a potential savings of $18.9 million over five years.
- The fiscal impact of Safe Babies depends on local context for the outcomes of interest, including the baseline length of stay, the state's foster care per diem rate (including administrative costs), and local implementation choices that affect the per diem or per child cost of operating Safe Babies.
- The size and direction of the fiscal impact is sensitive to several key factors, including the local length of stay, the local unit cost of foster care, the local cost of adding Safe Babies to the service mix, and the expected impact on time in care.

National evaluation studies demonstrate wide-ranging benefits of implementing the Safe Babies approach, including reduced time spent in foster care for infants and toddlers, reduced time to permanency, prevention of repeat maltreatment, timely connection to community services, and increased reunification rates. However, this benefit-cost study focuses solely on the fiscal implications of reducing the time that infants and toddlers spend in foster care. Although this conservative approach may not capture all the economic benefits that Safe Babies produces, it does provide important information to policymakers on what is often a major cost driver in the child welfare system — time spent in foster care.



WHY THIS COST BENEFIT ANALYSIS IS IMPORTANT

In state fiscal year 2020, spending on child welfare collectively totaled $15.9 billion in state and local funds, approximately 42 percent of which was allocated to out-of-home care, including foster care.[3] Yet despite these significant investments, rigorous research that quantifies the costs and benefits of child welfare program spending for this age group is quite limited. This new study builds upon existing research, including new perspectives about the costs of implementing the Safe Babies approach and the fiscal impact arising from reductions in how long infants and toddlers spend in foster care.

Given that the Safe Babies approach continues to expand into new states and communities, a rigorous study provides insights for states interested in initial implementation or scaling up. State leaders interested in making cost-effective investments in our youngest children can use the study results to better understand the factors influencing the return on investment from implementing Safe Babies.

3. Rosinsky, K., Fischer, M., Haas, M. (2023 May). Child Welfare Financing SFY 2020. Child Trends. https://cms.childtrends.org/wp-content/uploads/2023/04/ChildWelfareFinancingReport_ChildTrends_May2023.pdf

HOW THE STUDY COMPARES COSTS AND BENEFITS

The study uses four data elements to determine whether the benefit received from implementing Safe Babies (reduced length of stay in foster care) exceeds the cost of implementation:[4]

- Cost of Safe Babies at the site level measured as a per diem cost or on a per child basis
- State foster care per diem rates (all-inclusive costs should include administrative costs borne by the state)
- Length of stay in foster care (for 0- to 3-year-olds)
- The research-based Safe Babies length of stay effect size estimate

Using this information, the study addresses three key questions:

What is the cost of implementing Safe Babies?

The study compares the cost of operating Safe Babies in a site (foster care plus Safe Babies) to the cost of operating foster care without Safe Babies. Two primary costs are considered:

- **Cost of Safe Babies at the site level.** Researchers collected actual operating cost data using an ingredients approach to calculate each site's unique daily rate to serve a child. The study looks at the costs from three Safe Babies sites, which were selected based on the number of children served, geographic location, and available comparison data. Among the study sites, costs ranged from $20 per day to $53 per day, with an average daily cost of $34.
- **Cost of foster care in the state.** Also known as the foster care per diem rate, this cost includes administrative costs borne by the state.[5] The range of per diem costs used for this study were $75, $85, and $95 based on prior research.[6]

4. At their discretion, states may choose to include additional costs or benefits to the child welfare system or other systems that serve families in child welfare, including health and mental health.

5. Throughout the paper, references to state foster care costs include administrative costs of operating the program.

6. For the simulations, Chapin Hall adopted a per diem rate of $85 based on information received from states and their own experience analyzing state cost data. An $85 per diem rate is similar to the rate reported elsewhere.

What are the benefits produced through implementing Safe Babies?

The study compares the cost of foster care with Safe Babies to the cost of foster care alone (i.e., business as usual) given a reduction in time spent in foster care attributable to Safe Babies. This reduction in length of stay, also known as the effect size, is taken from prior evaluations which found that Safe Babies reduces the length of stay in foster care for children ages 0 to 3 by 28%.[7] The reduction in the length of stay leads to a reduction in the number of days children spend in out-of-home care, which is then monetized to determine the benefit. For this part of the calculation, two additional factors are considered:

- **Length of stay for children in foster care in the state.** Length of stay varies significantly by state, which affects the cost-benefit analysis. For example, a 10-percent reduction in a state where the length of stay is 700 days has a larger impact (70 days) than a similar reduction when the average length of stay is 400 days (40 days).
- **Length of stay in foster care for Safe Babies.** To estimate the impact Safe Babies has on the time that children spend in foster care, the study relied on prior evaluations, which demonstrated a reduction of 28%.

Under what circumstances is Safe Babies a strong investment?

The cost of operating Safe Babies alongside the foster care program is compared with the cost of foster care alone. The difference defines whether Safe Babies has a positive, neutral, or negative impact on foster care spending.

> *"The results show that under various scenarios, Safe Babies has a positive benefit-cost comparison.*
>
> —Fred Wulczyn, Center for State Child Welfare Data, Chapin Hall

7. Casanueva, C., Williams, J., Kluckman, M., Harris, S., & Fraser, J. G. (2024). The effect of the ZERO TO THREE Infant-Toddler Court Teams on type and time of exits from out-of-home care: A new study ten years after the first competing risks analysis. Children and Youth Services Review, 156, 107327. https://doi.org/10.1016/j.childyouth.2023.107327

ESTIMATING THE RETURN ON INVESTMENT OF SAFE BABIES AT THE POPULATION LEVEL

To understand the potential impact of Safe Babies on state foster care spending, the research team ran a simulation model that projects the number of children in care each year given the rate of discharge that is estimated using historical data. The population data is then converted into the annual number of care days. The care days times the per diem rate annualize the spending under the business-as-usual assumptions. The baseline results are then compared with a similar calculation that uses an accelerated rate of discharge. The resulting impact on the foster care population census and state spending over a five-year period is shown in **Table 1**. The simulation, which started with a population of 1,091 children ages 0 to 3 in foster care, found that by year five, 146 fewer children would be in foster care, with overall savings to the system of $18.9 million.

Table 1: Projected Impact of Safe Babies at Population Level, Over Five-year Timeframe

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Baseline (Business as Usual): Projected state costs and annual population for all children in foster care ages 0-3; exit rate from care is held constant and based on historical data	Total Costs	$30,943,788	$30,618,777	$30,808,945	$31,453,418	$32,125,955	$155,950,883
	0-3 Population	1,019	992	994	1,003	1,031	
Baseline + Safe Babies: Projected state costs and annual population of children in foster care with Safe Babies for all children ages 0-3; uses 30% exit rate from care based on Safe Babies outcomes research	Total Costs	$29,062,670	$27,057,238	$26,715,636	$26,960,981	$27,230,980	$137,027,505
	0-3 Population	1,019	900	874	872	885	
Cost Differential: Projected changes in foster care population and spending across 5 years	Total Savings	$1,881,118	$3,561,539	$4,093,309	$4,492,436	$4,894,975	$18,923,378
	0-3 Population	0	-92	-120	-131	-146	

> *Even small reductions in length of stay produce large financial results that favor increasing costs with Safe Babies on the one hand while lowering the time spent in foster care on the other.*
>
> — Fred Wulczyn, Center for State Child Welfare Data, Chapin Hall

ESTIMATING THE IMPACT OF SAFE BABIES AT THE SITE LEVEL UNDER VARYING CONDITIONS

To better understand the potential impact of Safe Babies at the site level, the research team generated cost-benefit scenarios that vary by the cost of providing Safe Babies, length of stay in foster care, and state per diem foster care rates. The site-level model uses realistic parameters to show when Safe Babies is most likely to be cost-effective based on different state conditions.

The results show that the size and direction of the fiscal impact is sensitive to several key factors.[8] For example, **Table 2** demonstrates a site where the average length of stay for children in foster care is 683 days, the daily cost of foster care is $85, and the daily cost of providing Safe Babies is $28. In this case, the per child cost differential is $2,486, meaning there is a positive financial return on investment. If the cost of providing Safe Babies is $22.40 per day, then the cost differential increases to $5,240. If the Safe Babies cost is $33.60 per day, the cost of foster care plus Safe Babies is slightly more expensive than foster care alone.

Table 2: Benefit-Cost Analysis of Safe Babies at the Site Level

Daily Cost of Safe Babies :	$28 per day	80% of $28 per day	$34 per day
Baseline			
Number of children served	100	100	100
Average length of stay	683	683	683
Total days used	68,300	68,300	68,300
Daily rate for foster care	$85	$85	$85
Foster care spending	$5,805,500	$5,805,500	$5,805,500
Cost per child - foster care	$58,055	$58,055	$58,055
Safe Babies Effect			
Total days used	49,176	49,176	49,176
Safe Babies cost per day	$28.00	$22.40	$33.60
Foster care spending	$4,179,960	$4,179,960	$4,179,960
Cost per child - foster care	$41,800	$41,800	$41,800
Cost per child - Safe Babies	$13,769	$11,015	$16,523
Cost per child - total	$55,569	$52,815	$58,323
Net Difference Per Child	**$2,486**	**$5,240**	**-$268**

> *Instead of relying on a single benefit-cost estimate, it is more realistic to expect multiple estimates that differ depending on the implementation site. The prospective model offers a framework for identifying localities that present ripe opportunities for implementing Safe Babies.*
>
> — Fred Wulczyn, Center for State Child Welfare Data, Chapin Hall

8. The study analyzes several scenarios to examine the benefit-cost sensitivity as a function of the daily Safe Babies cost. The study tests the benefit-cost calculation using three daily rates: $28 per day, 80% of $28 per day, and the all-site average of $34 per day. The study also assumes a program size (100 children) that is slightly larger than the programs that were observed. The average length of stay used for all three scenarios is 683, which is in line with how long infants and toddlers spend in foster care in a typical state.

ACKNOWLEDGEMENTS

ZERO TO THREE deeply appreciates Ballmer Group for its generous support of our work to scale the Safe Babies approach. We'd like to especially thank Connie Ballmer for her vision and commitment to transforming the child welfare system so that all babies thrive. Ballmer Group is committed to improving economic mobility for children and families in the United States, funding leaders and organizations that have demonstrated the ability to reshape opportunity and reduce systemic inequities.

The Safe Babies Policy Team provides technical assistance to help inform state policy efforts that strengthen families, particularly those facing significant stressors such as poverty, housing instability, substance use and mental health concerns. Our work includes research, policy tracking, analysis of funding sources, published tools and resources, and individualized training and support related to policy and sustainability. For questions, please reach out to safebabies@zerotothree.org.

