

## Estimating Financial Support for Kinship Caregivers

Julie Murray, Jennifer Ehrle Macomber, and Rob Geen

*Only one-third to one-half of children in state custody who were placed by a court with kin receive a foster care payment.*

Responsibility for the care of children rests largely with biological or adoptive parents. However, 2.3 million children live with relatives without either parent present, an arrangement commonly called kinship care. Children are placed in kinship care for many reasons, such as when living with their parents is infeasible, when child abuse or neglect is suspected or confirmed, or when a parent is deceased, incapacitated, incarcerated, or temporarily absent.<sup>1</sup> When kin caregivers assume responsibility for children, the government may offer financial support through different payments on behalf of the children. Eligibility for these payments varies by the circumstances under which a child enters kinship care; likewise, the amount of financial support varies by the type of kinship care.<sup>2</sup>

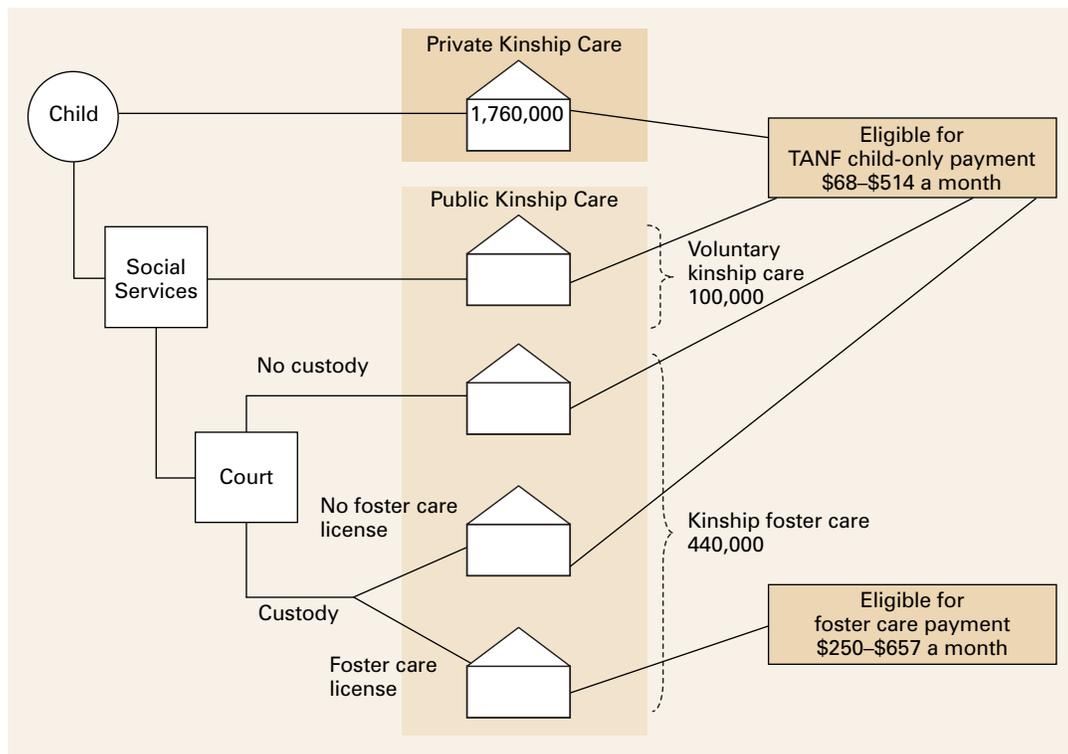
In this brief, we examine how many children in kinship care receive the benefits they are eligible to receive. These benefits could help many kinship care families, considering over half of all children in kinship care live in families with income below 200 percent of the federal poverty level. But according to previous research, financial assistance receipt for children in kinship care has been low, even among those in poverty (Ehrle and Geen 2002). We find that children's receipt of financial assistance is still low, given their levels of eligibility.<sup>3</sup> Many, if not most, families that could be eligible for a foster care payment (the most generous payment available) do not receive it. Children ineligible for foster care payments have surprisingly low levels of receipt for Temporary Assistance for Needy Families (TANF) child-only benefits, often their only source of financial assistance.

Our findings are based on data from the 2002 round of the National Survey of America's Families (NSAF), a nationally representative household survey. The NSAF provides a random sample of focal children under age 18 and corresponding responses from the caregivers in the household who are most knowledgeable about the children's care. Findings are weighted to represent children in the nation.

### Types of Kinship Care

Children in kinship care may be eligible for one or more government payments depending on their living arrangements (figure 1). The vast majority of kinship care arrangements occur without the assistance of social service agencies. These arrangements, known as *private kinship care*, account for approximately 77 percent of all kinship care arrangements. When social services or foster care agencies help place children with their kin, the arrangements are known as *public kinship care*. We define *kinship foster care* arrangements, which account for the majority of all public kinship care cases, as those that occur when a court makes a kin caregiver responsible for the child.<sup>4</sup> In contrast, when social service agencies place a child with kin without court involvement, the arrangement is called *voluntary kinship care*. We include receipt levels for voluntary kinship care arrangements in our analysis of public kinship care families as a whole; however, we do not examine payment-specific receipt for this subset of public kinship care families owing to low sample sizes in the survey.

FIGURE 1. Types of Kinship Care



Source: Author calculations.

Notes: In some cases, states grant foster care payments to children in kinship foster care who are not in state custody or who live in homes that are not licensed (see endnote 8).

## Financial Supports and Eligibility Restrictions

Nearly all children in kinship care are eligible for TANF child-only grants.<sup>5</sup> These payments are available regardless of household income level, assuming kin meet the statutory definition of a relative caregiver (Geen 2003). In 2000, the year for which the most recent data are available, child-only payments ranged from \$68 to \$514,<sup>6</sup> depending on the state of residence and the number of children in the household. Because nearly all children are eligible, one might expect that a very high percentage of children in kinship care receive TANF child-only grants, particularly children in private kinship care, who are ineligible for foster care payments. However, kin caregivers may avoid these payments because they incorrectly believe TANF child-only grants have work requirements and time limits similar to TANF “family grants.”

The most generous payment for children living in kinship care is a foster care payment. Foster care payments vary by state and child’s age, ranging from \$250 to \$657 with an average of \$403.<sup>7</sup> In addition to the basic monthly foster payment, caregivers can receive assistance with other expenses for a foster child, such as clothing or special needs. Generally, only children in state custody living with a relative who is a licensed foster parent are eligible for foster care payments.<sup>8</sup> Thus, although public kinship care families are involved with social service agencies, the low incidence of state custody and stringency of licensure requirements limit the number of children receiving foster care payments. Many caregivers may also choose to avoid involvement with child welfare services because they perceive the agency as invasive.

Some children in kinship care arrangements may also be eligible for benefits such as Supplemental Security Income (SSI) or Social

Security. Children with diagnosed disabilities are eligible for SSI, which would pay, on average, \$563 to a kinship caregiver to care for a child.<sup>9</sup> If a child’s parent or parents have died and were insured through the Social Security system at the time of death, the kin caregiver is eligible to receive a Social Security payment on the child’s behalf. In 2002, the average monthly Social Security payment for children whose parent(s) had died was \$585, somewhat less generous than a foster care payment and its additional benefits, on par with an SSI payment, and larger than a TANF child-only grant. It is important to note, however, that agencies may reduce SSI and Social Security benefits received with a TANF or foster care payment. States must reduce SSI payments by the amount a child receives in IV-E foster care payments. They can also consider both SSI and Social Security payments as income when determining TANF child-only grant payments.<sup>10</sup> It is possible,

though rare, for children in kinship care to receive both Social Security and SSI payments.<sup>11</sup>

## Receipt of Financial Support

We analyzed 2002 NSAF data to discern which kinship care families receive which types of financial supports from the government. We also divided kinship care families by type (public or private), because eligibility for certain payments depends on the type of kinship care, as discussed above.

### TANF Child-Only Payments Are Underused

Children in private kinship care receive financial support least often: almost four of every five children in private kinship care receive no payment at all (figure 2). Only 6 percent of children in private kinship care receive a TANF child-only payment, though nearly all are eligible. Almost 10 percent report receipt of another type of payment. Even assuming all these “other types” of payments were TANF child-only support by other names, fewer than 16 percent of children in private kinship care receive a TANF child-only payment.<sup>12</sup> An additional 2 percent receive Social

Security and 4 percent receive SSI benefits.

### Foster Payment Receipt Is Low among Kinship Care Families

Foster payments and their supplemental benefits reach very few kinship caregivers, although they are on average more generous than other payments to the families that receive them. Approximately 440,000 children are in placements involved with the courts, 19 percent of all children in kinship care. Many children placed by courts are not actually in state custody and are thus ineligible for foster payments. Therefore, other researchers have traditionally defined kinship foster care arrangements more narrowly, by including only children in state custody and placed with a relative by a court (the bottom two groups in the middle of figure 1). Using this definition, Adoption and Foster Care Analysis and Reporting System (AFCARS) data from 2001 indicated that approximately 131,000 children were in kinship foster care in the United States. Estimates from the 1997 NSAF indicated that a slightly larger number of children, approximately 195,000, were in state custody.<sup>13</sup> Dividing our current estimate of foster payment receipt by the NSAF and

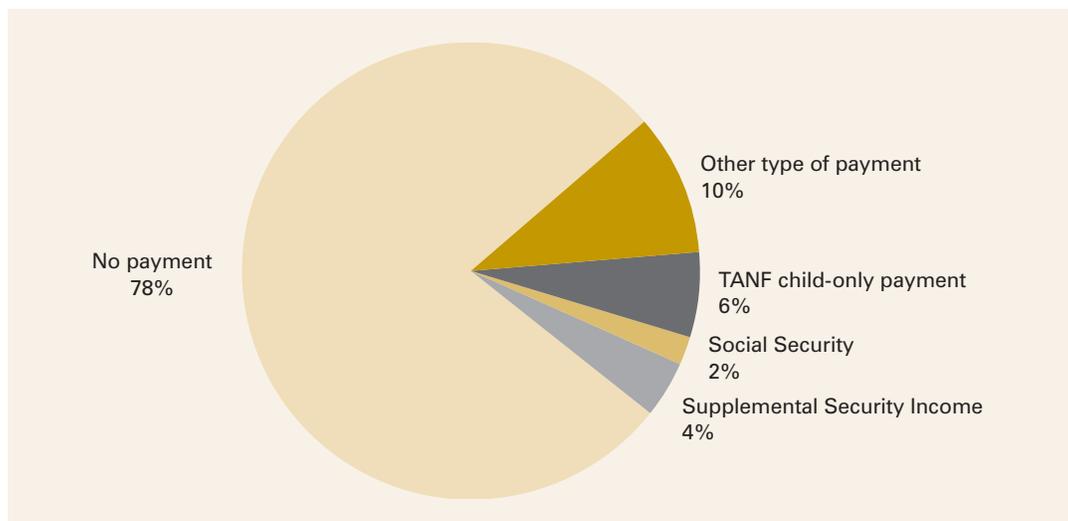
AFCARS estimates of the kinship foster care population, only one-third to one-half of children in state custody and placed by the courts receive a foster payment. We hypothesize this is because their caregivers either cannot meet or have not tried to meet foster care licensure requirements.

Aside from foster payments, children in public kinship care receive other payments (figure 3). Approximately 6 percent receive SSI, and another 4 percent receive Social Security. These levels of receipt are not statistically different from those rates for children in private kinship care. Slightly more than 45 percent of children in public kinship care receive a TANF child-only payment or another type of payment.<sup>14</sup> While this payment reaches the largest share of children in public kinship care, the percentage of kinship caregivers caring for children without any assistance is still striking. Of children in public kinship care, all of whom have been involved with a social service or child welfare agency and most of whom have been placed by a court, almost 32 percent receive no payment at all for their care.

## Discussion

Financial support for children in kinship care of all types remains low,

FIGURE 2. Payment Receipt for Children in Private Kinship Care



Source: Author calculations from the 2002 National Survey of America's Families.

given that almost all children are eligible for at least one payment. The most striking finding is that only one-third to one-half of children in state custody who were placed by a court with kin receive a foster care payment. Foster care licensure requirements cover several areas, including health and criminal records of adults in the household, fire safety, training, and others. Kinship caregivers may find these requirements complex, financially burdensome, or intrusive, which may create a barrier to receiving foster care payments.

The level of foster payment receipt also may have declined in the wake of the Adoption and Safe Families Act of 1997 (ASFA). Under ASFA, kinship foster parents must meet state licensure guidelines set for non-kin caregivers in order for the state to receive federal foster care reimbursements. As a result, between 1997 and 2001, 18 states made their kinship care licensing requirements more strict (Jantz et al. 2002). In addition, ASFA disallowed federal reimbursement of foster care payments to provisionally licensed kin. In 2001, 19 states that allowed pre-approval denied foster care payments to these kin (Jantz et al. 2002). If states choose to set more flexible licensure requirements for kinship caregivers, they

must use state dollars to cover the full cost of foster payments to kin caregivers who would otherwise be ineligible for title IV-E foster care. Alternatively, states may use TANF funding to assist these caregivers.

Children in private kinship care are highly unlikely to receive a payment from the government, although nearly all are eligible. While only 16 percent of children in private kinship care receive a TANF child-only payment or another unidentified payment, 45 percent of children in public kinship care do. Clearly, children in private kinship care are less likely to access the payments available to them, perhaps because they are less likely than children in public kinship care to have contact with the child welfare system. Their caregivers may also be less likely to understand the eligibility requirements for various types of assistance, particularly TANF child-only payments.

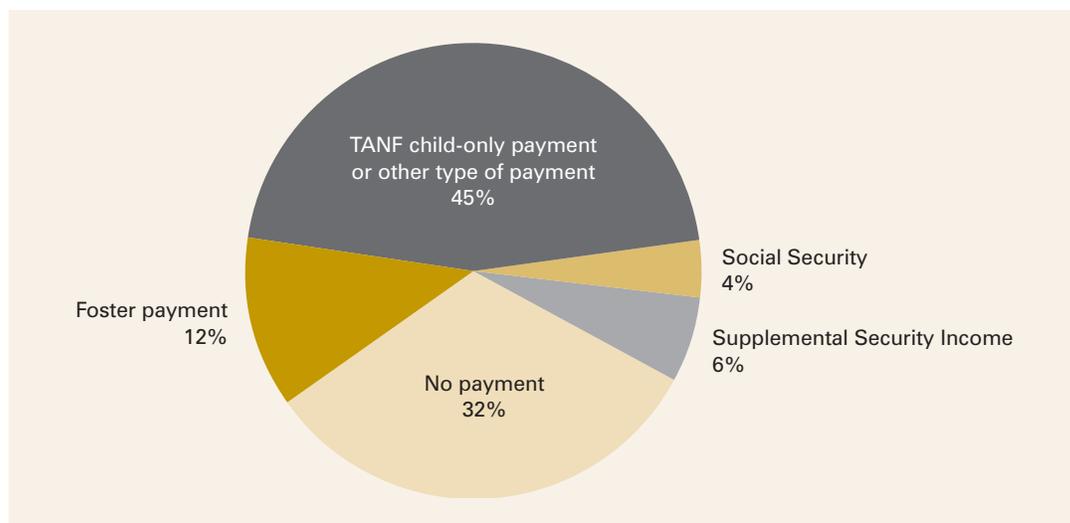
Low levels of payment receipt for all children in kinship care may indicate a need to change policy and enhance outreach efforts. States need to ensure that children are cared for in safe settings, which is the goal of licensing requirements, *and* that the caregivers, whether kin or traditional foster parents, have the resources they need to provide high-quality

care. States should explore various strategies of outreach and support to accomplish these goals. Recent guidance from the federal government that would allow states to use IV-E administrative funds for such items as beds or smoke detectors for prospective foster parents is a good start.<sup>15</sup> States should also educate kinship caregivers about the additional subsidies and services, such as assistance with school supplies or clothing, that may be linked to foster care payments and available to licensed caregivers. To address low levels of payment receipt among private kinship caregivers, agencies should develop innovative techniques to educate kinship caregivers not involved with social service agencies about the financial assistance available to them. However, to better serve the needs of the kinship care population, actual increases in the material well-being of children and their kinship caregivers should follow heightened awareness and policy changes.

## Notes

1. This number differs from the approximately 6 million children living in any relative-headed household. The larger estimate includes multigenerational households in which grandparents or other relatives may head a home but at least one parent lives with the child.

FIGURE 3. Payment Receipt for Children in Public Kinship Care



Source: Author calculations from the 2002 National Survey of America's Families.

Note: Numbers do not sum to 100 because of rounding.

2. The payment amount and eligibility requirements for some payments also vary by state of residence.
3. The number of children in kinship care receiving any type of payment did not change significantly between 1999 and 2002. In 1999, only 33.4 percent of all children in kinship care received any type of financial payment (including SSI and Social Security). Three years later, data indicate that approximately the same percentage (32.7 percent) received any payment.
4. This sample may include some children who have been adopted by a relative. In this circumstance, a court would have made the kin caregiver responsible for the child. However, we assume the number of these cases is small. Generally, a caregiver in these circumstances, when asked about her relationship to the child, would identify herself as an adoptive parent rather than a relative, and this relationship would exclude the child from this sample. The sample also includes a few children with a caregiver identifying him or herself as a legal guardian. If the caregiver is also a relative, these may be legal guardianship cases, in which a court has granted legal guardianship of the child. These children would be ineligible for foster care payments.
5. Caregivers that opt to receive foster payments relinquish their eligibility for TANF child-only payments. Children with significant assets or income of their own and immigrant children born outside the United States are also ineligible for TANF child-only payments.
6. These data are based on a Congressional Research Service state telephone survey and on Urban Institute calculations.
7. These estimates are based on 1999 data from the Child Welfare League of America and Urban Institute calculations.
8. States receive federal reimbursement for foster care payments made to kinship care cases that are determined IV-E eligible. To be IV-E-eligible, six criteria must be met: (1) the child must come from an income-eligible home, (2) the caregiver must be licensed, (3) the child must be in state custody, (4) the judge must determine that keeping the child out of foster care would be contrary to the child's welfare, (5) the judge must determine that reasonable efforts have been made to keep the child at home, and (6) the judge must determine that reasonable efforts are in place to reunify the child with his or her parents. The first two criteria, income eligibility and licensing, are sometimes not met, and states vary in how they handle payments for these families. With income eligibility,

- when a child comes from a home that is not income-eligible, all states (except Oregon and California) use state funds to provide foster care payments. With licensing, states generally do not use state funds to provide foster care payments for kin that do not meet licensing standards. Six states, however, do offer state-funded foster care payments to kin caregivers who meet a less stringent licensing option.
9. SSI payments may vary significantly by state. Unlike Social Security payments, states often supplement SSI federal payments. The figure cited here is a combination of average federal and state payments (\$496 and \$67, respectively, in 2004).
  10. It is relatively uncommon for children to receive TANF and SSI or Social Security, but because of how we asked the survey questions, we cannot determine how often this combination occurs. We have included any child receiving SSI or Social Security in categories specific to these payments, though we recognize a small number of children may receive financial support through the TANF program in addition to SSI or Social Security.
  11. Children receiving both SSI and Social Security accounted for less than one-tenth of a percent of our sample. Therefore, these children are included in the Social Security category, since this payment is the larger of the two.
  12. Because of how survey questions were asked, it is possible that the caregivers of 4 percent of all children in kinship care and 5 percent of those in private kinship care who receive an "other" type of payment are referring to a child support payment rather than a public benefit. We cannot determine if these children receive both a child support payment and some other type of unidentified public benefit or a child support payment only.
  13. AFCARS data likely undercount the number of children in state custody owing to differences in state definitions and states' ability to identify kinship caregivers in their data.
  14. The NSAF gave caregivers the option of indicating receipt of "another type" of payment. In some cases, this other type of payment was Social Security or SSI; where we could determine this from other payment questions, we have incorporated these cases into our official counts for SSI and Social Security cases. In cases where the payment is unidentifiable, it is likely that the assistance is some form of a TANF child-only payment. States often use different names for the payments or may supplement them with their own funds, which can make attaining valid yet specific

responses difficult. As a result, we ask a broad payment question.

15. The U.S. Administration for Children and Families issued these changes through its Child Welfare Policy Manual online in summer 2004.

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This series presents findings from the 1997, 1999, and 2002 rounds of the National Survey of America's Families (NSAF). Information on more than 100,000 people was gathered in each round from more than 42,000 households with and without telephones that are representative of the nation as a whole and of 13 selected states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin). As in all surveys, the data are subject to sampling variability and other sources of error. Additional information on the NSAF can be obtained at <http://newfederalism.urban.org>.

The NSAF is part of *Assessing the New Federalism*, a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Olivia A. Golden is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

The *Assessing the New Federalism* project is currently supported by The Annie E. Casey Foundation, The Robert Wood Johnson Foundation, the W. K. Kellogg Foundation, The John D. and Catherine T. MacArthur Foundation, and The Ford Foundation.

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The authors thank Olivia Golden, Rutledge Hutson, Regan Main, Carrie Smith, and Matthew Stagner for their helpful assistance with this brief.