Background

The goal of the foster care system in the United States is to place these children in a situation of permanency, either with their own family or with an adoptive family (Children’s Bureau, 2020) (Papovich, 2020). While most of the roughly 600,000 children who enter the foster care system each year do end up with a permanent placement, about 7% of children in foster care exit the system and are immediately emancipated (Children’s Bureau, 2020). For these young people, the transition to adulthood is abrupt and often turbulent. Because of this sudden transition, the lack of support provided to young people in foster care, and the trauma these young people often carry, homelessness is a significant problem among youth who have recently aged out of the system (Rosenberg & Kim, 2017). Estimates of how many young people exiting foster care experience homelessness vary depending on the interview age of the sample, the study's location, the definition of homelessness used, and various other factors (Curry & Abrams, 2014). A recent California study interviewed young people in foster care at age 17 and then four years later at age 21. The interviewers asked these young people whether they had been homeless and if they had couch surfed. Over 24% of respondents indicated they had experienced homelessness during that time and 36% of respondents said that they had “couch-surfed” (Courtney et al., 2018). This literature review describes the foster care system, focusing on its association with homelessness, particularly highlighting the disparities in how often foster care children experience homelessness after aging out and explore policy solutions to lessen this disparity.

Key Takeaways:

- Young people exiting foster care face high risks of experiencing homelessness, with estimates ranging from 11-36%, depending on the study population.
- Black youth are more likely to be placed in the foster care system (23% of foster youth are Black, compared to 14% nation-wide) and are more likely to experience homelessness (38% of homeless youth are Black) (Ward & Booth, 2021).
- Any large life change, such as switching foster care placement or switching schools, is associated with higher rates of homelessness for exiting youth.
- Having a child while in foster care more than doubles a person’s chance of becoming homeless after exiting the system.
- Policy solutions to prevent exiting youth from falling into homelessness include: extending foster care support to age 21, extending housing stipends to cover college housing, and improving coordination between foster care providers and homelessness service providers.
The Foster Care System

As of 2019, 420,000 young people ages 0-21 were in foster care in the United States (AFCARS Report, 2019). Children may be placed in foster care if a child welfare agency or a parole officer finds that a parent or caregiver is either abusive or incapable of providing adequate care (AACAP, 2018). In other cases, children may be placed in foster care if their behavioral challenges make caring for them impossible or if parental challenges such as illness/disability, incarceration, substance abuse, or death make it impossible to care for children (AACAP, 2018). Family housing instability is also a potential cause for children entering the foster care system. In 2017, 850 children in New York City, about 5% of all children in foster care in the city, were removed from their families for reasons including homelessness and housing instability (ICPH, 2018).

As of 2018, the median amount of time a child spent in foster care was 14.7 months (Children’s Bureau, 2020). The goal of foster care is to place children in a situation of permanency, and the vast majority of children who exit foster care exit to a situation that is hoped to be permanent. In 2018, 49% of those who exited were reunited with their parents or primary caretakers, 25% were adopted, 11% were placed to live with a guardian, 11% to live with another relative, and 7% of children exiting the foster care system were emancipated (Children’s Bureau, 2020).

The vast majority of young people in foster care, over 91%, are under 18, but a small percentage are 18 or older in states with extended foster care systems (AACAP, 2018). Two federal reforms have led to the recent expansion of foster care services past the age of 18. The Foster Care Independence Act of 1999 allowed states to spend grant funding on supporting youth who have aged out of the foster care system, and the Fostering Connections to Success and Increasing Adoptions Act allows states to seek reimbursements for foster care youth up to the age of 21 (CRS Report, 2008). Many states, most notably California, with the largest population of foster care children in the U.S., have implemented extended foster care. However, only 21 states have fully expanded their foster care systems to the age of 21 (Courtney et al., 2018).

The number of children in foster care has declined in recent years, down from 510,000 in 2006 to 443,000 in 2017, partially resulting from shifts in policy that emphasize permanence (Child Trends, 2021). The most recent federal legislation, the Family First Prevention Services Act, increased funding to keep children from entering foster care and to promote permanency (Boo, 2019). The act aims to place children in a situation that is least likely to change. Sometimes permanency means a placement with a foster family instead of a group home. Other times, permanency means providing the support necessary to return the child to their birth family as quickly as possible.

Despite the recent decline in children placed in foster care, the challenges that children exiting foster care face are still significant. One of the most considerable challenges facing these young people is the transition out of care and into adulthood. When children in foster care reach the age of 18 (or 21 in states with extended foster care), they exit care abruptly and often without resources or supports necessary for a successful transition (Wiltz, 2015). This process can be traumatic and often results in homelessness.
Extent of the Problem

Transition to adulthood for children in the foster care system is immediate rather than gradual, as it is for most other children (Dworsky and Courtney, 2009). Because of this, foster care youth entering adulthood are more likely to experience homelessness after their exit from the system compared to their non-foster peers. The exact percentage of foster youth who experience homelessness after aging out is unclear since there is no centralized tracking system for foster youth outcomes. Therefore, estimates of these percentages come from various studies with different populations and locations and different time windows for measurement. For example, Barth (1990) interviewed 55 young people in San Francisco, and about 29% experienced homelessness in the four years since exiting foster care. A 2001 study in California found that 12% of youth leaving foster care experienced homelessness in the first 12-18 months of independence alone (Courtney et al., 2001).

In Los Angeles County, over 20,000 young people are in foster care each year (CCWIP, 2021). A 2018 report from Los Angeles’s Coordinated Entry System Manager indicates that on a given night in Los Angeles, over 3,000 young adults experience homelessness, and 31% of these young people report previous or current involvement in the child welfare system (Lehman, 2018). The same report showed that Los Angeles has higher rates of young people who age out of the foster care system, with 15% becoming emancipated compared to 7% nation-wide. There is also a strong overlap between the juvenile justice system, with 62% of homeless youth and young adults in Los Angeles reporting involvement in the juvenile or criminal justice systems (Lehman, 2018). In 2019, the county increased funding to DCFS to provide housing for transition-age youth exiting foster care in an effort to decrease homelessness (Fremon, 2019). However, with the COVID-19 pandemic postponing Point-in-Time Counts, it remains to be seen what impact these reforms have had on homelessness rates of transition age youth.

Causes of Homelessness in Youth Exiting Foster Care

Economic trends and societal factors have led to the rise in homelessness for youth exiting foster care. For one, the age of financial independence, defined as the age at which a young person no longer has to rely on their parents for money, has increased in recent years due to numerous factors. In 2018, Pew Research Center found that only 24% of 22-year-olds were financially independent of their parents (Barroso et al., 2019). Some researchers speculate that the increasing average age of independence is due to rises in housing and higher education costs, and rising unemployment for young adults (Berzin et al., 2011; Curry & Abrams, 2015). Most children exiting the foster care system do not have a financial support system, and therefore are forced to be financially independent at age 18 (or 21 if they are in extended foster care). In addition to facing all of the same challenges that have increased the average age of financial independence (high costs of housing and education, rising unemployment), youth in foster care face higher rates of physical and mental health issues and traumatic experiences. A 2007 study of foster youth in Iowa, Wisconsin, and Illinois, found that 12% of foster youth exiting the system have a disability or a health condition that “significantly impacts their daily life” (Courtney et al., 2007). Additionally, in a Missouri study, about 35% of foster youth meet the criteria for having a substance use disorder, which presents further challenges for employment and independence (Vaughn et al., 2007). These added challenges make exiting foster youth less likely to achieve financial independence at age 18 (or 21) and thus more likely to fall into
homelessness.

**Disparities in Foster Youth Homelessness Risk**

The 2019 Greater Los Angeles Homeless Count demographic survey administered by the Los Angeles Homeless Services Authority (LAHSA) found that about one-third of young people (ages 18-24) experiencing homelessness had exited the foster care system (LAHSA, 2019). 15% of adults (over 24) experiencing homelessness had at one point been in the foster care system. Although the estimates of the percentage of youth exiting foster care who experience homelessness in the transition to adulthood range from 11% - 36% depending on the population of each study (Dworsky et al., 2013), even the low-end of these estimates are much higher than the average for non-foster-care youth entering adulthood (approximately 4%). Therefore, strategies to support youth exiting foster care warrant further analysis and potential policy interventions.

Although foster care has been found to be a predictor of homelessness in general (Shelton et al. 2009), certain circumstances make youth more likely to fall into homelessness in the years after exiting the foster care system. A study conducted with data from Child Protective Services in Chicago found that girls in foster care are more than twice as likely to become pregnant under 18 than similarly aged girls not in foster care (Doyle, 2007), which in turn increases the risk of homelessness. As a study in Washington state found, youth who are parents are more than twice as likely to become homeless after exit (Shah et al., 2017). Researchers emphasize the need for more sexual education efforts and access to contraceptives for foster care youth (Eastman et al., 2019). Providing support in the form of housing subsidies, counseling, and healthcare to exiting foster care youth who have children can help keep families together, prevent them from falling into homelessness, and interrupt intergenerational cycles of homelessness and foster care utilization.

Change and inconsistency have also been strong predictors of homelessness after exiting the foster system, particularly for youth who have experienced housing instability, frequent school moves, and several congregate care placements (Shah et al., 2017), as presented in Figure 1. Additionally, being African American predicts homelessness in exiting foster youth, which we discuss further below (Shah et al., 2017).
In Los Angeles, 37% of unsheltered youth experiencing homelessness and 13% of unsheltered adults experiencing homelessness have at one point lived in foster care (LAHSA, 2019). Though foster care is associated with a higher risk of homelessness, the LAHSA survey also found racial disparities in foster care system involvement amongst the homeless in Los Angeles. Additionally, 34% of Black youth and 44% of Hispanic youth experiencing homelessness have past foster-care experience, compared to just 16% of white youth (LAHSA, 2019), meaning that a Black or Hispanic person experiencing homelessness between the ages of 18-24 in Los Angeles is more than twice as likely to have exited foster care than a white person. These disparities are less pronounced in the adult population, but there are still high percentages of foster care experience. Figure 2 below shows that people of color are even more overrepresented in people experiencing homelessness with foster care experience than in the general homeless population.
Though federal legislation such as the Family First Prevention Services Act has sought to emphasize permanency and either return foster youth to their families or place them in care with a foster family, there still are residential foster care programs in Los Angeles. Of the 848 young people (ages 18-24) surveyed in 2019 who were experiencing homelessness and had prior foster care system involvement, the majority (66%) had been in foster care with a family, and 54% had been in a residential foster care facility (see figure 3 below) (LAHSA, 2019). Assembly Bill 12 (AB 12), titled The California Fostering Connections to Success Act, is a California law that took effect in 2012, allowing children in foster care to remain in the child welfare system past the age of 18 up to the age of 21 (California Department of Social Services, N.D.). Of the young people experiencing homelessness surveyed, 12% had been in the extended foster care system created by AB 12. Researchers in Illinois, which has a similar process of extending foster care past the age of 18 have found that 16% of foster care alumni reported that they had been homeless by age 21, compared to a rate of 21% in the nearby states of Iowa and Wisconsin, which did not have extended foster care (Dworsky & Courtney, 2010). However, this difference disappears by age 24, indicating that extended foster care has no long-term impact on homelessness outcomes.

Figure 2:
Black Youth in Foster Care

Black children face numerous systemic disadvantages related to foster care and exiting care. Black youth are placed in foster care about 2.7 times more often than white youth (Wulczyn & Lery, 2007). Controlling for factors such as age, gender, and placement type, Black children exit foster care (either through adoption or reuniting with their original family) at a rate 32% slower than white children, meaning that Black children spend much more time in foster care than white children (Wulczyn et al., 2012). The U.S. Children’s Bureau found examples of biases in caseworker practices when assessing the risk of children remaining with their families that led to Black children disproportionately being separated from their families. However, the same study found that poverty disparities and access to resources could partially explain this inequality in the rate of family separation (U.S. Department of Health and Human Services Children’s Bureau, 2016). The same study found that Black families lacked access to Court-appointed special advocates. Another study
found that nationally, Black children had lower reunification rates, were more likely to be in group care, and had less stable placements and higher reentry rates than their white peers (Wulczyn & Lery, 2007).

Additionally, Black youth were more likely than white youth to have data missing in the National Youth in Transition Database (NYTD), making it more challenging to study their outcomes. Black people in the US face both outright racism and systemic barriers to housing, employment, food access, education, and many other areas, making it less likely for young Black people to be reunited with their families (LAHSA, 2018). These disparities could partially explain the vast differences in the amount of time Black and white children spend in foster care.

Policy Solutions:

Recent policies like the Foster Care Independence Act (1999) and the Fostering Connections to Success and Increasing Adoptions Act (2008) have sought to strengthen the network of services offered to young people transitioning out of foster care. These bills increase resources, particularly those focused on education and employment. Increasing these resources should alleviate many of the challenges young people face, improving employment levels, and reducing homelessness amongst exiting foster youth. A 2016 nationwide study on the initial effectiveness of the Fostering Connections to Success and Increasing Adoptions Act found that being enrolled in foster care at the age of 19 decreases a person’s odds of experiencing homelessness compared to foster youth who choose not to enroll (Pharris, 2016). Although research on the effectiveness of these bills is limited for now, the Foster Care Independence Act mandated that states begin to track outcomes data for youth leaving the system, spurring further research in the near future.

Extending Foster Care Support through age 21 nationally

Policymakers in California have extended the foster care system to ease the transition to adulthood by supporting children after 18, up to the age of 21. California’s Fostering Connections Act, Assembly Bill 12, allows foster-care youth to remain in foster care (or re-enter if they have left) up to 21. The California Youth Transitions to Adulthood Study (CalYOUTH) found that homelessness rates varied dramatically between youth who utilized the extended foster care services and those who did not (Feng et al., 2020). The CalYouth study found that of the young people who remained in foster care up to the age of 21, only 20% experienced a night or more of homelessness, compared to 44% of those who left foster care before 21. The study found that each additional year of foster care after 18 reduces the odds that they will experience homelessness by 33%. The same study found that group homes and residential treatment facilities increase the odds of experiencing homelessness compared to placements with a foster family (Feng et al., 2020). The results of this study emphasize the importance of legislation like AB 12, which increases the length of time that young people can remain in foster care. There is some concern that these programs only delay the risk of homelessness until after the 21st birthday, but more research is needed on this topic. Legislation like AB 12 could and should be implemented nationwide in states that have not increased the age of “aging out.”
Extending Housing Stipend to include College Housing

One other impact of AB 12 was the creation of the Supervised Independent Living Placement (SILP) funding source, which provides living stipends to former foster youth between the ages of 18-21 who are “high functioning and able to live independently.” Further, Assembly Bill 766 passed in 2017, extending the SILP stipend to foster youth attending college and living in approved college housing (AB 766, 2017). Before its passage, foster youth who chose to enroll in college would lose their housing funding, essentially having to choose between attending college and having housing. California is leading the way on innovative strategies for extending the protections provided to our most vulnerable young people, and initial evidence shows positive outcomes. Other states should implement similar strategies to prevent young people from falling into homelessness after aging out.

Other Recommendations

In addition to extending protections for foster youth beyond the age of 18 and allowing young people to use their housing stipends on college housing, LAHSA’s Ad-Hoc Committee on Black People Experiencing Homelessness recommended the following reforms to better support young people aging out of foster care and prevent them from falling into homelessness (LAHSA, 2018):

- Improve coordination between foster care providers, homeless service providers, and other partners to ensure alignment of services and better track outcomes for exiting youth. Consider the Critical Time Intervention model, an evidence-based model for transitioning case-management in homelessness, as a blueprint for connecting exiting youth to community-based resources and more gradually transitioning out of foster care.
- Conduct more research to identify “interrupters” of intergenerational cycles of homelessness.
- Develop “coaching” strategies to model desired healthy behaviors and essential life skills for exiting foster youth.
- Follow the ethos of “low-barrier” housing models to ensure that families are kept together whenever possible, with an emphasis on providing housing assistance.
- Expand family preservation initiatives to include housing and rental assistance for parents to keep families together and reunify separated families whenever possible.
- Increase the number of Black families providing foster care by offering incentives and supports.
- Broaden the extended foster care program to include youth up to age 24 to provide comprehensive, person-centered services, including housing, education, and employment.

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