



# Children in Foster Care

## Societal and Financial Costs

A Family For Every Child (AFFEC) is dedicated to find loving, permanent families for every waiting foster child. While the heart understands the importance of family, a clear calculation of the societal and financial costs incurred when children languish in foster care adds to the sense of urgency and the importance of success in realizing our mission. This report aims to highlight the costs to the foster child and to society when children are not adopted or reunited with family members.

The analysis in this report shows that A Family For Every Child (AFFEC) works as an effective investment in promoting the team effort it takes to place children into permanent families.

**Amanda Fixsen M.S.**

Interested Parties,

While it is intuitive that finding permanent families for waiting foster children results in financial savings to the public, to define those savings is much more difficult. It was clear that in order for A Family For Every Child (AFFEC) to make meaningful appeal for operational funding, we would need to present credible, valid measures of the savings we help facilitate. No such measures currently exist, and so we set about creating them.

After considerable investigation and outreach, we struck a conversation with Dr. Katharine Cahn, Ph.D., Executive Director of the Center for Improvement of Child and Family Services at Portland State University's School of Social Work. Dr. Cahn immediately grasped the need for and complexity of the task we framed. She referred us to the research consultation services of Mrs. Amanda Fixsen, M.S., Social Work and Social Research Doctoral Candidate at Portland State University. In the spring of 2011, Mrs. Fixsen and we set about that task, and several months later Mrs. Fixsen delivered the report which follows.

This is a developing, iterative process. We fully expect levels of precision with the data to improve over time, as many of the measures make sense only after forward-going-basis data collection points and systems are created, compiled, vetted and placed into meaningful context.

Literally everything A Family For Every Child (AFFEC) does is geared toward moving foster children into life-long permanency with adoptive families. All our programs were designed to fill in cracks in the pavement on the roadway toward permanency. It is reasonable to expect us to develop new programs and to expand or amend existing programs as new or changed conditions present. Accordingly, we anticipate an accompanying need for us to expand and refine our data collection, processing and publication as conditions dictate in the future.

The Board of Directors  
A Family For Every Child

November, 2011

### **The Cost of One Child for One Year in Foster Care**

The financial cost for one child to remain in foster care in Oregon for just one year is, at minimum, \$26,600<sup>1</sup>. This cost includes room and board, enhanced supervision, personal care services, one-time payments and staff time. It excludes the cost of residential treatment services. The estimated Oregon figure is close to one reported national average of \$25,782 (Zill, 2011).

When a child is adopted from foster care by a loving and supportive adoptive family, that family for the most part assumes private responsibility for the cost of the various supports all children need to grow and thrive. As the next paragraph shows, there are still public costs associated with that child. However, the adopted child will incur lower public costs as adoptive parents are more likely to be working full-time and are less likely to be heavily reliant on public services (Zill, 2011).

As in many other states, Oregon families who adopt children from foster care are able to access adoption subsidy funding. This funding, on average (for monthly payment as well as a \$1,500 one-time payment) results in a public cost of about \$7,464 per year. Additional public costs may also be incurred in the form of subsidized guardianship and residential treatment not covered through Medicaid. The total annual public cost for a child who has been adopted from care in Oregon is \$8,964. This is close to one reported national average of \$10,302 (Zill, 2011).

**The average annual net savings for one child being adopted out of foster care is \$17,636 in Oregon, and it is \$15,480 nationally.**

In 2010, AFFEC contributed to the work of getting approximately 132 children and siblings out of foster care and into homes with permanent and loving families. The public costs of caring for 132 youth in foster care for just one year are over \$3.5 million. But the cost to AFFEC of participating in this process was approximately the annual cost of caring for nine foster youth in Oregon.

### **How Many Children are Waiting to be Adopted?**

While definitions of a child 'waiting to be adopted' vary, most researchers use the conservative definition of "the number of foster children who have a goal of adoption and/or whose parental rights have been terminated."

As of September 30, 2010, across the United States there were 52,340 children adopted from foster care, and 107,011 youth were still waiting to be adopted. Nationally, this 2:1 proportion of waiting versus adopted children has been sustained over many years. Many states, including, Oregon, have made progress in timely finalization of adoptions. As of September 20, 2009, there were 1,101 children adopted in Oregon, and 1,840 children under 16 years of age were waiting to be adopted.

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<sup>1</sup> This figure is based on multiplying an average daily cost to care for a foster child in Oregon (\$72.89) – as described by a source within the Oregon Department of Human Services – by 365 days.

**What Can Be Done to Get Waiting Children Adopted?**

It is critical to increase awareness of the plight of foster children and the financial and societal costs associated with foster children languishing in foster care. It is also critical for foster children and qualified prospective adoptive parents to be educated, supported and to have their participation in the process nurtured and enhanced. Innovative programs and public-private partnerships are needed to find permanent, loving families for children who are waiting to be adopted and to expedite the adoption process. These innovative programs are found at A Family For Every Child.

**The Public Costs of Foster Care**

The foster care system has annual federal and state costs of more than \$9 billion (Title IV-E of the Social Security Act). Children in foster care have costs associated with medical care, food stamps, cash welfare, and child care payments to foster families (Zill, 2011).

Beyond these immediate public costs there are also other longer term costs to the child and to society (Zill, 2011).

**Costs to the Child and Social Costs when Children Remain in Foster Care**

A disproportionate number of foster youth who “age out” of the system (meaning a youth leaves foster care because he or she has reached the age at which he or she is not longer legally in the care of the state) go on to have problems in school, to be unemployed or homeless, and/or to use drugs or commit crimes. In a sample of male and female foster youth who were **not adopted**, but who “aged out” of care Zill (2011) found the following:

	General population		Foster children who aged out	
	Males	Females	Males	Females
Arrests (at any time)	17%	4%	81%	57%
Convictions (at least 1)	10%	2%	59%	28%

**Benefits of Adoption**

Children adopted out of foster care "...have home environments that are more favorable for child development and well being than children who remain in care." (Zill, 2011). Additionally, adoption can improve many other outcomes. Hansen (2006) describes that children adopted from foster care, as opposed to those who remain in foster care, may experience a host of benefits.

<b>Domain of benefit</b>	<b>Adopted from foster care as compared to children who remain in the system</b>
Educational	Educational progress improves by 50%
Referrals to special education	Referred half as often
Suspensions or expulsions	21% less likely to be suspended or expelled
Completion of GED or high school education	23% more likely to complete a GED or high school education
Self-report of health	4% more likely to report being healthy
Teen parent	20% less likely to be a teen parent
Use and/or abuse alcohol and substances	15% less likely to use and/or abuse alcohol and substances
Mental health services	200% <i>more</i> likely to receive mental health services (adoptive parents may expect that problems will occur, or be more able to advocate for a child to receive services)
Arrests	50% less likely to be arrested
Incarcerated	32% less likely to be incarcerated
Working as a young adult	22% more likely to be working
Unemployment	24% less likely to be unemployed

A recent study focused on understanding the developmental outcomes of children in foster care as compared to those who were adopted and those who returned to their home of origin. Overall, children who returned home or who were adopted had similar and positive developmental outcomes as compared to those who remained in foster care (Lloyd and Barth, 2011).

**Outcomes: A Family For Every Child**

	Single children	Children part of a sibling group	TOTAL CHILDREN
Number of new children to AFFEC in 2010	809	455	1,264
Number of these children who have since been placed (2010-current)	127	154	281
Savings for one year to the public for children who have been placed since 2010**	\$1.97 million	\$2.38 million	\$4.35 million
Number of children placed since AFFEC began in 2006	519	635	1,154
Savings for one year to the public for children who have been placed since AFFEC began **	\$8.03 million	\$9.83 million	<b>\$17.86 million</b>

\*\* These numbers reflect national net average savings for one year. AFFEC is one of many agencies and passionate and interested parties who focus their efforts on finding loving and permanent families for foster children. Although not all of the children and sibling groups noted above were placed solely as a result of AFFEC's programs, the figures above reflect AFFEC's role as one of many participating parties contributing to the placements.