

Vera Institute of Justice

Criminal Justice Issues and Prisoners' Rights

<https://www.vera.org/blog/why-measuring-policy-benefits-matters>

Public Facing Advocacy Writing

Debates surrounding new programs and policies are often dominated by one of two perspectives: one that focuses on the anticipated benefits and another that is primarily concerned with costs. Frequently, statements regarding the benefits are rooted in anecdotes rather than research, and estimates of costs are overblown. No wonder it is so easy to get cynical about the policy process.

President Obama's recent [executive order on regulation](#), released January 18, identifies cost-benefit analysis as a tool to move beyond the politicized debate that so often clouds policy making. Stressing the importance of measuring benefits, he directed federal agencies to propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs. Recognizing that some benefits are difficult to quantify, the executive order allows agencies to consider (and discuss qualitatively) values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.

The president's message reminds us that carefully measuring the benefits, and not just the costs, of new initiatives helps policymakers make better decisions and achieve better results. After all, we don't make policies to save money; we make policies for the benefit of society.

Cost-benefit analysis (CBA) can anchor policymaking to real-world outcomes in a way that dispels preconceptions and inserts objective information into the decision-making process. Vera's work with [North Carolina's Youth Accountability Planning Task Force](#) illustrates this approach. In 2009, the state's General Assembly created the task force to examine whether North Carolina should raise the age of juvenile jurisdiction to include 16- and 17-year-olds. Part of the task force's charge was to report on the cost of implementing the policy change, but the group went further and asked Vera's Cost-Benefit Analysis Unit (CBAU) to carefully assess both the costs and the benefits of raising the age. CBAU assessed the economic impact of implementing the task force's proposal to transfer 16- and 17-year-olds who commit misdemeanor and low-level, non-violent felony offenses to the juvenile system, while keeping 16- and 17-year-olds who commit serious violent felonies in the adult criminal justice system.

[CBAU's analysis](#) of the task force's proposal showed that raising the age will generate \$52.3 million in net benefits each year. The proposal would cost about \$71 million a year and return about \$123 million in annual benefits, including \$22 million to taxpayers, \$3 million to victims, and \$98 million to the 16- and 17-year-old youth who will be tried in the juvenile rather than criminal justice system.

Estimating the benefits to young people was challenging because of the limited research on how being tried in the juvenile system affects youth. We decided to focus on the area we could quantify most accurately: the impact of not having a criminal record on earnings. We drew on national earnings data, research on the impact of having a criminal record, and North Carolina convictions data to estimate that raising the age will prevent about 1,500 youth from having a felony criminal record, enabling them to earn a total of \$98 million more over their lifetime. Our report also discusses other benefits to youth, such as greater access to treatment programs within the juvenile system, which we could not accurately quantify because of the lack of necessary research and data.

Our approach, relying on the best available evidence to quantify some benefits, while qualitatively discussing benefits that are difficult to monetize, allowed us to provide a concrete estimate of the benefits while acknowledging the additional value provided by intangible benefits. As a result, the analysis revealed that the proposed policy will generate a net benefit to society, even when only the most tangible benefits are included.

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