

IMPROVING FAMILY FOSTER CARE Program Comparison Findings from the Northwest Foster Care Alumni Study¹

Service quality matters. In one of the most comprehensive studies of adults formerly in foster care (“alumni”), the Northwest Foster Care Alumni Study researchers found that quality foster care services for children pay big dividends when they grow into adults. More specifically, the mental and physical health of children placed in foster care improved when they were supported by child welfare programs with highly trained staff who have low caseloads and good access to supplementary services.

The Northwest Study supports a major assertion of Casey Family Programs’ 2020 Strategy, which seeks better outcomes for children in care while moving to reduce the need for out-of-home care. The study demonstrated that key investments in quality foster care for adolescents are associated with dramatic reductions in the rates of mental disorders and substance abuse later in life. If child welfare agencies reinvest savings accrued through reduction of child placements, public and private agencies will be able to implement key program components linked with positive adult outcomes.

On any given day, over 500,000 children are served by foster care services in the U.S. In addition to examining long-term health effects, relatively few studies have examined how alumni have fared as adults, and even fewer studies have compared varying degrees of service provision. The Northwest Study provides new information in both areas.

Case record reviews were conducted for 659 alumni (479 of whom were interviewed) who had been in the care of Casey Family Programs (Casey) or the Oregon or Washington State child welfare agencies between 1988 and 1998 as adolescents for one year or more. A comparison of alumni outcomes was completed and the economic value of those differences is presented here.

DEMOGRAPHICS AND PLACEMENT HISTORY

- Sample: 60.5% women and 54.4% people of color
- Average age at the time of interview: 24.2 years
- Mean length of time in care: 6.1 years.
- Mean placement change rate: 1.4 placements per year

KEY FINDINGS

The hypothesis was that the alumni who received services from a program with a greater investment in workforce and services would produce better outcomes. This was based on the assumption that alumni would experience foster care more favorably as a result of having social workers with graduate social work degrees and lower caseloads; foster parents with fewer turnovers and more training; and youth access to a wide array of education, mental health and other services. Although there were many similarities in how alumni experienced care and the outcomes they have achieved, significant outcome differences were found in important areas.

Specifically, it was found that alumni who received higher quality services:

- Had significantly fewer placement changes.
- Were substantially less likely to experience adverse events such as a reunification failure during comparable periods of time in foster care.
- Were at lower risk of foster parent neglect, physical abuse, and sexual abuse.
- Had 50% reductions in rates of adult major depression and substance use disorders. They also had significantly fewer ulcers and cardio metabolic disorders, but more respiratory disorders.
- Were more likely to have completed years of education beyond high school and be employed.

ECONOMIC ANALYSES

This study documents the economic advantages of high quality foster care programs. High rates of mental and physical disorders typically found among adult alumni of foster care were significantly reduced among the alumni who received higher quality services. For most of these outcomes, a monetary value can be attached, allowing comparison with costs. For the outcomes for which financial data was available, the estimated present value of the enhanced foster care services exceeded their extra costs.

Except for one health condition, all of the outcome differences expressed in monetary terms favored the alumni served by a program where there had been a greater fiscal investment and provision of high quality services. The net aggregate benefits for the enhanced quality program were large at \$206,305 per alumnus. In addition to the more positive education and employment outcomes, the cost savings from fewer chronic physical and mental disorders contribute to the net benefits. This finding is consistent with the study's hypothesis that the high quality services produced better long-term outcomes.

Further, findings suggest that additional funds provided to state programs, or reinvestments in program improvements funded by savings from reduced foster care placement rates, may represent a worthwhile social investment. About 300,000 new children enter foster care each year. If all of them were to receive enhanced foster care services including but not limited to lower caseloads for social workers; better trained staff; fewer foster care placement changes; fewer school changes, the long term saving for a single cohort of these children would be about \$19 billion (in 2007 dollars).

CAUTIONS AND OTHER METHODOLOGICAL NOTES

The findings should be viewed with some caution because the Casey Family Programs field offices, while part of the larger child welfare system, were not operating under the workload pressures of achieving a permanent placement in the same way that the public agency staff were. Namely, Casey Family Programs staff had the goal of stabilizing and preserving the placement because the children referred to Casey Family Programs were those that the state agency and juvenile court determined were unable or unwilling to be adopted or be reunified with their parents. Other things to consider about this study:

1. It focused on alumni who had spent one year or more in family foster care as adolescents. Many of these youth tend to stay in care for longer periods of time and age-out from foster care in *either* public or private systems. This was therefore a study of alumni who spent a year or more in care as *adolescents* – not the full spectrum of children served in foster care.
2. *Data weighting, propensity score matching, and other statistical adjustments* were used to adjust for differences between youth from different agencies. This was necessary, for example, because Casey Family

Programs' alumni stayed in care, on average, for two years more. There were also differences in child maltreatment history in the birth family (e.g., more Casey youth had been sexually abused).

3. While greater investment to provide enhanced foster care services may be warranted, how much greater that investment should be remains to be determined. Casey Family Programs has reduced per case costs over the past 10 years and has been able to continue providing a workforce with less turnover, lower caseloads, a supplemental foster family payment, tutoring, and enhanced mental health and medical care to supplement Medicaid. ***While the cost per child remains greater than the many public agencies, the exact level of investment of resources needed to produce these more positive outcomes has not been determined.***

CONCLUSIONS

Given the \$24 billion that the U.S. child welfare system spends annually, reform efforts are at a crossroads. The system has expanded dramatically over the past two decades, with over 500,000 children placed in foster care at any one point in time – over twice the number served two decades ago. Calls for system redesign to improve care have resulted in some public and private agencies developing foster care programs that offer expanded services, lower caseloads, and higher salaries for workers. It is recommended that the following are prioritized:

- Prevention of children from entering foster care through family strengthening, parent support, and high quality mental health services, while maintaining high levels of child safety.
- Ready access to education, mental health and other support services for children placed in foster care.
- Reasonable caseload sizes and low turnover rates among front-line caseworkers and foster parents.
- Reinvestment of savings to increase the quality of family treatment and foster care services as states and counties are more successful in reducing the number of children in foster care.

Other studies have proven the economic and social value of early intervention with children and families.² If strategic reinvestment of the savings that will accrue through reduction of child placements, public and private agencies can afford to implement the key program components that this study show are linked with positive adult outcomes.

¹ Abstracted from:

Kessler, R. C., Pecora, P.J., Williams, J., Hiripi, E., O'Brien, K., English, D., White, J., Zerbe, J. R. Downs, A.C., Plotnick, R., Hwang, I., & Sampson, N.A. (2008). The effects of enhanced foster care on the long-term physical and mental health of foster care alumni. *Archives of General Psychiatry*, 65(6).

Pecora, P. J., Kessler, R. C., Williams, J., O'Brien, K., Downs, A. C., English, D., White, J., Hiripi, E., White, C. R., Wiggins, T., & Holmes, K. E. *Improving family foster care: Findings from the Northwest Foster Care Alumni Study*. Seattle, WA: Casey Family Programs. Available at <http://www.casey.org>.

Zerbe, J. R., Plotnick, R., Kessler, R. C., Pecora, P.J., Hiripi, E., O'Brien, K., Williams, J., English, D., & White, J. (In press.) Benefits and costs of intensive foster care services: The Casey Family Programs compared to state services. *Contemporary Economic Policy*

² Karoly, R. & Kilburn, L. (2008). *The economics of early childhood investments: What the dismal science has to say about early childhood policy*. Santa Monica, CA: RAND Corporation and Seattle, WA: Casey Family Programs.

Pew Foundation. (2008). *Time for reform: investing in prevention: keeping children safe at home*. Philadelphia: Author. Retrieved January 28, 2008 from www.kidsarewaiting.org.

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