In 2014, more than 40,000 people were convicted of felonies and 55,000 were convicted of misdemeanors in Illinois. Roughly 97% of those admitted to IDOC eventually return to the community.

Forty-eight percent of those released from prison each year recidivate within three years of release and 19% will recidivate within one year of release.

The average cost associated with one recidivism event is $118,746; approximately $57,418 is attributed to the tangible and intangible costs borne by victims.

Given current recidivism trends, over the next 5 years recidivism will cost Illinois over $16.7 billion.

Cost-benefit analysis can be used to calculate the benefits, measured by reduced recidivism rates, of diversion programs, alternatives to incarceration, and the incarceration of those for whom prison is the appropriate sentence.

### Total Cost of a Recidivism Event: $118,746

- **Taxpayer Costs**: $40,987
- **Victimization Costs**: $57,418
- **Indirect Costs**: $20,432

For a detailed explanation of methodology, please refer to SPAC’s Supplemental Report available at: http://www.icjia.state.il.us/spac/index.cfm?metasection=publications.
Illinois Results First: The High Cost of Recidivism

COST OF ONE RECIDIVISM EVENT: $118,746

TOTAL COST OF RECIDIVISM OVER FIVE YEARS: $16.7 BILLION

Recidivism over the next five years is projected to cost Illinois residents $16.7 billion if current trends continue. This estimate is based on the current recidivism patterns of the 91,000 individuals who are expected to be released from prison or sentenced to probation each year over this period. Every time an offender reoffends and is convicted for a new crime the criminal justice system spends money for arresting and processing; for the prosecution, defense, and trial of cases; and for incarceration and supervision. Social costs, such as lost property, medical bills, wage loss, and the pain and suffering experienced by crime victims, account for more than $57,000 of this cost. Over five years, each individual who commits new crimes will produce victimization, system, and economic costs that average $118,746 per instance of recidivism. Assuming recidivism rates remain at current levels, five years’ worth of recidivism causes $16.7 billion in total costs.1

The Sentencing Policy Advisory Council (SPAC) does not make recommendations, oppose, or support specific policy proposals. SPAC is a statutorily created, independent commission of criminal justice stakeholders that reports to all three branches of government. SPAC’s mission is to provide system-wide fiscal impact analysis and provide research and analysis to support implementation of evidence-based practices. Cost-benefit analysis is one tool SPAC is using to weigh alternatives and evaluate outcomes as measured by lower recidivism rates; it is not a judgment of the system or of individual stakeholders—nor does this report recommend specific remedies.

This report explains how cost-benefit analysis can help determine the true costs of recidivism in Illinois in order to calculate the savings of reducing recidivism rates by one, five, and ten percent. In doing so, it demonstrates to stakeholders and policymakers the value of understanding the total costs of crime in our communities and the need to identify more effective responses.

Recidivism in Illinois

Criminal history records show that those who recidivate commit a substantial portion of crime in Illinois. Only 11% of the 132,606 total convictions in 2013 were of individuals with no prior arrests. SPAC’s profiles of average offenders demonstrate that many people who are sentenced to prison have long histories of prior arrests and several convictions on their records.2 Some have been placed on probation or served prior prison sentences.

Currently, a large number of offenders are caught in the repetitive cycle of recidivism. Each new conviction, each recidivating event, represents additional victimizations and costs to the system which accumulate over time. Evidence-based interventions can effectively interrupt this cycle and help put offenders on the path to productive citizenship.

Technical violations of mandatory supervised release also contribute to the high cost of recidivism. In 2013, almost a quarter of all prison admissions occurred as a result of offenders violating the conditions of mandatory supervised release (MSR), admissions which are termed “technical violations.”3 Technical violations often lead to short and expensive prison stays.4 SPAC’s report on MSR violators as a driver of the population showed that changes in policy, rather than changes in criminal behavior, were a primary factor in the number of technical violators returned to prison over time.5

Probation violators are not a significant component of the prison population. SPAC’s 2013 report on probation found

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1 Recidivism events that occur in future years—i.e., years two through five—are discounted at the end of each year using a conservative 5% social discount rate. The social discount rate reflects that a dollar five years from now is worth less than a dollar today since the future is uncertain. At a 5% discount rate, $1.00 received in five years is worth $0.78 today.
2 Offender profiles are available at http://www.icjia.state.il.us/spac/ under the Publications tab.
3 These non-conviction drivers of the prison population are counted in the Results First model but are not considered recidivism events; instead, the average length of stay includes the additional time spent in prison due to revocations of supervised release.
4 Technical violations are caused by such events as a new arrest, failing to maintain an approved address, or violating a condition of supervised release or of electronic monitoring.
that most individuals on probation for felonies do not end up in state prisons. However, individuals who had their probation revoked or are reconvicted of a new crime account for roughly 15% of all those sentenced to prison. This percentage has remained stable over several years.⁶

For purposes of this report, recidivism is defined as a conviction following either a sentence to probation or release from prison. SPAC tracked recidivism rates, as well as the type and frequency of crime by each individual, covering a nine year period. The average cost of $118,746 per recidivism event reflects all the criminal justice costs associated with each conviction. That calculation also includes the expected victimizations that occur but are not reported and those that are reported but do not result in a final conviction in order to give a more accurate illustration of the true costs of crime.

Calculating the True Cost of Crime

Cost-benefit analysis has been used in the private sector for decades to compare spending, benefits, and expected outcomes. This method of analysis is gaining momentum in government because it provides an apples-to-apples comparison that helps state and local governments prioritize spending on programs that produce measurable, positive outcomes. Cost-benefit analysis can be used to calculate the benefits of diversion programs, alternatives to incarceration, and the incarceration of those for whom prison is the appropriate sentence.

To calculate the true cost of crime in Illinois, SPAC has implemented the Pew-MacArthur Results First cost-benefit analysis approach.⁷ SPAC adapted the Results First model to include Illinois-specific costs, unique population and crime characteristics, and recidivism patterns. In addition to the system costs paid by state and local governments, the Results First model incorporates victimization costs established by national research, including jury awards for pain and suffering, to value the average cost of physical, property, and intangible effects of crime.

The model uses these inputs to calculate the costs of crime for victims, government programs and services, and the broader economy. This calculation also accounts for the costs of crimes that are not reported or that do not end in a conviction. By combining Illinois-specific inputs and the best national research, the model produces estimates of the net long-term social benefits of specific tax-dollar spending, allowing policymakers to look beyond one year’s revenues and expenditures when making funding decisions.

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⁶ SPAC, Drivers of the Sentenced Population: Probation Analysis, (Summer 2013).
⁷ The Pew-MacArthur Results First Initiative, a project of the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation, works with Illinois and other jurisdictions to implement an innovative cost-benefit analysis approach to aid state policy decision making. The cost-benefit analysis model used in this analysis was initially developed by the Washington State Institute for Public Policy and is now supported by the Results First Initiative.
Recidivism is Expensive

To determine an average cost of one recidivism event, the Illinois Results First cost-benefit model calculated the cost one thousand times, each time varying the inputs within a range of possible values. For example, the model varies victimization costs above and below the national average. Calculating the average so many times with different inputs allows the model to develop realistic best- and worst-case scenarios.\(^8\) The modeling produced an average cost as low as $80,000 and as high as $147,000 per conviction. The most common results were around the $118,746 average.

Because of the wide range of victimization and system costs, the average cost of a recidivism event should be generally applied. A policy affecting only felony drug offenses, for example, may not consistently avoid the average victim costs. A policy reducing a wide range of offenders’ recidivism patterns, however, should avoid these costs.

Total Cost of a Recidivism Event: $118,746

\[
\begin{array}{|c|c|c|c|c|c|c|c|c|c|}
\hline
\text{Year} & 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 \\
\hline
\text{Adult Prison} & 19.7\% & 36.9\% & 47.5\% & 53.9\% & 58.5\% & 61.4\% & 63.8\% & 65.6\% & 66.2\% \\
\hline
\text{Adult Probation} & 18.5\% & 30.3\% & 37.5\% & 42.4\% & 46.1\% & 48.8\% & 51.0\% & 52.7\% & 53.4\% \\
\hline
\text{Combined Recidivism} & 19.0\% & 33.1\% & 41.7\% & 47.2\% & 51.3\% & 54.1\% & 56.4\% & 58.1\% & 58.8\% \\
\hline
\end{array}
\]

48% of the total $118,746 cost is borne by victims, estimated as $57,418 in tangible (e.g., stolen or damaged property, medical care, lost wages) and intangible (e.g., pain and suffering) costs. Taxpayer costs—through state and local government agents—are $40,987 for the average arrest, adjudication, conviction, and punishment for a conviction. Finally, the indirect losses from lower total economic activity are $20,342.\(^9\)

The victimization costs reflect the crime patterns experienced in Illinois. SPAC calculated the baseline recidivism rates, shown below, for a cohort of offenders in Illinois who were either released from prison or sentenced to probation in 2002. This year was used in order to have nine years of continuous criminal history data for each individual.\(^10\) The model utilizes these specific Illinois trends in making its estimate. For further information on the methodology and cost-benefit analysis’ inputs, please refer to the Supplement to this report available at: http://www.icjia.state.il.us/spac/index.cfm?metasection=publishations.

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\(^8\) This is a common mathematical method known as Monte Carlo simulations. More information on methodology can be found in the Supplement to this report. SPAC, *High Cost of Recidivism Supplement*, (Summer 2015).

\(^9\) In economic terms, these costs are the “deadweight costs of taxation” or “excess burden of taxation,” which are estimates of the reduced economic activity caused by taxes that are not offset by other benefits. Economists have identified that taxes reduce activity through fewer consumer purchases and business sales. SPAC includes these estimates of economic inefficiency to account for the true impact of government spending on criminal justice in Illinois.

\(^10\) Additional recidivism rates from other years and by crime type, class, violent or non-violent, race, and sex are available from ICJIA’s Criminal History and Recidivism Tool, accessible at: http://www.icjia.org/public/sac/tools/ICT/IllinoisCohortsTool.cfm.
Applied to these crime patterns are costs from a seminal national study of victimization costs.\textsuperscript{11} The table below shows that the costs vary depending on the type of crime, from over $9 million for murder to an average of $1,922 for felony property offenses.\textsuperscript{12} In Illinois, the comparatively high number of misdemeanor and theft offenses offsets the high cost of less frequent offenses such as murder or sexual assaults.

<table>
<thead>
<tr>
<th></th>
<th>Murder</th>
<th>Felony Sex Crimes</th>
<th>Robbery</th>
<th>Aggravated Assault or Battery</th>
<th>Felony Property</th>
<th>Felony Drug and Other</th>
<th>Misdemeanors</th>
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<td>Tangible Victim Costs</td>
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<td>$8,700</td>
<td>$1,922</td>
<td>$0</td>
<td>$0</td>
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<tr>
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<td>$8,275</td>
<td>$22,135</td>
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<td>$0</td>
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</tbody>
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Over the next five years, recidivism will cost Illinois residents $16.7 billion. Each year approximately 91,000 individuals are sentenced to probation or released from prison grouped into annual cohorts. Using expected recidivism rates from past trends, about 17,393 convictions will occur within the first year and over 46,000 convictions over five years. The total recidivism costs are found by multiplying the number of recidivism events with the Illinois Results First average cost of a recidivism event of $118,746. The future recidivism costs are discounted using a 5% social discount rate to reflect the reduced value of future dollars.\textsuperscript{13}

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<tr>
<td>Total</td>
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<td>175,289</td>
<td>$16,692</td>
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To demonstrate the possible benefits of recidivism reductions, SPAC estimated the effects of reducing recidivism by one, five, and ten percentage points. Reducing the combined recidivism rate one percentage point results in 911 fewer convictions, avoiding a total of $108.2 million in costs over nine years. Those avoided costs include government expenditures, reduced victimization costs, and improved economic efficiencies. As shown on the right side of the table below, a one percent reduction in recidivism creates $52.3 million in reduced victimization costs.


\textsuperscript{12} Note: These numbers are based on national calculations and are not specific to Illinois. Illinois does not have a cap on pain and suffering awards; therefore average victimization costs may be higher. SPAC is confident that these numbers are a reliable proxy for Illinois costs and will continue to refine the victim costs, as well as other inputs, to improve the average cost estimates of convictions and other programs in Illinois. Additional information on the inputs is available in the Supplement to this report.

\textsuperscript{13} If a 2% discount rate were used, the total recidivism costs for five years would be $17.6 billion; if the rate were 10%, the total costs would be $15.4 billion.
Criminal justice and social science research has established that recidivism can be reduced and criminal conduct changed through the use of policies and interventions that have been found effective through rigorous evaluation. The Illinois Results First cost-benefit model includes a database of 172 programs in the criminal justice sector that have successfully reduced recidivism over time in a variety of states.

The core concepts of those programs, which are necessary to achieve that outcome, are well established. Years of research on evidence-based practices indicates that Illinois could replicate successful program outcomes by:

1. Implementing proven programs with fidelity to the core concepts. If the core concepts of a program are not followed, the result will not be consistent with past outcomes.

2. Ensuring consistent quality assurance of the programs to protect fidelity to the core concepts. In programs that work, quality assurance is ongoing and consistent over time.

3. Collecting and analyzing data to conduct independent program evaluations. This critical component of evidence-based practices verifies the expected outcomes and ensures those outcomes are realized. Program evaluations are also the source for future evidence-based programs. Unfortunately, program evaluations have not been done on the vast majority of programs that Illinois currently funds.

4. Prioritizing funding, with proper analysis of outcomes and resource use, based on success. Success can be defined as any program producing positive social benefits and returns on the investment of taxpayer dollars. Programs that do not produce benefits and a reasonable return on investment should not be funded with tax dollars.

### The High Cost of Recidivism

Cost-benefit analysis is one tool for policymakers can use to meet the challenge of reducing recidivism rates at sustainable costs. If Illinois implemented proven evidence-based programs with fidelity, the state could achieve lower rates of recidivism, which would result in fewer convictions, fewer crimes, and less victimization. Continuous evaluation and monitoring will be necessary to ensure that these programs are properly implemented and to ensure that actual savings match the expected returns. Data collected from the programs can be used by the cost-benefit model to analyze outcomes and quantify returns on investment.

If recidivism reduction strategies are successful, the savings generated become available for other uses—including more investment in programs that work within the criminal justice system, social service interventions that reduce the risk of future criminal behavior, and re-entry programs for offenders returning to the community—that reduce the number of victimizations going forward. If recidivism is not addressed using research and cost-benefit analysis, the people of Illinois will continue to pay the high cost of maintaining the status quo.
ACKNOWLEDGEMENTS

SPAC would like to acknowledge the invaluable contributions to implementing Illinois Results First made by the following organizations:

The Research & Analysis staff of the Illinois Criminal Justice Information Authority. We are grateful for their ongoing collaboration on improving the outcomes of Illinois’ criminal justice system.

Research and Planning Unit of the Illinois Department of Corrections

The Administrative Office of the Illinois Courts

The Illinois Sheriff’s Association

The Illinois State’s Attorney Appellate Prosecutor

Dr. David Olson, Loyola University Chicago

The Pew-MacArthur Results First Initiative technical assistance team