Executive Summary¹: An Economic Analysis of Restorative Justice A 2012 Study Jillian M. Furman University of Massachusetts-Boston

Introduction

In recent years, restorative justice has emerged as a complementary approach to criminal justice within state and local systems across the country (Hughes & Mossman, 2001; Latimer, Dowden, & Muise, 2005; National Institute of Justice, 2007; United Nations, 2002). As a result of the increasing popularity, a substantial amount of research has been conducted as a means of determining the benefits of using restorative justice practice within traditional criminal justice systems across the country.

Despite the plethora of data and research available concerning the procedural and process-based advantages as well as disadvantages of restorative justice, little research has been conducted analyzing its economic efficiency in comparison to that of traditional justice (Braithwaite, 2001; Marsh, Chalfin, & Roman, 2008). The purpose of this study was to provide a comparative economic analysis of both restorative and traditional criminal justice methods through the use of a cost-effectiveness analysis. By calculating costs and evaluating the effectiveness of these interventions, this study looks to gather the economic data necessary to inform and assist in the reevaluation of broader criminal justice policy decisions. As such, the following research question was proposed:

Is the implementation of restorative justice in comparison to that of traditional criminal justice, a more cost-effective method of criminal justice?

Methods

This study used a cost-effectiveness analysis as a means of evaluating the economic efficiency of restorative justice in comparison to that of traditional justice practices. Economists describe cost-effectiveness (CE) analysis to be the evaluation of two or more interventions according to both costs and effects (Dhiri & Brand, 1999; Drummond, O'Brien, Stoddart & Torrance, 2005; Levin & McEwan, 2000; Welsh & Farrington, 2000). CE analysis calculates a program's inputs, those being the monetary costs required for implementation in concordance with the program's outputs. The outputs or outcomes of an intervention are viewed as the products generated as a result of that intervention's execution (Drummond, et al., 2005). These outcomes are evaluated based upon their effectiveness, or the degree to which they produce a specific result. The objective of this research is to provide an analysis of pertinent data necessary for policy reevaluation and the decision-making process within the criminal justice context.

Data for this study was collected using both interviews of Communities for Restorative Justice personnel, volunteers, and allies of the organization, including law enforcement and probation officers. By using document review, the researcher was able to access and analyze secondary data made available by the state of Massachusetts Judicial System, as well as larger databases such as the Bureau of Justice Statistics and the National Center for State Courts. The researcher was also granted access to secondary data produced by Communities for Restorative Justice. Once all cost and effectiveness data was collected and organized, the researcher then assembled all data into an organized framework for further analysis and more oriented toward decision-making.

Results

In order to complete a cost-effectiveness analysis the researcher must construct cost-effectiveness ratios and compare the two criminal justice interventions. In a cost-effectiveness ratio (CER), the cost (C) of an alternative or intervention is divided by its effectiveness (E):

$$CER = C/E$$

Here, the ratio should be interpreted as cost (C) per one unit of effectiveness (E) in which the unit of effectiveness is determined by the researcher (Boardman, Greenberg, Vining & Weimer, 1998; McEwan & Levin, 2000). Based upon the data collected in this study, the following cost-effectiveness ratios were constructed:

 CER_{RJ} = \$305 (per case)/84% (over 9 years) = 305/84 = 3.631 CER_{TCJ} = \$1,259 (per case)/61% (2002) = 1,259/61 = 20.640

¹ Full study available upon request: jlarsonsawin@c4rj.com

According to the cost-effectiveness ratios presented above, the restorative justice approach has a lower cost per percentage of effectiveness than the traditional criminal justice approach, thus **deeming restorative justice nearly more** than six times more cost-effective than traditional criminal justice methods.

Discussion

The National Center for State Courts (2009) together with the Bureau of Justice Statistics announced that in 2009, the Massachusetts Criminal Justice System's District Courts managed 219,154 incoming criminal cases, 201 of which were juvenile cases tried in District court. In that same year, the Massachusetts Juvenile Court saw 37,725 cases (not all of which were criminal violations). When analyzing the budgetary allocations for the Massachusetts Court System from FY2011 to FY2012 there is a substantial decrease in funding (\$544 million in 2011 and \$519.9 million in 2012, a \$24.1 million decrease).

Ultimately, restorative justice methods proved to incur lower costs upon case facilitation than the traditional criminal justice approach. Restorative justice also produced lower rates of recidivism, deeming restorative justice more cost-effective than traditional criminal justice. These outcomes suggest that restorative justice methods should be further integrated into the traditional criminal justice system as a supplemental program. The introduction of a this integrative restorative approach will not only provide a cheaper alternative for a number of cases that meet the preconditions, but will also potentially lower the rate of re-offense among offenders within Massachusetts.

Although this study finds an overwhelming argument for the further integration of restorative justice methods within the traditional criminal justice system, albeit supplemental, several other themes emerge as well; the most important of which is the need for more research to be conducted concerning the costs of administering a traditional criminal justice case, including facility, utility and required client input data. It also illustrates the existing gaps surrounding recidivism in the traditional justice context (for example, reports on recidivism could *only* be found for offenders who had served time in a correctional facility and excluded offenders who were processed through traditional means but not incarcerated). By gathering more comprehensive data in these areas, a more accurate cost-effectiveness analysis can be completed, painting a far more detailed picture of the two criminal justice approaches, their costs, and their effectiveness.

References

- Boardman, A., Greenberg, D., Vining, A., & Weimer, D. (1998). Cost-benefit analysis: Concepts and practice. *Public Choice*, 96(3/4), 417-423.
- Braithwaite, J. (2001). Restorative justice and responsive regulation. New York: Oxford University Press.
- Dhiri, S. & Brand, S. (1999). *Analysis of costs and benefits: Guidance for evaluators, crime reduction programme*. Great Britain: Home Office.
- Drummond, M. F., O'Brien, B., Stoddart, G.L., & Torrance, G.W. (1997). *Methods for the economic evaluation of health care programmes.* (2nd ed.). Oxford, UK: Oxford University Press.
- Hughes, P., & Mossman, M. J. (2001). *Re-thinking access to criminal justice in Canada: A critical review of needs and responses*. Ottawa: Research and Statistics Division, Department of Justice Canada.
- Latimer, J., Dowden, C., & Muise, D. (2005). The effectiveness of restorative justice practice: A meta-analysis. *The Prison Journal*, 85(2), 127-144.
- Levin, H., & McEwan, P. (2001). *Cost-effectiveness analysis: Methods and applications* (2nd ed.). Thousand Oaks, CA: Sage Publications, Inc.
- Marsh K., Chalfin A., & Roman, J. (2008). What does cost-benefit analysis add to decision-making? Evidence from the criminal justice literature. *Journal of Experimental Criminology*, 4(2), 117-135.
- National Center for State Courts. (2009). *Examining the work of state courts: An analysis of 2009 state court caseloads* [Data file]. Retrieved from http://www.courtstatistics.org/FlashMicrosites/CSP/images/CSP2009.pdf
- National Institute of Justice. (2007). *Restorative justice* [Data file]. Retrieved from http://nij.gov/nij/topics/courts/restorative-justice/welcome.htm
- United Nations, Economic and Social Council (2002). *Restorative Justice: report of the Secretary General*, Vienna, Austria: United Nations, online. Available at: http://www.unodc.org/pdf/crime/commissions/11comm/5e.pdf
- Welsh, B. & Farrington, D. (2000). Correctional intervention programs and cost-benefit analysis. *Criminal Justice and Behavior*, *27*(1), 115-133.