

Kids gain more from family than foster care

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An MIT Sloan School of Management professor has for the first time used the analytic tools of applied economics to show that children faced with two options - being allowed to stay at home or being placed into foster care - have generally better life outcomes when they remain with their families.

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"While much has been written about the trade-off between family preservation and child protection, little empirical work has been able to support a greater emphasis on either one," said Joseph Doyle Jr., assistant professor of applied economics at Sloan. "My research suggests that children on the margin of foster care placement have better employment, delinquency, and teen motherhood outcomes when they remain at home."

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Doyle, the Jon D. Gruber Career Development Assistant Professor of Applied Economics, said his study is the first to empirically demonstrate causal effects between placement decisions and long-term outcomes. "The child welfare system directly impacts millions of children at risk of poor life outcomes each year, yet much of the previous evidence on the effect of foster care on outcomes looked at correlations, not causal effects," he said. "But if you find that 28 percent of homeless people were once in foster care, it doesn't mean they are homeless because of foster care."

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To establish a causal effect, Doyle analyzed a unique dataset that links children investigated by Illinois's child protection agency with a range of government programs. To control for variable factors in placement decisions-- such as the possibility that worse outcomes for foster children were due to worse family backgrounds -- Doyle based his analysis on random assignments of cases to social workers. Because cases in Illinois are assigned on a rotational basis and child characteristics were found to be similar across investigators, Doyle was able to study a representative range of children involved in the system, some of whom stayed with their families, while others were placed into foster care.

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Â "We were able to analyze what would have happened to a child if he or she had stayed at home, rather than in a foster home," he said. "For decades, the issue of family preservation versus foster placement has been a thorny one. In the 1960s, the number of children in foster care increased from 200,000 to 600,000, and then fell back to 200,000 by 1980. Currently, more than 500,000 children are in care and we're again seeing an emphasis on family preservation."

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But if keeping children who stay with their families generally fare better, that will mean a greater need for services to help keep families intact. "Our research generally supports the current direction toward family preservation," said Doyle. "Future research should consider an even wider set of childhood outcomes."

