

**CHILD WELL-BEING AND FAMILY STABILITY**  
**IN A POST-PERMANENCY WORLD**

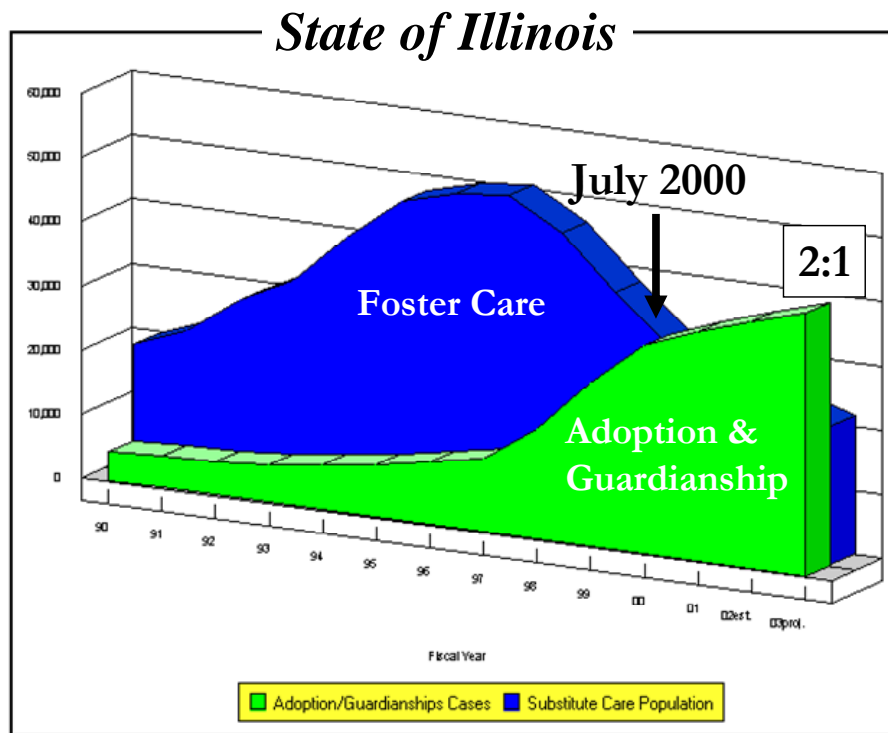
Mark Testa

Associate Professor and Director  
Children and Family Research Center  
School of Social Work  
University of Illinois at Urbana-Champaign

January 2006  
Updated, September 2007

Paper presented at the Concurrent Paper Session: "Family Impacts of Poverty"  
Society for Social Work and Research, San Antonio, Texas, January 12-14, 2006

Contemporary child welfare policy and practice are predicated on the assumption that the well-being of foster children who cannot return to their birth parents is best assured by finding them safe and stable homes with adoptive parents and legal guardians. State and federal efforts to align financial incentives and policy guidelines with these permanency outcomes have so far yielded impressive results.



**Figure 1**

In July of 2000, the number of children in publicly-assisted permanent homes with adoptive parents and legal guardians in Illinois surpassed for the first time the number of children in state-funded foster care (see Figure 1). Rick Barth and his colleagues report a similar cross-over in 2004 for the states of Michigan, Missouri, New Jersey, and New York (Barth, Wulczyn & Crea, 2005).

Currently in Illinois there are 41,000 children in assisted adoptive and guardian homes compared to 16,000 children in foster care. By 2008, the Congressional Budget Office projects that this 2:1 milestone will be exceeded in the federally funded IV-E program by the nation as a whole.

## Turnaround in Illinois System

During the past decade, I have devoted my energies, first as the Research Director for the Illinois Department of Children and Family Services and now as Director of the Children and Family Research Center, to creating the policy conditions for family stability and permanence by participating in the formulation and evaluation of key Illinois initiatives, such as Home of Relative (HMR) Reform, the Subsidized Guardianship Waiver Demonstration, and Performance-Based Contracting.



These initiatives have been widely acknowledged as having helped turnaround the Illinois system from one plagued by horrendous conditions of child abuse and neglect which President Clinton in 1994 highlighted as “happening not in Calcutta but in Chicago” (Shapiro, 1999) to what *The CQ Reporter* now credits as setting the “gold standard” of child care (Price, 2005).

### How Illinois Reformed a Broken System

Three times, the Illinois Children and Family Services Department took Joseph Wallace away from his mentally ill mother, and three times the youngster was returned to her. There was no fourth time, because on April 19, 1993, she tied an extension cord around the 3-year-old's neck and hanged him from a trampoline in their Chicago apartment.<sup>1</sup> Early the next year, Chicago police discovered 19 children living in a squalid, two-bedroom apartment with a half-dozen adults. Again, the department knew about six of the children but had left them with their mothers.<sup>2</sup> Although the tragedies were only tiny tips of an enormous iceberg of bureaucratic failure, they shined a media spotlight

in the mid-1990s, says Mark Testa, co-director of the University of Illinois' Children and Family Research Center. It had the nation's highest prevalence of children in foster care — 17.1 per 1,000 — where they remained in care longer than children in other states. The total foster care rolls soared from 20,000 in the late-80s to 52,000 in 1997. But when horror stories repeatedly hit the media, public outrage triggered changes. Feeling intense pressure from the public, the state legislature and a lawsuit by the American Civil Liberties Union, Republican Gov. Jim Edgar appointed a new department director, Jess McDonald. He launched a comprehensive overhaul of the system and hired Testa as in-house research director.

The challenges posed by the shifting balance from indefinite foster care to family permanence are only now coming into view. While the emphasis on legal permanence is generally regarded as salutary, there

Figure 2

continue to be concerns about the pace of the change, the quality of the aftercare, and the viability of the new permanency options of kinship adoption and subsidized guardianship.

First, there is the worry that the late 1990s push on adoptions and guardianships may have pressured too many families into making ill-considered commitments that will

eventually bring thousands of failed attempts at family permanence back into foster care (Gendell, 2001).

Second, because much of the recent growth in family permanence has come from the conversion of kinship foster homes into legally permanent homes, concerns have been raised about whether these families possess the moral commitment and economic wherewithal to weather the challenges of parenting special-needs children, especially as they enter adolescence (Bartholet, 1999).

Third, leading judicial organizations are downgrading guardianship as a permanency option on the grounds that it is less legally binding than adoption. (National Council of Juvenile and Family Court Judges, 2000). This has led to the issuance of guidelines that appear to condone the removal of children from safe and stable kinship care if another home can be found that is willing to adopt (Testa, 2005).

### **Displacements from Adoption**

Most of these warnings come from social workers and lawyers working with selected populations of adoptive and guardian families who have come to the attention of the agency or court for post-permanency services or legal action. While the information gathered is useful for generating hypotheses, observational data can provide misleading clues about the magnitude of the problem or the differential risks that adoptive and guardian families face.

First, social workers and lawyers deal in absolute numbers. A doubling of breakdowns in adoption can easily be misunderstood as signaling a spike in incidence when all that has really changed is the expansion of the potential risk pool. During the period that the absolute number of adoption displacements doubled in Illinois, the potential risk pool of adopted children increased seven-fold. Second, workers and lawyers tend to draw comparisons between self-selected populations that differ on a variety of factors, such as child's age, length of residence with family, and special needs, which are also related child outcomes. Impressions of differences in outcomes are biased by these prior differences in characteristics.

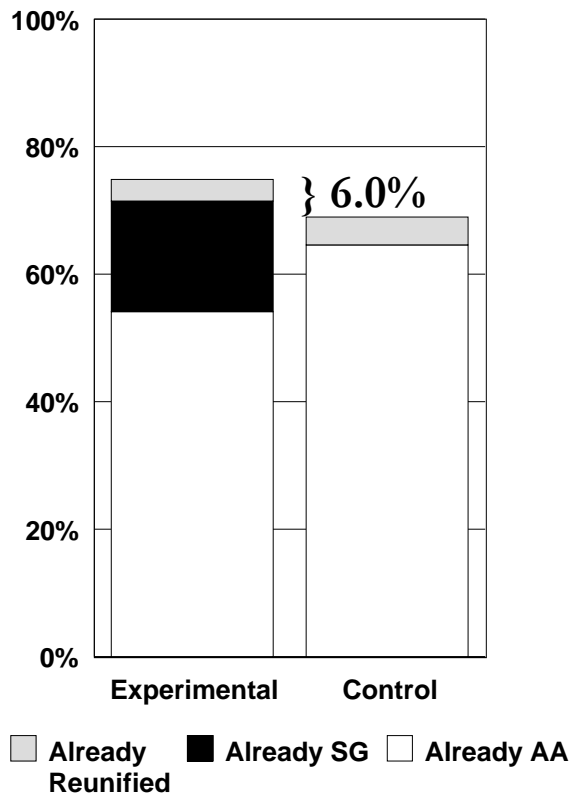
## Illinois Subsidized Guardianship Waiver Demonstration

One of the ways researchers try to avoid the pitfalls of biased comparisons and faulty inferences drawn from observational data is to use random assignment to narrow systematic observable and unobservable differences between comparison groups. I was able to implement such a design as part of the largest federally supported experiment in family permanence—the Illinois Subsidized Guardianship Waiver Demonstration.

Implemented in May of 1997, kinship and foster families were randomly assigned to experimental and control conditions statewide. The related and foster caregivers of children assigned to the experimental condition were informed about and offered the permanency options of adoption assistance and subsidized guardianship while the caregivers in the control condition were told only about adoption assistance. In three pre-selected research sites, Westat, Inc., an independent survey firm, conducted two waves of in-person interviews in 1998 and 2000 with 2,160 adult caregivers: 1,084 (experimental) and 1,076 (control). A supplementary random sample of 91 additional caregivers, who

had already become legal guardians under the waiver demonstration, was also interviewed in order to boost the number of observations for this form of family permanence.

The results at wave I showed an 8% permanency advantage for children assigned to the experimental group who were offered the option of subsidized guardianship. This boost came on top of the number of adoptions finalized so both adoptions and guardianships increased. When the children were revisited two years later at wave II, however, the advantage had diminished to a still respectable, and statistically significant 6%, but this time adoptions had increased in the control group so that it could be



**Figure 3**

inferred that perhaps as many of two-thirds of the completed guardianships might have eventually converted into adoption had the guardianship option also been withheld from the experimental group. Is the net gain in permanence worth the loss in adoption?

The impulse is to compare the children discharged to guardianship (black segment) to all of the adopted children (white segment) in the control group. But this suffers from the same selectivity bias that we try to overcome with random sampling. Simply put, focusing only the subsets of guardianship and adopted children destroys the statistical equivalence between the treatment and control groups so that the expected values of the mean differences characteristics is no longer equal to zero.

### **Solutions to the Selection Problem**

There are several solutions to the selection problem: I'll discuss three: One is to conduct an "intention-to-treat" (ITT) analysis that compares the outcomes of all children assigned to the experimental and control groups regardless of whether or not the families selected a permanency option. The advantage of this approach is that it preserves the statistical equivalence of observable & unobservable means achieved through random assignment.

Another is to predict the counterfactual (that is, the outcome that would have otherwise been observed if the child were to be assigned to the other treatment condition) by modeling the relationships between the outcome measure and observed covariates using some form of regression analysis. The goal is to purge (subtract out) from both the outcome and treatment all systematic variation in covariates so that there is no remaining selection bias.

A third, and relatively new approach in social work, is to explicitly balance the comparison groups on as many relevant covariates as possible so that the mean difference between the two groups is reset to 0 and the observed covariates are eliminated as a source of selection bias. The most widely used balancing index is the propensity score that expresses the log-odds or probability of being in the treatment group instead of the comparison group as a function of observed covariates.

In a recently published study, I used the ITT approach to compare well-being and family stability of all the children assigned to the experimental and control groups regardless of whether or not the families selected a permanency option. (Testa, 2005). Aside from the 6% higher level of legal permanence in the experimental group I already

reported, the results showed no other differences in the caregiver’s intent to raise the child to adulthood, the child’s feelings of belongingness and the stability of the family— associated with being offered the option of subsidized guardianship as opposed to having the option withheld. While the ITT approach preserves statistical equivalence and approximates the likely effects of treatment as implemented in the field, the estimated effects of the intended intervention are diluted because only 17 percent of experimental children were discharged to guardianship by wave 2 of the survey.

This paper supplements my prior ITT analysis with a “treatment-on-the-treated” (TOT) analysis of the effects of subsidized guardianship on family stability and child well-being. This TOT approach excludes children not discharged to legal guardianship in the experimental group and includes the supplementary sample of children already residing in the homes of legal guardians. The data displayed in Table 1 show that there are numerous differences between children discharged to guardianship compared to the children in the control group. Asterisked differences are significant at the .05 probability level.

Table 1.—Case characteristics of caregivers and children discharged to subsidized guardianship compared to caregivers and children in control group

Predictors	Guardianship Cases	All Controls	Difference
Sample size	330	1,567	
Child's age	11.4	9.3	2.0 *
Caregiver's age	52.9	50.0	2.9 *
Caregiver working	40.0%	46.2%	-6.2%
Caregiver high school	52.1%	55.4%	-3.3%
Relationship to child			
Grandparent	54.2%	38.4%	15.9% *
Aunt or uncle	20.6%	14.8%	5.8% *
Other relative	17.0%	12.9%	4.1%
Foster parent	8.2%	33.9%	-25.7% *
Affection scale	-0.029	-0.039	0.009
Family duty scale	0.526	-0.039	0.564 *
Prior yrs. With caregiver	5.0	4.0	1.0 *
Monthly family subsidy amount	\$980	\$1,017	-\$37
Intend to raise child to adulthood	84.8%	79.5%	5.3% *

To reduce the selection bias in the TOT comparison of non-equivalent treated and control cases, I used propensity scores to match guardianship cases to an equal number of control group cases who could be considered likely candidates for guardianship using predictor variables measured at the initial interview. To select a matched sample of control group children, I fitted a logistic regression equation to subsidized guardianship (treated) vs. control cases using predictor variables hypothesized to tap into caregivers' propensity to convert into a permanent home. The selection of predictors derives from my earlier work on kinship foster care that conceives of foster care, adoption, and guardianship as enduring gifts of care, commitment, and trust that are bestowed on children. In contemporary social science parlance, a gift relationship is a form of "social capital" that affords children access to resources in social networks. Although unrequited gift relationships can endure for a short while, there is a temptation to discontinue asymmetrical relationships unless the impulse is counterbalanced by compensating feelings of affection and duty or by an incentive structure that lessens the ratio of donor losses to recipient gains. Game theorists identify these three factors of affection<sup>1</sup>, duty<sup>2</sup>, and incentive<sup>3</sup> as reinforcements of gift relationships in the absence of full reciprocity by the recipient<sup>4</sup>.

The logit model shows that grandparents and aunts are much more likely to appear and unrelated foster parents are much less likely to appear in then guardianship

---

<sup>1</sup> The affection scale was computed from caregiver responses based on a principal components analysis of a series of questions about displays of affection and encouragement to the child: "In the last 30 days, how often have you, (1) Showed (him/her) that you liked to have (him/her) around?; (2) Made (him/her) feel loved?; (3) Praised (him/her) for doing something really well?; and (4) Comforted the child when (he/she) had problems?" Response categories were never, sometimes, and often.

<sup>2</sup> The duty scale was computed from caregiver responses based on a principal components analysis of a series of questions on family duty and kinship preference: "(1) Families have a moral duty to take care of their own kin regardless of whether government pays for the cost of care; (2) Children who must be removed from their birth parents should be placed with relatives rather than non-relatives; and (3) Children who must be removed from their birth parents should be placed with relatives rather than non-relatives. Response categories were strongly agree, agree, disagree or strongly disagree.

<sup>3</sup> Finally, data on government subsidies were recorded from administrative data on the amount of money the caregiver received for each child at the date of the first interview in adoption or guardianship subsidies or foster care boarding payments.

<sup>4</sup> Additional measures of caregiver investment were computed based on the degree of genealogical relatedness of the caregiver to the child (1 = sibling to 6 = unrelated foster parents), length of time in the caregiver's home at the date of the interview, and the caregiver's expectation that the child will remain in the home until reaching adulthood. Lastly the demographic characteristics of child's age and caregiver's gender, age, marital status, education, and income were included as predictors.

group than in the control group. Older children and children who've lived longer with the caregiver are more likely to appear in the guardianship group. And in accordance with gift relationship theory, caregivers with a greater affection for the child are more likely to appear in the guardianship group.

Table 2.—Case characteristics of caregivers and children discharged to subsidized guardianship compared to caregivers and children in the matched control group

Predictors	Guardianship Cases	Matched Controls	Difference
Sample size	307	307	
Child's age	11.9	11.7	0.1
Caregiver's age	53.4	54.0	-0.7
Caregiver working	39.7%	36.8%	2.9%
Caregiver high school	52.1%	55.4%	-3.3%
Relationship to child			
Grandparent	53.1%	57.3%	-4.2%
Aunt or uncle	22.1%	19.2%	2.9%
Other relative	15.3%	17.3%	-2.0%
Foster parent	9.4%	6.2%	3.3%
Affection scale	0.179	0.295	-0.116
Family duty scale	0.526	0.585	-0.059
Prior yrs. With caregiver	5.5	5.5	0.0
Monthly family subsidy amount	\$1,085	\$1,066	\$19
Intend to raise child to adulthood	95.4%	97.1%	-1.6%

One-to-one nearest neighbor matching of cases on propensity scores balances the means of the observed covariates in the two groups so that the mean differences in predictors for the treated (i.e. guardianship) and matched control cases are statistically indistinguishable from one another<sup>5</sup>. Matching in this fashion helps to restore some of the statistical equivalence that is sacrificed by comparing control cases to only experimental

<sup>5</sup> The logits of propensity scores (XBETAS) were estimated using SAS GENMOD by regressing treated vs. control cases against the predictor variables in Table 1 and their two-way interactions. The matching of the logits of control and treated cases was implemented using the psmatch2 routine in STATA. Matching was done on a 1-to-1 basis without replacement by selecting the control case with the logit nearest to that of the next randomly sorted treated case (i.e. nearest neighbor). Matched caregiver ids were tagged with a number and then output for linking back to displacement codes and predictor variables for each child in the custody of the caregiver at the time of the first interview. Subsequent logistic regression analyses were conducted on the matched sample to test the effects of subsidized guardianship on child well-being and family stability.

cases discharged to guardianship. The data displayed in Table 2 show that the two groups are similar on all of the predictors that were previously flagged as statistically significant.<sup>6</sup> Matched controls approximate the counterfactual condition graphed in Figure 3 above: Two thirds would have likely been adopted, a small slice would have been reunified, and the remainder would have remained in state custody with some caregiver's planning to adopt, some undecided, and others unwilling to consider adoption. With these matched samples, the question can now be asked: Are the displacement rates for children discharged to subsidized guardianship worse, the same, or better seven years after random assignment than they would have been had they instead remained in foster care, been adopted, or reunified with their parents?

### **Pre- and Post-Permanency Displacements**

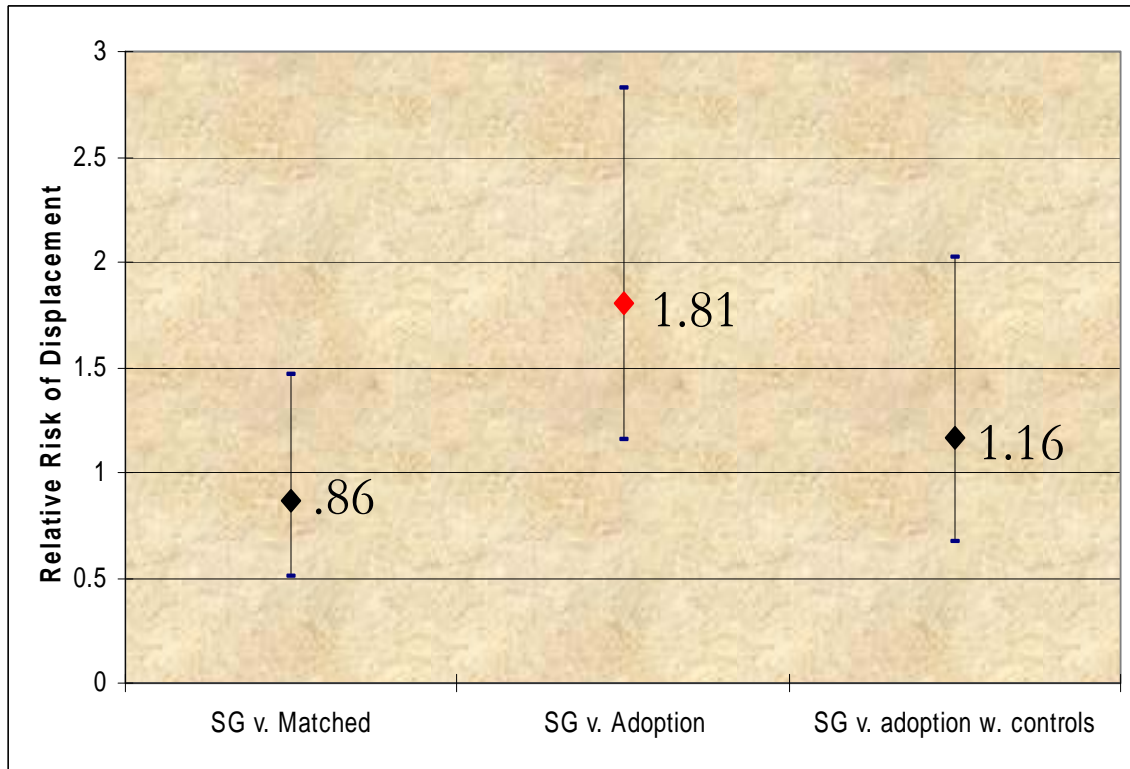
Displacement from homes was tracked from May 1997 to December 30, 2004 using case narratives and codes inputted into a database by a research team member assigned to the post-permanency services (PPS) unit of the Illinois Department of Children and Family Services. To track displacements in the matched control group, a computer program was written and run against administrative data on payments and living arrangements among treated cases to identify payment and placement interruptions that correlated with displacements recorded by the PPS unit. This program was then run against payment and placement data for the matched control cases to identify likely displacements. A case audit was conducted on a sub-sample of likely displacements in the control group in order to validate the accuracy of the computer program's identification of likely displacements from the home.

As of December 30, 2004, a total of 30 children (10%) experienced at least one displacement from the home among the 307 children in the experimental group and supplemental sample who had been discharged to the legal guardianship of relatives and foster parents by Wave 2 of the survey. For sake of comparability with national standards, the study adheres to the definitions promulgated by the Children's Bureau. This definition excludes from counts of displacement temporary absences from the child's ongoing foster care placement or permanent home and certain temporary living situations, such as hospitalization for medical treatment, acute psychiatric episodes, and runaways.

---

<sup>6</sup> The number of guardianship cases that could be matched reduced the sample size from 330 to 307 children.

Event-history regression estimates of the relative risk of the instantaneous probability (hazard) of displacement from care following the wave 1 interview and updated with administrative data through December 30, 2004 show virtually no difference between SG cases and the matched sample of control cases. While children discharged to guardianship were 14% (1-.86) less likely to be displaced from their home than the matched group of children who remained in care, the amount of the difference could easily be due to chance.



When these same cases are compared to all adoptions in the control group, the differences that social workers and lawyers typically observe become apparent. Children discharged to guardianship are 81% more likely to be displaced than adopted children. Guardianships are more likely to displace not because they are inherently less permanent than adoption. Rather as demonstrated above, the kinds of children and caregivers that select into guardianship are equally prone to displacement regardless of whether they stay in foster care or become adopted. When guardianship children are matched on the characteristics that distinguish them from adopted children or when the differences are controlled statistically with a regression model (last comparison in Figure 4) the observed ‘naive’ difference reduces to statistical insignificance.

## Conclusion

Worries that the decade-long trend toward moving children out of interminable foster care to permanent family homes may soon be reversed because of rising numbers of children being displaced from their homes appear to be unfounded. While it is true that workers and lawyers are seeing more children in their practice who have been displaced from adoptive and guardianship homes, the reason is that the risk pool of potential displacements is much larger today than a decade ago. When adjusted for the size of the pool, the rate of displacement has actually dropped. Suggestions that post-permanency displacements are likely to increase in the future because children are being discharged to “less permanent” guardianship homes rather than being retained in foster care or placed for adoption also appear to be based on misleading comparisons. When the characteristics of children and caregivers in guardianship homes are matched to children and caregivers in the control group, the rates of displacement are statistically equivalent.

The shift from foster care to family permanence does not mean, however, that the work of supporting and strengthening these new families should necessarily end. Even though regular casework and judicial oversight are no longer required, these homes still will need occasional support to ensure child well-being and sometimes more intensive interventions to preserve family stability. In addition, success in preventing child removal and moving children into permanent homes does not mean that follow-up work with the smaller number of remaining foster children grows simpler. The residual group in state custody comprises an increasingly older population of foster youth with complex developmental, educational, and mental health needs. Unless federal and state governments adapt existing funding mechanisms to the new realities of 21st century family life in a post-permanency world, our society runs the danger of sacrificing many of the gains achieved over the past decade in bringing safety and permanence to the lives of thousands of former foster children.