Foster care: why it matters, how it works, and the future of foster care

Summer 2019

Why focus on foster care?

The foster system is responsible for a small, concentrated group of many of the most vulnerable children in the US

- Less than 1% of US children, roughly .5M, are in the foster system
- Children in foster care are 3.4x more likely to experience childhood trauma
- Most children in foster care are removed from parents due to household and parental factors, not child-specific circumstances[1]
- Children from certain demographic backgrounds are overrepresented in the foster care system (i.e., black and Native children, LGBTQ+ children)[2]

Children's experience of foster care comes at a critical time in their development and is heavily influenced by external factors

- ~50% of kids entering foster care are 5 years old or younger
- Childhood trauma (i.e., abuse, neglect) permanently affect brain development and is correlated with risk of medical/behavioral conditions
- Children's pathways and outcomes are varied and depend on many factors, including judicial discretion, case manager turnover, placement setting, parental case plan performance, and caregiver characteristics

The child welfare system has the potential to be a nexus for interventions for a vulnerable population more broadly

- Many children remain in the care of high-need / at-risk families upon exiting the system[3]
- Spend on programs for foster system alumni who age out of the system is 10x more than the cost of foster care[4]
- The foster system can serve as a center to coordinate interventions across multiple systems during childhood and into adulthood and through family-centered interventions

1 62% of children are removed for parental neglect, while fewer than 10% are removed because of a behavioral problem.
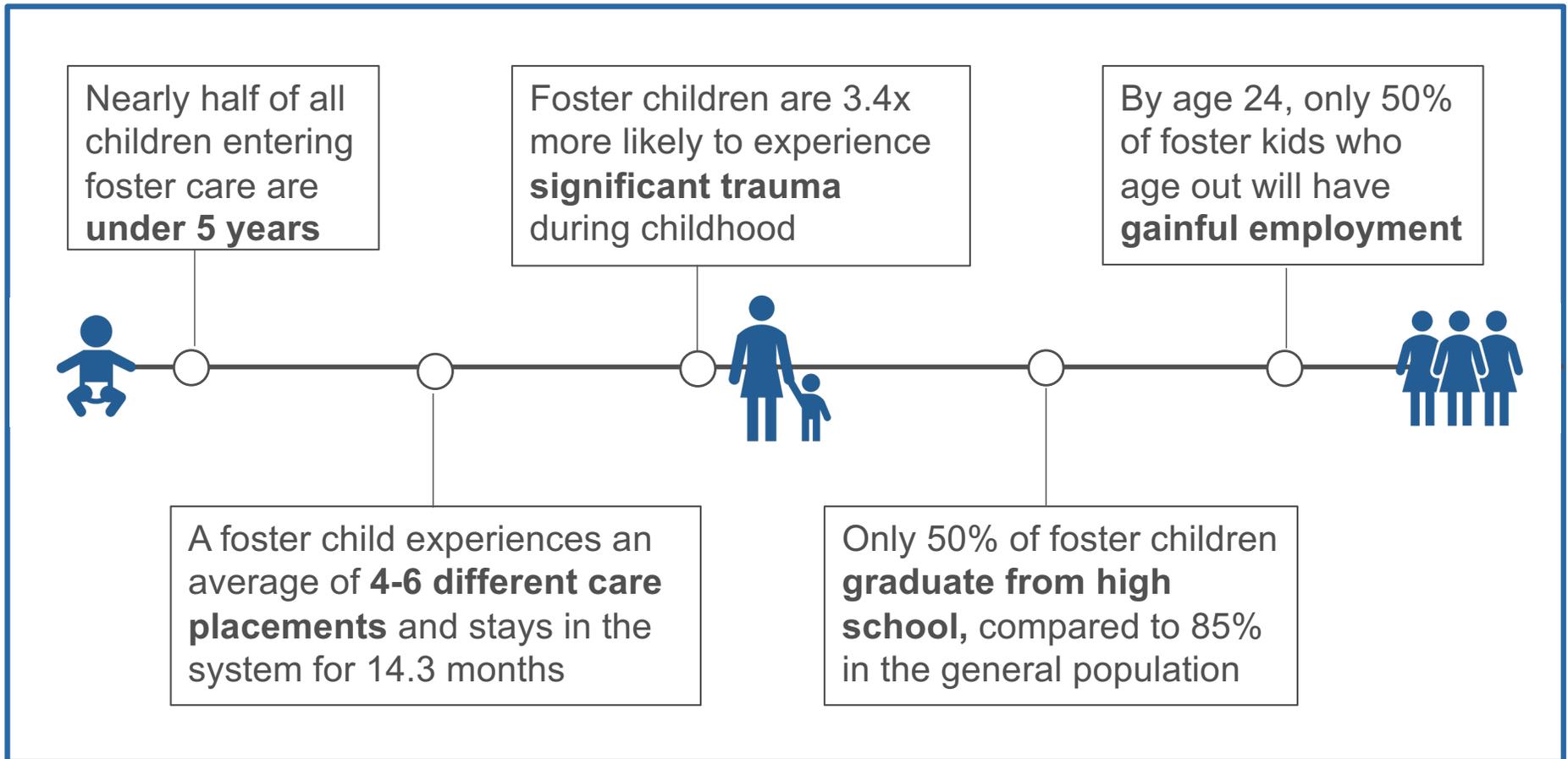2 Black and Native children are 2x more likely to be in foster care than white children. LGBTQ children are also overrepresented relative to their share of the general population.
3 55% of children are reunified with their parents or are adopted by kin, with an additional 10% living with kin as guardians.
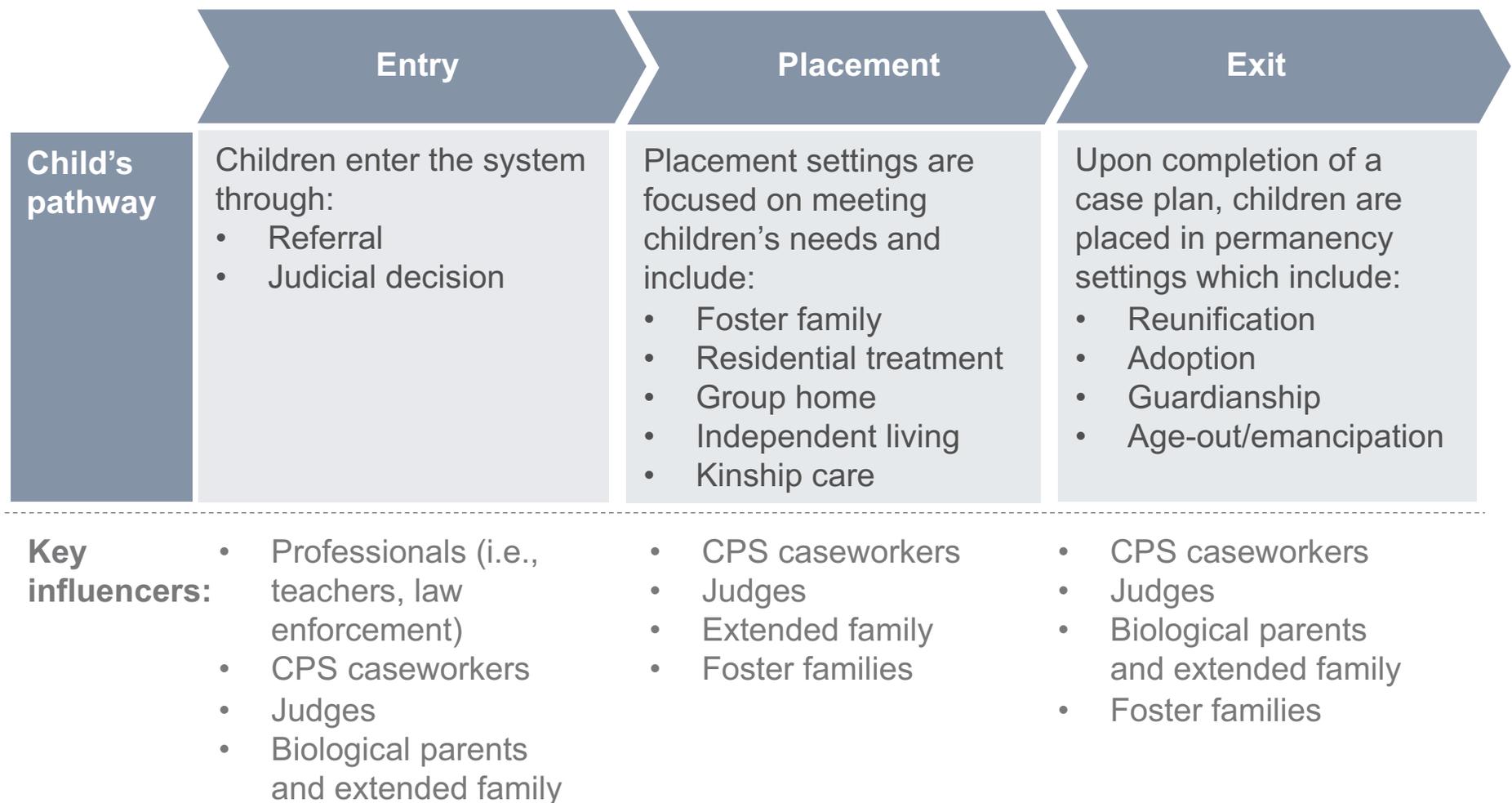4 Cost compares maintenance and administrative payments for average stay in foster care to projected social service spending for the child over the course of life.
Note: see line-by-line source references in following detail pages.

Children in foster care are a vulnerable population with high likelihood of poor outcomes in adulthood

Nearly half of all children entering foster care are **under 5 years**

Foster children are 3.4x more likely to experience **significant trauma** during childhood

By age 24, only 50% of foster kids who age out will have **gainful employment**

A foster child experiences an average of **4-6 different care placements** and stays in the system for 14.3 months

Only 50% of foster children **graduate from high school,** compared to 85% in the general population

Overview of the child's pathway through the foster system

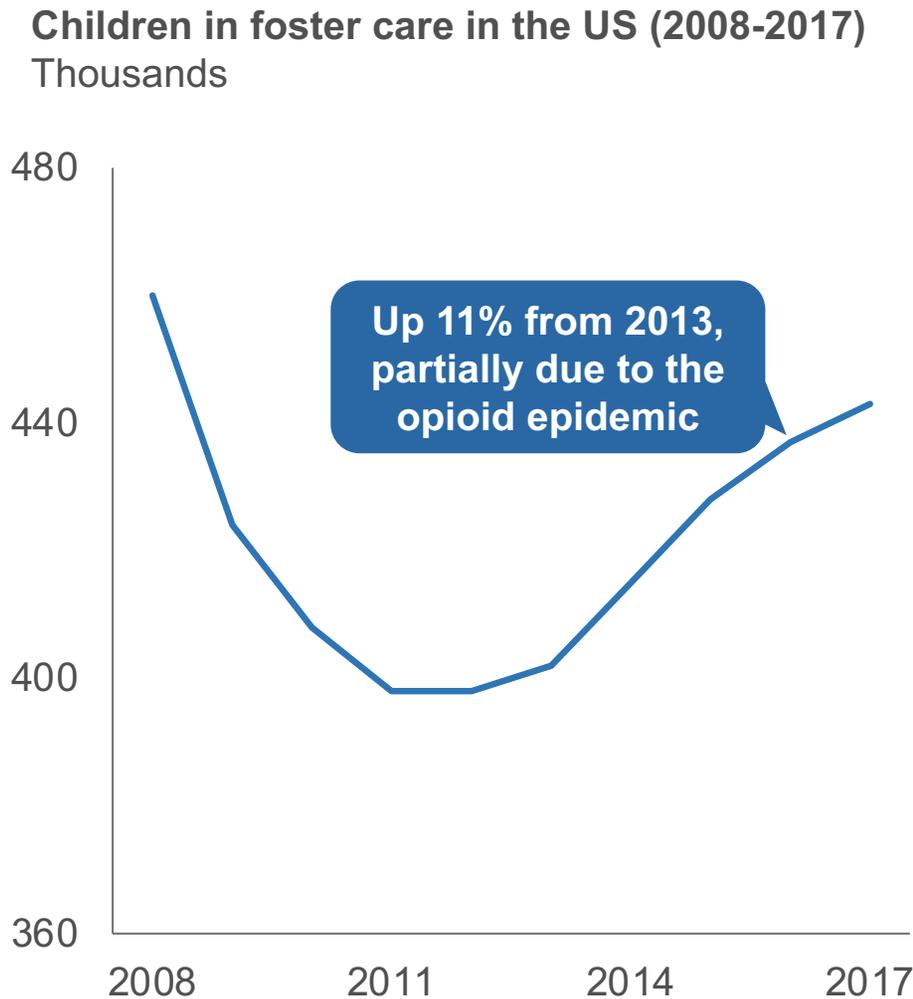|	Entry	Placement	Exit
Child's pathway	Children enter the system through: • Referral • Judicial decision	Placement settings are focused on meeting children's needs and include: • Foster family • Residential treatment • Group home • Independent living • Kinship care	Upon completion of a case plan, children are placed in permanency settings which include: • Reunification • Adoption • Guardianship • Age-out/emancipation
Key influencers:	• Professionals (i.e., teachers, law enforcement) • CPS caseworkers • Judges • Biological parents and extended family	• CPS caseworkers • Judges • Extended family • Foster families	• CPS caseworkers • Judges • Biological parents and extended family • Foster families

Contents

- **Understanding children in foster care**

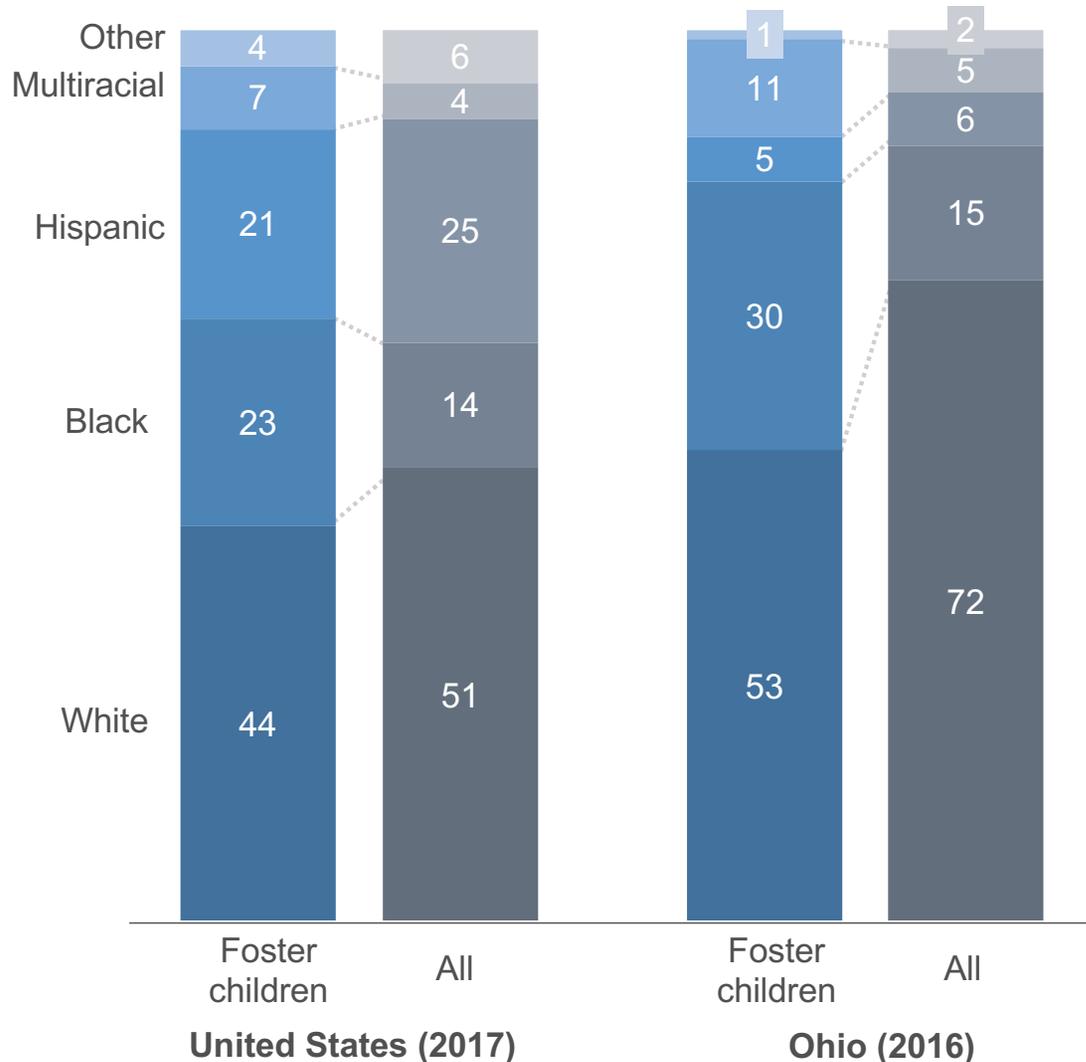- Understanding the foster system today

- Foster care systems of the future

There are close to half a million children in foster care nationally with a recent uptick due partially to the opioid epidemic

Children in foster care in the US (2008-2017)
Thousands

Up 11% from 2013, partially due to the opioid epidemic

480

440

400

360

2008   2011   2014   2017

- **There were 440K kids in foster care in 2017,** with 270K entering each year and an average stay of 14.3 months

- **Foster care accounts for a small portion of kids being raised out-of-home** – with up to 20x as many children being raised by kin outside the system as are in the system

- **Foster care is responsible for a small number of children:** <1% of kids in the US are in the foster system, making it a prime population for highly focused interventions

Black and multiracial children are twice as likely to be in foster care than white or Hispanic children
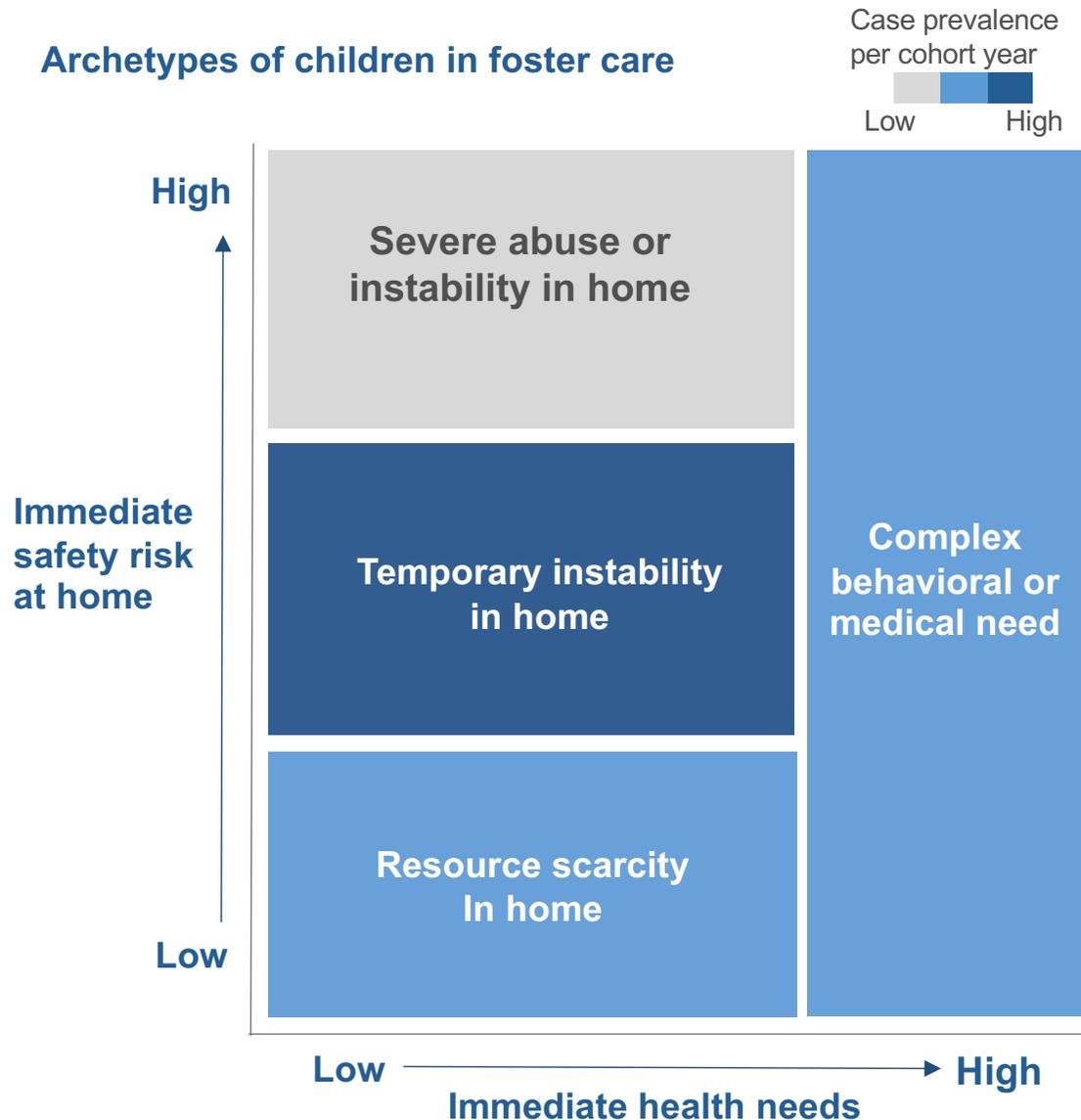
Race of children in foster care and general population
Percent

United States (2017)	**Ohio (2016)**

Foster children (US): Other 4, Multiracial 7, Hispanic 21, Black 23, White 44

All (US): Other 6, Multiracial 4, Hispanic 25, Black 14, White 51

Foster children (Ohio): Other 1, Multiracial 11, Hispanic 5, Black 30, White 53

All (Ohio): Other 2, Multiracial 5, Hispanic 6, Black 15, White 72

- **Black and multi-racial children are overrepresented in foster care**
    - Nationally, black and multiracial children are 2x more likely to be in foster care than white or Hispanic children
    - In Ohio, black and multiracial children are 2.7x more likely to be in foster care than white or Hispanic children

- **Race and ethnicity play a role in effective foster care placement** - cultural dissimilarity in foster homes can affect foster youths' adjustment to their placement

A child's path through the system depends on several factors related to their entry such as home safety and health needs

Archetypes of children in foster care

Case prevalence per cohort year

Low | High

High

Immediate safety risk at home

Low

Severe abuse or instability in home	
Temporary instability in home	Complex behavioral or medical need
Resource scarcity In home	

Low → **High**

Immediate health needs

Severe abuse or instability in home
- Reunification infeasible
- Case plan is often adoption; leads to longer stays and increased need for permanency planning

Temporary instability in home
- Remediable abuse or neglect, reunification is a feasible goal
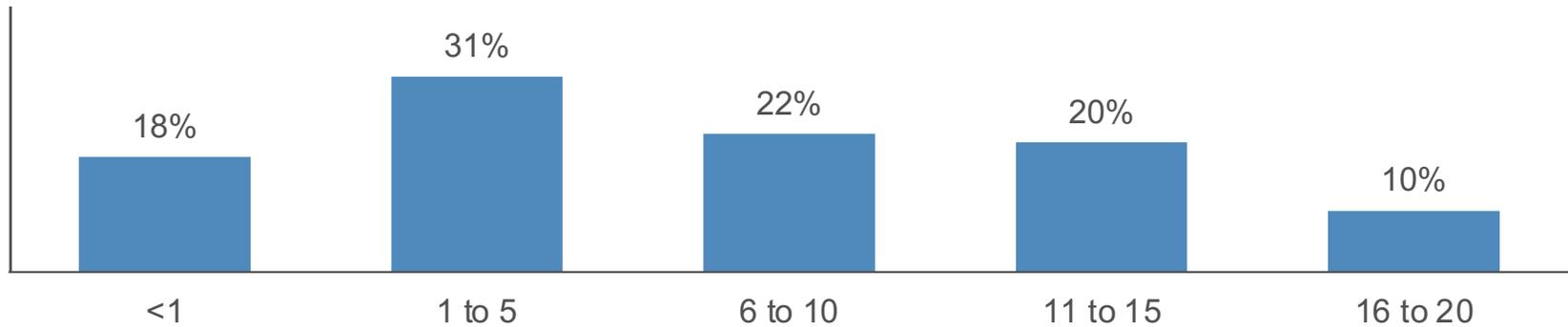- Case plan for temporary removal

Resource scarcity in home
- Household lacks resources (e.g., housing, food, parental attention)
- Removal avoidable with additional supports

Complex behavioral or medical need
- Child requires specialized care not possible in traditional home setting
- Generally placed in institutional setting; often voluntarily

Nearly half of kids entering foster care are 5 years old or younger, in a critical period for childhood development

Age of children in foster care, percent of total children entering and exiting (2017)

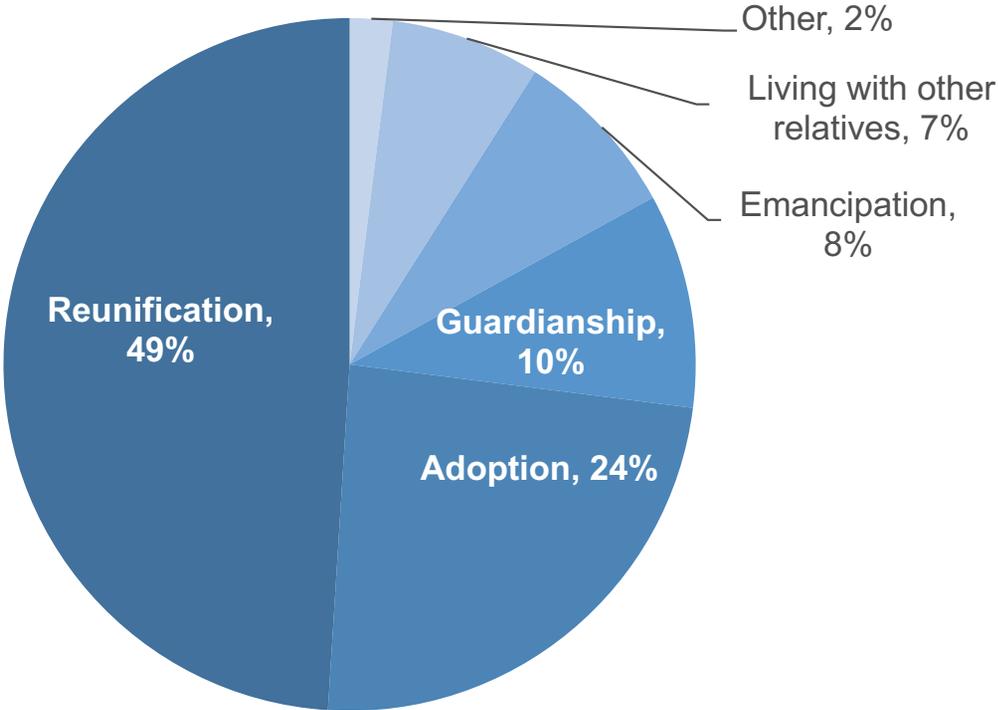|	**<1**	**1 to 5**	**6 to 10**	**11 to 15**	**16 to 20**
	18%	31%	22%	20%	10%

Development goals

- **<1**
  - Early sensory-motor development
  - 1M+ new neural connections / sec

- **1 to 5**
  - Early language development
  - Brain reaches 90% of adult volume

- **6 to 10**
  - Beginning emotional reg
  - Brain reaches 100% of adult volume

- **11 to 15**
  - Begin planning for future
  - Learn through decision-making

- **16 to 20**
  - Continues to mature through age 25

- 50% of children in foster care enter the system before age 5, a critical time for child brain development

- 10% of children enter foster care at age 16 or older, which significantly decreases their likelihood of achieving permanent placement with an adoptive family

- Children entering the foster system at different ages will require different additional supports to supplement healthy development

Half of cases result in reunification, with adoption and guardianship accounting for an additional third

- Many children remain in the care of high-risk families upon leaving the system, with about half reunified with their parents less than 15 months after initial removal
- About 10% of children leave without permanent placement (i.e., runaways and/or emancipation)
- The majority of children are in foster care for less than 3 years; ~30% are in the system for longer than 3 years
- The median length of stay in foster care is ~14 months; courts move to terminate parental rights if a child is in foster care for 15 of the past 22 months

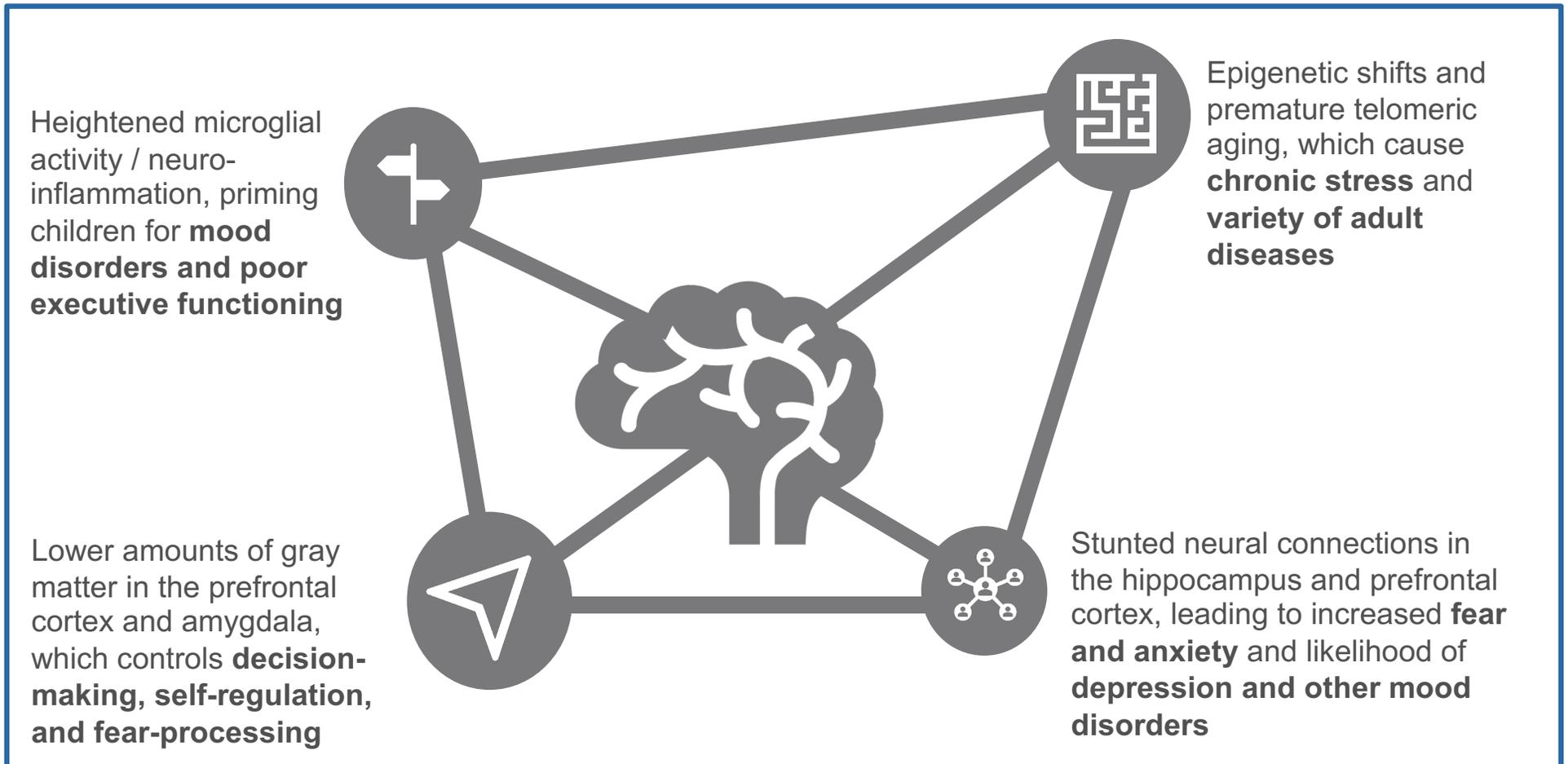**Exit outcomes**
Percent of children exiting

- Reunification, 49%
- Adoption, 24%
- Guardianship, 10%
- Other, 2%
- Living with other relatives, 7%
- Emancipation, 8%

Length of stay in foster care (2017)
Percent of cohort entering foster care

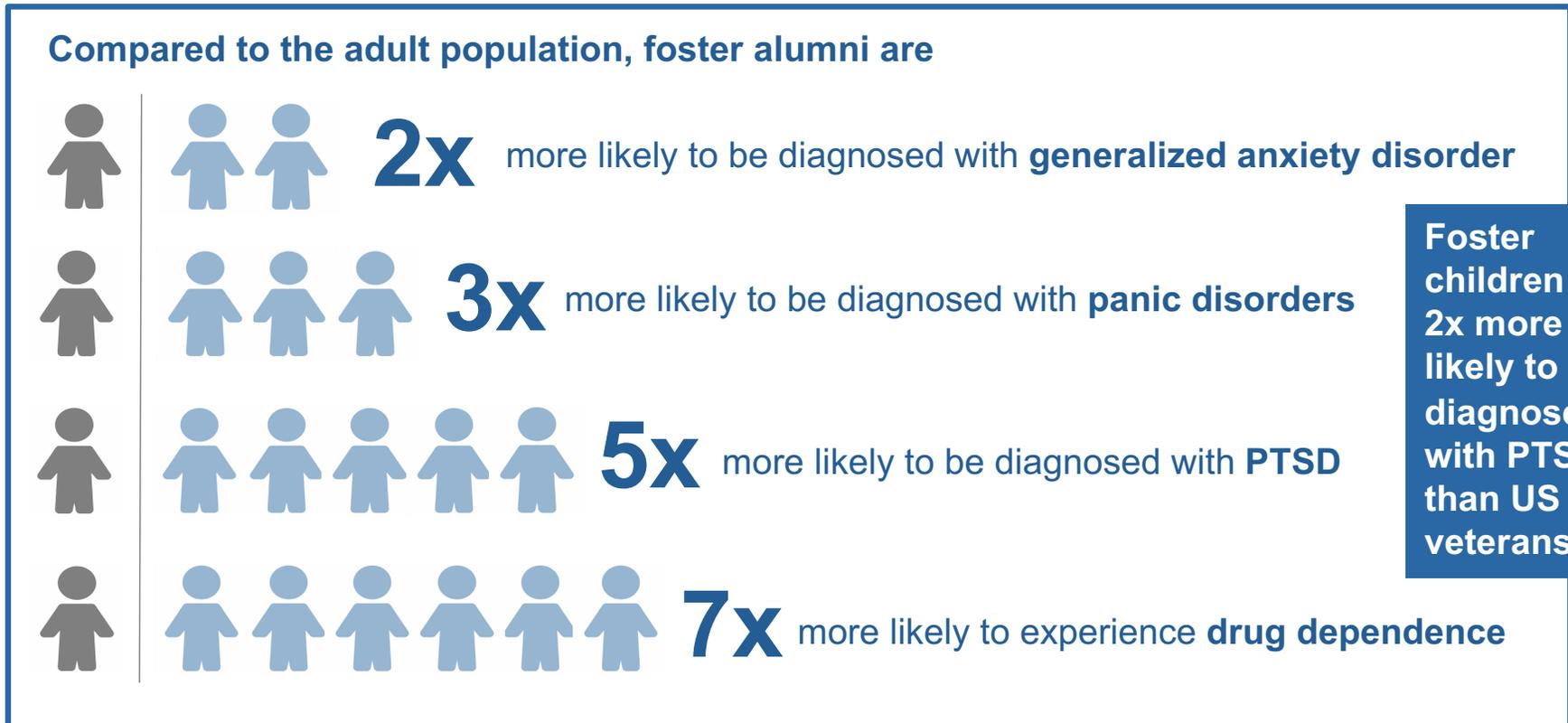| Length of stay	Percent
5+ years	4%
4-5 years	9%
3-4 years	15%
2-3 years	30%
1-11 months	33%
<1 month	9%

9

Foster children are 3.4x more likely to experience significant childhood trauma, which fundamentally alters brain development and adult wellbeing

Heightened microglial activity / neuro-inflammation, priming children for **mood disorders and poor executive functioning**

Epigenetic shifts and premature telomeric aging, which cause **chronic stress** and **variety of adult diseases**

Lower amounts of gray matter in the prefrontal cortex and amygdala, which controls **decision-making, self-regulation, and fear-processing**

Stunted neural connections in the hippocampus and prefrontal cortex, leading to increased **fear and anxiety** and likelihood of **depression and other mood disorders**

10

Throughout their lives, foster care alumni have significantly higher rates of behavioral health problems

Compared to the adult population, foster alumni are

2x more likely to be diagnosed with **generalized anxiety disorder**

3x more likely to be diagnosed with **panic disorders**

5x more likely to be diagnosed with **PTSD**

7x more likely to experience **drug dependence**

Foster children are 2x more likely to be diagnosed with PTSD than US war veterans.

Foster alumni remain highly vulnerable into adulthood, interacting with many social service organizations

Education	• 3x more likely to drop out of high school than other low-income children • ~50% graduate from high school, compared to 86% of other children • Less than 3% will graduate from college
Employment	• For those who age out of the foster system, only half will have be gainfully employed by age 24 • Many others are underemployed due to low educational achievement
Health	• Higher prevalence of behavioral and mood disorders than adult population • 7.2x more likely to experience drug dependence and 1.5x more likely to experience alcohol dependence
Criminal justice	• Foster youth in group homes are 2.5x more likely to be incarcerated than those in foster families • 90% of foster kids with 5+ placements will become involved in the justice system
Housing	• More than 20% of the children who were in foster care will become homeless • By age 21, 30% of foster alumni will have moved at least 3 times since exiting care
Other	• Women in foster care are 2x as likely to become pregnant by age 19 when compared to peers not in foster care; 70% will be pregnant by 21 • 75% of female foster alumni were on public assistance by age 24

Source: Chapin Hall at the University of Chicago, *Midwest Evaluation of the Adult Functioning of Former Foster Youth Outcomes at Age 19 and 26* (2011). National Conference of State Legislatures, *Mental health and foster care.* Joseph Ryan, *Juvenile Delinquency in Child Welfare* (2008) and *Child maltreatment and juvenile delinquency: Investigating the role of placement and placement instability* (2005). Jim Casey Youth Opportunities Initiative, *Cost Avoidance: The Business Case for Investing in Youth Aging out of Foster Care* (2013). Miriam Krinsky, *Disrupting the pathway from foster care to the justice system – a former prosecutor's perspectives on reform* (2010).

These factors result in costly lost potential and increased social service usage among children aging out of foster care

Costs of lost human potential

- **$1.9B per year in lost earnings** due to low educational achievement
- **$430M per year in lost taxes** due to underemployment

+

Costs of social service utilization

- **$250M per year for social services** to support unplanned, early childbearing
- **$5.2B per year** for costs associated with **criminal justice**

=

$7.8B per cohort

or

$300k per child aging out of the child welfare system

Note: Foster care cost was calculated using the annual cost of administration and maintenance multiplied by the average length of stay in foster care; does not include Medicaid spend.
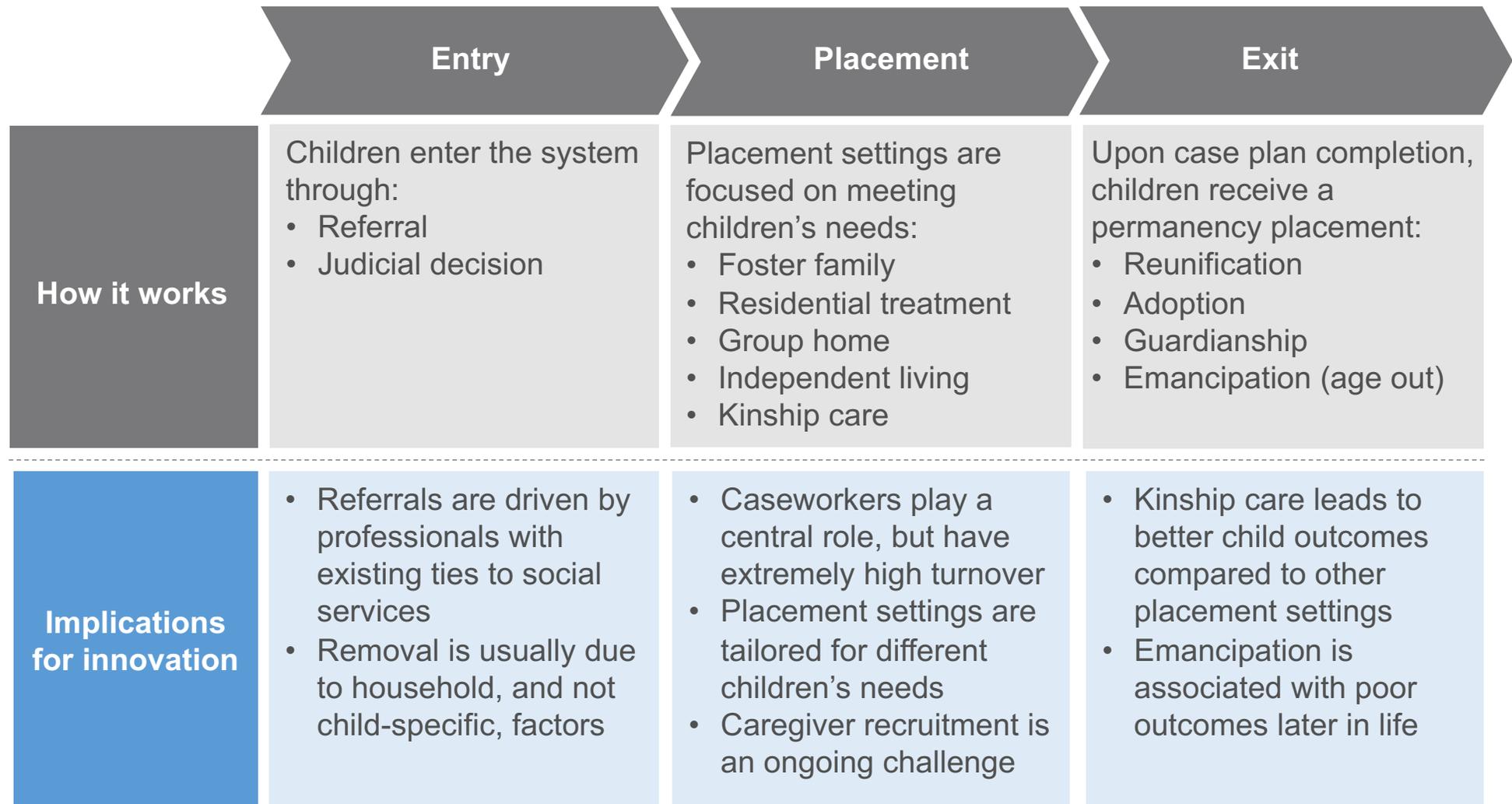Source: Annie E. Casey Foundation, *Cost Avoidance: the business case for investing in youth aging out of foster care* (2013). Wayne Winston Sharp, *The human, social, and economic cost of aging out of foster care* (2015). Nicholas Zill, *Better prospects, lower cost: the case for increasing foster care adoption* (2011).
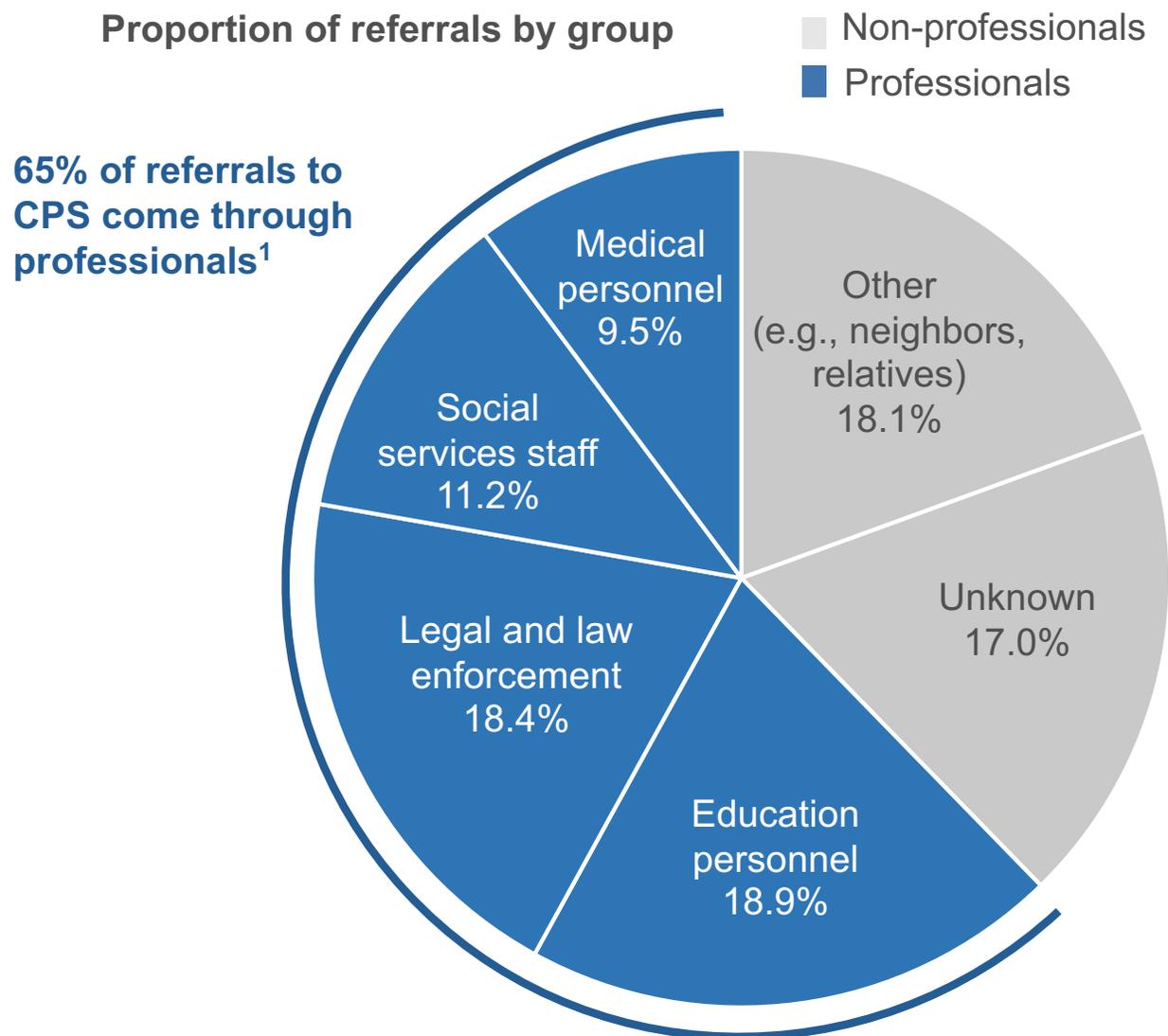
Contents

- Understanding children in foster care

- **Understanding the foster system today**

- Foster care systems of the future

Overview of the foster care system and implications for innovation

	Entry	Placement	Exit
How it works	Children enter the system through: • Referral • Judicial decision	Placement settings are focused on meeting children's needs: • Foster family • Residential treatment • Group home • Independent living • Kinship care	Upon case plan completion, children receive a permanency placement: • Reunification • Adoption • Guardianship • Emancipation (age out)
Implications for innovation	• Referrals are driven by professionals with existing ties to social services • Removal is usually due to household, and not child-specific, factors	• Caseworkers play a central role, but have extremely high turnover • Placement settings are tailored for different children's needs • Caregiver recruitment is an ongoing challenge	• Kinship care leads to better child outcomes compared to other placement settings • Emancipation is associated with poor outcomes later in life

A majority of case referrals come from professionals and most are not pursued beyond initial investigation

Proportion of referrals by group

Non-professionals (light gray)
Professionals (blue)

65% of referrals to CPS come through professionals[1]

Pie chart segments:
- Medical personnel 9.5%
- Other (e.g., neighbors, relatives) 18.1%
- Social services staff 11.2%
- Unknown 17.0%
- Legal and law enforcement 18.4%
- Education personnel 18.9%

- Most cases are not pursued beyond initial investigation
  - More than **half of cases flagged to CPS are dismissed** with no response beyond cursory investigation
  - Only **8%** of children referred will be **placed in foster care**
- 30% of reports are made by professionals **already interacting with the child in a public services** capacity
  - ~20% in law enforcement
  - ~10% in other social services (e.g., JFS)

1 Professionals encounter the children they refer through their job, whereas non-professionals encounter children in a personal or familial capacity.
Source: CWIG, *Child Maltreatment 2016: Summary of Key Findings* (2016).

In cases with removal, children are removed from the home primarily due to parental or household factors

Parental drug and/or alcohol use is a factor in at least 1/3rd of cases

Parent / household factors in removal	%
Neglect	62%
Drug abuse by parent	36%
Caretaker inability to cope	14%
Physical abuse	12%
Housing	10%
Parent incarceration	7%
Abandonment	5%
Alcohol abuse by parent	5%
Sexual abuse	4%
Parent death	1%
Relinquishment	1%

Child-related factors in removal	%
Child behavior problem	9%
Drug abuse by child	2%
Alcohol abuse by child	<1%

A child's health or behavior is very rarely the cause for their removal

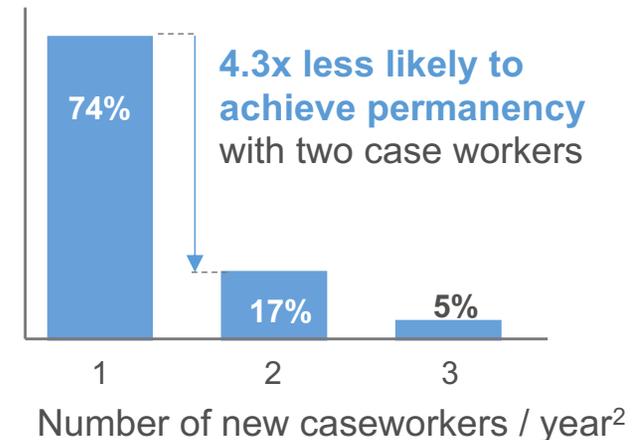Parents voluntary relinquishing their rights is extremely rare

Beginning with investigation and removal, caseworkers play a central role throughout the child welfare system

- Caseworkers play a variety of roles (i.e., investigator, monitor, witness, and expert) and cite burnout, compassion fatigue, and secondary trauma

- The average caseworker is responsible for 31 children at the same time, which is twice the recommended amount

- Casework requires a bachelor degree, but average salary is well below the median at $44k

Caseworker turnover is a costly problem for children and agencies alike

- Caseworker turnover rate is 40% within 1 year of starting a position

- Children with only one caseworker in a year are ~5x more likely to achieve permanency than those who have 2 or more caseworkers

- Turnover is costly to foster agencies, who spend 30 to 200% of a caseworker's salary on hiring and training for new replacements

Child's probability of achieving a permanency outcome (%)

4.3x less likely to achieve permanency with two case workers

74%

17%

5%

| 1 | 2 | 3 |

Number of new caseworkers / year[2]

Different foster care placement settings are designed to meet the varied needs of children in foster care

Setting	Description	Key population	Placement frequency
Home care	• Foster care – placement with nonrelative, partial reimbursement for costs of care • Kinship care – placement with relative or others familiar to the child, sometimes reimbursed at lower rates	• Victims of abuse and neglect	81%
Institutional care	• Residential health care –live-in medical facility, usually to treat advanced behavioral or physical health needs • Group home – residential facility with child-focused supports (i.e., education, therapy, play)	• Advanced health needs • Behavioral problems	13%
Alternative care	• Trial home visit – instead of removal, child remains in the home with visits from caseworkers at varied intervals • Supervised independent living – young adults live on their own with case management and other support services	• Older entrants to foster care (i.e., 16+)	6%

Licensing and reimbursements vary among different caregiver types within each placement setting

☐ Detail follows

Home care	**Traditional foster parent**	• Licensed upon completion of training and prep activities • Paid a monthly stipend for each foster child, dependent on child age, health, and behavioral complexity
	Kinship caregiver	• Can include both relative and non-relative caregivers • Caregivers don't always receive same supports as foster parents (i.e., maintenance payments, social services)
	Professional foster parent	• Licensed and trained in advanced child behavioral management techniques • Provide care for children with complex needs, and receive higher stipends than traditional foster parents
Institutional care	**Professional clinician / social worker**	• Trained to treat children with higher behavioral / mental health needs in a medically-focused environment • Often from clinical and social work background
Alternative care	**Social worker**	• May visit the child in the home or help plan for emancipation by monitoring school attendance and coordinating other social services

Additional detail: Foster parents face a time-intensive licensing process

Barriers to licensing and placement have resulted in a **shortage of appropriate foster homes** for a growing foster population

- **Complex licensing requirements** and cumbersome, infrequent trainings

- **Misconceptions about licensing requirements**, most commonly that unmarried couples and divorced singles are ineligible to foster

- **Preparedness of the home and family**, including income, vaccination records of parents and other children, and physical home structure

- **Cultural fit**, especially language spoken in the home

- **Insufficient reimbursement rates**, especially for children with higher medical needs

Source: Foster Coalition, *Foster Parents: Who Are They?* (2015).

Foster parents tend to be married couples with below-average family income

Relationship status of foster parents

Single women 28%

Unmarried couples 2%

Single men 3%
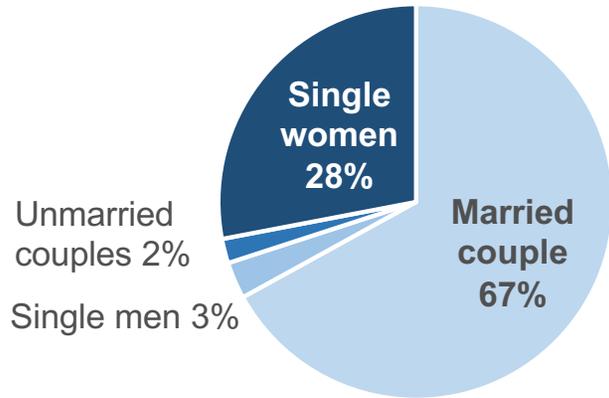
Married couple 67%

There is untapped opportunity to recruit foster parents from different demographics:

- Unmarried couples make up only 2% of foster families, often perceiving marriage as a prerequisite to foster eligibility

- Single men, especially divorced, make up only 3% of foster parents

- Foster children are disproportionately LGBTQ+ compared to other children, but LGBTQ+ parents are underrepresented in foster care

3% of foster parents are LGBTQ+ compared to 3.5% of the US population

70% of foster parents have education beyond a high school diploma

31% of foster parents are employed full time, same as the national average

The average foster family earns $56,364, compared to $74,301 average

Source: Foster Coalition, *Foster Parents: Who Are They?* (2015).

Detail: Kinship caregivers encounter challenges unaddressed in the current system

- The opioid crisis has prompted many grandchildren into the care of their grandparents while their parents are addicted or in treatment

- Formal kinship is growing, but represents only a fraction of children in the care of relatives - for every child in formal care, there are 20 others being raised by kin outside the child welfare system

Grandparents face unique challenges in caring for grandchildren not addressed by limited, per-child payments in kinship care
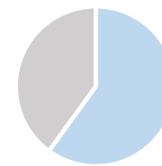
60% are still in the workforce full-time

30% lack the support of a parent and/or spouse

25% are in poverty and/or disabled

Detail: Kinship care is associated with positive outcomes for children in out-of-home care

- **Kinship care is connected to higher placement stability**
    - Children placed in kinship care are 5x less likely to experience sudden placement changes
    - Children in kinship care who are reunified with their parents are 60% less likely to re-enter foster care than children placed in foster care
- **Placement in kinship care leads to better behavioral health outcomes and childhood development**
    - Children placed in kinship care show lower levels of externalizing behaviors
    - Kinship care helps preserve children's cultural identity and relationship to their community, which can reduce the trauma of parental separation

1 I.e., physical aggression, disobedience, theft, property destruction
Source: Helton, *Children with behavioral, non-behavioral, and multiple disabilities, and the risk of out-of-home placement disruption* (2011). Winkour, *Matched Comparison of Children in Kinship Care and Foster Care on Child Welfare Outcomes* (2011). Cheung, *Understanding contextual effects on externalizing behaviors in children in out-of-home care: Influence of workers and foster families* (2011). Children's Defense Fund, *Kinship Care Resource Kit: Helping Grandparents and Other Relatives Raising Children*, Ohio Department of Jobs and Family Services, *Kinship care.*

Outcomes for children in kinship care differ based on placement setting and caregiver compensation

Prevalence of permanency outcomes among children in kinship and foster care[2]

	Reunification	Guardianship	Placed for adoption	Still in placement / emancipated
Unpaid kinship care	47%	40%	10%	
Paid kinship care	43%	23%	34%	
Foster care	61%	6%	28%	

- Reunification
- Guardianship
- Placed for adoption
- Still in placement / emancipated
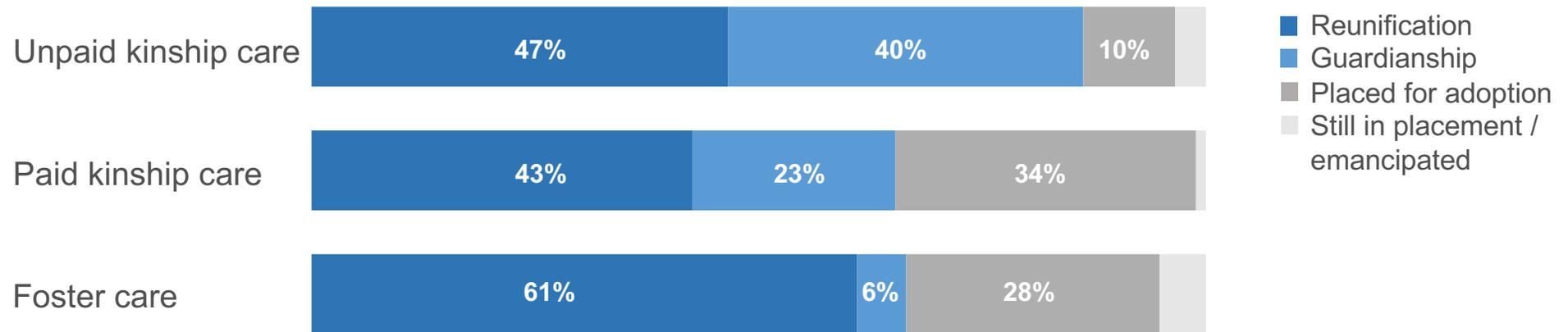
Arrangements where unpaid kinship care is possible result in the highest likelihood of family continuity

- In unpaid care, 87% are reunified or remain under guardianship of family members, compared with 66% in paid kinship and 67% in foster care

- Children in foster care are 3x more likely to be placed for adoption compared with children in unpaid kinship care

- Relationship to reimbursement is not causal; instead, outcomes likely related to increased levels of resources that kinship caregivers able to provide care without reimbursement have

Note: Children were reunified or whose kin assumed legal guardianship stayed in their families, compared with children who were placed for adoption.
Source: Winkour, Crawford, Longobardi, and Valentine, *Matched comparison of children in kinship care and foster care on child welfare outcomes*, 2008.

Contents

- Understanding children in foster care

- Understanding the foster system today

- **Foster system of the future**

The foster care system of the future should be holistic, integrated, and outcomes-focused

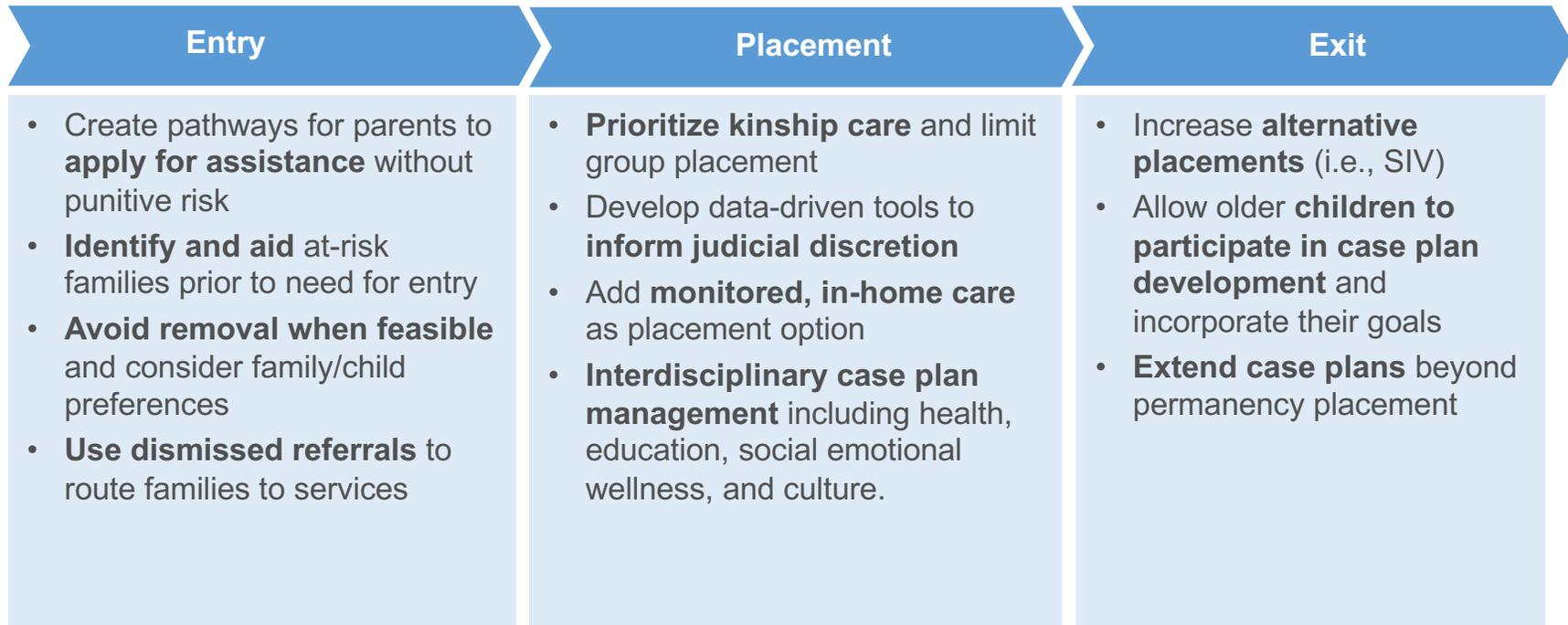| Today	Tomorrow
Reactive to referrals, treating parents and prioritizing child care over treatment.	**Proactive, whole-family approach** – treating issues at the family level before removal from the home is necessary
Suboptimal service delivery, even for foundational child welfare services like placement and behavioral health care.	**Using improved tools** – building and deploying tech-driven tools to improve service delivery along the pathway (e.g., improved placement matching, case mgmt. tools)
Siloed from parallel systems despite strong overlaps with Medicaid, education, and law enforcement	**Integrated with parallel systems** – with formal relationships for holistic care in partnership with other child-focused systems
Focus on operational administration and service delivery rather than system improvement.	**Funding innovation** – allowing states and their partners to conceptualize and test ambitious alternatives to the current system
Service—based payment to agencies and parents despite differences in child need and quality of care	**Altered funding structures** – paying based on outcomes, to incentivize innovation and supports unreimbursed in the current system

Source: Congressional Research Service, *Child Welfare Funding in FY 2018.* CWIG, *State vs. County Administration of Child Welfare Services* (2018).

These changes can be made across the pathway of care in child welfare…

Entry	Placement	Exit
• **Abrupt removal** from the home is often **traumatic** • System is **reactive to referrals**, despite frequent family contact with public services before referral	• **Shortage of foster homes** and **improper placement** in group homes • Foster caregiver **compensation doesn't cover cost** of care • **High caseworker turnover** is expensive for agencies and leads to poor case management for children • **Foster parent recruitment lags**, causing placement to be driven by parent availability rather than quality of match • **Quality of care varies** across the system (e.g., health care, childhood development, education) • Children do not always receive **need-tailored services** (e.g., poor match to services, inappropriate placement setting)	• Insufficient support programs for **children who age out** • **CPS involvement ends at reunification** despite potential need for ongoing supports

System-wide problems

• Judicial discretion can allow bias and risk aversion to imperfectly influence case decisions

• Funding for costs of care isn't always tied to a child's level of need, and is rarely connected to outcomes

• Foster care is largely siloed from other systems that interact with children (i.e., Medicaid, education)

• Child welfare system focuses on rehabilitating parents to facilitate reunification while foster parents watch the removed children, while family-centered interventions are less common

… to improve service delivery at discrete moments as well as across the system as a whole

Entry	Placement	Exit
• Create pathways for parents to **apply for assistance** without punitive risk • **Identify and aid** at-risk families prior to need for entry • **Avoid removal when feasible** and consider family/child preferences • **Use dismissed referrals** to route families to services	• **Prioritize kinship care** and limit group placement • Develop data-driven tools to **inform judicial discretion** • Add **monitored, in-home care** as placement option • **Interdisciplinary case plan management** including health, education, social emotional wellness, and culture.	• Increase **alternative placements** (i.e., SIV) • Allow older **children to participate in case plan development** and incorporate their goals • **Extend case plans** beyond permanency placement

System-wide problems

- Establish Title IV-B/E and Medicaid waivers to fund state innovation efforts
- Provide specialized education options for at-risk children
- Design alternative payment models to compensate agencies and foster parents based on child outcomes, giving everyone a stake in children's success