



National Association of Public
Child Welfare Administrators

an affiliate of the American Public Human Services Association

Economic Security and Youth in Transition

Financial stability and preparation for the workforce are essential for youth to successfully transition from foster care to an adult environment. Far too often, young people exit foster care without stable employment, a high school diploma, post-secondary education and/or vocational training.¹ These elements are critical for young people to survive and thrive as adults. If youth are not prepared for work, they may find themselves homeless or unemployed when they leave care.²

Young people must learn basic financial budgeting responsibilities such as how to balance a checkbook, pay bills and apply for loans in order to maintain economic security. Young adults often learn these financial literacy skills from their biological parents before leaving home. However, young people who age out of the foster care system, without necessary family connections, tend to be ill-prepared for independence. As a result, public child welfare administrators have expanded their independent living programs to help older youth develop the proper skills needed for adulthood. Programs such as college preparation classes, mentoring, life and job skills, as well as individual development accounts (IDAs) help prepare youth to be employed and self-sufficient.³ When these developments occur, young people can flourish in an adult environment.

Employment for Youth is Key

For youth to be financially stable, they must have solid employment in place prior to leaving care. Unfortunately, statistics show a low employment rate for youth in foster care compared to the general population.⁴ One study shows unstable employment patterns, and high unemployment as well as low income rates among older youth who age out.⁵ Moreover, youth who are not connected to the workforce before age 18 are at greater risk of becoming unemployed when they leave care.⁶ This study illustrates the need for youth to have better preparation as they transition into the workforce. Specifically, youth need workforce exposure, proper training, and job placement opportunities at an earlier age to maintain work stability as adults.

The Impact of Youth and the Economic Downturn

The most recent economic downturn affects a large number of youth as they currently seek employment. Today, older adults are experiencing more layoffs due to the recent economic condition and as a result, jobs are scarce.⁷ To maintain stable employment, these adults often apply for any job that becomes available to them. Consequently, youth who generally apply for summer jobs and entry-level positions now find them unavailable as older adults are filling these positions. When these jobs are no longer accessible to youth, they do not effectively gain the experience they need to advance in the workplace.

Public and Private Collaborations that Increase Economic Security for Youth

Successful collaborations between child welfare agencies and private organizations assist youth to establish sustainable economic security. The Jim Casey Youth Opportunities Initiative collaborates with child welfare agencies and local organizations in 10 demonstration and 2 co-investment sites to help youth make successful transitions to adulthood.⁸ One of these strategies employed by Jim Casey is to increase opportunities for youth through financial literacy, individual development accounts and participation in mainstream banking. **California, Colorado, Connecticut, Florida, Georgia, Iowa, Maine, Michigan, Rhode Island and Tennessee** utilize a package of resources called the Opportunity Passport.⁹ The Opportunity Passport supports youth ages 14 to 24 to make successful transitions to adulthood.¹⁰

Opportunity Passport has three distinct components:

- **Individual Development Account**—matched savings account funds (dollar for dollar) up to \$1,000 annually for specific asset purchases such as education, vehicle and housing.
- **Door Openers**—agreements made locally to “open the door” for services and opportunities available only to participants.

- **Personal Bank Account**—assists youth through exposure to mainstream financial institutions, experience in money management, and helps build credit history and connection to their community.

Public child welfare administrators report positive outcomes for youth when they implement the Opportunity Passport. For example, **Maine's** Child and Family Services Department collaborates with the Maine Department of Labor's Career Centers to offer youth entry-level employment opportunities.¹¹

Massachusetts and **Michigan** have a statewide outreach program that connects former foster youth with employers so they can gain exposure to professional environments.¹² Specifically, this program offers internship, mentorship and job placement opportunities to youth interested in a career. **Maine** has a Pre-Apprenticeship Program that brings business owners and young people together to establish professional relationships. Youth go through two years of customized high-school academics coupled with 1,000 hours of on-the-job training during their junior and senior years.¹³ When public child welfare agencies and local businesses collaborate through the Door Openers program youth feel prepared for today's workforce.¹⁴

As young people receive monetary compensation for their work, they must learn how to use banking institutions as a resource for financial growth. When youth do not gain exposure to banks and other financial institutions at an early age, they are more likely to experience poor economic conditions as adults. Essentially, youth must be educated about the financial resources available to them and learn how to manage them. This initiative teaches adolescent youth and young adults how to open a personal bank account, and how to properly handle bank transactions.

As personal bank accounts help youth manage their transactions, IDAs offer youth better incentives for them to become financial investors.¹⁵ As youth save their money and place it in an account, they can receive matching funds for every dollar they deposit into their Opportunities accounts.¹⁶ **Kentucky, Iowa** and **Michigan** report successful outcomes when they provide foster youth with match incentive dollars as they save.¹⁷ Moreover, when youth complete these classes, they can receive up to \$100 to begin their savings.¹⁸ Public child welfare administrators report positive outcomes for these special incentives as youth learn how to be self-reliant and savvy investors.

One young person formally in care shares his success story and illustrates the positive benefits of the Opportunity Passport. Eugene Harvey has his own lawn mowing business in **Atlanta, Ga.**¹⁹ Through his IDA, he learned how to save his money and establish financial growth. As a result of his savings, he received a \$3,000 match to the \$1,000 he saved for himself.²⁰ Eugene used these match dollars to purchase his own equipment and expand his business.²¹ Eugene states, "Without the Opportunity Passport, I couldn't have done any of this!"²² Eugene's story is an example of the many youth who gain economic security through successful state and local collaborations.

In addition to the Jim Casey Youth Opportunities Initiative programs, many states and counties utilize Workforce Improvement Act resources to provide employment training for foster youth, including **Minnesota, Mississippi, South Carolina, New York, Nebraska, North Carolina, Ohio** and **Virginia**. The Work Appreciation for Youth Program in **Dobbs Ferry, N.Y.**, is a nationally known workforce development program model. WAY starts with a program of sequenced work experiences beginning with unpaid chores, progressing to paid jobs, and to regular work in the community. WAY Scholarships involve a five-year commitment from the agency and the youth. Prior to leaving foster care, participants promise to stay in school, work part-time and save for future education. The agency promises to match each youth's savings up to \$500 and provide a personal mentor.

Colorado's Governor has a summer jobs program for foster youth and the state operates an on-line resource that lists jobs fairs and has employment tools.

Connecticut's Department of Child and Families partners with the state Departments of Labor and Education and the workforce board to enhance services for older youth through their Work to Learn program.

The Employment and Education Specialists in **Delaware** help young people create resumes and provide opportunities for youth to participate in mock interviews.

Mississippi's Children's Services holds a Computer Training Camp to help young people build technology skills.

Youth Must Be Self-Sufficient to Succeed

Young adults need proper work exposure and job skills training to help them gain a positive attitude about employment.²³ When young people obtain the preparation they need to maintain stable employment,

they can essentially gain economic security. Strong family connections play a vital role in young people's lives to gain that security, especially as they grow older and enter the adult world. Families are naturally inclined to support their children financially as they leave the home. However, foster youth aging out without these connections need systemic and financial support from state, local and federal funding streams to help them establish a strong safety net to independence. Many states have established collaborations to support the economic needs of foster youth.²⁴ Such collaborations are helping these young adults to become successful in the workplace and gain financial independence.

¹ National Governors Association's Center for Best Practices. *State Policies to Help Youth Transition Out of Foster Care*. January 2007.

² Ibid.

³ National Association of Public Child Welfare Administrators. *Youth Aging Out Survey 2006*.

⁴ U.S. Department of Health and Human Services. *Coming of Age: Employment Outcomes for Youth Who Age Out of Foster Care Through Their Middle Twenties*. 2008.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Jim Casey Youth Opportunities Initiative. *Vision for the Opportunity Passport™ 2008*

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ National Association of Public Child Welfare Administrators. *Youth Aging Out Survey 2006*.

¹⁸ Jim Casey Youth Opportunities Initiative. *Vision for the Opportunity Passport™ 2008*

¹⁹ Jim Casey Opportunity Passport.™ Savings Program Helps Young People Achieve Their Dreams. 2008.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ U.S. Department of Health and Human Services. *Coming of Age: Employment Outcomes for Youth Who Age Out of Foster Care Through Their Middle Twenties*. 2008.

²⁴ National Association of Public Child Welfare Administrators. *Youth Aging Out Survey 2006*.