



Research *at a glance*

The Net Federal Fiscal Benefit of CSC Programming

KEY WORDS: *cost benefit analysis, correctional programs, treatment programs, economic costs, fiscal savings, benefits*

Why we did this study

Correctional programs that are successful in preventing offenders from committing new crimes can generate benefits in the form of reductions in crime-related costs. Research has established that Correctional Service of Canada treatment programs do reduce recidivism; however, the potential economic impact of the increase in community safety has not been calculated.

What we did

The Conference Board of Canada conducted the study. They analyzed the benefits, and costs to, the Federal Government in relation to national correctional programs that were delivered in penitentiaries. The authors of the study:

- Reviewed literature on the costs of crime and outcomes of correctional programs.
- Developed an approach to estimate Federal fiscal benefits.
- Derived estimated recidivism rate reductions resulting from each program area.
- Developed an estimate of the net fiscal benefit for the Federal Government resulting from correctional programs.
- Only tangible costs were included in the analysis; cost estimates for pain and suffering were excluded.

Net fiscal benefit refers to the savings the Federal Government receives. For example, the impact of lost income (due to incarceration or injury) is based on the income tax not paid, not the salary that was unearned. This approach provides a very conservative estimate of the savings, and reflects the direct savings (costs) to the Federal Government.

What we found

- The cost-benefit analysis illustrates that the majority of correctional program areas provide a positive fiscal net benefit to the Federal Government.
- Benefits outweigh costs by a factor of 2.71 to 1 (across all programs).
- In 2007, the net Federal Government fiscal benefit was \$36.8 million. The total cost of delivering the correctional programs was \$21.5 million while total benefits were \$58.4 million.
- When other costs, such as lost wages due to crimes, were included in the analysis the benefit cost ratio increased to almost 4:1.

What it means

For every \$1 spent on delivering correctional treatment programs in federal institutions the government saves \$3, Canadians save \$4. Correctional programs not only increase the safety of Canadians, but they also save the government and citizens money.

For more information

The Conference Board of Canada (2009) *The Net Federal Fiscal Benefit of CSC Programming (R-208)*. Ottawa: Correctional Service of Canada,

<http://www.csc-scc.gc.ca/text/rsrch/reports/r208/r208-eng.pdf>

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