



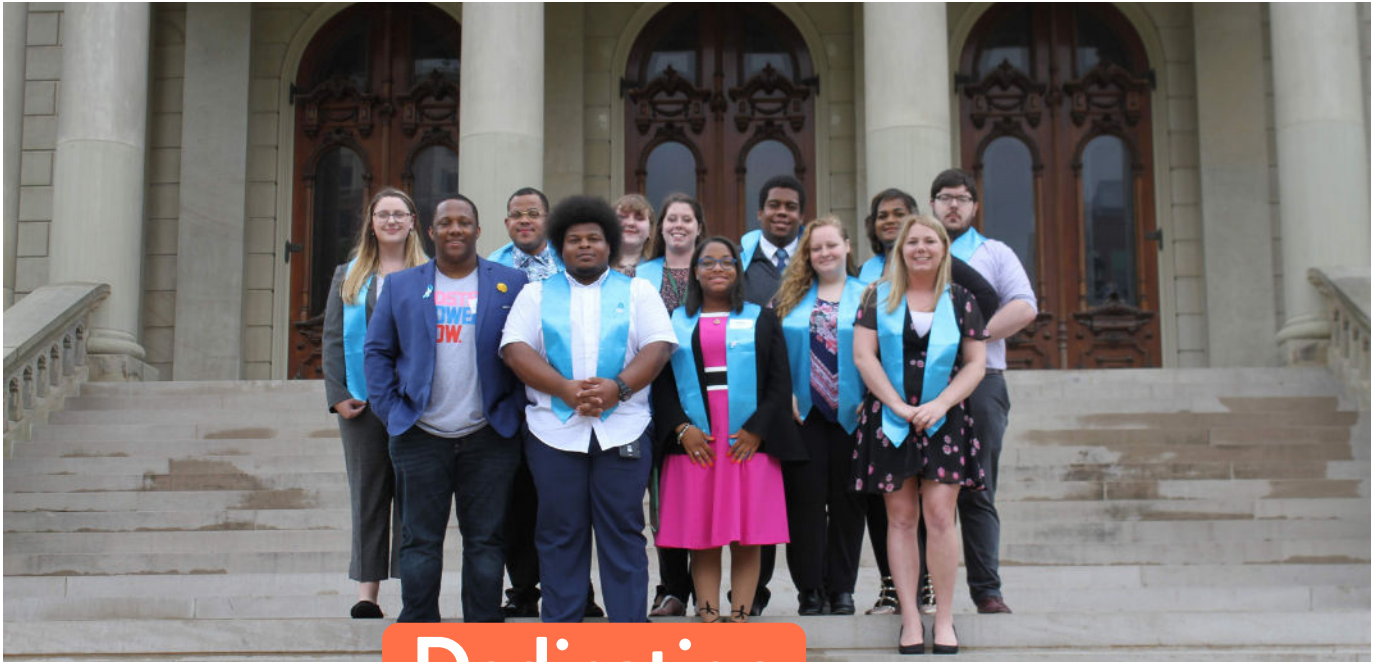
NATIONAL FOSTER YOUTH INSTITUTE



## Urgency to Act: Unlocking Foster Youth Wellbeing

Centering lived experience to strengthen systems and improve outcomes for children, families, and transition age youth

Policy Report



## Dedication

This report is dedicated first and foremost to **NFYI members**, whose stories, ideas, and lived expertise form the foundation of the Urgency to Act campaign. Your courage to speak truth, your commitment to shaping better systems, and your belief in what is possible continue to guide and transform NFYI's work. Every recommendation in these pages carries your imprint. Your voices are not only heard—they are leading the way.

We also dedicate this report to the **NFYI staff and board members** whose talent, persistence, and care brought these policy pillars to life: **Mariah Craven**, whose storytelling and strategic clarity helped articulate the urgency of this moment; **Ana María Sánchez-Castillo**, whose creativity and insight strengthened every section of this report; **Blade Oestreich**, whose stewardship of NFYI's Congressional Leadership Academy has empowered foster youth to speak their truth and lead with courage in policy spaces; **Cortez Carey**, whose partnership with NFYI members ensured that lived experience, equity, and practical implementation remain at the center of every recommendation; **Lucy Le**, whose leadership with NFYI's Los Angeles Chapter has elevated youth voice and strengthened local organizing; **Wendy Smith Meyer**, whose wisdom, support, and belief in NFYI's mission pushed this work forward; **Rebecca Louve Yao**, whose leadership and dedication to the foster care community have made so much possible—including this report; and **Michael Miser**, NFYI intern, whose thoughtful contributions enriched this report in meaningful ways.

Finally, we thank our community partners, whose collaboration strengthened the quality and credibility of this work: **Syeda Aliza Sajjad**, MSW candidate, and **Dr. Angelique Day** of the University of Washington, whose academic rigor and child welfare expertise informed our recommendations; **Mary Bissell of ChildFocus**, whose policy acumen sharpened our proposals; and **Jennifer Pokempner** of the Youth Law Center, whose steadfast advocacy for foster youth and commitment to equity shaped the framing and depth of this report.

Together, your partnership reflects the heart of NFYI—where lived experience, research, and community come together in service of bold, actionable change.

# Introduction

“

*When I aged out of foster care, I thought the hardest part was behind me. I'd survived a childhood of instability, so surely adulthood would be easier. What I didn't realize was that I'd be stepping into a world where most of the foundational skills other young people learned from family... were things I'd have to figure out completely on my own.*

*"I made costly mistakes—not because I didn't care about my future, but because no one had ever taught me how to navigate it.*

*"For foster youth, this is the reality: we are expected to leap into independence without the same safety nets, mentorship, or practical training that many of our peers take for granted. The disparities are stark—fewer foster youth graduate from college, and too many cycle through low-wage jobs simply because they were never shown the roadmap to long-term stability.*

”

— Celeste, California, Former Foster Youth



Each year in the United States, approximately 20,000 young people age out of foster care and are expected to transition into adulthood, often without the stable housing, health care, or family connections that most young people rely on during this critical period.<sup>1</sup>

Since the early 20th century, federal and state governments have worked to shape a child welfare system intended to respond to family crisis and

protect children. Over time, this system has evolved to not only ensure safety, but also to support family stability and long-term wellbeing. Key federal legislation has played a defining role in shaping how children and families are served today. *The Family First Prevention Services Act of 2018* marked a significant shift toward prevention by allowing federal funding for services that help families stay safely

<sup>1</sup> U.S. Department of Health and Human Services [HHS], 2023



together, while also limiting the use of congregate care. The 1999 *Foster Care Independence Act*, which established the John H. Chafee Foster Care Program for Successful Transition to Adulthood, expanded supports for older youth and young adults transitioning out of care, recognizing that legal independence alone is not enough. And the 1978 Indian Child Welfare Act (ICWA) affirmed the rights of Tribal nations in decisions affecting Native children, underscoring that safe, stable, and nurturing care must also be culturally grounded and community-connected.

From its earliest days, the U.S. child welfare system has been built on a foundational promise: that every child deserves safety, stability, and the opportunity to thrive in life. For many of the 350,000 children in foster care, however, the system continues to fall short and urgent action is needed — particularly for the young adults who age out of care each year and face extraordinary challenges.

The National Foster Youth Institute (NFYI) is a nonpartisan 501(c)(3) organization working at the intersection of lived experience and systems change. By partnering with current and former foster youth, families, and communities, NFYI serves as a bridge between what young people experience on the ground and the decisions made at the federal, state, and local levels. Through leadership development, policy advocacy, and lived-experience-driven solutions, NFYI works to ensure that young people transitioning from foster care are equipped not only to survive, but to thrive.

Across the country, NFYI consistently hears from young people that successful transitions to adulthood require more than independence; they require stability, support, and opportunity. Safe housing, access to comprehensive health care, meaningful connections to family and community, and pathways to education and employment are not optional—they are essential.

The consequences of failing to provide these supports are significant and well-documented—from housing instability and untreated trauma to justice system involvement and limited economic mobility.

These outcomes are not inevitable. They are the result of policy choices, resource allocation, and systems that too often withdraw support at the moment it is needed most.

At a time when communities across the country are grappling with housing crises, mental health challenges, and widening economic disparities, the

need to act is both critical and achievable.

This report makes the case for urgent, coordinated action that is grounded in lived experience, guided by evidence, and long overdue.

This report reflects what NFYI consistently hears in listening sessions with current and former foster youth ages 18–30: success in adulthood depends on access to safe housing, comprehensive health and mental health care, family and community connection, economic opportunity, and freedom from system-driven harm. In partnership with policy experts, NFYI has translated these priorities into actionable policy recommendations to strengthen child welfare systems and improve long-term outcomes.

The urgency of these recommendations cannot be overstated. The challenges facing foster youth are immediate and life-threatening. Persistent housing instability, untreated trauma, and the absence of lasting support contribute to devastating outcomes—from incarceration and addiction to suicide and lifelong poverty.<sup>2</sup>

Yet there is reason for hope. The solutions outlined in this report are proven, pragmatic, and grounded in lived experience. With leadership and action from federal, state, and local decisionmakers, we can change the trajectory for young people transitioning out of care, ensure that families receive the support they need to stay together, and build systems rooted in safety, stability, and opportunity.

**The time to act is now.**



2 (Courtney et al., 2018)



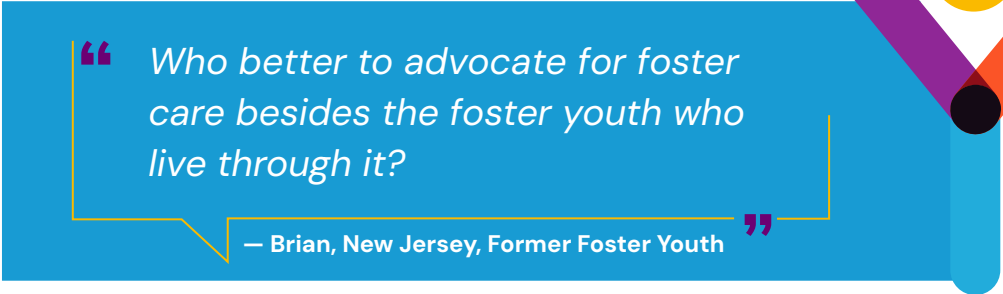
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# Executive Summary

A blue rectangular graphic containing a quote. The quote is in white italicized text. To the right of the quote is a large, colorful graphic of the NFYI logo (purple and orange 'Y' shapes with a yellow circle and a black dot).

“ *Who better to advocate for foster care besides the foster youth who live through it?* ”

— Brian, New Jersey, Former Foster Youth

Each year, tens of thousands of young adults transition out of foster care without the stability, guidance, and resources that most young adults rely on as they enter adulthood. As they age out, more than 40% experience homelessness or housing instability by their mid-20s; between 20% and 25% attempt suicide at least once; and fewer than 4% earn a college degree. Across the United States, young people with lived experience in foster care are calling for urgent, practical solutions to the challenges they face as they transition into adulthood.

**Urgency to Act: Unlocking Foster Youth Wellbeing** presents a set of **federal policy recommendations informed directly by the lived experience** of young people. This report was developed by the National Foster Youth Institute (NFYI) through years of engaging current and former foster youth ages 18–30 through listening sessions, surveys, leadership development programs, policy think tanks, and direct engagement, alongside community partners and policy experts.

This report translates what NFYI has consistently heard from young people into a concrete set of federal policy recommendations organized around six critical pillars of action.



## Six Pillars, One Urgent Agenda

### Secure Housing.

Stable housing is the foundation of every other outcome, yet between 31% and 46% of youth who age out of foster care experience homelessness or housing instability by their mid-20s<sup>1</sup>. This crisis cuts across geography—from high-cost urban centers to rural communities with limited rental stock. NFYI's recommendations address voucher access and prioritization, landlord incentives, barriers for those with criminal records, and campus housing with a goal of ensuring that no young person exits care without a safe place to live.

### Family Preservation and Permanency.

Children should enter foster care only when safety demands it—never because of poverty alone. Nationally, neglect is the most common form of maltreatment, accounting for approximately 76% of child welfare cases, and research consistently shows it is overwhelmingly linked to poverty rather than parental intent<sup>2</sup>. NFYI calls for a stronger distinction between neglect and economic hardship, expanded kinship care supports, sibling placement protections, and a redefined vision of permanency that centers youth-identified, lifelong relationships.

### Health and Wellness.

Approximately 60% of youth aging out of care report a history of complex trauma, and rates of PTSD among former foster youth exceed those of U.S. combat veterans<sup>3</sup>. Between 20% and 25% attempt suicide at least once—a rate several times higher than the general population—and between 50% and 80% of children in foster care meet criteria for at least one mental health disorder<sup>4</sup>. NFYI's recommendations prioritize trauma-informed and holistic approaches to care, including alternative therapies, expanded Medicaid coverage, and continuity of mental health services into young adulthood.

### Disrupting the Foster Care-to-Prison Pipeline.

Youth with foster care experience are two to three times more likely than their peers to become involved in the juvenile justice system, not because of higher rates of criminal behavior, but because systems respond to trauma with punishment instead of care<sup>5</sup>. Youth placed in congregate or group care settings are more than twice as likely to experience justice system involvement compared to those in family-based settings, and youth who experience five or more placements face an extremely high likelihood of justice system contact<sup>6</sup>. NFYI calls for universal legal representation, trauma-informed courts, diversion programs, and restrictions on using law enforcement to manage placement-related behaviors.

### Substance Use Prevention and Recovery.

Approximately 30% of youth who age out of foster care develop serious substance use disorders, frequently linked to early trauma, instability, and limited access to behavioral health care<sup>7</sup>. Substance use is also a major driver of family separation—in 2021, approximately 39% of children entering foster care were removed due to parental substance use—yet many families face significant barriers to accessing treatment, including cost, provider shortages, and geographic isolation<sup>8</sup>. NFYI's recommendations call for expanded treatment access, trauma-informed provider training, and family-centered approaches that treat substance use as a public health issue rather than a justification for removal.

### Social and Economic Mobility.

Only about 55% of foster youth graduate from high school by age 19, compared to approximately 87% of their peers, and fewer than 4% earn a bachelor's degree despite similar aspirations<sup>9</sup>. By age 24, approximately 50% of former foster youth are employed compared to roughly 75% of their peers, and those who are employed typically earn significantly lower wages<sup>10</sup>. NFYI recommends expanded funding for mentorship, internships, workforce development, financial literacy, driver's education, and dedicated savings accounts to help young people build lasting independence.

1 Chapin Hall at the University of Chicago, 2019

2 U.S. Department of Health and Human Services [HHS], 2023; Harden, 2025

3 Chapin Hall at the University of Chicago, 2019; ZipDo Education Reports, 2026

4 National Youth in Transition Database, 2021; National Survey of Child and Adolescent Wellbeing, 2022

5 Herz et al., 2019

6 Annie E. Casey Foundation, 2020; Child Welfare Information Gateway, 2021

7 National Youth in Transition Database, 2021; SAMHSA, 2023

8 HHS, 2023

9 Courtney et al., 2018; National Center for Education Statistics, 2023; Chapin Hall at the University of Chicago, 2019

10 Courtney et al., 2018



## What This Report Provides

The challenges facing current and former foster youth do not exist in isolation. Housing instability shapes health outcomes. Unaddressed trauma fuels justice system involvement. Family separation increases vulnerability to substance use. Limited economic opportunity compounds every other barrier. This interconnected reality is why all six pillars are reflected in this summary. At the same time, meaningful progress requires focused attention and targeted solutions. This report offers a focused, actionable path forward on all six intersectional issues, offering a deeper exploration of the challenges, opportunities, and policy recommendations within this area, while recognizing its critical connection to the broader ecosystem of support young people need to thrive.

## What's at Stake

Children, youth, and families connected to the foster care system face critical moments that shape their safety, stability, and long-term well-being—from the risk of family separation to the transition into adulthood. When systems fall short, the consequences can reverberate across generations.

With decisive federal action informed by lived experience, the recommendations outlined in this report have the potential to strengthen families, improve outcomes for children, and better support young people as they move toward independence. These solutions are grounded in first-hand knowledge and supported by evidence. In most cases, the structures to act already exist. What is needed now is the political will to do so.

This report is both an urgent call to action and a roadmap for change.



# Fostering Secure Housing

## Urgency of the Issue

Stable, long-term housing is the foundation of safety, health, education, and economic mobility. Yet for young people transitioning out of foster care, housing is often the first and most devastating support to disappear. Each year, tens of thousands of youth exit care into housing markets they are ill-equipped to navigate, without family safety nets, rental history, or sufficient income.

Research shows that between 31% and 46% of young people who age out of foster care experience homelessness or housing instability by their mid-20s, a rate far higher than their peers<sup>1</sup>. This crisis affects every region of the country—from high-cost urban areas to rural communities with limited rental stock and few transitional housing options.

Housing instability among former foster youth cuts across geography and political context:

- Urban areas face severe affordability shortages, long waitlists for vouchers, and competition for limited units<sup>2</sup>.
- Rural communities struggle with a lack of housing supply, transportation barriers, and minimal supportive services for young adults leaving care<sup>3</sup>.
- Red and blue states alike report insufficient transitional and permanent housing options for youth exiting foster care, despite bipartisan recognition of the problem<sup>4</sup>.

Certain groups face even greater risk. Former foster youth who identify as LGBTQ+ are significantly overrepresented among the homeless youth population, often due to family rejection and placement instability<sup>5</sup>. Housing instability is also closely linked to justice system involvement, interrupted education, and poor health outcomes, creating a cycle that is costly for both individuals and public systems<sup>6</sup>.



“  
 As someone who was homeless during my senior year of high school, I know how impactful secure housing can be. I was so focused on housing, I was so upset, you know, depressed from being homeless, that I was barely able to finish high school. And being so close, I was definitely glad that I had the support system that I needed.  
 ”

— Brandon, Tennessee, Former Foster Youth

1 Chapin Hall at the University of Chicago, 2019

2 HUD, 2023

3 USDA, 2022

4 National Conference of State Legislatures, 2023

5 True Colors United, 2022

6 Courtney et al., 2018



Brandon’s experience reflects a broader truth: housing instability forces young people into survival mode, making it exponentially harder to complete school, maintain employment, or address trauma. Yet despite these barriers, many youth experiencing homelessness are working, enrolled in school, or actively seeking stability, underscoring both their resilience and the unnecessary burden placed on them<sup>7</sup>.

While housing insecurity is a national issue, state and local data highlight the scale of the crisis. For example, in California, approximately one in four former foster youth experience homelessness, driven by high housing costs and limited affordable supply<sup>8</sup>. Similar patterns appear in states as diverse as Texas, Florida, Ohio, and Tennessee, where young people aging out face long waits for assistance and few youth-specific housing options<sup>9</sup>.

The housing crisis facing foster youth is not inevitable—it is the result of policy gaps. When young people leave care without guaranteed housing supports, the costs are shifted to emergency systems: shelters, hospitals, jails, and courts. Ensuring access to stable housing is not only a moral imperative, it is a fiscally responsible investment that strengthens communities and supports long-term independence.

The National Foster Youth Institute (NFYI) advances housing solutions rooted in lived experience and bipartisan policy priorities, recognizing that no young person—regardless of where they live—should age out of foster care into homelessness.



7 Chapin Hall, 2019

8 California Department of Social Services, 2022

9 NCSL, 2023



## Fostering Family Preservation and Permanency

“ At 10-years-old, I was taken away by Child Protective Services. That memory—first being stripped from my home, lying awake at night in a bed that wasn’t mine, and missing the comfort of my brothers and sister; just the anxiety of knowing that my siblings were experiencing the same thoughts, the same emotions but in different placements.

No child enduring that kind of trauma should face the isolation of being apart from the only family they know.

Siblings are more than just relatives, they are our anchors when everything else is unstable. Having my sister and brothers nearby means having someone who already understands your fears, your routines, your grief. It means having a lifeline in a world that’s suddenly unfamiliar.

— Aliyana, California, Former Foster Youth ”

### Urgency of the Issue

Family preservation and permanency are foundational to child wellbeing. When children can safely remain with their families or maintain meaningful, lifelong connections when removal is necessary, they experience greater stability, better health outcomes, and stronger educational and economic trajectories. Yet across the United States, too many children are separated from their families not because of abuse, but because of poverty, lack of resources, or

insufficient community-based supports<sup>1</sup>.

For children who do enter foster care, the absence of permanency, defined not only as legal status, but as enduring relationships with caring adults, siblings, and extended family, can result in repeated placement disruptions, fractured identities, and long-term trauma. Youth who exit foster care without permanent family connections face significantly higher risks of homelessness, justice system involvement, and poor health outcomes in adulthood<sup>2</sup>.

<sup>1</sup> U.S. Department of Health and Human Services, 2023

<sup>2</sup> Chapin Hall at the University of Chicago, 2019



Supporting family preservation and permanency requires a comprehensive, prevention-to-adulthood approach that recognizes the full continuum of family connection. This includes:

- Preventing unnecessary removals by distinguishing poverty from neglect and ensuring families have access to concrete supports;
- Prioritizing kinship care so children can remain connected to family, culture, and community;
- Prioritizing the preservation of sibling relationships by either keeping siblings together or ensuring and facilitating ongoing connection when separation cannot be avoided;
- Strengthening foster, kinship, and adoptive placements with the resources and training needed to support stability;
- Establishing permanency so that youth do not exit care without a lifelong, supportive connection with a caregiver, trusted adult, or family member;
- Supporting current and former foster youth who are parents, recognizing their dual roles as survivors of the system and caregivers themselves.

The National Foster Youth Institute (NFYI) is committed to elevating lived experience and advancing policies that center family unity, permanency, and intergenerational stability. During listening sessions with current and former foster youth, including those who are parents, NFYI consistently hears that success in adulthood is deeply tied to whether young people feel connected to siblings, to kin, and to at least one caring adult who will not disappear when systems do.



Family preservation and permanency are not competing goals—they are complementary. When systems invest early in families, support kinship and foster caregivers, and prioritize lifelong relationships, children are less likely to enter foster care, more likely to experience stability if they do, and far better positioned to thrive as adults.

This section highlights the urgency of strengthening family preservation and permanency policies. It introduces the framework for the targeted recommendations that follow, which address key areas across prevention, kinship care, foster care, transition-age youth, and parenting foster youth. These recommendations build on the principles outlined above and provide actionable guidance for creating systems that support lifelong connections, stability, and wellbeing for children and young adults in care.





# Preventing Entry into Foster Care

Preventing unnecessary entry into foster care is one of the most effective ways to support child wellbeing, family stability, and long-term permanency. When families receive timely, concrete support, children are more likely to remain safely at home and less likely to experience the trauma of removal, placement disruption, and separation from siblings and extended family.

Neglect is the most common form of child maltreatment nationwide, accounting for the vast majority of child welfare cases in every region of the country<sup>1</sup>. In 2021 alone, 588,229 children were identified as victims of maltreatment, and approximately 76% experienced neglect<sup>2</sup>. Critically, research consistently shows that neglect is overwhelmingly linked to poverty rather than parental intent or abuse. An estimated 85% of families investigated for neglect live below 200% of the federal poverty level, yet families in low-income households are too often labeled neglectful simply because they lack access to basic resources. Addressing these economic and social needs before they escalate into child welfare involvement could prevent many unnecessary foster care entries<sup>3</sup>.

These patterns hold true across urban and rural communities, red and blue states alike. Families struggling with housing instability, food insecurity, lack of childcare, untreated mental health needs, or limited access to health care are far more likely to come to the attention of child welfare systems—often for circumstances that could be resolved with targeted, short-term support.

The Family First Prevention Services Act of 2019 marked a significant shift in federal child welfare policy by allowing states to use federal funds for certain prevention services aimed at keeping children safely with their families<sup>4</sup>. While this represented an important step forward, Family First was intentionally narrow in scope, limiting reimbursable prevention services primarily to mental health treatment, substance use services, and parenting programs. As a result, many of the most common drivers of neglect—such as housing instability, poverty-related needs, childcare gaps, and concrete financial assistance—remain largely unfunded through federal prevention streams.

Early evidence and state-level experience suggest that prevention strategies are most effective when they address families' basic needs alongside clinical services, yet comprehensive data on Family First implementation and outcomes remains uneven across states and counties<sup>5</sup>. This creates disparities in access to prevention supports depending on geography rather than need.

Expanding and strengthening prevention services is essential to advancing family preservation and permanency and to reducing foster care entries, but to advancing family preservation and permanency. When systems intervene early with the right mix of economic, social, and behavioral health supports, families are better positioned to remain intact, children are less likely to experience traumatic separations, and long-term outcomes improve for both parents and children.

Preventing entry into foster care is about aligning child welfare policy with evidence, equity, and common sense and not about reducing safety standards. Families should not lose their children because they are poor. Investing in prevention protects children, strengthens families, and reduces the long-term costs borne by foster care, homelessness, health care, and justice systems.

1 U.S. Department of Health and Human Services [HHS], 2023

2 HHS, 2023

3 Harden, 2025; Child and Youth Services Review, 2026

4 HHS, 2022

5 Government Accountability Office, 2023



## Policy Recommendations:

- Congress should follow the model of states such as California, Texas, Iowa, Kansas and Arkansas, and change the federal definition of neglect. Comprehensive guidelines defining and describing neglect should focus on distinguishing between cases of abuse (e.g., physical abuse, sexual assault, abandonment) and those that arise from the socio-economic challenges of poverty and lack of resources.
- Build on existing prevention investments under Title IV-B and the Family First Prevention Services Act by expanding eligible federal funding to include housing stabilization, childcare assistance, and other concrete supports that address poverty-related drivers of child welfare involvement not currently covered by current law.
- Increase federal social service block grants and research funding to support community-identified, high-impact strategies that strengthen family and community connectedness and prevent foster care entry, including but not limited to parent mentoring, peer-led parenting support groups, family therapy, flexible childcare hubs, and community-based prevention initiatives. *Example scale identified by NFYI members includes an investment of \$100 million in community prevention block grants and \$10 million in federal research funding.* These amounts are proposed to support community-led programs and to evaluate their impact and scalability, ensuring that high-impact prevention strategies can be expanded effectively to reach more families in need.
- Condition federal child welfare funding on states developing coordinated, cross-departmental prevention strategies that align Health and Human Services, Education, Justice, Labor, and Health systems. This approach ensures that resources and policies work together to address the root causes of foster care entry and strengthen family stability.
- Expand Family First eligibility to include young adults ages 18 to 26 with foster care experience, recognizing extended prevention as a critical strategy to reduce homelessness, substance use disorders, and multigenerational child welfare involvement.<sup>6</sup>
- Increase federal funding for substance use treatment and recovery support programs for parents and youth impacted by foster care, recognizing substance use disorders as a primary driver of family separation and long-term system involvement.<sup>7</sup>

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<sup>6</sup> This would be consistent with changes recently made to Title IV-B, which allows youth under age 26 to be served.

<sup>7</sup> In 2024, caretaker drug use was an entry reason for 31% of cases and alcohol use was an entry reason for 7% of cases. AFCARS Dashboard, FY 2024.



## Supporting Kinship Care



*About two years after starting to raise her sister's kids, Amy was told her license was at risk because of cockroaches at her apartment.*

*Amy provided proof that the property manager had sprayed repeatedly at her request. But because of neighbors' uncleanliness, the bugs kept coming back.*

*"Still, caseworkers terminated her license and removed the kids – biological and fostered. To Amy, it was the same kind of faulty premise as the first time caseworkers removed her from home as a child.*

*'You're taking my children because I'm poor,' she said. 'I'm in public housing and there's roaches running around here. That's everywhere you go, pretty much. That's something you really don't have control over.'*



**- Excerpt from USA Today article featuring former NFYI member Amy, a former foster youth & kinship care provider in Mississippi**



Kinship care—placing children with relatives or close family friends when they cannot safely remain with their parents—offers one of the most effective pathways to stability, family preservation, and permanency. Children placed with kin are more likely to remain connected to their families, cultures, and communities, experience fewer placement disruptions, and achieve better long-term outcomes than those placed with non-relative caregivers.

Nationally, approximately 34% of children in foster care are placed with relatives, making kinship care the most common foster care placement type in the United States<sup>1</sup>. This pattern holds across urban and rural communities and across red and blue states, reflecting a broad recognition that family connections matter for children's wellbeing.

Research consistently shows that children in kinship care experience:

- Greater placement stability and fewer moves
- Lower rates of behavioral and mental health challenges
- Stronger sibling and extended family connections
- Comparable or better safety outcomes than children in non-relative foster care<sup>2</sup>

Despite these benefits, kinship caregivers often receive less financial, legal, and service support than non-relative foster parents. Licensed foster parents typically receive monthly maintenance payments, training, and access to supportive services while

kinship caregivers, especially those in informal arrangements, frequently shoulder the costs of care with limited assistance<sup>3</sup>.

Support for kinship families varies widely by state. Some states have taken steps to prioritize kinship placements and expand supports, while others provide lower payments or impose barriers to licensing that disproportionately affect grandparents and extended family members, many of whom are older adults, people of color, or individuals living on fixed incomes<sup>4</sup>. These disparities mean that a child's access to family-based care often depends more on geography than need.

Insufficient support for kinship caregivers undermines permanency. Without adequate financial assistance, legal support, and access to services, kinship placements are more likely to become unstable, placing children at risk of re-entry into foster care or separation from family altogether. Conversely, when kinship caregivers are properly supported, children are more likely to experience safe, lasting family connections, reducing the need for congregate care and long-term system involvement.

Strengthening kinship care is a pragmatic, evidence-based strategy that aligns with bipartisan priorities: keeping families together, reducing reliance on institutional care, and improving outcomes for children while controlling public costs. Ensuring equitable support for kinship caregivers is essential to advancing both family preservation and permanency across the child welfare system.

## Policy Recommendations:

- Congress and the Department of Health and Human Services should require all states to provide support for kinship care providers that is equal to what is provided to non-relative care placements, including financial compensation, training, resources and support programs.
- The Children's Bureau should require states to track the reasons for placement disruption. The absence of effective tracking of the reasons for placement changes, it is difficult to identify what additional support is needed to stabilize kinship care placements. States and the federal government should invest in better data collection methods to improve our understanding of what services and support kinship care families need.
- Kinship and non-relative care placements should have access to free mental health and other support services, including individual and family therapy for all individuals residing in the home.

1 U.S. Department of Health and Human Services [HHS], 2023

2 Social Current, 2025; Kinship Care Values, 2023

3 Generations United, 2023

4 National Conference of State Legislatures, 2023



## Youth Transitioning Out of Foster Care

Each year, an estimated 19,000 to 23,000 young people age out of the U.S. foster care system without reunifying with their families or securing permanent, lifelong connections<sup>1</sup>. For these youth, the transition to adulthood often occurs without the family support, mentorship, or social networks that most young adults rely on well into their twenties.

The absence of permanency, defined not only by legal status, but by enduring relationships with caring adults, has profound consequences. Research shows that young people who exit foster care without permanent connections face significantly higher barriers to housing stability, educational attainment, employment, and health than their peers<sup>2</sup>.

National studies consistently find that former foster youth are:

- Less likely to enroll in or complete postsecondary education
- More likely to experience unemployment or unstable, low-wage work
- At increased risk of homelessness and housing instability

- More likely to rely on public assistance
- Disproportionately involved in the criminal justice system<sup>3</sup>

These outcomes are not driven by lack of motivation or ability. Rather, they reflect the reality that many youth are expected to navigate adulthood entirely on their own, often immediately upon turning 18 or 21, depending on state policy. While extended foster care and transitional living programs have expanded in some states, access remains inconsistent, and participation alone does not replace the protective impact of lasting family relationships<sup>4</sup>.

Youth transitioning out of care in both urban and rural communities report challenges. In rural areas, limited access to housing, transportation, and employment opportunities compounds isolation. In urban areas, high housing costs and competitive labor markets create additional barriers. Across red and blue states alike, youth aging out without permanent connections face elevated risks that persist well into adulthood<sup>5</sup>.

1 U.S. Department of Health and Human Services [HHS], 2023

2 Chapin Hall at the University of Chicago, 2019

3 National Youth in Transition Database, 2021; Janczewski et al., 2025

4 Government Accountability Office, 2022

5 NCSL, 2023



Ensuring that young people do not age out of foster care alone is central to both family preservation and permanency. Youth who exit care with at least one committed adult connection—a relative, a mentor, a foster parent, or other supportive adult—experience better outcomes across housing, education, employment, and wellbeing<sup>6</sup>.

Strengthening permanency planning for transition-age youth, extending supports beyond age 18, and investing in mentoring and family-finding efforts are essential to closing the gap between legal independence and real-world readiness. Young people should not lose their safety net simply because they reach a birthday.

### Policy Recommendations:

- Establish a national mentorship initiative connecting foster youth with consistent, trained mentors from an early age through adulthood. This could include former foster youth, community members, or professionals who provide emotional and career guidance.
- Implement policies that require extended efforts to maintain or restore relationships between foster youth and biological families before aging out, except in cases of safety concerns. Caseworkers should prioritize ongoing connections, even when reunification is not possible.
- Fund transitional housing programs that prioritize placements with mentors, extended family, or chosen family for youth exiting care. Housing should integrate on-site mentorship programs, peer support, and case management services to strengthen long-term relationships.
- Foster youth should not have their case closed until they are connected to a mentor or family.

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<sup>6</sup> FosterClub, 2025; Texas Youth Permanency Study, 2022



## Placement Supports

Stable placements are essential to child wellbeing and permanency. However, foster families throughout the United States often lack the consistent supports needed to sustain caregiving over time, contributing to high turnover and placement disruption for children in care.

As of 2020, there were approximately 214,000 licensed foster homes nationwide, a number that has declined in recent years even as the needs of children entering care have grown more complex<sup>1</sup>. Between 30% and 50% of foster parents leave the system within their first few years, most commonly citing burnout, inadequate support, lack of respite, and insufficient access to training and services.<sup>2</sup>

High turnover among foster parents has cascading effects. When caregivers exit the system, children are more likely to experience multiple placement changes, which are associated with increased behavioral health challenges, disrupted schooling, and reduced likelihood of achieving permanency.<sup>3</sup> Placement instability also places additional strain on the foster families who remain, further accelerating burnout and attrition.

These challenges exist across regions. Urban areas often face shortages of foster homes willing to accept older youth, sibling groups, or children with higher needs. Rural communities may struggle with geographic isolation, limited access to services, and fewer licensed homes overall. Language and cultural barriers may also limit placements. In red and blue

states alike, foster parents consistently report gaps in communication, difficulty navigating child welfare systems, and limited access to timely mental health and educational supports for the children in their care.<sup>4</sup>

While many states and local agencies have implemented recruitment and retention strategies such as training enhancements, peer support models, and financial incentives, access to these resources remains uneven. Foster parents are not always aware of available supports, and services may vary significantly by jurisdiction, placement type, or licensing status.<sup>5</sup>

Strengthening placement supports is critical to advancing family preservation and permanency. When foster caregivers receive adequate training, respite, financial assistance, and ongoing support, placements are more likely to remain stable, siblings are more likely to stay together, and children are better positioned to achieve reunification, guardianship, or adoption.

The National Foster Youth Institute recognizes that supporting foster families is inseparable from supporting children. Investing in placement stability reduces long-term system costs while improving outcomes for youth and families alike. Foster parents should not be expected to shoulder the responsibilities of care without the tools and resources necessary to succeed.

<sup>1</sup> U.S. Department of Health and Human Services [HHS], 2022

<sup>2</sup> Cooley et al., 2016; AdoptUSKids, 2021

<sup>3</sup> Maguire et al., 2024; Frontiers in Psychiatry, 2026

<sup>4</sup> Child Welfare Information Gateway, 2022

<sup>5</sup> Government Accountability Office, 2022



“Teens often have the most difficult times finding placement, whether kinship or foster parents. These families need better support—better resources. Meals provided, resources for having a stay-at-home parent. The biggest gap I see is that families don’t have the resources to keep their homes open long enough to keep kids. Then the kids are retraumatized, and the families are disappointed that they couldn’t support a child.”

— Majd, North Carolina, Former Foster Youth

## Placement Support Recommendations:

- The Children’s Bureau should establish and maintain systems to track placement disruptions and the reasons they occur in order to determine what services and supports could reduce disruptions.
- Free mental health services, including individual and family therapy, should be available to all individuals residing in foster placements.
- Federal financial incentives to retain foster parents should be increased, including higher monthly stipends, additional tax credits, and reimbursement for out-of-pocket expenses related to a child’s care (e.g., therapy, extracurricular activities). Annual retention bonuses for foster parents who maintain placements for multiple years should be implemented.
- Establish a tiered licensing system through which experienced foster parents can receive higher compensation and specialized training to care for children with complex needs (e.g., youth with disabilities, trauma histories, or behavioral challenges).





## Current and Former Foster Youth Who Are Parents

A significant number of young people with foster care experience become parents while still navigating the transition to adulthood. Nationally, approximately 23% of former foster youth become parents by age 21, often without the family, financial, or social supports available to their peers.<sup>1</sup> For many, early parenthood occurs alongside conditions shaped by prior system involvement, including housing instability, interrupted education, and limited access to employment.

Parenting foster youth face heightened scrutiny from child welfare systems. Studies show that current and former foster youth who are parents are more than five times as likely as their peers to be reported for child abuse or neglect, even when controlling for income and age.<sup>2</sup> The increased surveillance occurs not because of any actual greater risk of harm, but due to systemic bias and the absence of supportive services, and places families at risk of intergenerational system involvement.

The lack of support for parenting foster youth affects urban and rural communities and families in red and blue states alike. Many young parents must choose between working, attending school, or being present for their children, often without access to reliable childcare, transportation, or flexible education and employment pathways.<sup>3</sup> For those who lack permanent family connections, parenting can intensify isolation rather than expand support.

“

*As a young parent, access to stable housing, reliable childcare, financial support, and educational opportunities was critical to becoming independent. Like many young mothers, I struggled with limited guidance and limited support. Having stable housing was challenging due to voucher shortages, short availability, and strict eligibility requirements. Childcare options were equally limited, often involving long waitlists. Without stable housing and dependable childcare, pursuing employment or continuing my education felt nearly impossible.*

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—Elizabeth, California,  
Former Foster Youth

<sup>1</sup> National Youth in Transition Database, 2021; Child Trends, 2023

<sup>2</sup> Putnam-Hornstein et al., 2018

<sup>3</sup> Dworsky et al., 2018



While parenting classes are commonly offered, they cannot address the complex needs of these young parents. Parenting foster youth need comprehensive, wraparound supports that—include housing stability, income assistance, childcare, mental health care, and peer and family-based mentorship to safely care for their children and build long-term stability. Without these supports, families are more likely to experience crisis-driven interventions that separate parents and children rather than strengthen them.

The support of parenting foster youth is essential to advancing family preservation and permanency. When young parents receive timely, tailored assistance, they are more likely to remain safely together with their children, reduce reliance on child welfare systems, and interrupt cycles of trauma and separation.<sup>4</sup>

The National Foster Youth Institute (NFYI) centers the voices of parenting foster youth and advances policies that recognize them as families to be supported rather than risks to be managed. Access to meaningful, sustained support for these young parents is critical to protecting children, strengthening families, and promoting long-term wellbeing across generations.



### Parenting Youth Recommendations:

- Increase funding for housing programs specifically designed for foster youth who are parents.
- Provide support for transitional housing.
- Ensure availability of affordable, quality child care for young parents during and after their transition from care.
- The Children's Bureau should provide guidance and technical assistance to states so that they leverage support and skill building services for parenting youth in foster care that can be supported by Title IV-E prevention funds.
- Establish advocacy programs dedicated to representing the interests of young parents within the foster care system, ensuring their voices are heard and considered in legal and administrative processes.
- Allow child care vouchers to be used in non-licensed facilities to increase access to child care during nights and weekends when many young parents have work or school.



<sup>4</sup> Child Welfare Information Gateway, 2022



## Permanency Beyond Adoption

Permanency is a cornerstone of child wellbeing that is often defined too narrowly. Adoption can be a powerful pathway for some children and youth, but permanency is not synonymous with adoption, nor should it be the only identified legal outcome. For many young people, particularly adolescents, sibling groups, youth of color, and those with strong cultural or community ties, permanency comes not through legal paperwork alone, but through relationships that endure.

True permanency means that a young person has lifelong connections to caring adults and communities that they can turn to for guidance, belonging, and support well beyond their exit from child welfare systems. Research demonstrates that youth who exit foster care with at least one committed adult relationship experience better outcomes across housing stability, education, employment, and mental health, regardless of whether they were adopted.<sup>1</sup>

Nationally, many youth leave foster care without legal permanency or sustained relational connections. Older youth are significantly less likely to be adopted, and too often age out of care without family or community ties in place.<sup>2</sup> For these young people, permanency must be intentionally cultivated over time, beginning with relationships.

“ Permanency is not linear. It doesn't have to be one stop at adoption or foster parenting. There need to be more ways to build lasting connections for kids. If we could duplicate my story—where I built a relationship over time with an adult who then became my foster parent when I was 17—I think we'd have a completely different foster care system. Creating more meaningful relationships is our solution to permanency. ”

— Majd, North Carolina,  
Former Foster Youth

- Effective permanency approaches recognize multiple, equally valid pathways to permanency, including:
- Kinship guardianship and long-term kin placements;
- Preservation of sibling relationships through joint placement or consistent, supported contact; Recognition of fictive kin, such as mentors, godparents, family friends, coaches, and community leaders;
- Supporting of relational permanency for older youth, including gradual, trust-based connections; and

<sup>1</sup> National Youth in Transition Database, 2021; FosterClub, 2025

<sup>2</sup> U.S. Department of Health and Human Services [HHS], 2023



- Maintenance of cultural, tribal, and community ties, Permanency must also be youth-defined. Young people tell us that the most meaningful permanency is the path they help shape themselves, one that honors their relationships, culture, and vision for their future.

Advancing permanency beyond adoption aligns with bipartisan priorities: strengthening families, reducing long-term system involvement, and improving outcomes without expanding institutional care. It reflects what youth and families consistently tell us they need: someone who will stay in their lives.

The National Foster Youth Institute endorses a vision of permanency rooted in lived experience that recognizes adoption as a valuable but not exclusive option. Investments in family-finding, sibling connection, kinship and fictive kin support, mentoring, and culturally grounded relationships, can help to ensure that no young person exits foster care without enduring connections to family and community. Permanency is not about fitting children into systems. It is about building systems that honor connection, belonging, and the right to a village.

*“ Sometimes when we’re talking about relationships, that does start outside of the home—in mentors, peers that can relate and let the child know that this will not go on forever. Having a blend of intra- and interpersonal approaches in post-permanency supports is important. ”*

— Veronica, New Mexico, Former Foster Youth

*“ Right now we’re really trying to fit each child and family into a box that will never truly fit everyone’s experience. One option is not greater or lesser than another. The best path forward is the one the young person envisions for themselves. It’s simple—kids need a village, and the support of a village is a birthright. ”*

— Veronica, New Mexico, Former Foster Youth

## Permanency Policy Recommendations:

- Federal law should define permanency as a young person in foster care having at least two safe, consistent, non-professional adults, identified by the youth and committed to long-term support, with the recognition that adoption is not desired, culturally appropriate or available for all youth. These adults could be kin, fictive kin, mentors, former caregivers, coaches, or community members. Reasonable efforts to achieve permanency must explicitly include identifying, engaging, and supporting relatives and fictive kin, with specific requirements tailored to the unique circumstances of older youth.
- Congress should clarify that Title IV-E funds may be used for permanency services for older youth, including family-finding, relationship-building, mentoring, and ongoing support for kin and fictive kin identified by the young person. Funding should be allocated to ensure that these relationships are formally supported and protected from disruption by placement changes or case closure.
- Federal law should require that youth-led permanency planning begins early in care and guarantee that young people have the right to identify and choose their permanent connections. Youth consent should be required before permanency decisions are finalized.
- Congress should fund ongoing post-care and post-permanency supports, including mediation, mental health services, financial assistance, activities that support a youth's cultural/religious heritage, and relational coaching for youth and their chosen adults.
- Congress and the Administration should invest in paid, supported mentoring and relational permanency models that prioritize long-term consistency and trust, so that trusted adults are compensated, trained, and supported to remain engaged over time.
- Provide federal funding and guidance to guarantee that states fully satisfy existing federal requirements for sibling joint placement and visitation,<sup>1</sup> and to support ongoing relationships with extended family as a core component of permanency when placement together is not an option.
- Federal child welfare policy should recognize permanency as ensuring that no young person exits foster care alone, and invest accordingly in lifelong, youth-defined relationships that are supported before, during, and after system involvement.

<sup>1</sup> These current requirements can be found at 42 U.S.C.A. 671 (a)(31).



## Fostering Health and Wellness

### Urgency of the Issue

Health and wellness are foundational to a young person's ability to learn, work, build relationships, and thrive. Many youth transition out of foster care with unmet physical, mental, and behavioral health needs that create barriers to stability and independence that persist long after exit from the system.

Youth aging out of foster care experience significantly higher rates of mental health challenges than their peers, largely driven by early trauma, placement instability, and disrupted access to care.<sup>1</sup> In national studies, approximately 60% of youth aging out report a history of complex trauma, and many transition to adulthood with unaddressed or inadequately treated mental health needs.<sup>2</sup>

The consequences are severe. Between 20% and 25% of former foster youth attempt suicide at least once, a rate several times higher than that of the general population.<sup>3</sup> Rates of post-traumatic stress disorder among former foster youth exceed those of U.S. combat veterans, reflecting the cumulative impact of

chronic adversity rather than isolated events.<sup>4</sup> These risks persist across urban and rural communities and across red and blue states, underscoring the national scope of the crisis.

Mental health needs often emerge early. Studies show that between 50% and 80% of children in foster care meet criteria for at least one mental health disorder, and approximately 23% experience multiple co-occurring diagnoses, far exceeding rates among the general adolescent population.<sup>5</sup> Yet continuity of care is frequently disrupted by placement changes, insurance gaps, and workforce shortages, particularly as youth age out of eligibility-based systems.

Historically, foster youth have been disproportionately treated with psychotropic medications, often in the absence of consistent psychosocial therapy or comprehensive care coordination.<sup>6</sup> While medication can be appropriate for some youth, overreliance without adequate monitoring or complementary supports has raised longstanding concerns about effectiveness, side effects, and long-term outcomes.

1 Courtney et al., 2018

2 Chapin Hall at the University of Chicago, 2019

3 ZipDo Education Reports, 2026; National Youth in Transition Database, 2021

4 ZipDo Education Reports, 2026; Elodie Barathe, 2025

5 National Survey of Child and Adolescent Wellbeing, 2022; Toros & Sercan, 2024

6 Palmer et al., 2023; Newland et al., 2025



There is increasingly evidentiary support for the effectiveness of trauma-informed, developmentally appropriate, and holistic approaches to care. Alternative and complementary therapies, such as creative arts therapies (including art, music, dance/movement, drama, and poetry), have shown promise in supporting emotional regulation, expression, and healing for youth who have experienced trauma.<sup>7</sup> Programs that emphasize coping skills, peer connection, and help-seeking behaviors, such as the Strengthening Youth Networks and Coping (SYNC) model, demonstrate the value of addressing mental health within a broader context of relationships and support.<sup>8</sup>

Evidence-based practices that prioritize early intervention, trauma-informed care, and continuity of services into young adulthood are more effective than crisis-driven responses that focus solely on symptom management. When youth are supported to understand their mental health, build coping strategies, and access care without stigma or punishment, outcomes improve across housing stability, education, and employment.<sup>9</sup>



The National Foster Youth Institute (NFYI) centers health and wellness as essential to successful transitions from foster care. Access to comprehensive, youth-centered, and culturally responsive health care is critical to preventing crises, reducing long-term public costs, and supporting young people to build stable, meaningful lives.

Health and wellness are inseparable from other outcomes; they are the foundation upon which all others rest.

*“We can't grow until we are in a place to maintain our health. When you are sick you want to get better and then you want to stay better. And so, whether that looks like increased access to healthcare services, alternative therapies, just being able to have an honest conversation without being treated as a threat... Having the space to really be.”*

— Lydia, Texas



## Health and Wellness Recommendations:

- Mandate the provision of mental health services tailored for foster youth, including crisis intervention and ongoing counseling.
- Establish a robust evidence base through Government Accountability reports to specific alternative treatments that are demonstrated to be most effective for youth in foster care.
- Create comprehensive guidance and guidelines for states, tribes, and territories on best practices to reduce and eliminate access barriers to effective treatments.
- Propose policies and procedures to support braided funding mechanisms and billing codes through Medicaid and Title IV-E to ensure full reimbursement for the costs of covered therapies for foster youth. Provide clear guidance to states on the coverage of alternative services under Medicaid to increase accessibility for foster youth.
- Increase the age foster youth receive dental coverage through Medicaid to the age of 26 to support dental health, a component of both physical and mental wellbeing.

7 Malchiodi, 2015

8 Munson et al., 2017

9 Courtney et al., 2018



## Fostering Prevention of the Foster Care-to-Prison Pipeline

“ What I lived through, what I see every day in my life working at a rehab center for youth, is urgent. I get to work with young people who grew up in foster care like me. Many of the young people I care for struggle with mental health issues and substance abuse. And so many of their paths have been shaped by systems that are familiar to me and so many others on this call today. Unaddressed trauma, food insecurity, job insecurity, being removed from their home in the name of neglect when in reality it was poverty. Those aren't just isolated issues. They're launch pads. They're launching youth straight into the foster care to prison pipeline.

— Antonio, California, Former Foster Youth & Formerly Justice System-Involved ”

### Urgency of the Issue

Youth with foster care experience are dramatically overrepresented in the juvenile and criminal justice systems, a pattern widely referred to as the foster care-to-prison pipeline. This pathway is not driven by higher rates of criminal behavior, but by systemic failures such as unmet mental health needs, placement instability, school disruption, and punitive responses to trauma-related behaviors<sup>1</sup>.

National research shows that foster youth are two to three times more likely than their peers to become involved with the juvenile justice system.<sup>2</sup> Placement instability significantly increases this risk. Studies indicate that youth who experience five or more foster care placements face an extremely high likelihood of justice system contact, reflecting the cumulative impact of disruption, surveillance, and unmet needs rather than individual choice.<sup>3</sup>

<sup>1</sup> Child Welfare Information Gateway, 2021; Courtney et al., 2018

<sup>2</sup> Herz et al., 2019

<sup>3</sup> Child Welfare Information Gateway, 2021



Placement type also matters. Youth placed in congregate or group care settings are more than twice as likely to have justice system involvement compared to those placed in family-based settings.<sup>4</sup> Group placements often rely on rigid behavioral rules and law enforcement responses to incidents that would otherwise be handled informally within families—such as arguments, curfew violations, or school-related conflicts.

These patterns persist across urban and rural communities and across red and blue states. Foster youth are more likely to be arrested at school, charged for “status offenses,” and punished for survival behaviors linked to trauma, instability, or poverty.<sup>5</sup> Once youth become involved in the justice system, they face compounding barriers to education, employment, housing, and permanency, along with additional trauma — conditions that often drive a cycle of reinvolvement.

In 2021, the National Foster Youth Institute (NFYI) launched the Juvenile Justice Think Tank and the #LostDays project to document the real human cost of this pipeline. Through #LostDays, current and former foster youth tracked the total number of days they spent incarcerated or on probation while in foster care, often for behaviors typical of adolescence, such as arguing with siblings, fighting at school, or possessing prescribed medication on campus.

Participants also reported being detained not because of criminal conduct, but because of system failures, including the lack of available foster placements. In one case, a young person was placed in detention simply because there were no foster care beds available in her state.

To learn more about the staggering number of days lost by participants, their families, and their communities, [visit the #LostDays project here](#).

Disrupting the foster care-to-prison pipeline requires a shift away from punishment and toward prevention, recognition of trauma, healing, and accountability. When systems respond to foster youth behavior with incarceration rather than support, they deepen harm and increase long-term public costs. Conversely, investments in family-based placements, mental health care, diversion programs, and trauma-informed responses reduce justice involvement and strengthen community safety.<sup>6</sup>

Obstructing this pipeline is a matter of justice, and it is also a matter of public health, fiscal responsibility, and human dignity. No young person should lose days, years, or their future because systems responded to trauma with punishment instead of care.



4 Annie E. Casey Foundation, 2020

5 Coalition for Juvenile Justice, 2022

6 Herz et al., 2019



## Foster Care-to-Prison Pipeline Policy Recommendations:

- Establish a policy requiring that all foster youth have access to independent, legal representation in all court proceedings affecting their rights, placement, permanency, and transition to adulthood, with dedicated funding for specialized legal aid organizations and attorneys trained in child welfare and youth development.
- Require the availability of trauma-informed mental health professionals to support foster youth during court proceedings and related legal processes to provide preparation, in-court support, and follow-up care when legal involvement may exacerbate trauma. Include funding for clinicians trained to respond to the unique needs of foster youth.
- Develop model policies in the following areas to share and promote with state leaders and legislators: (1) criteria to identify and constructively respond to crimes committed out of survival, such as theft to meet basic needs and (2) guidelines that allow for discretion in assessing the context of each case, considering poverty, lack of resources, and youth background when charging and providing dispositions.
- Establish federal incentives, through funding, guidance, and performance measures, for states to adopt policies that allow courts to dismiss or reduce charges for nonviolent offenses committed by system-impacted or at-risk youth when there is clear evidence that the behavior was driven by survival needs, including homelessness, poverty, or unmet basic needs.
- Encourage states to implement judicial review processes that require courts to assess the circumstances surrounding each case, including trauma history and system involvement, prior to imposing penalties, and to prioritize diversion over incarceration whenever public safety is not at risk.
- Provide federal incentives and guidance for states to develop and implement policies that allow for the dismissal or reduction of substance use-related charges when the behavior is linked to socio-economic factors such as poverty, housing instability, or trauma.
- Provide federal funding to states that provide comprehensive, wraparound services, including substance use treatment, mental health care, education, and supportive services, and diversion rather than punitive responses.



# Fostering Substance Use Prevention

“ They pass me door-to-door like worn  
out thread,  
Each house a cage, no place to call  
my own,  
I missed her.  
And I was only seconds away from being the greatest child to my mother,  
Now my memory is just a flicker drowned in flame...  
My mother was a victim of her addiction to drugs...  
They saw my pain but never really knew who I was and yet, still I rise...”

— Paul, California, Former Foster Youth

## Urgency of the Issue

Substance use is both a cause and consequence of child welfare involvement. Youth with foster care experience face a significantly higher risk of substance use than their peers, driven by early trauma, chronic instability, disrupted relationships, and limited access to consistent behavioral health care. Without targeted prevention and treatment, substance use becomes a barrier to health, housing stability, education, employment, and family preservation.

National studies indicate that foster youth are substantially more likely than their peers to initiate substance use during adolescence, with estimates suggesting that up to one-third report substance use before age 18.<sup>1</sup> By young adulthood, between 50% and 75% of former foster youth report problematic substance use or related disorders, far exceeding rates among the general population.<sup>2</sup> Approximately 30% of youth who age out of foster care develop serious substance use disorders, often alongside co-occurring mental health conditions.<sup>3</sup>

The consequences are severe and long-lasting. Former foster youth with substance use disorders experience higher rates of homelessness, unemployment, and justice system involvement,

compounding the challenges already associated with aging out of care.<sup>4</sup> These outcomes appear across urban and rural communities and across red and blue states, reflecting systemic gaps.

Substance use is also a major driver of family separation. In 2021, approximately 39% of children entering foster care were removed due to parental substance use, making it one of the leading reasons for child removal nationwide.<sup>5</sup> In many cases, substance use intersects with poverty, lack of access to treatment, and untreated mental health needs—conditions that can be addressed with early, family-centered intervention.

To watch Paul perform the spoken word poem from which this excerpt is taken, please click [here](#).

Paul’s story illustrates the intergenerational impact of substance use when treatment is unavailable, delayed, or punitive. Historically, child welfare systems responded to parental substance use primarily through removal rather than treatment, often prolonging family separation and increasing the likelihood of termination of parental rights. Research shows that without sustained, accessible treatment

1 Vaughn et al., 2017; SAMHSA, 2023

2 Courtney et al., 2018

3 National Youth in Transition Database, 2021; SAMHSA, 2023

4 National Youth in Transition Database, 2021; Administration for Children and Families, 2022; SAMHSA, 2023

5 U.S. Department of Health and Human Services [HHS], 2023



and recovery supports, relapse is common, further destabilizing families and children.<sup>6</sup>

Encouragingly, policy approaches are beginning to shift. Federal reforms, including the Family First Prevention Services Act, allow states to use federal child welfare funds to provide substance use treatment, mental health services, and parenting supports aimed at keeping families safely together.<sup>7</sup> Across the country, family-centered treatment models, such as family treatment courts and residential treatment programs that allow parents and children to remain together, have demonstrated improved reunification outcomes and reduced re-entry into foster care.<sup>8</sup>

Despite these advances, significant barriers remain. Many families and youth face challenges accessing treatment due to cost, provider shortages, geographic isolation, stigma, and gaps in continuity of care, especially during transitions between systems or as youth age out of eligibility-based services.

The National Foster Youth Institute (NFYI) advances substance use prevention strategies that are trauma-informed, family-centered, and rooted in lived experience. Preventing substance use and supporting recovery among both parents and youth is essential to family preservation, permanency, and long-term wellbeing. Substance use should be treated as a public health issue and prevention must begin long before crisis or removal occurs.

## Substance Use Prevention Policy Recommendations:

- Increase federal and state funding for outpatient substance abuse treatment centers that integrate mental health services with substance use prevention, and provide services specifically tailored to foster youth.
- Require state and local education agencies to implement comprehensive trauma-informed care training for all K-12 teachers and school staff.
- Mandate that programs receiving federal or state funding for coordinated substance use support care teams prioritize foster youth and collect outcome data to evaluate program effectiveness.
- Direct federal and state health agencies to implement policies requiring training for healthcare providers on the heightened risks of addiction for youth in foster care or in the juvenile justice system. Hold providers accountable for their prescribing practices regarding opioids and other addictive medications for these vulnerable populations.
- Require healthcare professionals, under guidance from federal and state health agencies, to conduct thorough screenings for family histories of addiction before prescribing potentially addictive medications to foster and justice-involved youth. This should be part of a comprehensive assessment process that accounts for the unique vulnerabilities of system-impacted youth.
- Require the Government Accountability Office (GAO) to release data it collects on the prescribing patterns of medications to foster and justice-involved youth. This data will enable better evaluation of the impact of the Fostering Connections to Success Act and inform policy reform.

6 SAMHSA, 2022

7 HHS, 2022

8 National Center on Substance Abuse and Child Welfare, 2021



# Fostering Pathways to Social and Economic Mobility

## Urgency of the Issue

Social and economic mobility is shaped by access to stability, opportunity, and support, as well as individual effort. For many current and former foster youth, pathways to education, employment, leadership, and wealth-building are constrained by systemic barriers, including housing instability, disrupted schooling, lack of family support, and limited access to professional networks. As a result, foster youth are often excluded from opportunities that are readily available to their peers.

National data illustrate the scope of the challenge. Only about 55% of foster youth graduate from high school by age 19, compared to approximately 87% of youth in the general population.<sup>1</sup> Postsecondary outcomes are even more stark: fewer than 10% of former foster youth enroll in college, and only 3–4% earn a bachelor's degree, despite similar aspirations and motivation.<sup>2</sup>

Employment outcomes reflect these educational gaps. By age 24, approximately 50% of former foster

youth are employed, compared to roughly 75% of their peers, and those who are employed typically earn significantly lower wages, limiting their ability to achieve long-term stability.<sup>3</sup> These disparities persist across urban and rural communities and across red and blue states, underscoring that geography alone does not explain the gap.

*“ I’ll be frank. There’s not enough support and there’s not enough of us here. It took over seven years of being in higher education [for me] to meet an adult with foster care experience. ”*

— William, Delaware,  
Former Foster Youth

Click [here](#) to watch former foster youth and PhD candidate William share more about the barriers to higher education.

<sup>1</sup> Courtney et al., 2018; NCES, 2023

<sup>2</sup> Chapin Hall at the University of Chicago, 2019

<sup>3</sup> Courtney et al., 2018



Beyond education and employment, many foster youth face long-term financial insecurity. Limited access to financial education, credit-building opportunities, and savings programs combined with the absence of generational wealth make it difficult to weather emergencies, invest in education or entrepreneurship, or build assets over time.<sup>4</sup> Challenges related to credit history, debt, and predatory financial products further compound economic vulnerability.

Yet foster youth consistently express their desire to lead, contribute, and build meaningful lives. Social and economic mobility requires more than job placement; access to mentorship, professional networks, leadership development, and supportive communities that open doors are needed to sustain opportunity over time.

The National Foster Youth Institute advances social and economic mobility strategies grounded in lived experience and evidence. Expanding access to education, workforce training, mentorship, leadership pipelines, and wealth-building tools is essential to closing opportunity gaps and ensuring that foster youth have a fair shot at the American dream.

The creation of real pathways to mobility is more than an investment in individual futures; it strengthens the workforce, reduces reliance on public systems, and builds healthier, more resilient communities nationwide.

“

*Social and economic mobility to me means giving youth the opportunity to explore one's passions without having to worry about their survival and lacking the basic necessities every human deserves. Giving current and former foster youth a high-quality education is important because it prepares them for not only the workforce, but also builds strong, healthy interpersonal skills to live independently successfully. And when I say successfully, I don't just mean financial stability. But also creating a strong support system for foster youth to provide them the mentorship and guidance necessary to learn the values that most of us didn't have with our families.*

”

— Viola, California,  
Former Foster Youth

## Social and Economic Mobility Federal Recommendations:

- Increase funding for youth leadership and workforce development programs, including apprenticeship programs, starting at age 16 and extending until age 30 for foster youth.
- Increase funding and opportunities for peer-to-peer and professional mentorship programs for current and former foster youth.
- Increase funding for internships and fellowships in their desired fields for current and former foster youth.
- Provide funding for youth in foster care to learn to drive and obtain a driver's license, and to receive support in obtaining car insurance.
- Increase funding support that enables foster youth in K-12 education to meet the requirements for college or trade school entry. This includes investments in tutoring, pre-college programs, and promotion of school stability.
- Congress and the Administration should work with the Federal Communications Commissions to explore the creation of a LifeLine program for youth with experience in foster care to ensure that they have the necessary access to technology and the internet, that will enable them to thrive in our current economy and to stay connected to their family and community.
- Congress should mandate the treasury department to establish foster youth saving accounts so that every foster youth receives a monthly deposit into their account which can be accessed when they exit foster care or turn 18 and be used for transitional supports such as housing, obtaining employment, educational expenses, transportation and food. States should be incentivized to match federal dollars into the savings accounts.<sup>5</sup>

<sup>4</sup> Urban Institute, 2021

<sup>5</sup> We are encouraged by the creation of Trump Accounts and the Trump Accounts Contribution Pilot from HR 1. A foster youth savings account program could build on this promising policy.



# Conclusion

The challenges highlighted in this report are profound, but they are not insurmountable. Across the country, current and former foster youth are courageously sharing their experiences, calling out gaps in policy and practice, and offering solutions shaped by the realities of their lives. Their leadership has illuminated what must change and what is possible when systems listen, respond, and invest in their wellbeing.

The recommendations in Urgency to Act provide a clear roadmap for federal leaders to address the root causes of family separation, improve outcomes for young adults transitioning out of care, and strengthen the child welfare system so every child has the chance to thrive. Each recommendation is grounded in lived experience and informed by both the expertise of the young people who navigate these systems every day and a staff steeped in child welfare policy. These solutions are actionable steps that can prevent harm, reduce long-term costs, and build stronger, more equitable communities.

Progress requires partnership. Policymakers, agencies, philanthropic partners, and community organizations all have a role to play in advancing these reforms and in centering the voices of those most impacted. Now is the time to move beyond intention to implementation.

## Call to Action

NFYI stands ready to collaborate with leaders who are committed to meaningful, youth-informed change. Whether you are shaping legislation, strengthening programs, or designing new initiatives, we can help you to ensure that the perspectives of current and former foster youth guide every step.

To partner with NFYI on policy development, youth engagement, or implementation support, please contact us at [contact@nfyi.org](mailto:contact@nfyi.org), visit our website [www.nfyi.org](http://www.nfyi.org) and follow us on social media: [Facebook](#), [Instagram](#), [X](#)

Together, we can build a child welfare system rooted in dignity, opportunity, and the transformative power of lived experience. The urgency to act is clear and the opportunity to make a lasting difference is now.





# Best Practices

## From Policy to Practice:

### Promising Models Supporting Foster Youth Wellbeing

Across the United States, states and local jurisdictions have developed innovative, effective practices that demonstrate how thoughtful, evidence-based policies can improve outcomes for children, youth, and families impacted by the child welfare system. These promising models, spanning health and wellness, family preservation and permanency, placement stability, and justice prevention, illustrate how policy can translate into meaningful, real-world impact.

This section offers a curated overview of select state and system-level practices that have demonstrated strong outcomes or potential for replication. It is not intended to rank or endorse specific programs, nor to provide an exhaustive list. Rather, it is designed to support learning, spark collaboration, and encourage continued innovation by highlighting approaches that align with lived experience and evidence.

Each example below illustrates how policy flexibility, cross-system coordination, and youth- and family-centered design can strengthen foster youth wellbeing. These models can inform future policy development and implementation efforts across diverse geographic and political contexts.

### Health & Wellness

#### Youth Empowerment Services (YES) Waiver

##### *Medicaid 1915(c) Waiver Model*

The YES Waiver leverages Medicaid flexibility to provide intensive, wraparound, community-based mental health services for youth with serious emotional and behavioral needs. Using a strengths-based, family-driven planning process, the model emphasizes prevention, reduces out-of-home placements, and supports lifelong independence. Services include traditional and non-traditional therapies (such as art, music, and animal-assisted therapy), respite care, supported employment, and transition services, demonstrating how Medicaid policy can support holistic, trauma-informed care.

**Key takeaway:** Medicaid flexibility can be used to fund comprehensive, youth-centered mental health supports that keep families together and reduce system involvement.

### Family Preservation, Permanency & Placement Stability

#### Family Urgent Response System (FURS)

##### *24/7 Trauma-Informed Crisis Response Infrastructure*

FURS provides a statewide, non-law-enforcement crisis response for current and former foster youth and their caregivers during moments of instability. Through a 24/7 hotline and county-based mobile response teams, FURS helps families de-escalate conflict, stabilize placements, and preserve caregiver-youth relationships. The model reduces hospitalizations, justice involvement, and placement disruptions while improving caregiver retention and youth stability, including for youth in extended foster care.

**Key takeaway:** Crisis response systems designed specifically for foster families can prevent placement breakdowns and reduce reliance on emergency and justice systems.



## Permanency Beyond Adoption

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### SOUL Family Legal Permanency

#### *Youth-Driven Legal Permanency Framework*

SOUL Family Legal Permanency offers a court-approved permanency option that is not limited to adoption or biological family. Youth ages 16 and older identify one or more trusted adults—related or unrelated—to serve as legal custodians, with youth consent at the center of the process. Importantly, youth retain access to Medicaid, education and training subsidies, and Independent Living benefits, avoiding the “permanency cliff” often associated with traditional legal outcomes. Custodians commit to maintaining the relationship beyond age 18, reinforcing lifelong connection.

Key takeaway: Legal permanency options that center youth choice and preserve benefits can expand pathways to belonging and stability for older youth.

## Cross-Pillar Insight: Policy Enables Practice

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Together, these models demonstrate that effective practice follows enabling policy. Whether through Medicaid waivers, crisis response infrastructure, or alternative legal permanency frameworks, each example shows how policy design can:

- Prevent unnecessary family separation
- Reduce placement instability and justice involvement
- Expand access to culturally responsive, trauma-informed supports
- Honor youth agency and lived experience

These approaches are adaptable across urban and rural communities and across red and blue states, offering practical inspiration for leaders seeking to move from policy intent to implementation.

*We offer these examples as illustrations, not endorsements. Inclusion of these examples reflects alignment with evidence, lived experience, and the goals outlined in Urgency to Act: Unlocking Foster Youth Wellbeing, but does not imply exclusivity or preferences.*

*This document accompanies Urgency to Act: Unlocking Foster Youth Wellbeing, a national policy roadmap from the National Foster Youth Institute (NFYI). The report and these examples demonstrate how youth-informed policy can move from vision to implementation, improving outcomes for foster youth, families, and communities nationwide.*



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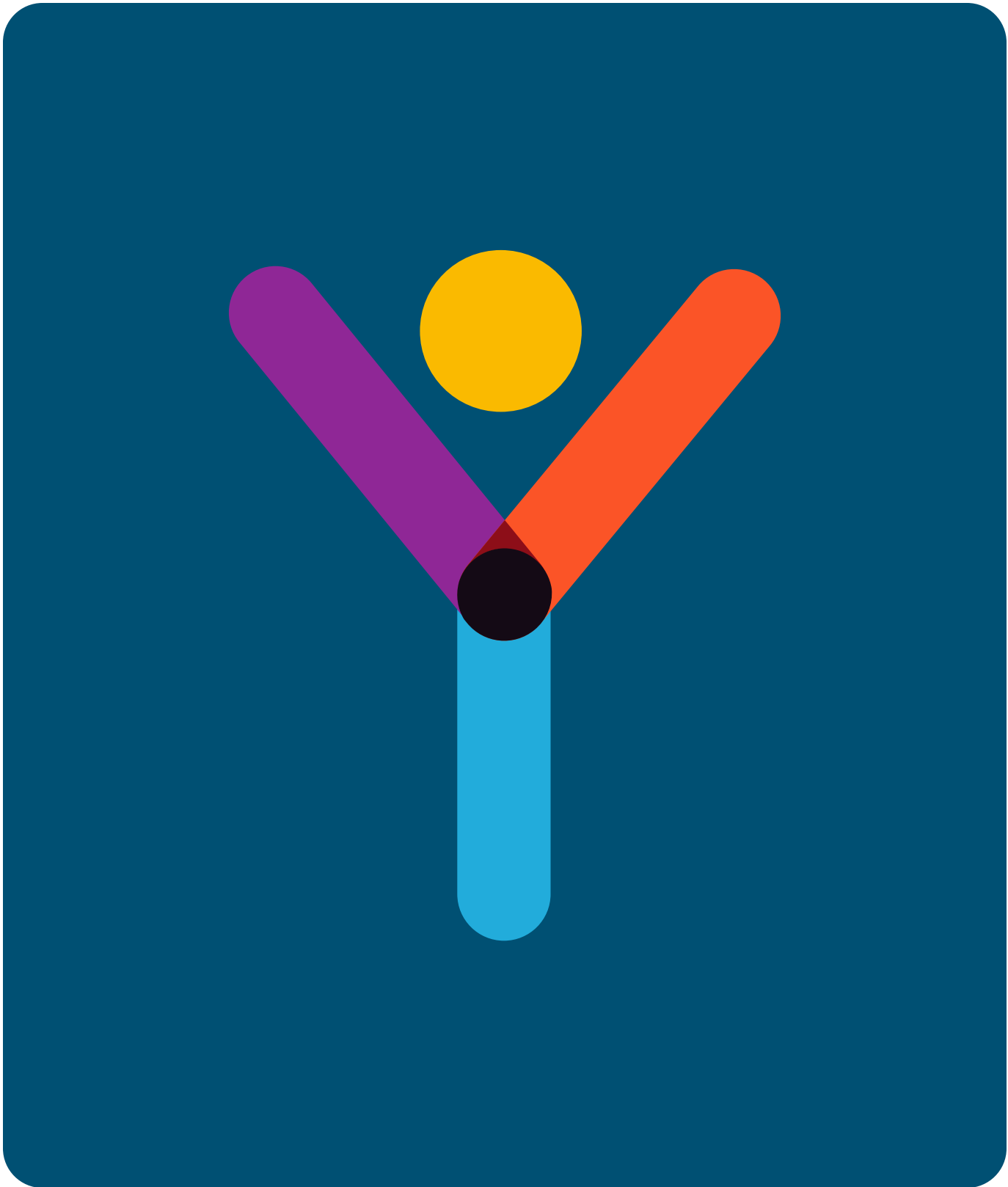
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