

Review

The economic impact of crime prevention and rehabilitation of inmates

Background and objectives:

- Public expenditure on crime prevention and rehabilitation programmes is typically considered merely to be an expense in public budgets in Denmark. However, the expenditure on such programmes could also be considered an investment if the programmes have beneficial effects that can be documented through scientific impact evaluations.
- The aim of the report is to describe the expansion of a cost-benefit model, the Socio-Economic Investment Model (*Den Socialøkonomiske Investeringsmodel*) which has been expanded to allow for a cost-benefit analysis of programmes targeting inmates.

Research design:

- The Socio-Economic Investment Model is a cost-benefit model that calculates the economic impact of programmes which increase the share of certain groups of disadvantaged or vulnerable citizens who reach a certain predefined success criterion as compared to similar citizens who do not reach this success criterion.
- The Socio-Economic Investment Model includes statistical estimates of the difference in use of public services and activities between prisoners who reach one of these success criteria and prisoners who do not.
- The Socio-Economic Investment Model converts these estimates into economic terms through estimated average prices for each service and activity.
- The cost-benefit calculations of specific programmes targeting inmates are based on programmes from Sweden and Finland as no relevant impact evaluations exist in Denmark yet.

Findings:

- The Socio-Economic Investment Model estimates the positive economic impact of one inmate
 - receiving no new convictions of crime committed in the two first years following release from prison at DKK 505,300 after ten years as compared to other inmates who do not reach this success criterion.
 - receiving no new prison sentences for crime committed in the two first years following release from prison at DKK 764,000 after ten years as compared to other inmates who do not reach this success criterion.
 - participating in work or education for more than half of the first year following release from prison at DKK 556,800 after ten years as compared to other inmates who do not reach this success criterion.
- The Swedish programme *Utökad Frigång* is an intervention that lets prisoners serve the last part of their sentence at home with an ankle monitor if they work, attend education or receive treatment. Impact evaluations show that this prevents new crime. Using the Socio-Economic Investment Model, we estimate that the effect of this is a positive economic impact of DKK 47,200 after ten years for each participant in the intervention. If the amount saved by letting prisoners serve the initial sentence at home rather than in prison is taken into account, the positive economic impact is estimated at DKK 265,100 after ten years for each participant.
- Finnish inmates have the possibility to participate in educational programmes while serving their sentence. An impact evaluation shows that inmates who complete education while serving their sentence are more likely to obtain employment or continue their education after their release. Using the Socio-Economic Investment Model, we estimate that this effect provides a positive economic impact of DKK 21,200 for each participant

after ten years. These calculations do not include expenditure on the educational programmes and are break-even estimates of what could be spent on the programmes without resulting in a net deficit.