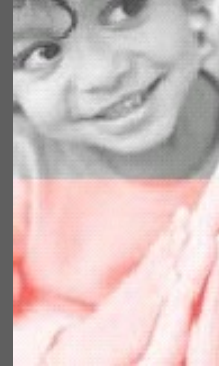


The Child Welfare Research Program



Coming of Age: Employment Outcomes for Youth Who Age Out of Foster Care Through Their Middle Twenties

Urban Institute

Jennifer Macomber, Daniel Kuehn, Marla McDaniel, Tracy Vericker, and Mike Pergamit

University of California Berkeley

Stephanie Cuccaro-Alamin and Barbara Needell

University of North Carolina Chapel Hill

Dean Duncan, Hye-Chung Kum, Joy Stewart, Chung-Kwon Lee, and Richard P. Barth

Sponsored by the Assistant Secretary for Planning and Evaluation (ASPE)

Project Officer: Laura Radel



Overview

Methods

- Purpose

- Approach

- Limitations

Findings

- Poor employment outcomes persist at age 24

- Youth who age out follow one of four employment trajectories

- Demographic and child welfare factors play a minimal role

Implications

- Pathways to adult services

- Importance of ages 16 to 18

- Tailoring programs

- Future research



Methods

Purpose

- Examine employment outcomes for youth who age out of foster care through their middle twenties—compared to youth who exit for other reasons and to a comparable sample of low-income youth
- Extends prior studies conducted by Chapin Hall Center for Children analyzing outcomes for youth in their early twenties
 - Dworsky, A. and Courtney, M. (2000). *Self-Sufficiency of Former Foster Youth in Wisconsin*.
 - Goerge, R.M., Bilaver, L., Lee, B.J., Needell, B., Brookhart, A., Jackman, W. (2002). *Employment Outcomes for Youth Aging Out of Foster Care*.



Approach

- **Data**

Linked child welfare, unemployment insurance, and TANF administrative data in 3 states: CA, NC, MN

- **Samples**

Age out sample: all youth age 17 and in foster care on December 31, 1998 who “age out” of the system

Low-income comparison sample: all youth age 17 and listed as a dependent on a family TANF grant on December 31, 1998

National comparison sample: all youth age 18 in 1998 in the National Longitudinal Survey of Youth (NLSY97)

- **Analysis**

Outcomes: employment, earnings, stability, connectedness, TANF receipt

Controls: demographics, prior work, unemployment, child welfare case history

Techniques: descriptive, multivariate, trajectory



Limitations

- Underestimates employment
 - Excludes military, out-of state, and “off the books” employment

- Potential omitted variable bias
 - Education
 - Incarceration
 - Family background

- Limited available data
 - Difficult to assess stability with quarterly data
 - Only able to follow youth up to their 24th birthday
 - Unable to assess current context in which youth age out of care



Finding 1: Poor employment outcomes persist at age 24

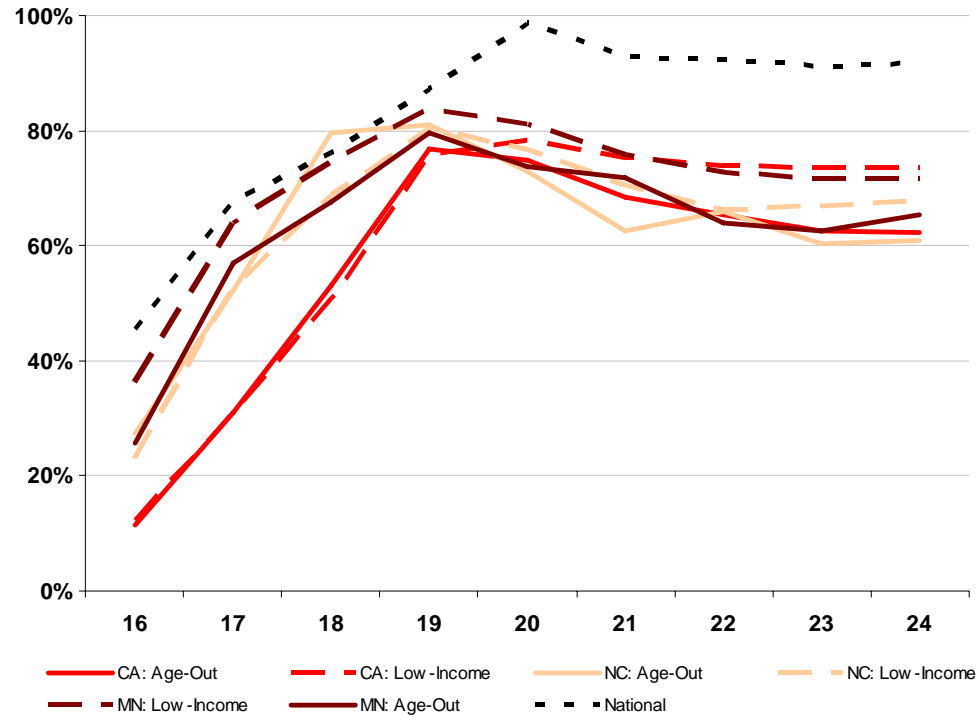
Less Likely to be Employed than Other Youth at Age 24

- 56% less likely than low-income youth in CA

- 30% less likely than low-income youth in MN

** No significant difference in NC*

Figure 1: Percent of Working Age-Out Youth Employed at Each Age Between 16 and 24

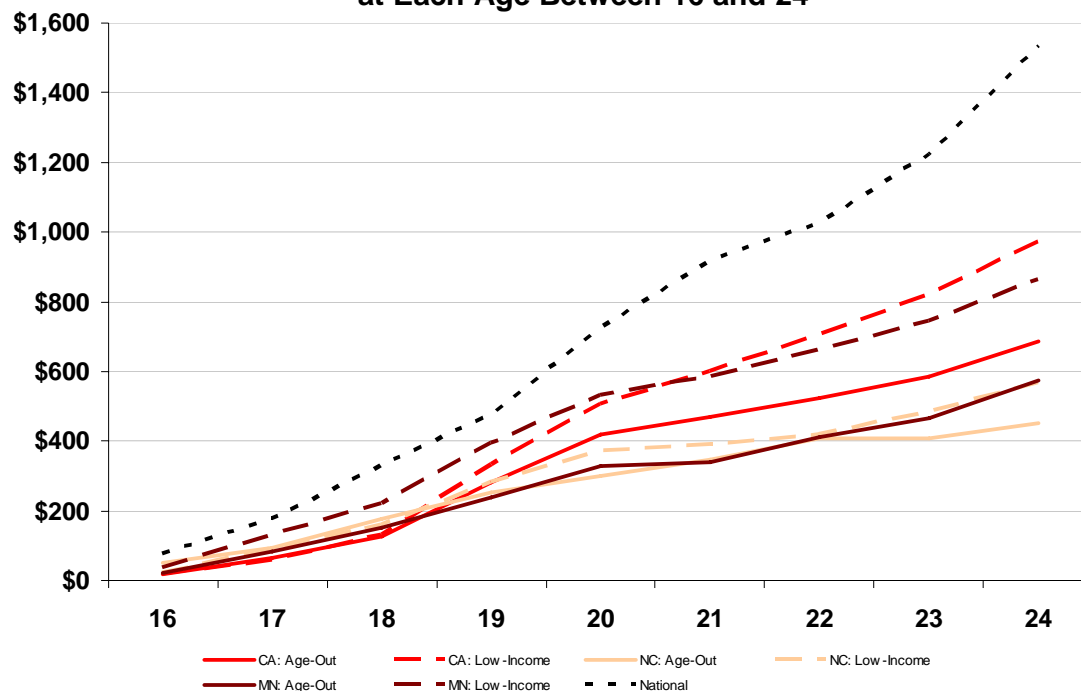


Finding 1: Poor employment outcomes persist at age 24

Earn Less than Other Youth at Age 24

- 11% less than low-income youth in CA
 - 17% less than low-income youth in MN
- * No significant difference in NC*

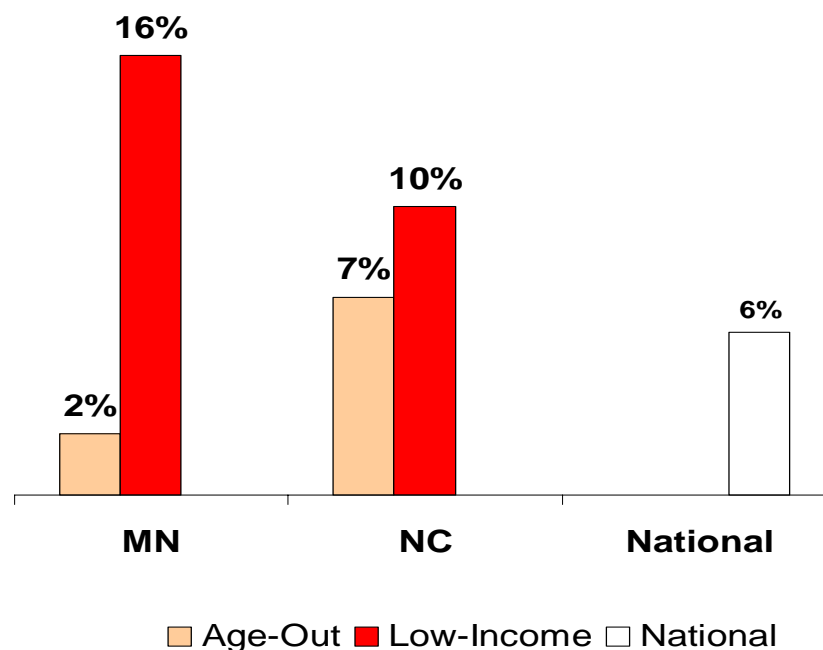
Figure 2. Mean Monthly Earnings for Working Youth at Each Age Between 16 and 24



Finding 1: Poor employment outcomes persist at age 24

Less Likely than Other Youth to Receive TANF at Age 24

Figure 4. Percent of Youth Receiving TANF at Age 24



Finding 2: Foster youth who age out follow one of four employment trajectories

Consistently Connected

- Consistent connections as adults

Later Connected

- Not connected initially, but begin working more in their early twenties

Initially Connected

- Connected in their late teens, but then probability of employment drops

Never Connected

- Never or minimally connected between 16 and 24

Figure 8. California Trajectories: Probability of Employment by Age

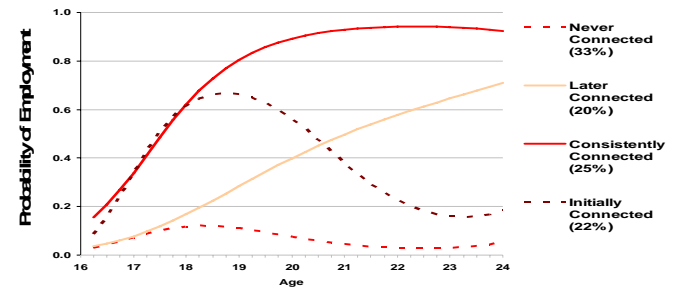


Figure 9. Minnesota Trajectories: Probability of Employment by Age

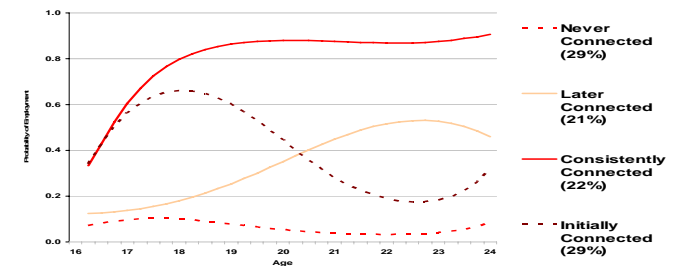
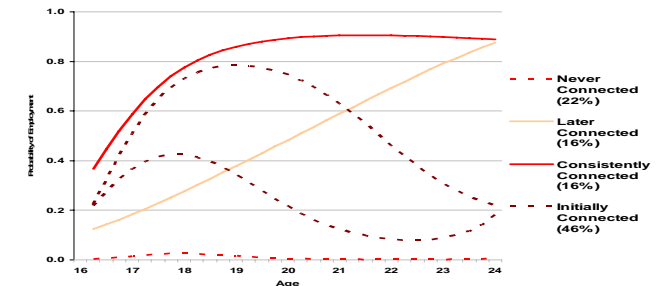


Figure 10. North Carolina Trajectories: Probability of Employment by Age

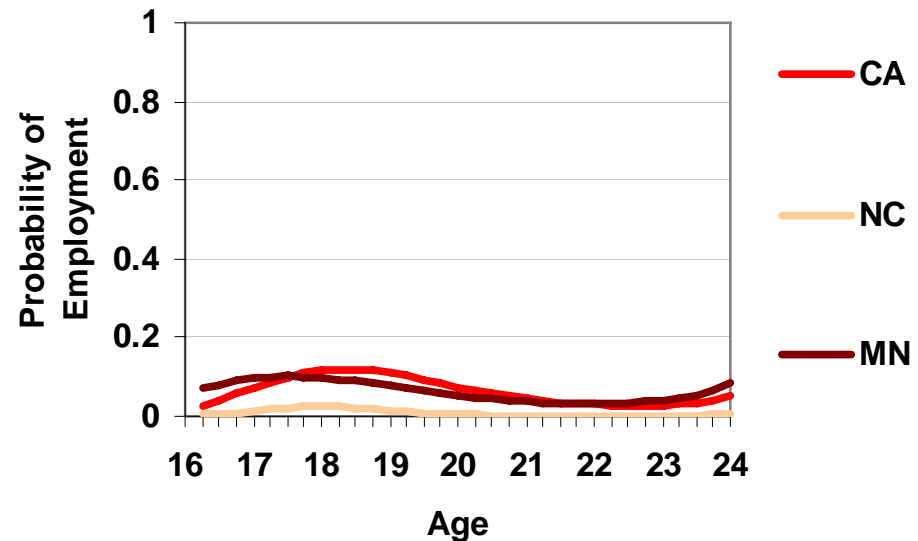


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 1: Never Connected Youth

- Probabilities of employment hover between 0-10%
- Prior to adulthood very low probability of employment
- Proportions by state: 33% CA, 29% MN, and 22% NC
- Some may work in jobs not covered by UI, be incarcerated, be enrolled in school, or be working in another state

Figure 11. Never Connected Youth Trajectories by State: Probability of Employment by Age

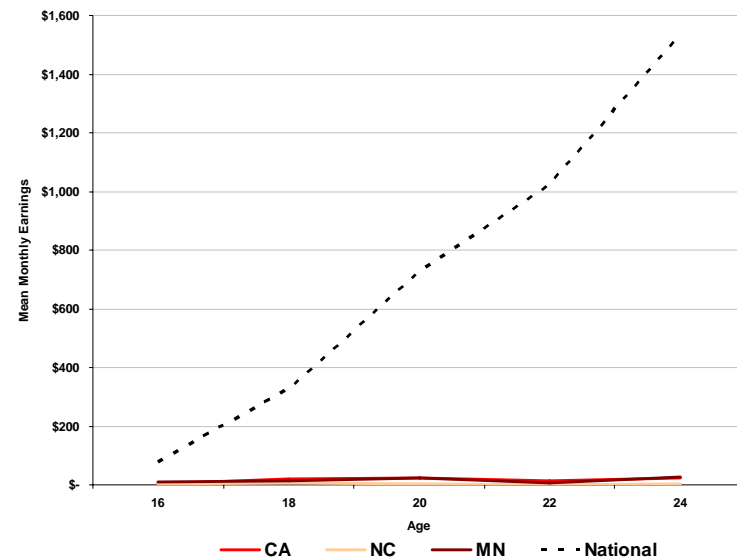


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 1: Never Connected Youth

- Earn little to nothing
- Highest average monthly earnings: \$29 at age 19 in CA, \$27 at age 24 in MN, and \$5 at 18 in NC

Figure 12. Never Connected Youth: Mean Monthly Earnings

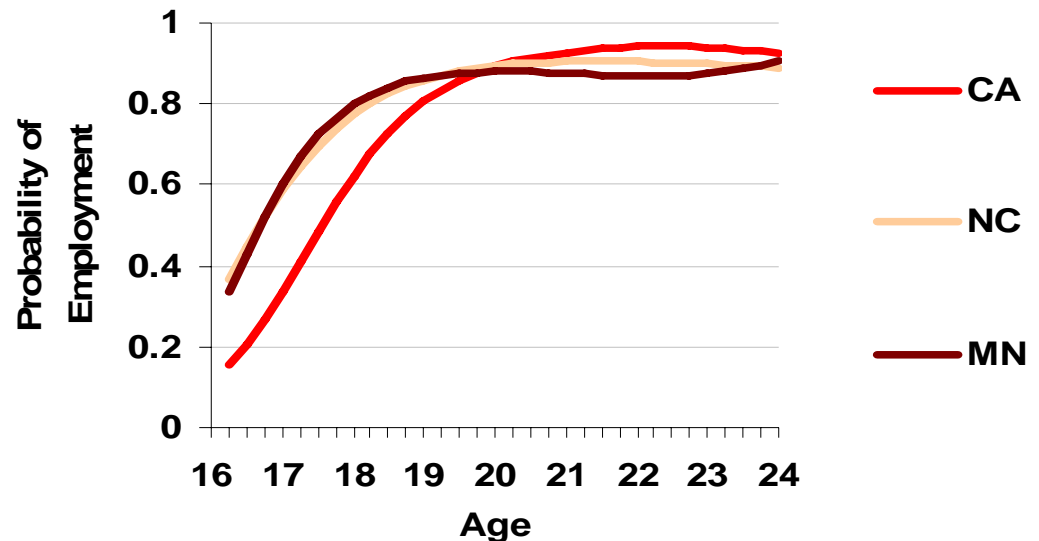


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 2: Consistently Connected Youth

- High probabilities of employment after age 18
- Connections seem to begin prior to adulthood with rapid increases between ages 16 and 18
- Proportions by state: 25% CA, 22% MN, and 16% NC

Figure 13. Consistently Connected Youth Trajectories by State: Probability of Employment by Age

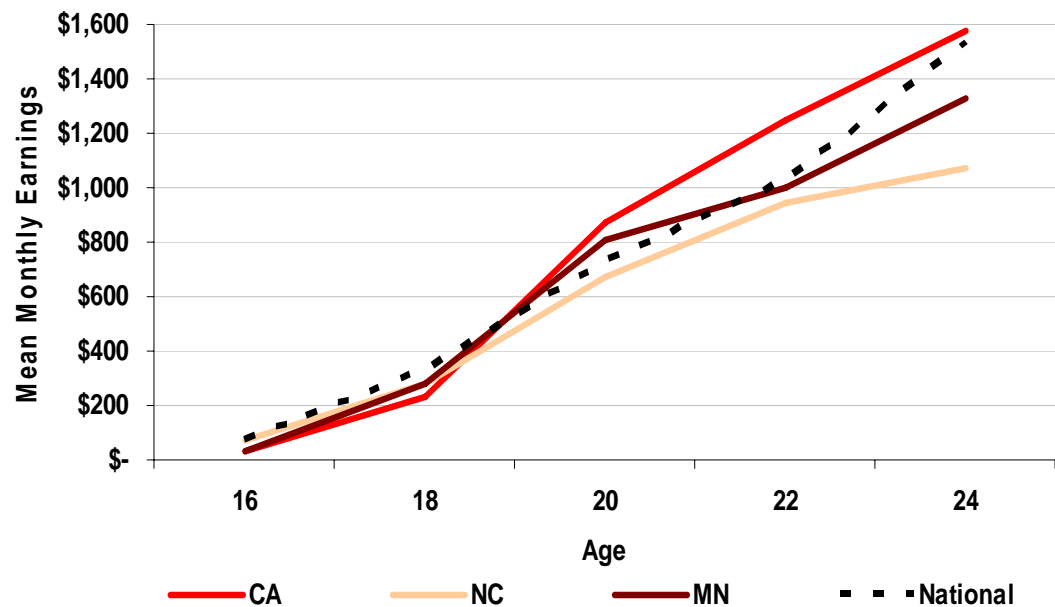


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 2: Consistently Connected Youth

- Earnings are comparable to youth nationally
- Highest average monthly earnings: \$1,575 at age 24 in CA, \$1,325 at age 24 in MN, and \$1,080 at age 23 in NC

Figure 14. Consistently Connected Youth: Mean Monthly Earnings by Age

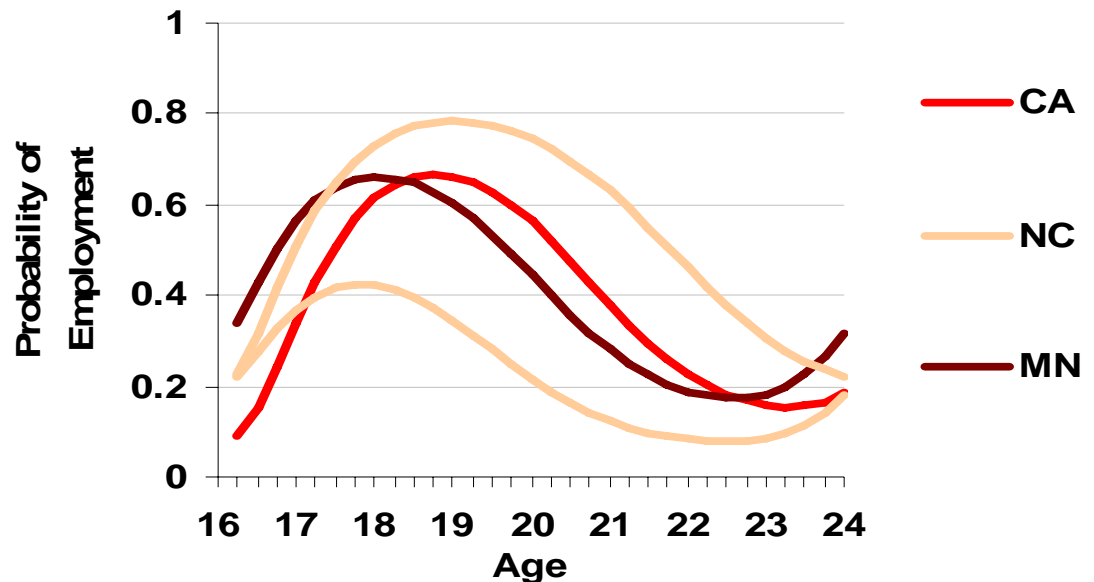


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 3: Initially Connected Youth

- Higher probabilities of employment in teens, with a drop occurring in the twenties
- Connections begin prior to adulthood with increases between ages 16 and 18
- Proportions by state: 22% CA, 29% MN, and 46% NC
- Other possible reasons for the drop: military, move out of state, employment not in UI data, life event, or incarceration

Figure 16. Initially Connected Youth Trajectories by State: Probability of Employment by Age

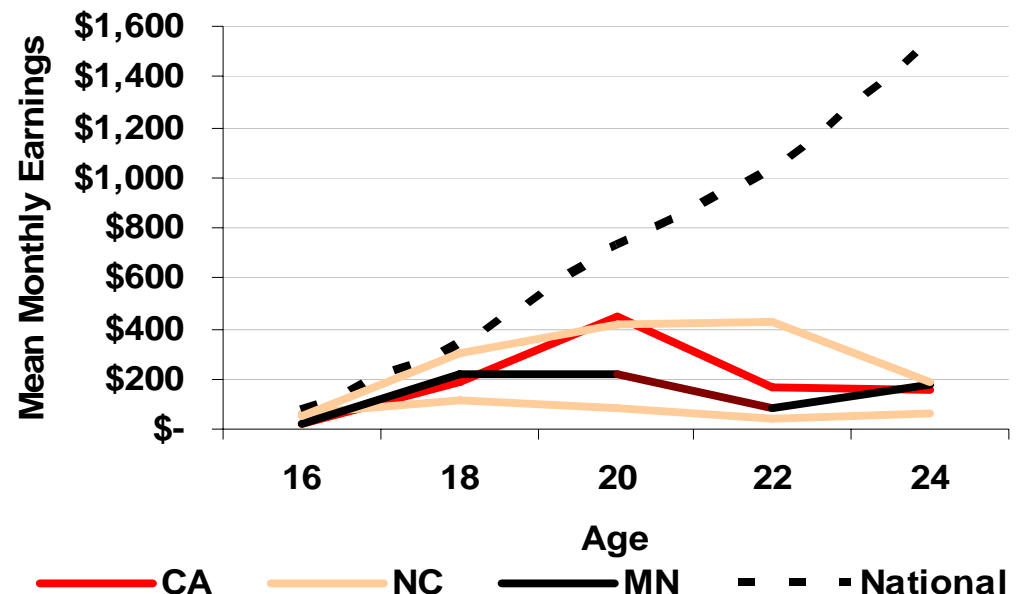


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 3: Initially Connected Youth

- Earnings peak in the late teens and early twenties, but are never very high
- Highest average monthly earnings: \$450 at age 20 in CA, \$250 at age 19 in MN, and \$475 for high group at age 21 in NC

Figure 17. Initially Connected Youth Mean Monthly Earnings

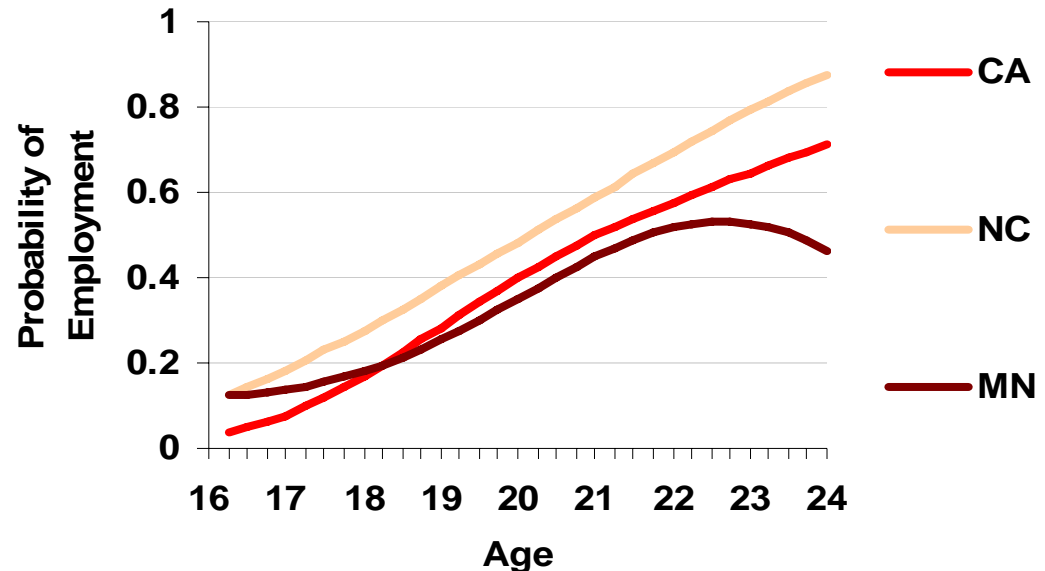


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 4: Later Connected Youth

- Lower probabilities of employment until the early twenties when steady increase begins
- Proportions by state: 20% CA, 21% MN, and 16% NC
- Possible reasons for slow start: school, training programs, internships

Figure 18. Later Connected Youth Trajectories by State: Probability of Employment by Age

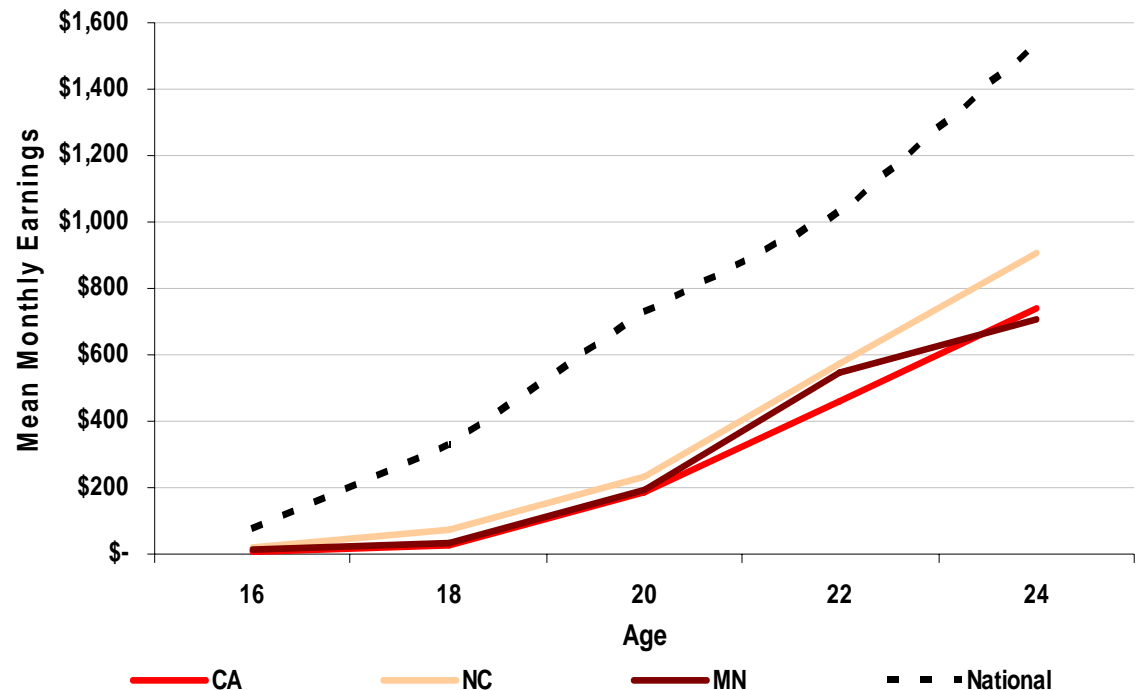


Finding 2: Foster youth who age out follow one of four employment trajectories

Trajectory 4: Later Connected Youth

- Earnings steadily increase through their twenties, but do not reach levels of youth nationally
- Highest average monthly earnings: \$750 at age 24 in CA, \$700 at age 24 in MN, and \$905 at age 24 in NC

Figure 19. Later Connected Youth: Mean Monthly Earnings by Age



Finding 3: Child welfare and demographic factors play minimal role

- Child Welfare History
 - Age at exit: later exit related to more stability in MN and NC
 - Placement type: 1) group homes related to less employment at 24 in CA, 2) unspecified placement type prior to exit related to worse employment outcomes in CA

- Demographic Factors
 - Gender: some differences, but not in all three states
 - Race and ethnicity: some race differences, but not a consistent pattern across states
 - Prior employment: youth with early work show more favorable outcomes, but could be a proxy for other factors
 - Urbanicity: some relationship to employment in CA and MN



Implications

Pathways to Adult Services

- **Efforts to extend services to age 21**
 - Example: Medicaid coverage for youth through Foster Care Independence Act

- **Findings suggest employment connections at risk beyond age 21**
 - Working at 21 not a guarantee youth will work at 24
 - Many changes in employment occur around age 21

- **Some youth may need additional assistance staying connected to the labor force or accessing adult services**



Implications

Importance of Ages 16 to 18

- **Period of significant employment activity for many youth**
 - Suggested in trajectories: initial connectors and consistent connectors increase employment prior to 18
 - Suggested in multivariate analysis: positive relationship between employment prior to 18 and employment outcomes at 24 in all three states

- **Connecting youth to well-paying jobs may be important**
 - Initially connected youth might not sustain employment because they are in low-paying jobs
 - Job training, apprenticeships, and vocational education could be critical to connecting these youth to higher paying jobs



Implications

Tailoring Programs

- **Three of the four trajectories suggest need for specific interventions**

Never Connected

- Finding them: homeless, disabled, incarcerated, living with biological parents or extended family
- Identifying needs and helping them access appropriate services

Initially Connected

- Connections to well-paying jobs that lead to self-sufficiency
- Detecting potential derailing events and connecting to services

Later Connected

- Support while in school or training: housing, food, clothing, transportation, stipend for living expenses



Implications

Future Research

- **Experiences of youth served by Chafee**
 - Youth in study served by earlier independent living programs
 - Future research could 1) analyze new UI data or 2) compare earlier and more recent cohorts of youth at age 22 (e.g. Utah study)
- **Youth's experiences with other systems and role in outcomes**
 - Education: whether youth enroll in school, when, for how long, and if they obtain a degree
 - Other systems: criminal justice, SSI, Social Security, Food Stamps, workforce development programs, military
- **Increased understanding of trajectories**
 - What resiliency factors enable consistently connected youth to succeed?
 - What factors make it particularly difficult for some youth to connect?
 - What events derail youth who might otherwise have remained connected?
 - What are youth who do not connect doing, and are they able to support themselves?



Summary

- **Methods**
 - Linked administrative data from child welfare, unemployment insurance, and TANF
 - Conducted descriptive and multivariate analyses to examine employment and TANF outcomes for youth who age out of foster care compared to a sample of youth from low-income families and youth nationally
- **Findings**
 - Poor employment outcomes persist at age 24
 - Youth follow one of four employment trajectories
 - Demographic and child welfare factors play a minimal role
- **Implications**
 - Suggest a need for pathways to adult services
 - Documents the importance of ages 16 to 18
 - Provides considerations for tailoring programs
 - Highlights future research needed to further build the knowledge base

