



**Childonomics**

The Eurochild Network

# Childonomics

Measuring the long-term  
social and economic value  
of investing in children

Introduction to the conceptual framework and methodology

October 2017

**This paper is published as a preliminary output on the occasion of the 2017 World Biennial Conference 2017 of the International Foster Care Organisation, Malta, 1 – 4 November 2017.**

**It presents a summary of the conceptual framework and methodology used to measure the long-term social and economic value of investing in children. The final deliverables, expected to be published early 2018, will include:**

- **Conceptual Framework**
- **Methodology**
- **Malta case study**
- **Romania case study**
- **Toolkit on data gathering & analysis**

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The Childonomics project was led by Eurochild.

Oxford Policy Management was contracted to develop and test a methodology in partnership with Partnership for Every Child CEE/CIS Consultancy Group, and the International Foster Care Organisation.

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## Project scope

The **Childonomics** project has developed an instrument that can help to reflect on the long-term social and economic return of investing in children and families. The instrument provides an approach to economic modelling that can be used in a number of ways to inform decision-making. It enables consideration of the different types of costs of services and approaches that support children and families (particularly those in vulnerable situations) and links them to the expected outcomes of using these services.

The project uses a rights-based foundation and has a particular focus on supporting children, families and communities in order to prevent and reduce any form of developmental delay, harm and, especially, the unnecessary separation of children from their parents. It is anticipated that governments and/or non-governmental organisations can use the instruments developed through the Childonomics project in a variety of ways as part of wider policy and strategic planning processes.

## When is it useful?

The Childonomics methodology is based on two underpinning principles.

- **The rights of the child** are the foundation of this work. A rights-based approach recognizes the indivisibility and inter-connectedness of children's rights. It emphasizes that children should grow up in family environments, in an atmosphere of love, nurture and understanding, and that States' efforts should primarily be directed at helping parents and guardians in their child-rearing responsibilities. The UNCRC and its General Comments also offers clear guidance to States on public budgeting, stating that States should invest in children to the 'maximum extent of available resources' and that those resources should be spent well.
- The added-value of Childonomics is its ability to **convene stakeholders** around the complex issue of child welfare and protection system reform. It provides a conceptual framework for categorizing different types of investments: universal, targeted, specialized, highly-specialised services and alternative care services both financial and in-kind and taking into account issues of accessibility and quality. It helps build bridges between government departments, local authorities and other statutory bodies responsible for different areas of public policy and services. It brings together non-governmental organisations, charities, academic and other experts and policy makers around a common goal of improving outcomes for children and families, especially those in vulnerable situations. Importantly it puts emphasis on involving the children and families who use the services to ensure their perspective also informs the choice of outcomes and the value attributed to those outcomes.

## Two Pilots

The draft methodology has been developed building on elements of social return on investment methods and models for appraising economic return on investment. It has been tested as far as possible in Malta and Romania. The countries were selected by Eurochild because both recently embarked on policy reforms, which emphasize the need to invest in prevention and early intervention.

### Malta

Malta's national children's policy launched for consultation in 2016 proposes 4 long-term goals and short-term outcomes.

Figure 1. Malta's National Children's Policy Goals

LONG-TERM GOALS	Have active and healthy generations	SHORT-TERM OUTCOMES	Children living an active and healthy lifestyle
	Protect children and ensure an adequate living environment		Children living in a safe and economically stable family environment
	Grow-up to be independent and responsible adults		Children achieving their maximum potential in education and later in future employment
	Become active participants within their community and State		Children are respected and enabled to be active participants in their social surroundings

### Romania

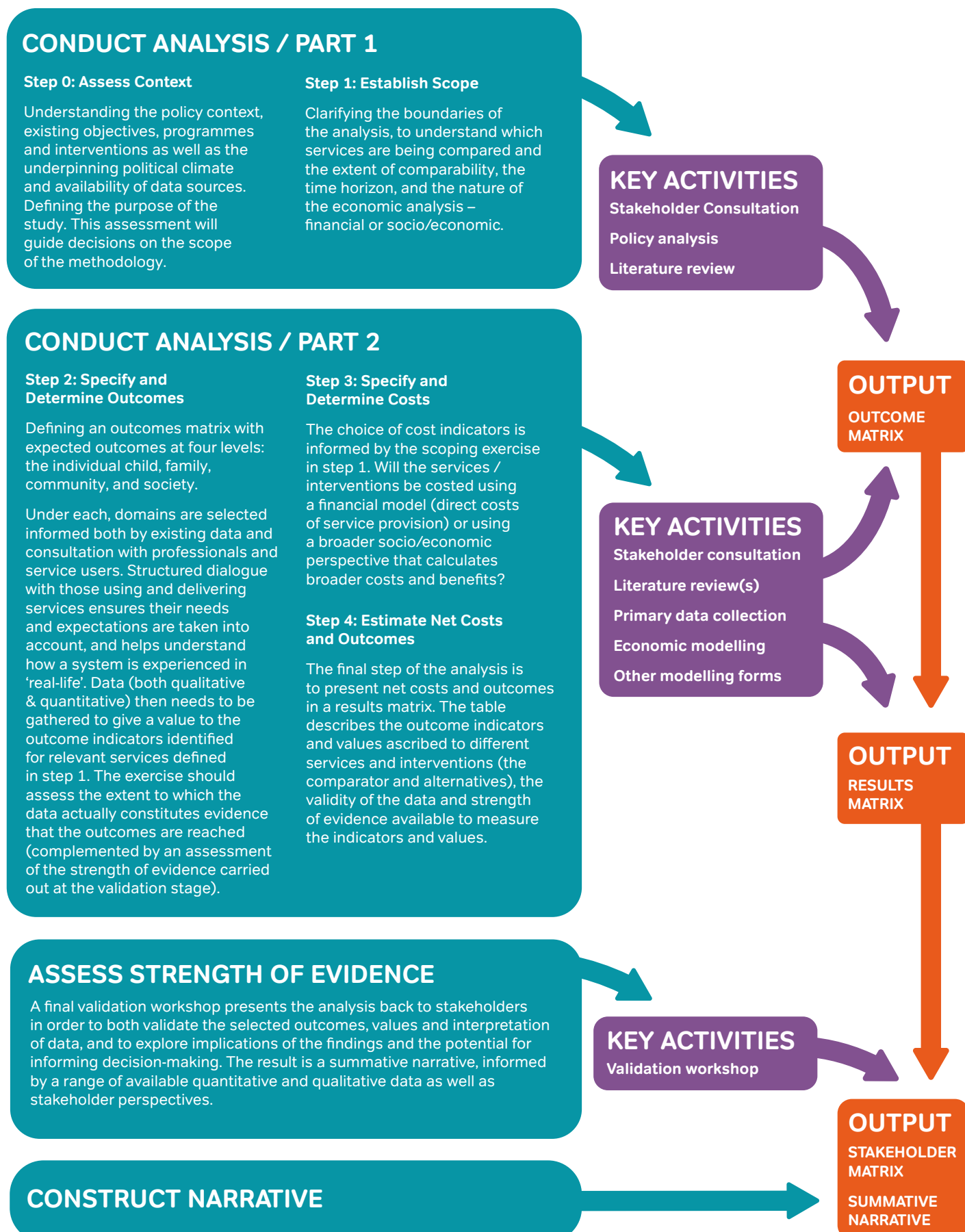
The government has set specific objectives aimed at breaking the cycle of inter-generational poverty. It has adopted policies that aim to target social transfers and social services at particularly vulnerable geographic areas, communities and population groups including children and families, people with disabilities, children without parental care and Roma communities.

The measures should improve access to education, employment, housing and lead to better health outcomes. The measures complement the National Strategy for the Promotion and Protection of Children's Rights 2014-2020, which focuses specifically on deinstitutionalization and aims to reduce by 25% the number and rate of children entering the special protection system by 2020.

## Draft Childonomics Methodology

The draft Childonomics methodology is divided into a 5-step analysis, followed by an assessment of the strength of evidence, and a summative narrative describing what the findings mean and for whom — the final two exercises being informed by an in-country validation workshop.

Figure 2. Draft Childonomics Methodology





## Conceptual Framework

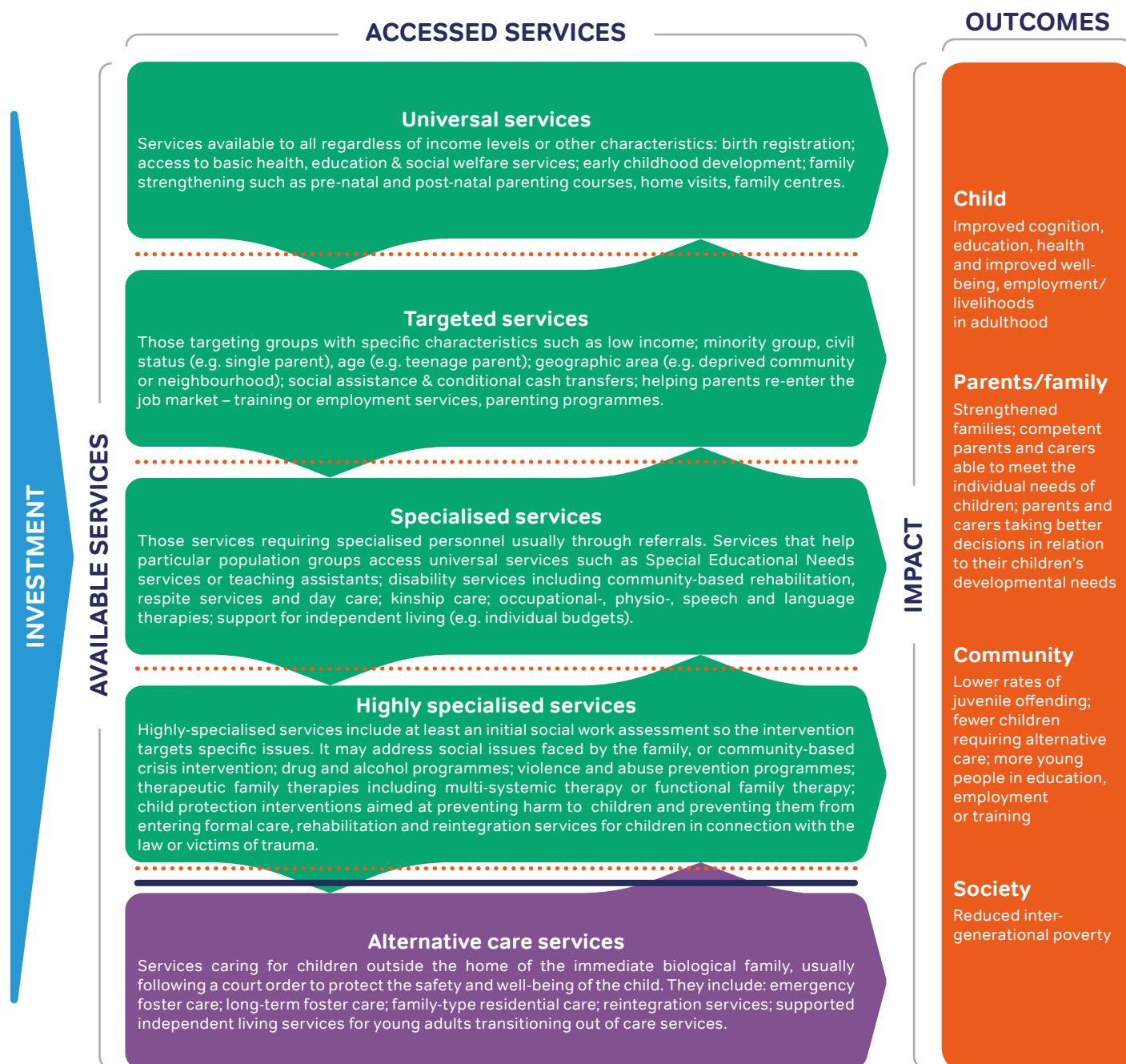
Childonomics offers a theoretical framework through which to reflect on the long-term social and economic return on investing in children and families. It aims to capture the full range of services that children and families can access that may impact on outcomes at individual, family, community and societal level. It offers a way of mapping services and programmes in any given national or sub-national setting. It does not aim to create a rigid classification or typology of services and measures that support children and families, but rather aims to encourage a reflection on how different investments are inter-connected and all contribute to a range of outcomes. Broadly speaking, more individuals are being served by high quality services in the top rows in figure 3 and the costs per person are likely to be lower. The further down in the diagram, the fewer the number of

individuals using the service and the higher the costs per person. Examples of the types of services are summarised in each row.

The model takes a broad view of the types of services that can be the subject of inquiry and approaches them from several perspectives:

- **availability** – the extent to which various types of services exist in the given setting;
- **accessibility** – the extent to which services that exist are used by the target population;
- **impact** – the extent to which various degrees of investment in such services generates quality and impact.

Figure 3. Draft conceptual framework with examples of services, outcomes & indicators based on literature review



**Indicators** (national, community level and disaggregated for users of specific services/programmes): poverty rate; NEET rate (disaggregated for care setting, different types of disability, gender and other exclusion factors); rate of children in different types of out of home care; rate of early and unwanted pregnancies (disaggregated); juveniles offending rate (disaggregated); education achievement (scores/cognition levels - disaggregated); rate of children in bonded or domestic labour; rate of abuse/violence neglect of children; child mortality rate by age and cause (disaggregated)

..... Assessment/triage/gatekeeping/referral

— Border for alternative care services

● Children living with their parents and families in the community

● Children living apart from parents/family

## Conceptual Framework (continued)

Once the overall system in a country or region has been mapped out it is easier to make choices about the specific services or interventions to be costed and evaluated. The services to be compared can be taken from any of the rows as long as factors affecting comparability are given due consideration.

For example in Malta, for the purposes of testing the methodology, the services selected to be compared included: family support (which can be considered under specialised services) and residential and foster care services (under alternative care services). In Romania two family support services for children with disabilities (both can be considered as specialised services) from urban and rural locations were selected for comparison thereby enabling testing of the methodology at more macro and micro levels of detail and across different socio-economic contexts.

Table 1. Outcomes Matrix

		DOMAIN	INDICATOR	DATA SOURCES
OUTPUTS		Intensity of service	Individual contact time	Case worker reports
OUTCOMES	Child	Self-confidence	Self-reported	Group discussions with young people
		Literacy	Numerical literacy, School scores	Literature
	Family	Separation	Number of prevented separations	Case worker reports; Case study; Official statistics
	Community	Homelessness	% variation in homeless	Local NGO reports; literature
	Society	Economic productivity	Wage in adulthood	Literature and economic modelling
		Poverty	Risk of poverty	Literature and economic modelling

### Outcomes & Indicators

Step 3 in the analysis builds an outcomes matrix. Table 1 provides an illustrative example. However the Childonomics methodology suggests that the selected outcomes should, by necessity, be different for every case study. Whilst available data sets and statistics can inform the choice of indicators, it is important that the outcomes to be measured are not only determined by the availability of data.

The development of the outcomes matrix needs to be a deliberative, iterative process which involves consultation with service users and professionals. The data sources can include qualitative surveys, quantitative data, case worker reports or the outcomes of focus group discussions.

## Calculating costs

The draft Childonomics methodology proposes the following cost indicators:

- **total costs** of delivering the service/implementing the policy scenario;
- **total average costs** per beneficiary;
- **marginal cost** per beneficiary, e.g. cost of delivering the service to one additional beneficiary once the overhead costs have been accounted for.

Obviously this is indicative, and other types of cost may be relevant depending on the services to be evaluated. Gathering of cost data can take either a top-down or bottom-up approach: the former based on expenditure data provided by the service provider or authority, the second based on identifying the types of resources (staff, equipment, consumables, buildings etc.) and then assigning them monetary value.

## Calculating net costs and outcomes

Table 2 is an illustrative example of a results matrix which is the final step in the Childonomics analysis. It seeks to show the net costs and outcomes and differences between the comparator and alternative services. Obviously this exercise is easier when outcomes are measured through quantitative indicators. However the methodology proposes that where net impact cannot be quantified, qualitative judgements can be made based on the available evidence. For example, a given intervention has a beneficial impact on the sense of independence and self-confidence of the beneficiaries.

Table 2. Illustrative results matrix

	DOMAIN	INDICATOR	COMPARATOR – FAMILY SUPPORT	ALTERNATIVE 1 – RESIDENTIAL CARE			ALTERNATIVE 2 – ACCELERATED SCALE-UP OF FOSTER CARE		
			IMPACT	IMPACT	DIFFERENCE FROM COMPARATOR	STRENGTH OF EVIDENCE	IMPACT	DIFFERENCE FROM COMPARATOR	STRENGTH OF EVIDENCE
COSTS	Total cost	Total cost of programme per year				Strong			Strong
	Total cost per beneficiary	Total cost per child				Moderate			Moderate
		Total cost per family				Moderate			Moderate
	Marginal cost per beneficiary	Marginal cost per child				Moderate			Moderate
		Marginal cost per family							
OUTPUTS		Contact time per beneficiary				Strong			Strong
OUTCOMES	Child	Psychological well-being				Indicative			Indicative
	Family	Number of prevented separations				Moderate			Moderate
	Community	% variation in homelessness				Indicative			Indicative
	Society	Productivity in adulthood				Moderate			Moderate
		Risk of poverty				Strong			Strong

## Considering strength of evidence

Any assessment of net impact needs to be accompanied by a distinct process of evaluating the strength of evidence. In the field of child and family services, the validity of costs and outcomes is complicated by the multiplicity of influencing factors. For some estimations modelling assumptions are required, for example by choosing distant proxy indicators.

For others the current level of knowledge may not go beyond demonstrated association, which makes it difficult to say with certainty whether something works or not. The extent to which evidence has been generated in similar cultural contexts is also important and is referred to as the 'generalisability' of evidence.

## Preliminary reflections from testing the draft methodology

Childonomics offers a step-by-step approach to reviewing specific child and family services contextualised in a broad understanding of an overall child welfare and protection system.

The approach emphasises the need to consider qualitative outcomes for different services and interventions in addition to using available quantitative data sets. This necessarily means that the net costs and outcomes will require some level of value judgements to be made during the analysis.

The added-value of the approach is primarily in its ability to bring researchers and stakeholders together to get a comprehensive view of child and family services and the likely outcomes of different types of interventions and their respective costs. The methodology should help guide decision-makers make better informed and economically-sound judgements on what works and how to achieve better

long-term outcomes for vulnerable children and families. Applying this methodology also raises awareness of the knowledge gaps and can help inform future data collection.

The Childonomics approach cannot crudely compare inputs and outcomes of residential care with family support, but it can help to organise information to support informed projections of costs and outcomes for populations when planning changes to the balance between different types of service provision. It is important to note, however, that these projections will never be value neutral. The use of the tool will always be based on the nature of the perceived problem(s) in a system and this is always subjective, hence the importance of capturing multiple stakeholder perspectives. The Childonomics instrument can inform different forms of policy debate depending on the situation and the stage of the strategic planning process.



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## About Eurochild

Eurochild advocates for children's rights and well-being to be at the heart of policymaking. We are a network of organisations working with and for children throughout Europe, striving for a society that respects the rights of children. We influence policies, build internal capacities, facilitate mutual learning and exchange practice and research. The United Nations Convention on the Rights of the Child is the foundation of all our work.



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