



Center on Children and Families

May 2011

CCF Brief # 43



Adoption from Foster Care: Aiding Children While Saving Public Money

Nicholas Zill

Abstract

In the current era of massive deficits, federal, state and local government agencies are seeking ways to lower expenditures and still maintain essential services. Child welfare programs represent an area where significant savings could be achieved while actually improving the life circumstances of the young people affected. The way this could be accomplished is by increasing the number of children and youth who are adopted out of foster care. Findings from a recent national survey of child health provide new evidence that adoption can save the public money while improving the life prospects of youngsters who have been maltreated in their early years.

Public Costs of Foster Care

Children in foster care are children who were born to substance-abusing or mentally ill women, or youngsters who have been neglected or abused in the homes of their birth parents. They have been legally removed from their birth families and placed under the care and control of state-run child welfare agencies. There are close to a half-million children in the United States who are in foster care at any one time. Some are in foster care for only a brief period of days or weeks before being returned to their families. But almost a quarter of a million will remain in foster care for a year or more. Nearly 50,000 will stay in foster care five years or more, while 30,000 will remain there until they reach adulthood.

The public costs of removing all these maltreated children from their birth families and caring for them in foster families, group homes, or institutions are substantial. Annual state and federal expenditures for foster care total more than \$9 billion under Title IV-E of the Social Security Act alone. Although exact amounts are difficult to disentangle, even more money is spent for publicly-subsidized medical care for foster children and food stamps, cash welfare, and child care payments to the families that care for them. On top of that, there are longer-term costs that society incurs because of the developmental risks associated with child maltreatment and family disruption.

Although children in long-term foster care represent only a small fraction of the total child population of the United States, they represent a much bigger portion of the young people who go on to create serious disciplinary problems in schools, drop out of high school, become unemployed and homeless, bear children as unmarried teenagers, abuse drugs and alcohol, and commit crimes. A recent study of a Midwest sample of young adults aged twenty-three or twenty-four who had aged out of foster care found that they had extremely high rates of arrest and incarceration. 81 percent of the long-term foster care males had been arrested at some point, and 59 percent had been convicted of at least one crime. This compares with 17 percent of all young men in the U.S. who had been arrested, and 10 percent who had been convicted of a crime. Likewise, 57 percent of the long-term foster care females had been arrested and 28 percent had been convicted of a crime. The comparative figures for all female young adults in the U.S. are 4 percent and 2 percent, respectively.

Former foster youth are over-represented among inmates of state and federal prisons. In 2004 there were almost 190,000 inmates of state and federal prisons in the U.S. who had a history of foster care during their childhood or adolescence. These foster care alumni represented nearly 15 percent of the inmates of state prisons and almost 8 percent of the inmates of federal prisons. The cost of incarcerating former foster youth was approximately \$5.1 billion per year.

Adopting from Foster Care

Increased adoption from foster care is a way of decreasing the number of young people who must spend much of their youth in unstable and less than ideal living arrangements. It may also be a way of preventing the long-term detrimental consequences of such an upbringing. As things

stand now, less than 15 percent of all children in foster care will be adopted. There were 57,000 children adopted from foster care during Fiscal Year 2009, but there were twice as many—115,000—waiting to be adopted on September 30, 2009. (That is, adoption was the agency’s case goal for the child and the parental rights of the biological parents had been legally terminated.)

Adopting children from foster care is a risky proposition for prospective adoptive parents because of possible long-term effects on the child of both the traumatic early experiences they have endured and the detrimental genes they may carry in their DNA. Despite the risks involved, sizable numbers of middle-class couples are prepared to adopt these maltreated children. However, their efforts to adopt are often frustrated by federal laws and child welfare agency practices that require time-consuming efforts to preserve and reunify biological families and give preference to the placement of foster children with relatives. As a consequence, qualified couples who are eager to adopt an unrelated foster child may find themselves turned down by social workers in favor of a grandmother, aunt, or cousin of the child. This can occur even though the relative is reluctant to adopt and has only meager financial resources. An American couple can often complete an international adoption in less time and with fewer complications than adopting a child from foster care in the U.S. In addition, they have a better chance of obtaining an adoptive daughter or son near the time of the child’s birth or within the first year or two of the child’s life.

Congress has passed a series of laws with provisions aimed at facilitating and encouraging adoption of foster children, such as by providing financial incentives including an income tax credit, subsidized medical care, and regular support payments for less affluent adoptive parents. There was an initial upward jump in the annual number of children adopted from foster care following the passage of the federal Adoption and Safe Families Act in 1997, from a base-period level of around 28,000 children per year to a level of around 51,000 children per year in 2000. Since then, however, the number of children adopted from foster care has fluctuated around 55,000, with no clear sustained upward trend. Likewise, the proportion of foster children waiting to be adopted to those who actually are adopted has hovered around 50 percent.

There would be benefits for both the children who await adoption and for U.S. society as a whole if adoption of children in foster care by qualified non-relatives were made easier, faster, and more frequent. Yet advocates of family preservation have resisted efforts to make it so. Much of the controversy over adoption of children from foster care has gone on without the benefit of statistically reliable comparisons of how children fare if they are adopted from foster care as opposed to remaining in foster care or being reunited with their birth parents. Although definitive answers to this question can only be obtained through longitudinal studies and random-assignment experiments, there is useful information to be gleaned from a recent federal survey called the National Survey of Adoptive Parents (NSAP). A major purpose of this brief is to summarize the results of a special analysis of data from this survey that the author carried out in collaboration with Matthew Bramlett, a survey statistician at the National Center for Health Statistics (NCHS). The analysis was aimed at shedding as much light as possible on the life situations and wellbeing of children who had been adopted from foster care as well as those who were currently in foster care.

A National Adoption Survey

In 2007, as a result of a collaboration among several federal agencies, the first national survey of adopted children was conducted by NCHS. NSAP was the first large-scale survey to obtain nationally-representative information about the characteristics and experiences of adopted children and their families in the U.S., as well as information on the health and well being of the adopted children. The survey sample of 2,089 represented children under age eighteen who were adopted and living with neither biological parent. It included children adopted from foster care and other domestic sources, as well as from other countries.

Because the NSAP was conducted as a companion study to the 2007 National Survey of Children’s Health (NSCH), comparable information was available about children in the general population, including children living with foster parents or relatives. This information included

indicators of child health, school achievement, and behavior, as well as demographic characteristics of the children and social and economic circumstances of their families.

The aim of the analysis summarized here was to use the NSAP/NSCH sample to compare the life circumstances and well being of children adopted from foster care with those of children who were in foster care at the time of the survey. The study also compared children adopted from foster care with two other groups: children living in traditional families with both their birth mother and biological father, and children living with birth mothers who had never married. The latter group provided an approximation of the kind of birth family from which most foster children come and to which many foster children return when they are reunited with birth parents.

Of the 91,642 children aged zero to seventeen in the 2007 NSCH national sample, there were 801 who had been adopted from foster care. There were 2,439 children who were either in non-relative foster care or being cared for by relatives who had not adopted them. There were 61,364 children living in traditional families with both their birth mother and biological father, and 5,326 children living with birth mothers who had never married.

Favorable Home Environments

Data from the comparative survey analysis show that children adopted from foster care have home environments that are more favorable for child development and well being than children who remain in foster care. Compared to children currently in foster care, adopted children are:

- More likely to be living with a mother and father who are legally married to one another (as opposed to with a single parent or two cohabiting parents): 71 percent of the adopted children were in two-parent families, compared with 56 percent of the foster care children;
- Twice as likely to have at least one parent who is a college graduate: 43 percent of the adopted children had such a parent, compared with 21 percent of the foster children;
- Three times as likely to be in a financially-secure household (one whose annual income is at least 400 percent of the official poverty level): 28 percent of the adopted children were in such households as opposed to 10 percent of foster care children; and
- More likely to be living in a safe and supportive neighborhood: 81 percent of the adopted children lived in such neighborhoods, compared with 68 percent of the foster children.

Each of these factors—two-parent family, higher parent education level, higher family income level, safe and family-friendly neighborhood—has been found to be associated with more favorable outcomes for children and youth.

Children adopted from foster care are substantially better off in terms of family resources than children who live with their birth mothers only, particularly single mothers who have never married. Children living with never-married biological mothers are only one-fourth as likely to have a parent with a college degree (10 percent versus 43 percent) or live in a financially-secure household (6 percent versus 28 percent). Only a minority of children with never-married mothers live in safe neighborhoods (48 percent versus 81 percent of adopted children) and even fewer have current health insurance (91 percent versus 98 percent).

Lower Public Costs

Even though they live in more favorable home environments, children adopted from foster care cost the public less money than children living in foster care families. This is because adoptive parents are more likely than foster parents to be working outside the home on a full-time basis and less likely to be heavily reliant on welfare, food stamps, and government-sponsored health care. Compared to the households in which foster children live, the households of adopted children are:

- Half as likely to be one where no adult works fifty or more weeks per year: 10 percent of the adopted children lived in such households, as opposed to 22 percent of the foster care children;
- Half as likely to be a household whose annual income was below the official poverty level: 15 percent of the adopted children lived in a poverty-level household, as opposed to 28 percent of the foster children;
- Half as likely to be a household that received Temporary Assistance for Needy Families (TANF) or other cash welfare benefits: 8 percent of the adopted children lived in a welfare-dependent household, compared with 17 percent of the foster children;
- One-third as likely to be a household that received food stamps: 8 percent versus 24 percent; and
- Half as likely to be a household where some or all children received reduced-price meals at school: 34 percent of the adopted children lived in a household receiving subsidized school lunches, compared with 62 percent of foster children.

Children adopted from foster care were also less likely to have their health care subsidized by public programs like Medicaid or State Children's Health Insurance Program (SCHIP): 62 percent of adopted children, compared with 80 percent of foster children, had their health care covered by Medicaid or SCHIP. On the other hand, 35 percent of adopted children, versus only 12 percent of foster children, had private health insurance. Only 2 percent of adopted children, as opposed to 8 percent of foster children, had no current health insurance coverage.

Children adopted from foster care cost the public substantially less money than children living with birth mothers who have never married. Children in households headed by never-married mothers are:

- Three times more likely to not have a full-year adult wage-earner in the household (31 percent versus 10 percent);
- Three times more likely to be poor (53 percent versus 15 percent);
- Three times more likely to be receiving TANF or other cash welfare payments (21 percent versus 8 percent);
- Six times more likely to be receiving Food Stamps (53 percent versus 8 percent);
- Twice as likely to be getting subsidized school lunches (63 percent versus 34 percent);
- More likely to have their health care covered by Medicaid or SCHIP (70 percent versus 62 percent);
- Less likely to have health care covered by private insurance (21 percent versus 35 percent); and
- Four times more likely to have no current health insurance coverage (9 percent versus 2 percent).

It is true that a majority of adoptive households receive government-provided adoption support payments and subsidized medical care for their adopted children. But these supports cost less than it would cost to keep the same children in foster care.

Adoption Not A Panacea

Most children adopted from foster care appear to be doing reasonably well on indicators of child development and well being. For example, eight in ten children adopted from foster care are in "excellent" or "very good" overall health; "often" show empathic behavior and other positive social skills; and have progressed normally and not had to repeat grades in school. Nonetheless, it is clear that the proportion of children adopted from foster care who have developmental problems is significantly larger than that for children being raised by both of their biological parents.

This is not surprising, given the troubled family backgrounds and the traumatic early experiences that foster children have endured. Many of these needs are associated with diagnosed emotional disorders or learning disabilities, such as a reactive attachment disorder (RAD), attention deficit disorder (ADD/ADHD), or conduct disorder. Nearly half of young people (46 percent) adopted

from foster care have received psychological treatment or counseling at some point since their adoption and nearly a third (32 percent) have an Individualized Education Plan (IEP) and receive special education services at school. This is nearly five times higher than the frequency of special education IEPs among children living with both biological parents (6.5 percent).

The proportion of children with developmental problems among children adopted from foster care is not significantly smaller than that for children who remain in foster care, despite the more favorable home environments in which the adopted children live. Compared to children currently in foster care, children adopted from foster care are:

- About as likely to have shown signs of depression “sometimes” or “often”: 29 percent versus 25 percent;
- About as likely to have “often” engaged in aggressive or antisocial behavior: 20 percent versus 15 percent;
- About as likely to have repeated a grade in school: 21 percent versus 25 percent;
- About as likely for parents to have been contacted by the school because of the child’s behavior or learning problems: 56 percent versus 55 percent; and
- Equally likely to have shown interest and engagement in their schoolwork: 64 percent for both groups.

The proportion of youngsters with special health care needs among children adopted from foster care is larger than the equivalent proportion for children currently in foster care (55 percent versus 42 percent). In addition, children adopted from foster care are more likely to have IEPs and be receiving special education services in school (32 percent versus 20 percent). These figures are noteworthy for two reasons. First, they indicate that the children adopted from foster care have not been selected because they have fewer apparent problems or more favorable prospects than the children who remain in foster care. Second, they support the notion that adoptive parents are more energetic and effective at obtaining needed medical, educational, and social services for their charges than are foster parents, relative caretakers, or social workers.

On the positive side, it appears that the proportion of adopted children who were in “excellent” or “very good” health is somewhat larger than the equivalent proportion for children currently in foster care (83 percent versus 76 percent). The apparent difference is not statistically significant, however. Although nearly half of adopted children had received psychological therapy at some point in their lives, the proportion who received counseling within the last year is smaller than that for children in foster care (31 percent versus 42 percent).

It is possible that the beneficial effects of an improved home environment had not yet had a chance to manifest themselves. Perhaps if we returned to these young people when they reach adulthood, more dramatic differences in favor of the adopted group would be apparent. It is also important to remember that previous research has shown that the foster children who show the worst achievement and behavior problems are those who reside in group homes and institutions and those who remain in foster care for the entirety of their childhoods. Foster children in group homes and institutions fell outside of the sample frame of NSCH and it is not possible in a cross-sectional snapshot survey to identify those foster children who will spend much of their childhood in foster care. As mentioned earlier, definitive answers to the questions posed here must rely on longitudinal studies of child development and random-assignment experiments.

A set of survey findings that should be chastening to proponents of family reunification is the inauspicious developmental status of children who were living with their never-married biological mothers. These children were included in the study as a comparison group because their family situations are most like the ones in which neglect or abuse often occurs and foster children emerge: uneducated, low-income, single-parent families. The children in the never-married mother group had not experienced officially-recognized neglect, abuse, or family disruption. Yet they exhibited nearly as many health, achievement, and behavior problems as children in foster care or adopted from foster care. These families were also very costly to the public, with low levels of parental employment and self-sufficiency, and extensive reliance on food stamps, cash welfare payments, and publicly-subsidized health insurance and medical care.

The survey findings also suggest that children who lived with never-married biological mothers or with other biological relatives were not receiving as much of the medical, psychological and educational services that they may have needed, compared to adopted and foster children. The never-married mother and relative children showed high rates of problem behavior and grade repetition, but comparatively low rates of receiving psychological counseling or therapy and special education services. They also had lower rates of consistent health insurance coverage.

In conclusion, the 2007 National Survey of Children's Health and the National Survey of Adoptive Parents provide important insights that can inform and clarify policy debates about how to improve the lives of children who have suffered neglect or abuse and family disruption. The surveys show that adoption can make more extensive family resources and supportive care available to children who have been maltreated and removed from their birth parents. Adoption can provide these benefits at lower cost to the public than foster care or family reunification. At the same time, the findings demonstrate that adoption is not a panacea; improved life circumstances do not readily and rapidly translate into better developmental outcomes for maltreated youngsters.

Author

Nicholas Zill is a research psychologist and independent consultant based in Washington, DC. Prior to his recent retirement, he was Director of the Child and Family Study Area at Westat. In that capacity, he headed several national surveys and assessments of Head Start performance.

The views expressed in this policy brief are those of the author and should not be attributed to the staff, officers, or trustees of The Brookings Institution.

Additional Reading

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