

# OPPORTUNITIES IN TRANSITION:

An Economic Analysis of Investing in  
Youth Aging out of Foster Care in their 20s

## REPORT 3 OF 3: OPPORTUNITIES FOR INCREASED SUPPORT



Marvin Shaffer, PhD, Principal Investigator  
Lynell Anderson, CPA, CGA, Family Policy Researcher  
Allison Nelson, Research Associate

## **FOREWORD:**

For most young people, family is there to lend a hand with things like rent, groceries, and support as they make the first few steps into adulthood. Unless they've been in foster care.

Fostering Change commissioned this research to provide an economic perspective on the challenges and opportunities associated with youth aging out of government care. Over three reports we consider: (1) current educational, economic, social and wellness outcomes; (2) the costs of those outcomes; and (3) the costs of increased supports in relation to the potential savings and benefits they offer.

This series of reports offers important new insights into the economic consequences and issues for youth aging out of care. To our knowledge, no previous study in BC has attempted to estimate the costs of current outcomes and the potential benefits from better preparing and supporting youth from care in the early years of their adulthood.

The findings are very clear. First, youth aging out of government care do not receive the same financial, social and other supports that most young people receive from their parents. Second, educational, economic, social and wellness outcomes are poor for many youth aging out of government care. Third, the immediate and long-term costs of these adverse outcomes are very high — hundreds of millions of dollars every year. Last, the cost of increased supports is small relative to the potential savings and benefits to youth from care, and to society as a whole.

We hope that by providing this research we offer clear evidence that a basic package of support is justified to improve outcomes for youth aging out of foster care across BC.

### **Advisory Committee**

Fostering Change would like to extend special thanks to our advisory committee for their insights, knowledge, and expertise during the development of these reports.

Linda Hughes, Associate Deputy Representative, Office of B.C.'s Representative for Children & Youth

Tami Currie, A/Assistant Deputy Minister, Ministry of Children & Family Development

Adrienne Montani, Executive Director, FirstCall BC

Meredith Graham, Youth & Family Development, St. Leonard's Society

Drew Stewart, Director, Aunt Leah's Place

Sanja Simic, Executive Director, Conconi Foundation

Lana Quinn, Director, Trevor Linden Foundation

### **Staff:**

Mark Gifford, Director, Youth Engagement, Grants & Community Initiatives, Vancouver Foundation

Trilby Smith, Lead Evaluator, Youth Engagement, Grants & Community Initiatives, Vancouver Foundation

Fostering Change is an initiative of Vancouver Foundation to improve policy, practice and community connections for young people in British Columbia transitioning from foster care to adulthood. In consultation with community and young people, we are developing and promoting solutions that increase supports for young people aging out of care. For more information about our work please visit [www.fosteringchange.ca](http://www.fosteringchange.ca).

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# EXECUTIVE SUMMARY

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## PURPOSE OF REPORT

The first two phases of this *Opportunities in Transition* study document and estimate the costs of the adverse educational, economic, social and wellness outcomes for youth aging out of care. The purpose of this third and final phase is to estimate the incremental costs of support measures that can improve outcomes and to compare these costs to the benefits they may generate.

## RESEARCH ON EXTENDED AND IMPROVED SUPPORT

- A key message and recommendation arising from BC and other studies tracking the outcomes for youth after they age from care, noting the stark contrast in financial, social and other support for youth aging out of care as compared to youth in the general population, is “that youth from care need to have as gradual and extended a transition to adulthood as youth in the general population”.
- A number of studies have examined how extending care and support can improve outcomes. Two US studies (Chapin Hall and Washington State) analyze the actual educational impacts of extending care from 18 to 21. An Ontario study analyzes the potential impacts of extending care from 21 to 25. A California study sets out a plan for financial and mentoring support for youth aging out of care through age 23 that is intended to provide foster youth what parents in the general population provide to their children. All of these studies (and others) conclude that the benefits from increasing supports for youth aging out of care would exceed the costs.
- The Chapin Hall and Washington State studies found that actual college participation rates were twice as high for youth in extended care to age 21 as compared to youth aging out at 18. However, a follow-up study by Chapin Hall found this rate of improvement was not sustained. Projected differences in college graduation rates by age 23 or 24 did not materialize. Extending supports to age 21, while beneficial, does not allow enough time to finish post-secondary programs and maximize educational gains.
- These and other studies found or projected high attrition rates in extended foster care programs. The reasons include problems with foster care placement, a desire to live independently, and a lack of interest or financial ability to stay in school (a common requirement for the extended support).

**Living cost supports that fall from \$15,600 to \$8,000 by age 24 and zero thereafter recognize **increased earnings potential over time** and align with a strategy to encourage gradual but **full transition to independence.****

- Overall, the research suggests that: (i) while extending care to age 21 is associated with positive educational outcomes, longer timelines are required to maximize improvements; (ii) in addition to extending support for longer periods, flexible and adequate support is required in order to maximize participation.

## BC REPRESENTATIVE FOR CHILDREN AND YOUTH AND YOUTH-AGING-OUT-OF-CARE VIEWS

- In her 2014 ‘On Their Own’ report, the BC Representative for Children and Youth noted that existing processes and resources for youth leaving care do not adequately support a successful transition to adulthood. There is a lack of financial, educational and emotional assistance.
- Youth aging out of care themselves have expressed the same fundamental concerns. Instead of being a time of opportunity in education, training and career development, aging out raises concerns about meeting basic needs and losing services, support and connections. Many youth aging out of care raise the lack of safe and affordable housing and the prospect of aging out into poverty as top concerns.
- Overall, there is strong alignment between the findings in the research and the input and recommendations from BC youth aging out of care and their supporters in calling for improvements in living cost, educational and social/connectedness support — support that can effectively address the primary drivers of adverse outcomes — low educational attainment, poverty and poor mental well-being.

## BASIC PACKAGE OF IMPROVEMENTS

- Increased supports for BC youth aging out of care are required to cover basic living costs, promote education, and provide social and community connections.
- Increased supports for youth aging out of care can build on existing services and programs. Increased resources for organizations that already provide mentoring, social support and community connections can enable them to serve more youth aging out of care and extend their reach. Continuation and expansion of university and philanthropic efforts that waive tuition fees and help defray other education costs as well as the elimination of adult high school program fees can be important components of enhanced youth-aging-out-of-care education. And Agreements with Young Adults (AYAs) could be adapted to deliver cost of living supports to more youth aging out of care for longer periods of time.

- AYAs could be made continuously available from age 19 through 24, with eligibility criteria broadened and funding levels increased to support as many youth aging out of care as possible. The broad availability and level of funding for AYAs should be designed to eliminate the need for youth aging out of care to go on income assistance as they transition to adulthood.
- ‘Order-of-magnitude’ estimates of funding requirements for increased supports are developed in this report based on the research in other jurisdictions and on BC-specific living cost calculators.

Consistent with the Ontario and California studies that included provision for increased social supports, it is estimated that increased social/community connections support in BC would require additional government funding of \$2,500 (Cdn 2015\$) per year per participating youth aging out of care, plus a provision of 15% for administration and evaluation.

Following all of the studies on extended care, it is assumed that education support is separately funded through public and private programs.

With respect to living cost support, the funding requirement is estimated to start at \$15,600 per year per participating youth aging out of care (plus 15% for administration and evaluation) based on estimated shelter, food and other living costs totalling some \$20,000, less \$4,400 that youth aging out of care could be expected to earn from part-time or other work. A schedule of living cost support that falls from \$15,600 to \$8,000 by age 24 and zero thereafter is set out in recognition of increased earnings potential over time and in accordance with a strategy to encourage gradual but full transition to independence.

- Based on these estimates, the funding requirement for a basic package of increased supports over a six-year (age 19 through 24) period would total \$106,000 or \$99,000 in present value per participating youth aging out of care.

On the assumption that 80% of the eligible 1000 youth aging out each year would participate in these funding supports at age 19, falling by five percentage points in each of the following 5 years, the total funding requirement for the cohort of youth aging out each year would be \$73 million or \$69 million in present value. Net of estimated income assistance and existing AYA cost savings, the incremental funding requirement for the increased supports would be \$60 million or \$57 million in present value.

## BENEFITS IN RELATION TO THE COSTS

- The costs of the adverse outcomes measured in dollar terms in the Phase 2 report are estimated to total \$222 to \$268 million in present value for the cohort of 1000 youth aging out each year. In addition, there are very significant costs of adverse outcomes that were not monetized: the costs of disproportionately high early pregnancy and parenting rates; homelessness; and homelessness compounded by substance abuse. The benefits of the increased supports will derive from the improvement in outcomes and consequent reduction in these monetized and non-monetized costs.
- The research studies on extended care suggest that the benefit of improved educational outcomes will in itself more than pay for the costs. We cannot say in this study to what exact extent the increased supports we set out will in fact improve educational outcomes and earnings. There are too many uncertainties and complexities to make specific forecasts of improvement. However, the opportunity is so great there is good reason to conclude, as other studies have, that the benefits will at least cover the costs.

Closing only 32% to 40% of the educational attainment and earnings gap, with its opportunity cost of some \$142 to \$180 million, is all that is needed to offset the estimated \$57 million present value incremental funding requirement for the cohort of youth aging out every year. A well-designed and implemented program should be able to achieve that and hopefully much more.

- Adequate, flexible living cost support plus increased funding for social supports and community connections, combined with educational support that eliminates financial barriers to furthering education, can greatly improve outcomes generating a wide range of major benefits for youth aging out of care, government and society as a whole — improved quality of life and wellness for youth aging out of care; increased taxes and reduced service expenditures for government; reduced crime victim costs; and arguably most importantly, the societal benefit of knowing that youth aging out of care are given support that will reduce the great disadvantage and costs they face as compared to youth in the general population.



- One way to consider the net benefits of increased supports for youth aging out of care is to ask what amount would people in BC be willing to pay (what amount of resources would they have government allocate on their behalf) to significantly improve opportunities and outcomes for youth aging out of care — even if there were no recovery of those resources from increased taxes and reduced government health care, criminal justice and other expenditures. In economic terms that is a measure of the value or benefit people derive from taking greater responsibility for youth aging out of government care. Surveys by Vancouver Foundation suggest that value is high. People generally believe we have a social responsibility to support youth aging out of government care like families in the general population do for their own children.
- For the basic package of supports outlined in this report, people’s willingness to pay would only have to be some \$33 per household per year — \$2.75 per month — to cover an incremental funding requirement of \$57 million for the cohort of youth aging out every year. It is very likely no additional taxes are required to support that level of incremental funding — the improvement in youth-aging-out-of-care outcomes and consequent tax and service benefits should be sufficient to offset it. But even if there were some shortfall for the increased supports, there is little doubt the value people place on the improvements — on assuming responsibility for youth aging out of care in an appropriate manner — significantly outweigh the costs.

**Instead of being a time of opportunity in education, training and career development, aging out raises concerns about meeting basic needs and losing services, support and connections.**

## 1.0 INTRODUCTION

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This is the third part of a three phase economic analysis of the policies and programs government should consider to improve outcomes for youth aging out of care. This economic analysis has been undertaken as part of Vancouver Foundation’s Fostering Change Initiative and adds an economic rationale to the social and moral argument that society has the same obligation to assist these youth for which we are collectively responsible as individual families do for their own children in their transition to adulthood.

The first phase of the analysis documents the adverse educational, economic, social, and wellness outcomes for youth aging out of care. The second phase provides estimates of the costs associated with these outcomes — costs that are borne by the youth themselves, government (taxpayers), and society as a whole. In this third and final phase we estimate the incremental costs of support measures that can improve outcomes and compare those costs to the benefits they may generate.

## 2.0 OVERVIEW OF RESEARCH ON EXTENDED AND IMPROVED SUPPORTS

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Research and recommendations on outcomes for youth aging out of care consistently call for improvements in two broad areas: measures required before aging out and measures and supports required afterwards. Following her review of outcomes and relevant US policies over the last 25 years, Tonia Stott concludes that “to better assist youth in transitioning from foster care, we must first better their experiences while in foster care.”<sup>1</sup> Along with many others in Canada and elsewhere, she points to the importance of permanency, transitional planning and other necessary improvements to child welfare systems.

While acknowledging the importance of ongoing policy and practice improvements for children and youth still in care in BC, this study focuses on the pressing need to increase supports for youth currently aging out of care. The adverse outcomes and their costs described in previous phases of this study provide compelling evidence of the need for additional support for youth aging out of care. This is particularly true given today’s socio-economic realities.

Local, national, and international research consistently demonstrate that most young people in the general population continue to receive financial and non-financial support from their families well into their twenties. Family support helps to offset low wages and the high cost of housing and post-secondary education young people face today relative to a generation ago. The situation is markedly different for youth aging out of care; their equivalent of family support, government care, is abruptly terminated when they reach age 19.

Deborah Rutman and colleagues at the University of Victoria have studied BC youth aging out of care extensively. In one project they followed 37 former youth in care for two and a half years. They found that education levels were low, social support networks were weak, and victimization was an ongoing concern. These factors, combined with the lack of an adequate social safety net, led to significant homelessness, transience, and reliance on income assistance.

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<sup>1</sup> Stott (2012), p. 226

In their final 2007 report, the authors concluded that what is needed is “a rethinking of existing government policies, programs, and priorities along with the role of communities and families in supporting youth from care. Central to this rethinking is our key message and primary recommendation: that youth from care need to have as gradual and extended a transition process to adulthood as youth in the general population.”<sup>2</sup>

These findings and recommendations are consistent with research from other jurisdictions that conclude that without effective and supportive interventions, replicating as best as possible the support that families in the general population provide, adverse outcomes after aging out are likely to continue.

In response to youth homelessness, the European Union (EU) introduced the European Youth Guarantee, which strives to provide employment, apprenticeship and/or training opportunities to all young people under 25 in order to support successful transition to independent adulthood. However, recognizing that the employment-related services were not reaching vulnerable youth, many of whom are former youth in care, the EU is promoting policies and practices specifically aimed at supporting youth aging out of care. They recommend that Member States adopt a legal obligation to provide support for youth aging out of care, with policies and funds to address a range of needs and with flexibility to allow for those needs to change over time.<sup>3</sup>

A 2012 US report examined federal policy over the previous 25 years and found that neither services nor funding have kept pace with the increase in the number and needs of the youth aging out of care population.<sup>4</sup> Access to basic needs such as housing and health care are inadequate in many states and overall outcomes for youth aging out of care with respect to educational achievement, employment, and well-being had not improved over that time period.

A number of studies in the US and elsewhere, including Canada, have examined how extending care and supports can improve outcomes and reduce costs.

- The Chapin Hall study<sup>5</sup> compared outcomes for youth aging out of care in Illinois where youth age out at 21 with outcomes for youth aging out of care in Wisconsin and Iowa where youth age out at 18. They found that extending care to the age of 21, as exists in the state of Illinois, is associated with measurable improvements in educational outcomes and related lifetime earnings. Youth aging out at 21 were twice as likely to have attended college as those who age out at 18.
- A Washington State<sup>6</sup> study compared the educational outcomes for youth who participated in a program that extends care to age 21 with a matched set of youth who aged out at 18. The program is eligible for youth who have completed high school and is intended to provide cost of living support that enables the youth to go on to post-secondary studies or vocational programs. The study found much higher rates of college participation (roughly double) for those youth with extended care than the matched population of youth without it.

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2 Rutman et al. (2007), p. vi

3 Aldanas, M.J. FEANTSA (2016)

4 Stott (2012)

5 Courtney et al. (2009)

6 Washington State Institute for Public Policy (2010)

- A California study<sup>7</sup> estimated the costs and expected benefits of a proposed transition guardian plan that would provide a monthly stipend plus the support of a guardian mentor from age 18 through 23. The plan recognizes that youth in the general population are typically not self-sufficient until their mid-20's and the supports are designed to provide youth aging out of care what youth in the general population receive from their parents. They are intended to achieve educational outcomes for youth aging out of care who participate and stay in the plan comparable to those of the general population.
- A Victoria, Australia study<sup>8</sup> considered seven areas where the state government typically provides support to its citizens (e.g., policing, health care, child protection) along with one area where adult citizens typically contribute to the cost of government (tax payments). They estimated the net costs associated with the experiences of 60 youth aging out of care in each of these areas and compared the survey results to those in the general population in the state of Victoria. Next, the authors estimated the cost of providing 'wrap around' support services for youth aging out of care, including health, education, housing, employment and mentoring. They concluded that "if the integrated and on-going program described in our model can produce an improvement of 10% in life outcomes for young people leaving State care, then it will have virtually paid for itself in cost savings."
- The Ontario "25 is the new 21" study<sup>9</sup> estimated the costs and benefits of implementing a recommendation to extend care from age 21 to 25. Youth would receive a stipend and social support and would have to be in school, a training program, working or seeking employment to be eligible for the extended support. The study assumed that there would be significant attrition in program participation (an estimated 30% in the first year; 5% in each of the following years), but based on the results of the Chapin Hall study, significant improvement in educational outcomes and lifetime earnings for those who stay in the program was expected. The study projected that youth who stay on extended support for at least two years would graduate from high school at the same rate as the general population; those who stay on three years would participate in post-secondary or vocational school at the same rate as the general population; and those who stay on the full four years would graduate with a university degree at the same rate as the general population.

All of these studies (and several others) conclude that the benefits from increasing supports for youth aging out of care would outweigh the costs. The estimated increase in lifetime earnings and tax payments associated with improved educational outcomes in itself exceeded the estimated costs of extending care.

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7 Delgado et al. (2008)

8 Forbes, C. et al. (2006)

9 The Office of the Provincial Advocate for Children and Youth (2012)

**Net of estimated income assistance and existing AYA cost savings, the incremental funding requirement for the increased supports would be **\$57 million** in present value.**

## 3.0 KEY CONSIDERATIONS IN DESIGN OF EXTENDED SUPPORTS

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The studies summarized above indicate that extended supports can improve outcomes for youth aging out of care in a cost-effective way. However, the research also provides important insights that require careful consideration in the design of additional supports in order to maximize the extent of the improvements and benefits they generate.

### 3.1 EDUCATIONAL OUTCOMES — THE IMPORTANCE OF THE DURATION OF SUPPORT

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Based on its comparisons of actual educational outcomes for youth remaining in care until age 21 with those leaving at age 18, the Chapin Hall study projected college graduation rates for those with extended care at between 1.5 and 2.5 times the rate for those leaving care at age 18. This was based on actual college participation rates observed through age 21. However, follow up studies at age 23 and 24 showed that the projected differences in college graduation rates were not realized. While “former foster youth from Illinois [the ones with care to age 21] were still more likely to have completed at least one year of college by age 23 or 24 than their counterparts from Iowa or Wisconsin [who aged out at 18], [they] were no more likely ... to have earned either a 2- or 4-year degree.”<sup>10</sup>

The Chapin Hall finding that extending care is associated with an actual increase in college attendance still remains significant. Analysis by the Washington State Institute for Public Policy “shows that for each year of higher education, wages, and associated benefits increase by about 10%.”<sup>11</sup> Like Chapin Hall, the Washington State study found that youth in extended care were more likely to attend college as compared to youth who aged out of care at age 18, and with this improvement alone the benefits of extending support outweighed the costs. Nevertheless, greater benefits would be realized with more continued improvement in educational attainment.

Given the high costs of living and the additional costs that post-secondary education entails, it is not surprising to find that educational outcomes might not continue to improve after extended support ends at age 21. Extending supports to age 21 does not allow enough time to finish a four-year post-secondary program, or potentially even a two-year program, as many youth aging out of care need time to complete high school and/or pre-entrance courses.

The Chapin Hall age 23-24 follow-up finding highlights the importance of extending supports to age 24 or 25, as many have proposed.

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<sup>10</sup> Courtney et al. (2010), p. 4

<sup>11</sup> Washington State Institute for Public Policy (2010), p. 12

## 3.2 **ATTRITION RATES — THE IMPORTANCE OF FLEXIBLE AND ADEQUATE SUPPORT**

Both the Chapin Hall and the Washington State studies found that not everyone who is eligible for the extended care programs fully utilizes them. Although Illinois youth enrolled in an educational or vocational program can remain in care for three years beyond the US norm of age 18, on average they stay only two years. The program in Washington State extends care from age 18 to 21, selecting 50 participants annually from a group of eligible youth who have graduated high school and are enrolled in an academic or vocational post-secondary program. The Washington State study found even higher rates of attrition, with an average stay in care of just under one year (11.7 months) of the three allowed.

Problems with foster care placement were the most common reason (47%) for leaving care before age 21 in the Washington study, and this reason was often linked to the desire to live independently. This desire to live independently is consistent with findings in other reports.

In Pennsylvania, foster youth who engage in school or treatment can remain involved in the child welfare system through age 21, yet most don't utilize this option. In one study, 45 former youth in care were interviewed to find out why they left care. Misinformation and misunderstanding about the requirements for staying in care played a role, and:

“The other primary reason that youth left the system is a desire for autonomy and independence. This theme has two components. The first is related to the developmentally appropriate and expected desire for control over their own lives found among virtually all young people of these ages. The second is focused on their desire to be free of system constraints, particularly the rules and operation of congregate care programs, and a feeling, among many, that their developing autonomy and wishes are not respected by system actors.”<sup>12</sup>

The Pennsylvania report observes that “these efforts to be independent often hinder youths’ development of supportive relationships, which they reported to be one of the greatest challenges in their transitions.”<sup>13</sup> The authors recommend striving for what they call “connected autonomy” for children and youth in care at all ages. This is consistent with a theme emerging from a broad range of studies: youth aging out of care, while striving to live independently, require social supports and community connections that facilitate relationship-building and improved mental wellbeing, among other important benefits.

Approximately 28% of the Washington State study participants who left care early said they were no longer interested in school. If they didn't stay in school, they were no longer eligible to stay in care. While the reasons behind the lack of interest were not provided, the literature indicates that financial challenges are typically a factor in this decision. The extended care arrangements in Washington State covered housing, but study participants still had to find or make enough money to pay for school and other living costs. A 2014 US report which highlighted a range of research on foster youth and education found that “financial difficulties, needing to work, and concerns about housing are among the barriers that prevent former foster youth from pursuing post-secondary education.”<sup>14</sup>

<sup>12</sup> Goodkind, S. et al. (2011), p. 1043

<sup>13</sup> Goodkind, S. et al. (2011), p. 1039

<sup>14</sup> National Working Group on Foster Care and Education (2014), pp. 6-7

In summary, it appears that youth leave extended care early because they don't want to stay in their foster home placement, they seek independence from the care system, and/or they lose interest in or can't afford to stay in school, and the latter is usually a condition of extending care.

The California and Ontario studies respond to these concerns by proposing plans or agreements under which youth aging out of care would receive a monthly stipend to support them completing their education and find employment while living more independently. To address concerns about lack of connectedness, both proposals include a social support component. Still, the studies assume substantial attrition rates. The California study assumes 50% of participants remain at the end of their five-year program (age 18 to 23) and the Ontario study assumes 70% uptake in year one with 55% remaining at the end of four years (age 21 to 25). The proposed 'wrap-around' plan of supports in the Australia study assumes only 50% uptake.

It is not clear from these studies why the assumed attrition rates remain relatively high, given that they expand and extend supports in ways that the evidence suggests will better meet youth-aging-out-of-care desires and needs.

A related, unanswered question in all of these studies is what happens to the youth who don't take up the program or who drop out? Some will receive the support they need to thrive through other means (e.g., family, community, employment, etc.), so 100% uptake with no attrition is not anticipated. Also, some youth aging out of care have substantial disabilities that require access to more intensive supports than proposed in these programs. For example, about 15% of BC youth aging out of care move directly into Community Living BC (CLBC) services for adults with disabilities. So we could expect the maximum uptake in BC to be 85% of total youth aging out of care.

Nevertheless, given the significant and extensive adverse outcomes for BC youth aging out of care, the costs associated with those outcomes, the lack of family resources and community connections, and the likelihood that adverse outcomes will continue or worsen, it is essential to design supports that will meet the needs of as many youth aging out of care as possible and prepare them to thrive whenever they leave support programs.

It is important to build accountability and personal responsibility into a program of improved supports for youth aging out of care. But the evidence suggests considerable flexibility is required in determining eligibility requirements. As well, the financial supports must be adequate in order that youth aging out of care can pursue further education and other development goals. Without flexible and adequate support, we risk attrition by those who most need support in order to achieve improved outcomes.

**Youth aging out of care, while striving to live independently, require social supports and community connections...**



### 3.3 **FUNDING COMPONENTS FOR EXTENDED SUPPORT**

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While each of the studies summarized in section 2.0 above have different approaches to costing increased supports for youth aging out of care, the funding components fall into four main categories: living costs; education costs; social supports and community connections; and administration and evaluation.

#### **LIVING COSTS**

Chapin Hall and the Washington State study based their estimates of the costs of increasing supports for youth aging out of care primarily on the annual cost of foster care placements, which vary considerably.

In the Chapin Hall study, the average annual cost of care beyond 18 (based on the average per day cost in various arrangements such as foster homes, supervised independent living, etc.) was \$29,500 (in Cdn 2015\$).<sup>15</sup>

In the Washington State study, the basic annual foster care maintenance payment was \$9,900. These funds cover housing costs for youth aging out of care and, in addition, foster parents are expected to provide youth with a portion of this payment to help teach money management skills.

The California and Ontario studies both propose monthly stipends paid to youth aging out of care that average about \$10,000 annually per participating youth. The California study proposes a higher stipend in year one, declining over time as the youth aging out of care move towards full independence at age 24.

#### **EDUCATION COSTS**

None of the studies specifically estimate the tuition and related costs associated with completing high school, college or university, even though the pursuit of increased educational attainment is a primary goal for all programs.

In the California and Ontario studies, it appears that the monthly stipend is intended to support both living and education costs to the extent that funds for the latter are not available from other sources.

The Washington State study specifies that youth in this program are responsible for covering the costs associated with their education. They suggest places where youth aging out of care may be able to obtain financial assistance. Publicly-funded Educational and Training Vouchers (ETVs) are one such source of funds in the U.S., which provide foster youth with funding to a maximum of \$5,000 per year and related supports for post-secondary education and training.”<sup>16</sup>

The studies may have excluded specific estimates of education costs because they focus on the incremental costs associated with expanding supports for youth aging out of care, and the ETVs and other education funding sources are already in place. However, the California study indicates that ETVs “are underfunded, and there is not enough money to fund a voucher for

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<sup>15</sup> All figures in this section have been adjusted to Cdn 2015\$ and the averages are calculated per participant youth aging out of care (as opposed to the total potentially eligible youth-aging-out-of-care population).

<sup>16</sup> <http://www.fc2success.org/programs/education-training-vouchers>

everyone who applies.”<sup>17</sup> With the introduction of programs intended to increase the enrollment of youth aging out of care in post-secondary education, additional public funding for tuition and other direct costs of education may be required.

## **SOCIAL SUPPORTS AND COMMUNITY CONNECTIONS**

The California and Ontario studies emphasize the importance of social supports and community connections and include specific allowances for them in their costing. While there are a range of ways to define, describe and address this cost component, at its core it is about having opportunities for youth aging out of care to connect with people in their communities for general support; mentoring; learning; developing life skills; assistance with housing and other services and resources; and wellness support and cultural connections.

The Ontario study explains that “a positive social support cannot be created from policy. However, a relationship can be facilitated by creating a fund specifically for the purpose of having a social support.”<sup>18</sup> The proposed program includes an allocation of \$2,500 per youth aging out of care per year for social support.

California already requires state colleges and universities to provide youth aging out of care “with outreach services and technical assistance. [The Act] also requires [them] to review programs, improve delivery of services, track the progress of former foster youth and engage in other activities designed to improve services and outreach for former foster youth.” The California study proposes to add a guardian for each youth, and pay them \$1,750 (CDN 2015\$) per youth aging out of care per year. “The guardian may be the foster care provider, a relative ... or some other person who is competent, responsible, cares about the youth and in whom the youth has confidence ... The purpose behind the model is to replicate as closely as possible what a responsible parent does to assist his/her child into independent adulthood.”<sup>19</sup>

## **ADMINISTRATION AND EVALUATION**

Finally, most of the studies identify at least some indirect costs, although they are generally limited to an allowance for administration and evaluation that amounts to 10 to 15% of the total direct costs. It is not clear whether social or case workers are attached to some of these programs at a level that is similar to the assignments for youth before they age out.

### **3.4 SUMMARY AND IMPLICATIONS FOR BC**

Taken together, the educational outcomes, attrition rates and funding components in the studies described above provide important insights for BC to consider in designing and costing improved supports for youth aging out of care.

Specifically, BC should build on the following findings:

- While extending care to age 21 is associated with positive educational outcomes in terms of post-secondary attendance, longer timelines are required to maximize educational attainment improvements.

<sup>17</sup> Delgado et al. (2008), p. 16

<sup>18</sup> The Office of the Provincial Advocate for Children and Youth (2012)

<sup>19</sup> Delgado et al. (2008), pp. 16,24

- In addition to extending support for longer periods, flexible and adequate support is required in order to maximize participation. This means supporting youth aging out of care with sufficient financial resources and with the option to live independently (rather than remaining in foster care placements) and expanding the eligibility requirements for ongoing support. With input from youth aging out of care, the goal should be to develop a package of supports that meets their varying needs.

The Phase 2 report identified the primary drivers of adverse outcomes: low educational attainment, poverty, and poor mental wellbeing. The supports in all of the studies prioritize the first two drivers, and the more recent California and Ontario proposals explicitly build in the latter. From a review of successful approaches, the California study concludes that “programs that provide a combination of assistance with housing, living skills, education, employment, and mentoring yield the best results.”<sup>20</sup> The three key funding components outlined above (living costs, education, and social support and community connections) address all of these areas. Taken together, they indicate the essential elements of the support that needs to be increased in BC.

## 4.0 BC REPRESENTATIVE FOR CHILDREN AND YOUTH AND YOUTH-AGING-OUT-OF-CARE VIEWS

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In her 2014 ‘On Their Own’ report, BC’s Representative for Children and Youth examined the needs of youth aging out of care. While acknowledging some improved supports in recent years, the Representative observed:

In general, though, the processes and resources for leaving care do not adequately support the transition to adulthood. The **lack of financial, educational and emotional assistance** [emphasis added] for these youth means that they often struggle to make ends meet while coping with personal challenges that can range from significant to debilitating. Youth who leave care face a major risk of social and economic exclusion, as they can no longer depend on continuous support from child and family services organizations and are less likely to receive support from their families. Their access to post-secondary education is often limited.<sup>21</sup>

The Representative highlights deep concerns about the overrepresentation of Aboriginal youth in care. In her June 2016 statement on Child and Youth in Care Week, for example, she noted:

...the majority of youth in care are Indigenous. They have come from families who have experienced enormous upheaval and trauma through many generations. We need to listen to these young people to understand how their family histories have impacted their lives. And we need to be sure we do not stop supporting them and learning from them as they reach the age of 19.<sup>22</sup>

<sup>20</sup> Delgado et al. (2008), p. vii

<sup>21</sup> Turpel-Lafond (2014), p. 6

<sup>22</sup> [https://www.rcybc.ca/sites/default/files/documents/pdf/reports\\_publications/youth\\_in\\_care\\_week\\_statement\\_final\\_2016.pdf](https://www.rcybc.ca/sites/default/files/documents/pdf/reports_publications/youth_in_care_week_statement_final_2016.pdf)

**Closing only 32% to 40% of the educational attainment and earnings gap, with its opportunity cost of some \$142 to \$180 million, is all that is needed to offset the estimated \$57 million present value incremental funding for youth aging out every year.**

The Representative made several recommendations for increasing supports for youth aging out of care, essentially calling “for government to do what any prudent parent would do — provide the necessary planning, support, advice and resources to give that child the best possible chance of success.”

These observations and recommendations broadly align with the findings of the studies discussed above. The three key elements of effective support packages — addressing living costs, education, and social support and community connections — specifically respond to the Representative’s concern about the lack of financial, educational and emotional assistance for these youth.

The Representative’s observations are consistent with the concerns expressed by BC youth aging out of care. In 2008 the *Listening to Vulnerable Youth* project held discussion groups and interviews with 75 youth aged 14 to 28 who were considered vulnerable. The youth came from across the province, including both rural and urban communities.

When asked about the process of transitioning to adulthood, these youth did not see it as a time of opportunity, such as involving education, training and career development, but rather spoke of their concerns about meeting basic needs and about losing youth-friendly services, support and connections. Additionally, those who were already living independently felt that they were taking on adult responsibilities before they were equipped to handle them.

Youth from rural areas raised a number of issues about transitioning to adulthood that were unique to their communities. These included the additional pressure of being lesbian, gay or transgender in a small community as well as issues such as limited employment, few housing options and social opportunities, police harassment and the use of drugs and alcohol from an early age...

Moving to independent accommodations is one marker of adulthood but many youth, aged 19 and over, reported... they could not afford this move. In addition to financial constraints, youth reported problems securing and maintaining accommodation for various reasons including not knowing their rights as tenants, having experiences with landlords who were reluctant to rent to young people..., and not having the necessary skills to deal with household repairs.<sup>23</sup>

Similarly, McCreary Society’s 2014 Homeless and Street-Involved Youth Survey connected with almost 700 youth aged 13-19 across BC. Along with other marginalized groups, youth in and from government care were over-represented among the survey participants, who reported that they needed more “safe and affordable housing, job training or work experience, safe houses, shelters or transitional housing, and youth centres.”<sup>24</sup>

When asked about education, *Listening to Vulnerable Youth* project participants expressed interest in pursuing their education, but they felt stuck “in low paying dead-end jobs because they needed to pay rent, bills and other basics.” The youth put forward a number of suggestions that would help them exit “the cycle of low paying jobs and dependence on welfare benefits” including free child care for young parents, free high school education and more financial support for post-secondary education. And, “although vulnerable youth reported that

<sup>23</sup> Smith, A. et al. (2010), p. 17, 18

<sup>24</sup> Smith, A., McCreary Centre Society et al. (2015)

transitioning to adulthood is a daunting prospect, many continued to have an optimistic view of the future. When asked where they saw themselves in five years, a large number envisioned having a job, a home, a family, and being in school.”<sup>25</sup>

In addition to requiring education and cost of living support, the importance of social support and community connections is identified by youth in a range of ways — from highlighting the importance of youth centres and job training to expressing concern about the potential loss of adult relationships after aging out of care.

These issues and concerns have not gone away. The June 2016 YouthSpeak report gathered input from almost 400 B.C. young people in and from government care. The majority of those aged 19 to 24 indicated that help with school, finding work, mental health support, social supports, life skills, transition planning and having someone available when needed would have improved their transition out of care. A substantial majority of youth aging out of care indicated that housing support (78%) and extending care past age 19 (68%) would have been helpful.<sup>26</sup>

Aging out into poverty was one of the top concerns of youth aging out of care in this report, and “young people who always had enough money to meet their basic needs ... were more likely to feel ready to transition out of care [and] less likely to: ... experience challenges accessing post-secondary education; forego post-secondary education because they had to work in order to survive; miss out on accessing needed mental health services; be experiencing mental health challenges on a daily basis (among those with a mental health condition).”<sup>27</sup>

Youth perspectives also inform the work of the Vancouver Foundation Fostering Change Initiative, whose recommendations complement others:

“Vancouver Foundation’s Fostering Change Initiative believes that young people leaving foster care should be confident they have at least three things to count on until age 25.

1. Consistent financial support with basic living costs like housing, transit, and food while they attend school, learn skills, and find work.
2. Long-term relationships with caring dependable adults for support, advice, and references, so that they always have somewhere to turn.
3. A chance to connect and contribute to their communities through creative, cultural, and volunteer activities, so that they feel like they belong.”

Overall, there is strong alignment between the findings in the research and the input and recommendations from BC youth aging out of care and their supporters in calling for improvements in living cost, educational and social/connectedness support — support that can effectively address the primary drivers of adverse outcomes — low educational attainment, poverty and poor mental well-being.

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<sup>25</sup> Smith, A. et al. (2010), p. 21

<sup>26</sup> Wilson, J. et al. (2016)

<sup>27</sup> Wilson, J. et al. (2016), p. 28

## 5.0 BASIC PACKAGE OF IMPROVEMENTS

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Improved supports for BC youth aging out of care should be flexible, extended to age 25 and be funded at a level that provides sufficient financial support to cover basic living costs, promote education, and ensure social supports and community connections are available for all youth aging out of care. The ‘building blocks’ and estimated costs of a basic set of improvements are outlined below.

### 5.1 ‘BUILD FROM WHAT EXISTS’

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Recognizing the importance and value of the community commitment and government policies already in place, BC can improve supports for youth aging out of care and save costs by ‘building from what exists.’ There are several building blocks which can be adapted to support more youth aging out of care in the priority areas of living costs, education and social support and community connections. These include the following:

- **A range of organizations currently provide some social supports and community connections for youth aging out of care:** Several community and youth-serving organizations across the province are already working hard to provide these services. Funds are often patched together from various sources, and input and feedback from youth inform program development. While program philosophies and approaches vary, core elements include shared meals, life skills, mentoring, advice, referrals and housing and education support. With increased resources, these organizations could expand to serve more youth over longer periods and they could help new programs get off the ground in underserved communities.
- **Assistance with education costs:** In the Phase 1 report we note the growing movement at post-secondary institutions across the province to provide tuition-free education for youth aging out of care along with philanthropic efforts to provide supplementary funding for related costs. Support for the continuation and expansion of these efforts can be an important component of enhanced youth aging out of care access to post-secondary education. The elimination of adult education program fees for youth aging out of care would also help reduce financial barriers for youth aging out of care to further their education.
- **Agreements for Young Adults (AYAs) that support living costs for some youth aging out of care:** As described in the Phase 1 Report, AYAs are funded by the BC government and delivered by MCFD. They currently provide financial assistance and support services for some youth aging out of care aged 19 to 24 as they finish high school, learn job and vocational skills, attend college or university and/or complete a rehabilitation program. A social worker is involved with the young person throughout the agreement. Financial assistance, averaging about \$1,000/month, may include living expenses, child care, tuition fees and/or health care.

AYAs are available for up to six months at a time and the total duration of all AYAs for any individual cannot exceed 24 months. However, in 2014 MCFD and the Federation of Community Social Services jointly recommended that access to AYAs be expanded and extended.

AYAs could be adapted to serve as the foundational program on which to deliver improved supports directly to youth aging out of care. Building on the recommendation of MCFD and the Federation of Community Social Services, AYAs could be made continuously available to age 25. Eligibility criteria would have to be reviewed and adjusted to ensure that AYAs are broadly accessible to youth aging out of care, supporting them in their diverse efforts and needs to improve education and employment outcomes, build social supports and community connections, and address wellness issues. And the level of funding would have to be increased to provide for a reasonable standard of living as youth aging out of care transition to adulthood and independence.

While details of the delivery and maintenance of AYAs are a matter for separate study, the key principles of broad availability and sufficient level of funding for AYAs would aim to eliminate as much as possible the need for any youth aging out of care to go on income assistance as they transition to adulthood.

## 5.2 **ESTIMATED FUNDING REQUIREMENT**

Estimating the costs of increased supports for BC youth aging out of care is complex. For purposes of this report, ‘order-of-magnitude’ estimates are developed based on the research in other jurisdictions on extended and improved supports, and on BC-specific living cost calculators. Further study is required to develop more refined and reliable estimates of funding requirements before specific measures and programs are put in place.

**Social Supports and Community Connections:** The two studies that explicitly include these costs (California, Ontario) provide estimates of \$1,750 to \$2,500 (CDN 2015\$) per youth aging out of care per year plus 10% to 15% for administration and evaluation costs. Assuming \$2,500 per youth aging out of care per year, plus 15% for administration and evaluation, results in a funding requirement of \$2,875 per year or \$17,250 per youth aging out of care over a six-year (age 19 through 24) period. This funding would be delivered to existing and new or expanded organizations that successfully provide youth aging out of care social support and community connection services, supplementing the resources they acquire from private or other sources.

**Direct costs of Education (e.g. tuition fees, books):** The Chapin Hall, Washington State, Ontario and other studies reviewed in this report do not separately identify and estimate direct education costs. Following this approach, the funding requirement estimated in this report assumes that direct education costs are covered elsewhere (through grants, fee waivers, student loan programs etc.). To the extent that is not the case, additional funding support (in excess of the cost of living allowance estimated below) would be required in order to mitigate financial barriers to further education.

**Living Costs:** There are significant variations in living costs in the studies reviewed in this report and none are explicitly compared to cost of living standards. However, three of the five studies propose (California, Ontario) or include (Washington State) public funding for living costs averaging about \$10,000 (Cdn 2015\$) annually.



For this study, an order-of magnitude average living cost allowance is estimated primarily based on calculators used to determine BC university student living costs and support requirements.<sup>28</sup>

The living costs include provision for shelter, food, phone/internet, transportation, health care, personal care, clothing, recreation and miscellaneous.<sup>29</sup> While there is a range of estimates for each of the different cost components in the different cost calculators, the total living costs on an annualized basis are in the order of \$20,000 per year, with shelter accounting for 40-50% of the total; shelter and food combined 60-70% of the total.

The financial support needed to cover these costs is calculated by deducting from total living costs an estimate of after-tax income that youth could be expected to earn from part-time, seasonal or other work. Based on average earnings data for youth in the general population, an average annual after-tax income of \$8,800 is deducted. That leaves a net requirement for support of \$11,200 per year (based on a total living cost of \$20,000).

Youth aging out of care would face similar living costs as estimated in the living cost calculators, but would not likely earn as much income as youth in the general population. As discussed in the Phase 1 report, employment rates are lower and earnings by youth aging out of care are less than other youth in the same age group. For purposes of this study it is assumed youth aging out of care at least initially can only be expected to earn 50% of the average \$8,800 for other youth their age, or some \$4,400 per year from part-time or other work<sup>30</sup>. The net living cost support they need on average when they age out would therefore be \$15,600 per year (\$20,000-\$4,400).

One could expect youth aging out of care earnings to increase over time and the support they need correspondingly fall. Accordingly, and consistent with a strategy to encourage a gradual but full transition to independence, the living cost support could be scheduled to fall to zero by age 25. For example, the living cost support could be set at \$15,600 for youth aging out of care aged 19 through 21, \$12,000 at age 22; \$10,000 at age 23; and \$8,000 at age 24 after which there would be no special youth aging out of care living cost support. The declining support provides considerable incentive for work but would ensure, at a minimum, the cost of housing is substantially covered over the entire period.

A schedule like that would provide living cost support for youth aging out of care totalling \$76,800 over the 19 to 24 six-year period, or an average of \$12,800 per year. This is comparable to the range of the current AYA funding averaging \$1,000 per month.

It is important to stress that this estimate and schedule for living cost support is illustrative and based on averages. There could be differences in the level of support by region, recognizing, for example, that housing is more expensive in the Lower Mainland than elsewhere in BC. There could be adjustments for youth aging out of care that receive housing or other subsidies insofar

28 UBC provides a cost calculator for both Vancouver and Okanagan campuses, to help prospective students and their families anticipate the costs of and potential and expected contributions to one year (8 months) of study at either location. See <http://you.ubc.ca/tuition-scholarships/cost/cost-calculator>. The estimated living costs are annualized, and compared to other sources to confirm their reasonableness. For example, the shelter component (\$9,540) is comparable to the average of the 2015 BC and Vancouver costs of bachelor and 2-bedroom (shared) rental costs, which range from \$7,300 to \$11,700 as reported by Canada Mortgage and Housing Corporation (Canadian Mortgage and Housing Corporation, "Rental Market Report: British Columbia Highlights," Spring 2015. Pg 14. [http://www.cmhc-schl.gc.ca/odpub/sub/64487/64487\\_2015\\_B01.pdf](http://www.cmhc-schl.gc.ca/odpub/sub/64487/64487_2015_B01.pdf)). The remaining living cost components are comparable to relevant components of the Vancouver Living Wage calculation estimates (see Living Wage Calculation Spreadsheet 2016 downloaded from <https://www.policyalternatives.ca/livingwage2016>). The estimate of \$20,000 generally reflects an average of the estimates provided from these sources.

29 The living cost component does not include any provision for education-related costs (tuition, books, etc.). Those are estimated separately.

30 See the Government of Canada Needs Assessment Tables for Student Loans at [http://www.esdc.gc.ca/en/student\\_loans/needs\\_assessment.page#h2.7](http://www.esdc.gc.ca/en/student_loans/needs_assessment.page#h2.7)

as they affect the required living cost support. There could, as well, be differences in the amount provided to youth who are in school versus those who aren't, recognizing that those who are in school may have greater costs and less time available for work. All of these details are matters that require careful consideration but are beyond the scope of this study to address.

**Total Funding Requirement:** In Table 1, the total funding required for the recommended supports, based on the illustrative 'order-of-magnitude' estimates as discussed above, is shown per participant youth aging out of care. The funding in 2015\$ over a six-year period, including a 15% provision for administration and evaluation, totals approximately \$106,000 per youth, or \$99,000 in present value at a 3% real discount rate.<sup>31</sup>

**TABLE 1 – ESTIMATED FUNDING REQUIREMENT PER PARTICIPANT YOUTH AGING OUT OF CARE (2015\$)**

| Age                 | Support for Living Costs | Support for Education | Support for Social/Community Connections | Administration and Evaluation (15%) | Total         |
|---------------------|--------------------------|-----------------------|--|-------------------------------------|---------------|
| 19                  | 15600                    | Not included          | 2500                                     | 2715                                | <b>20815</b>  |
| 20                  | 15600                    | --                    | 2500                                     | 2715                                | <b>20815</b>  |
| 21                  | 15600                    | --                    | 2500                                     | 2715                                | <b>20815</b>  |
| 22                  | 12000                    | --                    | 2500                                     | 2175                                | <b>16675</b>  |
| 23                  | 10000                    | --                    | 2500                                     | 1875                                | <b>14375</b>  |
| 24                  | 8000                     | --                    | 2500                                     | 1575                                | <b>12075</b>  |
| Total               | 76800                    |                       | 15000                                    | 13770                               | <b>105570</b> |
| NPV @ 3% disc. rate | <b>72218</b>             |                       | <b>13949</b>                             | <b>12925</b>                        | <b>99092</b>  |

The total funding required for the cohort of 1000 youth aging out each year depends on the participation rate. The supports are intended to be flexible with the objective of reaching as many youth aging out of care as possible. Even still, the participation rate will not be 100%. These supports would not generally apply to the 15% of youth aging out of care with special needs who are supported by CLBC. And there are others who may not participate because of other support they receive, moving to other jurisdictions or other reasons.

On the assumption that 80% of the eligible youth aging out each year would participate in these funding supports at age 19, falling by five percentage points in each of the following 5 years, the total funding requirement for the cohort of youth aging out each year would be \$73 million or \$69 million in present value as shown in Table 2.

<sup>31</sup> This present value indicates the amount of money that would have to be allocated and set aside in the year that the youth ages out in order to cover the estimated total amount of funding required each year from age 19 through 24. The 3% discount rate effectively assumes the allocated money could earn a real (inflation-adjusted) return of 3% per year.

**Willingness to pay would only have to be \$33 per household each year — \$2.75 per month — to cover incremental funding of \$57 million for youth aging out each year.**

**It is very likely no additional taxes are required to support that level of incremental funding.**

**TABLE 2 – ESTIMATED TOTAL COHORT FUNDING REQUIREMENTS FOR ALL PARTICIPANT YOUTH AGING OUT OF CARE (2015\$)**

| Age                                | Total Cost per participant youth aging out of care (in \$) | Number of Participants | Total Cost for all Participants (in \$millions) |
|------------------------------------|--|------------------------|---|
| 19                                 | 20815  | 800                    | <b>16.7</b>                                     |
| 20                                 | 20815  | 750                    | <b>15.6</b>                                     |
| 21                                 | 20815  | 700                    | <b>14.6</b>                                     |
| 22                                 | 16675  | 650                    | <b>10.8</b>                                     |
| 23                                 | 14375  | 600                    | <b>8.6</b>                                      |
| 24                                 | 12075  | 550                    | <b>6.6</b>                                      |
| Total                              | 105570   |                        | <b>72.9</b>                                     |
| NPV @ 3% discount rate (at age 19) | <b>99092</b>   |                        | <b>68.9</b>                                     |

The \$73 million (\$69 million in present value) overstates the incremental costs to government. It is important to recognize that the supports would replace significant funding already in place, in particular the income assistance that a large percentage of youth aging out of care receive as well as the more limited but still significant AYAs.

Outcome data reported in the Phase 1 report suggest that as many as 40% of youth aging out of care currently rely on government income assistance. Assuming that just 30% of the participant youth aging out of care would otherwise be receiving income assistance, the living cost support for youth aging out of care from age 19 through 24 would displace government welfare expenditures of at least \$8.9 million or \$8.3 million in present value.<sup>32</sup> The living cost support would also displace existing AYA spending, which, based on current levels of expenditures, could amount to some \$3.5 million for the youth aging out of care over a five-year period.<sup>33</sup>

Netting out the displaced income assistance and existing AYA expenditures would reduce the incremental funding requirement to approximately \$60 million or \$57 million in present value.

32 The \$8.9 million (\$8.3 million in present value) does not include the cost of social worker or other supports that are tied to some (eg PWD) income assistance. It is assumed those expenditures could continue. Furthermore, this estimate uses the lowest base rate (\$610 per month for shelter and support combined – see <http://www2.gov.bc.ca/gov/content/governments/policies-for-government/bcea-policy-and-procedure-manual/bc-employment-and-assistance-rate-tables/income-assistance-rate-table>).

33 AYA funding in any given year is available for 5 cohorts of youth aging out of care as it available for youth between 19 and 23. If the current level of funding (\$3.5 million) is maintained for 5 years and each cohort ultimately receives a proportionate (one-fifth share) over the five-year period, then the total amount received by each cohort as they age from 19 through 23 would be \$3.5 million, slightly less in present value terms.

## 6.0 OTHER MEASURES AND RESOURCE REQUIREMENTS — BEYOND THE SCOPE OF THIS STUDY

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### 6.1 ABORIGINAL YOUTH AGING OUT OF CARE

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The Calls to Action arising from the Truth and Reconciliation Commission (TRC) acknowledge the over-representation of Aboriginal children and youth in the child welfare system and speak to concerns raised about youth aging out of care in BC. While several TRC recommendations align with the need for increased supports as described in this report, the TRC also calls for additional measures such as “sustainable funding for existing and new Aboriginal healing centres to address the physical, mental, emotional, and spiritual harms caused by residential schools.”

The increased supports outlined in this report are intended to be available to and benefit all youth aging out of care (with the possible exception of those receiving services from CLBC). However, it is clear that much more is required to achieve full participation and meaningful engagement of Aboriginal people, and particularly Aboriginal youth aging out of care, in the design and delivery of culturally appropriate improved supports.

### 6.2 YOUTH AGING OUT OF CARE WITH UNIQUE NEEDS

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A package of supports that addresses living costs, educational goals and the need for social support and community connections can improve outcomes for youth aging out of care. However, it is important to recognize that the needs of some youth aging out of care require additional attention and resources that are beyond the scope of this project to address.

#### **YOUTH AGING OUT OF CARE WITH SIGNIFICANT DISABILITIES**

Each year approximately 1,000 youth age out of care of BC. About 15% (150) have significant disabilities, such that they transition directly from the child welfare system to CLBC for ongoing and individualized supports. Assessing the adequacy of these supports, and filling any gaps, is critically important, as is assessing the potential for improving outcomes for youth aging out of care with significant disabilities. These assessments are not part of this project and the funding requirement estimates in the previous section do not address what additional supports these youth may need.

#### **YOUTH AGING OUT OF CARE WITH MULTIPLE CHALLENGES, INCLUDING POOR MENTAL WELLBEING**

Typically, in addition to providing direct financial support, parents enjoy some meals and activities with their young adult children, mentor them, provide guidance and advice, and help them access resources in their communities and build and maintain relationships. Enhanced social support and community connections for youth aging out of care would attempt to

replicate these activities. However, some children and youth need more help than parents can provide on their own, particularly around the interrelated challenges of poor mental health, substance abuse and homelessness. Similarly, a disproportionate number of youth aging out of care experience multiple and interrelated challenges, and they need access to specialized resources in addition to social support and community connections.

BC's Representative for Children and Youth has assessed youth mental health and substance abuse services in BC.<sup>34</sup> Regarding substance abuse, she found that "there are too few adequately resourced low-barrier community-based services to address youth needs before they become a crisis and too few treatment beds available when youth are ready to commit to residential treatment." With respect to youth mental health services, concerns range from long wait times to inconsistent services across regions, as well as challenges transitioning from youth to adult mental health services and the adequacy of the adult mental health system itself. B.C.'s Office of the Auditor General expressed concerns about the adult mental health system in a recent performance audit.

In order to maximize the benefits from the improved supports recommended in this report, youth aging out of care with multiple challenges need prompt access to appropriate mental health, substance abuse and related health and wellbeing services in their communities. Again, the specific needs and funding requirements are not reflected in the estimates in the previous section.

## **PARENTING YOUTH AGING OUT OF CARE**

While increased supports for youth aging out of care can reduce the likelihood of early pregnancy after aging out of care, those who are already parenting, and those who become young parents, require additional supports. In order for parenting youth aging out of care and their children to thrive, avoiding the intergenerational and multi-dimensional trauma and costs that can otherwise occur, allowances for additional living costs and parenting supports will be required. Access to high quality, affordable child care is critically important in this regard. Among other benefits, it will help young parents achieve their educational and employment goals, reducing the likelihood that their children grow up in poverty.

## **6.3 COST AND AVAILABILITY OF HOUSING**

Across jurisdictions, the literature consistently identifies finding, affording and maintaining safe and reliable housing as a significant issue for youth aging out of care. This is a major concern in BC, particularly in the Lower Mainland, with the high cost and limited availability of rental housing. There are some promising practices already in place, including rental subsidies (via BC Housing) and specially designed and subsidized housing for vulnerable youth. However, much more needs to be done.

Estimating the specific housing needs for youth aging out of care and how those needs can best be met is beyond the scope of this project. However, we would highlight two important points with respect to this issue:

- The cost of living support for youth aging out of care should be funded at a level that reflects the actual cost of housing, net of any subsidies that youth aging

<sup>34</sup> Turpel-Lafond (2013) and (2016).

out of care receive. If the provision for housing in the living cost support proves inadequate because of ever-increasing housing costs in Vancouver and other major urban centres, it should be increased. Adequate housing is critically important for improving outcomes for youth aging out of care.

- Support for social and community connections should recognize the role of service organizations in assisting youth aging out of care find and maintain adequate housing. The youth-aging-out-of-care services provided by Lu'ma Native Housing Society in Vancouver and Aunt Leah's Place in New Westminster are good examples in this regard. As well as providing social support and community connections for youth aging out of care, these organizations assist with housing search and the development of 'youth aging out of care-friendly' rental opportunities. An evaluation of Aunt Leah's *Link* program found that it successfully helped youth aging out of care work through housing issues.<sup>35</sup> If increased funding is required for youth-aging-out-of-care housing initiatives, it could in part be provided through supports to organizations that provide this housing assistance.

## 7.0 THE BENEFITS OF IMPROVED SUPPORTS

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The costs of the adverse outcomes that were measured in dollar terms for the cohort of 1,000 youth aging out of care aging out each year were estimated in the Phase 2 report to total \$222 to \$268 million in present value. The cost of limited lifetime earnings potential due to low educational attainment in itself was estimated to be in the range of \$142 to \$180 million.

In addition to the costs measured in dollar terms, there are very significant costs of adverse outcomes that were not monetized in this study: the immediate and intergenerational costs of disproportionately high early pregnancy and parenting rates; the incremental wellness, victimization and criminal justice-related costs associated with youth-aging-out-of-care homelessness, and homelessness compounded by substance abuse; and the impact on community values and concerns — the costs that people generally feel as a result of such disadvantage and adverse outcomes for many youth aging out of care.

The benefits of the increased supports will derive from the improvement in outcomes and consequent reduction in these monetized and non-monetized costs.

The studies we reviewed earlier in this report all suggest that the benefit of improved educational outcomes from extended and improved supports for youth aging out of care will in itself more than pay for the costs. We cannot say in this study to what exact extent increased supports will in fact improve educational outcomes and earnings. There are too many uncertainties and complexities to make specific quantitative forecasts of improvement. However, the magnitude of the opportunity is so great there is good reason to conclude, as other studies have, that the benefits will at least cover the costs. Closing only some 32% to 40% of the educational attainment and earnings gap, with their opportunity cost of some \$142 to \$180 million, is all that is needed to offset the estimated \$57 million present value incremental funding requirement for the basic package of improvements set out in this report. A well designed and implemented program should be able to achieve that and hopefully much more.

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<sup>35</sup> Avoiding the Precipice: An Evaluation of Aunt Leah's Link Program in Supporting Youth from Foster Care. Evaluation Summary. March 2014.

In short, we cannot say that spending \$1 more on supports for youth aging out of care will return \$1.20 or \$1.30 or some other specific dollar value of benefits, but we can say that the benefits, whatever exact magnitude they prove to be, will in all likelihood exceed the costs.

A package of adequate, flexible living cost support plus increased funding for widely available social supports and community connections, combined with educational support that eliminates financial barriers to furthering education, can greatly improve outcomes with a consequent wide range of major benefits for youth aging out of care, government and society as a whole. And the benefits will be even greater if the basic package is combined with additional resources to provide support for youth aging out of care with unique requirements (e.g., those with special needs, substance abuse issues, young children, and cultural or other Aboriginal needs).

For youth aging out of care, not only is there the benefit of greater material well-being with more education and earnings potential, but also the benefits of improved wellness, longer life expectancy and quality of life benefits from furthering their education, having stable access to adequate housing and not living in poverty. There can also be major benefits for youth aging out of care who defer pregnancy as a result of increased educational opportunities and social and community support or who are better able to successfully manage parenting with adequate living cost and child care support.

For government (and taxpayers) there not only is the financial return due to higher youth aging out of care earnings and tax payments, there is the reduction in government expenditures on health care, the criminal justice system, shelter and other costs that can be expected with improved youth-aging-out-of-care outcomes as a result of increased supports. Further, to the extent there are improvements in early pregnancy rates and greater youth-aging-out-of-care ability to care for the children they have, there is much less exposure to the risks of child welfare apprehension-related costs and the future costs of poor outcomes of the next generation of children raised in care or poverty.

For society as a whole, there is the reduction in victim costs resulting from the reduction in youth aging out of care criminal activity that can be expected with additional supports and consequent increased educational attainment and reduced levels of poverty. And, arguably most importantly, there is the value that people simply place on the reduction of youth-aging-out-of-care homelessness, substance abuse, and other major disadvantages they have relative to other youth.

Indeed, one way to consider the net benefits of increased supports for youth aging out of care is to ask what amount would people in BC be willing to pay (what amount of resources they would have government allocate on their behalf) to significantly improve opportunities and outcomes for youth aging out of care — even if there were no recovery of those resources from increased taxes and reduced expenditures on health care and other government services. In economic terms that is a measure of the existence or altruistic value and therefore benefit people derive from taking responsibility for youth aging out of government care in a manner more comparable to how youth in the general population are cared for by their parents.

Surveys by Vancouver Foundation suggest that value is high. People generally believe we all have a responsibility to support youth aging from government care like families in the general population do for their own children.



For the basic package of supports outlined in this report, people’s willingness to pay would only have to be some \$33 per household each year — \$2.75 per month — to cover incremental funding requirements of \$57 million for the cohort of youth aging out each year. It is very likely no additional taxes are required to support that level of incremental funding — the improvement in youth-aging-out-of-care outcomes and consequent tax and service benefits should be sufficient to offset them. But even if there were some shortfall for the increased supports, there is little doubt the value people place on the improvements — on assuming responsibility for youth aging out of care in an appropriate manner — significantly outweigh the costs.

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