In 2013, 377 Wisconsin youth aged out of foster care without achieving a permanent placement. Policymakers are questioning whether foster youth who are too old for the child welfare system are still unprepared to live as independent young adults. Professor Courtney compared how the life chances of foster youth are affected by extending state support through age 21, an option that existed at the time of his Midwest Study in Illinois, but not in Iowa or Wisconsin. By age 21, Illinois foster youth, compared to their peers in Iowa and Wisconsin, were twice as likely to have ever attended college and more than twice as likely to have completed at least one year of college. Every $1 that Illinois spends on extending care beyond age 18 increases by nearly $2 the estimated lifetime earnings of foster youth. Other benefits of extending foster care are delayed pregnancy in late adolescence, delayed homelessness, reduced criminal behavior and justice system involvement among women in early adulthood, and, among young fathers, greater involvement with their children.

In 2013, 377 Wisconsin youth aged out of foster care without achieving a permanent placement (see the first chapter of this report by the Wisconsin Department of Children and Families). That is, by age 18, no permanency had been established for these young people such as adoption or placement with their birth family or next of kin. Wisconsin is one of many states that bears no legal responsibility for the care or supervision of foster youth past their 18th birthday (unless they have an Individualized Education Program). Instead, the expectation is that these young people, who have experienced the trauma of being placed out of their home for reasons such as neglect or abuse, will totally support themselves. This transition to living entirely on their own has proven difficult for many. Youth who age out of foster care are less apt to enroll in higher education and more apt to be homeless, unemployed, and have contact with the criminal justice system.¹

Expecting foster youth to totally support themselves after age 18 runs counter to the experience of most young adults. Compared to previous generations, today’s youth require far more time to complete their education, secure employment, form stable families, and establish financial independence.² This prolonged transition to adulthood affects the earnings potential of youth, who often continue to receive financial and emotional support from their parents or other family members well past age 18. In fact, between the ages of 18 and 24, about half of young people still live at home with one or both parents (i.e., 55% for males and 46% for females). Parents also continue to chip in material assistance estimated at $38,000 per child between the ages of 18 and 34.³
Policymakers question whether foster youth who are too old for the child welfare system are still unprepared to live as independent young adults.

In response to this prolonged transition to adulthood, policymakers have begun to question whether foster youth, who are too old for the child welfare system, are still unprepared to live as independent young adults. The challenges foster youth face in contemporary society have led policymakers to reassess whether to extend support through their 21st birthday. In this chapter, I review what federal and state policies exist and how much they cost. Then I draw on research evidence from existing data sources and my own studies on foster youth in Illinois, Iowa, and Wisconsin that examine the costs and benefits of extending foster care to age 21. That is, do the benefits that accrue to foster youth and society outweigh the costs to taxpayers?

How Have Federal Policymakers Supported Foster Youth to Age 21?

In 1986, Congress passed an amendment to the Social Security Act that created the Independent Living Program, which provided states with funds for income-eligible youth to support independent living (e.g., education and training, financial management, housing, health education). These funds are available to youth who would have been eligible for the (now defunct) Aid to Families with Dependent Children (AFDC); states are reimbursed for about 50% to 83% of the subsidy depending on statewide per capita income. In 1999, the John Chafee Foster Care Independence Program expanded the eligibility of foster youth to receive services, allowed states to use funds for a broader range of purposes (e.g., room and board), and gave states the option of extending Medicaid coverage for foster youth to age 21. In 2001, Congress passed the Education and Training Voucher Program that provides up to $5,000 per year for postsecondary education and training.

In 2008, Congress passed the Fostering Connections to Success and Increasing Adoptions Act (“Fostering Connections Act”). This law amended the Title IV-E Social Security Act to extend support from age 18 to 21 for income-eligible foster youth. For states to qualify for federal funds, a number of settings are allowed, but foster youth must be either completing high school or an equivalent program; enrolled in postsecondary or vocational school; participating in a program or activity designed to promote or remove barriers to employment; employed at least 80 hours per month; or incapable of doing so due to a medical condition.

These federal supports for youth aging out of foster care are available to states. However, states are not obligated to tap into these resources.

How Have State Policymakers Supported Foster Youth to Age 21?

California was an early adopter of extended care. Illinois extends care to age 21, and Ohio has introduced legislation to do so. A total of 18 states have approved Title IV-E plans that provide foster care past age 18 under the Fostering Connections Act’s extended care provisions for youth who are income-eligible.

Our Midwest Evaluation of the Adult Functioning of Former Foster Youth (“The Midwest Study”) compared the experiences of foster youth aging out of care in Illinois, Iowa, and Wisconsin. This study tracked youth who entered foster care prior to their 16th birthday due to abuse or neglect and who had been in out-of-
home care for at least one year. The study included 732 foster youth with 474 from Illinois, 63 from Iowa, and 195 from Wisconsin. Foster youth were interviewed three times—in 2002 and 2003 at age 17 or 18 (97% response rate), in 2004 at age 19 (82% response rate), and in 2006 and 2007 at age 21 (81% response rate). This study was a collaborative effort of public child welfare agencies in the three states, the Chapin Hall Center for Children at the University of Chicago, the University of Wisconsin Survey Center, and Partners for Our Children at the University of Washington, Seattle.

The three states in this study had different policies regarding extending support to foster youth past age 18. Foster youth in Illinois can remain in care past age 18. In contrast, foster youth in Iowa and Wisconsin are discharged from care at age 18 and seldom receive care after age 19. Wisconsin has made one change in its laws since the study was conducted. Foster care eligibility has been extended to age 21 for youth with a disability who have an Individualized Education Program (IEP); the IEP must specify how the youth’s disability affects their educational progress in the general curriculum and set measurable goals to ensure progress.

The age of exit for youth aging out of foster care is presented in Figure 1. In Illinois, almost 7 in 10 (69%) foster youth are 20 or 21 when they exit the foster care system and about 8 in 10 (81%) are 19, 20, or 21. In Wisconsin, 100% receive no foster support past age 18 and, in Iowa, almost 9 in 10 (89%) receive no support after age 18. On average, Illinois foster youth were 2 years older when they exited the child welfare system than their peers in Iowa and Wisconsin.

Figure 1. Age of Exit from Foster Care By State

Adapted from “When Should the State Cease Parenting? Evidence From the Midwest Study” (p. 3), by M. E. Courtney, A. Dworsky, & H. Pollack, 2007, Chapin Hall Center for Children Issue Brief, 115. Adapted with permission.

How Much Does it Cost for States to Support Foster Care Youth to Age 21?

The Midwest Study estimated the annual cost of extending care to age 21. An average daily cost was calculated by weighting the 2007 cost of different living arrangements (e.g., foster homes, supervised independent living, college subsidies). In Illinois, the average cost of keeping a foster youth in care beyond his or her 18th birthday is $20,800 per year. Because the average age of exiting from care is 20 in Illinois and only 18 in Iowa and Wisconsin, the annual cost was multiplied by two. Thus, the cost of extending foster care to age 21 is an estimated $41,600 per youth.
This cost would be offset, in part, if extending care to age 21 avoided expenditures on public assistance. As shown in Figure 2, foster youth who did not remain in foster care received an average of $1,826 per year in public assistance. Specifically, these youth received $847 in food stamps, $794 in Supplemental Security Income (SSI) payments, $153 in Temporary Assistance to Needy Families (TANF) payments, and $32 in other payments (e.g., general or emergency assistance). These estimates include only those for which a dollar value can be assigned and do not account for administrative expenses or the costs of other related programs (e.g., public housing vouchers; Women, Infants, and Children supplements).

**Figure 2. Average Annual Public Assistance Received by Each Former Foster Youth**

Adapted from “Extending Foster Care to Age 21: Weighing the Costs to Government Against the Benefits to Youth” (p. 3), by C. M. Peters, A. Dworsky, M. E. Courtney, & H. Pollack, 2009, Chapin Hall Center for Children Issue Brief. Adapted with permission.

Two years of the dollars spent on public assistance were subtracted from the total cost of extending care to foster youth. Thus, the cost of extending care to foster youth over two years is an estimated $37,948. (One caveat is that TANF costs do vary across states; however, since these costs are less than 10% of the total estimates, the effects will be minimal.)

**Do the Benefits to Foster Youth Offset the Costs?**

Our analysis of data from The Midwest Study provides compelling evidence that the benefits of offering support to foster youth beyond their 18th birthday outweigh the costs. We have been able to estimate the financial benefits of extended care in the area of education. In addition, extended care has been shown to be associated with other benefits (e.g., delayed pregnancy, delayed homelessness) for which financial benefits have not been clearly established.

**Postsecondary Educational Attainment**

Foster youth lag well behind their peers in attaining postsecondary education. Estimates of college completion of former foster youth, ages 25 to 29, range from 1% to 11%, compared to 30% in the general population. Figure 3 contrasts enrollment in postsecondary education in Illinois, where care is extended beyond age 18, and Iowa and Wisconsin, where it is not. By age 21, former foster youth from Illinois, compared to their peers in Iowa and Wisconsin, were twice as likely to have ever attended college and more than twice as likely to have completed one year of college.
least one year of college. These differences cannot be explained away by other differences in foster youth in the three states; in fact, young people from Illinois had characteristics associated with lower rates of college completion than foster youth in the other two states.7

Figure 3. How Extending Care to Age 21 Affects Higher Education by State

Adapted from “When Should the State Cease Parenting? Evidence From the Midwest Study” (p. 4), by M. E. Courtney, A. Dworsky, & H. Pollack, 2007, Chapin Hall Center for Children Issue Brief, 115. Adapted with permission.

The benefits of attending college are well established. For example, calculations using U.S. Census data reveal that a person with a bachelor’s degree, on average, can expect $481,000 more in lifetime earnings than a person with only a high school diploma.8 Even completing any college increases lifetime earnings by $129,000 over that of high school graduation alone.9 If foster youth are able to acquire more postsecondary education as a result of being allowed to remain in care past 18, how might that translate into lifetime earnings?

To determine the increase in earnings across the whole population of youth aging out of foster care, we estimated what foster youth could expect to earn if extending care increased the rate of college attendance and graduation. We multiplied the value of having a college degree by the difference between the predicted rate of college completion among former foster youth with the option to remain in care until age 21 and foster youth without that option. We used varying assumptions about how the differences we observe in college enrollment between foster youth in Illinois and those in Iowa and Wisconsin persist over time. Thus, our estimates of the lifetime earnings benefits of extending care to age 21 range from $43,000 to $113,000, with the best estimate being $72,000.10 This earnings benefit is roughly double the estimated amount spent on each foster youth supported beyond age 18 ($37,948) or a $2 return for every $1 spent.

**Other Benefits of Extended Care**

Research has also shown extended care to be associated with other positive outcomes for foster youth transitioning to adulthood. Youth aging out of foster care are much more likely than other young people to become pregnant at an early
Extending care to age 21 is associated with a 38% reduction in the risk of foster girls becoming pregnant between ages 17 and 21.

Do the Benefits of Extending Foster Care to Age 21 Outweigh the Costs?

The Midwest Study, which examines differences among states in the age youth are discharged from care, has shown that extending care to age 21 is associated with a 38% reduction in the risk of foster girls becoming pregnant between 17 and 19 years old; delayed homelessness between ages 17 and 21; reduced criminal behavior, arrest, and justice system involvement among women in early adulthood; and, among foster youth who become fathers, greater involvement with their children. We have not been able to estimate the monetary benefits of these positive outcomes, but they are likely to be significant. Moreover, none of our research has shown extended care to be associated with negative outcomes. Thus, our benefit-cost calculations (based solely on increased postsecondary educational attainment) likely significantly understate the total benefits of extended care, and hence the overall ratio of benefits over costs.

Lessons from Early Adopters of Extended Foster Care

My colleagues and I also studied the experiences of California, one of the earliest adopters of extending foster care under the provisions of the Fostering Connections Act. California, which like Wisconsin is a state-supervised and county-administered child welfare system, provided several lessons that may be instructive for other states. For example, providing extended foster care proved to be more than just a change in policy, because it called for changes in the culture of the institutions responsible for implementing the policy change. Previously, the child welfare agencies and court systems had been charged with keeping minors safe and finding them legally permanent homes. Now they were held accountable for helping young adults move toward independence. This shift required a fundamental re-thinking of the approaches they previously had used to support minors in foster care.

California’s experience with extended care also provides other insights into factors that can influence successful implementation. California philanthropic foundations played a major role. The California law was enacted without funds for implementation and, as is the case in many states, California has seen cuts in recent years in budgetary support for the planning and administrative functions of government. Foundation funding supported implementation planning through the convening of stakeholder meetings, the staffing of planning work groups, and the development of training modules for agency staff. California also benefited from the involvement of young people early and often in planning and implementation. Young people themselves were some of the best supporters of extending care beyond age 18 and also of the requirements put in place for youth to access the program. Several young people explained how extending care “help[ed] you get on your feet.” One young woman said the law enabled her to “get out on my own, get my own place to live, you know have a stable environment so I can go to school and get a job and have an address that I can give to my work.”

Summary

This chapter provides research evidence for policymakers concerned about supporting the transition of vulnerable foster youth to adulthood. Our Midwest
Study illustrates how the life chances of foster youth are affected by extending support through age 21, an option that existed in Illinois but not in Iowa or Wisconsin at the time of our study. By age 21, foster youth in Illinois were more likely to pursue higher education than their peers in Iowa and Wisconsin. The study also suggests other important benefits that we have yet to put a price tag on—delayed pregnancy in late adolescence; delayed homelessness; reduced criminal behavior and justice system involvement among women in early adulthood; and, among young fathers, greater involvement with their children. What’s more, there may be other benefits that are still unknown. Based solely on increased educational attainment, we estimate that every $1 that Illinois spends on foster care beyond age 18 provides a benefit of around $2 to foster youth in increased lifetime earnings. Of course, ultimately it is policymakers who will decide whether the benefits outweigh the costs.

Mark Courtney is a Professor in the School of Social Service Administration at the University of Chicago and an Affiliated Scholar at Chapin Hall. Previously, Dr. Courtney was a professor at the University of Wisconsin-Madison and he was the founding director of the award-winning Partners for Our Children, a public-private partnership devoted to improving child welfare services. Before becoming a professor, he worked in various capacities providing group home care to abused and neglected adolescents. Currently, his research examines the reunification of foster children with their families, the adult functioning of former foster children, and the effectiveness of independent living services in supporting foster youth. In 2015, he received the Distinguished Career Achievement Award from the Society for Social Work and Research in recognition of the many contributions of his research and its frequent use in policy and practice. Professor Courtney was named a Fellow of the American Academy of Social Work and Social Welfare, and received the Peter W. Forsythe Award for leadership from the National Association of Public Child Welfare Administrators. He was recognized as Social Worker of the Year by the Wisconsin Chapter of the National Association of Social Workers.

References


Do the Benefits of Extending Foster Care to Age 21 Outweigh the Costs?


