LEGISLATIVE BRIEF: ECONOMIC BENEFITS OF OREGON RELIEF NURSERIES

Analysis of similar programs indicate Oregon's Relief Nurseries provide lifecycle benefits to the state and its participants.

OVERVIEW

The Oregon Legislature has committed to funding the Oregon Association of Relief Nurseries (OARN) for more than four decades. OARN supports the state's network of Relief Nurseries. Relief Nurseries provide therapeutic classrooms (TECP), home visiting, and parental education services to high-risk families with the goal of preventing or reducing the amount of time children spend within the child welfare system.

This brief describes an ECONorthwest analysis that quantified potential lifecycle benefits—increased future employment, and public sector cost savings such as reductions in child maltreatment—associated with Relief Nursery services.

Currently, there is no formal, long-term evaluation of Oregon Relief Nurseries, which would be necessary to definitively establish the benefits of the program. Therefore, the following analysis and calculations rely on existing, rigorous research on programs that provide similar services.[2]

OARN Mission
The Oregon Association of Relief Nurseries supports, strengthens, and develops Oregon's network of independent Relief Nurseries to maximize family resilience and prevent the abuse and neglect of young children.

OARN Vision
For all children in Oregon to thrive in safe, nurturing, and stable families.[1]

OARN

In FY 2021-22, Relief Nurseries served
1,722 Families
2,306 Children
Ages 0 to 6
(average age 2 years)
~50% participated in TECP

KEY FINDINGS

» **Existing research on programs that offer services similar to Relief Nurseries indicate significant benefits to participants and society** due to improvements in educational outcomes, reductions in child abuse and neglect, reductions in crime, and other outcomes.

» **Relief Nursery services could provide a return of between $2 and $4 for every dollar spent.** About 38 percent of the total accrue to taxpayers, due to reduced need for public services and increased future taxes paid by program participants.

» **Research indicates that programs similar to Oregon's Relief Nurseries reduce participants' engagement with child welfare services, including foster care placements.** Our analysis suggests the current value of each potential foster care placement avoided through Relief Nursery services could be between $60,318 and $76,870.

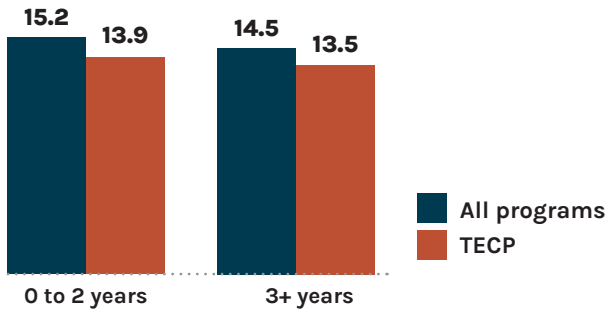1   OARN: About OARN. See https://www.oregonreliefnurseries.org/about-oarn/
2   A comprehensive, long-term evaluation of a comprehensive set of outcomes for Relief Nursery participants, paired with an economic analysis of these outcomes could lead to different results.

Relief Nurseries offer families education and intervention strategies to help mitigate overwhelming stressors.
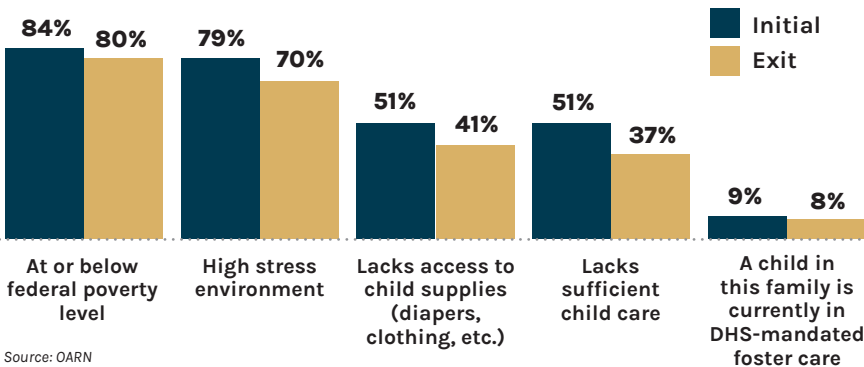
HIGH STRESS ENVIRONMENTS

The majority of children and families receiving Relief Nursery services face substantial stressors, including underemployment and unemployment, mental health and addiction, and others—overall, families enter Relief Nurseries with an average of 15 identified stressors (see Exhibit 1 and Exhibit 2). The majority of participants belong to families experiencing severe financial issues or poverty, high stress environments, and lack of sufficient childcare which hinders the parent's ability to work.

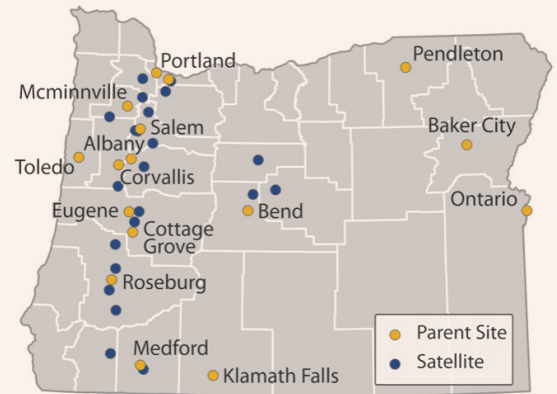**Exhibit 1.** Average Number of Stressors by Age and Program, First-Time Participants in FY 2021–22

15.2 13.9   14.5 13.5

- 0 to 2 years
- 3+ years

■ All programs
■ TECP

Source: OARN

Exhibit 2. Prevalence of Reported Stressors at Entry and Exit, 2015-2017 First-Time Participants

■ Initial
■ Exit

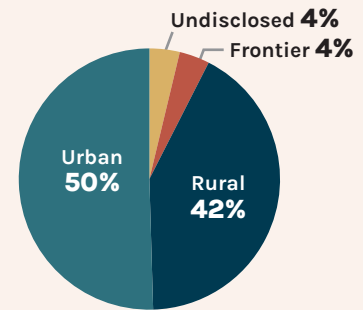| 84% 80%	79% 70%	51% 41%	51% 37%	9% 8%
At or below federal poverty level	High stress environment	Lacks access to child supplies (diapers, clothing, etc.)	Lacks sufficient child care	A child in this family is currently in DHS-mandated foster care

Source: OARN

Families exiting Relief Nursery programs report fewer stressors than at entry, suggesting both immediate and longer term benefits of the services.
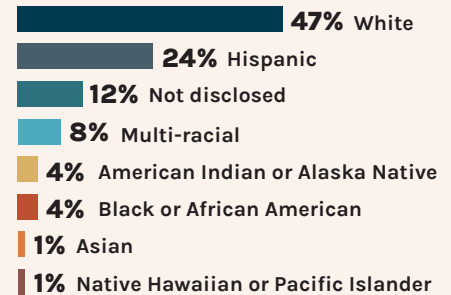
Distribution of Relief Nurseries

Portland, Pendleton, Mcminnville, Salem, Baker City, Albany, Toledo, Corvallis, Eugene, Ontario, Cottage Grove, Bend, Roseburg, Medford, Klamath Falls

○ Parent Site
● Satellite

Source: OARN

Geographic Demographics

Undisclosed **4%**
Frontier **4%**
Urban **50%**
Rural **42%**

Racial and Ethnic Demographics

- **47%** White
- **24%** Hispanic
- **12%** Not disclosed
- **8%** Multi-racial
- **4%** American Indian or Alaska Native
- **4%** Black or African American
- **1%** Asian
- **1%** Native Hawaiian or Pacific Islander

Source: OARN, FY 2021-22. Oregon Relief Nurseries. (2022). Our Data. Accessed at: https://www.oregonreliefnurseries.org/why-relief-nurseries/our-data/

Comparable programs demonstrate considerable short- and long-term benefits from improved health and education indicators as well as decreased child maltreatment, and reductions in both crime and use of government programs.

COMPARABLE RESEARCH AND REVIEW

Program evaluations of early childhood intervention programs that are comparable to Relief Nurseries have demonstrated improved outcomes for children and their parents, including improvements in children's emotional and cognitive development, health indicators, educational achievement, and child maltreatment. Proven long-term benefits for children and their parents include improved educational achievement and economic stability and reductions in crime, use of government programs, intimate partner violence, and pregnancy complications later in life.[3,4,5,6]

A review of 115 early childhood intervention programs found that these lifecycle benefits produce a benefit-cost ratio of $2 to $4 for every dollar invested.[7]

The ECONorthwest analysis described below relies specifically on related research regarding **Nurse Family Partnership (NFP)** and **Child Parent Center (CPC) programs**, both of which provide services similar to Oregon Relief Nurseries.

Research by Washington State Institute for Public Policy (WSIPP) conclude that NFP and CPC programs generate $1.37 and $3.45, respectively, for each dollar spent.[8,9] Primary long-term CPC benefits were increased earnings and tax revenues, averted criminal justice and victim costs, and savings on child welfare, special education, and grade retention.[10] NFP programs produce benefits in the form of cost savings on Medicaid, TANF, and food stamps.[11]

» **Nurse Family Partnership programs connect specially educated nurses with first-time mothers,** from pregnancy through the child's second birthday. For this analysis, NFP provides an analogue to Relief Nursery services for children who do not enter TECP.

» **Child Parent Centers provide classroom instruction, family visitation, and other supports** to economically and educationally disadvantaged children from prekindergarten through 3rd grade. CPC provides an analogue to Relief Nursery TECP.

3   Miller, Ted R. 2015. "Projected Outcomes of Nurse-Family Partnership Home Visitation During 1996-2013, United States". Prevention Science 16(6): 765-777.
4   Garca, Jorge. 2020. "Quantifying the Life-Cycle Benefits of an Influential Early-Childhood Program". Journal of Political Economy.
5   Sampaio, Filipa et. al. 2022. "Evidence for Investing in Parenting Interventions Aiming to Improve Child Health: A Systemic Review of Economic Evaluations". European Child & Adolescent Psychiatry.
6   Cannon, Jill et. al. 2017. "Investing Early: Taking Stock of Outcomes and Economic Returns from Early Childhood Programs". RAND Publications.
7   Ibid.
8   WSIPP. 2019. Nurse Family Partnership: Benefit-Cost Summary Statistics Per Participant.
9   WSIPP. 2019. Child-Parent Center (CPC): Benefit-Cost Summary Statistics Per Participant.
10   Reynolds, Arthur. 2013. "Age-26 Cost-Benefit Analysis of the Child-Parent Center Early Education Program". Child Development. 82(1).
11   Miller, Ted R. 2015. "Projected Outcomes of Nurse-Family Partnership Home Visitation During 1996-2013, United States". Prevention Science 16(6): 765-777.

POTENTIAL LIFECYCLE BENEFITS OF RELIEF NURSERIES

ECONorthwest applied findings from the research literature to the cohort of families enrolling in Relief Nurseries for the first time in FY 2021-22 (882 child participants, about one-third of all children served) to quantify potential lifecycle benefits. If Relief Nursery services support outcomes similar to those provided by NFP and CPC,[12] the analysis suggests substantial potential benefits (see Exhibits 3 and 4).

Exhibit 3. Modeled Potential Lifecycle Benefits for a Cohort of Relief Nursery Participants*

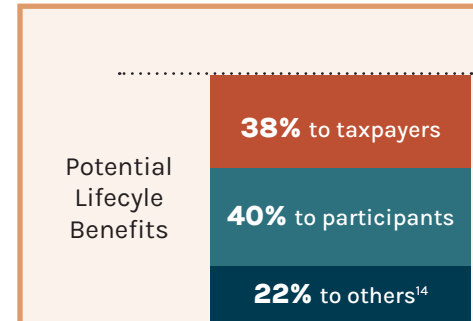| LIFECYCLE BENEFIT	DESCRIPTION	LOW	HIGH
Future labor market earnings	Increased future earnings and taxes paid	$12.7 million	$18.6 million
K-12 education	Increased high school graduation and reduced special education	$5.6 million	$8.2 million
Crime	Reduced participation in crime	$2.2 million	$3.2 million
Child abuse and neglect	Reduced incidence of child abuse and neglect	$2.0 million	$2.8 million

Source: ECONorthwest, OARN, and Washington State Institute for Public Policy (WSIPP) Benefit Cost Analyses. Dollar amounts are converted to 2022 dollars.

* Total benefits in the table exceed the calculated total benefits because the table excludes anticipated cost increases associated with factors such as increased postsecondary enrollment among participants.

Exhibit 4. Present Value of Modeled Average Cost Savings Due to Reduced Foster Care Placements

REDUCTION IN FOSTER CARE PLACEMENTS	LOW	HIGH
Per placement avoided	$60,318	$76,870
FY 2021-22 TECP cohort	$1.0 million	$1.3 million

Source: ECONorthwest, OARN, Oregon Department of Human Services (ODHS), and Washington State Institute for Public Policy (WSIPP) Benefit Cost Analyses. Dollar amounts expressed in 2022 dollars.

Potential Lifecycle Benefits

38% to taxpayers

40% to participants

22% to others[14]

» **Net lifecycle benefits of between $9.7 million and $18.5 million** (2022 $), or between $11,000 and $20,900 per participant, for first-time participants in FY 2021-22.[13]

» **Total benefits of between $2.10 and $3.01 per dollar spent on first-time participants** during FY 2021-22, and between $1.92 and $3.78 per dollar spent on TECP participants.

» **Average cost savings of between $1.0 million and $1.3 million** anticipated for each future foster care placement avoided (see Exhibit 7).[15]

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12   The analysis excludes NFP benefits not directly relevant to Relief Nursery services, such as benefits from reducing the incidence of low birthweight.
13   Assumed Relief Nursery costs include anticipated expenditures for the FY 2021-22 cohort, many of whom are still active in the program. They do not include FY 2021-22 expenditures on FY 2021-22 participants who first enrolled in earlier years.
14   "Others" include benefits attributable to reduced crime victimization, and other benefits not accruing to participants or taxpayers generally.
15   The full analysis relies on a smaller assumed cost savings to the foster care system.