

EXAMINING PREVALENCE AND PREDICTORS OF ECONOMIC HARDSHIPS FOR TRANSITION-AGE FOSTER YOUTH

MELANIE L. NADON • SUNGGEUN (ETHAN) PARK • HUILING FENG • MARK COURTNEY • ANTHONY GÓMEZ

SIGNIFICANCE

Research over the past 20 years has consistently shown that alumni of the foster care system disproportionately experience poverty and poverty-related outcomes during early adulthood. Economic hardship during this period can have lifelong implications for transition-age youths' (TAY) economic security and overall well-being. While evidence suggests social instability prior and during their time in foster care can curtail access to the resources and support needed to build economic security as young adults, we know surprisingly little about (a) the prevalence of economic hardship among young people transitioning out of care, and (b) the risk and protective factors associated with TAY's experiences of economic hardship.

STUDY METHODS

Using a representative sample of TAY derived from the CalYOUTH Study, the current study answers the following research questions:

- What is the prevalence of foster youth's economic hardship¹ experience at ages 19 and 21?
- What risk and protective factors are associated with foster youth's economic hardship experience at ages 19 and 21?

The CalYOUTH Study is a longitudinal investigation of the effects of California's extended foster care (EFC) program. CalYOUTH followed 727 young people over the course of seven years as they transitioned out of foster care and into early adulthood. Data on youth outcomes were collected over four interviews at ages 17, 19, 21, and 23. In addition to survey data provided by young people, authors also used data from surveys completed by youths' supervising case workers, California's child welfare case management system, the American Community Survey, and the California Secretary of State to capture various individual and environmental factors that may be related to TAY's experiences of economic hardship.

¹ This study measured the prevalence of the following economic hardships: (1) not enough money for clothing or shoes, (2) could not pay rent or mortgage, (3) experience of eviction or loss of their house, (4) could not pay a utility bill (e.g., gas, electricity), (5) cell phone or telephone service shut off, and (6) gas or electricity shut off.

FINDINGS

Economic hardship among TAY was common.



About half of TAY experienced at least 1 economic hardship at ages 19 and 21



More than one-third of youth at 19 and 21 reported not having enough money for clothes or shoes.



At age 19, about one-third of youth reported having their cell phone or telephone service shut off.



Results show at age 21, a quarter of youth did not have enough money for rent.



About one-in-ten young people experienced eviction or loss of their home at age 21.

TAY from marginalized backgrounds experienced greater economic hardship.

- Youth who were sexual minorities, women, Black, Latinx, or reported a health or mental health condition were both more likely to experience an economic hardship and reported a greater number of hardships throughout their transition to adulthood.

Past and present living situations shape TAY's economic security.

- While a history of group care placement was associated with a greater number of economic hardships at age 21, living with more people was associated with fewer economic hardships at age 21.

Extended foster care improves economic outcomes.

- At age 19, staying in EFC for 12 months after the 18th birthday reduced the probability of experiencing any economic hardship by 22% and the number of reported economic hardships by 39%. At age 21, young people who participated in an additional year of EFC between ages 18 and 21 reported \$560 more in annual earnings.

IMPLICATIONS

Targeted, tailored services are needed to combat labor market discrimination harming TAY from marginalized backgrounds.



Tailored services for young women, young people of color, and young people who are sexual minorities may help mitigate job market discrimination and promote economic well-being. Trainings that better prepare caseworkers and other professionals to support TAY's engagement in postsecondary education and employment programs may similarly help young people secure stable, well-compensated jobs.

Additional long-term services for young people experiencing health and mental health concerns.



While youth with foster care experience may be more likely to experience health or mental health concerns, they also tend to be better connected to health/mental health resources compared to their counterparts without foster care experience. These youth still experienced greater economic hardships, suggesting long-term services are needed to ensure health and mental health concerns do not interfere with young people's efforts to attain economic security. Given behavioral health concerns were predictive of economic hardship at some ages and not others, there may be specific windows in a young person's transition in which services are more effective.

Extended foster care protects youth from economic hardship.



National data from the Adoption and Foster Care Analysis and Reporting System and state data from the California Child Welfare Indicators Project data for FY 2020 suggest that a substantial proportion of young adults in care in the United States live in California. This suggests California has implemented a particularly generous and inclusive model of EFC. Findings suggest EFC may be a critical protective factor for TAY's economic security. Given these promising results, the authors recommend that policymakers pass extended foster care laws so all youth aging out of foster care can benefit. Currently, only 28 states, Washington D.C., and nine tribes have federally approved extended foster care laws.

To see the full study:

Nadon, M. L., Park, S., Feng, H., & Courtney, M. (2022). Examining Prevalence and Predictors of Economic Hardships for Transition-age Foster Youth. *Journal of the Society for Social Work and Research* <https://doi.org/10.1086/721667>