



The Economic Advantages of the IUD

The growing demand for contraception and reduced donor funding together imply a looming crisis for family planning programs. Reducing contraceptive costs is an important part of meeting this crisis.

Cost Advantages

The IUD is the lowest cost contraceptive commodity

The low cost of the IUD should make it particularly attractive to programs. The cost of the 380A IUD is \$1.72. With an average period of use of at least 3.5 years, cost of an IUD per couple-year of protection (CYP) is about \$0.49. In comparison, a year's supply of oral contraceptives costs \$3.00 and of injectables costs \$4.24.

Its high effectiveness further enhances the IUD's cost advantages

The IUD has lower failure rates than re-supply methods (such as oral contraceptives). This means that the public health and client costs associated with unintended pregnancies are also lower than for other temporary methods.

Fewer revisits mean cost savings for family planning programs and clients

The IUD requires only one or two revisits during the first year, and may therefore reduce the opportunity costs associated with clinic overcrowding. IUD use can result in lower opportunity costs for women (e.g., travel and clinic waiting time), fewer travel costs, and fewer clinic visit fees.

Cost advantages to including the IUD in postpartum and postabortion FP programs

Postpartum and postabortion IUD insertions are generally less costly than interval IUD insertions. Additional pelvic exams, supplies, materials, and provider time are practically eliminated.

Programs need to consider costs to initiate quality IUD services

Compared to other temporary methods (pills, injectables) programs require more resources to initiate IUD services. Costs associated with equipping clinics, training providers, and “advertising” the new services to clients and communities (e.g., through IEC efforts), must be taken into account, and require initial capital outlay. However over time, as IUD use increases in proportion to other methods, cost savings for programs can be realized.

Sometimes there are higher initiation costs for clients

Depending on the pricing structure at the clinic for various methods of contraception, sometimes the cost to clients to initiate the IUD may exceed the cost of receiving pills or injections for three, six, or even twelve months. This immediate need for more money for an IUD insertion than pills or injectables may create an economic barrier for clients, even though using an IUD may be more economical for them over time.

How to Increase IUD Use

Price of the IUD to the client should be made equivalent to that of other temporary methods

Women’s contraceptive decisions are affected by the purchase price of the IUD, not the per-year-of-protection price which is of concern to programs. Subsidies that reduce IUD prices to a level equivalent to a three-month injectable or three cycles of pills may increase IUD use. Providing the IUD free of charge may also be cost-beneficial to programs if they can reduce provision of more expensive contraceptives.

Reduce provider disincentives to IUD insertion

While the IUD may be a good investment from the point of view of the program, and attractive to potential users, there may be disincentives for the provider to recommend the method. It is more difficult and time consuming to insert an IUD than to provide a supply method. Provider perspective on IUD insertion need to be identified and steps taken to eliminate barriers wherever possible.

Additional Resources on Cost, Pricing, and Financing

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