

# **A SUMMARY OF “CALIFORNIA’S FOSTERING CONNECTIONS TO SUCCESS ACT AND THE COSTS AND BENEFITS OF EXTENDING FOSTER CARE TO 21”**

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- Professor Mark Courtney is a national leader in the investigation of the experiences of older youth in foster care and their transition into young adulthood. His landmark study, the Midwest Evaluation of the Adult Functioning of Former Foster Youth (known as the Midwest Study) is the only study in existence that follows foster youth through their transition and compares the outcomes of those who exit foster care at age 18 with those who exit at age 21. Professor Courtney has been widely recognized for his scholarship in this area and provided Congressional testimony for hearings related to the Fostering Connections to Success and Increasing Adoptions Act of 2008.
- Professor Courtney’s just-released report is the first of its kind, comparing the costs of continuing support for foster youth with the likely benefits accrued. His analysis concludes that the policy to expand support for foster youth to age 21 results in a net benefit to cost ratio of \$2.40 to \$1. Otherwise stated, for every dollar that government invests in supporting older youth in foster care, there is a \$2.40 return on investment.
- Professor Courtney arrives at this conclusion by calculating the cost of extending support for foster youth, a figure that is estimated to be \$37,948 per youth. This figure is the total cost for two years, the average length of time that a youth receives support after age 18.
- Following this calculation, Professor Courtney calculates the financial benefits of supporting foster youth to age 21. Information for this calculation is drawn from the Midwest Study, which concludes that the single most significant effect of supporting foster youth to age 21 is an increased rate of bachelor’s degree completion.
- Based on the increased likelihood that a foster youth will complete college, Professor Courtney calculates that providing foster youth with additional support will increase per-person work-life earnings by \$92,000.
- It is important to note that the benefits that Professor Courtney assigns to the policy to support foster youth are based solely on the educational gains achieved. Many additional benefits are documented in the Midwest Study, including decreased incarceration, higher earnings, and better physical and mental health. However, these benefits were not assigned benefits in the just-released paper. When these additional benefits are considered, the benefit to cost ratio of supporting foster youth to age 21 would likely improve considerably.
- It is also important to note that the benefit to cost ratio developed by Professor Courtney is calculated using the cost to federal, state and county government. To understand the return on investment for California specifically, the analysis above can be conducted using direct costs to the state and counties only, and excluding the federal contribution. This California-only cost is not \$37,948 per youth but rather \$18,974 per youth, which results in a much higher benefit to cost ratio for California’s investment, roughly \$4.00 to \$1.