Income, Ethnicity, and Equality: Assessing Racial Disparities in Foster Care Using a Self -Sufficiency Range

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Abstract

This study employs a Self-Sufficiency Range (SSR) to examine racial disparities in income for foster care youth. Data were collected from 198 foster families across Washington State. Forty-seven percent of families fell below the minimum SSR for their region. Black and Hispanic caregivers, the majority being kin, were more likely to be unlicensed, and 67% of unlicensed kinship-care families fell below the minimum SSR. Furthermore, 81% of Black caregivers reported income below the SSR compared to 43% of White caregivers, and Black foster youth were more likely to be living with families below the self-sufficiency range.

Policymakers need to address the disproportionate burden on unlicensed and Black foster caregivers and adjust the child welfare system to reduce any systematic inequities.

Keywords: Foster care, foster teens, self-sufficiency, income disparities, structural racism

Disclosures

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Introduction

On any given day in the United States, there are more than 84,000 youth from 11 to 15 years of age (early adolescents) in foster care (iFoster, 2020; U.S. Department of Health and Human Services, 2018a). Many of these youth come from low-income families (Leloux-Opmeer et al., 2016; Mech, 1983), so it is relevant to investigate their economic situations after foster care placement to determine whether this cycle of poverty continues. It is also important to determine whether any economic disadvantages faced by youth in foster care are observed across racial identities and foster placement types.

Socioeconomic and Race Disparities

The link between socioeconomic disparities and race has long been debated in the United States. More than thirty years ago, Thomas and Hughes argued that between 1972 and 1985 the significance of race as a determinant of lower social class had remained static, despite changes in the legal and social status of Black Americans (1986). More recent studies using multidimensional clustering of disadvantage show Black people are much more likely than White people to face "the double disadvantage of low income and joblessness, or low income and concentrated geographic poverty" (Reeves et al., 2016, p. 10). These broader trends are replicated in child poverty studies concluding that racial differences continue to account for "a significant proportion of the differences in child poverty among minority groups" (Lichter et al., 2016, p. 14). In the context of the child welfare system, where minority youth have been historically (Billingsley & Giovannoni, 1972) and consistently (Puzzanchera et al., 2021) overrepresented, several studies find that "race remains a significant predictor of the disparities that exist between Black and White children," even after controlling for poverty and other factors (Dettlaff et al., 2021, para. 4; Dettlaff et al., 2011; Maguire-Jack et al., 2020; Rivaux et al., 2008). Given these findings, it is important to investigate potential reasons for disparities in the child welfare system, along with any possible solutions to resolve these long-standing issues.

Benefits of Kinship-Care

Youth in the child welfare system can be placed in a variety of settings, including foster families, group or transitional homes, institutions, or supervised independent living. The Federal Social Security Act (Social Security Act of 1934), however, states that agencies should give "preference to an adult relative over a nonrelated caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant state child protection standards" (U.S. Department of Health and Human Services, 2018b, p. 1). The benefits of kinship-care over nonrelational placements are well documented, including decreased risk of youth mental illness and greater placement stability (Winokur et al., 2015). Wu et al. (2015) found that youth living in kinship-care showed fewer behavior problems in general and that children aged 6 and older showed lower frequency and severity of problem behaviors compared to youth in non-relative foster care. Other benefits include familiarity with relatives and their home and increased contact with the child's biological family, all of which can enhance the care transition (Billing et al., 2002).

For Black youth, kinship-care settings can have unique psychosocial benefits, but these benefits need to be weighed against significant financial costs. Black families have shown low involvement in the formal foster care system, owing in part to perceptions of cultural insensitivity among social workers (Pinderhughes & Harden, 2005), organizational distrust related to historical racism (Denby & Rindfleisch, 1996), and a tradition of informal kinship-care in African American cultures (Mills et al., 1999). In terms of psychosocial benefits, kinship-care settings help mitigate some of the effects of transracial out-of-home placements caused by an imbalance in multi-ethnic foster caregivers compared to foster youth. Transracial placements are common, particularly for Black foster youth, due to an insufficient number of available Black foster families (Pinderhughes & Harden, 2005). Research is mixed, but some studies show foster youth in transracial settings face difficulties surrounding their racial identity and self-esteem (Burrow & Finley, 2001; Courtney, 1997), and show higher rates of aggressive behavior (Jewell et al., 2010). Being placed with kin rather than in nonrelative foster care can circumvent some of these problems. However, kinship-care placement also has considerable disadvantages, such as difficulty obtaining financial supports that would be available to licensed foster parents. Excluding certain families from the financial supports limited to the formal foster care system creates a two-tier system when such supports are only available to caregivers who are officially licensed within the child welfare structure.

Barriers to Kinship-Care

Analysis of licensing requirements across states has found many barriers to kinship-care families obtaining licensing necessary to receive stipends as formal non-relative foster parents. Regulations vary across states, and include age limitations, citizenship requirements, educational and language requirements, and even physical and mental health standards (Beltran & Epstein, 2013). By far, the most common requirement (found in 41 states) was "sufficient income," with many states defining this as the ability "to meet the needs of the household without reliance on the foster care payment" (Beltran & Epstein, 2013, p. 5). This income requirement is in stark contrast to research finding that two thirds of children in informal kinship-care arrangements made outside the child welfare system were placed in homes with incomes lower than the U.S. median income (Lee et al., 2017), and that these informal caregivers generally had lower education levels and fewer available resources compared to unrelated foster caregivers (Bavier, 2011; Stein et al., 2014). Without the ability to obtain a license due to income and other requirements, kinship-care families are further disadvantaged in comparison to licensed foster families.

Using the U.S. poverty level as a benchmark, Pac et al. (2017) compared incomes of licensed foster families to incomes of other foster placement types and argued that the safety net provided by foster care payments keeps foster youth out of poverty. Holding child and family demographics constant, they found that youth within the formal foster system are at lower risk of poverty than other children, while youth living with their grandparents faced higher poverty risks due to the absence of foster care or other income supports. While foster care stipends bring heightened economic stability in licensed foster families, a comparable stipend increase can bring unique benefits for kinship-care families, even beyond economic stability. These benefits include longer placements (Pac, 2017), as well as mitigated risk for child abuse and neglect (Kovski et al., 2021). Given the preference for and benefits of placement within kinship-care families—especially for Black youth—the barriers to licensure and the financial disadvantages associated with unlicensed kinship-care stand to perpetuate existing racial disparities in child welfare.

Current Study

The purpose of this study is to investigate racial disparities in the child welfare system by exploring what economic impact racial identity might have on older foster youth (age 11 to 15) to better understand structural inequalities against Black, Indigenous, and Families of Color within foster care, and particularly in kinship-care. The link between poverty and kinship-care foster care is well established in the literature (Ehrle et al., 2001; Murray et al., 2004; Xu et al., 2020), yet most studies use national income standards (U.S. median income or poverty level) and focus on younger youth within the foster care system. This paper builds upon prior research in two key ways. First, income disparities were measured via the Self-Sufficiency Standard (SSS) (Pearce et al., 2001), rather than by state or federal poverty lines. The SSS (Pearce, 2001) is a validated way of defining the income necessary to meet basic family needs without public or private assistance. The SSS varies by family type (from one adult with no children up to three adults with six children) and also by the age of the children, recognizing that childcare costs differ significantly by age. Additionally, the SSS measures income adequacy based on a range of factors including food, health care, and transportation, and it takes tax rates and credits into consideration. Finally, the SSS is regionally based to provide local costs of meeting basic needs given that housing and other costs vary widely depending on location (http://selfsufficiencystandard.org). In other words, for a specific location (county or region within a county) and family size, there are many SSSs depending on a number of factors. In this paper, we assessed whether likelihood of meeting the SSS varied by foster placement type, including kinship-care versus foster care and licensed versus unlicensed care. We also investigated whether caretaker and teen race/ethnicity was associated with

both foster placement type and income, providing a more nuanced profile of racial and economic disparities in foster care.

Methods

Recruitment, Procedures, and Data Collection

This study uses a sample of foster families selected as part of an evaluation of *Connecting*, an adaptation of the *Staying Connected with Your Teen* program designed to improve bonds between foster parents and the teens in their care through communication, opportunities for teens to contribute to their foster families, skills needed to take advantage of these opportunities, and increasing caregiver positive parenting strategies. Teens between the ages of 11 and 15 years and their foster caregivers were recruited from October 2016 through April 2018 in Washington State. The teens' placement in foster care had to be 30 days or longer, and they were placed in various household settings, including licensed or unlicensed foster care and licensed or unlicensed kinship-care (placement with relatives). The research team collaborated with the Washington State Department of Children, Youth, and Families to select families for recruitment; all study procedures were approved by the Washington State Institutional Review Board. During enrollment, 220 caregiver/teen dyads completed separate online baseline surveys (phone interviews were conducted if they did not have internet access or preferred a phone survey for other reasons). As part of the baseline survey, caregivers were asked to report whether they were a licensed foster parent (non-relative), an unlicensed foster parent, a licensed relative caregiver, or an unlicensed relative caregiver. They were also asked to provide an estimate of their household combined yearly income before taxes and list what government financial assistance the household had received in the past year. Current addresses for caregivers, collected as a means for sending a $20 incentive, allowed for geographical mapping.

Sample

The original sample of 220 teens were placed in care by the Washington State child welfare system; however, 15 teens were placed out of state. Among the remaining cases, two teens and one caregiver did not provide race/ethnicity data, one teen was missing county data (needed to calculate a countywide Self-Sufficiency Standard), and three caregivers did not provide income data. Cases with out-of-state placements and missing information were removed from final analyses, leaving a total of 198 matched teen-caregiver dyads with valid location, race, and income data.

The foster youth sample had slightly more females (56%) than males, and 72% reported their race/ethnicity as White, 15% as Black, 13% Native American, 31% Hispanic, and 10% Asian/Pacific Islander (race/ethnicity was not mutually exclusive). The average age of foster youth was 13.0 years, and they had been in their current placement an average of 20.9 months (Table 1). The youth were representative of foster youth in general in Washington State in terms of race/ethnicity, number of placements, and living arrangements (kinship-care versus foster care), although somewhat more females were included in the sample in comparison to the general foster population (56% in sample versus 49% in general).

The caregivers were primarily female (92%), with an average age of 47.2 years, and they were predominantly White (78%; 8% Black, 7% Native American, 9% Hispanic, 2% Asian/Pacific Islander). Approximately 47% of caregivers were licensed foster parents, 12.6% were licensed kinship-care, 14.6% were unlicensed foster parents, and 26.3% were unlicensed kinship-care. The average family size was 5.9 individuals (Table 1). Compared to foster caregivers in Washington State, the caregivers in the sample were similar in terms of being paid versus unpaid caregivers, as well as being non-relatives versus relatives of the youth in their care.

Table 1. Demographics of Study Participants

	Youth (n=198)	**Caregivers** (n=198)
Age in years (Mean/SD)	13.1 (1.25)	47.2 (11.58)
Gender (% female)	56.1%	92.4%
Duration of current placement (Mean/SD in months)	20.9 (18.63)	-
Average # of family members (Mean/SD)	-	5.9 (2.35)
Caregivers with at least high school diploma/ GED (%)	-	96.5%
Race/ethnicity (%)		
White	71.7%	78.3%
Black	15.2%	8.1%
Native American	13.1%	6.6%
Hispanic	31.3%	8.6%
Asian/Pacific Islander	10.1%	1.5%
Caregiver type (%)		
Licensed foster provider	-	46.5%
Unlicensed foster provider	-	14.6%
Unlicensed kinship-care provider	-	26.3%
Licensed kinship-care provider	-	12.6%

Measures

Income to Self-Sufficiency Standard Matching

Caregivers were asked to self-report their combined yearly household income before taxes. They were presented with 11 income ranges (under $10,000, $10,000 to $12,000, $12,001 to $15,000, and so on, up to above $200,000) and asked to choose the range that contained their annual household income. To estimate per capita income, the midpoint of the range (e.g., $11,000 for someone selecting income in the range of $10,000 to $12,000 annually) was divided by the number of people in the household as reported by caregivers.

Estimated self-report incomes were then compared to the Washington State SSS (the SSS is available for each state at http://www.selfsufficiencystandard.org/state-data/). In order to compare the incomes of foster families in the sample to the appropriate SSS, we first matched each family in the sample to all of the SSSs in their geographic location with their family size, then eliminated the SSSs for those family types that did not include at least one teen. Unfortunately, the data for our sample do not include ages of household members. Thus, we could not pinpoint a specific SSS for each dyad. Rather, we calculated a Self-Sufficiency Range (SSR) for the matching geographic location and family size. To calculate the SSR, we took each remaining SSS and divided by the number of household members in order to obtain the per capita SSSs. The minimum and maximum per capita SSS for the matching location and family size were used to create a range of SSSs, or the minimum to maximum per capita income needed to meet basic needs in that location.

SSR Groups

Dyads were placed in one of two groups based on self-reported per capita household income: those dyads whose income was either below (group 1) or above (group 2) their location and household-size minimum SSR. Of the total sample, 47.0% (n = 93) of dyads were in group 1 and 53.0% (n = 105) of dyads were in group 2. Using alternative measures, such as the 2016 Washington State per capita real income, places almost all of the families (92%, n = 182) below the median income, while the federal poverty line only recognizes 22.7% (n = 45) of the sample families as being in need. Therefore, the SSR provides a much more sensitive and accurate picture of the economic status of families in our sample.

Caregiver and Teen Demographic Information

Each caregiver and teen reported their race and ethnicity on the survey. Race/ethnicity groups were created based on responses to two items: *Are you of Hispanic, Latino or Spanish origin?* and *What best describes your racial background?* Caregivers and teens who selected Hispanic (Latinx), African American/Black, or Native American were coded as belonging to those groups regardless of how many other categories they may have chosen. Therefore Latinx, Black, and Native American are not mutually exclusive categories. An additional variable was created to reflect multiple endorsements of race/ethnicity categories (e.g., Black and White, Latinx and Black). Respondents who selected both non-Hispanic and White and did not endorse any other categories were coded as White (1) or not (0).

Caregiver reports were used to create categories as follows: having or not having completed high school, having or not having full-time employment, household size, and household members receiving or not receiving any government assistance (medical coupons, Temporary Assistance for Needy Families [TANF] or welfare, food stamps, Social Security or SSI retirement pension, disability pension, and/or unemployment assistance or other public assistance).

Foster Placement Type

The type of placement was based on caregiver responses to one survey question: *Are you a licensed foster parent (non-relative), a licensed relative caregiver, or a non-licensed relative caregiver of [teen participant]*? Based on responses, families were categorized into four groups: licensed foster care (non-relatives), licensed kinship-care (relatives), unlicensed kinship-care (relatives), and unlicensed foster care (non-relatives; caregivers were recoded to this option if they responded with *Other* and indicated they were unlicensed non-relatives).

Analyses

Descriptive statistics (proportions) were used to explore relationships among SSR groups, racial/ethnic backgrounds of caregivers and teens, and foster placement types. Three sets of Chi square tests were conducted: (1) assessing whether there were different proportions of families falling above or below the minimum SSR as a function of (a) foster placement type, (b) caregiver race/ethnicity, and (c) teen race/ethnicity; (2) testing associations between foster placement type and (a) caregiver race/ethnicity and (b) teen race/ethnicity; and (3) testing associations between SSR groups and teen race/ethnicity among teens with at least one caretaker who shares their race/ethnicity.

Results

Income

For our sample, the mean matched per capita SSS was $14,378.76 (SD = $2,675.79), meaning that a family would need an average of $14,378.76 per person per year in order to meet their basic needs. The average household per capita annual income for our sample was $13,643.28 (SD = $12,295). On average, the families in our sample earned about $735 less per capita than the mean income necessary to meet their basic needs.

SSR Group by Caregiver and Teen Demographic Variables

Caregiver Characteristics

Almost half (47%, n = 93) of all the foster families in our sample were living below the minimum SSR for their location. Caregivers below the minimum SSR were less likely to have completed high school or have full-time employment (self and/or partner), and they reported a larger average family size. Families below the minimum SSR were more likely to report receiving government assistance (Table 2).

Caregiver Race/Ethnicity

Seventy-eight percent (n = 155) of caregivers reported White/Caucasian as their only racial identity, while 8.1% (n = 16) reported being African American/Black, and 12.1% (n = 24) reported being of more than one race. Caregivers reporting to be White were more likely to report income above the minimum SSR than caregivers reporting to be any non-White race ($\chi^2 = 4.02$, p = .045). Caregivers reporting to be Black were more likely to fall below the minimum SSR than non-Black caregivers ($\chi^2 = 8.21$, $p = .004$). Other caregiver racial identities for which there was sufficient representation—including American Indian/Alaskan Native, Hispanic/Latino/Spanish, and those reporting more than one race—showed nonsignificant associations with SSR group (Table 2).

Teen Race/Ethnicity

Fifty-one percent (n = 101) of teens reported White/Caucasian as their only racial identity, while 15.2% (n = 30) reported being African American/Black, 15.2% (n = 30) American Indian/Alaska Native, 31.3% (n = 62) Latino/Hispanic/Spanish, and 34.8% (n = 69) more than once race. Black youth were more likely to be living with families below the minimum SSR compared with non-Black teens ($\chi^2 = 3.80$, $p = .05$). No differences were found among other race/ethnicity categories (Table 2).

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Table 2. Associations of Caregiver Characteristics, Caregiver and Teen Race/Ethnicity Variables, and Foster Placement Type With SSR Income Group

	Income group		% of Total Dyads	χ2	*p*
	Below min. SSR (47.0%, n = 93)	**Min. SSR-above** (53.0%, n = 105)			
Caregiver characteristics					
Caregiver reporting greater than high school education	**35.3% n = 42***	**64.7% n = 77***	60.1% n = 119	**16.32**	**.000**
Caregiver or spouse reporting current full-time employment	**38.1% n = 59***	**61.9% n = 96***	78.3% n = 155	**22.72**	**.000**
Household size greater than 5	**53.7% n = 58***	**46.3% n = 50***	54.5% n = 108	**4.33**	**.045**
Receives any government assistance	**52.5% n = 74***	**47.5% n = 67***	71.2% n = 141	**5.98**	**.018**
Caregiver race/ethnicity					
White/Caucasian	**42.6% n = 66***	**57.4% n = 89***	78.3% n = 155	**5.52**	**.019**
African American/Black	**81.3% n = 13***	**18.8% n = 3***	8.1% n = 16	**8.21**	**.004**
American Indian/Alaskan Native	46.2% n = 6	53.8% n = 7	6.6% n = 13	0.00	.951
Hispanic/Latino/Spanish	64.7% n = 11	35.3% n = 6	8.6% n = 17	2.35	.125
More than one race	54.2% n = 13	45.8% n = 11	12.1% n = 24	0.588	.516
Teen race/ethnicity					
White/Caucasian	43.6% n = 44	56.4% n = 57	51.0% n = 101	0.96	.327
African American/Black	**63.3% n = 19***	**36.7% n = 11***	15.2% n = 30	**3.80**	**.051**
American Indian/Alaskan Native	42.3% n = 11	57.7% n = 15	13.1% n = 26	0.26	.609
Hispanic/Latino/Spanish	50.0% n = 31	50.0% n = 31	31.3% n = 62	0.33	.564
More than one race	47.8% n = 33	52.2% n = 36	34.8% n = 69	0.03	.860
Foster placement type					
Licensed foster care	**37.0%**	**63.0%**	46.5%	**12.71**	**.005**
	n = 34*	**n = 58***	n = 92		
Licensed kinship-care	48.0%	52.0%	12.6%		
	n = 12	n = 13	n = 25		
Unlicensed foster care	41.4%	58.6%	14.6%		
	n = 12	n = 17	n = 29		
Unlicensed kinship-care	**67.3%**	**32.7%**	26.3%		
	n = 35*	**n = 17***	n = 52		

**Cells in the same row differ significantly from each other (p < .05).*

Foster Placement Type by SSR Income Group

Almost half (46.5%, n = 92) of caregivers were licensed foster parents, while a quarter (26.3%, n = 52) were unlicensed kinship-care; the remaining teens were in licensed kinship-care (12.6%, n = 25) or unlicensed foster care (14.6%, n = 29). Overall, foster placement type was associated with SSR group ($\chi^2 = 12.71$, $p = .005$). Right-tailed post hoc tests at a Bonferonni corrected threshold of $p = .006$ showed that this effect was driven by the unlicensed kinship-care group, which were much more likely to fall below the minimum SSR, and the licensed foster care group, which were more likely to fall above the minimum SSR, relative to other foster placement types (Table 2).

Foster Placement Type by Caregiver and Teen Race/Ethnicity

Caregiver Race/Ethnicity

Caregivers reporting to be White were less likely to be unlicensed kinship-care providers ($\chi^2 = 15.12$, $p = .002$) or any unlicensed provider ($\chi^2 = 8.69$, $p = .003$) compared to caregivers reporting to be any non-White race. The majority of licensed kinship-care (80%) and unlicensed foster care (83%) providers reported their race as White; therefore, the remaining race categories were collapsed into either licensed or unlicensed care providers. Caregivers reporting to be Black were more likely to be unlicensed providers relative to non-Black caregivers ($\chi^2 = 5.58$, $p = .003$), with all but one caregiver in this group reporting to be a kinship-care provider; Hispanic caregivers were also more likely to report being unlicensed ($\chi^2 = 4.36$, $p = .037$), with 73% of those being kinship-care providers. No differences in foster placement type were found among other race/ethnicity categories (Table 3).

Teen Race/Ethnicity

Black youth were somewhat more likely to report being placed in unlicensed versus licensed care ($\chi^2 = 3.63$, $p = .057$), and 14 of the 17 (82%) Black youth living in unlicensed care were placed with kin. No other teen race/ethnicity categories showed significant associations ($p < .10$) with foster placement type using either the two or four categories of placement type (licensed versus unlicensed results are reported in Table 3).

Table 3. Associations of Caregiver and Teen Race/Ethnicity Variables and Income With Foster Placement Type

	Foster placement type					
	Licensed foster care (46.5%, n = 92)	**Licensed kinship-care** (12.6%, n = 25)	**Unlicensed foster care** (14.6%, n = 29)	**Unlicensed kinship-care** (26.3%, n = 52)	x^2	*p*
Caregiver race/ethnicity						
White/Caucasian	51.6% n = 80	12.9% n = 20	15.5% n = 24	**20.0% n = 31***	**15.12**	**.002**
	Licensed care		**Unlicensed care**			
White/Caucasian	**64.5% n = 100***		**35.5% n = 55***		**8.69**	**.003**
African American/Black	**31.3% n = 5***		**68.8% n = 11***		**5.58**	**.018**
American Indian/ Alaskan Native	38.5% n = 5		61.5% n = 8		2.45	.118
Hispanic/Latino/Spanish	**35.3% n = 6***		**64.7% n = 11***		**4.36**	**.037**
More than one race	41.7% n = 10		58.3% n = 14		3.43	.064
Teen race/ethnicity						
White/Caucasian	60.7% n = 54		42.2% n = 46		0.168	.682
African American/Black	43.3% n = 13^		56.7% n = 17^		3.63	.057
American Indian/ Alaskan Native	53.8% n = 14		46.2% n = 12		0.341	.559
Hispanic/Latino/Spanish	66.1% n = 41		33.9% n = 21		1.85	.174
More than one race	55.1% n = 38		44.9% n = 31		0.707	.400
SSR income group						
Below Min. SSR	**49.5% n = 46***		**50.5% n = 47***		**6.73**	**.010**
Min. SSR and above	**67.6% n = 71***		**32.4% n = 34***			

**Cells in the same row differ significantly from each other (p < .05).*

^Cells in the same row differ significantly from each other (p < .10).

Shared Racial Identity by SSR Income Group and Placement Type

The majority of dyads (63.1%) consisted of a White caregiver paired with a teen of the same race, and these families were slightly more likely to report being above the minimum SSR but did not differ based on either two or four placement type categories (two-category results are included in Table 3). Just under half (46.7%, n = 14) of teens reporting to be Black were placed with caregivers who also reported Black heritage, with the majority of those in unlicensed care (88.9%, n = 8) being placed with relatives (Table 4). Regardless of foster placement type, a significant proportion (78.6%, n = 11) of Black teens living with at least one caregiver of the same race reported income levels below the minimum SSR for their region ($\chi^2 = 6.04$, $p = .023$). There were no significant differences for Hispanic/Latino/Spanish teens living with same-race caregivers in terms of income (below or above minimum SSR), but this group was more likely to report being unlicensed ($\chi^2 = 4.62$, $p = .032$), with 77.8% (n = 7) of unlicensed families being kin. Other intraracial comparison groups were too small for meaningful analysis. In terms of actual income, Black and Hispanic caregivers with same-race foster youth reported an average per capita income of $7,899.52 (sd = 7,018.76) and $9,503.57 (sd = 5,141.29), respectively compared to $14,346.90 (sd = 13,112.25) reported by White caregivers with same-race youth.

Table 4. Associations of Shared Race/Ethnicity With SSR Income Group

	Income group		% of Total dyads	χ2	p[1]
	Below min. SSR	**Min. SSR-Above**			
Shared caregiver & teen race/ethnicity					
White/Caucasian	**42.4% n = 53^**	**57.6% n = 72^**	63.1% n = 125	**2.84**	**.092**
African American/Black	**78.6% n = 11***	**21.4% n = 3***	7.1% n = 14	**6.04**	**.023**
Hispanic/Latino/Spanish	69.2% n = 9	30.8% n = 4	6.6% n = 13	2.77	.149
	Placement Type		**% of Total Dyads**	**χ2**	**p[1]**
	Licensed care	**Unlicensed care**			
Shared caregiver & teen race/ethnicity					
White/Caucasian	61.6% n = 77	38.4% n = 48	63.1% n = 125	0.88	.347
African American/Black	**35.7% n = 5^**	**64.3% n = 9^**	7.1% n = 14	**3.41**	**.065**
Hispanic/Latino/Spanish	**30.8% n = 4***	**69.2% n = 9***	6.6% n = 13	**4.62**	**.032**

[1]When cell count is less than 5, Fisher's Exact Test is reported p value.
**Cells in the same row differ significantly from each other (p < .05).*
^Cells in the same row differ significantly from each other (p < .10).

Discussion

This study supports prior research into the economic disadvantages faced by certain groups in the foster care system. Using the more sensitive, geographically based SSS measure of income to examine the placement of youth in foster settings, disparities were found in terms of ability to meet basic needs as well as placement type. Black caregivers and youth were more likely to fall below the minimum SSR, while White caregivers reported earnings above the minimum SSR. Caregivers below the minimum SSR were further disadvantaged, with lower rates of education, higher rates of unemployment, larger families, and greater dependency on government assistance. Placement type also varied by race/ethnicity, with greater likelihood that White caregivers would be officially licensed relative to Black and Hispanic caregivers, who reported lower frequency of licensure. It follows that unlicensed caregivers were more often below the minimum SSR for their region compared to those providers with licenses. When youth are placed with same-race caregivers, who are often kin, Black youth are more likely to report living with families below the income necessary to meet basic needs, and both Black and Hispanic youth were more often placed with unlicensed caregivers. The results suggest that disparities exist within the foster care system in terms of race/ethnicity, income, and licensing.

Consistent with other state and national measures of income, Black caregivers in our sample were more likely to fall below the benchmark income (in this case, the minimum SSR) relative to White caregivers. Furthermore, Black foster youth were more likely to be placed within a family unable to meet basic economic needs. When caregiver and youth races are matched, the results are even more glaring, with a large majority of Black caregivers with Black foster youth reporting incomes below the minimum SSR. Certain ethnic groups tended to fall below necessary sufficient income due to a variety of factors, including education and employment, all of which were found to be related in our sample. Placement type, in particular a caregiver being licensed or unlicensed within the state child welfare system, was also linked to a family's economic standing and, given the high percentage of unlicensed families reporting to be kin, deserves further investigation.

Foster Care Licensing

A main tenet of the child welfare system is that, where possible, placement should be found with a relative of the child. The Washington State Department of Children, Youth, and Families (DCYF) states that "children are best cared for by a person they have a relationship with, when the caregiver is assessed as safe and suitable" (DCYF, 2022, para. 1). In Washington, unlicensed caregivers must meet basic requirements (i.e., a home safety assessment, and character/suitability test) and are told of available financial support, including TANF, TANF Child-Only grants, and Relative Support Services Funds such as Non-Needy Relative, In Loco Parentis, and Legal Guardian Grant (DCYF, 2022, para. 5). Unfortunately, many of these sources of support include strict regulations—for example, TANF benefits require participation in a job search program, and Relative Support Services Funds require the applicant to sign over child support rights to the Department of Social and Health Services. Relative caregivers are strongly encouraged to become licensed, but licensing is not required to shelter young kin in need of care. Licensing protocols for foster parents vary by state, but most include a few basic requirements such as background checks, ability to communicate with the child and other service or health care providers, and completion of a training course (Beltran & Epstein, 2013). In Washington State, approved licensed foster caregivers must complete ongoing training to maintain their license, and, in return, receive monthly foster care maintenance payments, payments for childcare costs if employed, medical and dental coverage for the child in foster care, clothing vouchers, and reimbursement/liability plans (DCYF, 2020b). In 2020, monthly foster care reimbursements per child for youth aged 12 and

older ranged from a base of $810 to a maximum of $1612.30 depending on the physical, mental, behavioral, or emotional conditions of the child (DCYF, 2020b).

Despite the financial benefits, 41% of families in our study were unlicensed, and 64% of unlicensed caregivers were kin. This is, however, in line with research showing that only one third to one half of children in state custody placed with kin receive foster care payments (Murray et al., 2004), and those who do receive support often find their benefits much lower than licensed caregivers (Anderson, 2006). One potential challenge for unlicensed caregivers is Washington State's requirement that applicants have sufficient income to maintain their family without the foster care reimbursement (WAC 110-148-1365; Washington State Legislature, 2015)`. Our analysis showed that unlicensed providers, and kinship-care providers in particular, are significantly more likely to fall below the minimum SSR needed to provide for their families, so they fail to meet a main licensing criterion of supporting their family without foster child payments. Additionally, providers below the minimum SSR needed to support more family members face higher unemployment and lower education levels than those above the minimum SSR and are thus further hindered by their inability to meet training and licensing requirements. While both Black and Hispanic caregivers were more often unlicensed, Black caregivers faced the additional burden of being below the minimum SSR, and this held true for Black caregivers in general as well as Black caregivers paired with same-race youth who were often kin. The income requirement for licensing appears to be a barrier that limits particular racial groups from accessing the financial supports that come with official recognition as state foster parents.

Policy Implications

Simply eliminating income minimums for foster parent licenses may not reduce barriers for disadvantaged groups. Training and certification requirements could still limit the ability of unlicensed and Black caregivers to obtain necessary approvals (Cuddeback & Orme, 2002). Furthermore, lowering licensing standards could introduce more risks into the system as previously screened-out applicants become eligible (Testa et al., 2010). Conversely, establishing income minimums for kinship-care providers could result in fewer placements with relatives, contrary to research on the benefits of youth placement with family (Schwartz, 2002). Attempts to assist kinship-care providers through programs such as the Relative Guardian Assistance Program in Washington State have fallen short as they also require relatives be licensed in order to participate. A more equitable solution would be to ensure that unlicensed families who take in foster children receive reimbursements similar to licensed foster homes without additional burdens placed disproportionally on kin and Black providers. Research has shown that access to income provided by child-only welfare grants is associated with a 7% greater likelihood of kinship-care youth graduating from high school (Nelson et al., 2010). Other research has demonstrated that a 1% increase in monthly stipend is associated with a 53% decrease in the risk of disruption for kinship-care families (Pac, 2017), so providing these families with payments similar to licensed foster parents could increase the placement stability and educational success of children in their care. Caseworkers need to ensure they make kinship-care providers aware of any existing available income assistance programs and realize that licensing isn't always an option for these families (Xu et al., 2020). Educational or outreach strategies have been suggested as means to increase awareness of financial assistance offered to kinship-care families (Murray et al., 2004), and greater access to services for all families regardless of licensure could reduce some inequalities (Ehrle et al., 2001). Additionally, policy makers, system administrators, and practitioners need to realize the disproportionate burden fostering places on unlicensed and, especially, Black caregivers, and make necessary adjustments to the child welfare system to reduce any systematic inequities. Such adjustments should include equitable access to financial resources for all caregivers, increased

awareness and education on currently available resources, and reassessment of barriers to licensing that disproportionally exclude minority and kinship-care providers.

Study Limitations

The results of this study have notable limitations. The sample is limited to Washington State and cannot be generalized to other locations as state systems for child welfare differ considerably. Furthermore, the generalizability of the results must be interpreted with some level of caution due to the nature of eligibility for the study. Youth and caregivers needed to speak and be literate in English to respond to survey questions. Youth in group-home and behavioral rehabilitation services placements were excluded because of the study's focus on primary prevention. Youth included in the study were not known to be regularly using drugs or alcohol in the last 30 days, to have any past involvement in the criminal justice system, or to be receiving behavioral rehabilitation services as reported by their social worker because of the intervention's focus on preventing behavior that has not yet been initiated. Finally, youth were in placements that were expected to last for at least 6 months. These criteria were determined by the DCYF social workers assigned to the youth and limit the ability to generalize the results to families outside the formal foster care system.

Conclusion

According to the Children's Bureau, the child welfare system is "a group of services designed to promote the well-being of children by ensuring safety, achieving permanency, and strengthening families" (2020; https://www.childwelfare.gov/). This study demonstrates that these objectives are not equitably distributed across provider types and highlights racial disparities that exist within the system. Black caregivers and youth were less likely to be able to meet basic needs using the SSR as a measure on economic stability; Black and Hispanic caregivers were less likely to be licensed and thereby receive financial benefits available to licensed caregivers; and Black youth placed with same-race caregivers, who are often kin, were more likely to be living with families unable to meet basic needs. These results point to the need for change within the existing child welfare system, including greater access to resources for all caregivers regardless of type or race, improved education on currently available resources, re-alignment of current licensing requirements to be more inclusive, and a general review of child welfare services to reduce systemic racial inequities. Making these adjustments to the child welfare system could help ensure that the needs of all children are met, regardless of income, race, or ethnicity.

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