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Foster Care Cost Survey of Indiana

Memorandum of Findings



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Introduction

The Center for Business and Economic Research at Ball State University conducted a foster care cost survey for the Indiana Department of Child Services. The purpose of the survey is to better understand the change in costs to a household related to caring for foster children across a variety of areas. Importantly, while we have obtained considerable information about spending patterns of families with foster children, this study focuses only on those expenses allowable under Title IV-E of the Social Security Act. This report discusses findings of the census.



Response Rate

The overall response rate was 23 percent. The response rates for infant to 4 years and 5 to 18 years were 26.2 percent and 20.8 percent respectively. This is an unusually strong response rate, that enjoys statistical significance that is better than the one percent level.

Table 1: Survey Response Rate

Age Group	Survey Sample	No. of Responses	Response Rate
Total	2,488	572	23.0%
Infant to 4 Years	1,003	263	
5 to 18 Years	1,485	309	

Figure 1: Surveyed IV-E Median Cost per Day

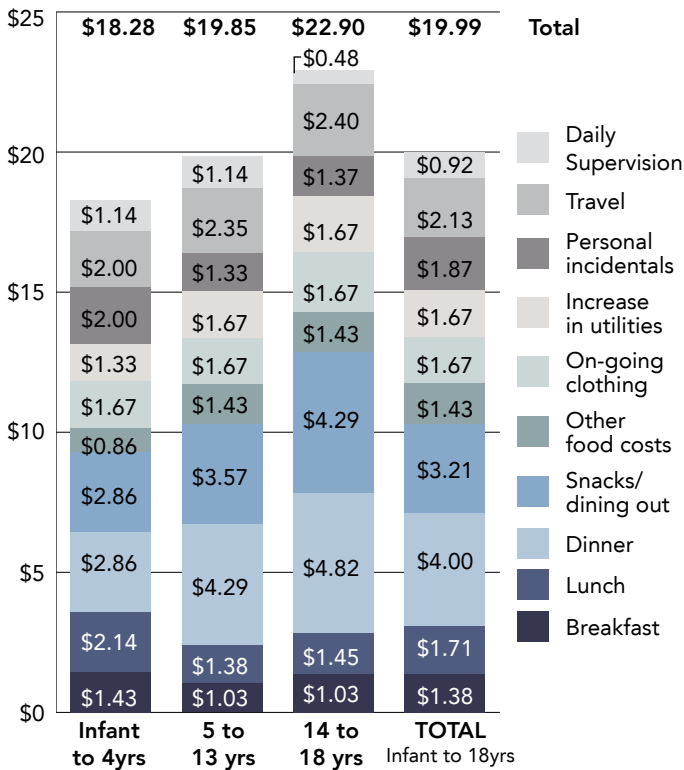


Table 2: Median Cost per Day (in dollars)

Category	Infant to 4yrs	5 to 13 yrs	14 to 18yrs	TOTAL*
Breakfast	\$ 1.43	\$ 1.03	\$ 1.38	\$ 1.38
Lunch	\$ 2.14	\$ 1.38	\$ 1.45	\$ 1.71
Dinner	\$ 2.86	\$ 4.29	\$ 5.00	\$ 4.00
Snacks/dining out	\$ 2.86	\$ 3.57	\$ 5.00	\$ 3.21
Other food costs	\$ 0.86	\$ 1.43	\$ 1.43	\$ 1.43
On-going clothing	\$ 1.67	\$ 1.67	\$ 2.16	\$ 1.67
Increase in utilities	\$ 1.33	\$ 1.67	\$ 2.00	\$ 1.67
Personal incidentals	\$ 2.00	\$ 1.33	\$ 1.45	\$ 1.87
Travel	\$ 2.00	\$ 2.35	\$ 2.56	\$ 2.13
Daily Supervision-Basic	\$ 1.14	\$ 1.14	\$ 0.48	\$ 0.92
Survey IV-E total costs per day†	\$ 18.28	\$ 19.85	\$ 22.90	\$ 19.99
Initial clothing				
Personal allowance				
Additional travel				
Insurance		Available through DCS		
Total cost	TBD	TBD	TBD	TBD

*Total equals median cost for infant to 18 years.

†The total IV-E cost of each foster child was also calculated; the median of this total was then determined including the daily supervision cost. The results showed a total cost of \$14.52 per day for infant to 4 years, \$19.57 per day for 5 to 13 years, \$21.39 per day for 14 to 18 years, and \$18.24 per day for infant to 18 years. These results were less than the total median cost across each category. Our intentional choice was to select the largest of two options.

Note: TBD=To be determined

Preliminary Findings

For the preliminary findings, we analyzed the categories equivalent to the Title IV-E¹ groups set by the Department of Child Services.

The cost categories considered for both groups include:

- Breakfast
- Lunch
- Dinner
- Snacks/dining out
- Other food costs
- On-going clothing
- Increase in utilities
- Personal incidentals (includes personal hygiene for all groups and school supplies for 5 to 18 years)
- Travel
- Daily Supervision - Basic

Our estimate of supervision hours was derived by DCS estimates of supervision associated with DCS’s practice model and court supervised case plans. To derive a daily rate, we used the most recent data on hourly pay for child care workers from the Bureau of Labor Statistics, adjusting it to current dollars using the Consumer Price Index. To this we added the employer’s contribution to social security.² This provided an hourly rate of \$9.49 which we then converted into a daily cost.

¹ Title IV of Social Security Act—Grants to states for aid and services to needy families with children and for child-welfare services.

² 7.5 percent of SSI contribution

Results

The weekly and monthly costs as reported by the foster parent³ were converted to daily costs for the above categories. We then calculated the median cost per day in dollars for each category as indicated in Figure 1 and Table 2.

Summary

Our study is a detailed, disaggregated and highly statistically significant analysis of reported costs drawn directly from families providing foster care in Indiana. As such, we believe it represents the most exhaustive and focused analysis of these issues available nationally. This study was performed with the highest attention to the best practices of survey research as performed by academic researchers worldwide. As a consequence, this is a reasonable, statistically reliable tool for determining actual costs for families.

³ During the data collection period, it became evident that one Licensed Child Placing Agency (LCPA) had provided guidance to its clients with respect to the answers on the survey. The extent of potential bias in these results is not yet clear.

About the Center

The Center for Business and Economic Research, formerly the Bureau of Business Research, is an award-winning economic policy and forecasting research center housed within the Miller College of Business at Ball State University. CBER research encompasses health care, public finance, regional economics, transportation, and energy sector studies.

In addition to research, we serve as the forecasting element in the Muncie area—holding five state and federal economic forecasting roundtables.

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