

Increasing Adoption and Reducing the Number of Children in Foster Care in the U.S. and Abroad



By Lorenda A. Naylor

Introduction

November is National Adoption Month. It is a time Americans celebrate adoptive families across the country. According to Barack Obama in his [Presidential Proclamation of National Adoption Month, 2013](#) “[e]very young person deserves the chance to learn and grow under the care of a loving family. Across our Nation, adoptive families give that chance to over a million children and teenagers...We celebrate these families and stand alongside every child still looking for the warmth and stability of a permanent home.” There are two types of adoptions available to citizens: international and domestic. An overview of the two types is discussed below and is followed by a discussion of two recent federal public policies intended to increase the number of adoptions: the Adoption Tax Credit of 2012 and the Intercountry Adoption Universal Accreditation Act of 2012.

International Adoptions

Americans can adopt either internationally or domestically. According to the U.S. State Department, from 1999 to 2012 Americans have adopted approximately 242,602 international children. The majority of these children were female and under age 2. Recent trends show international adoptions by Americans have decreased substantially over the past eight years. International adoptions peaked in 2004 with approximately 23,000 adoptions to a low of roughly 8,700 in 2012; reflecting a 60 percent decrease. The top countries Americans adopt from over the past 5 years include China, Ethiopia, Russia, South Korea and Ukraine.

The decrease in international adoptions is the result of several factors that affect adoptive agencies and adoptive parents. In regards to adoptive agencies, the most significant factor is the [Hague Adoption Convention](#). Enforced in April 2008, this international agreement requires increased regulations and standards for adoptive agencies to prevent child trafficking. In sum, the Hague Convention reduced the number of children available for adoption.

In regards to adoptive parents, such factors include long waits (2-5 years), increasing financial costs, multiple country visits, heightened scrutiny of adoptive families and extensive paperwork and documentation. The U.S. requires adoptive parents to undergo fingerprinting, criminal checks and medical reports. In addition, each specific country has its own requirements for adoptive parents that can include marital status, age, income, sexual orientation and number of children in the family home. Some countries have rigid requirements. For example South Korea imposes a body mass index of 30 or less and no prior history of mental illness (including depression or use of psychotropic drugs) for married couples. These requirements often make it difficult for Americans to meet country specific adoption criteria. As a result, families seek to adopt domestically.

Domestic Adoption

The second option is domestic adoption, which includes private, non-profit and foster care. This section focuses on adoption in the public foster care system. According to the U.S. Department of Health and Human Services, Administration for Children and Families, approximately 50,000 foster care children are adopted each year. In regards to trends, the number of children in the US foster care system has decreased steadily over the past decade. Based on data from the U.S. Department of Health and Human Services’ [“Trends in Foster Care and Adoption: FY 2002-2012 Report,”](#) from FY 2002 to 2012 the number of children in foster care decreased from 524,000 in FY 2002 to 400,000 in FY 2012, representing a 24 percent decrease.



Over 1 million families have adopted foster children, but a large number of children remain in the foster care system. As Obama stated in his **Presidential Proclamation of National Adoption Month**, “nearly 400,000 American children are in foster care [today], and each year, thousands age out of care without the security that comes from a permanent family or a place to call home.” Additional policy interventions are needed to find permanent homes for our remaining children.

The foster care system makes a solid attempt to help abused or neglected children. However, it is an imperfect system. Children who grow up in foster care (compared to non-foster care) have poorer outcomes and are an academically at-risk population. They are more likely to score lower on tests, be placed in special education, repeat grades and drop out of high school. These outcomes are alarming given that academic performance is linked with adult employment and socioeconomic status. Foster children who do not find stable families and permanent homes are more likely to commit crimes and be incarcerated. As such, the consequences for children who age out of the foster care system can be long-term and severe.

Public Policy



To prevent these negative outcomes and find permanent homes for children, Congress recently passed two pieces of legislation: the 2013 Adoption Tax Credit and the Intercountry Adoption Universal Accreditation Act. The **2013 Adoption Tax Credit** is a provision in the American Taxpayer Relief Act of 2012 (**Public Law 112-240**). It permanently extends the tax credit to adoptive families. The tax credit varies by year depending on when the adoption was finalized. It provides \$12,970 tax credit for 2013 and \$13,170 for 2014. The credit is non refundable. As such, it benefits adoptive families who have federal tax liability.

However, since 2003 adoptive families with a special needs child from foster care that receive Title IV-E Adoption Assistance Subsidy automatically qualify for the adoptive tax credit even if they have no adoption expenses. For example, an adoptive family who finalized a special needs adoption (foster care) in 2013 will receive \$12,970 credit even if no adoption expenses were incurred during the tax fiscal year. The definition of ‘special needs’ varies by state, but generally includes one of the following factors:

- Older age.
- Sibling group membership.
- Racial or ethnic background.
- Disability or risk of disability.

This legislative policy incentivizes families to adopt foster care children. Families who adopt privately or internationally can utilize the adoption tax credit as well, but there are limits. For example, these families must document adoption expenses. The tax credit phases out if the adoptive family earns more than \$189,710 in modified adjusted gross income for 2011 and is eliminated for families that have a modified gross income of \$229,710.

The second public policy is the **Intercountry Adoption Universal Accreditation Act of 2012 (Public Law 112-276)** (UAA). The purpose of the UAA is to ensure that all international adoption agencies operating in the United States are held accountable to federal standards of practice, which are based on the **Hague Adoption Convention** standards. Previously, adoption agencies were held accountable to state laws and regulations, which varied greatly across the country. Moreover, state laws were problematic because they did not apply to adoption agency activities outside the U.S. This made it difficult for state licensing agencies to investigate complaints against adoption agencies. As a result of the UAA, all international adoption agencies must comport with federal regulations and standards. In sum, it puts safeguards in place to protect adoptive families against unethical agencies.

The passage of these laws is critical to the promotion of domestic and international adoption. Financial incentives are provided to families by offsetting the cost of adoption and safeguards are in place to protect families against corrupt agencies. One of the greatest contributions citizens can make to their community and country is to adopt a child. As we enter the holiday season and search for ways to make a difference in our communities you might consider opening your heart and home to a child who needs a stable, permanent family.

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