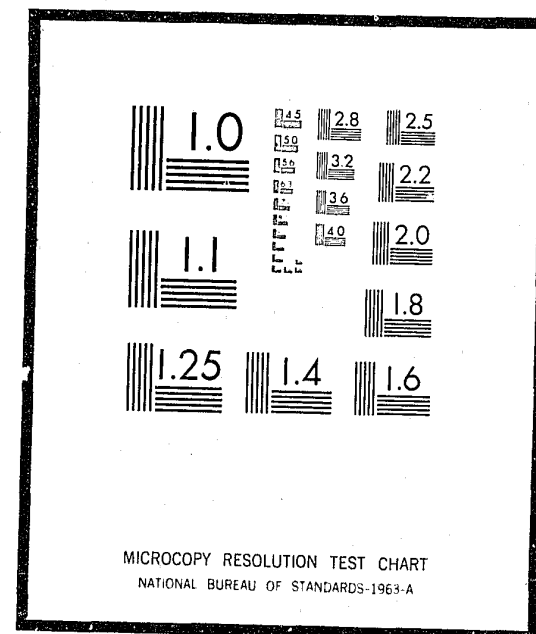


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DEINSTITUTIONALIZATION - DEPENDENT AND NEGLECTED CHILDREN

Jeffrey Koshel

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ABSTRACT

It is widely believed that foster family and group homes are better living environments for dependent and neglected children than residential institutions. The empirical evidence for this belief is incomplete, and even nonexistent if one is interested, say, in comparing the effects on children of a series of foster family homes with the effects of a given institution. One may intuitively feel that most dependent and neglected children would be better off in noninstitutional settings, but he or she should realize that the overwhelming majority of such children are already in noninstitutional settings.

There is little doubt that the trend to deinstitutionalization during the last thirty years has saved large sums of public funds through foster parents programs, but it is improbable that similar savings can be made in the future. Policy makers must face greater costs in providing noninstitutional care for additional dependent and neglected children since there is little evidence that public costs will be significantly reduced by further deinstitutionalizing.

Federal, state, and local child welfare agencies must undertake greater research efforts on remaining questions about the benefits and costs of alternative forms of foster care. Without more conclusive evidence, the interests of dependent and neglected children might best be served by a cautious approach to deinstitutionalization.

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I. INTRODUCTION

Institutional reform is a major aim of the Department of Health, Education, and Welfare. Although it wants to improve the operation of all residential institutions, it has a special interest in preventing institutionalization and removing people from such institutions. Discussions of the goal of deinstitutionalization, however, generally end with recognition that care for HEW clients must not be impaired by placing them in a noninstitutional setting--that is, the discussions end where they began. Intuition and casual empiricism remain the basis for supporting this goal. Little has been done to translate the goal to operational fact. Much work remains before we will really know what is implied by this major policy push--both for administrators and, more importantly, for the emotional development of HEW clients.

The purpose of this study is to lay out an analytic framework for examining the deinstitutionalization of dependent and neglected children. That framework is necessary before we can reach definitive answers on the costs and benefits of children's institutions and the costs and benefits of the alternatives. For instance, before we can determine how effective various kinds of community care are for different types of dependent and neglected children, we need better understanding of community-based care. Is effectiveness related to the size of the facility, the type of services provided, the geographic location, or some combination of such factors? Similarly, for accurate estimates of the costs that can be saved through deinstitutionalization, we must know which alternatives are most likely to be available

to local child welfare agencies. A framework of this type should also allow us to determine the relative value of each alternative in accommodating those dependent and neglected children who are now in residential institutions.

One alternative arrangement might be able to handle only a small number of these particular children and it might not be worth spending a great deal of time and money in evaluating an alternative with such limitations.

Analysis of the deinstitutionalization of dependent and neglected children is especially important because, both actually and potentially, these children constitute a large percentage of the institutionalized child population. Moreover, a number of alternatives to institutions have already been implemented for this group. In 1970, for example, almost a half million dependent and neglected children were receiving services from state, local, and private child welfare agencies, and over 75 percent of those who are separated from their parents or relatives and not adopted live in foster family homes or group homes rather than residential institutions.

In the next section of this paper we present definitions of terms associated with the deinstitutionalization of dependent and neglected children. The third section contains background statistics and is followed by a conceptual framework for evaluating residential institutions and alternatives for these children. Major analytic issues are then discussed and implications for future research are derived. The last section contains some general conclusions.

II. DEFINITIONS

First of all, we should determine what is meant by "dependent and neglected." Unfortunately, the typical definitions of dependent and neglected children are not very specific, generally describing them as "children who suffer from inadequate parental supervision, insufficient food, shelter, or clothing, severe physical abuse or neglect by parents or dissolution of the family or home."¹ A more specific understanding of the terms is furnished by the list of stated reasons for providing services to families with dependent and neglected children.

In a study of three districts of a Massachusetts voluntary agency and three county wide public agencies in Pennsylvania and New York, the following categories were used to establish cause of placement:

Table 1

CAUSE OF PLACEMENT, WITH PERCENT DISTRIBUTION

Stated Cause	Percent
Abuse or neglect of child	25
Parental unwillingness to care for child	7
Marital conflict of parents	5
Emotional problem of caretaking parent	21
Parent-child conflict	3
Child's emotional or behavioral problem	6
Physical illness or death of caretaking parent	4
Hospitalization of mother for current pregnancy	2
Employment of caretaking parent	22
Financial need, inadequate housing and all other	5

Source: Factors Associated with Placement Decisions in Child Welfare, Child Welfare League of America, 1971, p. 101.

1. Marvin Burt and Louis Blair, Options for Improving the Care of Neglected and Dependent Children, The Urban Institute, March 1971.

Similarly, the children's institutions themselves, as well as the alternatives to such institutions, have not yet been defined to the general satisfaction of professionals in the field of child welfare. Our own attempt at definitions required a detailed search through a semantic forest. Borrowing heavily from Martin Gula, we have now developed a set of analytically useful definitions.² They are generally more specific than those found in the literature, and, since they clearly distinguish between different types of living arrangements, they lend themselves to analysis.

Before we turn to the formal definitions of institutions and alternatives used in this paper, we should refer to several related terms that may not be clear to those unfamiliar with child welfare literature. "Foster care," for example, is often confused with foster family care. It has a much broader meaning and is used in this paper to include all living arrangements outside the environment of the child's natural family. Similarly, by "institutional care" we mean care provided by residential institutions, although virtually every form of living arrangement, including the family, has been referred to as an institution. "Deinstitutionalization", then, means reducing the inflow and emptying the existing population of residential institutions. Two other somewhat ambiguous terms found throughout child welfare literature are "placement" and "community-based care." "Placement" is merely an euphemism for the separation of a child from his natural family because of some physical or emotional deprivation. "Community based care" has become a slogan that has little cognitive meaning. Although it is often used as a sine qua non in describing alternatives to children's institutions, there are, in fact, community based residential institutions.³

2. Martin Gula, "Group Homes--New and Differentiated Tool in Child Welfare, Delinquency, and Mental Health," Child Welfare, October 1964, p. 343.

3. See discussion of group residences on p. 9.

Definitions of children's institutions and alternatives are presented below, in the order of their decreasing proximity to natural family settings: adoption, foster family homes, group homes and residential institutions.⁴

ADOPTION AND RELATED ALTERNATIVES

ADOPTION

Adoption is the social and legal process of becoming a parent without giving birth. After adoption, parents and children legally have the same reciprocal rights and responsibilities as they have when biologically related. However, only a limited number of dependent and neglected children are legally eligible for adoption. It should also be mentioned that, in some rare cases, a child may be reared by a family without pay, much as if he were adopted. This arrangement has been termed a "free permanent home" and usually occurs when some legality makes adoption impossible.

SUBSIDIZED ADOPTION

Subsidized adoption has been proposed in the hope that it will greatly increase the number of adoption applications (chiefly among nonwhite families who are economically unable to consider adoption). Such programs usually involve continuing support payments to the adopting parents after legal adoption. Proposed rates range from an equivalent to the usual foster family board rate to special premium rates for handicapped children. This scheme generally requires some kind of means test and continued contact between the agency and the adopting family, although some proposals would simply make automatic payments until the child reaches maturity.

4. This ordering is not meant to imply anything about the relative quality of care provided by alternative forms of foster care. The appropriateness of a particular type of foster care is discussed in the Sections 4-7.

LEGALIZED GUARDIANSHIP

This alternative enables a court-appointed guardian to care for a child with most of the rights and responsibilities of a parent but without the full financial obligations associated with adoption. Guardianship may be terminated by resignation, removal for cause, and by successful assertion of the superior claim a parent might be able to make to child's guardianship. In all cases, the guardian is subject to the control of the court which appointed him.

FOSTER FAMILY HOMES

FOSTER HOMES

This type of home generally cares for one to four children of various ages. However, a child welfare agency usually places only one or two children in a given home. The intent is to provide a close family-like relationship between the adults and the foster children. The foster parents are generally given a regular stipend to keep beds available in the home and a board rate for the cost of caring for the children. Foster parents are subject to continuous supervision by the child welfare agency.

SPECIALIZED FOSTER HOMES

A specialized foster home cares for one or two children who are handicapped or emotionally disturbed. For this reason, the foster parents are selected because of their professional or therapeutic capabilities in working with such kinds of problems. They may be reimbursed for their costs by a salary, a service fee, or a board rate.

PRIVATE FOSTER HOMES

In some unusual cases, placements are made independently by the natural parents through newspaper advertisements or through a list of licensed foster homes in a state. The child remains in this private foster home without agency supervision and is generally supported by payments from his natural parents.

GROUP HOMES

This is, perhaps, the most misused term in child welfare literature. As we show below, it can be applied to a variety of living arrangements that have little in common beyond the fact that they house four or more children. Understanding the differences between various group homes is crucial to an understanding of foster care, because the costs and benefits may be widely different, depending on the particular type of group home setting being analyzed.

FAMILY OWNED GROUP HOMES

Family owned group homes are sometimes referred to as foster family group homes. These group homes care for about four to six children, so the foster parents generally have the ability to constructively handle a group of children. In general, the child welfare agency places children of the same age in these homes. This arrangement provides for a family setting and peer group experience. The foster parents are paid for their services. As with smaller foster homes, the foster parents are subject to continuous supervision by the child welfare agency.

AGENCY OWNED AND OPERATED GROUP HOME WITH PARENTS

An agency owned and operated group home with parents is sometimes referred to as an agency-operated foster home. This group home with parents is a carefully created home environment. A married couple is hired to care for up to ten children in a suitable house which the agency furnishes. The couple provides for the needs of the home out of an operating budget based on the number of children in the home. While the couple is responsible to a supervisor who acts as a liaison between the home and the agency, the family is essentially autonomous. The agency makes the major decisions about admission and discharges from the home, not the foster parent. If the parents should be removed, the children remain in the home.

AGENCY OWNED AND OPERATED GROUP HOME WITH COUNSELORS

A home of this type--sometimes called an agency-operated boarding house--cares for a group of about four to twelve children. The dwelling is furnished by the agency, which also handles administrative, supervisory, and service matters. Members of the child care staff provide individual adult attention, but are employed as house parents and counselors rather than as foster parents.

SPECIALIZED GROUP HOMES

As with specialized foster homes, the specialized group home deals with four to twelve children, who have some kind of handicap--but in a community setting. In some instances the home may be restricted to a particular type of handicapped child, while in other cases it may handle a mixture of handicapped children. Members of the child care staff are selected because of their professional background or special capacity for working with handicapped children.

RESIDENTIAL INSTITUTIONS

GROUP RESIDENCES

The group residence is an institution based in an urban community, serving about thirteen to twenty-five children. In contrast to a group home, a group residence (1) may have more than one group of children, each being served by its own child care staff; (2) places heavy reliance on agency rather than community services; and (3) is usually larger than nearby homes and apartments.

RESIDENTIAL TREATMENT CENTERS

Recently, a limited number of relatively small institutions have developed as residential treatment centers with therapeutically designed group living environments within which various individual and group therapies are integrated. In these centers professional and child care staff work together as a unit with their joint and separate responsibilities emerging from diagnostic assessment and treatment planning. In many cases concurrent counseling or therapy is available for parents able to use help. In general, these centers are not based in urban settings.

LARGE-SCALE CHILDREN'S INSTITUTIONS

Large-scale children's institutions may be publicly or privately owned and the staff is employed on a salaried basis. These institutions are composed of several buildings located on the same campus which may service anywhere from twenty-five to over one-hundred children. "The institution may offer a variety of relationships and activities with adults and other children which can be used to understand and help a child more fully," as well as

a "combination of professional services that are integrated around a child's specific needs."⁵ In most cases, such institutions are not based in community settings.

One can observe a certain amount of overlap (i.e., degree of similarity) between various types of foster care, as illustrated in Figure 1.

In addition to the classification of alternatives to institutions, many observers would also classify services designed to eliminate the need for foster care (i.e., prevention services) as alternative to institutionalization. Since successful prevention would reduce the flow of children requiring separation from their natural families, these services are receiving a great amount of attention from those responsible for child welfare services. The prevention services most commonly mentioned in the literature are defined below.

PREVENTION SERVICES

The aim of these services is to keep a family situation from deteriorating to the point where one or more children must be placed out of the home, i.e., in foster care.

COUNSELING SERVICE

Counseling service may be provided to parents of children who are potential candidates for foster care. Counseling may also be provided to the children themselves--before, during, and after foster care placements. Such service is provided by trained personnel who attempt to help these families deal with their problems.

5. Martin Gula, p. 33.

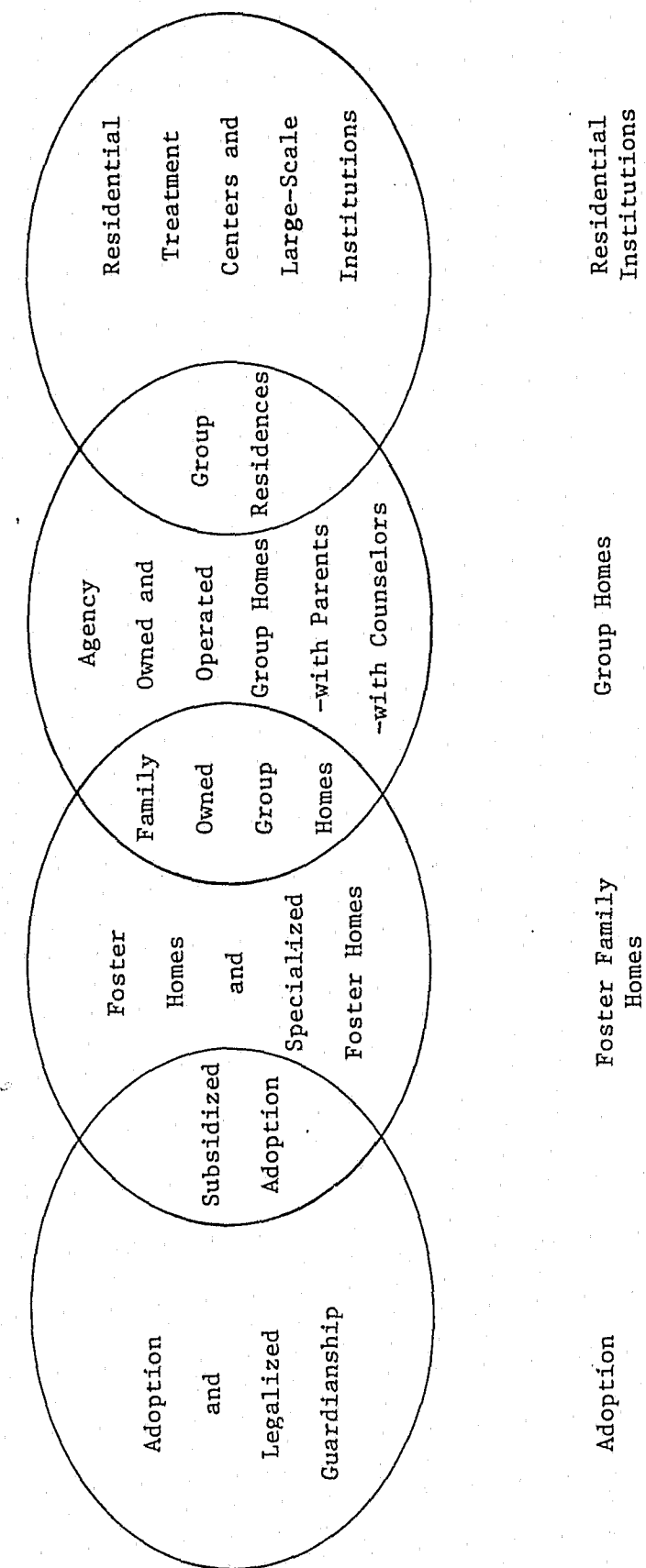


Figure 1: Foster Care Continuum - Dependent and Neglected Children

EMERGENCY CARETAKER

An emergency caretaker usually enters the home and acts as a custodian until the child's parents return or the crisis abates. In most situations the caretaker does not live in the home and is usually paid on an hourly basis plus transportation expenses.

HOMEMAKER SERVICE

Homemaker service, unlike caretaker service, is a more routine operation. Homemakers generally go into the home for 8 hour or 24-hour daily help, are prepared to work a number of days or longer if necessary, and, as far as possible, plan their service with members of the family. A homemaker may (1) provide substitute care for children in their own home; (2) supplement and relieve overburdened mothers in the care of their children; (3) explore and evaluate situations in the home; and (4) teach or help the parent to improve inadequate child care and household practices. In some instances, these people are trained homemakers; in others, they are little more than domestics.

EMERGENCY FOSTER HOME

Emergency foster homes are used to lessen the emotional shock a child suffers when it is necessary for him to be separated from his family for several hours or days. These homes are felt to be particularly useful for children under six years of age since institutional care is considered undesirable for such children. The emergency foster home can also be used to avoid splitting up a family with a number of dependent and neglected children. Foster families are paid at a yearly rate, whether a child is kept or not, in order to keep places immediately available.

TWENTY-FOUR HOUR INTAKE SCREENING

Around-the-clock screening requires that a welfare worker be on call at all times to investigate each case immediately to determine if there are appropriate grounds for accepting the child into the child welfare system. If it is accepted, the social worker decides how best to care for the child until final placement can be worked out.

TEMPORARY SHELTER CARE

Temporary shelter care is used to hold children until a decision on placement can be made. Shelters usually hold large numbers of children and offer a variety of services. In some cities, due to lack of resources (New York City, for example) these shelters become semipermanent alternatives.

EMERGENCY FINANCIAL SERVICE

Emergency financial service provides temporary funds to families who need additional money to maintain their children within the home environment. Funds can be provided in a number of ways, emergency rent subsidies being one of the most popular forms of distribution. In most cases, other social services are provided to those families receiving financial aid.

III. BACKGROUND STATISTICS

NUMBER OF DEPENDENT AND NEGLECTED CHILDREN

The numbers of children receiving social services from public and voluntary welfare agencies and institutions for the years 1961 through 1969 are shown in Figure 2. The data for 1970 are not presented in the graph because they include the number of children receiving services through the Aid to Families with Dependent Children program (AFDC) and are not comparable with the data for the years prior to 1970 which do not include the AFDC population. Figure 2 shows the increase in the number of children served in each of these years. The overall increase for the nine years shown was 56 percent, from 552,200 to 859,000. These 859,000 children constituted approximately one percent of the total population under 21 years of age in 1969.¹

PLACE OF RESIDENCE OF DEPENDENT AND NEGLECTED CHILDREN

Figure 3 shows the distribution, according to living arrangement, of the population of children receiving social services for the years 1961 to 1969. By 1969, 48 percent of the children lived in homes of parents or relatives, compared with 39 percent for 1961; the proportion in foster family or group homes remained around 30 percent and the proportion in institutions dropped seven percentage points, from 19 percent to 12 percent.

1. Child Welfare Statistics (National Center for Social Statistics, U. S. Department of Health, Education and Welfare, 1969), p. 7.

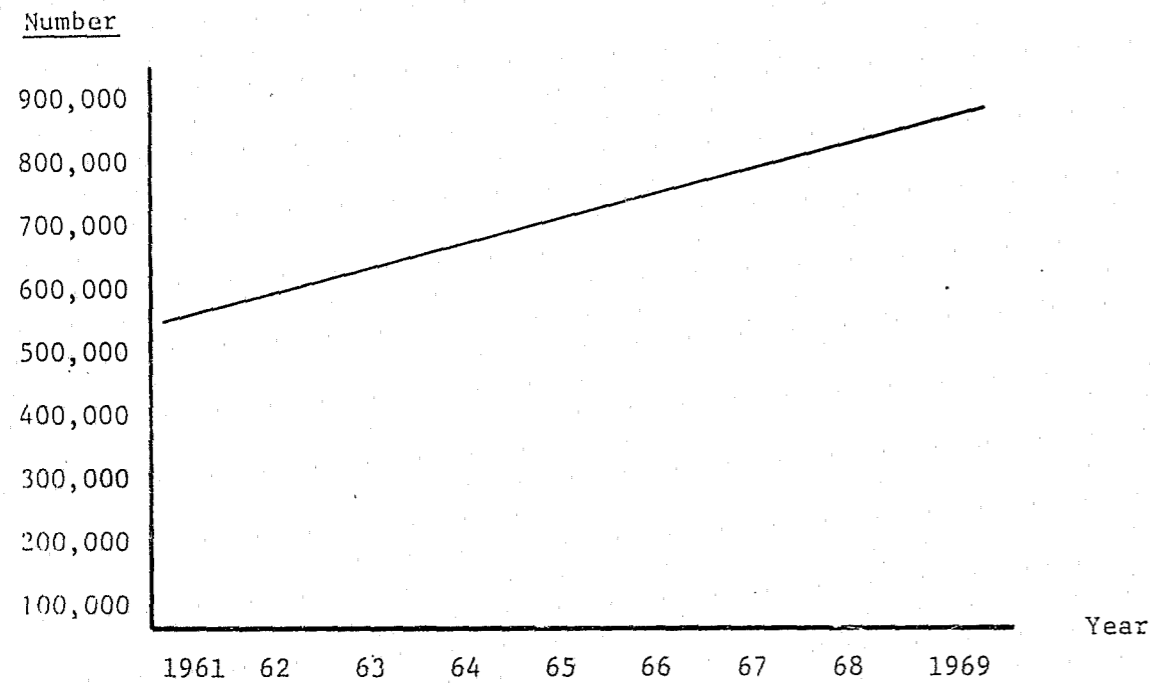


Figure 2: Number of Children Receiving Social Services From Public and Voluntary Welfare Agencies and Institutions, 1961-1969

Source: Child Welfare Statistics, National Center for Social Statistics, U.S. Department of Health, Education and Welfare, 1969, p. 29.

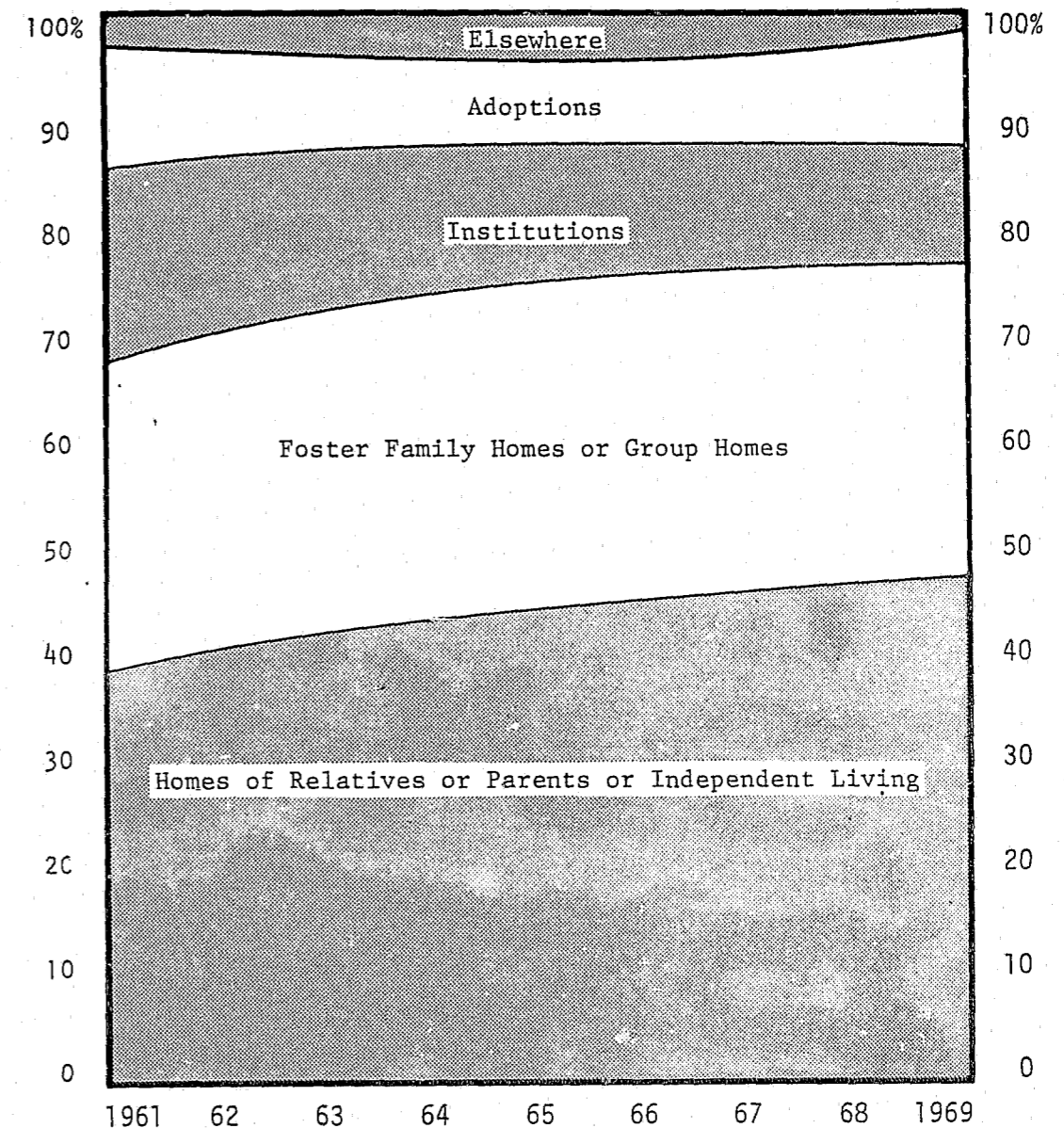


Figure 3: Percentage of Children Receiving Social Services from Public and Voluntary Child Welfare Agencies, by Living Arrangement (1961-1969)

Source: Child Welfare Statistics, Table 26, 1961; Table 2, 1962; Table 4, 1963-66; Table 6, 1967; Table 10, 1968-69.

DEINSTITUTIONALIZATION

In a 1967 survey in New York City, it was found that child welfare administrators did not want to increase the capacity of their institutions, but wanted rather to reduce the number of children in institutions and serve them more effectively.² This point is clearly echoed in the data of Table 2 which show that foster family care has been increasing relative to institutional care for the last several decades. In 1969, of all dependent and neglected children in nonadoptive foster care, 77.1 percent were in foster family homes and group homes, as opposed to 22.9 percent in residential institutions.

Table 2

PERCENTAGE DISTRIBUTION OF CHILDREN IN FOSTER FAMILY
HOMES AND GROUP HOMES VERSUS RESIDENTIAL
INSTITUTIONS (1933-1969)

Year	Total	Children in Foster Family Homes and Group Homes	Children in Residential Institutions
1933	100.0	42.2	57.8
1958	100.0	62.0	38.0
1960	100.0	65.7	34.3
1961	100.0	66.6	33.4
1962	100.0	68.3	31.7
1963	100.0	69.6	30.4
1964	100.0	70.6	29.4
1965	100.0	72.4	27.6
1966	100.0	74.2	25.8
1967	100.0	74.7	25.3
1968	100.0	76.1	23.9
1969	100.0	77.1	22.9

Source: Child Welfare Statistics, p. 22.

2. Frances Kroll, Perspectives on Foster Care in New York City (1967), pp. 36-38.

There is also some evidence that there is a shortage of foster family homes, and that if there were more there would be fewer children in institutions. For example, a 1966 survey of children's institutions showed that there were 8,604 dependent and neglected children who were "admitted to or retained in institutions because appropriate foster homes were not available."³ These 8,604 constituted about 12 percent of the children in child welfare institutions in 1966. In February of 1972 it was also reported that 4,755 children in the state of Georgia were in need of foster care but could not be placed because of a lack of homes. These 4,755 children were not all residing in institutions; some were probably still living with their families but in circumstances which were judged unhealthy by social service agencies.⁴

3. Donnell M. Pappenfort and Dee M. Kilpatrick, A Census of Children's Residential Institutions in the United States, Puerto Rico, and the Virgin Islands: 1966 (University of Chicago: 1970), vol. 2, p. 244.

4. Foster Care Services: The Cost of Raising a Foster Child, Foster Care Subcommittee, Community Council of the Atlanta Area, Inc., 1972.

IV. CONCEPTUAL FRAMEWORK

To systematically analyze residential institutions and the alternatives to such institutions for dependent and neglected children, one must have a conceptual framework. A conceptual framework may consist of flow charts, diagrams, or a series of equations, all attempting to relate the major variables involved in the analysis. If these analytical relationships can be expressed in mathematical form and if suitable data can be gathered on each of the specified variables, empirical testing of the relationships depicted in the framework can be conducted.¹ The analytic framework presented in this section consists of a flow chart and several equations that, together, form a conceptual basis for examining the most fundamental aspects of deinstitutionalization.

Figure 4 suggests the types of questions that must be asked concerning the goal of deinstitutionizing dependent and neglected children. Some of the more obvious questions are presented below, according to the categories identified in the flow chart.

PREVENTION

- What indicators are used and what indicators need to be developed to determine whether a family needs preventive services?
- What are the potential costs of different prevention alternatives?
- What kinds of mixes of prevention services are available?
- Are different mixes of prevention services suitable for different populations?

1. Economists and others normally refer to such a conceptual framework as a "model," although within HEW it refers to organizational relationships used to provide various HEW clients with particular services. To minimize possible confusion between analytic models and programmatic models, the term model is not used in this paper.

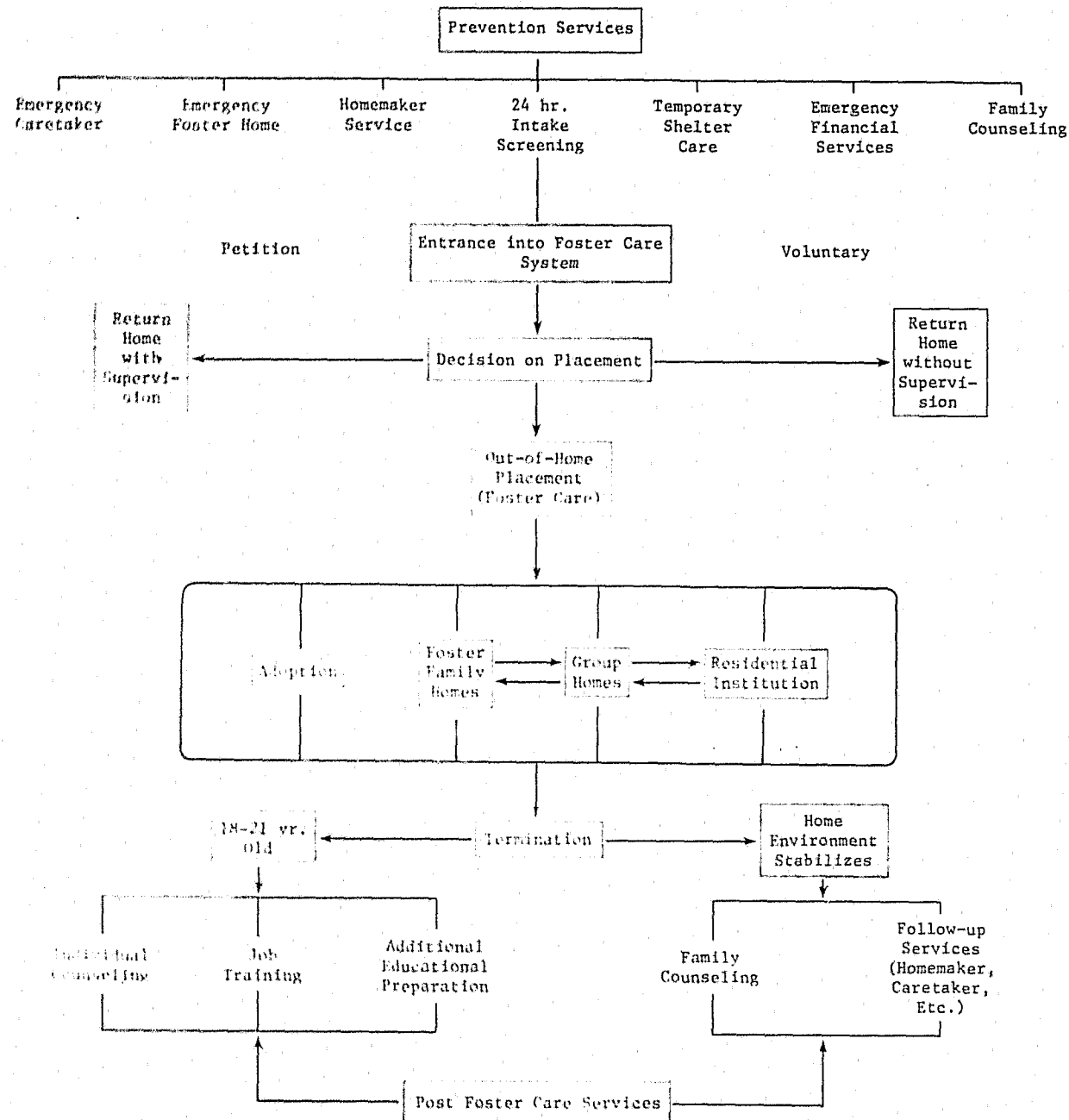


Figure 4: Overview of Foster Care System

- What will be the effect of mixes of prevention services on reducing institutional costs and other resource costs?
- Does the intervention of particular prevention services pose problems regarding the parent's ability to function without continuous assistance?

PREPLACEMENT

- What criteria are used and what criteria need to be developed to help decide whether a child should be removed from home?
- Are placement decisions taken in the light of the child's physical or psychological needs?
- Does the child's personality, age, sex, or other factors play a sufficient part in this decision?
- To what extent do decisions have to depend on available vacancies?
- How influential in decision making are the personalities and beliefs of the child care staff?
- What effect does the socioeconomic characteristics of parents have on placement?

FOSTER CARE (OUT-OF-HOME PLACEMENT)

- What criteria are used and what criteria need to be developed for determining which children are suited for a particular living environment?
- What are the short and long term effects of residential care in terms of personality development, delinquency proneness, mental health, etc.?
- To what extent does the private sector subsidize the public sector in the provision of various foster care services?
- What criteria can be developed to facilitate comparisons of different institutions according to cost and program components?
- What is the impact of the intervention on the original problem and what deterrents does it pose for the return of the child?
- Under what conditions and types of setting are there the highest and lowest rates of staff turnover?

- What characteristics differentiate good foster parents from poor ones?
- What kinds of incentives can be offered to attract appropriate foster parents?
- What will be the effect of deinstitutionalization on manpower utilization?

POST-FOSTER CARE

- What criteria are used in determining whether a child should be returned home?
- Can measures be developed to determine the child's or the parents' ability to return to the home environment?
- How much is being done in long-term care to prepare children for the responsibilities of adulthood?
- Are there transitional steps and services that can be offered a child ready to leave long-term care?
- How can we determine the effectiveness of post-placement services?
- What mixes of post-placement services are most necessary for children leaving each particular form of foster care?
- What are the potential costs of different post-placement services?

As can be seen from the above, the fundamental questions concerning the deinstitutionalization of dependent and neglected children center on the relative benefits and costs of various activities depicted in Figure 4.² The benefits from prevention services, foster care services and, post-foster care services, can be expressed as the number of children that can

2. In addition to the benefits and costs of activities shown in Figure 4, there may be long-term effects of child welfare services, including reduced rates of delinquent and criminal behavior, unemployment and underemployment, and adult institutionalization. While an understanding of such long-term effects is important, it can only be obtained after the shorter-term benefits and costs of child welfare services are fully understood. It is these latter effects that are considered in the remainder of this paper.

be empirically identified as having been helped through these services. It should be realized, however, that controlled experiments are needed to accurately establish the relative benefits of child welfare services. For example, the benefits of prevention services might be expressed as the proportion of children in the dependent and neglected child population that, through a controlled experiment, have been identified as benefiting from a particular service, multiplied by the number of children entering foster care each year. This figure would represent the number of children that could avoid foster care as a result of some service. The one stipulation, of course, is that these children must be better off at home; that is, their physical and emotional needs must be better met at home before we could claim any benefit from avoiding foster care.

Similarly, the benefits from foster care for a particular group of children is simply equal to the number of children who are placed in the specific type of foster care that best meets their physical and emotional needs. The key here is that we must empirically establish this optimal condition. The physical and emotional well-being of similar children in various foster care environments must be carefully measured by standardized tests and must be at a maximum before we can claim that a particular form of foster care is best for any given group of children.

The costs of foster care can be summarized by the following three equations:

Costs of Prevention Services

$$C_{ps} = \sum_{y=1}^Y M_y \bar{D}_y - \sum_{t=1}^T \left[\sum_{j=1}^J \sum_{y=1}^Y \frac{(Z_j - X_{jy})/Z_j}{(1+r)^t} N_{dn} \cdot \bar{C}_j \right]$$

where:

- C_{ps} = annual costs of prevention services equals present value of reduced public costs of child welfare through prevention services
- M_y = annual number of families with (potentially) dependent and neglected children receiving prevention service (of type y)
- \bar{D}_y = annual per family cost of prevention service (of type y)
- N_{dn} = annual number of children entering foster care for the first time
- Z_j = annual number of children in the control group who require placement in foster care of type j (for period t)
- X_{jy} = annual number of children in experimental group who although receiving prevention services of type y require placement in foster care of type j (for period t)
- \bar{C}_j = annual per child cost of foster care (of type j)
- r = discount rate used in computing present value

Costs of Foster Care

$$C_{fc} = (N_{dn}) \sum_{j=1}^J \bar{C}_j \text{ and } \bar{C}_j = (1 - \bar{P}_j) \sum_{w=1}^W \bar{C}_{wj}$$

where:

- C_{fc} = annual costs of foster care
- \bar{P}_j = proportion of annual per child costs borne by private sector (i.e., foster parents) by foster care (of type j)
- \bar{C}_{wj} = annual per child costs of service (of type w) provided by foster care (of type j)

Costs of Post-Foster Care Services

$$C_{pfc} = \sum_{k=1}^K M_k' \bar{D}_k' - \sum_{t=1}^T \left[\sum_{j=1}^J \sum_{k=1}^K \frac{(Z_j' - X_{jk}')/Z_k'}{(1+r)^t} N_{dn} \cdot \bar{C}_j \right]$$

where:

- C_{pfc} = annual costs of post-foster care services equals present value of reduced public costs of child welfare through post-foster care services ($k = 1, 2, \dots, K$)

As can be seen, the methodology for estimating the costs of prevention services, foster care services, and post-foster care services is fairly straightforward. Since cost manuals have been developed and distributed to child welfare administrators,³ estimating the annual per child costs of prevention services (\bar{D}_y), foster care services (\bar{C}_{wj}) and post-foster care services (\bar{D}_k') should not be particularly difficult. However, two points must be made concerning cost analysis: (1) some or all of the cost of prevention and post-foster care services will be offset by reduced costs of foster care, which re-emphasizes the need for controlled experiments, and (2) some of the costs of certain types of foster care will be borne by the private sector (i.e., foster parents) and some will be borne by the public sector ($1 - \bar{P}_j$). More will be said about the latter point in the next section of this paper.

In attempting statistical tests of various hypotheses about costs and benefits of alternative forms of care for dependent and neglected children, we must face a series of questions concerning estimation and experimental design. Examples of such questions include:

- What limitations exist with present "universe of need" data?
- What demonstration projects have been designed to measure the effectiveness of child care services? Were appropriate control groups established?
- What variables have been used to measure the relative benefits to dependent and neglected children from alternative placements?
- What variables have been used to measure the incidence of costs for different types of foster care arrangements? (That is, has any effort been made to estimate \bar{P}_j for foster family homes and various group homes?)

Behind these seemingly straightforward questions of estimation, major

3: See, for example, the Manual for Cost Analysis in Institutions for Children prepared by Martin Wolins for the California State Department of Social Welfare and the Child Welfare League of America (1962).

analytic issues exist. Some of the most important issues are discussed in the next section.

V. MAJOR ANALYTIC ISSUES

In this section, the most significant analytic issues concerning the deinstitutionalization of dependent and neglected children are discussed. Without question, there are many other important aspects of deinstitutionalization that need research attention.¹ However, we feel that the issues presented below are the most pivotal:

- absence of "universe of need" data
- benefits of alternative placements
- incidence of costs
- cost savings from further deinstitutionalization
- assessment of deinstitutionalization techniques

ABSENCE OF UNIVERSE OF NEED DATA

As indicated in section III, at the present time we do not have any satisfactory measure of the number of children who are truly dependent and neglected and who require either preventative or foster care services. This situation with respect to the need for post-foster care services is better since we have aggregate data on the number of children who are returned to their families after receiving foster care services.

1. Many important issues not covered in this paper are admirably reviewed by Rosemary Dinnage and M. L. Kellmer Pringle, Residential Child Care: Facts and Fallacies (1967), Foster Home Care: Facts and Fallacies (1967), and M. L. Kellmer Pringle, Adoption: Facts and Fallacies (1967).

An examination of state data in Table 3 shows the different rates at which public and private child welfare agencies provide foster care services to children. The reasons for the variations across states are not obvious. A preliminary examination of a variety of socioeconomic factors (i.e., per capita income, unemployment rates, racial composition of population, average AFDC payment levels, and AFDC eligibility restrictiveness) and state rates of providing foster care services was conducted during this study. It is interesting to note that these variables did not appear to explain the differences shown in Table 2. The data indicate that "the system is responding to many extraneous factors other than the needs and best interest of children".² It is still an open question, then, what factors are influencing the child welfare system.

Many observers have been critical of social workers and other professionals responsible for the placement of children for not having uniform, systematic criteria for separating children from their natural families. Edmund Mech, for example, has concluded that "data are virtually non-existent on issues such as when should children be separated and where should they be placed".³ Similarly, Meisels and Loeb have said, "The peculiar mixture of fact and fancy, value judgments and truth [explain why] the question still stands: What are the criteria for an inadequate home?"⁴

BENEFITS OF ALTERNATIVE PLACEMENTS

The subject of appropriate foster care for dependent and neglected children is filled with what Fanshel calls "rank empiricism" and "seat-of-the-pants intuitiveness."⁵ It is also filled with emotion--horror stories

2. Alfred Kaduskin, *Encyclopedia of Social Work*, 1971, p. 111.

3. Edmund V. Mech, "Child Welfare Research: A Review and Critique," *American Academy of Political and Social Science Annals*, vol. 355, p. 24.

4. Joseph F. Meisels and Martin B. Loeb, "Unanswered Questions about Foster Care," *Social Service Review*, vol. 30, p. 239.

Table 3
CHILDREN RECEIVING FOSTER CARE SERVICES FROM PUBLIC
AND VOLUNTARY CHILD WELFARE AGENCIES AND
INSTITUTIONS (1970)

State Total	Number of Children in Foster Care*	Rate Per 10,000 Child Population	State Total	Number of Children in Foster Care*	Rate Per 10,000 Child Population
Alabama	5480	38	Nebraska	2950	--
Alaska	789	--	Nevada	1077	55
Arizona	4680	--	New Hampshire	2230	79
Arkansas	1820	23	New Jersey	14200	52
California	46400	60	New Mexico	3730	80
Colorado	4570	53	New York	54300	80
Connecticut	7200	62	N. Carolina	12000	--
Delaware	1590	70	N. Dakota	1540	60
Dist. of Col.	3390	109	Ohio	23800	66
Florida	9400	39	Oklahoma	4910	51
Georgia	7500	38	Oregon	6820	--
Hawaii	835	24	Pennsylvania	25900	59
Idaho	752	--	Puerto Rico	3834	26
Illinois	19700	--	Rhode Island	2010	60
Indiana	11200	54	S. Carolina	1690	--
Iowa	4740	43	S. Dakota	1630	59
Kansas	4180	47	Tennessee	5100	33
Kentucky	5500	43	Texas	14100	30
Louisiana	7700	46	Utah	3760	77
Maine	2930	76	Vermont	1650	94
Maryland	12140	78	Virgin Islands	298	--
Massachusetts	11600	56	Virginia	15300	82
Michigan	12100	33	Washington	9100	--
Minnesota	12800	83	W. Virginia	3970	--
Mississippi	1840	18	Wisconsin	12100	70
Missouri	6500	36	Wyoming	517	39
Montana	1110	38			

*Foster Care is defined as child care provided through adoption, foster family homes, group homes, and institutions.

Source: Child Welfare Statistics, National Center for Social Statistics, U.S. Department of Health, Education and Welfare, 1970, Table 8.

about bad residential institutions for children evoke the outrage of all citizens.⁶ Although such stories are not as common about bad noninstitutional living arrangements for children, it may be only because they are more difficult to document. Figure 5 shows the generally accepted hierarchy of foster care living environments recommended for dependent and neglected children. It is very important to note, however, that there is only the most limited empirical evidence to support this hierarchical order.

A growing volume of research generally supports the conclusion that adoption is the preferred arrangement for those dependent and neglected children who are expected to need permanent foster care and who are legally eligible for adoption.⁷ Based on such evidence, child welfare administrators would probably place most of these children in adoption if there were people willing to adopt them. At the present time, however, this form of foster care appears to be most viable for abandoned infants and very young children who are not handicapped. A major controversy among those concerned with long-term placement, then, centers on the "second best" living arrangement when adoption is not a feasible alternative.

There is very little empirical evidence concerning the effects of foster family homes on the emotional development of dependent and neglected children. The work of Ambinder and that of Mass and Engler highlight one striking characteristic of foster family placements--foster families for dependent and neglected children are not permanent.⁸ Their data show that four or more foster family placements may be the average for such children,

5. David Fanshel, "Research in Child Welfare: A Critical Analysis," Child Welfare, vol. 41, p. 488.

6. See, for example, the series of articles concerning Junior Village in Washington, D.C., in The Washington Post, January-March, 1971.

7. See Pringle, Adoption: Facts and Fallacies.

8. Walter J. Ambinder, "The Extent of Successive Placements Among Boys in Foster Family Homes," Child Welfare, vol. 44; H. Mass and R. Engler, Children in Need of Parents, 1959.

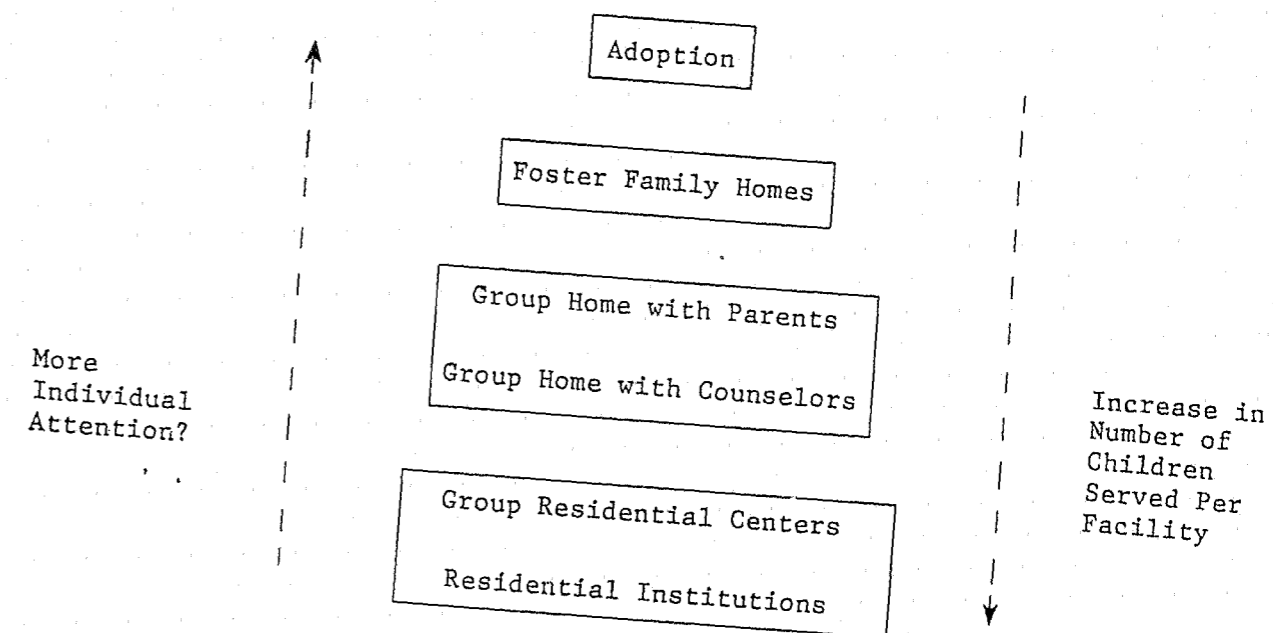


Figure 5: Popular Hierarchy of Foster Care Living Environments for Neglected and Dependent Children

and the children apparently experience emotional difficulties. According to Dinnage and Pringle:

The association of [foster-home] breakdown with maladjustment . . . is not in any doubt. It would not be realistic to ask whether repeated placements are the cause or the result of emotional disturbance, since the two factors are obviously so closely linked; but a great deal of case material . . . makes clear how each rejection by foster parents intensified the difficulty.⁹

Many child welfare administrators, then, may well ask that same question posed by Meisels and Loeb:

If a foster home is not to be relatively permanent [would certain children] not be better off identifying with some institution which has continuity . . . ?¹⁰

9. Dinnage and Pringle, Foster Care: Facts and Fallacies, p. 7.

10. Meisels and Loeb, "Unanswered Questions About Foster Care," p. 246.

With respect to group homes, which are relatively new in child welfare, almost nothing is known about their effect on the psychological development of dependent and neglected children. It appears that they have generally been set up to care for teenagers for whom foster family homes are unavailable or are thought to be unsuitable.

Unfortunately, empirical evidence is also incomplete on how congregate institutions might affect the psychological development of the children. Not one study of institutionalized children has employed a meaningful control group of children in alternative settings. However, there is one factor which reduces this problem in studies involving very young children--such children have had less time to be influenced by their pre-foster care experiences. Therefore, we can more readily accept the finding of these studies, which report that children under six years of age raised in residential institutions suffer emotional deprivation that significantly affects their later psychological development, at least if they are raised in American institutions.¹¹ The cross cultural work of Wolins, Irvin, Caplan and others has shown that institutional care does not necessarily result in emotional deprivation for children in other countries.¹² However, residential institutions in Israel, Eastern Europe, and Russia are significantly different from such facilities in the United States. In a kibbutz, for example, "children spend daily two to three hours with their parents as well as most of the weekend; moreover, during this time they usually devote themselves entirely to entertaining him and his siblings (if any)."¹³ Therefore, basic questions remain: Are older children (ages

11. Dinnage and Pringle, Residential Child Care: Facts and Fallacies, pp. 33-42.

12. See Martin Wolins, "Some Theory and Practice in Child Care: A Cross Cultural View," Child Welfare, vol. 42; E. E. Irvin, "Children in Kibbutzim: Thirteen Years After," Journal of Child Psychology and Psychiatry, vol. 7; and G. Caplan, "Clinical Observations on the Emotional Life of Children in the Communal Settlements in Israel," in Problems of Infancy and Childhood, ed. M. Seen (1954).

13. Dinnage and Pringle, Residential Child Care: Facts and Fallacies, p. 37.

6-12) better or worse off in institutions than they are in other foster care living arrangements? What about teenagers who have spent months or years in institutions--should any or all of them be transferred to noninstitutional facilities?

Uncertainty about the relative benefits of alternative placements is not reflected in popular literature. The work of John Bowlby, for instance, has been cited in the press to support the position that all institutions are bad for children.¹⁴ Bowlby actually states that "young children thrive better [sic] in bad [natural] homes than in good institutions."¹⁵ The empirical evidence for this conclusion is incomplete, at best, since neither of the two studies cited by Bowlby on this subject had appropriate control groups. In one of the studies there is no evidence that the children living at home were in "bad" homes (only that those children came from the "masses"); and in neither case were the observable psychological differences between the comparison groups of particular significance.¹⁶ It is highly doubtful that any objective researcher could support the conclusions that Bowlby derived from these studies. In any case, Bowlby was only making a comparison between residential institutions and natural families, not between institutions and other forms of foster care.

While, as noted earlier, no one has conducted a rigorous study of the relative benefits (or disbenefits) of alternative forms of foster care, welfare agencies have generally attempted to place dependent and neglected children in noninstitutional settings, believing that the effect of foster family living on the emotional development of these children could be no worse than that of living in institutions. In other words, child welfare

14. Raymond S. Moore and Dennis R. Moore, "The Dangers of Early Schooling" Harpers, July 1972, pp. 58-62.

15. John Bowlby, Maternal Care and Mental Health (World Health Organization, 1952), p. 68.

16. Karen M. Simonsen, Examination of Children from Children's Homes and Day-Nurseries (1947); and S. van Theis, The Child in the Foster Home (1921).

agencies appear to act on the premise that as placements are made further and further down the hierarchy of living arrangements, the child is less and less likely to receive individual attention. As a result, children are less likely to develop to their potential in large-scale facilities. For instance, it is easier to select foods and prepare meals for children in a congregate institution than it is to assist the children in the selection and preparation of their own foods.

The degree to which individual child welfare administrators accept this premise is indicated in Table 4, which shows the proportion of children in institutions vis-à-vis foster family homes and group homes, across states in 1970. The variation per capita income, per capita taxes, unemployment rates, racial composition of the state population, etc., do not account for a significant amount of this variation, according to the preliminary analysis conducted by members of The Urban Institute study team. It may be, then, that the difference in institutionalization rates across localities is determined by the particular beliefs and experiences of individual administrators of local child welfare agencies.

INCIDENCE OF COSTS

Deinstitutionalization efforts over the last thirty years have saved large amounts of public funds because the private sector has subsidized the public sector. The reason the average cost of supporting a child is less in a foster family home than in an institution, for instance, is that the foster parents receive only a fraction of the actual costs of maintaining a child. For example, in New York City, the average public cost of institutional care for a dependent and neglected child was almost \$8000 a year in 1969-1970, while the rate at which foster families were compensated was less

Table 4
STATE VARIATIONS IN THE PERCENT OF CHILDREN
IN INSTITUTIONS (1970)

State	Number of Children in Foster Family Homes or Group Homes	Number of Children in Institutions*	Number of Children in Adoptive Homes	Total Number of Children in Foster Care	Percent of Children in Institutions to Total in Foster Care
Alabama	3,100	1,600	600	5,480	29.2
Alaska	510	220	59	789	27.9
Arizona	2,800	900	980	4,680	19.2
Arkansas	1,100	700	120	1,820	38.5
California	32,800	4,000	9,600	46,400	8.6
Colorado	3,000	700	870	4,570	15.3
Connecticut	4,900	1,200	1,100	7,200	16.6
Delaware	1,100	230	260	1,590	14.5
Dist. of Col.	2,200	740	450	3,390	21.8
Florida	5,200	1,100	3,100	9,400	11.7
Georgia	3,000	2,100	2,400	7,500	28.0
Hawaii	610	75	150	835	9.0
Idaho	600	42	110	752	5.6
Illinois	11,100	5,700	2,900	19,700	28.9
Indiana	6,200	2,500	2,500	11,200	22.3
Iowa	2,500	840	1,400	4,740	17.7
Kansas	1,900	1,400	880	4,180	33.5
Kentucky	1,600	2,800	1,100	5,500	50.9
Louisiana	4,700	1,200	1,800	7,700	15.6
Maine	2,200	410	320	2,930	14.0
Maryland	10,000	940	1,100	12,140	7.7
Massachusetts	7,300	1,600	2,700	11,600	13.8
Michigan	5,500	2,000	4,600	12,100	16.5
Minnesota	7,100	3,400	2,300	12,800	26.6
Mississippi	1,200	490	150	1,840	26.6
Missouri	3,900	1,100	1,500	6,500	16.9
Montana	640	290	180	1,110	26.1

Table 4 (Continued)

State	Number of Children in Foster Family Homes or Group Homes	Number of Children in Institutions*	Number of Children in Adoptive Homes	Total Number of Children in Foster Care	Percent of Children in Institutions to Total in Foster Care
Nebraska	650	1,500	800	2,950	50.8
Nevada	690	87	300	1,077	8.1
New Hampshire	1,200	690	340	2,230	30.9
New Jersey	9,900	2,400	1,900	14,200	16.9
New Mexico	2,000	730	1,000	3,730	19.6
New York	34,000	12,900	7,400	54,300	23.7
N. Carolina	7,100	2,900	2,000	12,000	24.2
N. Dakota	890	220	430	1,540	14.3
Ohio	14,500	5,100	4,200	23,800	21.4
Oklahoma	2,300	2,100	510	4,910	42.8
Oregon	4,800	520	1,500	6,820	7.6
Pennsylvania	14,400	8,700	3,800	25,900	33.6
Puerto Rico	2,000	1,800	34	3,834	46.9
Rhode Island	1,300	460	250	2,010	22.9
S. Carolina	1,200	240	250	1,690	14.2
S. Dakota	1,000	270	360	1,630	16.6
Tennessee	1,800	1,900	1,400	5,100	37.3
Texas	5,200	6,400	2,500	14,100	43.4
Utah	5,300	10	450	3,760	.3
Vermont	990	460	200	1,650	27.9
Virgin Islands	170	98	30	298	32.9
Virginia	9,500	2,000	3,800	15,300	13.1
Washington	6,500	1,000	1,600	9,100	11.0
W. Virginia	3,200	530	240	3,970	13.3
Wisconsin	7,400	2,100	2,600	12,100	17.3
Wyoming	280	160	77	517	30.9

*Includes children in all institutions.

Source: Child Welfare Statistics, (National Center for Social Statistics, U.S. Department of Health, Education and Welfare, 1970)

than half that amount.¹⁷ In effect, then, foster parents were subsidizing the state for the difference between the two amounts.

The distribution of the incidence (i.e., burden) of costs of foster care is illustrated by Figure 6. The incidence of costs is shifted only when deinstitutionalization proceeds horizontally from one column to another, not when it proceeds vertically within the same column.¹⁸

100% Public Resources	Combination of Public and Private Resources	100% Private Resources
Institutions	Subsidized Adoption	Adoption
Residential Treatment Centers	Foster Family Homes Specialized Foster Homes	Legalized Guardianship
Group Residences	Family Owned Group Homes	
Agency Owned and Operated Group Homes with Counselors	Agency Owned and Operated Group Homes with Parents	

Figure 6: Cost Incidence of Foster Care

17. David Fanshel and Eugene B. Shinn, Dollars and Sense in the Foster Care of Children (Child Welfare League of America, 1972), p. 8. California reports that the ratio of institutional costs to foster family reimbursement rates is approximately 5:1 (Children Waiting: Report on Foster Care [State of California, Health and Welfare Agency, 1972]).

18. It should be mentioned that a movement from institutionalization to agency operated group homes with counselors could shift the incidence of certain costs to other departments within a given governmental organization. For example, the costs of special education classes could be shifted from a local welfare department to the local education department by moving children out of institutions into agency operated group homes with counselors. Such "cost savings" are purely fictitious, however, to anyone concerned with total public outlays.

Of course, there are serious equity considerations regarding the incidence of the costs of foster care. In the case of adoption, the policy of requiring the parents to assume total responsibility for the support of the child is receiving more and more criticism because it is felt that this places too heavy an economic burden on a couple that is not financially secure. With respect to foster family homes, equity considerations are even more complex. In the words of Alfred Kadushin:

If [foster parents] are volunteer helpers, then any board rate is inappropriate. If they are paid employees and colleagues, then the level of board rate payment is inadequate.¹⁹

It is not the intent of this paper to enter a full discussion of such considerations but, rather, to simply point out that there is nothing magical about inexpensive solutions to foster care--someone bears these costs. By setting a given board rate payment, legislators determine what proportion of these costs will be borne by the public sector and what proportion will be borne by the private sector.

COST SAVINGS FROM FURTHER DEINSTITUTIONALIZATION

Seventy-seven percent of children in nonadoptive foster care currently live in foster family homes; research evidence is incomplete; and the public sector saves substantial costs using foster family homes rather than institutions. It is highly likely, therefore, that those responsible for child welfare agencies will attempt to continue the deinstitutionalization trend.

It should be noted, however, that child welfare administrators will probably continue to have difficulty in recruiting suitable foster parents because, perhaps, of the greater accent on leisure in American society. As

19. Alfred K. Kadushin, Child Welfare Services (1967), p. 148.

indicated in section III, "there has been increasing evidence during the last decade of a marked and growing shortage of adequate foster homes throughout the country."²⁰ In Washington, D. C., for example, the growth in the number of foster family homes has not been dramatic, as Table 5 shows. It should also be noted that the turnover rate of foster family homes in Washington, during this four year period, averaged 15 percent.²¹

Table 5

NUMBER OF FOSTER FAMILY HOMES IN
WASHINGTON, D.C. (1968-1971)

Fiscal Year	Homes Opened	Homes Closed	Net Gain	Total Active Homes at End of Year
1968	157	129	28	859
1969	201	149	52	911
1970	170	125	45	956
1971	156	164	-8	948

Source: Issue Paper No. 10 of the Department of Human Resources of the District of Columbia (December 1971), p. 15.

It may be, as some observers claim, that higher payments would attract greater numbers of qualified people to serve as foster parents, but there is not statistical evidence for this. In more technical language, it can be said that the elasticity of the supply of foster parents is unknown. Reluctantly, state legislators may raise the payment levels to foster parents as long as there is any prospect of avoiding the high costs (to the public sector) of institutionalization. In any case, dramatic increases in the

20. Draza Kline, New Payments Patterns and the Foster Parent (Child Welfare League of America, 1970), p. 26.

21. This figure may not be representative for the rest of the country. Wolins, for instance, found a turnover rate of one-third for many agencies in the late 1950's (See Martin Wolins, Selecting Foster Parents, 1963).

number of acceptable foster parents will probably not appear in the immediate future.²²

Because of the increased difficulty of recruiting foster parents and the inability of certain children to benefit from foster family living (as evidenced by multiple placement in different families), more and more dependent and neglected children are being placed in group homes with counselors and in group residences.²³ As can be seen from the definitions in section II, these group facilities have almost all of the characteristics of small institutions. Theoretically, there is little reason to expect that group homes with counselors or group residences would be less costly than larger residential institutions if they were all providing the same services. While certain operating costs may be lower in group homes with counselors or group residences because the children help in the housekeeping, the costs of other items such as food, shelter, health service, and counseling may be far more expensive to provide on a small-scale basis.

Although there is little doubt that during the last thirty years deinstitutionalization has saved large sums of public funds through foster parent programs, it is very improbable that similar savings can be made in the future.²⁴ It is not surprising that some advocates of "community based care" have tried to convince public officials that further deinstitutionalization would save even more money. This advocacy is often based on a comparison of

22. "Special recruitment campaigns may at times bring in a flood of applicants but the appropriateness of the techniques is open to doubt since they result in too many applications, too few of whom turn out to be suitable" (Dinnage and Pringle, Foster Care, p. 41). The question of the acceptability of particular individuals to serve as foster parents is beyond the scope of this paper. The Child Welfare League of America, however, has developed standards for foster homes after many years of experience. Similarly, most localities have their own standards. While some observers feel that such standards are artificial and unrealistic, the fairly high turnover rate of foster homes in most communities does not support their position.

23. On this point, see David Fanshel, Encyclopedia of Social Work (1971), p. 103.

24. The economist refers to this phenomenon as the law of diminishing returns.

the average public cost of institutional care with that of foster family homes or foster family group homes.²⁵ But costs will increase as acceptable foster parents become more difficult to recruit, as foster payments are bid upward, and as greater reliance is placed on group homes. As we have shown in Figure 6, certain group homes will be more expensive to the public sector than foster family homes and, under some circumstances (for example, when quality care is provided by paid counselors), may equal or surpass the costs in current institutions. These hypotheses are illustrated by Figures 7 and 8.

To provide appropriate services to meet the needs of neglected and dependent children, then, greater efforts may be needed to inform state and local officials about the probable benefits and costs of further deinstitutionalization. Public policy makers must be prepared to meet the additional costs of more individualized care for these children since there is little evidence that public costs will be significantly lower by further deinstitutionalization.

ASSESSMENT OF DEINSTITUTIONALIZATION TECHNIQUES

Although there is almost no empirical basis for a policy of removing all dependent and neglected children from institutions, several communities adopted this as a goal and have decided to implement programs to achieve it. Given the goal, one should realize that deinstitutionalization encompasses more than the simple removal of children from congregate institutions; it also diverts those children from the institutional path (see Figure 9). The techniques by which deinstitutionalization is accomplished may have an important bearing on the ultimate success or failure of the program.

There are a variety of ways of deinstitutionalizing. The first and simplest is just to close the institutions according to some fixed schedule.

25. See, for example, the estimates provided by Rev. F. Taylor before the House Subcommittee on D. C. Appropriations, as reported in the Washington Post of January 20, 1971, p. 131.

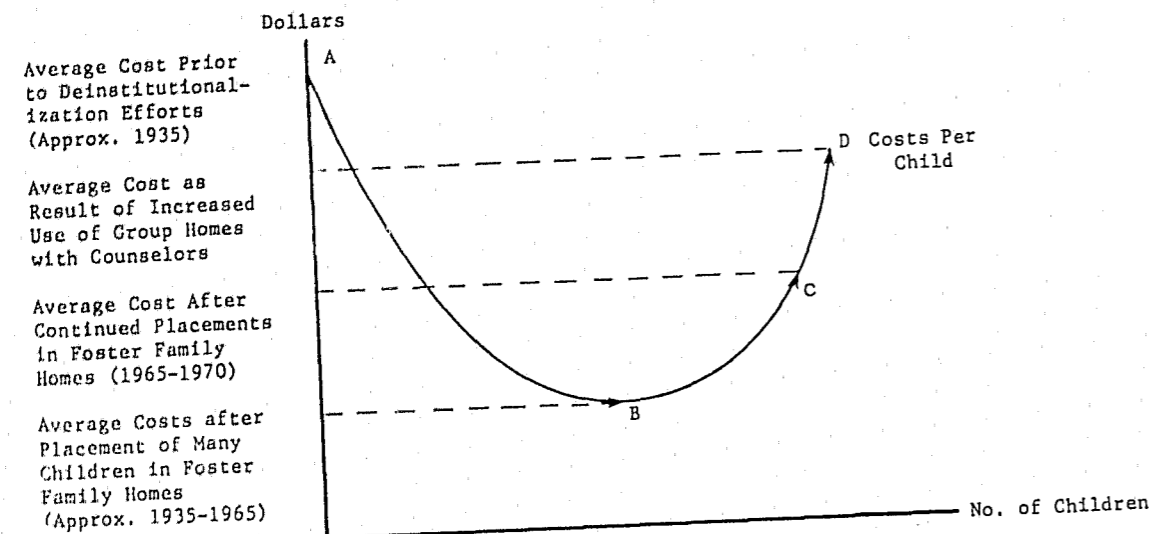


Figure 7: Average Public Costs of Foster Care as a Result of Deinstitutionalization (Illustrative)

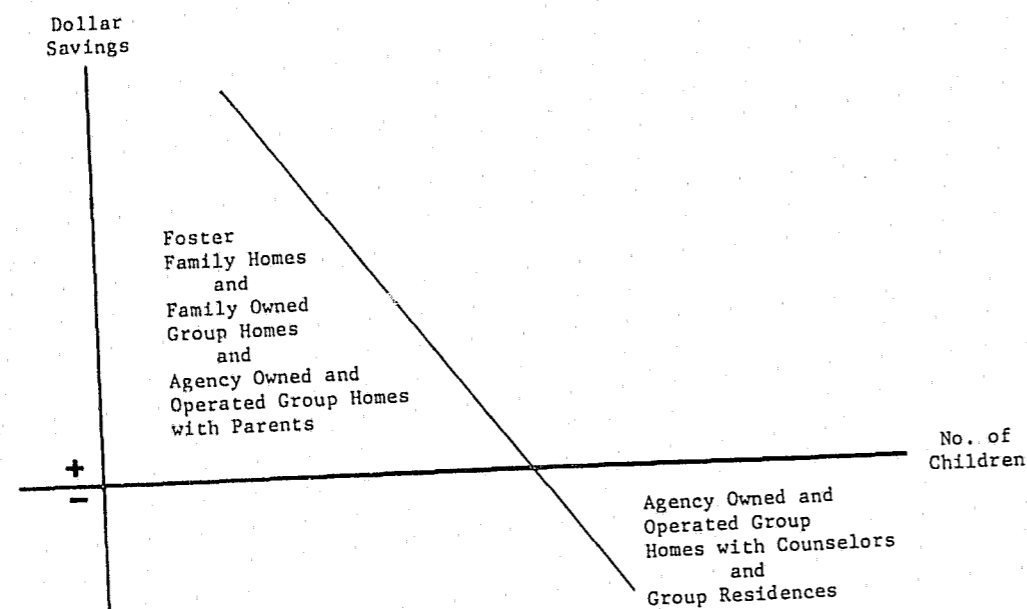


Figure 8: Public Costs Savings from Deinstitutionalization, by Type of Alternative (Illustrative)

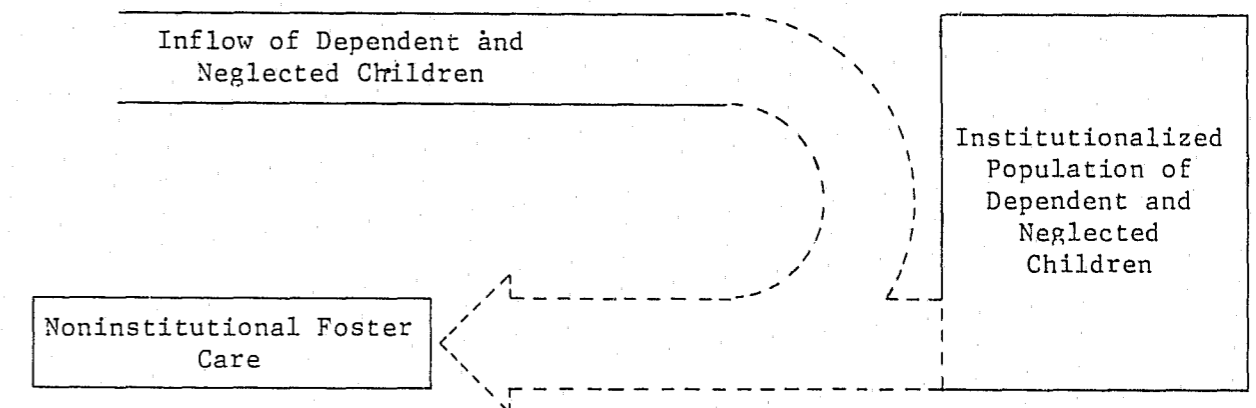


Figure 9: The Deinstitutionalization Process

In the short-run, this may create anxiety in institutionalized children awaiting transfer and may--because of the need to reassign the institutionalized child population according to some mechanical formula--possibly place children in worse living environments than that provided by institutions. On the other hand, this method has the advantage of attaining the goal quickly. A second way of accomplishing this goal is to prevent additional children from entering institutions and to remove those children currently in institutions if and when more appropriate living arrangements are available. This method enables child welfare administrators to use some discretion in selecting the appropriate form of foster care, but it also delays achievement of the goal. A third method would be to divert the inflow of new children and allow the institutional population to phase out as the children become older. This has the advantage of administrative ease and avoids all possibility of creating trauma in institutionalized children awaiting transfer. It may also

reduce the incentive for reassigning certain institutional children in living environments that are better suited to their needs.

All three of these methods are being tried across the country by local agencies. It should be recognized that the first and third methods may place administrative considerations above the best interests of children.

VI. IMPLICATIONS FOR RESEARCH

In surveying the child welfare literature of the last thirty to forty years, one cannot help but be amazed at the number of knowledge gaps that still remain and at the general lack of methodological rigor employed in most studies. For the past several decades, the same issues have been debated without any significant increase in the knowledge base. As a result, little empirical evidence is available on such a fundamental concern as the appropriate placement for any given dependent and neglected child.

The purpose of this section is to sketch out broadly some of the priority areas of research concerning residential institutions and the alternatives to them, and to suggest the kinds of studies that federal research agencies will have to undertake in conjunction with state and local child welfare agencies. To follow the discussion of knowledge gaps, it may be helpful to the reader to refer to Figure 4 (page 22 above), which provides an overview of the welfare system serving dependent and neglected children.

EFFECTIVENESS OF PREVENTION PROGRAMS

Within the past few years, child welfare personnel at the local level have grown more aware of the value of good prevention services. Child welfare administrators in many cities--Washington, D. C., being an excellent example--are now convinced that one way to cut down the flow of dependent and neglected children into institutions and substitute family care is to offer a wide

range of services which help maintain a child in his own home environment.¹ Thus effective prevention services--provided by homemakers, caretakers, etc.--could conceivably expedite the move from institutions to the community since fewer children would have to be placed. Yet, there are basic questions which must be faced in the coming years if the federal government hopes to be instrumental in implementing an effective prevention services network.

Of primary importance to any area interested in implementing prevention services are the costs of the various alternatives, including the costs of the possible mixes of these alternatives. Furthermore, child welfare agencies must be able to determine (1) the demand for services, (2) the effect prevention will have on institutional costs and populations, and (3) the most effective way to utilize community resources to serve the needy families. Since prevention services are relatively recent phenomena, little is known about how different families react to different services (e.g., whether emergency financial assistance is more suitable for a particular family than intensive casework or homemaker service).

Thus, it is clear that a number of rigorous studies in this area should be funded in the coming years. However, in terms of allocating research money, prevention studies may not have as high a priority as research to determine the appropriateness of alternative placements for the children.

BENEFITS AND COSTS OF ALTERNATIVE PLACEMENTS

In reviewing the literature on appropriate placement for a child, one is immediately struck by the almost complete lack of theoretical work as well

1. According to Winifred Thompson, former director of the Social Services Administration in Washington, D. C., the population of Junior Village (the city's institution for dependent and neglected children) decreased from 912 in February 1965 to 350 on January 20, 1971, largely because preventive services became operational in the city (see the Department of Human Resources of the District of Columbia, Issue Paper No. 10, December 1971, pp. 20-26).

as a paucity of empirical evidence. While these weaknesses can, in large measure, be attributed to the lack of research money for large-scale, longitudinal studies, it does not seem that a serious attempt has been made in this critical area. Most researchers have been content to argue the merits of a particular alternative (institutional vs. foster family care) on a dataless basis.² As a result, there are a number of critical questions that must be dealt with in developing placement theory: Under what conditions should children be separated from their natural homes? Are group homes with counselors more suitable for adolescents who lack family ties than foster family homes? Are residential institutions preferable to foster family homes for adolescents with particular behavioral characteristics? Should young children always be placed in foster family homes regardless of physical or mental handicaps, or regardless of personality traits? These are only a few of the key questions that must be answered in the 1970s, yet they are not easily answerable and will certainly be left unanswered if child welfare scholars continue to debate them without better data.

In order to provide state and local child welfare administrators with better placement information, then, federal agencies (e.g., the Office of Child Development and the Social and Rehabilitation Service of HEW) will have to fund a number of studies that meet several criteria. First, HEW should sponsor a series of longitudinal studies because studies in child welfare all too often compare "essentially similar" populations at a single point in time and, as a result, conclusions are inevitably based on inadequate evidence. Second, HEW should require that proper control and experimental groups are set up so as to provide a basis for rigorous statistical and

2. In support of this observation, see Institution or Foster Family: A Century of Debate by Martin Wolins and Irving Piliavin (Child Welfare League of America, 1964).

qualitative comparison.³ Third, HEW should develop a good "average measure of physical and emotional well-being of children" that can be incorporated in these studies to assess the relative benefits of alternative foster-care placements. A measure of this type may not be as difficult to develop as it first appears, since there are numerous health status indices available and an even greater number of tests that psychologists use to measure emotional development.⁴ Until studies meeting these criteria are initiated, the quality of child welfare research will not be upgraded and the placement of children into residential institutions, group homes, and foster family homes will continue to be based solely on the individual beliefs of placement officials, with little analytically useful data being collected.

Research on alternative placement should also focus on costs. While there is very little good cost analysis available on foster care alternatives, cost data has improved.⁵ Still, cost studies must be conducted to determine if the situation depicted by Figures 7 and 8 is correct; that is, will future deinstitutionalization efforts of dependent and neglected children be more expensive than previous efforts? Other questions that must be answered are: (1) How expensive, on the average, are group homes with counselors vis-à-vis residential institutions, per child? (2) How responsive is the supply of foster parents to increases in board rates (i.e., what is the elasticity of

3. Dinnage has made the observation that "even if it was substantiated that children in foster [family] homes do better than those in Children's Homes, this would inevitably reflect to some extent the factors which determine selection for one or the other type of substitute care; foster [family] care may tend to be chosen for the less disturbed, less backward, and thus more acceptable and responsive child" Rosemary Dinnage and M. L. Kellmer Pringle, Residential Child Care: Facts and Fallacies 1967, p. 35).

4. F. Denette Adams, Physical Diagnosis (1970); Richard D. Judge and George D. Zuidema, eds. A Physiologic Approach to the Clinical Examination (1963); Jacques M. Wallach, Interpretation of Diagnostic Tests: A Handbook Synopsis (1970); and O. K. Buros, Mental Measurements Year Book (1970).

5. See, for example, David Fanshel and Eugene B. Shinn, Dollars and Sense in the Foster Care of Children (Child Welfare League of America, 1972).

supply of foster parents) and does the elasticity of supply vary across the country? and (3) To what extent is the supply of parents willing to adopt dependent and neglected children influenced by subsidization?

By examining these questions, it is clear that federal agencies must fund both demonstration and research projects regarding the costs of foster care. Demonstration projects are needed to determine supply elasticities, while research projects are needed to document the cost differentials of various forms of foster care. Such projects should cover both urban and rural areas, since the supply elasticities and cost differentials of selected alternatives may vary according to geographic regions.

EFFECTIVENESS OF POST-FOSTER CARE SERVICES

A final area that should receive some research attention in the coming years concerns the provision of services to children who leave placement either because the home environment stabilizes or because the children reach adulthood. Because of the limited resources available for child welfare programs and research, post-foster care services have always been an after-thought. However, with new federal involvement in the field, post-foster care services can be made operational and their effectiveness can be determined.

Because we know so little about the kinds of services and the mixes of services that would be appropriate for particular children and their families, post-foster care is an ideal area in which to fund demonstration projects. By establishing such projects, federal and state agencies will be able to effectively monitor and analyze the results. Information needs to be collected on the costs, quality, delivery, and suitability of these services. The suitability of post-foster care services is especially important because children coming out of institutions, foster family homes, and group homes have had

different experiences and therefore may have different needs. The types of services offered may have to vary with the length of stay in placement. Hopefully many of these questions can be dealt with through selected projects in the 1970s. Again, these projects must be set up with meaningful control groups.

VII. CONCLUSIONS

After reviewing the literature of the past several decades and assessing the very incomplete research evidence regarding the effects of alternative living arrangements on the development of dependent and neglected children, it is difficult for an impartial observer to understand the fervor with which proponents of various forms of foster care express their respective positions.

With regard to dependent and neglected children, there is a widespread presumption that the living environment provided by a foster family home or a group home is better than that provided by a residential institution. As we have shown above, the empirical evidence for that position is incomplete, and even nonexistent where one is interested, say, in comparing the effects on children of a series of foster family homes with those of a given institution. On the other hand, the evidence presented in defense of residential institutions has been almost exclusively based on experiences in Israel, Europe, and Russia, where institutional circumstances bear only minimal resemblance to those of the United States.

Even if it is intuitively felt that most dependent and neglected children would be better off in noninstitutional settings, we should remember that most of these children are already in noninstitutional settings. Without more satisfactory empirical evidence, further efforts at deinstitutionalization might best be conducted in a selective manner. It can be questioned whether policies of wholesale deinstitutionalization, such as those recently adopted in Washington, D. C., are in the children's best interests. We should remember that closing institutions removes only a particular form of

care--it does not guarantee that better care will be provided in its place.

To the extent that child welfare administrators, psychologists, or other professionals disagree with the observations and conclusions of this paper, we expect their comments and criticisms. However, any stimulation of discussion on the needs of dependent and neglected children must result in concrete research activities to be of any value. For far too many years, child welfare literature has consisted almost entirely of descriptive surveys and interesting case histories. If this paper promotes any well designed research, it will have served a useful purpose.

Having itself suffered from neglect over the past few decades, the subject of child foster care is a fertile ground for policy-oriented research. At a time of great interest in deinstitutionalization, HEW has an opportunity to fill some of the knowledge gaps that have been discussed in this paper. That information is urgently needed if proper foster care is to be provided.

APPENDIX

ADDITIONAL DATA ON DEPENDENT AND NEGLECTED CHILDREN

DEPENDENT AND NEGLECTED CHILDREN, BY STATE

Figure 10 displays the rate of children served by welfare agencies per 10,000 population for twenty states and territories of the United States (the ten with the lowest rates and the ten with the highest rates). It is interesting to note that two non-states (the Virgin Islands and the District of Columbia) have the highest rates; also that five southern states (Arkansas, Tennessee, Texas, Florida and Oklahoma) are among the lowest. Other patterns are difficult to pick out: One of the states with a high rate (New York) is populous and relatively wealthy. But another state with a slightly higher rate (North Dakota) has a small population and is not so wealthy. Two very small states (Vermont and Delaware) have very high rates, and one large industrial state (Michigan) has a very low rate.

DEPENDENT AND NEGLECTED CHILDREN, BY GEOGRAPHIC AREA

A large proportion of the children served lived in large urban areas: "Of all children served by public agencies, it is estimated that somewhat more than two-fifths (43 percent) were served by local offices in 123 cities of 100,000 population and over. Twenty cities, each with a population of 500,000 or more, accounted for close to one-fourth (23 percent) of the total."¹ The institutions for dependent and neglected children are concentrated even

1. Child Welfare Statistics (National Center for Social Statistics, U.S. Department of Health, Education and Welfare, 1969), p. 1.

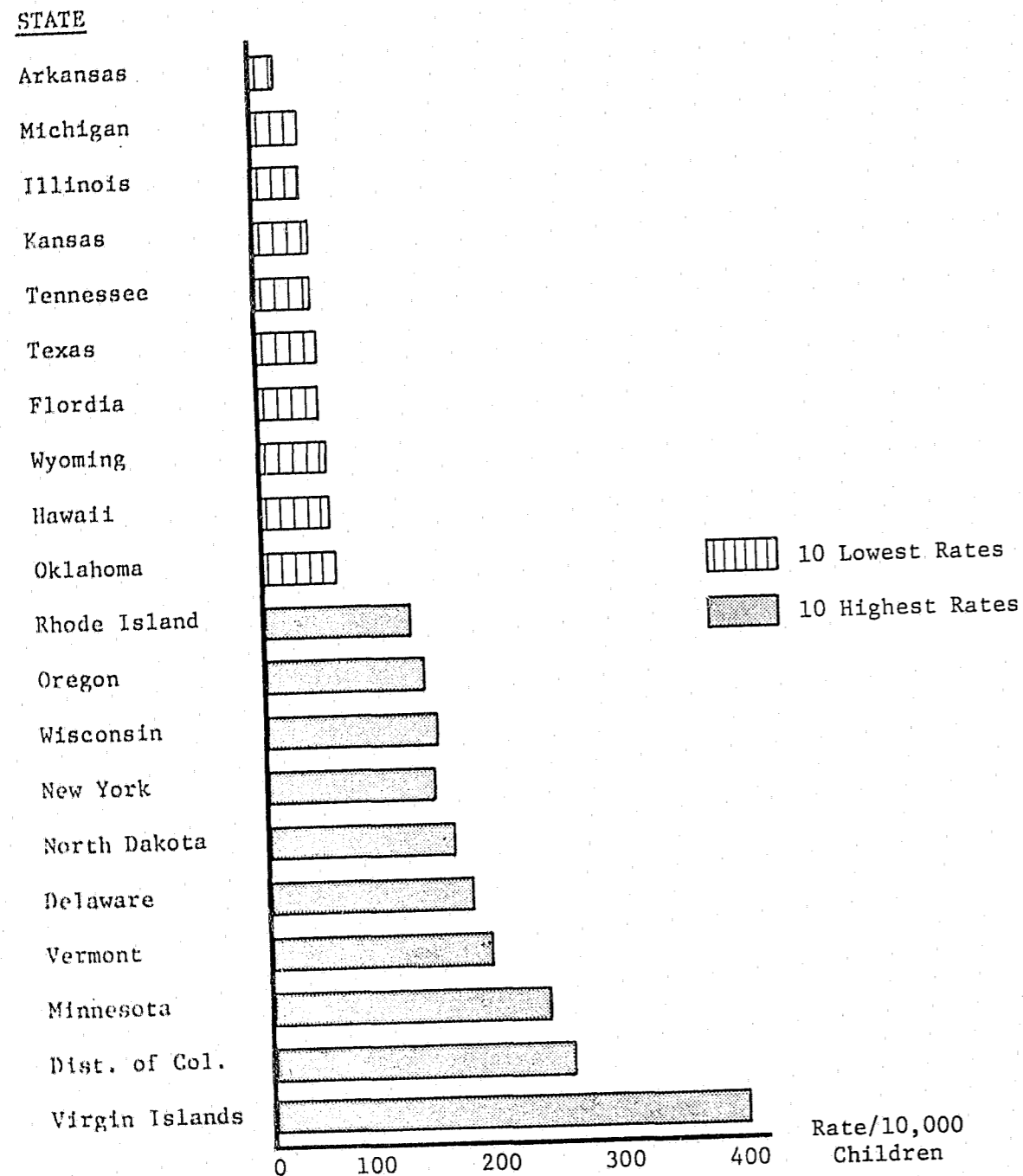


Figure 10: Children Served by Public and Voluntary Child Welfare Agencies and Institutions, Rate per 10,000 Child Population, for 20 States and Territories (1969)

Source: Child Welfare Statistics, p. 22

more heavily in the SMSAs. In 1966, the year of a census of children's residential institutions, 60 percent of the institutions for dependent and neglected children were in Standard Metropolitan Statistical Areas.²

NUMBER OF CHILDREN IN DIFFERENT TYPES OF INSTITUTIONS

The institutional child population includes not only dependent and neglected children in residential institutions, but children in other institutions who receive social services. That is, there are also children in institutions for delinquents or for the mentally or physically handicapped, or in maternity homes.

In Table 6, one can see the numbers of children in different kinds of institutions for 1969. Twice as many children were in child welfare institutions (74,000) as in all other institutions combined (31,800). Among those children in child welfare institutions, the largest group (45 percent) was of children served by voluntary agencies only; the second largest group (38 percent) was of children served by both public and voluntary agencies; the smallest group (17 percent) was of children served by public agency only.³

CHANGES OVER TIME IN INSTITUTIONAL POPULATION

Table 7 shows the number of children in child welfare institutions from 1961 to 1970. The decrease in the number of children living in institutions,

2. Donnell M. Pappenfort and Dee M. Kilpatrick, A Census of Children's Residential Institutions in the United States, Puerto Rico, and the Virgin Islands: 1966 (University of Chicago, 1970), vol. 1, p. 25.

3. Voluntary agencies are private, nonprofit organizations used by public agencies to provide social services to dependent and neglected children. Such agencies receive public funds for the care they provide. The financial auspices under which the agencies operate may include the Community Chest, the Associated Catholic Charities, the Associated Jewish Charities, and other religious groups.

Table 6

CHILDREN SERVED BY INSTITUTIONS, BY AGENCY AUSPICES
WITH PERCENT DISTRIBUTION (1969)

Living Arrangement	Total		Agency Auspices					
	Number	Percent Distribution	Public Child Welfare Agencies or Institutions Only		Both Public and Voluntary Child Welfare Agencies* or Institutions*		Voluntary Child Welfare Agencies or Institutions Only	
			Number	Percent	Number	Percent	Number	Percent
Child Welfare Institutions	74,000	100	12,300	17	28,300	38	33,300	45
Maternity Homes	6,000	100	---	--	2,200	37	3,800	63
Other Institutions**	25,800	100	23,900	93	---	--	1,900	7

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*For the great majority of these children, the public agency was purchasing care from a voluntary agency.

**Includes those children in institutions for delinquents, and mentally or physically handicapped. Source: Child Welfare Statistics, p. 21.

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Table 7
CHILDREN SERVED BY INSTITUTIONS
(1961-1970)

Year	Number of Children in Child Welfare Institutions	% Change From Previous Year	Number of Children Served by Public and Private Agencies in all Institutions*	% Change from Previous Year
1970	62,600	-15.4	93,500	-11.8
1969	74,000	- 2.2	106,000	- 2.8
1968	75,700	- 3.4	109,000	+ 0.6
1967	78,400	+ 8.9	108,300	+ 3.1
1966	72,000	- 4.6	105,000	- 2.4
1965	75,500	- 2.3	107,600	+ 2.2
1964	77,300	+ 0.3	105,300	- 0.9
1963	77,100	- 2.9	106,300	+ 0.3
1962	79,400	- 1.1	106,000	+ 2.6
1961	80,300	---	103,300	---

*The term "all institutions" includes institutions for dependent and neglected children, maternity homes for unmarried mothers, institutions for delinquent children, and institutions for the mentally or physically handicapped. Source: Child Welfare Statistics: 1961: Tables 25 and 26, 1962-66: Tables 1 and 2, 1967: Tables 7 and 8, 1968-69: Tables 11 and 12, 1970: Tables 7 and 8.

in addition to the increase in the population of children served (see Figure 2) accounted for the decline in the proportion of children residing in institutions, which has already been pointed out (see Figure 3).

Table 7 also shows that from 1969 to 1970 the number of children in all institutions who received social services (including children in maternity homes and detention houses) dropped by 12,500. Almost all of this drop--11,400-- was due to a drop in the number of children in child welfare institutions. A glance at the data shows that this drop was quite significant, much greater than any movements in the data which occurred in previous years.⁴

CHARACTERISTICS OF THE INSTITUTIONAL POPULATION BY AGE, SEX AND RACE

In 1960, institutions for dependent and neglected children "served a young population, one-third of which was under 10 years of age, somewhat under one-half 10-14 years old, and one-fifth 15 years or older." Fifty-five percent of the children in these institutions were boys. The proportion of nonwhite children was 12 percent, about the same as the proportion of these children in the general population.⁵

4. This leads to a very interesting question: What caused such a sharp drop in the institutional population in 1970, and is such a drop likely to be repeated in future years? Part of the drop is due to a simple statistical problem; but part of the drop remains unexplained. The simple statistical problem is the following: The National Center for Social Statistics compiles and publishes the data which are shown in Table 7. It so happens that the states of Idaho, South Carolina and North Carolina do not submit figures for the number of children in institutions who are provided services by voluntary agencies only. But these figures were estimated for the years through 1969 by a NCSS analyst. In 1970 this analyst retired and NCSS decided it could not accurately estimate these data for the three states. The 1969 estimate for these three states of the number of children in institutions served by voluntary agencies only was 3400. Part of the drop from 1969 to 1970, then, is likely to be the result of this change in NCSS procedures.

5. Seth Low, America's Children and Youth in Institutions, 1950--1960--1964 (Children's Bureau, Social and Rehabilitation Service, U. S. Department of Health, Education and Welfare, 1965), pp. 6-9.

END