

## **The Canadian Child Welfare System:**

### *An Economic Perspective*

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The Canadian child welfare system is in a state of crisis. According to recent estimates there are approximately 78,000 children currently in care across the country.<sup>1</sup> In 2016, the Globe and Mail reported that the province of Ontario alone had around 21,000 children in care, up from 17,000 in 2011.<sup>2</sup> Close to half of them are crown wards. They have been permanently removed from their families for a variety of reasons (abuse and neglect being the most common), with the state acting as their legal guardian until they age out of the system at 18. Unfortunately, the government faces difficulties with regards to their placements. The number of available foster homes are declining rapidly. The rate of public adoptions on the other hand have remained more or less stable since 2010 at around 2,000 per year, despite recent indicators in some provinces for potential future improvement.<sup>3</sup> It is estimated that on the whole there are between 30-35,000 children currently waiting to be placed with adoptive families.<sup>4</sup>

In recent years, there have been attempts to improve adoption rates, however, progress is slow and costly. This puts the government in a precarious position. According to a 2011 report by the Adoption Council of Ontario (ACO), the average annual cost of care for a child in the foster system is between to \$45-47,000. Assuming that children typically stay in care for an average of nine to ten years before they age out, the present system costs the government just below \$500,000 per child. This puts a tremendous strain on the funding available for the welfare system, and as the Conference Board of Canada points out, likely

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<sup>1</sup> <http://www.adoption.ca/myths-and-realities>

<sup>2</sup> <https://www.theglobeandmail.com/news/national/declining-number-of-foster-parents-across-canada-becoming-a-crisis/article30538343/>

<sup>3</sup> <https://www.abbacanada.com/page.aspx?pageId=4>

<sup>4</sup> <http://www.adoption.ca/myths-and-realities>

draws funds from critical post-foster services for youth who age out, such as counselling, career planning, and housing and tuition subsidies.<sup>5</sup>

The purpose of this paper is to provide a comprehensive account of the overall costs of the current system to the Canadian government. Where possible, evidence will be drawn from the most recent statistics available, with an overall focus on the province of Ontario. At the moment, these numbers point to several pressing economic and social welfare issues, specifically the troubling lack of reliable information pertaining to the current state of the foster care system and the alarmingly poor prospects of youth that eventually age out of care without being adopted.

Proactive federal policies need to be implemented by the Canadian government if there is to be any hope of tackling these issues. This paper will ultimately engage with two suggestions. The first is to urgently invest in a centralized information database to enable accurate economic and social research. The second is to address the unique concerns of adoptive or adopt-ready parents. The government must consider extending EI parental benefits in order to stimulate the stalling rates of public adoption in the country.<sup>6</sup> The needs of foster parents also need to be addressed through further engagement and data collection, as the shortage of external housing for youth in care appears to be contributing to the overall welfare crisis.

## **Section I. Brief Overview of the Canadian Child Welfare System**

Each Canadian province and territory has a number of child welfare agencies (close to 50 in Ontario alone) that can be contacted by the general public 24 hours a day. The main goal of the system is to protect vulnerable infants and youth from abuse and/or neglect. They

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<sup>5</sup> *Investing in the Future of Canadian Children in Care*, pg. 9.

<sup>6</sup> It must be noted that an increase in the number of public adoptions does not automatically guarantee better outcomes for foster children across the board. However, extended benefits for adoptive parents will grant them more time to form healthy attachments with their adopted children—and vice versa—which will arguably impact the welfare of foster children in a positive way.

are responsible for investigating allegations of maltreatment, supervising foster care, kin, customary care or permanent adoption placements. Agencies also offer support services to families, facilitating improvements in living conditions for children who are deemed to be at-risk for future harm. Children can be removed from their homes for a variety of reasons ranging from physical, sexual or emotional abuse, exposure to domestic violence, or the failure of their caregivers to provide sufficient shelter, food or clothing. Inadequate access to basic services such as healthcare can also prompt removal, as can abandonment or any other kind of intentional or unintentional mistreatment.

The collection of these agencies comprise the Canadian child welfare system, however, discrepancies in practice can occur across different provinces and territories. The age of protection varies, for example. New Brunswick defines “child” as any individual below the age of 16. Ontario has recently raised its protection age to 18, while agencies in British Columbia are responsible for any child up to the age of 19. There are also differences in the amount of financial and miscellaneous supports available for foster children and foster families depending on the location of the agency responsible, as well as varying levels of post-foster care resources and services for youth who age out. Nevertheless, they share a set of common core values, the most fundamental of which is prioritizing the best interests of the child. The Child Welfare Research Portal (CWRP)—a database of Canadian research publications regarding provincial, territorial, aboriginal and national child welfare policies and legislation—also recognizes the below as critical considerations:

- The parent’s primary responsibility for child rearing must be respected;
- It must be acknowledged that continuity of care and stability is important for children;
- The views of children are important to take into consideration when decisions are being made that affect their futures;
- Cultural heritage must be respected, especially for Aboriginal children.

## **Crown Wardship**

These agencies receive thousands of calls every day about children potentially in need of protection. In 2008, there were approximately 236,000 investigations conducted, 36 percent of which were confirmed to be instances of child abuse or child neglect (around 84,000).<sup>7</sup> This amounts to a rate of 14 in 1,000 children who encounter child protective services, though, rates of mistreatment are likely much higher due to so many cases going unreported. It is uncommon for children to be removed after only one visit; the CWRP notes that interventions from agencies are typically conducted to suggest possible improvements to the home environment so that the child may stay in the care of his or her guardian. If a child's safety is at risk, however, the second option is out of home placements, which usually take the form of foster homes, kinship care, or customary care placements (the last of which is particularly common for Aboriginal children). According to the CWRP, in 2008 close to 20,000 children were in out-of-home placements, with 44.5 percent in care of extended families, 7.3 percent in group homes, and the rest (48.2 percent) placed in foster care.

Removals do not always last until adulthood. Children regularly move in and out of the system, many being discharged, and others being re-admitted depending on successive evaluations. In more severe cases, children will be removed from the care of their guardians permanently, after which they become a ward of the state, also known as a "Crown Ward." This status typically lasts until the child comes of age unless he or she is adopted.

## **Section II. The Nature of the Crisis**

Even though close to 78,000 children are in the welfare system at the moment, the number of foster families are declining rapidly. In 2017, the president of the Canadian Foster Family Association announced a significant shortage, noting that they had "reached a crisis

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<sup>7</sup> CWRP, *FAQS*.

point.”<sup>8</sup> According to statistics compiled by the CWRP, in 2010 Ontario had 6,000 registered foster families, and by 2015, the number had fallen to approximately 4,800. As mentioned earlier, around 21,000 children in the province are potentially in need of temporary placement. According to the Ontario Association of Children’s Aid Societies (OACAS), the ideal is one child per home, though more experienced parents may house up to a maximum 4 children at a time.<sup>9</sup> This is rare, however, as up to 80 percent of crown wards have special needs that need close attention and over half have been diagnosed with a mental illness.<sup>10</sup> The president of the PEI Federation of Foster Families, Wayne MaFarlane, has noted that this shortage puts undue pressure on foster parents who choose to remain in the system across the country, and also puts infants at risk of being placed in group homes due to the lack of available beds.<sup>11</sup>

In response to this shortage, some provinces have resorted to partnering with contracted foster care facilities. Figures from British Columbia’s provincial Children’s Ministry show that between 2015-17, they spent more than \$100 million every year on 93 externally contracted agencies to provide housing, including group homes and emergency shelters, and sometimes even hotels.<sup>12</sup> The estimated cost per child per year in contracted care is around \$103,200 in BC. In 2017, there were approximately 700 children residing in these facilities out of a total of 7,000 children in care. Comparatively, foster care placements only cost about \$22,700 per child annually.<sup>13</sup> Youth in contracted care make up a small portion of the total number of children and yet account for over half of annual foster youth housing expenditures in British Columbia. In addition to the monetary costs, such low-supervision

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<sup>8</sup> <https://www.theglobeandmail.com/news/national/declining-number-of-foster-parents-across-canada-becoming-a-crisis/article30538343/>

<sup>9</sup> <http://www.oacas.org/childrens-aid-child-protection/fostering/>

<sup>10</sup> CBC, pg. 2.

<sup>11</sup> <https://www.theglobeandmail.com/news/national/declining-number-of-foster-parents-across-canada-becoming-a-crisis/article30538343/>

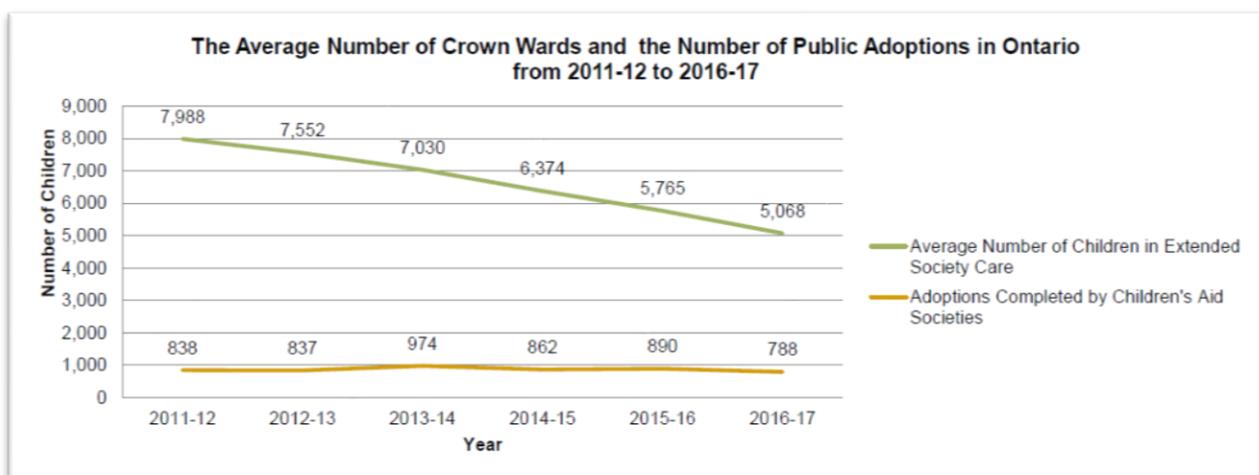
<sup>12</sup> <https://www.theglobeandmail.com/news/british-columbia/metis-teen-who-died-in-care-abandoned-by-bcs-child-welfare-system-watchdog/article33910292/>

<sup>13</sup> <https://www.theglobeandmail.com/news/british-columbia/metis-teen-who-died-in-care-abandoned-by-bcs-child-welfare-system-watchdog/article33910292/>

housing arrangements have been related to an increased risk of harm for children. In 2015, Alex Gervais, a Métis teen died in one of the hotels he was placed in by his CAS practitioner because of improperly managed contract care.<sup>14</sup> Economically speaking, this solution is costly and imperfect, and in terms of the health and safety of foster children, it is clearly disastrous.

When it comes to permanent placements, the available statistics point to a similar and enduring problem. It has been mentioned that up to 35,000 kids are awaiting adoption, though, nationwide the annual reported rates of adoption are at about 2,000. In Ontario, the number of awaiting children is between 5-7,000, with the vast majority of them aged 6 or older. The Ministry of Children and Youth services recently reported in 2018 that approximately 800 children were placed with adoptive families in 2016-17. While this number is not exactly low, it has remained virtually unchanged since 2010. There is a steady proportional improvement, as evident in the graph below, however, the structural issues pertaining to the system run much deeper than the total number of children being adopted.

*The Child, Youth and Family Services Act, 2017: Implications for Public Adoption (MCYS).*



<sup>14</sup> <https://www.theglobeandmail.com/news/british-columbia/metis-teen-who-died-in-care-abandoned-by-bcs-child-welfare-system-watchdog/article33910292/>

## **The Lack of Reliable Data**

One of the principal technical problems undermining the system is the lack of uniform data collection. Unfortunately, no nation-wide tracking database exists on children in foster care. Information collection is left entirely up to the provinces, which results in spotty and inconsistent statistics and no possibility for comparison between or across territories. Under these circumstances, measuring productivity, efficacy, allocating budgets, or projecting future trends is an exceedingly difficult task. In the words of Nico Trocme, the director of the Centre for Research on Children and Families at McGill University, “We know ridiculously little about these kids. I cannot even answer a basic question, like how many children exactly we have in foster care in Canada. All [the numbers] we have are approximations.”<sup>15</sup>

While current statistics are estimates at best, we have even less information about foster children who leave or age out of the system. Their progress is typically not reported nor tracked. Virginia Rowden, the Director of Social Policy for Ontario’s Association of Children’s Aid Societies has noted that this information is crucial to determine whether or not the present system is working efficiently, and this gap in our knowledge puts former foster kids at risk of being invisible to the government once they leave the system. “Are they [former foster kids] working? Are they educated? Healthy? Have they formed families? Are they homeless? Sick? We do not know any of these things.”<sup>16</sup> Ontario’s Auditor General, Bonnie Lysyk, has also raised concerns regarding budgeting: “the government pours more than a billion dollars annually into a system without even knowing the quality of care provided or how children fare once they set out on their own.”<sup>17</sup>

Data collection does not just vary cross-provincially. Within Ontario alone there are 48 Children’s Aid Societies, and they each categorize foster care in a different way, counting

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<sup>15</sup> <https://globalnews.ca/news/213425/national-data-lacking-on-numbers-services-for-foster-kids-in-canada-6/>

<sup>16</sup> <http://www.cbc.ca/news/canada/canadian-foster-care-in-crisis-experts-say-1.1250543>

<sup>17</sup> <https://globalnews.ca/news/213425/national-data-lacking-on-numbers-services-for-foster-kids-in-canada-6/>

and compiling data very differently. The lack of pure quantitative data on a national level is incredibly troubling, especially when the goal is to advocate for federal policy change. Provincial governments are unable to compare their own statistics to those across the country, and as a result, policy-makers have no competitive measure of success or failure on which to base their proposals. The Chief Executive of the Child Welfare League of Canada, Peter Dudding, laments the present state of affairs: “We need more information. We need consistent and reliable information. Its real value is that it would allow for more reflection and a more comparative understanding [of what is going on]. We could ask pointed questions about the services we deliver, about what works and what does not. We would produce more successful outcomes.”<sup>18</sup>

### **Section III. The Costs of Aging Out**

Even when viewed from a purely economic perspective, the present system is very costly for the government, and these costs do not end when children age out of care. For the most part, foster children age out at 18 (19 in some provinces), after which financial support is usually suspended. Extended funding is sometimes available, however, such provisions vary across the provinces significantly, both in the amount offered and the conditions for eligibility.

In British Columbia, former foster children can apply for the Agreements with Young Adults (AYA), which grants them \$1,250 a month to help cover housing, tuition, child and health care. Eligibility depends on whether or not the individual is enrolled in school, life skills training or rehabilitation programs. Agreements with Young Adults funding is limited to a time-frame of six consecutive months and maxes out at 48 months in total. It can only be claimed by youth between the ages of 19 and 27, and excludes those who were voluntarily placed into the system or only temporarily granted ward status. Advocates are pushing for it

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<sup>18</sup> <https://globalnews.ca/news/213425/national-data-lacking-on-numbers-services-for-foster-kids-in-canada-6/>

to be expanded to include voluntary and temporary crown wards, though a legislative change has not yet been officially proposed.<sup>19</sup>

In Ontario, former foster children may claim up to \$850 a month between the ages of 18 to 21 under the Continued Care and Support Program. After 21, official financial aid is suspended in favour of the Aftercare Program, which offers potential healthcare coverage, coming with its own set of rules for eligibility. There are several supplemental support systems in place, aiming particularly to keep foster children in school and to facilitate smoother transitions into post-secondary institutions. The Ontario Student Assistance Program (also known as OSAP) is available for college and university students. This can take the form of application fee refunds, tuition grants, bursaries, loans and income tax exemptions. Eligible students can also receive up to \$2,000 per semester during the school year to cover living costs.

According to recent estimates, between 800 to 1,000 kids age out of the foster care system every year in Ontario.<sup>20</sup> If one were to extrapolate from this estimate and assume every foster child met the above requirements and claimed extended financial support, this would amount to upwards of \$3 million in costs to the government every year, for three years per child, compounded as kids continue to age out. This would be in addition to variable tuition grants and income tax exemptions. While this may not seem to be such a burden on Ontario's \$1.5 billion annual budget for child protection, it must be noted that the outcomes for foster children point to an overall cost that is astronomically higher than this estimation. The next section will consider the more realistic financial and social costs of youth aging out of care.

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<sup>19</sup> <http://www.cbc.ca/news/canada/british-columbia/ministry-working-hard-to-increase-support-for-youth-aging-out-of-care-1.4369633>

<sup>20</sup> Kovarikova, pg 5.

## The Hidden Costs

In a briefing published in 2014, The Conference Board of Canada (CBoC), an independent, not-for-profit think tank, found that 60 percent of youth who age out of the foster care system do not go on to graduate from high school.<sup>21</sup> This is the result of an unstable or unpredictable home environment, the potential throughout their childhood to go through a number of re-placements, and an overwhelming likelihood to suffer from mental health issues. Even though the system works hard to ensure that children within it have access to the appropriate services and resources to deal with their day-to-day struggles, it lacks the funds necessary to ensure continued engagement with them once they leave. As such, after they age out they are largely left to their own devices. They must find employment and shelter mostly on their own, and likewise must contend with a number of issues that all young adults face, but without family support. Unsurprisingly, the Canadian Observatory for Homelessness noted in 2017 that former foster children made up approximately 40 percent of homeless youth in Canada.<sup>22</sup>

Poor outcomes for former foster children are confirmed by several other studies. American and British researchers have found that in comparison to their similar age groups, youth in care (particularly those who have prolonged stays in care) fare much worse in academia, with only a handful going on to pursue higher education.<sup>23</sup> In 2012, the Provincial Advocate for Children and Youth in Ontario found that only 44 percent of foster children go on to graduate from high school in comparison to 81 percent of their classmates. The graduation rates are lower for crown wards, and even more so for youth with special needs. Only half of the 44 percent go on to enrol in university, and even less successfully complete their education.<sup>24</sup> A study conducted in 2011 in the United States also found evidence of this

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<sup>21</sup> *Investing in the Future of Canadian Children in Care*, pg. 1.

<sup>22</sup> Nichols, pg. 22.

<sup>23</sup> Kovarikova, pg. 9.

<sup>24</sup> Kovarikova, pg. 14.

trend continuing into adulthood. By age 25, a quarter of American foster children did not have a diploma in comparison to seven percent of their peers.<sup>25</sup> The stark difference in education is alarming, and greatly impacts their prospects of employment, earnings, and overall quality of life years after exiting the system. These factors arguably also contribute to the high rates of homelessness, incarceration, and unplanned parenthood among former foster children.

It may be tempting to ascribe these statistics to personal characteristics, however, this conclusion ought to be resisted. In a 2010, study conducted on youths in Manitoba, Brownell et al. concluded that three risk factors significantly impacted graduation rates: 1) involvement with child welfare services, 2) living in poverty, and 3) having underage parents at the time of birth. Among youths possessing only one of these risk factors, 41 to 57 percent did not go on to graduate from high school, and 84 percent of those possessing two or more dropped out before completing their studies. It is crucial to note that over 80 percent of youth in foster care also come from poverty.<sup>26</sup>

These findings suggest an “intractable cycle of risk and disadvantage with far reaching social and economic implications.”<sup>27</sup> Structural risk factors stack the odds against former foster children exponentially, and one may argue that basing financial aid on eligibility criteria like enrolment in higher education is an extraordinarily limited way to help them achieve better outcomes. Moreover, it is a poor way to study the actual financial impact of post-foster care, given that a significant number of children slip through the cracks and find themselves ineligible or unable to claim these extended benefits in the first place.<sup>28</sup>

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<sup>25</sup> Kovarikova, pg. 10.

<sup>26</sup> Brownell, pg. 12.

<sup>27</sup> Brownell, pg. 4.

<sup>28</sup> Brownell, pg. 7.

## Loss in Earnings and Economic Impact

So, what happens to the “invisible” youth who age out, and how can we account for them meaningfully to better calculate the costs of the welfare system to the government? An investigation of their overall earnings may help us form a more complete picture. The Conference Board of Canada used 2011 census data to estimate earning differentials between former foster children and “an average Canadian cohort of similar size.”<sup>29</sup> They concluded that a foster child will go on to earn approximately \$326,000 less income over his or her lifespan when compared to the average Canadian. If one assumes that 3,000 children age out every year across the country, the total difference in earnings amounts to \$747 million. It must be noted that this is an incredibly conservative and likely inaccurate estimate, as British Columbia and Ontario both reported that 800 kids aged out in 2017,<sup>30</sup> amounting to a total of 1,600 kids across only two provinces. Nevertheless, over a ten-year period this estimate compounds, totalling a difference of almost \$7.5 billion as kids continue to leave state care.

From a taxation perspective this leaves the government at an incredible loss. Lower earnings mean that former foster children pay less in income and consumption taxes in comparison to their peers, in addition to claiming higher benefits from the welfare system over the course of their lives. The CBoC calculated that this costs the Canadian government over \$126,000 in tax revenue and social assistance, per child, per lifetime. It also robs businesses from a wider range of high-skilled employees, and likewise exacerbates the growing labour shortage in Canada.

While it is arguably unfair to hold former foster children and average Canadian youth to the same earning standards, we must consider the best-case scenario to calculate the maximum returns on potential investments. The feasibility of improving things for foster

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<sup>29</sup> *Investing in the Future of Canadian Children in Care*, pg. 11.

<sup>30</sup> <https://www2.gov.bc.ca/gov/content/family-social-supports/youth-and-family-services/teens-in-foster-care/aging-out-of-care>

children to this extent is out of the scope of the CBoC study (and also of this paper), though it clearly points to the economic costs of total inaction. Investing in the future of foster children would benefit the Canadian economy from a macroeconomic standpoint, in terms of tangible long-term gains in overall productivity, labour availability, and production output.

This is firmly corroborated by economic theory and scholarship. James J. Heckman, a professor of economics at the University of Chicago and a Nobel Laureate in the science of human development, states this plainly: “Adverse early environments create deficits in the skills and abilities [of youth] that drive down productivity and increase social costs—thereby adding to financial deficits borne by the public. Investing in the prospects of at-risk children is a cost-effective strategy for reducing social costs and promoting economic growth. The greater the investment the greater the return in welfare, health and future productivity.”<sup>31</sup>

According to the CBoC, increased investment in the education and health of foster children would allow the government to save approximately \$65.5 million in welfare payments while avoiding losses of up to \$223 million in taxation revenue. Ultimately, this means that the government can afford to invest up to \$126,000 per child and still generate a positive return on their investments. Even small improvements in graduation rates will have wide reaching and long-term socio-economic benefits.

#### **Section IV. Possible Solutions**

So, what can be done? The CBoC study recommends coordination and cooperation across all levels of government in order to systematize the currently fragmented child welfare system and encourages them to invest heavily in education and mental health services for infants and youth in order to generate better outcomes. It also calls on businesses to set up initiatives and take a leading role in the integration of former foster children into the labour market.

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<sup>31</sup> Heckman, pg. 2.

While these are excellent suggestions, one could argue that more drastic changes also need to be implemented. Heckman notes in his work that the earlier children can reside in a stable and safe environment, the greater the returns on the investments in their education. This implies that solutions must be formulated not only to better serve youth that have aged out, but also those that are currently in state care. Addressing the stagnation of adoption rates and the dwindling numbers of foster families would be a good place to start. Further, as mentioned in the above section on lack of data, a centralized database is critical to measuring the efficacy of this and all future proposals. There is significant evidence in macroeconomic theory to support increased investment, and tracking investment returns with accurate data will undoubtedly be a valuable tool for further policy amendments.

### **Proposed Improvements in Data Collection and Related Criticisms**

In 2016, Aleem Punja launched the Child Protection Information Network (CPIN) in Ontario. In partnership with the Ministry of Children and Youth Services, the CPIN aims to centralize certain data collection, allowing Ontario CAS practitioners to compile and share information pertaining to their case files. Punja hopes that such a network will allow for more consistency and compliance across practices, giving the provincial government more oversight with regards to the performance of its child protection system. This five-year project is a tremendous undertaking. This new network is currently in use across 20 of the 48 Children's Aid Societies across Ontario, and 2020 is the projected year by which the CPIN will be deployed in all CASs in the province.<sup>32</sup>

Concerns have been raised regarding CPIN, however, particularly with regards to its fundamental goals. As previously argued, one of the most pressing problems undermining the current foster care system is how poorly former foster children fare once they age out. The lack of information available regarding their welfare after they leave state care is extremely

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<sup>32</sup> <http://www.oacas.org/2016/04/cpin-ready-to-launch-at-five-more-childrens-aid-societies/>

troubling, and, as already noted, contributes greatly to the massive hidden costs incurred by the government. In its current form, however, CPIN seeks only to track certain performance and compliance indicators while a child is *in* care. It does nothing to fill the glaring gap of data about the well-being of former foster children. Therefore, it likewise does not address the mounting costs of providing additional welfare benefits to former foster children who seem to leave care without the resources necessary to ensure their future health and happiness.

Agency compliance with Ministry standards is important to ensure standardized services across the provinces, however, it is unclear whether these standards are empirically linked to better youth outcomes after care. Further, CPIN has also been criticised for increasing red tape and complicating the bureaucratic process involved with state child care, thus, increasing per capita costs and cutting into face-to-face time with clients. Steven Dick, the President of Local 258 of the Ontario Public Service Employees Union (OPSEU), has noted: “The child protection sector has a history of workload and funding issues that affect our ability to work with kids and families. The Child Protection Information Network is just another example that has brought more difficulties. In the end we are spending more time on administrative stuff and less on direct service to children and families that need our support. These issues need to be fixed immediately so that vulnerable children are not short-changed in the process.”<sup>33</sup>

The economic picture is not much brighter. Since the CPIN went live in 2016, the Family and Children’s services of Waterloo has experienced a budget deficit of almost \$2.3 million, \$2 million of which is related to CPIN.<sup>34</sup> There are similar problems across the provinces; while the initial budget for the project was \$122 million, it has already cost the Ontario government around \$200 million. These costs are expected to rise as more CASs

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<sup>33</sup> <https://opseu.org/news/fix-and-fund-child-protection-information-network-childrens-aid-staff-say>

<sup>34</sup> <https://opseu.org/news/fix-and-fund-child-protection-information-network-childrens-aid-staff-say>

begin using the network. The additional costs incurred by the possibility of declining quality of care are impossible to measure.

It is evident that there is still a long way to go until the CPIN lives up to its promises. However, even if the program operates as designed, it still does not track youth life outcomes. This means that its measures are unconnected to reality. For example, does agency compliance with a 30-day report ensure more children are graduating from school? If the goal is to improve the lives of children raised in the system, different parameters might need to be measured and recorded. Greater compliance with Ministry standards and procedures is likely correlated with increased child safety, but this does not mean the same variables ensure youth opportunity and achievement after care. As such, investing directly in projects that promise improved administrative performance may not pay off in terms of youth welfare. And from a purely economic perspective, it may not pay off at all.

Privacy is another major CPIN problem. Former Ontario crown ward and a researcher at Harvard University, Yuan Stevens, has warned that while databases may streamline information collection and increase efficiency, it may also bring with it the “possibility for seemingly unfettered access” to the private and sensitive information of youth in (and out of) care.<sup>35</sup> This is a valid concern, as there is no auditing system currently in place within the CPIN to track inappropriate access to files. Presently, unauthorized access to sensitive client information is only recorded if the file is updated and saved. All other searches and views go unrecorded. This software greatly increases the ease with which files can be searched across jurisdictions, which is useful when children in care move between cities. However, client files remain searchable for the rest of their lives with no checks and balances if unauthorized access occurs. Contrarily, records of juvenile offenders are scrubbed and sealed after a defined access period. Jane Kovarikova, the founder of the Child Welfare Political Action

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<sup>35</sup> <https://www.thestar.com/news/queenspark/2017/07/15/ontarios-childrens-aid-societies-grappling-with-how-to-monitor-privacy-breaches.html>

Committee Canada, and a former crown ward herself, has noted that this is an egregious violation of every single former foster child's human right to privacy.<sup>36</sup>

At present, there is no fixed retention period regarding the personal information of youth that have left the system, and information protection functions on a combination of provincial regulations and an honour code in place for CAS practitioners. Stevens has advised that the personal information (which includes medical, criminal and legal records) of youth in care need to be protected explicitly by appropriate legislation and security measures, and that they need to be told in a “no-nonsense way” who has had access to their data and when. Indeed, if the Canadian government hopes to centralize its data collection, data security and confidentiality concerns absolutely have to be addressed first, and consent has to be key in the retention of such information.

### **Increasing the Likelihood of Healthy Attachments and Adoption Rates**

As argued in the section on aging out, by pure numbers alone there also appears to be a significant monetary incentive for trying to ensure that foster children get placed with adoptive families. There are a number of studies and initiatives implemented by other countries that have addressed the needs of children in foster care, including funding incentives for the employment of children who have aged out and adoption placement targets.<sup>37</sup> Facilitating adoption in particular seems to be vital, as an equal focus should be placed not only on the monetary earnings or the loss of tax revenue from these children, but also on their wellbeing in childhood and beyond.

It follows that the low rates of adoption placements across Canada must be addressed, with an eye towards incentivising more families to adopt. To be able to accurately gauge current interest, supplemental information should ideally be collected regarding the number

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<sup>36</sup> <https://www.thestar.com/opinion/2018/07/07/protect-privacy-of-foster-children.html>

<sup>37</sup> *Investing in the Future of Canadian Children in Care*, pg. 16.

of awaiting and adopt-ready parents expecting children to be placed in their care. Further statistics will also be helpful, specifically the number of adoption breakdowns, and the underlying reasons why such terminations occur.

In the absence of such data, however, researchers at Western University (in partnership with A4L: Ontario's Adoptive Parents Association) are currently conducting a survey to study the EI benefits system in Canada. The aim is to determine whether the current system is sufficient to meet the needs of adoptive parents and their families (<https://timetoattach.com>). Presently, adoptive parents are entitled to receive 35 weeks of EI parental benefits for child care purposes (to be used by one parent or shared), while biological mothers or birth parents are entitled to an extra 15 weeks of maternity leave to recuperate from childbirth. This gives biological families a total of 50 weeks of parental leave, while adoptive families only receive 35. Despite the troubling figures that have already been discussed, there is no optional extension in place to account for the unique needs of adoptive families.

The exact nature and/or justifications of these needs are beyond the scope of this paper. However, there is evidence to suggest that adoptive families face distinct challenges. A4L outlines some of these issues as below:

- Extra time needed to form a healthy attachment to one's adopted child, and for the child to likewise bond with his or her adoptive parents;
- Establishing openness relationships with the birth parents of their adoptive child;
- Contending with expected or unexpected health problems of the child (especially those with special needs)
- Post adoption depression;
- Aiding the child to adapt to a new culture and/or environment;
- Time to travel, especially for those adopting internationally.

Unfortunately, it appears that the Canadian government is currently giving precedence at the federal level to the needs of biological parents over adoptive ones. If indeed it can be reasonably argued through the outcome of this research that an increase in parental leave for adoptive families (and kin and customary care parents) will have a positive impact on the rate of adoptions and increase the likelihood of healthy attachments between adoptive parents and their children, surely such policies must be also be prioritized. An increase in successful adoptions of this kind, as we have already seen, will also cut down on the costs of care currently incurred by the government.

According to the present projected budget of the Time To Attach project, extending benefits for adoptive parents by 17 weeks will cost the government approximately \$30 million a year. When compared to the loss in welfare and tax revenue for children who age out of care, this projected cost is incredibly small. As such, from an economic perspective, the Canadian government reasonably could—and indeed *should*—consider extending EI parental benefits for adoptive parents in order to increase adoption rates, with an eye towards facilitating the formation of healthy, long-term attachments between adoptive parents and adoptive children. This suggestion is in line both with the overall conclusions of the CBoC and Heckman’s work on early childhood welfare.

## **Section V. Conclusion**

The true extent of the foster care crisis is still relatively obfuscated due to the lack of quantitative information available. This problem is deeply structural and impacts our knowledge with regards to the needs of the youth within the system, those who age out, and more broadly, all children who come in contact with the state through CASs. It is exceedingly difficult to accurately measure the exact impact the current policies and practices have on foster children, and likewise difficult to predict future outcomes. However, there is enough supporting evidence to suggest that the absence of youth outcome-oriented oversight across

all provinces, and the lack of targeted investments into the future of foster children leaves the Canadian government at a net loss. If indeed the Canadian government wishes to put the needs of children first, economic analysis suggests that they should invest in a centralized (though codified and secure) database, consider extending EI benefits for adoptive parents, and also address the pressing concerns of foster parents as soon as possible.

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