

Focus on the individual

“An ounce of prevention is better than a pound of cure”



A summary of the report written by Ingvar Nilsson and Anders Wadeskog.

Ideas for Life, Ingvar Nilsson and Anders Wadeskog would like to offer their heartfelt thanks to the steering committee for its important and valuable views and reflections on the report.

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Foreword

For many, questions like “How much can it cost to save a person who is going astray?”, “How do we benefit by saving a person?”, and more importantly “What will be the price if we do nothing?” are highly debatable. Opinions split as to whether we can – based on economic taxonomy and calculations – and should assign a value to what each of us can be expected to contribute to society during our lifetime. Or regarding whether it is fair and just that we put a price tag on what we might cost society if we instead fall astray and ultimately wind up in a permanent state of social exclusion.

In their report *Det är bättre att stämma i bäcken än i ån*, (trans. “An ounce of prevention is better than a pound of cure”), economists Anders Wadeskog and Ingvar Nilsson present a way of looking at the issue and a method that show the benefit of using economic calculations as a means of achieving other, more far-reaching objectives. What is fundamental without a doubt is the human perspective and the goal of giving all individuals the ability to shape their own life situations based on their respective conditions. However, achieving this requires concrete tools that can clearly show the benefits that arise if we prioritise the resources that are at our disposal in a particular way.

The report clearly shows the effect of early action surrounding children and youth, the value of helping people return to society, and the value of capitalising on their capacity for work compared with doing nothing at all. The result in terms of human suffering speaks clearly for itself. But the marginalisation of people comes at a price, which the report shows in concrete terms using economic calculations and arguments which show the cost of social exclusion – for the individual, for the various authorities, and for society as a whole. If an initiative succeeds merely in preventing a single individual from becoming marginalised and a social outcast, then that initiative is almost always to be considered socioeconomically profitable. Not to mention the benefit for the individual in question.

We all have a responsibility for how society develops. That goes not least for a company like Skandia. For more than 20 years Ideas for Life has been a department at Skandia responsible for working preventively and with a long-term focus for children and youth. All Skandia employees have the opportunity to work on a volunteer basis during their work time for Ideas for Life. In concrete terms this can entail, for example, serving as a mentor for a teen, or duty on the *BRIS* (Children’s Rights in Society) hotline or for any other non-profit organisation. On top of this is Skandia’s Ideas for Life foundation, which awards grants every year to various projects for the benefit of children and youth.

The Ideas for Life foundation’s work also involves providing support to various research projects, such as the report *Det är bättre att stämma i bäcken än i ån*. The hope is that such projects will serve as vital tools for showing from various perspectives how preventive action virtually always pays off in the long run.

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Introduction

Social exclusion and marginalisation of people in society come at a great cost, both in terms of human suffering and money. Moreover, the path to social exclusion – a marginalised life dominated to varying degrees by such factors as substance abuse, mental disease, and chronic unemployment – is growing increasingly slippery. Once there, the way back to inclusion in society is both long and difficult.

To reverse this negative trend in society today we must therefore think and act along new lines. In our report “An ounce of prevention is better than a pound of cure” (original title *Det är bättre att stämma i bäcken än i ån*), we have focused on the living conditions of vulnerable children and youth, and use various methods to quantify the economic value of launching preventive, long-term, and most importantly – early and coordinated initiatives. With the help of certain economic terminology, we also discuss what marginalisation and social exclusion caused by the lack of action could cost both individuals and society as a whole.

Our hopes are that the content of the report may lend support and serve as a tool to enable us and help us dare to argue that a certain initiative is not only wise from a human perspective, but is also economically sensible. It is wise to invest in early initiatives that lead to better management of our joint resources in the longer perspective. In doing so, we also gain a kinder and gentler society.

Focus on the individual

In the best of worlds, it would be sufficient to use humanistic arguments to determine the value and benefits to be gained by prevention and early action for children and youth. Unfortunately, the cynical reality is often something else, where this type of argument is seldom enough. What is needed is that we – from an economic perspective and in economic terms – can quantify how these initiatives can affect society in the near and long term – in general as well as in a specific area. By using economic analyses and calculations, we produce concrete figures and data,

which also speak the language of decision makers, where concepts such as income statement, profit and key ratios play a critical role in how resources are allocated. The approach that we advocate is based on putting the focus on the individual and creating a holistic view surrounding the individual, instead of putting the focus on organisations or professions and their interests.

The most important long-term goal is to reduce social exclusion and create better conditions for a swift path back to social inclusion and “normalcy”. Our ambition is to show methods and tools that are needed to come up with clear and simple arguments that can demonstrate the value of prevention and early action – and what it might cost if we do nothing at all.

A young person at risk

There are a large number of children who are vulnerable or at risk, and if nothing is done, they risk ending up in a lifetime of social exclusion. Nicholas is one of these children. For our purposes here, he does not exist in reality, but rather as a phenomenon in the form of a young person on the path to marginalisation and social exclusion. In the persona of Nicholas we see not only an example of the waste of a human’s resources, but also a picture of how society’s resources are used without coordination and long-term vision.

Actually, Nicholas was at risk even before he was born. At this time his single mother is not even of age, and she lacks an education and social network. She quite simply has a lot against her and is in need of extra support and help. At the maternal care centre, child care centre, and later at day care, problems with both mother and child are brought to light in various ways, and Nicholas is come to be regarded as an odd and unruly child at an early age. The mother’s contacts with social services and the social insurance office in the form of welfare payments, housing subsidies and advances on subsidies are a continuous red string throughout Nicholas’s upbringing. Nicholas continues on his path toward social exclusion through elementary school, where he finds it increasingly hard to keep up with the lessons. In seventh grade he has the reading

Leksand and Söderköping – examples of a social investment perspective

Two Swedish municipalities – Leksand and Söderköping – have both adopted an investment perspective and holistic approach to children and youth in their respective communities. Over a long period of time, the two municipalities have worked systematically with general preventive work that has been characterised by a long-term perspective of at least twenty years and which regards collaboration between various actors as central and the parents' role as critical in preventive work.

Leksand – Family Centre with parental support

Over the course of many years Leksand municipality has dedicated a great deal of time and energy to structuring preventive work. At the core of this work is an approach as well as an organisational model. The approach involves developing a uniform, cohesive grasp on matters pertaining to children and youth, from pregnancy to adulthood (20 years). Parents are considered to be the given and obvious starting point for all preventive work. Secure parents help create secure children, is the saying.

Toward this end, the municipality has invested in building up the Family Centre network organisation, which is a parental support model that is based on more in-depth and extended parental training, which is offered to all prospective parents as early as the initial prenatal counselling session. One of the most important objectives is to create both a social network and a network of resources surrounding individuals and families, and in such way be able to act before there is actually anything to act on. To succeed with this, most of the societal actors that need to collaborate during childhood and adolescence have been gathered at the Family Centre.

The work process

Activities are conducted using the participants' existing resources, as the network structure allows these to be used more effectively. Normally, the parent groups meet under professional guidance for slightly more than two years' time. During the first year

approximately 18 meetings are held, while about 12 meetings are held in the second year, for a total of approximately 30 two hour meetings. Every year between six and ten new groups are formed, and each group includes up to 20 parents. The overarching purpose of the Leksand model is to reduce the likelihood for marginalisation of children and youth, and to increase the likelihood that life will develop in a "normal" manner. The people who work with children and youth in Leksand are convinced that, for many children, these systematic support initiatives help lead to better prospects for a better life – first as a youth and later as an adult.

So how can we show the potential economic value that the Family Centre in Leksand can be expected to contribute? To be able to do so we need to know what the preventive work costs and what socioeconomic effects some of these children may cause to society in the short and long term as a result of their social exclusion. Such costs range from future welfare costs to future losses of production.

The preventive work

We assume the following: that Leksand municipality belongs to the "national norm" for a municipality with respect to general figures for the number of people who can be expected to live a marginalised life in the form of substance abuse, mental disease and chronic unemployment/sick listing as adults. In the case of Leksand, we have based our calculation on children aged 0–7 during the years 2000–2007, corresponding to 800 children.

The relative and absolute probability of future exclusion for 800 children in Leksand municipality, 2000–2007.

	Probability	Number
Drug addict	0.003	2.4
Alcoholic	0.01	8
Mentally ill (severe)	0.005	4
Mentally ill (moderate)	0.05	40
Chronically ill	0.03	24
Chronically unemployed	0.03	24
Total		102.4
Share		12.8%

If nothing in particular is done to prevent this development, then there is a statistical risk that as many as 102 of the 800 children in the future will wind up in some degree of social exclusion. What would such a development lead to in the form of human suffering and economic consequences? In parallel with this, let us look at what the economic value could be of a beneficial, preventive public health programme like the one carried out in Leksand.

Welfare costs for 1, 5 and 45 years that could affect parts of 7 years' age groups comprising a total of 800 children in Leksand municipality.

	1 year	5 years	45 years
Unemployment agency	1,618,088	7,491,578	34,867,922
Social insurance office	15,930,030	73,754,369	343,273,684
Municipality	9,178,352	42,494,808	197,782,851
County council	7,987,214	36,979,963	172,115,203
Judicial system	2,699,607	12,498,897	58,173,398
Other	1,407,779	6,517,869	30,336,006
Total	38,821,069	179,737,484	836,549,063

The probable cost of future social exclusion for the 102 individuals entails that the annual public welfare costs would amount to approximately SEK 39 million, and from a lifetime perspective to approximately SEK 835 million. Added to this is the cost of lost production, which from a lifetime perspective amounts to SEK 874 million. In total, this future social exclusion for the 102 individuals would cost approximately SEK 1,710 million. In other words, there is a *prevention potential* of at most approximately SEK 1,700 million, which through various preventive and promotional initiatives can be prevented or reduced.

This can be compared to the cost for the Leksand model's preventive work for these 800 children. In total this amounts to approximately SEK 2 million, or approximately SEK 300,000 per year, or approximately SEK 2,600 per participating child. This makes the difference between the preventive work and the cost of any future marginalisation exceptionally great. Without a doubt we can say that the cost for the preventive work is negligible compared to the cost of social exclusion. If the only effect of all preventive work is that a single person is spared from social exclusion, the economic effect would still be positive: a 336% return on the preventive initiative.

Söderköping – preventive work in the form of Life Knowledge

The town of Söderköping is also taking a holistic approach and long-term perspective in its work on prevention and promoting initiatives concerning children and youth. The initiative is directed at all children and parents with a cohesive perspective from 0–20 years. The parents have a central role, and the central point focuses on collaboration between all parties concerned. One of the main activities is a focus on education called "Life Knowledge". The fundamental objective of this work is to use a shared set of values to develop students' social and emotional competencies, prevent bullying, avoid/reduce stress, and promote a sound learning environment. The organisational base for this work consists of two cooperation groups which, each in their own overarching strategic role, make up the hub of a systematic network process: the children's cooperation group for children up to 12 years of age, and the cooperation group for other youth up to 25 years of age. The idea is to work with existing organisations and resources, and to introduce a higher degree of collaboration and a preventive approach in the day to day activities.

The operation today has an annual budget of approximately SEK 1.6 million, including the costs for the services of two coordinators. Since 2004 nearly 300 people have completed Life Knowledge training, and by year-end 2008 an estimated more than 60% of the municipality's personnel who in their professional role work with children and youth, have completed the training. Parents also participate in this process – to date approximately 300 parents have participated, and the plans for 2008 call for an additional 250 parents to participate.

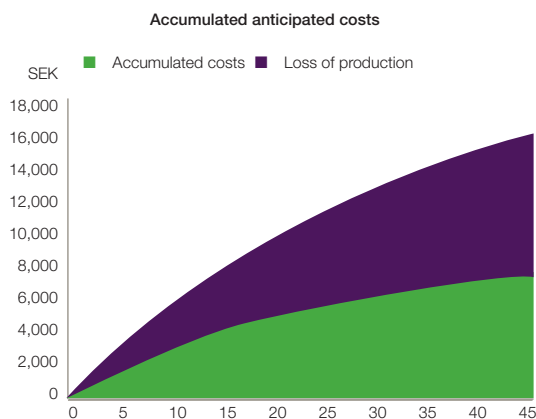
Case study – Nicholas in Söderköping

To put the cost of the work being conducted in Söderköping in relation to what the cost for social exclusion could be, we can once again use Nicholas as an example and place him in the municipality. At twenty years of age, his continued path toward social exclusion has ended up with a short prison term. But his time in prison becomes a turning point, when as a

result of intensive work by the professional network in Söderköping, he succeeds in stopping the negative spiral and his stigmatisation is subsequently broken.

We take a strict economic perspective and begin by looking at the effects of if he had continued along his path of marginalisation and wound up in some form of long-term sick listing without too many repercussions in the form of substance abuse or similar. What would have Nicholas cost society then? We can ascertain that every year of social exclusion entails a cost to society of approximately SEK 350,000. Added to this are the societal costs stemming from the loss of production that occurs when he does not work. The welfare cost and loss of production have been added together in the chart below.

The accumulated cost of Nicholas's social exclusion in the form of welfare costs and loss of production, discounted at 4% interest, as a result of chronic sick listing.



If we assume that Nicholas – after his prison term and during the coming 12 years – lives a normal life and works, this would correspond to a societal gain of roughly SEK 6 million compared with the alternative of being chronically sick listed. If we go back to Söderköping's budget for preventive work, we get the following key ratios:

- the value of Nicholas's normalisation during 12 years/ annual cost of preventive work = SEK 6 million/SEK 1.6 million = 3.5
- the value of Nicholas's normalisation during 12 years/ cost of one person's training in Life Knowledge = SEK 6 million/SEK 2,500 = 2,400

In other words, the reduced cost for Nicholas's lack of social exclusion entail that the preventive work in Söderköping municipality can be conducted for more than three years. The resources could also be used to train roughly 2,400 people in Life Knowledge.



Calculating the economic effects of prevention, long-term approach & collaboration

Is it possible to determine the value of early action, prevention and successful rehabilitation in economic terms? Yes, we are entirely convinced that it is possible to quantify the economic consequences of social exclusion and thereby also the value of successful prevention and early action.

Economic consequences of preventive work

A constant dilemma for decision makers is to determine with certainty the causality regarding the long-term effects and prevention and early action, i.e., putting today's certain costs for preventing marginalisation and social exclusion in relation to uncertain benefits sometime far in the future. One method of valuating these effects is to use hypothetical or conditional calculations to compare various efforts for children and youth in relation to the alternative of essentially doing nothing at all. It is relatively easy to calculate what preventive work costs; the difficulty is that we seldom know or can show the effects of preventive work with certainty, especially over the long term.

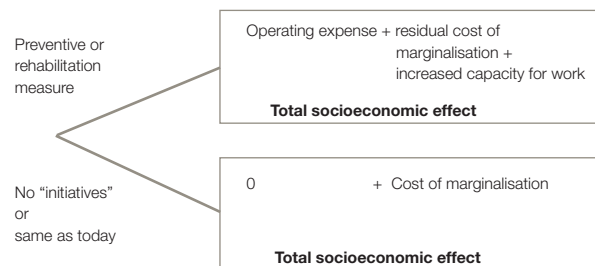
We do know, however, that the longer young people are allowed to exist in social exclusion, the more that exclusion deepens and becomes harder to break. Nor does the downward progression of social exclusion take place at an even speed; rather, it tends to accelerate at times like the start of school and at the end of middle school and secondary school, and it all takes place with continuously growing costs. We need to be able to measure the gap between social exclusion and normality – the marginalisation gap – and what the effects would be if this were allowed to widen. We find the link between these by identifying what happens with people on the path toward social exclusion, determining how often the public welfare system is burdened, and then quantifying and assessing the effects that arise.

Let's take an example by looking at what happens when a child is put in the custody of the health and welfare services. We know that a large number of public offices are involved, such as the judicial system,

social services and the social insurance office, forming a highly complex network of actors and efforts. What we call the welfare consumption chain – a description of how, for example, children and youth, based on different needs and time aspects, use or put a burden on the public welfare system – stretches from the time social services receives knowledge about a vulnerable child, to various kinds of support in the form of contact persons, outreach homes, visits to children's and youth psychiatry services, etc. Finally, the judicial system is also engaged if it becomes a matter of taking custody of the child with the support of the law. The major challenge is in handling the cost/benefit picture that results and which stretches over several different societal actors and affects numerous variables, both in the near and long term. Doing this requires a methodology as well as a wise way to simplify the problem in order to make it manageable.

A broadened socioeconomic perspective

The price of a person's marginalisation and social exclusion is very high. One way of showing this is to measure the differences in societal effects between the life span of normality and social exclusion. But if we are seeking to study the value of effective prevention, this also leads to the question: what happens if we do not succeed? What is the cost of social exclusion? The difference is what we call the marginalisation gap. From a strictly economic perspective, the one side of the balance involves weighing the extent to which a greater marginalisation of people might cost in the form of consumption of future welfare services. However, the extent and point in time that this may happen is uncertain. On the other side is the price tag for investing in preventive measures, and this is something that immediately shows up as an



expense in the public budget. The gain is in the form of more citizens working and paying taxes, as well as the initiatives leading to healthier individuals. The sum of all this makes up the total socioeconomic effect of preventive work.

Every young person who unnecessarily ends up as a social outcast leads to a societal cost which on a yearly basis can amount to between SEK 350,000 and SEK 1,600,000 in the form of greater welfare consumption. Added to this is an additional approximately SEK 300,000 in annual production losses per person. The following table shows how the breakdown of costs between various actors is dependent on the problems surrounding the individual.

Yearly societal costs for three types of marginalisation and their breakdown among various societal functions.

	Drug addiction	Mental illness 1 year	Chronic sick listing
Unemployment agency	26,375	15,701	26,222
Social insurance office	113,833	83,359	227,363
Municipality	258,979	52,609	33,508
County council	62,234	232,944	59,752
Judicial system	651,340	0	0
Other	540,000	1,278	0
Total	1,652,761	385,891	346,844

If we view this from a five-year perspective according to the same principle, the societal cost amounts to somewhere in the interval of SEK 1.6 million to SEK 7.6 million. If we extend this even longer and look at the financial and actual costs of a drug addict's typical life span, the societal cost amounts to SEK 30 million. It is not hard to conclude that the price of social exclusion is great; but the figures also give an estimation of the potential economic value of successful prevention. We talk about the economic value of the prevention potential and a description of the potential value of early detection and early, successful efforts to prevent marginalisation and social exclusion.

Calculating the effects of prevention & early action
Once the process of marginalisation has well started, we assume that the following mechanisms take place. The longer we wait to break the progression of social exclusion, the deeper it becomes, the greater the socioeconomic effects will be, and finally, the more difficult it will be. A number of questions then arise

apart from the obvious and strictly human benefits of breaking a young person's social exclusion. Is a given effort profitable from a strictly economic perspective? How successful must the effort be in order for it to be profitable? Winners and losers – for which of the actors is the effort profitable? What time perspective applies for profitability?

The report provides a number of different models with whose help the economic value of prevention, early action and successful rehabilitation can be calculated. The choice of method is determined by a number of factors, such as level of ambition, and access to time and money. The simplest methods – the standard methods – can essentially be conducted by anyone in a short period of time. The more advanced models often require professional support and can take several months to complete.

Prevention – both a short-term cost and profitable investment

When assessing a rehabilitation project, it is not always entirely clear what is profitable or not profitable – it all depends on the choice of perspective. This means that when a preventive measure or a rehabilitation project is evaluated from a short-term municipal economics perspective, almost always an entirely different picture is attained than if one were to broaden or extend the perspective. In such case it is almost always transformed from a short-term cost to a comparatively profitable social investment. Successful rehabilitation projects regarded as social investments almost always result in return ratios that exceed the most profitable investments in a venture capital market. Something else that is also highly important in this context is to always try to identify short-term and long-term winners and losers in the process. This is because the losers may have a tendency to break off, complicate, prevent or refrain from participating in collaboration processes when they don't get an answer to the question "what's in it for me?".

Successful prevention is profitable

We argue that successful initiatives surrounding children and youth at risk are for the most part always

exceptionally profitable. What is needed is a model for structural and long-term collaboration between the various parties involved, since the entire line of thinking requires a joint effort between the municipality and county council, for example. Moreover, a model is needed in which the various parties can act in such a way that the winners can compensate the losers. Otherwise, there is no rational economic reason for the losers to make this social investment. Finally, a time perspective that spans several years is needed.

We return to Nicholas as an example, now in the persona of an unruly fifteen year old. He is seen as a problem child – who skips class, shoplifts, and has begun experimenting with drugs. An agreement is made on a joint plan of action for Nicholas in the form of a highly intense, long-term collaborative effort in which the municipality – represented by the school and social services – and the county council – represented by the child and youth psychiatry services as well as the adult psychiatry services – participate. This effort includes everything from counselling with his mother, a support person at school, brief stays at a treatment home or school youth detention centre, to therapy sessions in the child and youth psychiatry services and a psychologist contact in adult psychiatry.

What would the economic effects of such an ambitious plan be? By calculating the cost of the various initiatives, the total actual cost for a five-year period would be SEK 465,000, with the municipality bearing most of the cost. Is this to be regarded as money well spent? It depends on two factors: the alternative initiatives that could come into question, and the consequences of not intervening, which could result in Nicholas continuing in the wrong direction. The economic consequences of a low-intensity life of substance abuse and minor criminality could amount to approximately SEK 1.3 million over a five-year period, or SEK 260,000 on a yearly basis. The ratio between the cost of the high intensity effort and the socioeconomic consequence of not acting at all is 2.79.

This means that if the planned effort is successful, the social investment will give back nearly three times the

investment over a five-year period, or an approximate return of 55% on a yearly basis. Conversely, it means that the probability for success does not need to be more than 35% in order to break even.

What is the cost when a youth becomes a social outcast?

Just how extensive and costly may the initiatives taken for children and youth at risk be? The social exclusion that some young people suffer from is very costly, and above and beyond the “basic cost” that is associated with all youth, it can amount to anything from a few hundred thousand kronor to several million from childhood up to adult age. This can be compared to the social cost for a “normal adolescence”, which averages approximately SEK 1.8 million per person up to 18 years of age.

In our report we studied the potential cost of social exclusion for a group of twenty youths aged 16–25 who are going astray. The longer one waits, the deeper the social exclusion becomes; therefore the choice is often made to launch initiatives like the Lifeline¹ project, which aims to support young people in their effort to return to the social community and “normality”. The cost for these twenty youths during a two-year period was SEK 2.1 million. To put this cost in perspective, we looked at the scope of these youths’ societal consumption. Up until the time they come in contact with Lifeline, the societal consumption amounts to SEK 680,000 per person for the younger group (16–19 years) and SEK 2.7 million for the older group (19–22 years). This can be compared with average societal consumption of approximately SEK 100,000 for normal youth. Should they continue along their path towards future social exclusion, the anticipated future annual welfare cost for the group under this study could amount to SEK 350,000 per person. The total anticipated welfare cost for the entire group of youths until they reach retirement age would amount to SEK 138 million. Added to this are production losses of approximately SEK 112 million. Altogether, costs totalling approximately SEK 250 million for twenty youths’ anticipated future social exclusion can be compared with a cost of approximately SEK 2 million for the Lifeline

¹ Nilsson & Wadeskog, 2009, Utvärdering av rehabprojektet Livlinan i Österåker, SEE.

project. If we view this as a social investment project with our joint resources, we can say that all we need is a 1.5% chance of success in order for the project to be socioeconomically profitable.

What is preventive work worth?

It is difficult and virtually impossible in a strict sense to prove that preventive or health promotion work is profitable. But it is possible with the help of realistic computation examples to try to answer questions like: how much is it worth to invest today in a measure that results in just a single person avoiding a life of substance abuse? The report provides a number of calculations of how profitable high intensity selective measures, low intensity selective measures and general measures can conceivably be. We found the following:

- over time, catching a young person who is going astray at a cost of SEK 500,000 could be a very profitable endeavour which could generate SEK 40 million or more in return if it succeeds. You would essentially only need to succeed once in a hundred times in order to break even;
- for the costs that a single drug addict causes society, we could conduct preventive work and run a youth guidance centre for eight years or finance 50,000 visits to such a facility;
- that the costs incurred for the same addict, if used for preventive work, would be able to finance school counsellors for 43,000 children.

The general picture is that it appears to be very profitable to think and act long-term. Normally society can get a great deal of preventive measures for the same cost caused to society by a single person who is suffering from severe social exclusion.

A more accurate picture using a socioeconomic book-closing

All enterprises have economic relationships with their surrounding environment. We call two of these income and expenses – that is, compensation for what you do and what you must pay for others' resources. Enterprises that work with prevention and/or rehabilitation create substantial changes in the income/expenses of a number of parties. To visualise this we have made use of a socioeconomic book-closing. The aim is to com-

plement the enterprise's own reporting of income and expenses with an accounting of the economic effects in the enterprise's environment, in order to provide a more accurate picture of the initiative's effects over the short and long term. The socioeconomic book-closing comprises the following components:

Socioeconomic expense =

External expense + internal expense

Socioeconomic income =

External income + Internal income

Socioeconomic profit =

Socioeconomic income – Socioeconomic expense

The book-closing consists of a number of items that can be compiled in various ways. The hub consists of a broader income statement for the financial year, which is the basic formula above. The income statement can be complemented with various forms of key ratio analyses, financing analyses and more long-term investment assessments. In the report we exemplify this with a review of the thoughts behind and the outcome of a typical socioeconomic book-closing. Almost across the board this leads to the value of such efforts being clearer, more positive and considerably more extensive – what we have called the iceberg effect surrounding prevention. The socioeconomic book-closing can be seen both as a concrete calculation method and as an approach to matters surrounding prevention, early action and rehabilitation initiatives. We primarily emphasise the latter perspective. In conclusion, as a result of successful prevention, two main effects arise that should be taken into account in a socioeconomic book-closing: reduced welfare costs and higher production values.



How do I put this to work in my everyday activities and reality?

The conclusions of the previous reasoning are that the costs of social exclusion – both human and socio-economic – are great. They are often greater than what most people intuitively believe; moreover, all too seldom are they taken into account in decision-making in the public sector. The short sightedness and myopic thinking that characterise many decisions cost society a great deal of money and lead to unnecessary suffering. We do not turn a blind eye to the problem that part of the cost is invisible, since it affects other parties and is incurred sometime in the future. Highlighting and providing an accurate picture of these costs is an important foundation for taking a stance on the value of preventive work. It requires a new approach that can lead to new work methods.

Further, we can ascertain that if we are to succeed with long-term preventive work surrounding children and youth, changes will have to be made at both the local and societal levels. Today's structure does not appear to be particularly successful, and we want to point to solutions that have better prospects to work than those used today. We hope that the approach described in the report gives you as a reader inspiration, arguments and energy to think and act along new lines. To not regard initiatives for children and youth as a budgetary expense that is charged in its entirety against the current year's budget, and to instead adopt a long-term perspective and see it as a social investment. Like physical investments, where money that is invested in the construction of a new building, for example, is charged against an investment budget, entailing that the current year's budget is essentially only charged with the cost of depreciation. As we see it, it is only logical that an early initiative to prevent marginalisation, along with prevention and rehabilitation measures, should not be booked as an expense but as a social investment in people – an expression for nurturing and developing a community's human capital.

The scope of the structure collaboration between various actors and decision-making must increase and

be more long-term. Moreover, the collaboration must take place more systematically and at a more strategic level. A first step is to have joint management which formulates goals, has shared visions and works from a platform of shared values. It is a matter of the ability to create network-based organisations or virtual organisations to solve problems across departmental lines.

Empower people and give them responsibility

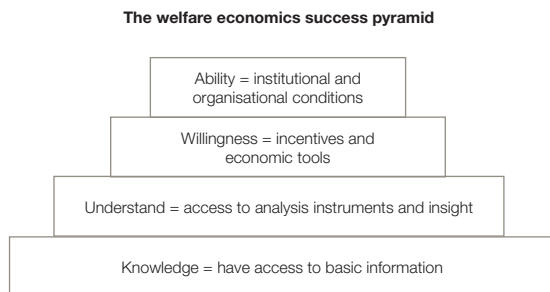
Applying an empowerment perspective and strengthening it among children, youth and their parents is key to contributing to people's development. At the organisational level it is a matter of broadening and creating new arenas for capitalising on people's ability to participate in work life based on their individual abilities. Another factor involves breaking the stigmatisation that affects people both individually and collectively, and providing better conditions for socially excluded people to return to the fold of society. The stigmatisation of people is largely a matter of fear, and to break this fear, meeting places must be created in which knowledge can be conveyed and closeness to people can be built up. It is hard to harbour prejudices if you know someone on the personal plane. Positive role models and a transitional arena make it possible for people – young and old – to break away from a destructive life. Having the opportunity to join a new sense of community is a major help and support on the path to finding one's way back into the social community.

The need for changed management, governance and monitoring systems

In strictly practical terms, it is primarily a matter of two things. The first is to create governance and monitoring systems that take a holistic, long-term approach. At the core of leadership is the ability to always put the focus on the individual and to communicate with everyone involved. Giving orders becomes less important than dialogue, discussion and negotiation. Flexibility that provides scope for shifts along departmental lines is another important quality, together with operational goals and visions – and of course the courage to take responsibility for the whole. The ability to show the effects of this work using various

follow-up models is what we call the socioeconomic book-closing. At the core it is about a monitoring system that is comparable with all other public sector governance and monitoring systems, such as budgets, business plans and annual reports, including income statements and key ratio analyses.

Making progress in this area requires some form of work model or structure with whose help we can concretely transform political decisiveness into action. The chart below illustrates four conditions that must all be present to achieve full effect and which build upon each other like a pyramid. Knowledge is required in the form of basic information about long-term and uncertain effects, for example. Understanding is instilled through access to analysis instruments and insight into which welfare distribution mechanisms arise, such as between various authorities. Economic or other incentives make it profitable to think long-term and thereby create the will to do so. And last, but not least, organisational and institutional conditions are needed in order to think and act across departmental lines and long-term.



The report – a vital tool for future work

The essence of the report “An ounce of prevention is better than a pound of cure” involves bringing to light the invisible economic effects of work with children and youth, especially from a long-term perspective.

Our intention has been to highlight what takes place in this work in economic terms and to show how much better it is to pay for “an ounce of prevention now instead of a pound of cure” later on. We show how it is possible to calculate the value of early action surrounding children and youth, the value of facilitating people’s journey back into society and the value of capitalising on their work capacity. With focus on children and youth, we have presented an account of the mechanisms of marginalisation, the economic consequences of this, and how it is possible to assess the effects of early action, prevention and effective rehabilitation.

In conclusion, we discuss how someone with a passion for the cause or a decision-maker can on his or her own produce documentation and determine a value of such initiatives. With the support of the report’s contents we hope that it can serve as a tool for understanding and arguing that prevention, effective rehabilitation and early action play a major and important role. To recreate a humanistic society and to use our scarce societal resources more effectively, we thereby hope to influence decision-makers to think long-term, adopt a holistic perspective, build up structural collaboration and use methods to encourage people to participate in preventive work surrounding children and youth.



After a life framed by social exclusion, substance abuse and criminality, Nicholas dies of a heroin overdose at the age of 42. Apart from the pure human suffering that such a life has entailed, the cost to society has been enormous. There were warning signs at an early stage – even before Nicholas began his revolving door in and out of treatment centres and institutions.

Is there anyone who saw the bigger picture and where his life was headed?

With early action that had been coordinated better, there would have been a chance to break this trend and influence it in another direction.

In the report “An ounce of prevention is better than a pound of cure”, we show what society can gain – both on the human and economic planes – through early and coordinated investments in preventive measures.

We would like to set forth five claims on the societal benefit of prevention and successful rehabilitation:

- social exclusion comes at a major cost that is usually invisible
- in our report we show that it is possible to measure and assess the cost of this exclusion
- we can thereby also measure and assess the effects of prevention and successful rehabilitation
- early action is better from both the human and economic perspectives
- setting priorities, taking a long-term approach and structural collaboration are prerequisites for success.

In our report we use models and methods to show how this can be calculated. We argue that society’s resources for children and youth should be reprioritised toward prevention and early action. This is a job that should be organised in cross-departmental structures, based on new governance and monitoring models.

The report “An ounce of prevention is better than a pound of cure” exists in three versions:

- The main report
- Guide
- Summary.

This is a summary. The main report and guide (in Swedish) can be downloaded from www.skandia.se/ideer and www.seeab.se.