

**LSE** The Place2Be Research Conference  
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**Early intervention:  
Is it worth it?**

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**THE SUNDAY TIMES** 14 Feb 2010  
- 20 leading economists call for urgent cuts to public spending

**FINANCIAL TIMES** 16 Feb 2010  
- 60 leading economists call for slower cuts

**TheObserver** 21 Feb 2010  
- 22 more leading economists advise public investment

**Place2Be** - Sorry, just 1 economist who wasn't "leading enough" to get asked to sign any of those letters ...

22 Feb 2010

**Coverage**

- What do we mean by "Is it worth it?"
- Seven deadly economic sins
- Take-home messages

**Not covered:**

- Review of all the economics evidence

**£** What do we mean by "Is it worth it?"

The underlying problem

**Scarcity**

There are not enough resources to meet all of society's needs or wants

→ So society has to choose how to use them (i.e. how to ration or to allocate or perhaps to cut)

If the core 'professional' question is:

→ → Does this treatment work?

Then the core economic question is:

→ → Is it worth it?

I.e., do the outcomes justify the costs?

### Seven deadly economic sins

- Ignorance
- Neglect
- Selfishness
- Myopia
- Impatience
- Inequity
- Misplaced frugality



**Ignorance**

### What does your intervention cost?

- What is the annual budget? How much of it have you spent this year? Are you on track to balance the books?

That is **accountancy**; and is essential.

But **economics** would go further:

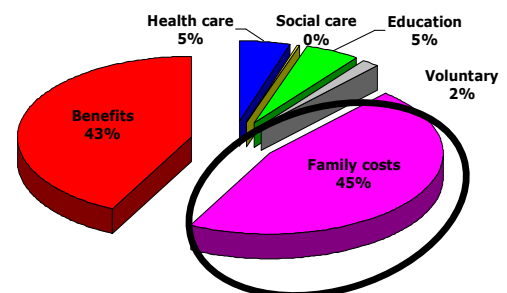
- What is the cost per child/family supported? How does that cost vary for children with different needs?
- What is the cost per child going to be *next* year?
- What is the cost of that new development you are thinking of introducing?
- And is it worth it?



**Neglect**

**The most important input is often the one that you usually neglect**

### Costs of children with persistent antisocial behaviour, London



Romeo, Knapp & Scott, *Brit J Psychiatry*, 2006

## The most important input is often the one that you usually neglect

Often the largest cost 'burden' falls to the family:

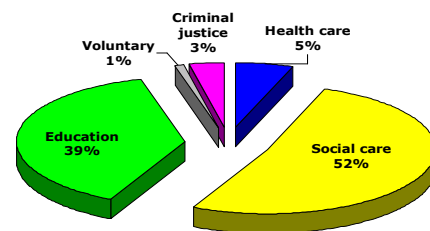
- Out-of-pocket payments for services/interventions
- Travel costs to take the child to 'treatments'
- Lost employment
- Lost leisure time
- Health costs for family members
- The 'costs' of strain



**Selfishness**

## Think about the wider context, not just your own budget and targets

## Children with complex mental health problems – service costs



**Total cost for just these services averaged £52,884 per child per year, at 2000/01 prices**

Clark et al, *Child & Adolescent Mental Health*, 2005

## Think about the wider context, not just your own budget and targets

Many children and adolescents – and their families – have **multiple needs** ...

And so will need support from **multiple services**, each with their own budget:

- School
- Other education
- Health
- Social care
- Youth justice
- Housing
- Social security, etc

Looking after only your own budget, pursuing only your own targets ...  
... could well lead to **worse outcomes** for children, adolescents and families  
... and **worse use** of scarce resources.



**Myopia**

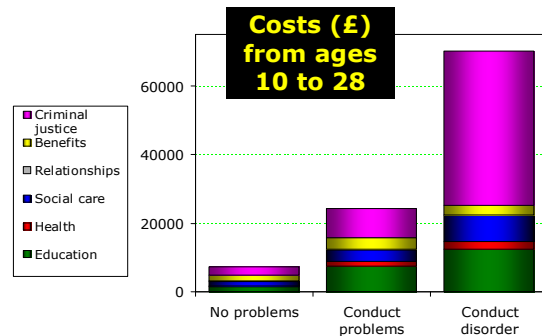
## Often those multiple needs have an impact over a very long time

### Example: Inner London Longitudinal Study

18-year follow up of children studied by Michael Rutter and team in part of South London in 1970

- Teacher ratings, child questionnaires at age 10
- Follow-up at age 26-28 of 50% of those with psychological problems and random 8% of the others
- Calculation of costs of services used between ages 10 and 28

## Costs in early adulthood from childhood conduct disorder



Scott, Knapp, Henderson, Maughan, *BMJ* 2001



## Impatience

## Don't judge an intervention only by its short-term effects and costs

Know the **time profiles** of prevention, treatment, etc – in many cases these will be **life-long**.

Gather evidence to persuade decision-makers to **invest long**.

**Prevention and early intervention** have never been so important.

### Examples from my groups:

- Early intervention for psychosis (3 yrs)
  - Early detection of psychosis (2 yrs)
  - Anti-stigma campaign (1 yr)
  - Social engagement, older people (1 yr)
  - Falls prevention (3 yrs)
  - Health screening for adults with learning disabilities (1yr)
  - Health visitors, PND (30 yrs)
- Plus **currently** looking at pre-school and school-based interventions (finish Apr/May)



## Inequity

## Every child is different ...

... and so we would expect their **costs and outcomes** to be different.

Moreover, different families have **different strengths, resources etc** – and publicly supported services are supposed to address such variations.

As budgets get tighter and jobs get fewer, is there a risk that the most disadvantaged lose out?

At a time when **efficiency** is uppermost in the minds of decision-makers, **equity** needs to be a priority objective



## Misplaced frugality

### Why do we deliver 'interventions'?

- because there are **needs** that should be met; and
- because this will improve quality of life and other **outcomes**

So if we **cut spending** we will not be able to meet as many needs, or achieve such good outcomes.

Sure, we need to be frugal (economical) in the use of resources, but in an **informed** way.

Decision-makers need to ask "**Is it worth it?**", not "How quickly can we cut it?"



## Take-home messages from this 1 non-leading economist



### Take-home messages

**Ignorance** → Know your costs

**Neglect** → Families are precious resources and incur costs too

**Selfishness** → Don't fixate on your own targets to the detriment of outcomes and wider efficiencies

**Myopia** → Make sure you take the long view

**Impatience** → And try to persuade decision-makers to *invest* long

**Inequity** → Efficiency may be a priority, but this is exactly the time to emphasise equity

**Misplaced frugality** → Ask "Is it worth it?", not "How quickly can we cut it?"