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The Human, Social, And Economic Cost of Aging Out of Foster Care

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Introduction

E mancipation is a common fate for the 400,000 American youth languishing in foster care. After years of bouncing from one foster home to another, often feeling lonely and unwanted, too many youth in care long for the day when they will turn 18 (21, in some states) and age out of the system that has failed them. But many may not realize how ill-prepared for adulthood they are without a lack of support or a permanent family. Youth that age out of foster care are far more likely than their peers to become homeless, dependent on welfare, turn to drugs, or be incarcerated.

Truly, this is an American tragedy. Children who are starving, mistreated, or living outside family care in other countries are often seen in the daily headlines. Restrictions on adoptions, notably in Russia, garner great attention, but the reality is that intercountry adoptions have declined precipitously, falling from a peak of 22,884 in 2004 to only 6,441 in 2014. While many American families are eager to adopt from abroad or adopt infants here at home, 400,000 children in U.S. foster care often seem to remain under the media's – and hence the public's – radar.



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These are our own children, living in our towns, on our streets, attending our schools. Yet there are no “waiting lines” of families eager and willing to adopt these kids – *our* kids – from foster care. This failure to find permanent families for the more than 100,000 children in foster care eligible for adoption has dire yet *preventable* consequences. Approximately 25,000 youth age out (or are “emancipated”) each year. The resulting social and economic costs, primarily for the states that are charged with their welfare, are huge.

How serious is this failure to help these youth find permanency, and what are the human, social, and economic costs? The goal of this article is to increase public awareness of the challenges facing youth that are not adopted from foster care, and provide policymakers with sound recommendations to help ensure that every child in foster care can thrive and find the long-term stability and support they need.

An Overview of Foster Care

Foster care, as federally defined, means “24-hour substitute care for children placed away from their parents or guardian and for whom the State agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes.”¹

That means that “these kids are our kids.” Foster care was designed to provide *temporary support* in a safe family-based environment until a child could be returned to their family or placed with another permanent caregiver. The majority of children in foster care arrive there due to physical or emotional abuse or neglect, and many arrive with the special needs that often come with these difficult experiences. Unfortunately, foster care, although designed to be a temporary, safe solution, can at times become ongoing or permanent, leading to new, difficult experiences for these already vulnerable kids.

Although the number of youth in care has decreased in recent years, the number of young adults who age out without reunification, adoption, or any legal guardianship has remained steady at about 25,000 per year. Between 2003 and 2012, 262,730 youth aged out (an average of 26,273 per year) without the permanent support and connections they needed to make a successful start in life.²

Between 2003 and 2012, 262,730 youth aged out of foster care without the permanent support and connections they needed to make a successful start in life.

¹ Code of Federal Regulations. Title 45, Volume 4, 1355.20. Revised as of October 1, 2000.

² Young People Leave Foster Care to A Family, Jim Casey Youth Opportunities Initiative. Available at: jimcaseyyouth.org/young-people-leave-foster-care-family

Aging Out of Foster Care: Emancipation or Freedom Lost?

For those of us fortunate enough to grow up in a stable home (I was adopted at birth into a wonderful family), with caring and financially secure parents, aging out at 18 might sound like a normal transition to adulthood. As graduating seniors, many of us looked forward to charting our own paths, perhaps – if we were among the very privileged – taking for granted the college savings and other financial resources our parents had accumulated, often at considerable sacrifice. Many of us had little fear of failure, comforted by knowing that our parents, friends and relatives would always be there for us. Our futures seemed assured.

But try to imagine yourself as an 18-year-old aging out of foster care, a system you entered perhaps five to ten years earlier because your parents had abandoned you, struggled with addiction, became incarcerated, or had abused you to the point that, for your own protection and safety, you had become a ward of the state where you lived. During those challenging years in foster care, you probably lived, temporarily, with several different families, but were never adopted. Changing foster homes often meant changing school districts, perhaps mid-semester, leaving you with educational instability and lost or incomplete school records. Hence, at 18, you might only be a sophomore or junior in high school. Or you might have become discouraged and dropped out.

Many of your essential documents, like your original birth certificate (if you had one) and your Social Security, school and health records, etc., were probably lost. Being thus “undocumented” at 18, you couldn’t enroll for the GED, take college entrance exams if you had managed to graduate from high school, rent an apartment or car, travel by airplane, apply for credit, or complete any number of activities required as a young adult. There’s no trip around the world in your future, or a stint in the Peace Corps, or the time you need to “find yourself” and decide which university you want to attend.

Outcomes for Youth Aging Out of Care

Consequences of our failure to adopt and secure permanency for youth aging out of foster care has been well documented by many, including Rita Soronen, President and CEO of The Dave Thomas Foundation and a longtime advocate for children’s welfare. In a recent article for CNN, Soronen writes:

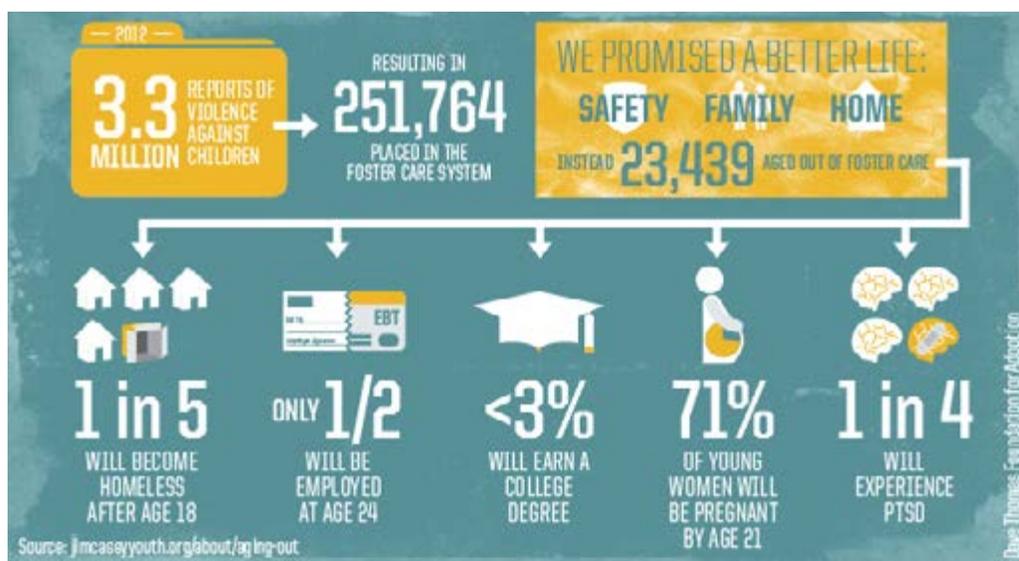
Considering the trauma these children have endured at a young age, the moves from foster family to foster family and the abandonment they feel, it’s no wonder they are at a higher risk for a grim future.

Conservative studies find one in five will become homeless after 18; at 24, only half will be employed; less than 3% will have earned a college degree; 71% of women will be pregnant by 21; and one in four will have experienced post-traumatic stress disorder at twice the rate of United States war veterans. And too often, many are at risk of moving back into government systems — from juvenile centers to prison.

There is a cycle of violence and helplessness innate in the lives of the hundreds of thousands of children in the U.S. foster care system. And yet millions of Americans are unaware that thousands of children remain in this cycle, and those charged with their protection fail to commit to better solutions for educational and vocational support, employment, life skills training and secure homes.

It is our duty as a nation to end this cycle. We made promises to **these 101,000 children in foster care waiting to be adopted** that we would find them safe, supportive homes. We must take the lead and work harder to do that. If children have been permanently separated from their families and freed for adoption, it's unacceptable that they end up without one...

We must demand justice and safety at every level for children, not only because it is their basic human right but because those who grow and learn in just environments and with the protection of families ultimately create human and thriving societies as adults.³



³ Rita Soronen, "We are abandoning children in foster care," CNN.com, April 16, 2014. Retrieved from www.cnn.com/2014/04/16/opinion/soronen-foster-children/index.html

While this particular article is largely focused on the cost in dollars, when we consider the ultimate cost of children in care being unable to find families, we must always remember the enormous human cost. The emotional insecurity that comes from a failure to find permanency is very real. There are some easily nameable losses, daily interactions that go missing, that most of us need and instinctively desire – a place to go for the holidays, parents to stand behind us or walk us down the aisle on our wedding day, grandparents to spoil our future children, a family you can always call on for support and advice. Studies have shown that confidence, self-knowledge, and healthy physical and mental development depends on strong, permanent attachments that occur in early childhood and continue into adulthood. The heart-wrenching insecurity that comes from the lack of this emotional safety net has a severe impact on youth who age out of care. And when they suffer, society suffers with them.

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Costs to Society and Losses for the U.S. Economy

Education, especially in our high-tech and increasingly global economy, is vital for youth to pursue a successful career. Education is an investment in a nation's "human capital," which is a key factor in the level and rate of a country's economic development. Yet too many youth in foster care drop out of high school, which has a devastating impact on their ability to seek further education, find a career, support themselves, and contribute to society.

Many believe that, in a society, we rise or fall together. When youth drop out of school or fail to reach their educational and career potential, society as a whole loses.

According to a study by the U.S. Census Bureau, the average high school dropout can expect to earn an annual income of \$20,241. That's a full \$10,386 or over 34% less than the typical high school graduate (\$30,627) and 64% less than someone with a bachelor's degree (\$56,665).⁴

Simply finding a job is also much more of a challenge for those who never finish high school. The challenges hardly end there. Among those between the ages of 18 and 24, high school dropouts were more than twice as likely as college graduates to live in poverty. Dropouts experienced a poverty rate of 30.8%, while those with at least a bachelor's degree had a poverty rate of 13.5%.⁵

⁴ Jason M. Breslow, "By the Numbers: Dropping Out of High School," PBS Frontline, September 21, 2012. Retrieved from www.pbs.org/wgbh/pages/frontline/education/dropout-nation/by-the-numbers-dropping-out-of-high-school

⁵ Youth Indicators 2011, America's Youth: Transitions to Adulthood, Chapter 3. Employment-Related Characteristics; Indicator 31. Poverty. Retrieved from nces.ed.gov/pubs2012/2012026/chapter3_31.asp

⁶ Andrew Sum et al., The Consequences of Dropping Out of High School, October 2009. Retrieved from www.northeastern.edu/clms/wp-content/uploads/The_Consequences_of_Dropping_Out_of_High_School.pdf

Among dropouts between the ages of 16 and 24, incarceration rates were 63 times higher than among college graduates, according to a study by researchers at Northeastern University. The same study found that, as a result — when compared to the typical high school graduate — a dropout will end up costing taxpayers an average of \$292,000 over a lifetime due to the price tag associated with incarceration and other factors, such as how much less they pay in taxes.⁶

As grim as these statistics are for America's youth, they are much worse for those in the Foster Care System. According to a Jim Casey study:

- Only 58% of kids from foster care will graduate high school by age 19 (compared to 87% of all 19-year-olds).
- Less than 3% of kids from foster care will earn a college degree by age 25 (compared to 28% of all 25-year-olds).⁷

How much human capital is lost as a result of this lower level of education? First, let's examine lifetime earnings, assuming an average annual growth in earnings of 5%, starting at age 20, and working for 45 until age 65, for three levels of education. Next, we calculate the "present value" of those individual 45-year streams of income, the sum of which will give us a measure of "Human Capital." Here are the basic data per youth at each level of education:

1. Dropped out of high school with an initial average income of \$20,241; lifetime earnings of approximately \$3.4 million (\$3,414,356), with a "present value" of \$359,765.
2. High school graduate with an average income of \$30,627; lifetime earnings of approximately \$5.2 million (\$5,166,321), with a "present value" of \$544,366.
3. College degree (B.S.) with an average income of \$56,665; lifetime earnings of approximately \$9.6 million (\$9,558,545), with a "present value" of \$1,007,167.

Between 2003 and 2012, an estimated 262,730 youth have aged out of foster care. What if all those youth had the same levels of academic achievement and lifetime career earnings as the average youth? The difference is only one measure of the loss for them and for our society.

The levels of academic achievement for the 262,730 kids that aged out of foster care are assumed to be as follows:

⁶ Andrew Sum et al., *The Consequences of Dropping Out of High School*, October 2009. Retrieved from www.northeastern.edu/clms/wp-content/uploads/The_Consequences_of_Dropping_Out_of_High_School.pdf

⁷ Jim Casey Youth Opportunities Initiative, *Aging Out*. Retrieved from <http://www.jimcaseyyouth.org/about/aging-out>

1. High school dropouts: 42% or 110,347
2. High school degree only: 55 % or 144,501
3. College degree: 3% or only 7,882

Applying the calculated present values to these categories times the number of youth in each category yields a total “Human Capital” lost valued at approximately **\$126 Billion**.

Now, what if those aging out of foster care instead had the same graduation rate as other youth?

The levels of academic achievement for the 262,730 kids that aged out of foster care are assumed to be as follows:

1. High school dropouts: 13% or 34,155
2. High school only: 62% or 162,893
3. College degree: 24% or 65, 682

Applying the calculated present values to these categories times the numbers of youth in each category yields a total “Human Capital” valued at approximately **\$167 Billion**.

Hence, the loss to society and the U.S. economy is more than **\$40 Billion**, just based on educational achievement alone. That’s equivalent to the latest budget proposal for the State of Maryland, and greater than the entire budgets of many smaller states.

While these estimates are clearly substantial sums, we don’t necessarily feel the impact because it’s a potential loss. But the deleterious effects on the youth that do age out is real, and felt, and costly to them and to the states that might assume responsibility for their unemployment, welfare, or incarceration.

The Public Cost of Foster Care and Potential Savings

In 2011, Dr. Nicholas Zill made a compelling case for increasing adoptions from foster care, detailing the indirect costs to society as well as the direct cost to the states that are responsible for youth welfare. His analysis of caseload and expenditure data from the state and federal child welfare agencies showed that savings could well exceed a billion dollars per year.

Unfortunately, the number of children in foster care since Zill’s study has remained essentially unchanged, at about 400,000, as have the number adopted from foster care (~50,000 per year) or aging out (~25,000). Zill based his analysis of the cost on the more than \$9 billion of annual state and federal expenditures in FY 2010 for foster care under Title IV-E of the Social Security

Act. Under the same Title, support of adoption from foster care amounted to \$4.5 billion, for a total of \$13.5 billion. Since support of adoption is about half the amount spent for maintaining children in foster care, Zill estimated that the savings is about \$15,480 per child adopted from foster care.

Former foster youth are overrepresented in our jails and prisons. According to estimates by Zill, the cost of incarcerating former foster youth is approximately \$5.1 billion.⁸ Clearly, the cost savings to the states for increasing adoptions from foster care, combined with the savings for the public expenditures for those that age out, demand greater attention and action by the governors and policymakers responsible for our youth and their wellbeing.

A slight majority (26) of the states have realized that the savings from giving our kids a second chance to attain their educational potential, and not incurring the costs of aging out, exceed the cost of extending financial support from age 18 to 21. Effective October 2010, the Fostering Connections to Success and Increasing Adoptions Act extended eligibility for Title IV-E payments to age 21. This change allows states to extend payments for young adults in foster care (and for those who left foster care to adoptive and guardianship families, when certain requirements are met).

Allowing young people to remain in foster care until age 21 provides the opportunity for more of them to earn high school or college degrees, increasing their employability and potential earnings. It's reported that young women remaining in care until age 21 celebrate a 38% reduction in the incidence of pregnancy before age 20. Remaining in care also doubled the odds that youth would be working or in school at age 19 and they were also twice as likely to have completed at least one year of college by age 21. Earning a college degree also doubled from 10.2% to 20.4% for youth who remain in care. This benefit alone is noteworthy. A cost benefit analysis conducted in California showed that increased bachelor degrees would return \$2.40 for each dollar in cost to extend foster care to 21.⁹

Leadership Opportunities for Governors and Public Policy Makers

Private and faith-based organizations do have a role to play, but the ultimate responsibility for those in foster care – and those who age out – lies with the states. Ensuring better outcomes for youth in foster care requires the leadership and personal involvement of state governors.

Private and faith-based organizations do have a role to play, but the ultimate responsibility for those in foster care – and those who age out – lies with the states.

⁸ Nicholas Zill, "Better Prospects, Lower Cost: The Case for Increasing Foster Care Adoption," *Adoption Advocate* No. 35, May 2011. Retrieved from www.adoptioncouncil.org/publications/2011/05/adoption-advocate-no-35

⁹ Melissa Stein, "Extending Foster Care Beyond 18: Improving Outcomes for Older Youth," May 2012. Retrieved from: www.hunter.cuny.edu/socwork/nrcfcpp/downloads/information_packets/ExtendingFosterCareBeyond18ImprovingOutcomesforOlderYouth.pdf

The positive impact of proactive governors was clearly documented in the “2012 Right for Kids Ranking” by the Foundation for Governmental Accountability, which analyzed the question “What if All States Performed Like the Top 10 Right for Kids States?”:

What if the rest of the states had, on average, the same outcomes as the top 10 states?

1. There would be 72,000 fewer kids in foster care (17% fewer)
2. There would be almost 19,000 more adoptions from foster care each year (36% more).

Helping kids is not just good social policy. It is good economic policy as well. Child abuse and neglect costs more than \$100 billion every year in direct (\$33 billion) and indirect (\$71 billion) costs.

The RIGHT FOR KIDS RANKING matters. Child advocates, families, mentors, policymakers and the media must encourage states to reform their child welfare system and develop a child welfare safety net that serves abused and neglected kids well. When this happens, a compassionate and premier child welfare network across the country will be the reality, not just an ideal.”¹⁰

Several states have taken action to improve the rate of foster care adoption, most notably states with lower rankings. A major finding from the Right for Kids study, and subsequent interviews with top adoption leaders at NCFCA’s Task Force on Foster Care, was that there are no universal “best practices,” mainly because each state has unique circumstances. Still, a review by NCFCA’s Task Force revealed two critical factors for success:

1. Leadership by the Governor, and top public officials, in making adoption out of foster care a personal priority
2. The establishment of partnerships with private adoption and faith-based organizations to stretch or save public funds

In 2013, the Governor of Virginia became a champion for adoption out of foster care. Under his leadership, Virginia started the VAdopts Program, which sought to match 1,000 waiting kids with qualified and willing families. Not only did the program exceed its goal, matching more than 1,000 children – among them, 16 of the 20 longest-waiting youth – it achieved it in just 11 months. Virginia officials believe that the heightened public awareness and the involvement of the governor led to the program’s success.

In Ohio, again the Governor was personally instrumental in fostering

¹⁰ Foundation for Governmental Accountability, “Right for Kids Ranking: Which State Child Welfare Systems are Right for Kids?, 2012. Retrieved from: rightforkids.org/files/8113/4064/8461/FGA-RightForKidsBook-web-single-pages.pdf

¹¹ For more information on Project 1:27, visit project127.com.

a strong commitment to targeted recruitment, partnering with and following the Dave Thomas Foundation's Wendy's Wonderful Kids model. This program is especially designed to help the children that are viewed as "harder to place." Ohio made a financial commitment to invest in this program "because we believe our kids are worth it. Further, we know that this model works." It's estimated that the budgetary savings thanks to increasing adoptions comes to over \$300 million per year.

Under a new Governor, Colorado partnered with a faith-based organization, Project 1:27, founded in 2004 by Pastor Robert Gelinias.¹¹ Recognizing that there were more churches in Colorado than children in foster care, Gelinias challenged the churches to help find families, and they did. With the new Governor's leadership, Colorado expects to get even closer to its goal of "reversing the wait" (i.e., having more families wanting to adopt than there are youth in foster care).

Florida, in addition to becoming one of the first states to provide assistance to foster youth from age 18 to 21, continues to lead in this area, establishing partnerships with private institutions to provide college assistance and other aid to those that have aged out.

Conclusions and Recommendations

Aging out of foster care without being fully prepared for life on one's own is a national tragedy, and on multiple levels: first and foremost, for the youth that are often ill-prepared and more likely to become homeless, dependent on the state, or incarcerated; for society; and for the U.S. economy; and for the states and taxpayers, who bear the additional financial cost due to our failure to ensure that all our children achieve permanency and gain the opportunity to attain their full potential.

Adoption and the safety, permanency, and nurturing environment it can provide is clearly the right thing to do for so many youth in care, and it is also a humane and cost-effective approach. Accordingly, our recommendations are as follows:

1. Challenge all governors and policymakers to become champions for adoption out of foster care. Urge them to set specific, challenging, yet reasonable and attainable placement goals. Successful states have clearly demonstrated that once these goals are publicly announced by the governor, the highly dedicated officials responsible for foster care will do their utmost to implement effective programs to achieve them.

¹¹ For more information on Project 1:27, visit project127.com.

2. Until we effectively “reverse the wait” (leaving willing adoptive parents waiting instead of kids) in foster care, we must encourage all states to give our kids a second chance to reach their educational potential. We should provide matching federal assistance for youth up to age 21 instead of 18, as a majority of states have already done with great success, and with ultimate long-term cost savings for state budgets and taxpayers.
3. Encourage adoption agencies and supporting organizations, especially those that once relied solely on intercountry adoptions (which peaked a decade ago), to retrain and use their considerable expertise and skills to help meet the challenges of finding families for foster care youth – especially the older children and/or those that are harder to place.
4. Form public/private partnerships in churches and community organizations whose members may far outnumber the kids in foster care. Private organizations, when trained and educated, can provide invaluable assistance – both in fostering adoption, and in providing needed family support as well as the counseling and resources often necessary to ensure kids thrive in permanency.

As the authoritative voice and a premier advocate for adoption, NCFCA is fully prepared to expand its partnerships in order to pursue all of these goals and recommendations. We will continue to reach out to other advocates and organizations that share our goal of finding loving, safe “forever families” for all adoption-eligible children in foster care, thereby working to end the enormous human, social, and economic costs of aging out.

ABOUT THE AUTHOR

Wayne Winston Sharp was adopted at birth in Dallas, Texas by two loving parents, Bob Henry and Mayana Yates Sharp. After receiving his Ph.D. in International Trade & Finance at Michigan State University, Wayne had a distinguished 25-year career in the U.S. Foreign Service, was twice awarded the “President’s Meritorious Foreign Service Award,” and served two years in the White House as an Assistant Director of the President’s Council on International Economic Policy. Upon his retirement in 1991, he became a Certified Financial Planner (CFP), and for 18 years directed a Financial Planning Practice, “Sharp, Konopaske & Associates,” retiring in 2009. Wayne now devotes his time, leadership, financial and planning skills as a volunteer and philanthropist in the areas of adoption, children’s health, musical arts, and community service. Wayne and his wife Linda have resided in McLean, Virginia since 1984, and have two adult children. In 2007, he was elected to NCFCA’s Board of Directors, becoming Treasurer in 2008, Chairman of NCFCA’s 30th Anniversary Gala in 2010, and Vice Chairman in 2012. In recognition of his strategic vision of finding “forever homes” for all children, Wayne was appointed Chairman of NCFCA’s Task Force on Foster Care in 2013. As an active member of the Executive Committee, Wayne’s focus is on Policy and Strategic Planning. At the April 2015 Annual Board meeting, Wayne was elected to serve as Chairman Elect of the Board for a one-year term beginning May 1, 2015.



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