The Effects of Child Poverty Reductions on Child Protective Services Involvement and Placement into Out-of-Home Care

Jessica Pac, Sophie Collyer, Lawrence M. Berger, Kirk O'Brien, Elizabeth Parker, Peter J. Pecora, Whitney Rostad, Jane Waldfogel, and Christopher Wimer

Overview

The National Academy of Sciences (NAS) recently released a "roadmap" to reduce child poverty by as much as half through the implementation of a series of social policy packages. The aim of this study was to simulate the reductions in Child Protective Services (CPS) involvement and foster care placements that are likely to result from implementation of three of the NAS policy packages. In addition to the introduction of a child allowance, the proposed policy packages include reforms to the EITC, SNAP, and the federal minimum wage, among others.

We first simulated the household-level effect on income of each of the NAS-proposed policy packages for children and their families observed in the 2013-2017 Current Population Survey (CPS-ASEC), following the NAS methodology. For each child observed in the CPS-ASEC, we then computed the probability of experiencing a CPS investigation, substantiation, and placement into out-of-home care (OHC) using National Child Abuse and Neglect Data System (NCANDS) administrative records aggregated to the state, year, race/ethnicity, and child age group. We then applied bounded estimates of the causal effect of income on CPS involvement from two prior rigorous studies to simulate the reduction in CPS involvement based on the simulated change in household income under each policy package.

Reduction in CPS Investigations

Depending on the policy package and simulation specifications modeled, we find that the child poverty reductions expected under the NAS recommendations have the potential to reduce CPS investigations by 11.3% (Package 2, low threshold) to 36.4% (Package 4, high threshold) -- constituting approximately ***386,000 to 1.2 million fewer CPS investigations per year.*** Moreover, we find particularly large reductions in CPS involvement that would reduce racial disproportionality substantially. We estimate an 18.7 to 42.8 percent reduction in investigations for Black children and 13.3 to 47.6 percent for Hispanic children, compared to 6.7 to 27.9 percent for white children.

Reduction in Out-Of-Home Care Placements

Our simulated effects on CPS involvement imply that ***16,000 to 23,000 fewer children would be removed from their home*** and placed in out-of-home care each year.

Reference: Pac, J., Collyer, S., Berger, L.M., O'Brien, K., Parker, E., Pecora, P.J., Rostad, W., Waldfogel, J. & Wimer, C. (2023). The effects of child poverty reductions on child protective services involvement and placement into out-of-home care. *Social Services Review,97(1)*, 43-91.