

CONNECTED BY 25:



A PLAN FOR INVESTING IN SUCCESSFUL FUTURES FOR FOSTER YOUTH

The Youth Transition Funders Group

The Youth Transition Funders Group (YTFG) was formed by leaders from foundations dedicated to improving the lives of our nation's most vulnerable young people. Program staff and other representatives of foundations involved in the YTFG are committed to achieving a common mission—ensuring that this nation's young people are successfully connected by age 25 to institutions and support systems that will enable them to succeed throughout adulthood. A young person who is “connected by 25” has attained four critical outcomes: employment and/or preparation for economic success; connection to a positive support system which includes informal and formal supports; the ability to be a reasonable parent; and readiness for civic engagement. To achieve this mission, YTFG members are committed to working together, thereby enhancing the likelihood that our investments will make a real difference in promoting young people's attainment of these outcomes. More information about YTFG as well as a range of resources can be found at the website www.youthtransitions.org.

Youth Transition Funders Group Steering Committee

Chris Sturgis, Omidyar Foundation, Co-Chair

Michael Wald, Stanford University, Co-Chair

Deborah Alvarez-Rodriguez, Omidyar Foundation

Becky Hornbeck, National Coalition of Community Foundations for Youth

Helena Huang, JEHT Foundation

Patrick McCarthy, The Annie E. Casey Foundation

Tina Gridiron Smith, Lumina Foundation for Education

Gary Spangler, Gem Casey Youth Opportunities Initiative

Carolyn Young, Hogg Foundation for Mental Health

The Foster Care Work Group

The Foster Care Work Group is one of three work groups of the Youth Transition Funders Group. To improve the likelihood that vulnerable youth between the ages of 14 and 24 will become “connected by 25,” the Foster Care Work Group (FCWG) urges new investments to prepare foster youth and those leaving foster care for the future, as well as investments to meet their present needs while they are in the custody of the state. The foundation executives who participate in the Foster Care Work Group recognize and embrace ongoing efforts to strengthen and reform the child welfare system. They also recognize that helping foster youth and those aging out of foster care become successful adults requires that they have a community-wide network of connections and support that can provide pathways to lifelong economic well-being and financial success. Accordingly, the Foster Care Work Group has concentrated its attention and energies on exploring new ways to help foster youth and young adults leaving care complete their educations, find jobs that will lead to lifetime careers, develop effective financial management skills, learn how to save and accumulate material assets, and take advantage of opportunities to pursue their own business ventures. Based on past research and program experience as well as their own engagement as funders and professionals who work with foster youth, members of the Foster Care Work Group believe strongly that a focus on economic success can have significant rewards for these vulnerable young people.

The Finance Project

The Finance Project is a non-profit policy research, technical assistance, and information organization whose mission is to support decision making that produces and sustains good results for children, families, and communities. Since its establishment in 1994, The Finance Project has become an unparalleled resource on issues related to the financing of education, family and children's services, and community development. Their work informs the development of effective policies, programs, and system reform efforts.

CONNECTED BY 25:

A PLAN FOR INVESTING IN SUCCESSFUL FUTURES FOR FOSTER YOUTH

PREPARED BY

THE YOUTH TRANSITION FUNDERS GROUP FOSTER CARE WORK GROUP
WITH THE FINANCE PROJECT



F O S T E R C A R E W O R K G R O U P

Toni Cooke, Co-Chair
Senior Associate Director
Jim Casey Youth Opportunities Initiative

Rick R. Williams, Co-Chair
National Programs Director
Charles and Helen Schwab Foundation

Helen Alessi
Senior Program Officer
Edwin Gould Foundation for Children

Wendy I. Lorenzi
MSW Candidate
Texas State University

David Ambroz
Candidate, Juris Doctorate
UCLA School of Law

Rita Powell
Senior Director
Jim Casey Youth Opportunities Initiative

Bonnie Armstrong
Senior Fellow
Foundation Consortium for California's Children & Youth

Gary Stangler
Executive Director
Jim Casey Youth Opportunities Initiative

Lynn DeLapp
Consultant
The Finance Project

Ann Stanley
Senior Director of Transition Services
Casey Family Programs

Myeshia Grice
Director, Chapter Development
California Youth Connection

Jane V. Soltis
Program Officer
Eckerd Family Foundation

Cheryl D. Hayes
Executive Director
The Finance Project

Tina Gridiron Smith
Associate Program Officer
Lumina Foundation for Education

Talmira Hill
Consultant
T.L. Hill Group

Susan A. Weiss
Director, Community and Alumni Relations
Casey Family Programs

Brian S. Lyght
Senior Associate
The Annie E. Casey Foundation



TABLE OF CONTENTS

Preface	6
Introduction	8
Foster Youth and Young Adults Leaving Foster Care	9
The Child Welfare System: The Challenge of Reform	10
Preparing Foster Youth for Life on Their Own	12
A Theory of Change: Making the Case for Investing in Economic Success	15
Making the Futures of Foster Youth the Focus of Public Policy, Philanthropic Investment, and Community Mobilization	17
Toward an Agenda for Investment	18
Organization and Structure of the Investment Plan	19
A Strategic Approach to Improving the Economic Well-Being and Financial Success of Young Adults Leaving Foster Care	20
Advocate and Support Educational Attainment	21
Facilitate Access to Workforce Development Opportunities	27
Provide Financial Literacy Education	30
Encourage Savings and Asset Development	34
Create Entrepreneurship Opportunities	38
Make Supports and Services More Effective	41
Conclusion	45
Investment Workplan	46
Piloting Promising Approaches: Community Demonstration Initiatives	47
Building the Knowledge Base: Research and Evaluation	49
Improving Programs and Systems: Technical Assistance to States, Communities, and Organizations	52
Building a Strong Base of Support: Communications, Outreach, and Advocacy	54
Conclusion	56
Measuring Results	57
Impact	59
Influence	60
Leverage	61
Conclusion	61
Appendix I: Logic Model: Investing in Economic Success for Foster Youth	62
Appendix II: Resources on Improving Economic Well-Being for Young People Leaving the Foster Care System	65

PREFACE

The transition from childhood to adulthood is often a precarious journey – filled with opportunity and risk. Adolescence can be a time of tremendous discovery, growth, and developing independence. With proper guidance and support, young people explore their unique talents and interests; develop knowledge, skills, and aspirations; and acquire the relationships and connections that they will depend upon for a lifetime. Most young people, with the support of their families and community networks, make this transition successfully. Unfortunately, there are also many young people in our communities who lack adequate nurturing, guidance, and support. For these youth, the risks of adolescence often overshadow the opportunities. And for too many, the result is that they enter adulthood with little hope or preparation for a successful future.

Recognizing the high costs and the devastating consequences of failing to support vulnerable young people through this period, The Youth Transition Funders Group (YTFG) was formed in 1995. It brings together leaders from foundations dedicated to improving the lives of our nation's most vulnerable youth. Program staff and other representatives of foundations participating in YTFG work together to ensure that young people are connected by age 25 to institutions and support systems that will enable them to succeed throughout adulthood. The YTFG is led by a steering committee selected from member institutions, and principally accomplishes its work through the efforts of members who participate in three work groups. These work groups focus on young people who have dropped out or have been pushed out of schools, those in/emerging from foster care, and youth in the juvenile justice system. In 2003, the work groups examined research and strong practices, sought input from the field and young people, and assessed other information in order to develop an investment strategy in each area. This document presents the investment strategy developed by the Foster Care Work Group (FCWG).

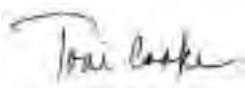
Developing a strategy for public- and private-sector investments to help youth in foster care become connected by age 25 poses a significant challenge. Foster youth not only have to cope with the trauma of separation from families unable or unwilling to provide proper care, but they also must live within a child protective system that is overburdened and, in many cases, ill-equipped to provide even a basic level of stability, safety, and nurturing. Many efforts aimed at improving the lives of foster children focus on reforming the child welfare system to better protect and care for vulnerable children and youth. Members of the Foster Care Work Group recognize and embrace the critical importance of these reform efforts. They also recognize that as public systems grapple with their mandate to provide *protection* for all children in their care, attention to *preparation* for independence and adulthood is often given short shrift. Helping foster youth and those aging

out of care become successful adults requires more than addressing their immediate needs for shelter, food, and safety. It also requires that they acquire the knowledge, skills, and connections to become productive and self-supporting adults.

This investment plan calls for government, foundations, community organizations, and individuals to mobilize their energy and resources with a greater focus on the future of foster youth and those aging out of foster care. This is not to deny the urgent need to provide basic protections for those in care. Rather, it is to emphatically assert that it is not enough to address risks and remediate problems; it is also essential to build on individual strengths and develop personal assets in order to help young people acquire the motivation and the means to be successful throughout their lives. Accordingly, this plan outlines five strategies aimed at helping foster youth to achieve economic success, which is a critical building block for future success in a number of fundamental aspects of adult life, including housing, family stability, safety, health, and social well-being. We hope that it leads to increased investments and supportive policies that have a significant positive impact on the future economic well-being and financial success of the thousands of young people who spend time in the child welfare system.

This investment plan is the result of an intensive and rewarding collaboration among the foundation leaders who are members of the Foster Care Work Group. We want to extend our sincere thanks to all our colleagues who devoted so much time and energy over the past year to developing the ideas and approaches that are outlined in this document. They come from national and regional foundations that are exploring opportunities to work together in the coming years to help improve the lives and prospects of children and youth who spend time in foster care. They also include young adults who are former foster youth and for whom the challenges and possibilities are a concrete reality.

We also want to express our deep appreciation to The Finance Project for its strong support of our work. Cheri Hayes facilitated our deliberations and played a central role in drafting this investment plan. Cheri was ably assisted by Lynn DeLapp, who enabled this project to keep moving.



Toni Cooke, Co-Chair

Jim Casey Youth Opportunities Initiative



Rick R. Williams, Co-Chair

Charles and Helen Schwab Foundation

FOSTER CARE WORK GROUP INVESTMENT PLAN

INTRODUCTION

Most young people who grow up in the United States will “make it”. They will reach adulthood healthy, prepared for work, and able to contribute to the well-being of their families and communities. **Unfortunately, some will not.** An estimated five percent of all youth will enter adulthood without the knowledge, skills, experience, attitudes, habits, and relationships that will enable them to be productive and connected members of society.¹ Among those at greatest risk are the more than half-million youth who live outside their birth families in foster families, group homes, and institutions. Research suggests that without the extended support that most young people—even if they live with only one parent—receive from their families, foster youth face enormous challenges in making a smooth transition to adulthood and building successful lives.

What determines whether a young person leaving foster care approaches adulthood and independence with the resources and expectations to be successful, or ends up isolated, homeless, unemployed, and without hope for a bright and happy future? There is no simple answer to that question; often, the difference between success and failure is not very great. Yet, common sense, empirical research, and testimony from foster youth themselves all underscore the importance of comprehensive preparation for independent living, opportunities for economic success, and encouragement to aim high.



FOSTER YOUTH AND YOUNG ADULTS LEAVING FOSTER CARE

Children and youth in foster care bear the painful burden of abuse, neglect, abandonment, and families who threaten their health and well-being. In most cases, the government has become their guardian not because of their own actions and shortcomings but because the parents who brought them into the world are unable or unwilling to provide proper care and nurturing. When children and youth are removed from their families, they typically stay in a shelter until they can be placed with a foster family or in an appropriate group home or other congregate care setting. The goal of the child welfare system is to provide care until they can be reunited safely with their parents or placed permanently with other family members or in an adoptive family. The first foster care placement is rarely the last. Usually, finding a permanent arrangement takes many months, if not years.² Too often, it doesn't happen at all.

Despite the pain, hardship, and disruption of their early lives, many foster youth are unbelievably resilient individuals. They grow up to become productive and connected members of society: they graduate from high school, college, and post-graduate schools; start successful careers; raise strong families; and contribute to their communities in valuable ways.

Like many disadvantaged youth who overcome the risks of disrupted childhoods, former foster youth are most likely to become successful adults if a number of protective factors are present. If they have positive and outgoing dispositions and even tem-

peraments, children at risk are more likely to elicit loyal and responsive support from adult caregivers and mentors. When foster youth are able to form close and trusting relationships with caring adults—coaches, counselors, foster parents, or others—who act as gatekeepers for their futures, they can be effectively buffered from the stresses and disorder of their own families and the disruption of shifting foster care arrangements. Often these caring adults are also critical to their educational success. When foster youth grow up in strong, cohesive families—even if not their birth families—where there is a sense of structure and order, many are able to develop the self-esteem and self-efficacy to overcome significant disadvantage and disruption. And if they are active, contributing members of school,

Like many disadvantaged youth who overcome the risks of disrupted childhoods, former foster youth are most likely to become successful adults if a number of protective factors are present in themselves, their families, and their communities.

neighborhood, or faith-based organizations that promote strong values and provide opportunities for youth involvement and leadership, many foster youth are able to envision pathways out of the adversity that has scarred their early lives. Perhaps the most potent force for change in the lives of many at-risk children and youth, including foster youth, is a second chance—a sense of hope and confidence that they can overcome the odds stacked against them.³

² U.S. Department of Health and Human Services, Children's Bureau, *Child Welfare Outcomes 1999: Annual Report* (Washington, D.C., 2001), available at <<http://www.acf.hhs.gov/programs/cb/publications/cwo99/chapters/chap3.html#permanancy>>.

³ Werner, E., "Children of Kauai" (paper presented at the Conference on Vulnerability and Resiliency in Children and Families: Focus on Children with Disabilities, Baltimore, Md., March 1991); Garmezy, N., "Stressors of Childhood," in *Stress, Coping and Development in Children*, Garmezy, N. and Rutter, M., eds. (New York: McGraw-Hill, 1983), pp. 43-78; Werner, E. and Smith, R.S., *Vulnerable But Invincible: A Longitudinal Study of Resilient Children and Youth* (New York: McGraw-Hill, 1982).

Unfortunately, far too many foster youth lack the basic support that most young people who live with their families take for granted—a helping hand as they prepare for the challenges of adult life and a network of caring adults to fall back on if they are uncertain, need help, or stumble along the way. When they turn 18, youth in care are emancipated from the bureaucratic system that has served as their custodian. Their connection to the child welfare system terminates, and they are on their own, usually without any safety net at all.

As a consequence, the prospects for many of these young adults are not happy ones. Studies suggest that more than half of youth aging out of foster care have not graduated from high school. Only about one in eight has graduated from a four-year college. Twelve to 18 months after leaving the system, only about 38 percent are employed, and fewer than half have ever held a full-time job. Of those who have

been employed, their median salary is less than the wages of a full-time worker receiving minimum wage. More than a third of young people leaving foster care suffer emotional disturbances and the behavioral problems that often accompany them, including truancy, social withdrawal, running away from care, and engaging in risky behaviors. Half report that they have used illegal drugs; a quarter report that they have had encounters with the criminal justice system, in many cases problems related to alcohol and drug use. Birth rates tend to be quite high among young women who have been in foster care—between 40 and 60 percent within 12 to 18 months of the time they leave the child welfare system. Among young men, approximately 25 percent report that they have fathered a child within this timeframe. Many young men and young women experience homelessness at least once after leaving foster care.⁴

THE CHILD WELFARE SYSTEM: THE CHALLENGE OF REFORM

If this nation's leaders had deliberately set out to design a system that would frustrate the professionals who staff it, anger the public that pays for it, and shortchange the children who depend on it, they could not have done a better job than to create the current child welfare system.⁵ Although the goals of family reunification and permanent placement remain paramount, dramatic increases in the number of troubled and broken families, overburdened and bureaucratic child protective agencies, and misguided financial incentives in federal and state policy

have made these goals nearly impossible to achieve. As the bipartisan National Commission on Children concluded more than a decade ago, the current system leaves everyone who touches it angry, frustrated, and wanting something better. Child welfare staff and dependency court judges want more manageable caseloads, so they can give children and families thoughtful attention. Foster parents want more training and support to meet the developmental needs of children who arrive at their homes, including the growing number of foster children

⁴ Wertheimer, R., *Youth Who "Age Out" of Foster Care: Troubled Lives, Troubling Prospects* (Washington, D.C.: Child Trends, 2002), available at <<http://www.childtrends.org/PDF/FosterCareRB.pdf>>; Cook, R., *A National Evaluation of Title IV-E Foster Care Independent Living Programs for Youth: Phase 2 Final Report* (Rockville, Md.: Westat, 1991); Courtney, M. and Piliavin, I., "Foster Youth Transitions to Adulthood: Outcomes 12 to 18 Months after Leaving Out-of-Home Care" (Madison, Wisc.: University of Wisconsin, 1998); Barth, R., "On Their Own: The Experience of Youth After Foster Care," *Child and Adolescent Social Work Journal* 7 (5): 419-40 (1990).

⁵ National Commission on Children, *Beyond Rhetoric: A New American Agenda for Children and Families* (Washington, D.C.: GPO 1991), p. 293.



with chronic illnesses, disabilities, and severe emotional problems. Families wish someone had reached out to them earlier, possibly averting the events that caused their children to be removed from their care. And foster children want what all children want—a loving, safe, and nurturing family and a secure home.⁶

Over the past decade and a half, several blue-ribbon commissions and boards have called for fundamentally restructuring and reforming the child welfare system.⁷ Experts and observers agree that marginal changes will not turn around the current system. They also generally agree that what is needed is a comprehensive, community-level approach to strengthen families and protect vulnerable children through three complementary levels of programs and services, including:

> **Community-based family support networks** that offer access and referrals to a broad array of services, including health and mental health care, education, recreation, housing, parenting education and support, employment and training, and substance abuse prevention and treatment, all aimed at promoting healthy child development and family functioning.⁸

> **Intensive family preservation programs and services** to coordinate emergency support and resources for vulnerable families who voluntarily seek help before their problems become acute.⁹ These may include health and mental health, juvenile services, substance abuse programs, remedial education, and social and economic supports that can offer practical assistance and solutions to problems faced by families experiencing crises.

> **Comprehensive child protective services** to provide care in foster homes and other congregate care settings for children who have already suffered or are at imminent risk of suffering serious harm.¹⁰ With a strong emphasis on efforts to reunite children with their own families or to provide permanent placement for those who cannot be safely returned, these programs and services should include food, housing, clothing, education, medical care, mental health services, counseling, preparation for independent living, and an array of therapeutic and enrichment programs and services to support their growth and healthy development.

The list of barriers to effectively serving vulnerable children and families and the challenges to meaningful

⁶ *Ibid.*

⁷ The commissions include the joint Congressional-Presidential National Commission on Children; the American Public Welfare Association's Commission on Child Welfare and Family Preservation; and the Pew Commission on Children in Foster Care.

⁸ National Commission on Child Welfare and Family Preservation, *A Commitment to Change* (Washington, D.C.: American Public Welfare Association, 1991), pp. 11-5; National Commission on Children, *op. cit.*, p. 295.

⁹ National Commission on Child Welfare and Family Preservation, *op. cit.*, pp. 17-21; National Commission on Children, *op. cit.*, pp. 295-6.

¹⁰ National Commission on Child Welfare and Family Preservation, *op. cit.*, pp. 23-30; National Commission on Children, *op. cit.*, pp. 296-7.

reform of the child welfare system is long; an increasingly diverse client population; inadequate fiscal resources; a fragmented and bureaucratic system that is not organized to help troubled families avoid crisis but to rescue maltreated and neglected children once the damage is done; financial incentives that make it easier for states to remove children from their homes than to keep them with their families; and help that is usually too little, too late, if it comes at all.

Efforts to improve child welfare services are ongoing. They have been the subject of detailed reports and legislative proposals, of foundation initiatives and community campaigns. Any effective reforms will require substantial changes for many years to come in policies, programs, and practices at all levels of government and in all human services that touch vulnerable children and families. Such reforms are no less urgent now than they were a decade ago, and they should continue.

But reforming child protective services is not the whole story. Supporting and serving foster children and ensuring that youth who age out of care have the means and the motivation to become successful adults entails much more. This goal requires expanding the focus of supports and services to include significant new investments and innovative approaches to prepare these youth for life on their own. It calls for new partnerships that can mobilize resources across communities, not just within child welfare agencies, to help foster youth and former foster youth realize their full potential as connected and contributing adult members of society. It demands new ideas, new ways of operating, and new commitments from the formal systems—child welfare, education, and the judiciary—as well as from community organizations, employers, and concerned citizens. And, it requires thinking bigger, expecting more, and aiming higher when we envision the futures of former foster youth.

P R E P A R I N G F O S T E R Y O U T H F O R L I F E O N T H E I R O W N

Enrollment in independent living programs is the most common approach to preparing older foster youth for the challenges of living on their own and caring for themselves and their children, if they have any. Typically, these programs provide young people leaving foster care with a variety of supports and services, including help in completing their educations, job training and assistance in finding a job, instruction in basic skills (e.g., money management, hygiene, housekeeping, and nutrition), and supervised practice living arrangements, such as renting an apartment on their own or with others while continuing to receive assistance from a child welfare worker.¹¹

Research on the effectiveness of independent living programs is relatively sparse. Nevertheless, recent reviews of existing studies highlight the value of an array of promising practices, including life skills instruction, academic and educational support (including financial assistance with post-secondary education), employment and career development support, mentoring and other community outreach activities and services, supervised independent living, and health care.¹² A national study of independent living programs more than a decade ago showed that youth who receive skill training in five key areas—education, employment, money manage-

¹¹ Wertheimer, *op. cit.*, p. 6.

¹² Loman, L.A., and Siegel, G.L., “A Review of Literature on Independent Living of Youth in Foster and Residential Care” (St. Louis, Mo.: Institute of Applied Research, 2000).



ment, credit management, and consumer skills—fare significantly better in their ability to live independently than those who do not receive training. Results from the study suggest that youth who receive these services are better able to hold a job for at least a year, better able to obtain health care if they need it, less likely to go on welfare or to prison, and more likely to build a supportive social network.¹³

Unfortunately, the preparation for independent living that foster youth and young adults receive is uneven and often inadequate. While 85 percent of young adult respondents in another study of youth transitions to adulthood said they had received some education about personal health care, job-seeking,

and decision-making skills, 70 percent said they had had no training in money management, legal skills, parenting, and how to use community resources. The study found that independent living training programs often did not involve young people in “real life” activities, and youth reported that they felt unprepared to find housing, live on their own, and deal with health issues.¹⁴

Since 1986, under Title IV-E of the Social Security Act, the federal government provides some funding to the states to help support independent living programs and services for youth leaving foster care. Although the bulk of Title IV-E funds continues to be concentrated on providing protective care for the thousands of children and youth who are placed in foster families and congregate care settings each year, a portion of these federal dollars is allocated to programs and services to prepare older foster youth and young adults to live on their own. This funding was initially targeted at teens aged 16 to 18; the John H. Chafee Foster Care Independence Program extended the initiative to cover former foster youth aged 19 to 21. The Foster Care Independence Act of 1999 grants some additional federal funding for states to provide youth aged 18 to 21 who have already aged out of care with independent living services, room and board, and Medicaid.¹⁵ State and local governments usually supplement these funds to some extent. A recent amendment to the Foster Care Independence Program provides qualified former foster youth with post-secondary education and training vouchers up to \$5,000 annually. However, for most of the child welfare system’s history, most states have done very little to prepare foster youth for adult life. Support for young adults aging out of the child welfare system is in general limited and fails to address many of their most basic needs.¹⁶

¹³ Cook, *op. cit.*; cited in Wertheimer, *op. cit.*

¹⁴ Courtney, M.E., Piliavin, I., Grogan-Kaylor, A., and Nesmith, A. “Foster Youth Transitions to Adulthood: A Longitudinal View of Youth Leaving Care,” *Child Welfare* 80 (6): 685-717 (2001).

¹⁵ U.S. General Accounting Office, *Foster Care: Effectiveness of Independent Living Services Unknown* (Washington, D.C., 1999).

¹⁶ Shirk, M. and Stangler, G., *On Their Own: Foster Children and the Transition to Independence* (Boulder, Colo.: Westview Press, forthcoming).

An inescapable conclusion is that young adults leaving foster care, like all young people, need preparation and continuing support to be able to manage on their own. The transition to adulthood is not a linear process. Many youth will need an array of supports and services to help them make a smooth transition to independent living, including counseling to help them figure out how to relate to their families of origin and how to address inevitable challenges that will come up in their efforts to establish new relationships with coworkers, peers, and others. Many young people will need academic support to complete high school, pursue post-secondary education, and get vocational and professional skills training. They will need coaching to complete college and training programs, search for a job, and become employed. Like many youth living with their families, not all foster youth are ready to live on their own simply because they turn 18. They will need help with many basic responsibilities—finding housing, arranging a lease, furnishing an apartment, and mastering the

basics of housekeeping. They also need help learning how to budget their expenses, pay bills, balance a checkbook, and file a tax return.

However, if former foster youth are to escape poverty and become productive and connected members of society, they also need to develop a focus on the future. They need to learn about savings, financial management, and entrepreneurship as critical elements of economic success. Education, advanced training, and employment are keys to having a stable income and the ability to purchase food, housing, transportation, health care, and other essentials of daily life. Money management, asset accumulation, and wealth creation are keys to ensuring financial security over a lifetime. Accordingly, helping vulnerable youth become economically successful requires a comprehensive approach to providing independent living services and teaching life skills.



To improve the likelihood that vulnerable youth between the ages of 14 and 24 will become “connected by 25,” the Foster Care Work Group (FCWG) urges new investments to prepare foster youth and those leaving foster care for the future, as well as investments to meet their present needs while they are in the custody of the state. The foundation executives that make up FCWG recognize and embrace the ongoing efforts to strengthen and reform the child welfare system—to protect vulnerable children and address the devastating effects of child maltreatment, to ensure that their medical and mental health needs are met, to help foster youth maintain positive connections to their families, to minimize the disruption of repeated foster home and congregate care placements, to ensure that there is permanency and stability in their care, and to strengthen independent living programs.

Yet, they also recognize that helping foster youth and those aging out of foster care become successful adults requires much more than addressing their immediate needs for shelter, food, and safety. It requires intensive and coordinated efforts by many agencies and community organizations, as well as professionals, community leaders, and concerned volunteers, to provide the support and encouragement that these young people need to become engaged, responsible, and productive adults. It requires that they have a community-wide network of connections and support that can provide pathways to lifelong economic well-being and financial success.

Our focus on ensuring the economic stability of these young adults will enable them to successfully transition to adulthood.

—Rick R. Williams, Charles and Helen Schwab Foundation

Why focus on economic success? Clearly, foster youth and young adults who are leaving foster care need many kinds of support. Yet, the Foster Care Work Group has concentrated its attention and energies on exploring new ways to help these vulnerable young people complete their educations, find jobs that will lead to lifetime careers, develop effective financial management skills, learn how to save and accumulate material assets, and take advantage of opportunities to pursue their own business ventures. Based on past research and program experience as well as their own engagement as funders and professionals who work with foster youth, FCWG members believe strongly that a focus on economic success can have significant rewards in several ways.

First, economic success is often a potent and predictive measure of future success in managing a number of fundamental aspects of adult life, including housing, family stability, safety, health, and social well-being. Success in one domain is often associated with success in others.

Similarly, addressing issues related to economic success (e.g., educational achievement, employment, financial well-being) gives foster youth and young adults the means to address a variety of other issues

that may threaten their ability to make a positive transition to adulthood, because it creates opportunities for forming the connections to caring adults that are so critical to their development.

Economic success is a proxy for a collection of positive outcomes: educational effort, networks and relationships, and a strong level of personal engagement and responsibility.

—Gary Stangler, Jim Casey Youth Opportunities Initiative

Helping these vulnerable young people acquire the means to achieve economic success also empowers them to improve their lives, make choices, and take charge of their own development. It gives them the capacity to develop a vision of their future and set out on a pathway to achieve it. In the process, they will gain the knowledge, skills, and confidence to address the inevitable difficulties that they will encounter along the way.

Finally, what many foster youth and young adults say they want most are opportunities to become valued members of their families and communities. In our culture, economic success is a critical avenue to achieving that goal.

Accordingly, the Foster Care Work Group has identified five strategies that are components of a comprehensive approach to promoting economic success among foster youth and young adults leaving foster care. These include:

> **Advocating and supporting educational attainment**—participation in academic, instructional, enrichment, and support programs and activities that help vulnerable youth become lifelong learners, complete high school, and pursue and complete the post-secondary education or skills training they need to become employed in their chosen fields.

> **Facilitating access to workforce development opportunities**—the continuous development of skills, knowledge, and work habits that promote the employability of vulnerable youth to help them get and retain stable jobs, advance beyond entry-level positions, and pursue self-supporting careers.

> **Providing financial literacy education**—participation in instructional, enrichment, and support programs and activities to help vulnerable youth acquire critical financial knowledge and skills so that they can understand, manage, and communicate about the personal financial conditions and decisions that affect their material well-being, including developing budgets, managing their money, obtaining credit, paying taxes, planning for the future, and responding to unanticipated financial problems and crises.

Economic success for foster youth is when that youth becomes an asset to the community. In my own life, it has been translated into the ability to attend all levels of school and lead a decent, not luxurious life.

—David Ambroz, former foster youth

> **Encouraging savings and asset development**—the continuous development of knowledge, skills, and opportunities to enable vulnerable youth to increase their personal income and accumulate material assets, such as a car, a home, savings accounts, financial securities, retirement funds, and ownership interests in property and other items of value.

> **Creating entrepreneurship opportunities**—the process through which vulnerable youth can gain an awareness of business ownership as a viable complement or an alternative to employment, develop ideas for a business venture, learn how to start and grow a successful business, and write and implement a business plan.

MAKING THE FUTURES OF FOSTER YOUTH THE FOCUS OF PUBLIC POLICY, PHILANTHROPIC INVESTMENT, AND COMMUNITY MOBILIZATION

Between 18,500 and 24,000 foster youth age out of care each year. With the exception of a few heavily populated states, such as New York, California, Florida, and Illinois, the number of young people who are emancipated annually in most states is fewer than 500. As a consequence, the risks and challenges confronting this small but vulnerable group often escape the notice of policymakers, community leaders, and private citizens.¹⁷ A recent public opinion survey commissioned by the Jim Casey Youth Opportunities Initiative found that most Americans have never even thought about the issues facing this largely invisible group of young people. They know almost nothing about foster care or the hurdles foster youth face in making the transition to adulthood.¹⁸

Yet, when provided with information about the poor prospects for this population, most people say that the age at which the average young person is completely on his or her own is 23, and a third of respondents say it is 25 or older. Approximately 70 percent expect young adults leaving foster care to experience more challenges in the transition than

other youth. Almost all respondents indicate that they believe transition programs are important. Moreover, they believe that programs to help young people learn how to manage and save money, as well as efforts to involve local businesses, community institutions, and schools in helping young people make connections in their communities, are the most important.¹⁹

Foster youth and young adults leaving foster care should be a clear focus of public policy, public and private investment, and civic concern. Because they are a relatively small group, providing the necessary supports and services to help these young people get on a pathway to economic success entails relatively modest investments. Yet, the benefits of increased workforce productivity and citizen engagement are potentially large. At the same time, failing to support this group of at-risk youth through the difficult transition from foster care to independence can—and too often does—result in enormous costs in terms of wasted lives, disrupted communities, and the taxpayer burden of delinquency and dependence.



¹⁷ Shirk and Stangler, *op. cit.*

¹⁸ Lake Snell Perry and Associates, "Public Opinion about Youth Transitioning from Foster Care to Adulthood," (2003), available at <<http://www.jimcaseyouth.org/docs/poll1.pdf>>.

¹⁹ *Ibid.*, cited in Shirk and Stangler, *op. cit.*

T O W A R D A N A G E N D A F O R I N V E S T M E N T

Young adults leaving foster care can achieve economic success. Like all young people, however, they need help. In recent years, several private foundations have taken the lead in launching innovative initiatives to prepare foster youth and those leaving foster care for adult responsibilities and living on their own. Building on these efforts, the Foster Care Work Group has outlined a framework for investment by governments, foundations, community organizations, and individuals to build a comprehensive system of support to enable these youth to acquire the knowledge, skills, habits, and opportunities that will lead to economic success. This framework includes:

- > Creating more effective and comprehensive community-based supports and services that focus attention and resources on preparing foster youth to be economically successful;
- > Tracking foster youth who have participated in initiatives to improve economic well-being in order to understand the costs and benefits of policies, programs, and system reform efforts, and developing information on the effects and effectiveness of various strategies for investing in foster youth;
- > Supporting technical assistance to states, communities, and community organizations to help them design and implement promising models and mobilize resources to sustain them; and
- > Creating and maintaining effective communications, outreach, and advocacy in order to mobilize support for investments to improve the economic well-being of foster youth and young adults leaving foster care.

The goal of these investments is threefold. First, it is to have a *significant, positive impact* on the future economic well-being and financial success of the thousands of young people who spend time in the child welfare system. Second, it is to have a *significant, positive influence* on public policies, programs, and system reforms. So young people leaving foster care have the necessary preparation and support to manage on their own and achieve economic success. And third, it is to create *significant, positive leverage* to increase the amount of public- and private-sector resources that are directed toward providing supports and services to foster youth.



ORGANIZATION AND STRUCTURE OF THE INVESTMENT PLAN

In the remaining sections of this document, the Foster Care Work Group presents:

1. A strategic approach to improving the economic well-being and financial success of foster youth and youth leaving foster care—Based on the five strategies outlined earlier, this section will review the evidentiary base to support each strategy and suggest specific activities to help achieve the desired results.

2. An investment workplan—This section will highlight ways in which national, regional, and local foundations can work together to support the research, development, demonstration, technical assistance, monitoring, information brokering,

and advocacy work to build the capacity of communities to help foster youth and young adults leaving foster care become economically successful.

3. An approach to measuring results—This section outlines the indicators and performance measures that communities and foundations can use to assess: 1) the impact of their investments in changing the lives of individual young people, 2) the influence they exert on the systems of support that are in place to help foster youth move toward independent living, and 3) the leverage they have to increase public- and private-sector investments in the economic success of young adults leaving foster care.

A STRATEGIC APPROACH TO IMPROVING THE ECONOMIC WELL-BEING AND FINANCIAL SUCCESS OF YOUNG ADULTS LEAVING FOSTER CARE

The Foster Care Work Group has outlined five critical components of a comprehensive approach to help young adults leaving foster care develop the knowledge and skills to become economically successful. Each of these strategies is grounded in a growing body of research and practice. In some cases, FCWG's recommendations are based on evidence from program research and evaluation, focusing on interventions that serve foster children and youth and those who are aging out of the child welfare system. In other cases, these recommendations grew out of empirical analyses of national survey data that examine the conditions, needs, and outcomes of youth who have spent time in foster care. In certain cases, the evidence to support the recommended strategy is not specific to foster youth—it comes from empirical studies, program experience, and analyses of survey data pertaining to a broad cross-section of youth at risk because they are poor, grow up in disorganized families, live in disadvantaged communities that provide few real-life role models of economic success, or they exhibit the behavioral and psychological problems that often accompany these conditions. And, in a few cases, the supporting evidence is found in studies that have examined the impact of programs and initiatives on vulnerable populations that include adults as well as youth. This is particularly true of recommendations for investments to boost financial literacy and encourage sound financial management practices.

For each of the five recommended strategies, the Foster Care Work Group has identified a number of actions that can be taken at the community, neighborhood, and individual levels. FCWG has also identified issues and questions for further research in order to build the field and strengthen the base of knowledge on which future decisions concerning policy, program development, and system reforms will be based. The goal is to present a concrete, comprehensive agenda for investment and co-investment in order to improve the chances that all young adults leaving foster care will have the knowledge, skills, and opportunities to navigate early adulthood and become economically successful.

ADVOCATE AND SUPPORT EDUCATIONAL ATTAINMENT

Education is a key to opportunity in the United States for a whole host of positive life outcomes. Youth who are at risk of school failure are also at high risk for drug abuse, delinquency, violence, and early pregnancy and childbearing.²⁰ Ensuring that youth complete high school seems to be an especially important factor for successful youth development and adult self-sufficiency.²¹ Yet, studies consistently demonstrate that children and youth in foster care do not perform as well academically as their peers who are not in care. Foster children are more

likely to score lower on standardized tests, perform below grade level, repeat grades in elementary and secondary school, enroll in special education programs, fail classes, and be suspended or expelled from school because of behavioral issues. They also are more likely to be absent and to change schools during the academic year.²² Moreover, if they don't complete high school before they age out of foster care, the likelihood that they will drop out after they are emancipated increases significantly.²³



In addition to missing the supports traditionally provided by families, these youth have additional challenges due to abuse, neglect, and separation. Without an understanding of their circumstances, there sometimes is a tendency to focus only on their presenting problems, as opposed to their need for comprehensive services and support from adult role models. Their poor outcomes related to employment are not surprising when such a low commitment is directed toward such a vulnerable population. It is our responsibility to change the level of commitment and ensure that young people leaving care are prepared for today's workforce.

—Ann Stanley, Casey Family Programs

²⁰ Casey Family Programs, *op. cit.*; Dryfoos, J., *Adolescents at Risk: Prevalence and Prevention* (New York: Oxford University Press, 1990); Mrazek, P.J. and Haggerty, R.J., eds., *Reducing Risks of Mental Disorders: Frontiers for Preventive Intervention Research* (Washington, D.C.: National Academy Press/Institute of Medicine, 1994); Hayes, C.D. and Federman, D., eds., *Risking the Future: Adolescent Sexuality, Pregnancy, and Childbearing* (Washington, D.C.: National Academy Press/National Research Council Study Panel on Adolescent Pregnancy and Childbearing, 1984).

²¹ Redd, Z., Brooks, J., and McGarvey, A., *Educating America's Youth: What Makes a Difference* (Washington, D.C.: Child Trends, 2002), <<http://www.childtrends.org/PDF/K4Brief.pdf>>; U.S. Bureau of the Census, *Educational Attainment, People 25 Years Old and Over, by Total Money Earnings in 1999, Work Experience in 1999, Age, Race, Hispanic Origin, and Sex* (Washington, D.C., 2003), <http://ferret.bls.census.gov/macro/032000/perinc/new03_001.htm>.

²² Burley, M. and Halpern, M., *Educational Attainment of Foster Youth: Achievement and Graduation Outcomes for Children in State Care* (Olympia: Washington State Institute for Public Policy, 2001); McMillen, C., Auslander, W., Elze, D., White, T., and Thompson, R., "Educational Experiences and Aspirations of Older Youth in the Foster Care System" *Child Welfare* 82 (4): 475-95 (2003); Zanghi, M., Oldham, E., Sheehy, A., and Reibman, D., *Maine Study on Improving the Educational Outcomes for Children in Care* (Portland, Maine: University of Southern Maine, Edmund S. Muskie School of Public Service, 1999); Seyfried, S., Pecora, P.J., Downs, A.C., Levine, P., and Emerson, J., "Assessing the Educational Outcomes of Children in Long-Term Foster Care: First Findings," *School of Social Work Journal* 24: 68-88 (2000); Yu, E., Day, P., and Williams, M., *Improving Educational Outcomes for Youth in Care: Symposium Summary Report* (Washington, D.C.: Child Welfare League of America, 2002).

²³ Loman and Siegel, *op. cit.*

Poor academic performance has been clearly linked to the lack of stability in school enrollment and poor school attendance that is an unfortunate by-product of the frequent home placement disruptions that children and youth experience in foster care.²⁴ A study of foster children and youth in New York City found that as many as 11 percent of foster youth are not enrolled in school at the time of their placement in a foster family or group home. Although some of these youth were probably home-schooled, enrolled in private or parochial schools, or transferred to institutional care (such as juvenile justice facilities), many were simply not enrolled or had left school. For as many as 44 percent of these young people, there was no explanation in the records for the child's failure to be enrolled in any school.²⁵

Yet, even if they are enrolled, children in foster care have poorer attendance records than their peers. On average, they only attend school 76 percent of the time, and foster children in special education are likely to show patterns of declining attendance. Children enrolled in school when they are emancipated from foster care have the poorest attendance.²⁶ Moreover, among children admitted into foster care in New York City, one-third experience school transfers for noneducational reasons in the first 30 days of their placement.²⁷ Overall, among foster youth who age out of care, more than half are placed in seven or more different living arrangements.²⁸ The instability of their living situations con-

tributes directly to the instability in their educational placements and the inconsistency of their school attendance.

This situation is exacerbated by the lack of coordination among the three systems—child welfare, education, and the judiciary—that most directly affect the educational lives of students in foster care. For example, it is important to orient teachers and school administrators to the issues facing youth in care—child maltreatment trauma, separation from siblings and family, and frequent moves—that are likely to affect their school attendance and academic performance.²⁹ Without strong advocates to ensure that they are enrolled in school and receive the educational support they need, many foster youth will have a difficult time becoming actively engaged in school life and learning.

The unfortunate consequence is that many of these young people perform poorly, drop out of school, or fail to complete all the necessary academic coursework and vocational training to pursue an upwardly mobile career track. At the most fundamental level, many foster youth fail to develop basic literacy skills, and their inability to read proficiently can have lifelong negative consequences. In addition, while 86 percent of all American students graduate from high school, a majority of youth aging out of foster care fail to earn high school diplomas. College attendance rates for young people who have aged out of foster care is estimated to be only

²⁴ Freundlich, *op. cit.*; Casey Family Programs, *op. cit.*

²⁵ New York City Administration for Children's Services, Progress on ACS Reform Initiatives, Status Report 3, (2001), <http://www.ci.nyc.ny.us/html/acs/pdf/status_report3.pdf>.

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ Casey Family Programs, *op. cit.*, p. 21.

²⁹ *Ibid.*, p.47.

13 percent overall; it ranges from seven to 48 percent, depending on the study.³⁰ This compares to 50 percent of all high school graduates.³¹ College graduation rates are even lower. Only one to five percent of foster youth earn a bachelor's degree or higher, compared to a quarter of all U.S. youth.³²

In part, this reflects the fact that most foster youth do not have educational advocates who can assist them in preparing for post-secondary education and training. Nor do they have adequate financial resources to attend a college or university, or other supports and services they need to earn a post-secondary degree or skills' certification. Recent research documents the fact that students at risk of poor school performance are significantly less able to progress through the essential steps required for post-secondary enrollment.³³ But it also suggests that many youth in care are inadequately prepared for post-secondary education. They lack college preparatory courses, access to SAT preparation and coaching, financial means to visit colleges, and the skills to manage the application process. Perhaps most significantly, however, the failure of many foster youth to pursue post-secondary education and professional training reflects the low expectations that most adults in their lives have for them and the lack of encouragement and support they get to aim high and be successful.

The case for investing in efforts to help foster youth while they are in school and to help young adults who are leaving foster care pursue educational

opportunities is clear: education is essential to obtaining and maintaining employment. Through employment, former foster youth can meet other needs, such as housing and health care, and can become productive and self-supporting citizens.³⁴ Because the size of the population is manageable and a discrete set of actions and investments can have potentially significant effects, investments in

My drive to complete my education came from negative perceptions of my foster parents and social workers. They didn't have high expectations for me—they didn't perceive us as capable of success. After results came back from a psychological testing, I remember one foster mother saying "You're not as dumb as I thought you were."

—Wendy Lorenzi, former foster youth

educational support for foster youth make a great deal of sense. Moreover, this hypothesis is supported in research on the value of programs that promote education of youth in foster care. Studies show that four core program components are critical, including school placement/student advocacy, tutoring, counseling, and employment readiness. Young people who receive these supports and services have higher graduation rates than other youth in foster care. They gain, on average, 3.2 months of academic growth for each month of tutoring they receive, and they earn more academic credits. Dropout rates are reduced, as is incidence of maladaptive behavior.³⁵

³⁰ Alexander, G. and Huberty, T.J., *Caring for Troubled Children: The Villages Follow-Up Study* (Bloomington, Ind.: The Villages, 1993), p. 22; Casey Family Programs, *op. cit.*, pp. 30-1; Frost, S. and Jurich, A.P., "Follow-Up Study of Children Living in the Villages," (Topeka, Kans.: The Villages, 1983), p. 10; Jones, M.A. and Moses, B., *West Virginia's Former Foster Children: Their Experience in Care and Their Lives as Young Adults* (New York: Child Welfare League of America, 1984), p. 62; Zimmerman, R.B., "Foster Care in Retrospect," in *Tulane Studies in Social Welfare* (New Orleans: Tulane University Press, 1982) 14:65.

³¹ AFCARS, *op. cit.*

³² National Center for Education Statistics, 2003, p. 12; Casey Family Programs, *op. cit.*, p. 28; Festinger, *op. cit.*, p. 151; Frost and Jurich, *op. cit.*, p. 10; Jones and Moses, *op. cit.*, p. 62; Zimmerman, *op. cit.*, p. 65.

³³ Horn, L.J., and Carroll, C.D., *Confronting the Odds: Students at Risk and the Pipeline to Higher Education* (Washington, D.C.: National Center for Education Statistics, 1998).

³⁴ Yu, E., Day, P., and Williams, M. *op. cit.*, p.19

³⁵ Ayasse, R.H., "Addressing the Needs of Foster Children: The Foster Youth Services Program," *Social Work in Education* 17 (4): 207-16 (1995).

Accordingly, the Foster Care Work Group recommends investments in services aimed at encouraging participation in academic, instructional, enrichment, and support programs and activities to help vulnerable youth become lifelong learners, complete high school, and pursue and complete the post-secondary education or skills' training they need to become employed in their chosen field. Such services may

Educational stability is critical. My experience was a lot better than most. I was able to stay in my own school, and spent three years in one middle school and four years in one high school. Some kids may go to six different schools in one year, or be out of class for three or four weeks.

—Myeshia Grice, former foster youth

include formal programs staffed by trained and paid professionals, as well as informal community initiatives that offer opportunities for willing volunteers to encourage and support educational achievement among foster youth and young adults leaving foster care.³⁶ These investments should be designed to:

> **Establish a consistent and stable living environment**—Placement stability has been shown to have a large positive effect on educational attainment. Youth who have an average of one fewer placements per year are nearly twice as likely to complete high school before leaving foster care. If they do not move between homes, youth in care are more likely to form networks of support and coaching that can help them advance academically and develop other important life skills. Similarly, foster youth in stable placements may be less likely to need tutoring to catch up with their classmates and better able to overcome a learning disability if they have one.³⁷

> **Provide appropriate educational support for foster youth**—Because foster youth are so vulnerable to poor academic performance, they can benefit from educational support and tutoring programs to ensure that they develop basic skills and complete prescribed coursework. Labeling students as remedial or learning disabled can have negative and stigmatizing effects that should be avoided; nevertheless, it is important to recognize that many foster youth require additional support to succeed in K-12 and to pursue and complete post-secondary education and training. This support can be provided by strengthening the roles of:

- Schools in addressing the needs of children who demonstrate an achievement gap and those who are very mobile through targeted programs, focused tutoring, and educational skills' remediation; and
- Child welfare agencies in developing working relationships with schools, so that there is coordination regarding Individual Education Plans (IEPs) and other issues concerning the foster youth's school attendance, academic performance, and participation in extracurricular activities.
- Institutions of higher education in developing support services that increase the post-secondary access and success of foster youth through bridge projects, orientation activities, campus visits, peer and faculty mentors, tutoring programs, financial aid counseling, academic advising, and scholarships.

> **Ensure that they have education advocates**—Because many young people in foster care change schools frequently, they may need additional assistance to navigate the school system bureaucracy and to ensure that they receive the support they need. Child welfare caseworkers, foster parents, and other relevant youth service providers should

³⁶ See Shirk and Stangler, *op. cit.* Many of these recommendations for demonstration and program development are also highlighted here.

³⁷ Casey Family Programs, *op. cit.*, p. 43.

monitor school enrollment, attendance, performance, course selection, and educational placement. Foster youth can benefit from having an assigned advocate who performs the above functions and communicates regularly with school personnel. Such an advocate would intervene when a young person begins to struggle academically to make sure the student receives appropriate support, accommodations, and services. The contributions of education advocates to the development and monitoring of Individualized Education Plans (IEPs) and Transition Plans for students receiving special education services can lead to better-coordinated service delivery and transition planning. An involved advocate can also facilitate better communication with foster parents and foster care agencies about the educational status and needs of foster youth, and he or she can enhance these adults' ability to play a positive role in education.

> **Broaden their horizons**—Foster youth can benefit from the chance to be engaged in the community, especially if they are able to connect to significant and caring adults. Organizations and activities connected to their schools or local areas can allow young people to participate in extracurricular activities, social clubs, mentoring relationships, internships, community service activities, athletic programs, and cultural experiences, including arts programs, museums, performances, and civic events. Through these kinds of experiences, foster youth are able to feel that they belong. Exposure to these kinds of resources can also stimulate new ideas and help create interests and aspirations that go well beyond what these young people see in the frame of their everyday lives. Opening windows by providing opportunities to do, as well as to see, may influence some young adults leaving foster care to pursue educational and career paths that they otherwise would not have considered. In addition, foster youth can learn self-determination skills through community involvement that will help them

set their own goals, choose their own interests and pursuits, and know what help to ask for and how to ask for it. However, without support (e.g., funds to pay activity fees, purchase uniforms and equipment, and assist with transportation), these valuable opportunities may be beyond the reach of many youth in care.

> **Help them prepare for, enroll, and complete college and post-secondary job training**—For most young people in strong, stable families, the college search and admission process is a confusing and daunting maze of paperwork, testing, and interviews. Without the support of a competent guidance counselor, many highly qualified and able students would not take all the courses required for admission. These students would not be able to

My mother stressed education, education, education, and presented us with choices. Very late one Thanksgiving night, about 2 a.m., we were staying at a men's street shelter. Our mother refused to let us sleep until she had taught one more lesson. She made us look at the endless rows of men amongst confusing piles of their possessions, and our mother asked us "Is that what you want?" That message has echoed throughout my life.

—David Ambroz, former foster youth

identify the array of colleges, universities, and training programs that would enable them to pursue their interests and for which they are qualified. Nor would they take the required admissions tests (SAT, ACT, and so forth), complete and file applications and financial aid requests on time, and arrange the necessary loans and grants, so they can pay the expenses and actually enroll in their program of choice. For foster youth who have attended several schools, lack strong connections with teachers and school counselors, and do not have parents who

are persistent advocates on their behalf, the process may be even more difficult.

Accordingly, young adults leaving foster care who want to pursue and complete post-secondary training need help. They need help in managing and paying for the college search and application process. They need

Post-secondary education remains one of the most beneficial investments that an individual can make in themselves. Foster youth deserve equal access to this opportunity....When we challenge young people to set high educational goals, we encourage them to strive for excellence and achieve success.

—Tina Gridiron Smith, Lumina Foundation for Education

financial aid to pay for college or post-secondary training and assistance in accessing it. And, most of all, they need encouragement and support to believe that they can successfully undertake and complete a college degree program or other post-secondary training. High school counselors, college financial aid programs, and support service staffs need to increase their awareness and outreach to students coming from foster care.

> Help them complete college and successfully pursue post-graduate education and training—

Among former foster youth who enroll in undergraduate college programs and in graduate training (e.g., law, medicine, business, social work, or the academic professions), the dropout rate is significantly higher than for all youth. To some extent, this reflects the fact that these young people often lack supportive relationships with adults and peers that can help them over the inevitable setbacks and give them the confidence and encouragement to continue when it seems too difficult or too futile. It also reflects the fact that many lack the basic financial resources to buy books, cover their transportation to school, pur-

chase a computer, and have enough spending money to take part in campus life. Many former foster youth in college report that finding housing during school holidays and breaks presents a barrier to continued enrollment. Similarly, with no families to support them, unanticipated health issues often derail post-secondary plans for some of the brightest college students from foster care. To successfully complete their post-secondary education, many young adults who were formerly in foster care need mentors to help them set goals, create an academic plan, share their progress, and solve problems that come up along the way. They also need a sufficient monthly allowance and a financial safety net when unforeseen expenses arise.

The Foster Care Work Group also recognizes the need for research and analysis to improve knowledge about the educational needs of foster youth and young adults leaving foster care, as well as the effects and effectiveness of alternative supports and services to help them stay in school, perform well, and pursue and complete post-secondary education

A high school diploma is just the beginning. As funders, let's make post-secondary education a reality for all, not just a dream for some.

—Tina Gridiron Smith, Lumina Foundation for Education

and professional training. Although education is an important key to social and economic success in the U.S., far too little is known about the educational experiences of foster youth and former foster youth and about the factors that can ameliorate poor school performance and academic failure for this group. Examining how successful college students from foster care overcame personal financial and institutional barriers would provide valuable insights for young adults leaving foster care and for the professionals who serve and support them.

FACILITATE ACCESS TO WORKFORCE DEVELOPMENT OPPORTUNITIES

The inescapable conclusion from a number of recent studies is that “youth aging out of foster care are underemployed.”³⁸ Twelve to eighteen months after leaving foster care, 40 percent of youth in a national sample were unemployed. In state-specific analyses in Illinois, California, South Carolina, and Wisconsin, the proportion of unemployed former foster youth ranged from 14 to 30 percent. Their mean earnings were below the poverty level and significantly less than other young people their ages. African American foster youth earned less than white youth. In addition, only one-half of those who found employment stayed in their jobs two to four years after they aged out of care.³⁹

Perhaps the most striking finding from this body of research is that young people in foster care who have worked before their eighteenth birthdays are four times more likely to graduate from high school than foster youth who have not; they are also more likely to work after emancipation. The former foster youth who fare best in the employment market once they are on their own are those who have gained significant job experience while they were in foster care.⁴⁰

Without employable skills, former foster youth are far more likely than other young people to experience poverty and go on welfare.⁴¹ Many of these young people experience extreme financial hardship after exiting care. In a recent study, one-third reported that they had done something illegal to obtain money, including theft, prostitution, or drug-dealing.⁴² A California study in the mid-1990s found that

I had my first summer job at 14 through a youth program offered by the city, and eventually at 16 worked for a fast food restaurant. I held the job for the duration of my junior and senior years of high school. My jobs were my escape hatch to get away from insanity, and an outlet to normalcy.... Work was fun, I had peers, and my best friend worked with me.

—Wendy Lorenzi, former foster youth

about 25 percent of young women drew benefits from either AFDC or TANF in each of the six years immediately following emancipation, compared with about 6 percent of all young women in the state in the same age group. Half of young women leaving foster care relied on welfare benefits at some point during the same six years.⁴³

³⁸ Goerge, R.M. et al., *Employment Outcomes for Youth Aging Out of Foster Care* (Chicago: Chapin Hall Center for Children, 2002), available at <<http://aspe.hhs.gov/hsp/fostercare--agingout02/>>; Courtney, Piliavin, Grogan-Kaylor, and Nesmith, *op. cit.*; Dworsky, A. and Courtney, M.E., *Self-Sufficiency of Former Foster Youth in Wisconsin: Analysis of Unemployment Insurance Wage Data and Public Assistance Data* (Madison, Wisc.: University of Wisconsin, 2000), <<http://aspe.hhs.gov/hsp/fostercare-agingout02/>>; McMillen, J.C. and Tucker, J., “The Status of Older Adolescents at Exit from Out-of-Home Care,” *Child Welfare* 78 (3): 339-60 (1999).

³⁹ Youth Advocacy Center, *The Impact of Foster Care on Teens and a New Philosophy for Preparing Teens for Participating Citizenship* (New York: Youth Advocacy Center, 2001).

⁴⁰ Pecora, P.J., Downs, A.C., Kessler, R.J., Ehrlich, N., Heeringa, S.G., English, D.J., White, J., Williams, J., Brandford, C., and McWilliams, A., *Interview Schedule for the Northwest Foster Care Alumni Study and the Casey National Foster Care Alumni Study*. Seattle, Wash.: Casey Family Programs.

⁴¹ Youth Advocacy Center, *op. cit.*; Courtney, Piliavin, Grogan-Kaylor, and Nesmith, *op. cit.*; *Kidscount 2001*, reported in Shirk and Stangler, *op. cit.*

⁴² Barth, *op. cit.*

⁴³ Needell, B. et al., *Youth Emancipating from Foster Care in California: Findings Using Linked Administrative Data* (Berkeley, Calif.: Center for Social Services Research, 2002), p. 76, available at <http://cssr.berkeley.edu/childwelfare/pdfs/youth/ffy_entire.pdf>.



The Workforce Investment Act of 1998 (WIA) provides the opportunity for tailoring out-of-school time programs for older youth, including foster youth. WIA initiatives link youth development and youth employment, in keeping with research that shows this approach is the most effective way to attract and retain youth.⁴⁴ Increasing access for foster youth and recently emancipated youth to WIA programs and employment development opportunities is one way to help these young people become more employable once they are on their own.

The implications for action and investment are clear. Enabling youth in foster care and those aging out of care to develop the skills, knowledge, attitudes, and work habits that promote employability can have enormous benefits. Helping these youth get and retain stable jobs so that they have work experience and can advance beyond entry-level positions will allow them to pursue self-supporting careers. Among specific approaches that the Foster Care Work Group advocates are the following:

> **Help youth in care develop the habits, attitudes, and skills they need to get and keep a job**—Adult role models play a critical role in helping

young people develop the skills, attitudes, and habits that are needed to be successful in the workforce. When parents, foster parents, and other influential adults in the community hold steady jobs and earn a living, young people are more likely to appreciate the importance of regular employment and economic success and to see it as a viable option. For foster youth and young adults leaving foster care, schools, businesses, and community groups can provide information and support to help them develop the capacity to be productive and valued members of the workforce.

> **Help them get jobs**—Part-time work while in foster care is a strong predictor of long-term educational and economic success. Therefore, connecting young people in foster care to part-time jobs should be a high priority. Community leaders can join with educators, employers, and child welfare officials to develop community-based opportunities for foster youth.

My exposure to my career options didn't come from foster care. I had social workers but no idea what it took to become one. We are confronted with judges, but have little knowledge on how they get there. Surrounded by educated individuals, we drown in a sea of educational ignorance and role model indifference.

—David Ambroz, former foster youth

Recognizing foster youth's special needs for support and guidance, community initiatives should include helping these young people identify job openings, complete applications, prepare for interviews, obtain work permits, and overcome transportation

barriers that may make it difficult for them to take full advantage of opportunities to gain work experience. Work opportunities that combine paid employment with mentoring, financial literacy education, and a savings program may be particularly valuable for many foster youth.

> **Give young people leaving foster care opportunities to learn about career options**—Young people form ideas about what they can and want to be when they grow up through the adults they know and see in their daily lives and in the media. Yet, without specific help and guidance, few young people know a lot about what is required to work in a particular field and what the work really entails. Foster youth and young adults leaving foster care are especially prone to lack information about the world of work and career options, and they need to learn firsthand through job-shadowing experiences, internships, and apprenticeships what it is like to work in a variety of fields that may be realistic career paths. Providing foster youth with information about school-based and community-based work opportunities and job-training initiatives, and encouraging their participation will help prepare young people who are in foster care for post-secondary education and training. These opportunities must involve youth in challenging work, encourage them to aim high, and give them a vision of career alternatives that goes well beyond menial tasks and marginal engagement.

The Foster Care Work Group also recognizes the need for research and analysis to improve knowledge about the employment and job-training needs of foster youth and young adults leaving foster care, as well as the effects and effectiveness of alternative

An oft-ignored ingredient in economic success is simply exposure to opportunities and professions. For many of these youth, broadening their horizons for careers and jobs is a critical precursor to educational and employment success.

— Gary Stangler, Jim Casey Youth Opportunities Initiative

supports and services to help them gain work experience and learn about various career paths. Research on former foster youth and other severely disadvantaged young people underscores the value of part-time employment during high school. Yet, less is known about the best ways of helping these young people gain the skills, habits, attitudes, and experiences that will be most beneficial. In part, this reflects the fact that input from foster youth themselves is not systematically solicited and incorporated in program planning; it also reflects the fact that research has not adequately tracked and analyzed the career development pathways that successful former foster youth have followed. Examining how young adults who have aged out of foster care overcame personal and institutional barriers to become successful professionals and productive members of the adult labor force would provide valuable insights for foster youth, for the professionals and community volunteers who serve and support them, and for employers.

PROVIDE FINANCIAL LITERACY EDUCATION

A recent survey of high school seniors provides depressing news about the state of financial literacy among young adults. More than two-thirds of high school seniors (68.1 percent) failed a multiple-choice exam on basic knowledge of issues related to money management, credit, and savings. As the sponsors of the survey conclude, “In a nation where nearly a third of high school seniors use a credit card, a higher proportion have an ATM card, and 1.5 million families filed for bankruptcy last year, the need for personal financial literacy is apparent.” Yet, fewer than 30 percent of young Americans are given the opportunity to take even a week’s worth of coursework in money management or personal finance in high school.⁴⁵

If lack of financial knowledge and skills is an issue for all youth, it is an even more critical issue for disadvantaged youth, including foster youth and young adults who leave foster care. There are two

primary ways that most people acquire financial education: formally, through education and financial literacy programs, and informally, from others. For the majority of American youth, parents and family members are the most important source of information about financial issues and financial management. That information is shared over an extended period of time through a combination of instructional lessons and real-life experiences, such as getting an allowance, opening a savings or checking account, filing a tax return for a part-time job, and observing parents juggle a family budget and pay bills. In contrast, most foster youth, especially those who age out of care, learn about financial matters from limited classroom training (usually not more than a week, if that) as a part of independent living programs.

Research on the adequacy and effectiveness of independent living programs (ILPs) is scant. However, the few existing studies conclude that ILPs are inadequate and inconsistent in their content, focus, and emphasis. Moreover, because no state foster care system requires foster youth to participate in life-skills training, and because these young adults can refuse to participate, participate half-heartedly, or drop out, there is no guarantee that the availability of an ILP will ensure that young adults leaving foster care have the skills they need to manage independently.⁴⁶

Foster care alumni who were surveyed about factors critical to their success emphasized the need for transition services as a buffer between their dependent and adult lives. What they say they need most, however, is financial education. They need to know how to manage their money—how to budget,

The most important thing is a stable person to help you create your plan, allow you to fail, and then help you think through what you did so you don’t do it again. My Independent Living Program coordinator hooked me into a job at a law firm. I knew I had to save \$600 for my dorm housing deposit. We created a plan to save \$50 per month, and then let me fail when I wanted to use the money for shopping—then I had to put half my paycheck toward savings....I still don’t manage my money—not as successfully as if I’d had a mom or dad teaching me.

—Myeshia Grice, former foster youth

⁴⁵ JumpStart Coalition for Personal Financial Literacy, “2002 Personal Financial Survey of High School Seniors: Executive Summary,” available at <http://www.jumpstartcoalition.com/upload/executivesummary2002.doc>.

⁴⁶ Courtney et al., *op. cit.*; Westat, *op. cit.*



how to pay their bills and taxes, how to obtain credit, how to plan for major expenses, and how to save and invest. Many former foster youth also stressed the importance of having access to information on the types of financial assistance that may be available to them, including cash payments, money management coaching resources, and money skills' development.⁴⁷

Research on the efficacy of financial education programs and curricula is as thin as that for ILPs, and the results that are available are not encouraging. The recent survey of high school seniors found that most existing classes in personal finance do not do a particularly good job of helping students understand the basics of financial management, nor do they help young people feel confident that they know how to address financial issues and challenges. Focusing on a sample of all American youth (not just foster youth), the study found that 15 percent of students who had taken a semester-long course performed worse on the financial literacy test than those who had had less or no training. Further, students in states with a statewide requirement in personal finance did not do as well as those who live in states with no requirements, although the differences are small.⁴⁸ Perhaps even more troubling,

students who feel “very sure” about their ability to manage their own finances are actually less knowledgeable than those who feel only “somewhat sure” about their ability. Students who reported that they learned most about managing their money at school had somewhat lower test scores than those who said that they learned most at home, from their families, or from actually managing their own finances.⁴⁹ These anomalies reflect a variety of factors; perhaps the most significant is that young

I didn't learn until after I left care. I had no life skills' training. It took a long time to figure out a system to manage my money—I had no role models. I bounced checks, and didn't always meet my credit card payments. When this happened, my feelings of failure intensified. The intensified feelings were a result of my awareness that I was meeting the low expectations that are too often held for persons from foster care.

—Wendy Lorenzi, former foster youth

people are better able to absorb lessons about financial responsibility and effective money management by actually doing it rather than just by hearing about it.

⁴⁷ Casey Family Programs, *The Foster Care Alumni Studies: What Works in Family Foster Care: Interviewer Impressions of What Alumni Said Were the Most Important Interventions* (Seattle, Wash.: Casey Family Programs, 2003); Loman and Siegel, *op. cit.*

⁴⁸ Jump\$Start Coalition for Personal Financial Literacy, *op. cit.*

⁴⁹ *Ibid.*



During the past several years, financial literacy education for adults and young people has increased significantly in response to public education campaigns that call on Americans to save and invest for long-term financial security. In part, this movement has been motivated by concerns about the adequacy of Social Security and the growing scarcity of guaranteed pensions for retired workers.⁵⁰ Numerous organizations, including community colleges, employers, the military, faith- and community-based groups, and financial services companies and vendors, sponsor financial education programs. These programs vary significantly in their content, focus, teaching strategies, and comprehensiveness. Yet, they all are aimed at increasing financial literacy: “the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being.”⁵¹ This includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions.⁵²

A recent review and assessment of 90 financial literacy programs identified a number of significant characteristics of effective personal finance education. Among the most important were:⁵³

- > **Clear mission and purpose** that defines the program’s scope of operations and that reflects its values, priorities, and goals;
- > **Accessibility to the target audience** so that the teaching techniques, scheduling and timeframe, geographic location of classes and counseling sessions, and outreach and follow-up address the cultural and language needs of the students, as well as their ability to participate effectively in education programs and absorb the relevant information;
- > **Adequate resources**, including time, materials, instructor training, and space to ensure that education programs have the best chance of achieving positive results;
- > **Dynamic partnering** that brings educators, financial institutions, and employers together to support financial literacy education;
- > **Strong, relevant curriculum** that communicates information in a manageable and organized way that is geared to the needs of the learners—responsive to their present socioeconomic situation and level of general literacy, presented in understandable language, and sensitive to their cultural background; and

⁵⁰ Vitt, L.A., Anderson, C., Kent, J., Lyter, D.M., Siegenthaler, J.K., and Ward, J., *Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.* (Middleburg, Va.: Institute for Socio-Financial Studies, 2000).

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ *Ibid.*

> **Rigorous evaluation** to assess the effectiveness of the program and approach.

General education and job experience have a significant impact on occupation and income as well as on place of residence, social contacts, consumer choices, and other activities. Financial literacy education can also play a critical role in shaping the life course by enhancing personal financial management skills and access to asset accumulation and protection. One of the most important outcomes of effective financial literacy education is building confidence in students' ability to manage their money well. Programs that seem to be best at building confidence are those that provide:



Accordingly, the Foster Care Work Group believes that foster youth and young adults leaving foster care should participate in financial literacy education. Such training should include participation in instructional, enrichment, and support programs and activities to ensure that they acquire critical financial knowledge and skills. The goal is to enable young people to understand, manage, and communicate about the personal financial conditions and decisions that affect their material well-being, such as developing budgets, managing their money, obtaining credit, paying taxes, planning for the future, and responding to unanticipated financial problems and crises.

Our experience has shown that employers who provide financial literacy education to youth and young adults benefit from improved employee retention and productivity.

—Brian S. Lyght, The Annie E. Casey Foundation

> Opportunities to undertake activities that challenge students' sense of self-sufficiency without overwhelming it;

> Supportive and reassuring instructors, counselors, and peer learners;

> Experiences that enable students to be successful and receive confirming feedback from others.

In addition, the Foster Care Work Group recognizes that much more needs to be understood about how to help foster youth and young adults leaving foster care become financially competent and responsible. Once again, documenting and assessing the experiences and pathways of former foster youth who have been successful can provide valuable insights for young people and for the professionals and community volunteers who serve and support them.

ENCOURAGE SAVINGS AND ASSET DEVELOPMENT

Accumulating assets is critical to escaping poverty. Because children and youth are among those most deeply affected by poverty, they, in particular, need opportunities to learn how and why it is important to build assets. Foster youth and young adults leaving foster care are a subset of disadvantaged young people for whom the need to encourage savings and asset development is even more urgent.

Everyone is able to save—it depends on priorities. Much like volunteering, no one has time—but you have to make it because it's that important. There are choices all along with money—whether to get the Mocha Frappacino from Starbucks or bring your coffee from home; whether to buy a used Passat or a used Geo Metro. You brew your own coffee, you get the Metro and you save. It's this knowledge of choice and the training on how to make it that is key.

—David Ambroz, former foster youth

A growing body of research on the social and psychological effects of accumulating material assets—property, cash, equities, and other investments—suggests that assets contribute to a variety of positive outcomes for young people, including 1) higher expectations and confidence about the future, 2) long-term thinking and planning, 3) reduced participation in high-risk behaviors that threaten future productivity and well-being, and

4) a higher degree of social connectedness. Moreover, studies show that the positive effects of building assets are most pronounced among the most vulnerable populations.⁵⁴

Research on the specific effects of asset accumulation on youth is scant, and studies focused specifically on foster youth do not exist. However, research on neighborhoods, families, and children is relevant. Evidence suggests that when individuals and families accumulate assets, economic stability and educational attainment increase; residential mobility and intergenerational poverty decrease; and property values, local civic involvement, and adult health and general satisfaction rise.⁵⁵

Residential instability brought about by poverty has a generally negative impact on children, and asset accumulation by families, to the extent that it can help mitigate such instability, seems to contribute to decreases in school failure, dropping out, and behavioral problems among children.⁵⁶ Income from assets has been shown to improve children's educational attainment, reduce family stress, and contribute to feelings of confidence about the future and improved relationships with family members.⁵⁷ For foster youth, who are even more vulnerable to the ill effects of residential instability, poverty, and family disruption, opportunities to save and accumulate assets may have significant psychosocial benefits and ease the transition to independent living.

⁵⁴ Corporation for Enterprise Development, *Individual Development Accounts for Youth: Lessons from an Emerging Field* (Washington, D.C.: Corporation for Enterprise Development, 2001); Oliver, M., and Shapiro, T., *Black Wealth/White Wealth* (New York: Routledge, 1995); Conley, D., *Being Black, Living in the Red: Race, Wealth, and Social Policy in America* (Berkeley, Calif.: University of California Press, 1999).

⁵⁵ Haveman, R., and Wolff, E.N., "Who Are the Asset Poor? Levels, Trends and Composition, 1983-1998" (paper presented at the Inclusion in Asset-Building Research and Policy Symposium, Center for Social Development, Washington University, St. Louis, Mo., September 2000).

⁵⁶ Sherraden, M., *Assets and the Poor: A New American Welfare Policy* (Armonk, N.Y.: M.E. Sharpe, 1991).

⁵⁷ *Ibid.*; Schreiner, M., Sherraden, M., Clancy, M., Johnson, L., Curley, J., Grinstein-Weiss, M., Zhan, M., and Beverly, S., *Savings and Asset Accumulation in IDAs: Downpayments on the American Dream Policy Demonstration, a National Demonstration of Individual Development Accounts*. (St. Louis, Mo.: Washington Univ., Center for Social Development, 2001).



Individual development accounts (IDAs) are an innovative financial product and economic development tool that combine cash benefits with incentives to help low-income people save money and invest for the future. Unlike traditional income security programs that focus on supplementing or increasing income, IDAs focus on encouraging savings and asset accumulation.⁵⁸ They are not an alternative to income-based support, especially for foster youth and young adults leaving foster care, but they are an important complementary approach to help vulnerable populations achieve economic independence. Currently, IDAs benefit a diverse population of low-income individuals, families, and communities. Although these specialized savings accounts were originally designed for adults, several community organizations across the country have, in recent years, adapted IDAs for young people.

Youth IDA programs are a special type of youth development initiative aimed at assisting young people with the challenges of adolescence and preparing them for the independence of adulthood. These programs incorporate many of the basic elements of effective youth development initiatives, including creating incentives and rewards for positive behavior; promoting resilience and pro-social norms; encour-

aging social, emotional, cognitive, and behavioral competence; fostering a sense of self-determination and self-efficacy; and reinforcing a clear and positive identity and belief in the future. In short, youth IDA programs have the potential for helping young people develop in a supported way, as well as acquire financial assets.⁵⁹

At the heart of the IDA concept is a matched savings account. Account structure varies from program to program. The average match rate is approximately 2:1, but rates range from 1:1 to 4:1. The maximum amount of matchable savings also varies from \$250 on the low end to \$4,000 on the high end.⁶⁰ IDA assets are exempt from consideration in determining eligibility for means-tested program benefits (e.g., cash assistance, food stamps, and Medicaid).

The road out of poverty is not just a job; it is building assets. The opposite of poverty is assets, not employment.

—Gary Stangler, Jim Casey Youth Opportunities Initiative

Youth IDA programs differ most from adult programs with respect to the permissible uses of IDA savings. Most adult programs limit use to first-time home purchase, small business development, and post-secondary or career-enhancing education and training. Youth programs often expand this list of allowable savings goals to include the first and last months' rent on a first apartment, purchase of a first car or personal computer, summer camp tuition, activity participation fees, athletic equipment, or even a musical instrument.⁶¹

⁵⁸ Bocian, D., *Encouraging Savings: Financing Individual Development Account Programs* (Washington, D.C., The Finance Project, 2002); Corporation for Enterprise Development, *op. cit.*

⁵⁹ *Ibid.*

⁶⁰ Corporation for Enterprise Development, *op. cit.*

⁶¹ *Ibid.*

Although the youth IDA field is still developing, the Corporation for Enterprise Development conducted a broad review of programs and identified several findings about what makes for successful programs from which youth are most likely to benefit.⁶² They found that:

> **Youth who are goal focused are most successful in IDA programs.** When young people see an IDA as a means to their own chosen ends, they are more likely to be highly motivated participants.

> **Youth IDA programs require staff experienced in working with youth and program components designed to meet the developmental needs of youth.** Youth IDA programs that merely adapt adult models generally have less positive results than programs that are designed to address the cultural, developmental, and social needs of young people. For foster youth and young people who are leaving foster care and lack strong connections to adult mentors and role models, such accommodations may include providing mentors and counselors who are experienced in working with disconnected youth.

> **IDAs alone are not sufficient to engage youth.** They must be connected to other supports and services that interest young people, including entrepreneurship opportunities, job training and internships, educational support and enrichment opportunities, computer training, financial literacy training, sports, and a job that enables them to earn some money. IDAs seem to be most effective when they complement other program components that appeal to youth.

> **Young people who have the most immediate need for the money they can accumulate in their IDAs save more regularly and consistently.** Experience suggests that youth are more motivated to save and savings rates increase when they have a clear sense of what they need the funds for. For example, programs that focus on post-secondary education or training have the most success with youth in their junior and senior years of high school.



> **Youth who have parents involved in an IDA program have higher rates of savings.** Children and youth who grow up in families where financial education begins early and is learned through a variety of hands-on experiences and from observing parents who are financially responsible are likely to model their financial management behavior after what they learn at home. Similarly, youth who see influential adults participating in IDA programs are more likely to get involved in youth IDA programs. For foster youth, this suggests the potential effectiveness of connecting them to adult mentors who have experience with IDAs.

> **Youth with prior experience with program staff are more likely to participate in IDA programs.** Young people are more likely to participate in IDA programs if they know and trust the staff providing them.

> **IDAs for youth need to be linked to financial literacy education, and they need to emphasize fun and interactive approaches to learning.** Both the curriculum and the way the information is delivered need to be appropriate for youth. Practitioners have found that hands-on activities are the most effective way to keep youth engaged and motivated to attend financial education sessions.



> **Youth may be more likely to maintain consistent involvement in an IDA program if they have strong support from parents or other significant caring adults.** Programs that engage parents or the other adults who are significant in young people's lives can capitalize on these adults' support and encouragement, and tend to have the most active youth participation.

> **Savings should come from money that is earned, and programs should enable youth to make their own decisions about their money.** Many programs have found that unless young people are earning money and making their own decisions about it, savings rates are low and financial literacy education does not seem particularly relevant. It is important to remember, however, that in order to work, many foster youth will need assistance to overcome transportation and other barriers. Addressing these issues is a job for community leaders.

> **Matching funds alone do not seem to be incentive enough for many youth to participate, especially those who are not completely goal focused or who have a goal that requires more than a year of saving.** Young people need to have multiple successes over time to make positive behavior a norm. Many programs have found that including incentives for desired behaviors and providing rewards in addition to matching funds can boost savings. Some programs offer other short-term monetary rewards for desired behavior (e.g., attending a financial literacy class). Others provide youth with options for investing in lower-cost items that are part of an overall asset-building plan. In this way, longer-term saving is motivated by shorter-term payoffs. Still others give group rewards—for instance, a pizza party—for accomplishments by all youth in the group.

The Foster Care Work Group recommends investments such as post-secondary and vocational education and training that will enable foster youth and young adults leaving foster care to develop the knowledge and skills to increase their personal wealth through savings and accumulate material assets, such as a car, a home, savings accounts, bond and equity holdings, retirement funds, and ownership interests in property and other items of value. These initiatives may be undertaken as stand-alone programs for foster youth but are likely to be more successful if they are components of a comprehensive approach that links paid employment, financial literacy education, and opportunities for savings and asset accumulation.

Because youth IDA programs are a relatively new development, the Foster Care Work Group recognizes that much more needs to be understood about how to help foster youth and young adults leaving foster care learn to save money and accumulate material assets.

CREATE ENTREPRENEURSHIP OPPORTUNITIES

Having the opportunity to create and successfully operate one's own venture is at the heart of the American Dream. It has been the vehicle for generation after generation of Americans to escape poverty, support their families, build wealth, become engaged in their communities, and contribute to the strength of the U.S. economy. Entrepreneurship is the process of creating, nurturing, and operating a business venture. For many successful entrepreneurs, it is a pathway to independence and self-reliance. It is a way to be one's own boss rather than work for someone else.



nothing in high school about how business or the economy works.⁶³

Youth enterprise and entrepreneurship is a relatively new and emerging field of social and business policy, programs, and research. It is only loosely defined, and it takes in a wide array of programs and initiatives aimed at teaching youth about the world of business, such as:

- > Creating hands-on opportunities to operate a business or individual for-profit enterprise;

Many programs exist that promote and support entrepreneurship and small business development opportunities for disadvantaged adult populations; however, youth entrepreneurship is often overlooked or devalued. It's encouraging to know that the Foster Care Work Group recognizes the value of entrepreneurship as a wealth-creation strategy for disadvantaged youth.

—Brian S. Lyght, The Annie E. Casey Foundation

Changes in the U.S. economy over the past generation have put increasing value on enterprising skills and entrepreneurial behavior. Opinion surveys during the last decade underscore young people's growing interest in entrepreneurship. Nearly 70 percent of high school students report that they want to start their own businesses, many because they want the opportunity to work for themselves. Yet, more than 85 percent of these young people rate themselves as "very poor" to "fair" in their entrepreneurial knowledge, and they average scores of only 44 percent on tests of basic business knowledge. Eight out of ten students say they were taught little or practically

- > Stretching young people's horizons through exposure to career alternatives; and
- > Providing opportunities for youth entrepreneurs to develop their own business ventures.⁶⁴

Research on the effects and cost-effectiveness of these programs and initiatives is scarce indeed. Most investments in this growing field seem to be based largely on intuition and anecdote.⁶⁵ As a consequence, though programs are largely focused on supporting entrepreneurship among disadvantaged

⁶³ Results of a 1994 Gallup Survey sponsored by the Ewing Marion Kauffman Foundation's Center for Entrepreneurial Leadership, reported in Dabson, B. et al., *Enterprising Youth in America: A Review of Youth Enterprise Programs* (Washington, D.C.: Corporation for Enterprise Development, 1998).

⁶⁴ Dabson et al., *op. cit.*

⁶⁵ *Ibid.*

youth, no programs that we found or that are cited in the existing research literature focus specifically on foster youth and young adults leaving foster care.

A recent review by the Corporation for Enterprise Development of youth enterprise or entrepreneurship programs and initiatives identified five general types of initiatives:⁶⁶

- > **School-based entrepreneurial education**—programs that teach the values and basics of creating and running businesses within an educational institution;
- > **Training trainers**—organizations that provide support to school-based programs by developing and tailoring curricula and training teachers and instructors;
- > **Enterprise development**—programs that provide a range of services to support business start-up and development among young people in a variety of settings (many have built a network of affiliate organizations or branches that exhibit approaches to stimulating interest in youth enterprise);
- > **Business placement**—an experiential approach that gives young people the opportunity to work in a small business setting; and
- > **Local initiatives**—independent community organizations that focus on supporting youth enterprise in a specific geographic area, using their own curricula and program approaches.

When asked about factors that have led to their success in creating and providing youth entrepreneurship programs and initiatives, program developers and leaders highlighted a number of familiar characteristics, including:⁶⁷

- > Clear purpose and theory of change that can produce measurable outcomes;
- > A program leader with a strong background in both business and working with young people;
- > The right mix of business, education, and community partners, with program sponsors who are able and willing to take the long-term view;
- > Appropriate role models, who reflect the gender, race, ethnicity, and interests of youth participants;
- > Understanding of the marketplace in order to steer young people to real market opportunities;
- > Interactive, experiential learning; and
- > Building on the success and learning from the failures of other youth enterprise initiatives.

[Entrepreneurship] is a great idea. It allows youth to invest in their skills, and takes them away from their current problems.

—Wendy Lorenzi, former foster youth

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*, p. 15.

For foster youth who have grown up without good models for how to choose among career alternatives, youth entrepreneurship programs can help them think much more broadly about career possibilities, giving them a clear sense of how to pursue business opportunities and what is required to be successful. In some cases, participation in these programs and initiatives may fan the desire to create a new venture; in others, it may have exactly the opposite effect by helping participants understand that building a business is a lot harder than they might have thought. Increasing entrepreneurial awareness

I felt suffocated by the low level of expectations in foster care. (Entrepreneurial training) provides the tools and capacity to become a potential contributor to society. It sends a message to the individual and society that this person is not damaged goods, this person is an investment.

—David Ambroz, former foster youth

among foster youth may not necessarily translate into more of these young people wanting to become entrepreneurs. But given the importance of enabling young adults to struggle with their career choices, youth entrepreneurship programs offer a way for foster youth to gain a realistic window on starting and running their own businesses.

Most program leaders report that starting a business is not the only outcome they seek to help youth achieve; they also hope to encourage disadvantaged youth to stay in school or continuing education and give them a broader idea about career options and pathways. Helping young people understand that they can be the sellers of goods and services as well

as the consumers, and what that entails (e.g., attitudes about customer service and communication styles), is a rewarding experience for many program leaders. As the Corporation for Enterprise Development study says, “Learning about enterprise and business is clearly highly desirable in preparing young people for the world of work, but the real breakthrough is in providing the conditions where young people can actually experience for themselves the challenges and excitement of running their own enterprise.”⁶⁸

Accordingly, the Foster Care Work Group urges foundations and other public- and private-sector funders to join in supporting opportunities for vulnerable youth to: 1) acquire an awareness of business ownership as an option or a viable alternative to employment, 2) consider ideas for a business venture, 3) learn how to start and grow a successful business, 4) develop a business plan, and 5) implement it. This strategy will require investments in developing entrepreneurship opportunities as a component of comprehensive community initiatives to help young adults leaving foster care achieve economic success.

In addition, the Foster Care Work Group recognizes that this is an area of program development that is relatively new and untested. More work is needed to create the foundation of knowledge that can inform future policy and program development, including studies of which young people benefit most from exposure to entrepreneurship opportunities, how they make decisions to pursue their own business ventures at a young age or later in life, what types of learning experiences are most valuable, and what supports and services are necessary to enable foster youth to take full advantage of them.

MAKE SUPPORTS AND SERVICES MORE EFFECTIVE

The strength of the proposed strategies outlined above depends to a great extent on the way in which supports and services are organized and provided. Across these strategies, several characteristics are critical to the effectiveness of programs and initiatives to help foster youth and young adults leaving foster care become economically successful. These include:

> **Comprehensiveness**—Each of the five strategies outlined above is a component of a comprehensive approach to helping foster youth and young adults leaving foster care become economically successful. Though every youth will not need the same mix of supportive services to make a successful transition to independent living, they all are likely to need some assistance in each of the five areas: educational support, employment opportunities, financial literacy education, savings and asset accumulation, and entrepreneurship. Whether this assistance is provided as complementary components of a single program under a single organizational umbrella, or whether coordinated programs are provided by several organizations within a community is not important. Both organizational structures can work. What matters most is that there is a team approach to case planning for each older youth leaving foster care and that each plan is culturally relevant. Ensuring that these young adults have the support and opportunities to become economically successful should be addressed in a Transitional Living Plan that reflects their individual needs and preferences and that is reviewed and updated regularly.

Comprehensive approaches that take account of young people's needs, expectations, and cultural

backgrounds and that connect them to the kinds of assistance they need are more likely to succeed than fragmented programs and services that provide too little support and preparation and are not tailored to individual needs and preferences. The influx of children from diverse backgrounds into the child welfare system has created an urgent need to provide services in ways that are acceptable and useful to these young people and their families. Similarly, changing demographics suggest that more attention needs to be given to recruiting and retaining child welfare workers who represent the different backgrounds and cultures and speak the languages of the population they serve.⁶⁹

> **Principles of youth development**—Programs and initiatives to help foster youth and young adults leaving foster care achieve economic success are likely to be more effective if they incorporate basic principles of youth development in their design:

- Empower youth to set goals so they can become self-determined;
- Employ staff who have experience working with youth and expertise in youth development;
- Use multiple, positive strategies to support development of the whole youth;
- Provide interim and consistent reinforcement for desired behaviors;
- Build relationships with youth rather than just provide them with services;
- Make learning fun and relevant; and
- Involve significant adults to provide added support and reinforcement beyond the time when program staff are directly engaged with young people.

⁶⁹ Sheehy, A.M., Oldham, E., Zanghi, M., Ansell, D., Correia, P., and Copeland, R., *Promising Practices: Supporting Transition of Youth Served by the Foster Care System* (Baltimore, Md.: The Annie E. Casey Foundation, 2002).

> **Youth engagement and leadership**—Foster youth need opportunities to participate in decisions about their lives and to be active members of the team of caring adults who help develop Transitional Living Plans for them. Research suggests that youth benefit from being involved in making decisions that affect them while they are in foster care and in planning for themselves when they age out of care.⁷⁰ Given the natural tension between the child welfare caseworker’s legal responsibility for a youth’s safety and the young person’s desire for more control over his or her life, granting increased authority to youth is not always easy. But the payoff is that foster youth and those leaving foster care will feel a greater sense of ownership of the plan and will be more likely to follow through if they take part in shaping it. Focus groups with current and former foster youth underscore their strong interest in having their opinions and desires valued and accounted for in decisions about their futures: “Nothing about us without us.”⁷¹

Similarly, numerous studies have demonstrated that foster youth need opportunities for leadership. Leadership is a manifestation of resilience and an avenue for young people, who have very little control over most aspects of their lives, to gain a sense of empowerment and self-efficacy. Former foster youth who approach independent living having had opportunities to lead and support others—including their peers—in their communities are often more confident in their ability to be successful and better able to live on their own.

One important caveat: Youth involvement is now fashionable in children’s services. While this is a wonderful development, it also presents some potential dangers, among the most important of which are tokenism, manipulation, and disempow-



Nothing about us without us.

—refrain from Jim Casey Youth Opportunities Initiative planning groups

erment. To be effective and to guard against being exploited, young people need adequate preparation to learn how to tell their stories and play important and constructive roles in advocacy and in policy and program decisions.⁷² They also need to be regarded as equal partners in the process.

> **Connections to caring adults**—Another key characteristic of effective programs and services is that they give young people opportunities to form enduring connections to caring and knowledgeable adults, who will be their advocates, confidantes, guides, and gatekeepers. For most young people, parents play this role. For foster youth, other caring adults need to provide supportive social connections

⁷⁰ Freundlich, *op. cit.*

⁷¹ Shirk and Stangler, *op. cit.*

⁷² Freundlich, *op. cit.*

and networks. When their own parents are absent or incapacitated, many foster youth need and want other adults to serve as surrogate parents. By being engaged and spending time with caring adults outside their birth families, many foster youth are able to detach themselves to some extent from the problems in their own homes. Extended family members, older mentors, youth leaders, teachers, coaches, and members of their religious communities who accept these young people unconditionally, regardless of their temperamental idiosyncracies, physical attractiveness, intelligence, or past experiences, can be an effective buffer against the instability and disruption of their lives and can help them on the road to economic success.⁷³

> **Change in the professional culture and approach**—Addressing the needs of children who are removed from their families because of maltreatment and neglect has long been the domain of child welfare agencies and social workers. Their primary goal is to protect vulnerable children and youth whose own parents are unable or unwilling to care for them. The focus is on meeting these young people’s immediate needs for shelter, food, and safety. Yet, successfully implementing the strategies and activities outlined in this investment plan will require a shift in the professional culture and the paradigm for serving and supporting foster youth and young adults who age out of foster care.

[Involvement] is beneficial to youth. It allows them to take ownership of their lives. But they must be taught how to participate.

—Wendy Lorenzi, former foster youth

I had a Big Sister for 11 years. She showed me that a woman can be successful, with a home and car, but it takes hard work. She exposed me to a completely different world and lifestyle. She was my tutor, taught me manners, taught me to bake—one day we made home-made pies.

—Wendy Lorenzi, former foster youth

The most important thing is a stable person to help you create your plan, allow you to fail, and then help think through what you did so you don’t do it again. My ILP coordinator was the stable, caring adult who pushed me to strive to finish high school and go to college. She saw my potential, but some of the other youth weren’t pushed....I see them now and they’re (out of work? With kids?) My ILP coordinator stayed with me, helped me through college, helped me move, lent me \$20 when I needed it. She is still in my life and I love her.

—Myeshia Grice, former foster youth

— **Long-term versus short-term view**—Change will require focusing not only on the most immediate needs of these vulnerable children and youth, but also on the longer-term challenge of helping them prepare for adulthood and life on their own. To be successful, young people need to complete their educations. They need help to gain work experience and develop a vision and aspirations for what their adult lives can be. They need to learn how to be financially responsible, how to manage their money, how to save and accumulate assets, and how to develop a stake in the economy and in their communities.

⁷³ National Commission on Children, *Beyond Rhetoric: A New American Agenda for Children and Families* (Washington, D.C.: U.S. Government Printing Office, 1991), p. 56.

– **Cross-agency and cross-disciplinary collaboration**—If helping former foster youth make a successful transition to adulthood continues to be defined as solely or even primarily a province of the child welfare system and its over-burdened staff, this goal will never be reached. Achieving long-term positive outcomes will require child welfare agencies and social workers to work differently—to forge effective partnerships

– **“Expect more. Get more.”**—Finally, and perhaps most important, helping foster youth and former foster youth make a successful transition to adulthood will require a change in attitude. For too long, the child welfare system has set the bar too low for youth leaving foster care—lower expectations for educational achievement, less challenging coursework, menial jobs, and less demanding career expecta-

There are pervasive low-level expectations—survive, don’t get pregnant, if possible graduate high school—it’s got to change...The job of the foster care system is to feed, house, and sustain youth, but not push them beyond mediocrity. The work they are doing is so much more than a job—it is a mission, and should be treated accordingly.

—David Ambroz, former foster youth



with other agencies and organizations, with professionals from other disciplines, and with employers, community leaders, and community volunteers. It will demand new resources—ideas, time, expertise, funding—not just more effort by child welfare workers. When young people move out on their own, they need to be well connected to community resources and individuals. Programs that promote community interactions and collaboration among agencies and organizations are modeling the importance of networking and shared community support systems.⁷⁴

tions. Yet as many young people have poignantly articulated, “Expect more; get more. Don’t sell us short!” The goal and expectation must be to help each and every young person who spends time in foster care to develop his or her full potential—to become the most and the best that they can be. The professionals who support and serve them, and the other caring adults who enter their lives, must help these young people think big, aim high, and strive to meet the challenges, just as every family does for its own children.

We should have standards for foster youth to reach.

—Myeshia Grice, former foster youth

CONCLUSION

The Foster Care Work Group has outlined a new strategic focus and a coordinated approach to address the needs of young adults leaving foster care. The five strategies described in this chapter present a coherent approach to significant issues related to their short- and long-term economic well-being and financial success that too often are



We have to break the cycle of youth leaving the foster care system and entering a world of homelessness, poverty, and despair. Our goal at the Schwab Foundation is to end intergenerational poverty and promote self-sufficiency.

—Rick R. Williams, Charles and Helen Schwab Foundation

overlooked in child welfare policies and programs. This new focus does not shift responsibility away from public child welfare agencies and the extensive network of foster families and private nonprofit organizations that care for children and youth who cannot live with their own parents. Yet, it does suggest new opportunities for investments by foundations, community organizations, employers, and concerned citizens that move beyond simply keeping foster children and youth safe while they are in state custody to creating a connected set of supports and services that will enable them to succeed on their own.

INVESTMENT WORKPLAN

The Chafee Foster Care Independence Act of 1999 provides a framework within which states and communities can develop supports and services to help young adults aging out of foster care achieve economic success. Within this framework, states have wide latitude to determine the mix of programs they will support and the subgroups of foster youth to whom they will target their efforts.⁷⁵ It is too soon to know whether the new statute will significantly improve the lives and prospects of young adults leaving foster care. But it is not too soon to recognize that there is a large and important role for private foundations to play in focusing attention and resources on preparing these young people to go out on their own.

In this plan, the Foster Care Work Group presents a bold theory of change: that preparing foster youth and young adults aging out of care to achieve economic success will ease the transition to adulthood and to independent living. FCWG has elaborated this theory in five interrelated strategies:

- > Advocating and supporting educational attainment;
- > Facilitating access to workforce development opportunities;
- > Providing financial literacy education;
- > Encouraging savings and asset development; and
- > Creating entrepreneurship opportunities.

To pursue these strategies, the Foster Care Work Group recommends a series of related investments that include:

- 1) **Community demonstration initiatives** to test and refine promising community-based programs and services;
- 2) **Research and evaluation** to answer basic questions about the status of foster youth and young adults leaving foster care; the availability, quality, and impact of innovative approaches to address their economic well-being; the costs, benefits, and financing of relevant programs and initiatives; and the implications of addressing economic well-being for the education and child welfare systems;
- 3) **Technical assistance** to states, communities, and community organizations to help them design and implement promising models and mobilize resources to sustain them; and
- 4) **Communications, outreach, and advocacy** to raise awareness of the plight of young adults leaving foster care; share information about the feasibility and effectiveness of supports and services to help address their economic well-being; mobilize support for policies, programs, and system reforms; and encourage broad community engagement in helping former foster youth on the road to economic success.

PILOTING PROMISING APPROACHES: COMMUNITY DEMONSTRATION INITIATIVES

To realize the power of the Foster Care Work Group's theory of change, it must be tested. Accordingly, the centerpiece of the FCWG recommendations for new investment is the creation of comprehensive community initiatives aimed at concentrating attention and resources on preparing foster youth and young adults leaving foster care to be economically successful. The five interrelated strategies described in the previous chapter provide the framework for designing and implementing specific programs, services, and other opportunities that are tailored to the needs and preferences of individual communities. To be successful, these initiatives must be the product of broad-based partnerships between political leaders, public agencies, the judiciary, foundations, community organizations, employers, schools, institutions of higher education, and concerned individuals. In some communities, this may entail establishing new comprehensive programs that operate under a single organizational umbrella. In many others, it will involve building on and connecting an array of existing programs and services and filling the gaps with new initiatives.

California; and Tampa, Florida—have been identified as potential pilot sites. Serving as a demonstration site will entail a commitment to launch comprehensive initiatives, in conjunction with members of the Foster Care Work Group, that can attract other community partners and focus community resources on helping former foster youth in these cities achieve economic success. In each demonstration community, the design will include several core program elements:

- > **A debit card account**, so that youth can learn to manage their own money and pay their short-term expenses.
- > **A matched savings account** (Individual Development Account) to help youth build medium- and long-term assets. Each IDA account will be seeded by the sponsors of the initiative, and incentive payments will be provided to reward financially responsible behavior (e.g., paid employment, school performance and completion, and financial literacy education).

Our initiative is focused on ensuring that foster youth transitioning from the system are educated, banked, housed, and employed.

—Rick R. Williams, Charles and Helen Schwab Foundation



The goal is to design, test, and refine a model that, if successful, can be adapted and implemented in communities across the country. Building on best practices, demonstrations provide a vehicle for examining the combined impact of all five strategies on youth and the systems that serve them. Three communities—Indianapolis, Indiana; Oakland,

- > **Financial literacy education**, so that youth can learn the fundamentals of responsible, personal financial behavior.
- > **An educational advocate** to help each participating foster youth gain access to the resources that he or she needs to achieve desired educational outcomes

and participate fully in curricular and extracurricular activities. These assigned advocates will serve as liaisons responsible for communicating regularly with school personnel and monitoring school enrollment, attendance, course selection, educational placement, and performance. Advocates will facilitate opportunities for students in care and those transitioning out of care, to pursue and complete post-secondary and vocational education and training. And they will ensure that foster youth who are struggling academically receive appropriate support, accommodations, and services to enhance their chances of educational success.

> **Youth leadership opportunities** that provide training and skill development for youth in care to ensure that they learn self-determination and self-advocacy skills. The focus of these programs will be to encourage foster youth and young adults leaving foster care to set personal goals, identify what it will take to achieve these goals, and develop the ability to advocate effectively for themselves.

> **“Door Opener” opportunities** that will help former foster youth become connected members of the community and access resources that will enable them to make it on their own. These may include employment training and job opportunities, information on potential career options, access to cultural events and experiences, consumer benefits, and supportive relationships with adult mentors.

In addition, each community initiative will create a community partnership board that includes youth members to guide its work and to engage foster youth in decision making and governance. Each community initiative will participate in a national evaluation to examine the implementation and impact of its programs and services. And each

community initiative will receive technical support to help local leaders develop an effective communications, outreach, and advocacy capacity and plan for sustainability when demonstration funding ceases.

Community leaders will have significant discretion to shape individual program elements in order to take best advantage of local resources and to respond to local needs and priorities. They can add program elements to the core design and emphasize program

Communities creating initiatives should emphasize youth involvement from the very beginning of creating their plan. They should have flexible meeting times so youth can participate and devote time to preparing the youth for full participation.

—Myeshia Grice, former foster youth

components of special interest. And they have wide latitude to decide how to structure their community partnerships and how to work with formal child welfare agencies, schools, local businesses, post-secondary and vocational institutions, the faith community, and other interest groups and individuals.

The Foster Care Work Group wants to encourage leaders in other communities to follow the lead of Indianapolis, Oakland, and Tampa. Working together and independently, funders can structure comprehensive initiatives that incorporate all five strategic components, or they can concentrate on building individual components and linking them to resources that already exist. The FCWG will welcome opportunities to connect national, regional, and local funders to projects in other communities, provide support and technical assistance to get new initiatives launched, and share lessons learned from the experiences of the pilot sites along the way.

BUILDING THE KNOWLEDGE BASE: RESEARCH AND EVALUATION

Throughout this plan, the Foster Care Work Group has highlighted unanswered questions related to the five program strategies and unexplored areas on which additional research and analysis could shed valuable light:

- > The needs and conditions of foster youth and young people aging out of foster care;



- > The educational, vocational, and economic pathways that they follow;

- > The impact and implementation of supports and services to help them succeed in school, get work experience, find a promising career track, manage their money, accumulate material assets, and become financially secure;

- > Incentives that encourage participation in programs, and factors that make them successful; and

- > The costs, benefits, and financing of relevant policies, programs, and opportunities.

Empirical research and program experience provide compelling evidence of the value of each of the five interrelated strategies for helping former foster

youth achieve economic success. But there are still significant holes in current knowledge about what they need to become economically successful and the best ways to address those needs. While there is some evidence to support each of the component strategies, there is no research to help decision makers understand the costs, effects, and effectiveness of comprehensive initiatives that combine and coordinate these approaches. We know very little about the potential impact on individual youth, on their communities, and on the formal systems that serve them.

Sound empirical evidence is a valuable tool in shaping policies, programs, and system reforms; it is also essential for sustaining them. Being able to demonstrate how and to what extent programs and initiatives contribute to desired outcomes for youth, for their communities, and for the systems that serve them is critical to keeping efforts going.

Accordingly, as a complement to community demonstration initiatives and to help build the field, the Foster Care Work Group recommends investments in data collection research and program evaluation to address critical knowledge needs. These include:

- > **Baseline data**—Data to track relevant indicators of the well-being of foster youth and young people transitioning from care are needed to monitor their status and to provide a baseline against which to measure change. Ideally, these data would distinguish youth who have been involved in programs and services to support desired outcomes from those who have not. Such data would include:



- Educational status—grade level, school enrollment, attendance, coursework, participation in extracurricular activities, graduation and GED or other high school equivalency, dropout status, post-secondary enrollment, and completion of advanced education.
- Employment status—retention, job training, work history, and pay.
- Financial competency—knowledge and skills related to personal financial management.
- Level of savings and assets—knowledge, attitudes, and behavior related to savings and asset accumulation.
- Entrepreneurship—knowledge, attitudes, entrepreneurial behavior, and business success.

> **Pathways to adulthood**—Research to document the patterns foster youth follow in securing education and employment, gaining financial competency, acquiring savings and assets, and exploring options to pursue their own business ventures can help policymakers, program designers, community leaders, employers, and educators understand which strategies and approaches are most likely to help former foster youth achieve economic success. These may include retrospective and longitudinal studies of former foster youth.

> **What works**—Research to document and profile successful programs, services, and practices aimed at increasing economic success among foster youth and former foster youth, including those programs focused on education, employment, financial competency, savings and asset development, and entrepreneurship. Such research would investigate:

- How available and accessible are they?
- How are they initiated and implemented?
- What incentives are most important to encourage employers, community leaders, and volunteers to get involved?
- To what extent do foster youth and young people participate in these programs?
- Which approaches are most successful in improving outcomes among this population?

> **Barriers and success factors**—Research to identify critical barriers and factors that promote economic success for youth aging out of foster care. These may include individual characteristics, community characteristics, and systems’ features that affect foster youths’ ability to perform well in school, maintain stable employment, pursue a career, become financially competent, and build personal wealth. What barriers are most significant, and what types of supports and services can effectively mitigate barriers to economic success? This question can be addressed in both cross-sectional and longitudinal studies of former foster youth.

> **Costs, benefits, and financing arrangements**—To make informed choices about how to best prepare foster youth and young adults to live on their own and achieve economic success, decisionmakers need reliable information about the costs and benefits of alternative programmatic approaches to each of the

five interrelated program strategies. They also need information about the options for short- and long-term financing to support these interventions.

- How are services for this population currently funded?
- What else is possible?
- How can categorical funding streams be effectively blended and braided?
- How can public- and private-sector funding be used to leverage additional resources?

These research and analytic needs can be addressed in a variety of ways. Some will require routine data collection through ongoing, large-scale databases and special surveys; others, review and synthesis of findings from existing research; and others need special field-based data gathering and analytic work to address specific design, implementation, financing, and outcome issues. Program evaluation research should be a high priority in order to increase knowledge about what works, under what circumstances, for which foster youth and former foster youth, and at what costs. Most important, this information should be organized and made readily available to policymakers, program developers, education and human services professionals, and community leaders, who can use it to shape and improve community initiatives.

IMPROVING PROGRAMS AND SYSTEMS: TECHNICAL ASSISTANCE TO STATES, COMMUNITIES, AND ORGANIZATIONS

In some communities, implementing the new strategic direction recommended by the Foster Care Work Group will require building new programs and services from scratch. In many others, it will demand creative efforts to build upon organizational and program resources that already exist. In either case, the great challenge will be bringing together diverse people and organizations in a new collaborative venture. Among the possible challenges are those related to:

- > Engaging employers, public officials, funders, school officials, post-secondary and vocational administrators, the judiciary, child welfare officials, community leaders, foster parents, and youth in a collaborative planning and design process;
- > Creating effective governance and management systems to guide a constellation of programs and services;
- > Making effective use of professional staff, para-professionals, and community volunteers;
- > Finding funding to meet the short- and longer-term fiscal requirements of the initiative and its component parts;
- > Developing an effective communications, outreach, and advocacy capability;
- > Undertaking a rigorous program evaluation; and
- > Building a strong base of community support for the initiative.

Many state and community leaders who want to launch new initiatives will lack the knowledge and expertise to identify and address the full range of issues they will face in the process. Most will need outside support and assistance. Among the best sources of support and assistance are the Jim Casey Youth Opportunities Initiative and other national and local foundations that have already committed to building community-based systems of support for young people aging out of foster care. They have significant experience and resources to share with other prospective funders and developers.

In addition, a number of national organizations and independent consultants with specialized expertise in program design, strategic planning, human services financing, program evaluation, and strategic communications can offer relevant knowledge, skills, and experience. Some of these groups can supply relevant information, tools, and materials; others can facilitate or coach collaborative planning and decision-making processes; still others can provide intensive customized support on-site to help community leaders design and implement their initiatives.

Regardless of the source of assistance, however, several basic principles should guide the technical assistance activities:

- > Technical assistance should be timely and tailored to the needs and priorities of clients;
- > It should be a coherent and connected set of activities;

- > It should contribute to the development of greater coherence in the design, management, financing, and evaluation of programs and services;
- > It should take best advantage of the resources in the community, building on strengths and assets that already exist;

access to outside information, experience, and expertise.

As interest grows in developing comprehensive community initiatives to help foster youth and young adults leaving foster care achieve economic success, the demand for technical assistance may



- > It should engage community leaders as full partners in doing the work; and
- > It should help develop the community's own problem-solving capabilities and create technical assistance resources by nurturing a peer network for sharing lessons learned, as well as providing

outstrip the current resources. If and when this happens, the Foster Care Work Group encourages national, regional, and local foundations to work together to expand high-quality technical assistance resources nationally and within local communities to ensure that communities have the knowledge, tools, and technical support that they need to move ahead.

BUILDING A STRONG BASE OF SUPPORT: COMMUNICATIONS, OUTREACH, AND ADVOCACY

Often, good ideas for policy and program development succeed because leaders and citizens help create them. Whether the impetus grows from within government or outside it, lasting support comes when elected officials, community leaders, and the public have good information and time to consider and endorse new approaches.

The processes of building a strong base of support for social-service reforms and engaging the public often have been conceived as separate and distinct. Yet, research and experience underscore the need for reform advocates to strike a delicate balance between the directions charted by elected officials and private-sector leaders, and the priorities of community citizens and young people. Political leaders can bring visibility to a pressing problem and help to enact legislation, change procedures, or mobilize resources to finance new programs and initiatives. While political leadership is crucial, so is the involvement of an active public, especially the people who are most likely to be affected by new programs and changing priorities. Reform efforts that do not engage the public may result in short-term permission to try a new course of action, but rarely result in public commitment and long-term support.⁷⁶

Rather than trying to sell political leaders and the public on specific initiatives, wise reform advocates work to build the public's ownership in the proposed options for reform. In particular, they will take steps to increase knowledge of the need for improvements in programs and services, thereby laying the foundation for later decisions on which options or strategies merit their attention and energies.

Advocates for reform of the child welfare system, in particular those promoting a new focus and emphasis on preparing young people for independent living, face two distinct tasks: 1) to build local capacity to inform the community and policymakers about youth transitioning from foster care and how they can become successful, productive citizens; and 2) to mobilize support for policy changes to better serve this population and improve their prospects for economic success. Among the most effective advocates and spokespersons are former foster

The attitude of the foster care system which holds that there is an ending point to care at 18 must change—it doesn't end at 18 but continues. Don't remind youth of how little the system values them by kicking them out of care and providing little attention to the transition they are about to embark upon.

—Myeshia Grice, former foster youth

youth themselves. Those young adults who have made it often have compelling stories to tell. They can be extremely articulate spokespersons who can help maintain the focus on issues that matter and on solutions that will address the real problems.

Research on strategic communications documents a multistage interactive process for conducting this kind of change:⁷⁷

> **Laying the groundwork**—creating a context for positive change by: 1) helping policymakers, opinion leaders, and the public understand the plight of young people transitioning from foster care and

⁷⁶ The Finance Project, *Money Matters: A Guide to Financing Quality Education and Other Children's Services*. (Washington, D.C.: The Finance Project, 1997), p. 121.

⁷⁷ *Ibid.*, p. 122.

how investments in their economic success will lead to improved outcomes for them and their communities; and 2) involving initial stakeholders, such as business leaders, educators, and interest group representatives who may be natural allies;

> **Garnering political support**—attracting support and endorsements for federal and state policies, local programs, and funding from political figures, such as governors, legislators, mayors, city council members, key child welfare agency officials, key school system officials, and other political leaders who can play a pivotal role in advancing new initiatives;



> **Increasing public knowledge and understanding**—creating a broad-based call to action by giving voters, taxpayers, foster families, and foster youth adequate opportunities to examine the issues, learn more about the pros and cons of proposed program initiatives, deliberate, and make up their minds about the value of this new strategic direction;

> **Creating opportunities for public deliberation and input**—allowing sufficient time for organized public forums in order to move beyond the urgency of the issue to focus on the benefits of the proposed new strategic approach; and

> **Crystallizing a commitment**—building resolution to convert changes in attitude into changes in policy, programs, and funding.

The Foster Care Work Group recognizes that the success of the proposed reform initiative will be directly related to the success with which it is communicated. Simply providing information about the plight of young adults aging out of foster care will not be enough to precipitate change—although it will be a significant first step, given the general lack of awareness most Americans have about the issue. Change will require a well-structured, well-orchestrated, and well-managed communications, outreach, and advocacy drive in the communities where new demonstration initiatives are being launched and at the state and national levels. Large national foundations, as well as those with more regional and local interests, can play a critical role in building this capacity.

CONCLUSION

In this chapter, the Foster Care Work Group has outlined an ambitious agenda to focus attention and resources on building the capacity of communities to help young adults leaving foster care achieve economic success. Pursuing this agenda can lead to significant change in the way government agencies, the judiciary, foundations, employers, schools, institutions of higher education, and community-based organizations prepare young people for the transition to adulthood and independent living.

In emphasizing economic success for youth and young adults who leave foster care, the Foster Care Work Group offers sound strategies to combat the feelings of dependence and disenfranchisement that many youth experience—feelings which could otherwise thwart their successful transition to adulthood.

—Brian S. Lyght, The Annie E. Casey Foundation

Investments in community demonstration initiatives in the three pilot cities— Indianapolis, Oakland, and Tampa—can improve the educational, employment, and financial outcomes of youth leaving foster care. Investments in rigorous cross-site program evaluations

and longitudinal studies will create a better understanding of what works and the impact of the proposed strategic approach on youth, their communities, and the systems that serve them. Investments in expanded technical assistance can help support the development and implementation of new initiatives in communities nationwide. And investments to create a strong and coherent communication, outreach, and advocacy capability can focus new public attention on a youth population whose visibility has been below the radar. Such investments can also help build a broad base of support for addressing the economic needs of former foster youth through actions in local communities and through national policy.

Accomplishing this agenda will require the participation of many funders large and small. The members of the Foster Care Youth Work Group (The Annie E. Casey Foundation, Casey Family Programs, Jim Casey Youth Opportunities Initiative, Eckerd Family Foundation, Lumina Foundation for Education, and the Charles and Helen Schwab Foundation) will work together on investments over the next several years, and they welcome additional partners to make this agenda a truly national one.

MEASURING RESULTS

What determines whether a young person leaving foster care approaches adulthood and independence with the knowledge, skills, attitudes, experiences, and expectations to be successful, or ends up isolated, homeless, unemployed, and without hope for a bright and happy future? Undoubtedly, the answer to that question is complex; it varies from youth to youth and from community to community. The distinction between success and failure is often a fuzzy one. However, despite the multitude of variables that affect individual outcomes, the common sense, empirical research, and testimony from foster youth themselves confirm the importance of comprehensive preparation for independent living, opportunities for economic success, and encouragement to set high expectations and ambitious goals.

In this plan, the Foster Care Work Group presents a bold theory of change: that preparing foster youth and young adults aging out of care to achieve economic success will ease the transition to adulthood and to independent living. FCWG has elaborated this theory in five interrelated strategies:

- > **Advocating and supporting educational attainment;**
- > **Facilitating access to workforce development opportunities;**
- > **Providing financial literacy education;**
- > **Encouraging savings and asset development; and**
- > **Creating entrepreneurship opportunities.**



For each of these strategies, the Foster Care Work Group recommends a number of actions and a workplan to implement them. These actions are aimed at changing or ameliorating an array of conditions known to inhibit economic success among former foster youth (e.g., dropping out of school, lack of work experience, lack of knowledge about personal financial management, and lack of material assets and cash savings). Taken together, these strategies and the activities related to them comprise a comprehensive approach to helping foster youth and young people leaving foster care acquire the knowledge, skills, experiences, and personal tools they will need for adulthood.

Translating this plan into action will happen in local communities. It will require an array of stakeholders working together in new ways to bring resources to the table, to agree on concrete investment plans, and to take responsibility for ensuring the success of their initiatives. In some cases, it may entail policy changes to improve existing systems, to generate new dollars, or to redirect existing funding and other resources to new uses. Implementing these decisions will call for support from public- and private-sector funders, political leaders, employers, agency officials, the judiciary, institutions of higher education, school officials, community leaders, and concerned citizens.

Setting results and using indicator and performance data to measure progress is essential for successful community partnerships. Focusing attention on results and accountability can be a powerful tool for: 1) setting priorities that bring relevant stakeholders together in partnership behind the initiative; and 2) generating ongoing support by taking responsibility for improved outcomes, and then documenting progress through changing quantitative data and stories about the lives of individual youth. The power of results and indicators is not just in collecting the data—but also in taking the much harder step of using the information to influence and shape what the partnership is doing.⁷⁸

As the Foster Care Work Group suggested at the outset, the goal of this investment plan is threefold. First, it is to have a *significant, positive impact* on the future economic well-being and financial success of the thousands of young people who spend time in the child welfare system. Second, it is to have a *significant, positive influence* on public policies, programs, and system reforms concerned with foster youth and young people leaving foster care. And third, it is to create *significant, positive leverage* on the amount of public- and private-sector resources that are directed toward providing supports and services to foster youth.

Expect success and strive for the best! Never settle and never give up!

—Tina Gridiron Smith, Lumina Foundation for Education

⁷⁸ The Child Care Partnership Project, *Using Results to Improve the Lives of Children and Families: A Guide for Public-Private Child Care Partnerships* (Washington, D.C.: U.S. Department of Health and Human Services, 2000). The Child Care Partnership Project was a joint initiative of The Finance Project, the National Governors Association, and the Families and Work Institute.

IMPACT



The impact of the proposed investments in efforts to help former foster youth achieve economic success can be measured through a number of community-wide indicators related to individual well-being (income status related to age-based norms, job retention, and work history; home-ownership; and so forth) and community economic well-being (qualifications of the workforce, job turnover, unemployment rates, tax base, home-ownership, and so forth). These are measures of progress toward the ultimate goal of improving the lives and prospects for foster youth and contributing to the safety and prosperity of the community. They will take time and require investment in each of the recommended strategies and related activities to demonstrate positive change.

For each of the strategies, interim indicators can document progress on a number of specific measures that affect progress toward the ultimate result. For example, school completion is an interim indicator related to encouraging educational achievement.

Part-time job status is an interim indicator related to creating workforce development opportunities. Completing a financial literacy course is an interim indicator related to providing financial literacy education. Tracking interim indicators can provide a sense of momentum to encourage the community partnership and its members that they are on the right track.

Performance measures provide a way of measuring the contribution of individual programs and activities, or even individual workers or stakeholders, toward the progress indicators. They enable the partnership to measure its own impact and how it contributes to the larger changes that are forecast. Performance measures are of two types: measures of effect (impact) and measures of effort (level and quality of investment and activity). For example, community

Some foster youth may define success differently than others—there is no blanket definition. For some, it's surviving the system.

—Myeshia Grice, former foster youth

leaders can measure the effect of programs to boost school performance among foster youth by looking at changes in students' test scores and grades. They can measure the effort by looking at the number of students in care who are assigned education advocates or the number of students in care who get part-time jobs during their high school years.

The table that appears in Appendix I presents the logic model that describes the Foster Care Work Group's theory of change and that identifies a number of relevant indicators and performance measures that can be used to track progress related to the overall goal.

INFLUENCE

The influence of the recommended investments can be measured in the number of communities that come together and form partnerships to focus resources on comprehensive initiatives to help young adults leaving foster care achieve economic success. At the local level, the engagement of political leaders, employers, schools, institutions of higher education, the judiciary, child welfare agencies, community organizations, and community volunteers, as well as foundations, will be an important measure of the influence of the Foster Care Work Group's proposed investment plan. The actions they take to implement these strategies will also be a valuable measure.

At the state level, the measure of influence will be in the legislative and executive actions of state leaders that focus on the special needs of youth transitioning from foster care—for example, legislation to extend Medicaid coverage to former foster youth, increased appropriations to provide additional resources to match Chafee Act funds and expand the mix of services that can be covered by these funds, and increased financial aid to emancipated foster youth for post-secondary education and training. In addition, to the extent that governors and state legislators become champions for foster youth, they can have significant influence over programs and dollars, because both the funds that go directly to program providers and those that fund vouchers for the purchase of services flow through state agencies to communities. These leaders also

can influence foundations, nonprofit organizations, businesses, and others to develop community-based programs and services to support foster youth in transition from the child welfare system.

At the federal level, the Chafee Act is the focus of government attention to the needs and special problems that face youth aging out of foster care. The law, passed in 1999, establishes the framework for providing services and vouchers to transitioning youth and allocates modest funding. An important measure of influence at the federal level will be the size of future appropriations that are made under

As a society, we were, by force of law, the parents of these young people while they were in foster care. We need to see the job through. We would do no less for our own children.

—Gary Stangler, Jim Casey Youth Opportunities Initiative

this authority over the coming several years. It is too soon to attribute a significant impact to the federal program and the amount of funding it provides to states. Yet, the law holds great promise because it offers a sensible approach to structuring supports and services for this vulnerable population, it requires that youth be engaged directly in the planning process, and it focuses on measuring outcomes for former foster youth, which will help shed new light on what works.⁷⁹

LEVERAGE

At present, a few national foundations, in partnership with several smaller regional and local foundations, are exploring opportunities to co-invest in efforts to implement the strategies and actions presented in this plan. Their intention is to use their co-investments as a model for other national and local foundation funders and for leaders in other communities and states. The community demonstration initiatives that are being developed in Indianapolis, Oakland, and Tampa can show leaders in other communities how to get started. Their investments in research

and evaluation; in technical assistance; and in communications, outreach, and advocacy will create new resources to make the model easier for other communities that may follow.

Yet, the most important measure of leverage will be the extent to which investments by private funders across the country can stimulate and challenge new funding from federal and state governments in the years ahead.



CONCLUSION

The needs of young adults leaving foster care are often overlooked. These young people make up a relatively small and invisible group, and for too long they have existed on the margins of public consciousness. As a society, we have expected too little of these young people to help them aim high and strive for big goals, and we have expected too little of ourselves to marshal the necessary resources to make it happen. Yet, the rationale for making youth

in care and young adults leaving care a focus of public- and private-sector investment is compelling. Addressing the needs and laying the necessary groundwork to help them become economically successful is a manageable undertaking. It is affordable; it is doable; and it promises to have significant rewards for youth themselves and for their communities far into the future.

What Do You Want to Sustain?

VISION AND DESIRED RESULTS

Vision

“Connected by 25” to resources for economic success.

Investment Plan Desired Results

- 1. Impact:** Young people leaving the foster care system are economically self-sustaining by age 25.
- 2. Influence:** Communities and systems offer adequate resources, public policies, programs, and reforms to ensure that young people have the necessary preparation and support to manage on their own and achieve economic success.
- 3. Leverage:** Create significant, positive leverage to increase the amount of public and private resources supporting foster youth making the transition to adulthood.

CONDITIONS AND CAUSES

Individual Youth

Psychosocial

- Depression and other long-term emotional problems due to neglect, trauma, and removal from families.
- Lack of confidence and sense of self-efficacy.

Educational Achievement and Opportunities

- Academic disruption and shifting school enrollment related to multiple foster care placements.
- Low school attendance and achievement.
- Lack of good role models for academic success and educational achievement.
- Lack of academic support and advocacy.
- Lack of opportunities and support for post-secondary education.

Employability and Employment Experience

- High unemployment among former foster youth.
- Lack of part-time work opportunities during foster care.
- Lack of good employment and career role models.
- Lack of opportunities to learn about an array of career possibilities and what is required to pursue them.

Financial Competency and Security

- High rate of poverty among former foster youth.
- Lack of good role models for responsible financial behavior.
- Lack of opportunities to learn about personal financial management over time, through developmentally appropriate hands-on experiences.
- Inability to accumulate assets while in foster care.
- Lack of good role models for savings and asset accumulation.

Public Policy and Community Resources

- Lack of public awareness of the challenges faced by young people leaving care.
- Inadequate funding for services and supports to prepare foster youth for independent living and to support former foster youth in transition.
- Poor coordination across systems serving youth, including child welfare, the courts, K-12 and post-secondary education, employment and training, and financial systems.

How Will You Measure Your Progress?

INDICATORS

Impact: Youth Indicators

Education indicators

- Rates of high school completion.
- Rates of GED attainment.
- Rates of completion of post-secondary education or vocational training.
- Rates of completion of graduate degrees.

Education interim indicators

- Percent of youth at grade level.
- Percent of youth prepared to enter post-secondary education or vocational training.
- Percent of youth entering graduate education.

Workforce development

- Rates of employment.
- Rates of job retention.
- Percent in jobs that support the individual/family.

Workforce development interim indicators

- Rates of part-time employment.
- Percent of youth who demonstrate employment progression.

Financial competency

- Percent of youth who stay within personal budgets.
- Rate of credit and loan acquisition.
- Percent of youth who avoid bankruptcy.

Financial competency interim indicators

- Percent of youth completing financial literacy course.
- Percent of youth who maintain clean credit ratings for one year.

Acquisition of savings and assets

- Amount of savings and assets acquired.

Acquisition of savings and assets interim indicators

- Percent of youth saving money using youth IDAs.

Entrepreneurship

- Rate of business start-ups.
- Knowledge about how to start a business venture.

Entrepreneurship interim indicators

- Percent of youth in entrepreneurial training.

Influence: Systems Indicators

- Strategies and activities supporting young people transitioning from foster care are coordinated and jointly supported among education, employment, child welfare, and other systems.
- Policy changes at the federal, state, and local levels promote economic success for foster youth.
- Reduced number of educational placements for foster youth.
- A continuum of services and supports available to youth 14-24 who are in foster care or leaving foster care.

Leverage: Community Indicators

- Increased public awareness of the needs of young people leaving foster care and of strategies to address them.
- Increased public funding and private-sector investment in resources for foster youth and young people making the transition to adulthood and independence.
- Creation of “door opener” opportunities for former foster youth to gain access to supports and services and other resources in their communities to help them achieve economic success.

What Do You Want to Sustain?

Strategies and Activities

Strategy 1:

ADVOCATE AND SUPPORT EDUCATIONAL ACHIEVEMENT

Investment Activities:

- Support comprehensive community initiatives that connect young people to effective academic support.
- Support programs providing enrichment and cultural activities for young people.
- Support policies that increase educational stability.
- Develop and support educational advocates.
- Evaluate and document K-12 and post-secondary educational programs that guide youth to undergraduate and graduate educational success.
- Fund research on foster youth involvement with education, including: baseline data on achievement, enrollment, dropouts, graduation, participation in enrichment activities, enrollment in and completion of post-secondary education; barriers and facilitators of school performance; and interrelationships with the child welfare, judicial, and employment systems.
- Fund activities to develop public policies, build public support, and educate policy makers about the educational challenges of foster youth and what is needed to overcome the barriers.

Strategy 2:

FACILITATE AND CREATE ACCESS TO WORKFORCE DEVELOPMENT OPPORTUNITIES

Investment Activities:

- Support comprehensive community initiatives that connect young people to employment preparation activities and jobs.
- Support a continuum of age-specific employment services, including development of positive work habits and attitudes, volunteer work, job search skills, subsidized work, and internships, part-time work, focused skills training, and career development programs targeting young people in or leaving foster care.
- Evaluate and document employment development programs successful in linking youth to employment and careers.
- Support research on foster youth and employment including baseline data on employment status, retention, job training, work history and pay; barriers and facilitators of employment; and interrelationships with the child welfare, employment, judicial, and K-12 and post-secondary education systems.
- Fund activities to develop public policies, build public support, and educate policymakers about the employment challenges of young people leaving care and how to overcome the barriers.

Strategy 3:

PROVIDE FINANCIAL LITERACY EDUCATION

Investment Activities:

- Support comprehensive community initiatives that include financial education opportunities for young people.
- Support development and implementation of programs and curricula providing personal financial education and skills.
- Evaluate and document financial education programs successful in increasing personal financial competency.
- Support research on foster youth and financial competency including baseline data on knowledge and skills related to personal financial management; patterns of gaining financial skills; barriers and facilitators of financial literacy; and interrelationships with the child welfare, judicial, employment, and K-12 and post-secondary education systems.
- Fund activities to develop public policies, build public support and educate policymakers about the financial challenges of young people leaving care, and how to overcome the barriers.

How Will You Measure Your Progress?

Performance Measures

Measures of Effort (all strategies)

- Number of youth and young people participating in each component of comprehensive initiatives.
- Number of agencies and organizations participating in comprehensive initiatives.
- Value of resources dedicated to efforts.
- Number of services and supports offered to young people.
- Number of young people who retain stable educational placement.
- Number of young people with education advocates.
- Number of research studies funded.
- Number of new/improved federal, state, and local policies supporting or funding transitional youth.
- Number of foster home and school placements per youth.
- Number of stories in the local media about youth transitioning from foster care.
- Percent of initiatives receiving requested technical assistance.

Measures of Effect – Strategy 1

- Percent of youth at or above grade level.
- Percent of youth with improved test scores.
- Percent of youth taking college preparatory courses.
- Percent of youth graduating from high school.
- Percent of youth completing a GED.
- Percent of youth completing vocational training.
- Percent of youth entering and completing a two-year and/or four-year post-secondary education.

Measures of Effect – Strategy 2

- Percent of youth with part-time jobs.
- Percent of youth retaining jobs for six months.
- Percent of youth completing job search or skills training programs.
- Percent of youth moving into higher-skilled, higher-paid jobs.

Measures of Effect – Strategy 3

- Percent of youth completing financial education programs.
- Percent of youth with bank accounts.
- Percent of youth acquiring and maintaining credit.
- Percent of youth successfully managing their personal finances (i.e., regularly paying rent, keeping current on loans, meeting financial obligations, having money left at the end of the month).
- Percent of youth successfully using and maintaining debit accounts for a minimum of one year.

What Do You Want to Sustain?

**Strategy 4:
ENCOURAGE SAVINGS AND ASSET ACCUMULATION****Investment Activities:**

- Support comprehensive community initiatives that include matched savings accounts (youth Individual Development Accounts), debit card accounts, and other activities aimed at increasing assets.
- Support development and implementation of programs that promote accumulation of savings and assets.
- Evaluate and document programs successful in increasing savings and assets.
- Support research on foster youth and asset development including baseline data on knowledge, skills, and attitudes related to savings and asset accumulation; patterns of building savings and assets; barriers and facilitators; and interrelationships with the child welfare, judicial, employment, K-12 and post-secondary education systems, and financial systems.
- Fund activities to develop public policies, build public support, and educate policy makers about the financial challenges of young people leaving care and how to overcome the barriers.

**Strategy 5:
CREATE ENTREPRENEURSHIP OPPORTUNITIES****Investment Activities:**

- Support comprehensive community initiatives that include entrepreneurship training and support; development of capital for business start-ups and other supports for young people interested in starting their own businesses.
- Support development and implementation of programs that promote entrepreneurship among young people.
- Evaluate and document programs successful in increasing business start-ups among young people leaving foster care.
- Support research on foster youth and entrepreneurship including baseline data on knowledge, skills, and attitudes related to starting a business; patterns of building savings and assets; barriers and facilitators; and interrelationships with the child welfare, judicial, employment, K-12 and post-secondary education systems, and financial systems.
- Fund activities to develop public policies, build public support, and educate policymakers about entrepreneurship.

How Will You Measure Your Progress?

Measures of Effect – Strategy 4

- Percent of youth meeting established savings' goals within one year.
- Percent of youth maintaining IDAs for a minimum of one year.
- Value of savings and other assets accumulated over six months, one year, and three years.

Measures of Effect – Strategy 5

- Percent of youth completing entrepreneurial training.
- Percent of youth who can achieve passing grade on test of business start-up knowledge.
- Percent of youth completing business plans.
- Percent of youth who have acquired necessary capital to start their own businesses.
- Percent of youth who successfully operate their own businesses.

ADDITIONAL RESOURCES

on Improving Economic Well-Being for Young People Leaving the Foster Care System

Vulnerable Youth and Foster Youth

Publications

The Child Care Partnership Project. *Using Results to Improve the Lives of Children and Families: A Guide for Public-Private Child Care Partnerships*. Washington, D.C.: U.S. Department of Health and Human Services, 2000. The Child Care Partnership Project was a joint initiative of The Finance Project, the National Governors Association, and the Families and Work Institute.

Garmezy, N. "Stressors of Childhood." In *Stress, Coping and Development in Children*, N. Garmezy and M. Rutter, eds. New York, NY.: McGraw-Hill, 1983.

National Commission on Child Welfare and Family Preservation. *A Commitment to Change*. Washington, D.C.: American Public Welfare Association, 1991.

National Commission on Children. *Beyond Rhetoric: A New American Agenda for Children and Families*. Washington, D.C.: GPO, 1991.

U.S. Dept. of Health and Human Services, Children's Bureau. *Child Welfare Outcomes 1999: Annual Report*. Washington, D.C., 2001. Available at <<http://www.acf.hhs.gov/programs/cb/publications/cwo99/chapters/chap3.html#permanancy>>.

Wald, M., and Martinez, T. "Connected By 25: Improving the Life Chances of the Country's Most Vulnerable Youth." Unpublished paper. Stanford University, 2003.

Werner, E. "Children of Kauai." Paper presented at the Conference on Vulnerability and Resiliency in Children and Families: Focus on Children with Disabilities, Baltimore, MD., March 7-9, 1991.

Werner, E., and Smith, R.S. *Vulnerable but Invincible: A Longitudinal Study of Resilient Children and Youth*. New York, NY.: McGraw-Hill, 1982.

Organizations and Initiatives

The Annie E. Casey Foundation (www.aecf.org), **Casey Family Programs** (www.casey.org), **Casey Family Services** (www.caseyfamilyservices.org) and **Jim Casey Youth Opportunities Initiative** (www.jimcaseyyouth.org) are foundations with a strong focus on foster care and through their respective websites provide important research, practice knowledge, tools, and program information on children in foster care and youth in transition.

The Bay Area Social Services Consortium (<http://cssr.berkeley.edu/bassc>) is an organization composed of the Bay Area County Social Service Directors, the Zellerbach Family Fund, the van Loben Sells Foundation, and five Bay Area social work programs. Coordinated by a U.C. Berkeley faculty member, BASSC develops educational programs, applied research projects, and policy analysis and implementation, with a focus on child welfare issues.

The Child Welfare League of America (www.cwla.org) is the nation's largest membership-based child welfare organization, with nearly 1,200 public and private nonprofit agencies that assist over 3.5 million abused and neglected children and their families each year with a wide range of services.

The National Clearinghouse on Child Abuse and Neglect (www.nccanch.acf.hhs.gov/index.cfm) provides extensive information on programs, research, legislation, and statistics regarding the safety, permanency, and well-being of children and families.

The National Foster Care Coalition (www.nationalfostercare.org) is comprised of national organizations and foster care alumni dedicated to raising public awareness, coordinating advocacy efforts and building diverse alliances that strengthen foster care and community supports for children, youth and families. The Coalition's website provides links to major national organizations that are resources on foster care and child welfare.

The National Resource Center for Foster Care and Permanency Planning (www.hunter.cuny.edu/socwork/nrcfcpp) is funded by the Children's Bureau of the US Department of Health and Human Services (www.acf.hhs.gov/programs/cb/) and operates out of the Hunter College School of Social Work of the City University of New York. As a federally-funded resource center, NRCFCPP provides training, technical assistance, and information services dedicated to increasing the capacity of child welfare agencies to provide children with safe, permanent families in supportive communities.

Youth in Transition

Publications

Barth, R. "On Their Own: The Experience of Youth after Foster Care." *Child and Adolescent Social Work Journal*. 7 (5): 419-40 (1990).

Casey Family Programs. *Ansell-Casey Life Skills Assessments*. Seattle, WA.: Casey Family Programs, © 2000-2004. Available at www.caseylifeskills.org.

Casey Family Programs. *It's My Life: A Framework for Youth Transitioning from Foster Care to Successful Adulthood*. Seattle, WA.: Casey Family Programs, 2001.

Cook, R. *A National Evaluation of Title IV-E Foster Care Independent Living Programs for Youth: Phase 2 Final Report*. Rockville, MD.: Westat, 1991.

Courtney, M., and Piliavin, I. "Foster Youth Transitions to Adulthood: Outcomes 12 to 18 Months after Leaving Out-of-Home Care." Madison, WI.: University of Wisconsin, 1998.

Lake Snell Perry and Associates. "Public Opinion about Youth Transitioning from Foster Care to Adulthood." 2003. Available at <http://www.jimcaseyouth.org/docs/poll1.pdf> >.

Loman, L.A., and Siegel, G.L. *"A Review of Literature on Independent Living of Youth in Foster and Residential Care."* St. Louis, MO.: Institute of Applied Research, 2000.

National Conference of State Legislatures. *Independent Living for Foster Youth*. Washington, D.C.: National Conference of State Legislatures, 2001.

Sheehy, A.M., Oldham, E., Zanghi, M., Ansell, D., Correia, P., and Copeland, R. *Promising Practices: Supporting Transition of Youth Served by the Foster Care System*. Baltimore, MD.: Annie E. Casey Foundation, 2002.

Shirk, M., and Stangler, G. *On Their Own: Foster Children and the Transition to Independence*. Boulder, CO.: Westview Press, forthcoming.

U.S. General Accounting Office. *Foster Care: Effectiveness of Independent Living Services Unknown*. Washington, D.C.: General Accounting Office, 1999.

Wertheimer, R. *Youth Who "Age Out" of Foster Care: Troubled Lives, Troubling Prospects*. Washington, D.C.: Child Trends, 2002. Available at <<http://www.childtrends.org/PDF/FosterCareRB.pdf>>.

Organizations and Initiatives

The **California Youth Connection** (www.calyouthconn.org) is an advocacy/youth leadership organization for current and former foster youth who work to improve foster care, to educate the public and policymakers about the unique needs of children and youth in and transitioning out of care, and to change the negative stereotypes many people have. There are 22 active chapters of CYC in California with over 250 members, ages 14 to 24. CYC is a youth-run organization that provides invaluable opportunities to learn leadership skills.

FosterClub (www.fosterclub.com) is a national organization that is a network for youth in foster care that provides important information and outreach services to foster youth and those that care for them. Their activities include 3 websites (youth, youth preparing to transition from care, and adults who care for foster children), publications, events and outreach tools. The FosterClub.com website is the primary communication tool with youth. It is a hub of information relating to foster care, including articles, questions and answers, message boards, contests, discussion of foster care topics, and even biographies of famous people who grew up in care.

The National Independent Living Association (www.nilausa.org) is a grassroots organization that is a national network of individuals and public and private agencies committed to enhancing the futures for young people, their families, and their communities. NILA promotes the provision of quality services and resources for adolescents in care by the child welfare system.

The National Resource Center for Youth Development (www.nrcys.ou.edu/NRCYD/) is funded by the Children's Bureau of the US Department of Health and Human Services, and operates out of the University of Oklahoma College of Continuing Education. As a federally-funded resource center, NRCYD increases the capacity and resources of States and Tribes to effectively help youth in care establish permanent connections and achieve successful transitions to adulthood.

The National Child Welfare Resource Center (www.muskie.usm.maine.edu/helpkids) is funded by the Children's Bureau of the US Department of Health and Human Services and operates out of the Edmund S. Muskie School of Public Service at the University of Southern Maine. The National Child Welfare Resource Center works in all 50 states with organizations committed to the welfare of children, youth and families. The Center provides organizations with research, training, technical assistance, and evaluation, as well as a yearly teleconference program and a clearinghouse of print, video, and audio materials.

Education Supports and Services

Publications

Advocates for Children of New York, Inc. *Educational Neglect: The Delivery Of Educational Services To Children In New York City's Foster Care System*. New York, NY: Advocates for Children of New York, Inc., 2000.

Altshuler, S.J. "From Barriers To Successful Collaboration: Public Schools And Child Welfare Working Together." *Social Work*, 48 (1): 52-63 (2003).

Bay Area Social Service Consortium. *Education For Foster Children: Removing Barriers To Academic Success*. Berkley, CA: University of California, 2001.

Burley, M., and Halpern, M. *Educational Attainment of Foster Youth: Achievement and Graduation Outcomes for Children in State Care*. Olympia, WA.: Washington State Institute for Public Policy, 2001.

Burrell, S. *Getting Out Of The "Red Zone": Youth From Juvenile Justice And Child Welfare Systems Speak Out About The Obstacles To Completing Their Education, And What Could Help*. San Francisco, CA.: Youth Law Center, 2003.

Casey Family Programs and TeamChild. *Critical Questions And Strategies For Meeting The Education Needs Of Children And Youth In Juvenile And Family Court: Judicial Checklist And Information For Judges*. Seattle, WA.: Casey Family Programs, 2002.

Casey Family Programs and TeamChild. *Make A Difference In A Child's Life: A Manual For Helping Children And Youth Get What They Need In School*. Seattle, WA.: Casey Family Programs, 2003.

Casey Family Programs and TeamChild. *Toolkit For Change: A Guide To Starting An Education Advocacy Project In Your State*. Seattle, WA.: Casey Family Programs, 2003

Conger, D., and Rebeck, A. *How Children's Foster Care Experiences Affect Their Education*. New York, NY;: Vera Institute for Justice, 2001.

Christian, Steve. *Educating Children in Foster Care*. Washington, D.C.: National Conference of State Legislatures, 2004. Available at <http://www.ncsl.org/programs/cyf/CPleducate.htm>.

Day, P., Williams, M., and Yu, E. *"Improving Educational Outcomes for Youth in Care: A National Collaboration."* Washington, D.C.: Child Welfare League of America, 2002.

Emerson, J. and Lovitt, T. "Encouraging News For College-Bound Foster Youth." *EdFund FOCUS*. Third Quarter Edition, (2003). Available at www.edfund.org.

Emerson, J. and Lovitt, T. "The Educational Plight Of Foster Children In Schools And What Can Be Done About It." *Remedial and Special Education (RASE)*, 24(4):199-203 (2003).

Finkelstein, M., Wamsley, M., and Miranda, D. *What Keeps Children In Foster Care From Succeeding In School? View Of Early Adolescents And The Adults In Their Lives*. New York, NY.: Vera Institute for Justice, 2002.

Fostering Futures Project. *Are We Ignoring Foster Youth with Disabilities?* Portland, OR: OHSU OIDD Center on Self-Determination, 2003. Available at www.selfdeterminationohsu.org.

Horn, L.J., and Carroll, C.D. *Confronting the Odds: Students at Risk and the Pipeline to Higher Education*. Washington, D.C.: National Center for Education Statistics, 1998.

Joiner, L. "Reaching Out To Foster Children." *American School Board Journal* 188(5):30-34 (2001).

Litchfield, M., Gatowski, S., and McKissick. "Improving Educational Outcomes For Youth In Foster Care: Perspectives From Judges And Program Specialists." *National Council of Juvenile and Family Court Judges Technical Assistance Bulletin* 6 (2) (2002).

McMillen, C., Auslander, W., Elze, D., White, T., and Thompson, R. "Educational Experiences and Aspirations of Older Youth in the Foster Care System." *Child Welfare* 82 (4): 475-95 (2003).

McNaught, K. "Education Advocacy In Child Welfare: Key Issues And Roles." *Child Law Practice: Helping Lawyers Help Kids* 21 (9) (2002). Available at <http://www.abanet.org/child>.

National Council of Juvenile and Family Court Judges. "Improving Educational Outcomes for Youth in Foster Care: Perspectives from Judges and Program Specialists." Reno, Nev., 2002. Available at http://www.pppncjfcj.org/html/TAbull_improveduc-yifc.html.

New York City Administration for Children's Services. *Progress on ACS Reform Initiatives, Status Report 3*. 2001. Available at http://www.ci.nyc.ny.us/html/acs/pdf/status_report3.pdf.

Powers, P., and Stotland, J. *Lost In The Shuffle Revisited: Report Of The Education Of Children In Foster Care In Pennsylvania*. Philadelphia, PA.: The Education Law Center, 2001. Available at www.elc-pa.org.

Redd, Z., Brooks, J., and McGarvey, A. *Educating America's Youth: What Makes a Difference*. Washington, D.C.: Child Trends, 2002. Available at <http://www.childtrends.org/PDF/K4Brief.pdf>.

San Diego County Office of Education. "A Model Partnership Between a Department of Education/Independent Living Programs and Postsecondary Institutions in a Particular Community: Foster Youth Services Program." For more information contact tfried@sdcoe.k12.ca.us.

Seyfried, S., Pecora, P.J., Downs, A.C., Levine, P., and Emerson, J. "Assessing the Educational Outcomes of Children in Long-Term Foster Care: First Findings." *School of Social Work Journal* 24: 68-88 (2000).

U.S. Bureau of the Census. *Educational Attainment, People 25 Years Old and Over, by Total Money Earnings in 1999, Work Experience in 1999, Age, Race, Hispanic Origin, and Sex*. Washington, D.C.: GPO, 2003. Available at http://ferret.bls.census.gov/macro/032000/perinc/new03_001.htm.

Van Wingerden, C., Emerson, J., & Ichikawa, D. *Improving Special Education For Children With Disabilities In Foster Care*. Seattle, WA: Casey Family Programs, 2002.

Workforce Strategy Center. *Promising Practices: School to Career and Postsecondary Education for Foster Care Youth*. Brooklyn, N.Y.: Workforce Strategy Center, 2000. Available at <http://www.workforcestrategy.org/publications/promisingpractices2.pdf>.

Yu, E., Day, P., and Williams, M. *Improving Educational Outcomes for Youth in Care: Symposium Summary Report*. Washington, D.C.: Child Welfare League of America, 2002.

Zanghi, M., Oldham, E., Sheehy, A., and Reibman, D. *Maine Study on Improving the Educational Outcomes for Children in Care*. Portland, ME: University of Southern Maine, Edmund S. Muskie School of Public Service, 1999.

Organizations and Initiatives

The Orphan Foundation of America (OFA) (www.orphan.org) help parentless teens as they transition from foster care to young adulthood, with particular emphasis on helping these young men and women attend college and vocational school. OFA has four main initiatives - the Scholarship Program, the eMentor Program, the OLIVER Project, and Send a Care Package. The Scholarship Program awards between \$1500 and \$10,000 per year to students pursuing a two-year or four-year degree or vocational training certificate.

Youth Law Center (www.youthlawcenter.com) is a non-profit, public interest law office that has worked to protect abused and at-risk children since 1978. With offices in San Francisco and Washington, D.C., the Center works nationally to serve children, focusing particularly upon the problems of children living apart from their families in child welfare and juvenile justice systems. The Center is currently working on a project to expand educational opportunities for youth who are in or who have been in the juvenile justice and child welfare systems. The project is designed to enable such young people to become productive citizens by expanding educational opportunities on the local level and developing a larger national infrastructure for change in other jurisdictions.

The Vera Institute of Justice (www.vera.org) works closely with leaders in government and civil society to improve the services people rely on for safety and justice. Vera develops innovative, affordable programs that often grow into self-sustaining organizations, studies social problems and current responses, and provides practical advice and assistance to government officials in New York and around the world. Under the Safe and Smart project, Vera staff have been working with the New York City Administration for Children's Services (ACS) to help front-line ACS and contract agency staff better address the educational needs of the foster children under their care.

The Education Law Center (www.elc-pa.org) is a non-profit legal advocacy organization dedicated to ensuring that all of Pennsylvania's children, including children in foster care, have access to a quality public education.

Employment Supports and Services

Publications

Courtney, M.E., Piliavin, I., Grogan-Kaylor, A., and Nesmith, A. "Foster Youth Transitions to Adulthood: A Longitudinal View of Youth Leaving Care." *Child Welfare* 80 (6): 685-717 (2001).

Dworsky, A. and Courtney, M.E. *Self-Sufficiency of Former Foster Youth in Wisconsin: Analysis of Unemployment Insurance Wage Data and Public Assistance Data*. Madison, WI.: University of Wisconsin, 2000. Available at <<http://aspe.hhs.gov/hsp/fostercare-agingout02>>.

Goerge, R.M. et al. *Employment Outcomes for Youth Aging Out of Foster Care*. Chicago: Chapin Hall Center for Children, 2002. Available at <<http://aspe.hhs.gov/hsp/fostercare-agingout02/>>.

McMillen, J.C. and Tucker, J. "The Status of Older Adolescents at Exit from Out-of-Home Care." *Child Welfare* 78 (3): 339-60 (1999).

Needell, B., et al. *Youth Emancipating from Foster Care in California: Findings Using Linked Administrative Data*. Berkeley, Calif.: Center for Social Services Research, 2002. Available at <http://cssr.berkeley.edu/childwelfare/pdfs/youth/ffy_entire.pdf>.

Pecora, P.J., Downs, A.C., Kessler, R.J., Ehrlich, N., Heeringa, S.G., English, D.J., White, J., Williams, J., Brandford, C., and McWilliams, A. *Interview Schedule for the Northwest Foster Care Alumni Study and the Casey National Foster Care Alumni Study*. Seattle, Wash.: Casey Family Programs.

Stebbins, H. *Using the Workforce Investment Act to Support Out-of-School Time Initiatives*. Washington, D.C.: The Finance Project, 2003.

Youth Advocacy Center. *The Impact of Foster Care on Teens and a New Philosophy for Preparing Teens for Participating Citizenship*. New York, NY.: Youth Advocacy Center, 2001.

Organizations and Initiatives

The **National Employers Council**, currently being created by Jim Casey Youth Opportunities Initiative and modeled after the successful Welfare-to-Work Partnership, will engage leaders of corporations and small businesses that could provide employment opportunities for foster youth in transition.

The **National Youth Employment Coalition** (www.nyec.org) is a network of nearly 200 youth employment/development organizations dedicated to promoting policies and initiatives that help young people succeed in becoming lifelong learners, productive workers, and self-sufficient citizens. NYEC manages the Promising and Effective Practices Network (PEPNet), which offers youth program practitioners, policymakers, and funders a knowledge base of effective strategies for and approaches to what works in youth employment and development. "Barriers and Promising Approaches to Workforce and Youth Development for Young Offenders," co-authored by NYEC, presents programmatic and policy initiatives designed to enable young people involved in the juvenile justice system to become economically self-sufficient. NYEC is exploring developing a similar report for youth in the foster care system. For more information, call (202) 659-1064, or write nyec@nyec.org.

The **School-to-Career Partnership Initiative** provides job placement and support services for youth in foster care and other vulnerable youth, to assist them in making the transition to adulthood. The initiative is a partnership among public and private nonprofit child welfare agencies, for-profit employers, community-based organizations, and the youth themselves. The initiative is currently operating in eight sites, with expansion to additional sites as it is integrated into the broader work of the Jim Casey Youth Opportunities Initiative. Private-sector employers include United Parcel Service, Marriott, Home Depot, Lowe's, Bank of America, and others.

Work Appreciation for Youth (WAY), (www.childrensvillage.org/way.html) a program of The Children's Village, helps youth leaving residential treatment make a successful transition back to the community and gain the attitudes and skills needed to become productive and self-sufficient adults.

Financial Literacy Education

Publications

American Indian College Fund and The National Endowment for Financial Education. *Developing a Vision While Attending College, Paying for a College Education & Managing Your Money*. Denver, CO.: American Indian College Fund and The National Endowment for Financial Education, 1999.

Casey Family Programs. *The Foster Care Alumni Studies: What Works in Family Foster Care: Interviewer Impressions of What Alumni Said Were the Most Important Interventions*. Seattle, WA.: Casey Family Programs, 2003.

Fannie Mae Foundation and First Nations Development Institute. *Building Native Communities: Financial Skills for Families*. Washington D.C.: Fannie Mae Foundation and First Nations Development Institute, 2001. Available at <http://www.fanniemaefoundation.org/>, & <http://www.firstnations.org/>.

Jump\$tart Coalition for Personal Financial Literacy. "2002 Personal Financial Survey of High School Seniors: Executive Summary." Available at <http://www.jumpstartcoalition.com/upload/executivesummary2002.doc>.

Public Broadcasting Service. "Financial Literacy: On the Money." *In the Mix: Reality Television for Teens*. New York: PBS (2001). www.inthemix.org.

Vitt, L.A., Anderson, C., Kent, J, Lyter, D.M., Siegenthaler, J.K., and Ward, J. *Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.* Middleburg, VA.: Institute for Socio-Financial Studies, 2000.

Organizations and Initiatives

Jump\$tart Coalition (www.jumpstart.org) is dedicated to the proposition that students must be taught how to manage their personal finances before they graduate high school. Jump\$tart evaluates the financial literacy of young adults; develops, disseminates, and encourages the use of standards for grades K-12; and promotes the teaching of personal finance. Jump\$tart maintains a Web-based clearinghouse that allows kindergarten through 12th-grade educators to locate and order materials needed to teach financial literacy courses. Over 400 different teaching materials are currently available in a variety of formats.

National Council on Economic Education (NCEE) (www.nationalcouncil.org) is a nonprofit organization that helps students in grades kindergarten through 12 develop economic ways of thinking and problem solving to prepare them to function effectively in the global economy. Through a nationwide network of state councils and 250 university-based centers for economic education, NCEE administers programs that each year reach approximately 120,000 teachers and over 7 million students in more than 70,000 schools. In 2002, NCEE received a \$3.2 million grant from Bank of America to launch Financial Fitness for Life, an innovative financial education curriculum that helps students become skilled consumers, savers, and investors.

National Endowment for Financial Education (NEFE) (www.nefe.org) is a nonprofit foundation dedicated to helping all Americans acquire the information and gain the skills necessary to take control of their personal finances. NEFE accomplishes its mission primarily by partnering with other concerned organizations to provide financial education to members of the public—in particular, to underserved individuals whose financial education needs are not being

addressed by others. For example, using a grant from the The Annie E. Casey Foundation, NEFE created a series of financial education booklets for foster children and their caregivers, with the goal of helping young people learn to make positive choices for their futures. The material describes money as an important tool and mirrors the mission of AECF: to help improve the lives and prospects of disadvantaged youngsters in at-risk situations.

USDA Cooperative State Research, Education, and Extension Service (CSREES) (www.reeusda.gov/ecs/cfe.htm) aims to enhance economic opportunities and quality of life among families and communities by (a) focusing on how consumers and families obtain and use resources of money, time, human capital, material resources, and community services; (b) exploring the economic relationships between individuals and families, and the larger economy; and (c) studying the impact of public issues, policies, and programs on family economic well-being. Its priorities encompass financial security for targeted audiences (including youth), the promotion of saving for life goals, and enhanced linkages to community development. CSREES is working with the Credit Union National Association to help expand financial education nationally, and, in partnership with NEFE, has developed a youth-focused curriculum as part of a high school financial-planning program.

Savings and Asset Development

Publications

Bocian, D. *Encouraging Savings: Financing Individual Development Account Programs*. Washington, D.C., The Finance Project, 2002.

Boshara, R. *Building Assets: A Report on the Asset-Development and IDA Field*. Washington, D.C.: Corporation for Enterprise Development, 2001.

Conley, D. *Being Black, Living in the Red: Race, Wealth, and Social Policy in America*. Berkeley, CA.: University of California Press, 1999.

Corporation for Enterprise Development. *Individual Development Accounts for Youth: Lessons from an Emerging Field*. Washington, D.C.: Corporation for Enterprise Development, 2001.

Corporation for Enterprise Development. *Individual Development Account Program Design Handbook: A Step-by-Step Guide to Designing an IDA Program*. Washington, D.C.: Corporation for Enterprise Development, 1999.

Haveman, R., and Wolff, E.N. "Who Are the Asset Poor? Levels, Trends, and Composition, 1983-1998." Paper presented at the Inclusion in Asset Building Research and Policy Symposium, Center for Social Development, Washington University, St. Louis, MO., September 2000.

National Governors Association. *Building Assets and Economic Independence Through Individual Development Accounts*. Washington, D.C.: National Governors Association, 1997. Available at <<http://www.nga.org/cda/files/013197ASSETS.pdf>>.

Oliver, M., and Shapiro, T. *Black Wealth/White Wealth*. New York, NY.: Routledge, 1995.

Schreiner, M., Sherraden, M., Clancy, M., Johnson, L., Curley, J., Grinstein-Weiss, M., Zhan, M., and Beverly, S. *Savings and Asset Accumulation in IDAs: Downpayments on the American Dream Policy Demonstration, a National Demonstration of Individual Development Accounts*. St. Louis, Mo.: Washington Univ. Center for Social Development, 2001.

Sherraden, M. *Assets and the Poor: A New American Welfare Policy*. Armonk, N.Y.: M.E. Sharpe, Inc., 1991.

Organizations and Initiatives

New America's **Asset Building Program** (www.newamerica.net) develops and advances detailed policy proposals for asset development at three critical stages in life: childhood, adulthood, and retirement. These policies include establishing and funding asset accounts for all citizens, beginning at birth; expanding Individual Development Accounts for the working poor; broadening tax incentives; reforming public and private retirement policies; and expanding financial services to the "unbanked."

Jim Casey Youth Opportunities Initiative (www.jimcaseyyouth.org) has designed the Opportunity Passport to create opportunities for youth who are currently in foster care or who have emancipated from the foster care system. The purposes of the Opportunity Passport are to (a) provide opportunities to achieve improved outcomes in employment, education, housing, health, and personal and community engagement; (b) give direct experience in money management; and (c) help accumulate assets needed to make a successful transition to adulthood. Opportunity Passports contain three distinct components: (a) individual development accounts; (b) personal debit account; and (c) door openers, a host of other opportunities to be implemented locally.

The National Tax Assistance for Working Families Campaign (www.eitc.info), established by the Annie E. Casey Foundation, seeks to increase national awareness of the importance of the Earned Income Tax Credit, free or low-cost tax preparation services, and asset development for low-income working individuals and families.

Youth IDA Best Practices Research Project and Pilot (www.cfed.org/individual_assets/Youth_IDA_Pilot) is being developed by the Corporation for Enterprise Development, Fannie Mae Foundation, and Capital Area Asset Building Corporation, for a consortium of community-based organizations in Washington, D.C. The goals of this project are to develop: (a) a published report detailing best practices among a variety of youth programs with recommendations for designing youth IDA and financial literacy programs; and (b) a model IDA program including a financial literacy training course for youth in the Washington, D.C. area, which will be replicable to other communities.

Youth Entrepreneurship

Publications

Kourilsky, M.L. and Walstad, W.R. *The E Generation: Prepared for the Entrepreneurial Economy*. Kansas City, Mo.: Kauffman Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation, 2000.

Results of a 1994 Gallup Survey sponsored by the Ewing Marion Kauffman Foundation's Center for Entrepreneurial Leadership, reported in Dabson, B., Kaufmann, B., et al. *Enterprising Youth in America: A Review of Youth Enterprise Programs*. Washington, D.C.: Corporation for Enterprise Development, 1998.

Organizations and Initiatives

The Kauffman Center for Entrepreneurial Leadership Clearinghouse on Entrepreneurial Education

(**CELCEE**, www.celcee.edu) is a resource for educators, media, researchers, and policymakers seeking information about entrepreneurship and entrepreneurship education. The database has more than 10,000 abstracts of materials and a collection of links to organizations. Additionally, CELCEE provides original publications in the form of digests and educational information updates.

Other Resources

Guardian Scholars Program, California State University, Fullerton, CA., www.fullerton.edu/guardianscholars/

Indiana Youth Institute, Indianapolis, IN., www.iyi.org

The Finance Project, Washington, D.C., www.financeproject.org and www.financeprojectinfo.org

The Forum for Youth Investment, Washington, D.C., www.forumforyouthinvestment.org

The Pew Commission on Children in Foster Care, Washington, D.C., www.pewfostercare.org

