Do the Benefits of Extending Foster Care to Age 21 Outweigh the Costs?  
Evidence from Illinois, Iowa, and Wisconsin

Wisconsin is one of many states that bears no legal responsibility for the care or supervision of foster youth past their 18th birthday with one exception—youth with an Individualized Education Program. In 2013, 377 Wisconsin youth aged out of foster care without achieving a permanent placement. Yet expecting foster youth, who have experienced the trauma of abuse or neglect, to support themselves after age 18 runs counter to the experience of most young adults. Today, about half of all 18- to 24-year-olds live at home, and parents give other assistance estimated at $38,000 between ages 18 and 34. Some state policymakers are asking whether foster youth who are too old for the child welfare system are prepared to live as independent young adults.

Eighteen states provide foster care to age 21 under a federal act that supports the care and education of youth who are income-eligible. Foster youth in some states also have access to extended Medicaid coverage and support for postsecondary education and training.

In contrast to Wisconsin, foster youth in Illinois can remain in care past age 18 — and the vast majority do. A study of three Midwestern states showed that in Wisconsin (before a change in law that now allows youth with Individualized Education Plans to remain in care until age 21), 0% received care past age 18. A small percentage (10%) in Iowa remained in care until age 19 and, in Illinois, 81% of foster youth exited foster care at age 19, 20, or 21. In fact, over half (54%) of Illinois youth stayed in foster care until age 21.

What are the benefits of extending foster care to age 21? Researchers have compared outcomes for foster youth who can remain in care in Illinois beyond age 18 with Wisconsin and Iowa where most youth leave care at 18. By age 21, Illinois foster youth were twice as likely to have completed at least one year of college. Other benefits include delayed pregnancy in late adolescence, delayed homelessness, reduced crime and justice system involvement among women in early adulthood, and, among fathers, greater involvement with their children.

What is the cost to support foster youth beyond age 18? The average cost of keeping foster youth in care beyond age 18 in Illinois is estimated at $20,800 a year (in 2007 dollars). Because the average age of exiting the system is age 20 in Illinois, the annual cost is multiplied by two in order to make comparisons to Wisconsin and Iowa. This cost would be slightly decreased as a result of avoided expenditures on public benefits such as food assistance, SSI stipends, and TANF payments. Thus, the estimated cost of extending care beyond age 18 is $37,948 per foster youth.

Do the benefits offset the costs of extending the age to 21? The evidence shows that the benefits do outweigh the costs. For example, youth who stay in foster care past age 18 are more likely to attend and complete college. These educational gains alone yield a bump in lifetime earnings of $72,000. This equates roughly to a $2 return for every $1 spent. Researchers have not yet put a price tag on the benefits of reduced pregnancy, homelessness, crime, and involvement with the criminal justice system.

Transitioning to an extended foster care system requires a new approach. This developmental approach calls for a change in culture — from keeping minors safe to moving them toward independence. Young people themselves are some of the most enthusiastic supporters of extending foster care beyond age 18 and also of putting in place requirements for youth to access these services.