Summary

More than 500,000 American children live in foster care. The most current federal data indicate that more than 19,000 youth between the ages of 18 and 21 “aged out” of the foster care system in fiscal 2001 (U.S. Department of Health and Human Services March 2003). These young people often leave the foster care system with few resources and very little support. Factors potentially derailing their successful transition to adulthood include unemployment, incarceration, homelessness, substance abuse, unwanted pregnancy, limited education, and inadequate health care. These youth can benefit from opportunities to develop the skills necessary for independent living and from access to support services that can help them navigate the transition to adulthood. The population of youth aging out of foster care is relatively small, but investing in their transition to independent living can enable them to achieve self-sufficiency and avoid many of the pitfalls for which they are at risk.

Several programs and services can help youth in transition become independent, self-sufficient adults. The delivery and financing of these programs and services varies greatly among states. States and localities can use different funding sources to help youth aging out of foster care, including federal Title IV-E funds, state funds, and private funds. However, many states are not drawing down the full amount of federal funding that is available to them to assist these youth (Massinga and Pecora winter 2004).

This Issue Note identifies issues and strategies that policymakers should consider when deciding how to use available resources to best serve the needs of youth in their community who are aging out of foster care. It also provides examples of innovative practices and contact information for key organizations and further information resources. For more information, visit the Welfare Information Network (WIN) web pages on Adoption and Foster Care at http://www.financeprojectinfo.org/win/cwadoptionfostercare.asp and Youth Development at http://www.financeprojectinfo.org/win/youthmain.asp; or see Connected by 25: A Plan for Investing in Successful Futures for Foster Youth at http://www.financeprojectinfo.org/publications/foster%20care%20final1.pdf.
The population of foster youth who are aging out of the foster care system each year is relatively small—fewer than 20,000 in fiscal 2001 (U.S. Department of Health and Human Services March 2003). However, these young people face multiple barriers to becoming self-sufficient adults. Moreover, they are at risk for many negative outcomes that could affect their well-being and could also tax their communities, such as incarceration and substance abuse. Many of these youth have already suffered physically and emotionally from the lack of a stable and supportive family. Many children and youth who are placed in foster care have experienced abuse, neglect, or abandonment at the hands of family members who themselves may have been experiencing incarceration, domestic violence, substance abuse, or mental illness. Children in foster care often are at a disadvantage, compared with children who grow up in a stable family.

How Does This Population Fare?

The only nationally representative study to date on the outcomes of youth who have aged out of foster care indicates that they experience numerous difficulties after leaving their care settings, including substance use (50 percent), involvement with the legal system (32 percent), and emotional problems (38 percent). Two thirds of 18-year-olds had not completed high school or obtained a general educational development (GED) certificate, 61 percent had no job experience, and 17 percent of females were pregnant (Cook 1990). A follow-up study found that two and one-half to four years after leaving foster care, only about half had completed high school, less than half had jobs, and a quarter had been homeless for at least one night (Cook 1992).

Several researchers have looked at state-level youth outcomes in Wisconsin. Courtney and Piliavin (1998) found that 37 percent of youths who had left foster care had not completed high school after being out of care for 12 to 18 months. Dworsky and Courtney (December 2000) examined unemployment insurance wage data for Wisconsin youth who exited foster care between 1992 and 1998. They found that between 1995 and 1997, 21 percent of these youth were unemployed and only 24 percent were sporadically employed in the two years following their exit from the system. They also found that earnings among former foster youth were, on average, lower than full-time minimum wage earnings. Researchers from the University of Chicago found that no more than 45 percent of youth aging out of foster care in California, Illinois, or South Carolina had earnings in any of the 13 quarters between 1995 and 1997 and that youth aging out of foster care had mean earnings below the poverty level (Goerge et al. 2002).

Why Is Addressing Their Needs Important?

Given the relatively small number of youth aging out of the foster care system, the total cost of providing services to help them successfully transition to adulthood could be relatively small, compared with the costs to society for negative outcomes among this population. Wald and Martinez (November 2003) suggest that helping these youth become stable and productive citizens would produce huge social benefits and would reduce the potentially substantial costs to society if these youth do not succeed. Efforts to help this population should include proactive strategies to connect these youth to the workforce and support programs by age 25, according to the authors. Finally, they suggest that programs serving disconnected youth can be as cost-effective as programs focused on young children, because these youth want to succeed and can actively participate in their transition. With resources and support, young people in transition may be able to avoid homelessness, incarceration, substance abuse, and other situations that could harm them and place a large financial burden on their communities.

Programs to Help Youth Transition Successfully From Foster Care

Federal legislation has created a framework for assisting youth who are aging out of foster care. The federal Independent Living Program (ILP) was initially authorized by P.L. 99-272 in 1985 under Title IV-E of the Social Security Act and was reauthorized indefinitely by P.L. 103-66 in 1993. The 1993 legislation authorized federal funding of $70 million per year for states to provide services to youth between the ages of 16 and 18 to help them make the transition from foster care to independent living, distributed through the Children’s Bureau of
the U.S. Department of Health and Human Services (HHS). States were required to provide $25 million in matching funds. States also may use additional dollars to fund services for youth in transition. For a study by the U.S. General Accounting Office (GAO), 35 states reported spending additional state, local, and private dollars for ILP services and 20 states reported receiving in-kind donations such as mentoring services, facility use for training, and books and school supplies (November 1999). Through their independent living programs, states provide services to help prepare foster youth to live on their own, including mentoring, vocational training, training in daily life skills, financial literacy training, assistance to help them attain their educational goals, and transitional services such as supervised practice living situations. States must provide written transitional independent living plans based on the needs of each youth.

The Foster Care Independence Act of 1999 (P.L. 106-169), which renamed the Independent Living Program as the Chafee Foster Care Independence Program (CFCIP), expanded eligibility for independent living services to youth ages 18 to 21 who have aged out of foster care and doubled the funding available to states to provide these services to $140 million. States are required to contribute 20 percent in matching funds; however, many states have not drawn down the full amount of available federal funds because they have not contributed the full match amount (Massinga and Pecora winter 2004). Many states and localities choose to supplement these funds with their own dollars. A 2003 amendment to CFCIP authorized $60 million for the Chafee Education and Training Vouchers Program to be distributed to states for postsecondary educational and training vouchers for youth likely to experience difficulties as they transition to adulthood after age 18.

What Other Programs Are Available?
The U.S. Department of Housing and Urban Development (HUD) funds the Family Unification Program (FUP) and the Youthbuild Program. In 2000, FUP began to offer housing assistance in the form of time-limited vouchers to eligible youth between the ages of 18 and 21 who left foster care after age 16. Youth in this program also receive aftercare from the child welfare agency that referred them to the program and other services to promote a successful transition to adulthood (Massinga and Pecora winter 2004). Youthbuild provides competitive grants to local agencies to provide education, counseling, job training, and leadership development opportunities to unemployed and out-of-school youth between the ages of 16 and 24. Participants can work toward their high school diploma or GED certificate while learning construction skills by building affordable housing for homeless and low-income people. During the past seven years, HUD has released more than $300 million in grants to Youthbuild programs around the nation (see http://www.youthbuild.org/ nofa for more information). HHS funds the Transitional Living Program for Older Homeless Youth, which provides longer-term residential and support services to homeless youth between the ages of 16 and 21 for up to 18 months to help them achieve self-sufficiency. Youth may be placed in host homes, group homes, supervised apartments, or maternity group homes (see http://www.acf.hhs.gov/ programs/fysb/tlp.htm for more information). Finally, many young people who have aged out of foster care may be eligible for Temporary Assistance for Needy Families. They must meet the eligibility and work requirements that apply to adult recipients.

What Else Can Be Done?
Although many programs can benefit youth in transition, coordination between the foster care system and other systems is limited primarily to referrals from foster care staff. Private foundations and organizations have begun to focus more on the needs of youth in transition and may be able to help bring together the available programs and funding streams to provide more comprehensive and seamless services for these youth. For example, the Jim Casey Youth Opportunities Initiative has piloted The Opportunity Passport™ in seven sites around the nation to enable youth in transition to build their own assets, develop financial literacy, and develop connections and resources within their own communities.

Strategies to Improve Outcomes for Youth Aging Out of Foster Care
CFCIP gives states flexibility to decide what services they will provide with the funds they receive. The legislation notes that these services may include “assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills,
training in budgeting and financial management skills, substance abuse prevention, and preventative health activities (including smoking avoidance, nutrition education, and pregnancy prevention)," and they may "provide personal and emotional support . . . through mentors and the promotion of interaction with dedicated adults" (see P.L. 106-169 at http://www.nrcys.ou.edu/PDFs/Chafee/hr3443.pdf).

**What Are Some Common Strategies?**

Some of the more common and well-documented services that states are using to improve outcomes for youth aging out of foster care are vocational and educational training, employment services, housing, and health care.

**Vocational and educational training/assistance.** For a November 1999 GAO report, 41 states reported helping youth prepare for or complete education or vocational training. States serving youth in transition or those who stay in foster care beyond age 18 provide an extended opportunity for youth to complete high school, attain their GED certificate, or begin postsecondary educational or vocational programs. Massinga and Pecora (winter 2004) note that 36 states provide college scholarships to youth in transition. The Chafee Education and Training Vouchers Program also allots eligible youth up to $5,000 annually that may be used, for example, for fees, books, tuition, computers, supplies, uniforms, housing, internships, and school-related travel. States can also take advantage of the TRIO educational opportunity outreach programs that aim to support students from disadvantaged backgrounds (Christian December 2003).

**Employment services.** According to annual state ILP reports for 1999, 40 states provide employment services to youth, including job-readiness training and job-search assistance. Some states also help youth with job placement and ongoing support on the job (U.S. General Accounting Office November 1999). Many stakeholders believe it is important to provide youth in transition with appropriate, real-world work experience that enables them to develop a career pathway. However, the Workforce Strategy Center (March 2000) points out that few of the paid work experience positions held by these youth are within high-wage occupations. In interviews with state program administrators, GAO found that state independent living programs could not often provide services that matched the individual potential of youth in transition to appropriate career pathways (Fagnoni May 13, 1999).

**Housing.** Housing is one of the most immediate needs for youth who age out of the foster care system. CFCIP allows states to use up to 30 percent of their federal funds to provide room and board for youth up to 21 who have aged out of foster care. However, the housing supply is limited because of the high cost of living in many communities, the reluctance of landlords to rent to young tenants, and the availability of suitable housing. Transitional, supervised housing is also provided by states, though demand is often greater than supply.

**Health care.** Most youth in foster care receive health care through Medicaid and may lose this coverage once they age out of the system. The Foster Care Independence Act allows states to extend Medicaid eligibility using CFCIP dollars to youth ages 18 to 21 who have aged out of foster care, though only six states have implemented this option. Another 29 states have chosen to extend Medicaid coverage for youth above age 18 without using Chafee funds (Massinga and Pecora winter 2004).

**How Effective Are These Strategies?**

As required by the federal legislation, HHS has developed outcome measures to assess the performance of state independent living programs for youth aging out of the foster care system. These measures include employment, educational attainment, and avoidance of homelessness, dependency, incarceration, nonmarital childbirth, and high-risk behaviors. The Foster Care Independence Act set aside $2.1 million for a national evaluation and for technical assistance to states to assist youth transitioning from foster care. HHS is also responsible for collecting data to track the young people receiving services and the services provided by states, but little national-level research has leveraged this data.

For a November 1999 GAO report, state program administrators acknowledged that ILP services typically fall short in several areas, including developing appropriate employment opportunities, providing supervised transitional housing arrangements, and creating opportunities for youth to enhance their self-esteem or practice the independent living skills they have learned. State
and local administrators asserted that they could not provide adequate supports for youth who were leaving foster care to ensure a successful transition to independent living (Fagnoni May 13, 1999). HHS relies primarily on annual reports from states to determine the effectiveness of ILP. GAO has also reported that HHS lacked the information necessary to evaluate the effectiveness of ILP services nationwide (November 1999). (Both GAO evaluations of program effectiveness were published in 1999, before the implementation of the Foster Care Independence Act. The agency is now reexamining the effectiveness of CFCIP in response to a congressional request for information.)

Some researchers have also looked at state-level outcomes for youth who aged out of the foster care system. A six-year, quantitative longitudinal study evaluated the efficacy of independent living services delivered to youth in Idaho who aged out of care between 1996 and 2002. The study found pregnancy and birth rates among this population as high as 63 percent in 2002, homelessness as high as 32 percent in 1998, and dependency on social services as high as 79 percent in 2002 (Christenson 2002). Certain stakeholders outside government, including the Foster Care Work Group of the Youth Transition Funders Group, have called on foundations and other private organizations to become more involved and to craft their agendas to include financial support for helping youth in transition become connected to necessary services and resources by age 25. These resources may provide opportunities to further evaluate the efficacy of the services already being provided to help youth in transition as well as to develop new approaches through research, development, and demonstration projects.

Innovative Practices

Below are several examples of state or community programs that illustrate innovative strategies to serve youth aging out of foster care.

The UPS School-to-Career Partnership (Baltimore, Md.). The Maryland Department of Human Resources has partnered with the state independent living program, the United Parcel Service (UPS), the Living Classrooms Foundation (a local youth development agency), and the Annie E. Casey Foundation to teach workplace skills in a hands-on environment to foster care youth ages 16 to 24. Applicants complete work-readiness training and most are then referred for interviews at the UPS shipping facility in Burtonsville, Maryland, or to Marriott Hotels, Bank of America, and other local employers. If hired, UPS pays youth participants for their part-time work and provides health benefits. UPS also reimburses youth for tuition at colleges or vocational training programs. Living Classrooms provides transportation to work at the Burtonsville site for up to 40 youth on a weekly basis. Retention services are provided at the job site to help the youth maintain a consistent work ethic. Since its inception in 1999, the UPS School-to-Career Partnership has helped more than 300 youth find employment. The current length of stay on the job for participants exceeds nine months. UPS and the Annie E. Casey Foundation have replicated this program in seven more cities. For more information, contact Rochelle McGee, Living Classrooms, 410-685-0295, ext. 255.

NC LINKS (North Carolina). NC LINKS, the state’s independent living program, offers services to teens and young adults ages 13 to 20 who are or were in foster care as teenagers. A youth and his or her caregiver complete an objective assessment of the youth’s strengths and needs. Then the agency and youth develop a plan based on the assessment, which includes his or her goals, interests, and responsibilities as well as suggested support services. These services could include employment, volunteer activities, one-on-one instruction, group and community activities, specific life-skills training, and/or exposure to educational and vocational resources. All LINKS program activities aim to help participants move toward achieving one or more of these goals: sufficient income to meet daily needs; a safe and stable place to live; sufficient academic and/or vocational training for the individual’s needs; connections to and emotional support from adults in addition to those working within the public child welfare system; avoidance of high-risk behaviors; and access to routine health, mental health, and dental health care. The state allocates $2.1 million of federal and state CFCIP funds to finance the services provided by each county’s department of social services. In addition, $400,000 is set aside to provide additional funding to reimburse counties for eligible expenditures on behalf of individual youth. These funds, called LINKS Special Funds, are administered at the state level to ensure that each county, regardless of size or program allocation, can access sufficient funding for needed
items or services. For more information, contact Joan McAllister, 919-733-2580 or Joan.McAllister@ncmail.net; or visit http://www.dhhs.state.nc.us/dss/c_srv/cservlet inds.htm.

Casey Family Services (Hartford, Conn.) Casey Family Services is a nonprofit child welfare agency providing programs to meet the changing needs of vulnerable children and families. The agency is the direct services arm of the Annie E. Casey Foundation. In Hartford, Connecticut, the program has a strong emphasis on participants' academics and college attendance. It provides information to youth in transition about college opportunities and helps them make connections to colleges and universities. Youth receive college counseling, including an individualized personal education plan; career counseling, including the aid of consultants in identifying well-suited careers; tutoring and mentoring through an alumni association; financial aid through grants, scholarships, and the Casey Foundation; and employment training and work experience. For more information, contact Kristin L. Young, kyoung@caseyfamilyservices.org; or visit http://www.caseyfamilyservices.org/ar hct_trans.html.

The Opportunity Passport™ (Various sites). The Jim Casey Youth Opportunities Initiative created The Opportunity Passport™ as an asset development tool to help alumni and youth in care open doors to financial, educational, vocational and entrepreneurial opportunities. The project seeks to help youth in transition develop financial literacy; gain experience with banking; build assets for education, housing, transportation, and other expenses; and gain entry to training, educational, and vocational opportunities. The Opportunity Passport™ has three components: a personal debit account to be used for short-term expenses; a matched individual development account to be used for medium- and long-term asset building; and benefits to be designed and negotiated on the local level called “door openers.” Door openers could include pre-approval to register for community college courses or expedited access to job-training or adult-education courses. To be eligible, one must be between 14 and 23 years of age, have been in the foster care system at age 14 or older, complete financial literacy training, provide personal information for project evaluation, and live in one of the eligible sites. The Opportunity Passport™ is currently being pilot-tested in 13 sites nationwide. The Annie E. Casey Foundation, Casey Family Programs, and the Marguerite Casey Foundation fund this project, which will be evaluated as a model to help foster youth transition successfully to adulthood. For more information, call Carla Owens, 314-863-7000; or visit http://www.jimcaseyyouth.org/opportunitypassport.htm.

Preparation for Adult Living Program (Texas). The Texas Department of Family and Protective Services (DFPS) provides CFCIP services through its Preparation for Adult Living (PAL) Program, which was implemented in 1986 to help foster care youth prepare for their transition to adulthood. PAL staff or contractors conduct an initial assessment of each PAL participant’s general readiness to live independently when the youth reaches age 16. The results are used to develop specific plans and training to prepare each youth for adult living. A post-assessment is conducted around the time of the youth’s discharge from substitute care. Staff or contractors provide training on independent living skills that include health, job skills, money management, personal and interpersonal skills, housing and transportation, and planning for the future. PAL also provides support services based on need and available funds, including counseling, driver education, volunteer mentoring, vocational assessment and/or training, GED preparation and preparation for college entrance exams, and reimbursement for high school graduation expenses. In addition, if young people meet certain eligibility guidelines, they may receive a transitional living allowance up to $1,000 once they leave care. Young adults who are between the ages of 18 and 21 and have aged out of the foster care system are eligible for aftercare room and board assistance based on need. Financial assistance up to $500 per month may be used for rent, food, utilities, and rental deposits. There is a per-client lifetime cap on total assistance of $3,000; exceptions are made for special or emergency situations. For 2005 DFPS expects to receive $5.5 million in Chafee funds, which will be supplemented by $1.4 million in state and local matching funds or in-kind matches.

DFPS has partnered with Casey Family Programs, a Seattle-based national foundation to improve transitional services for youth aging out of foster care. Through this effort, called the Texas State Strategy (TSS), Casey Family Programs will help DFPS implement best-practice models, approaches, and training tools for foster parents and foster care staff on independent living skills. DFPS has adopted the Ansell Casey Life Skills Assessment as part of
this initiative. In addition, DFPS and Casey Family Programs are working on an outcome assessment effort in 2004 and 2005 that will enable DFPS to track what happens to youth after they leave foster care for adult living. For more information, contact Janet Luft, janet.luft@dfps.state.tx.us; or visit http://www.tdprs.state.tx.us/Child_Protection/Preparation_For_Adult_Living/.

Publications


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Jim Casey Youth Opportunities Initiative, visit http://www.jimcaseyyouth.org.

National Resource Center for Youth Services, Oklahoma University, visit http://www.nrcys.ou.edu.

The Urban Institute, Rob Geen, 202-261-5709 or rgeen@ui.urban.org; or visit http://www.urban.org.

U.S. Department of Health and Human Services, Family and Youth Services Bureau, visit http://www.acf.hhs.gov/programs/fysb/.

Youth Transition Funders Group, visit http://www.youthtransitions.org/.


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