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Does placing children in foster care increase their adult criminality?



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HIGHLIGHTS

- We evaluate the association between foster care during childhood and adult criminality.
- · We allow associations to vary by gender and age at initial placement.
- Foster care predicts higher adult criminality for males first placed between ages 13–18.
- We find no significant association for boys who were placed in foster care before age 13.
- We find no significant association for girls placed in foster care.

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ABSTRACT

We evaluate the association between foster care placement during childhood and adult criminality. In contrast to previous studies, we allow associations to vary by gender and age at initial placement. We find that foster care predicts higher adult criminality for males first placed during adolescence (ages 13–18). We find no significant association for boys who were placed in foster care before age 13 and no significant association on the adult criminality of girls. These null findings stand in stark contrast to the poor outcomes reported in earlier work concerning the long-run effects of foster care.

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1. Introduction

Research concerning child welfare, child development and early investments in human capital formation has been in the spotlight among labor economists in recent years (see, e.g., Currie, 2009; Cunha et al., 2010; Almond and Currie, 2011). Current research addresses both the positive question of how to promote efficient investments in

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human capital (broadly defined) and the normative issue of equality of opportunity. Our paper speaks to the branch of this literature that is concerned with the effects of publicly provided child welfare programs aimed at those perceived as most in need of assistance.

Children and adolescents who become involved in such programs are often burdened by a number of risks that elevate their vulnerability to behavioral and developmental problems. They may have experienced chronic poverty, dysfunctional and disrupted family situations, abuse and neglect. The problems that these children face are known to predispose them to juvenile conduct problems and delinquency that, if not remediated, may persist into adulthood and may also interfere with an efficient accumulation of productive human capital (Loeber and Stouthamer-Loeber, 1986; Widom, 1989; Cunha et al., 2010). Such children present substantial challenges to child welfare providers. These challenges warrant continued development of policy responses to the complex treatment needs of children in the public child welfare system and thorough evaluations of existing services (Nisenbaum, 2013).

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The foster care program studied in this paper is one such policy. Foster care is, perhaps, one of the most far-reaching interventions targeted at children who are abused or neglected by their parents or at adolescents engaged in serious anti-social behavior. The use of this type of care has increased dramatically in many Western countries during the past few decades. In the United States, for example, foster care caseloads more than doubled (from 276,000 to 568,000) between 1985 and 1999 (Swann and Sylvester, 2006). In 2006, an estimated 3.6 million American children came in contact with Child Protective Services; more than 300,000 entered out-of-home care, and approximately 510,000 were in out-of-home care (Berger et al., 2009). In Sweden, foster care caseloads went up from 14,000 in 1980 to 29,600 in 2012 (Statistics Sweden, 1982; Socialstyrelsen, 2013). Today, 2.6% of all adolescents in Sweden aged 13 to 17 and 0.6% of all children in Sweden aged 1 to 12 have spent some time in some form of government care (Socialstyrelsen, 2013).²

Unfortunately, the empirical policy evaluation literature has not kept pace with this development and in many instances does not provide us with credible empirical evidence concerning the impact of placement in foster care on children's wellbeing and future outcomes. The main challenge faced by researchers is to find a credible comparison group given that foster care is associated with a large number of baseline risks (Berger et al., 2009). To date, few studies have been able to credibly identify a comparison group that at baseline is equally likely to be removed from their families (but are not) as those who are actually removed. Important exceptions include studies by Doyle (2007, 2008), Berger et al. (2009) and Warburton et al. (2014). But more evidence is needed in order to understand which of the two competing goods should receive priority when making policy; child protection or family preservation. Also, researchers need to focus more attention on the potentially heterogeneous responses to placement in out-of-home care, since studies on bereavement and parental separation show differential results for men and women as well as for other subgroups (Appel et al., 2013).

This paper evaluates the association between foster care and adult criminality by comparing children who were placed in foster care after an investigation by the child welfare committee to children who underwent and investigation during the same time period but were not removed from their families. Differences in this association across subgroups of children using data from the Stockholm Birth Cohort Study (SBC) are explored. The SBC data include information on all individuals born in 1953 who were residing in the greater Stockholm metropolitan area in 1963. The SBC contains a rich set of variables concerning individual, family, social and neighborhood characteristics for more than 15,000 individuals. Furthermore, the case files kept by the local social welfare authorities and child welfare committees for each cohort member were manually coded and that information is included in the SBC data. Thus, all cohort members who came in contact with the child welfare committees are identified and much of the information concerning their cases is known. Administrative crime records from the official police registry are also linked to the SBC data.

We find that men who were placed in foster care as children are 10 percentage points (23%) more likely to be convicted of a crime as adults than their investigated but never-placed counterparts. For females the point estimates are not statistically different from zero. Our subsample regressions clearly show that it is boys who are placed in foster care during adolescence (ages 13–18) that account for the association between placement in foster care and adult criminality. For this subgroup, the

placed children are on average 25 percentage points (55%) more likely to commit at least one crime as an adult.

To assess the degree to which this strong association might reflect a causal effect, we explore the potential role of selection on unobservable heterogeneity by running the sensitivity analysis proposed by Altonji et al. (2005). This analysis enables us to present a range of point estimates that may be viewed as bounds on the true casual effect, albeit under a set of very specific maintained assumptions. For example, if we assume that selection on unobservables is just as large as that on observables, an estimate of the causal effect of foster care on crime for this subgroup can be bounded between 0.17 (38%) and 0.25 (55%).

In contrast to our results for adolescent boys, we find a null relationship for boys placed at earlier ages and for girls placed at any age, which is good news given the generally poor outcomes one reads about in the literature on foster care. However, our estimates for these smaller subgroups are quite imprecise. So we cannot rule out modest sized effects.

When analyzing subgroups by type of allegation leading to removal investigation, we find a large and statistically significant positive association for adolescent boys investigated due to *own* anti-social behavior, whereas those adolescent boys placed due to parental behavior had substantially *lower* likelihoods of being convicted of crime as compared to their investigated, but not removed, counterparts.

Many of the existing evaluations of placing children in foster care have looked at effects on juvenile delinquency or adult criminality (Vinnerljung et al., 2006; Doyle, 2007, 2008; Vinnerljung and Sallnäs, 2008; Frederiksen, 2012; Warburton et al., 2014). This choice of outcome variable is motivated by the fact that out-of-home care is especially common among children with high risks for future criminal activity. In the United States, roughly 20% of the prison population under age 30, and 25% of all prisoners with prior convictions, spent part of their youth in foster care (Doyle, 2007). For Canada, Warburton et al. (2014) report that the average incarceration rate (at age 19) is more than twice as high for those placed in foster care than for those who were not placed in foster care. For Sweden, Vinnerljung et al. (2006) and Vinnerljung and Sallnäs (2008) report that children placed in outof-home care were more likely to be convicted of at least one crime between the ages of 21 and 25 than comparable groups that had not been placed in care and in comparison to the population as a whole.

Doyle (2008) presents the perhaps most convincing causal estimates on foster care and crime in a study on the effects of placing abused or neglected children aged 5–15 in foster care in the United States (Illinois) on adult arrests (until age 31). Capitalizing on the random assignment of case workers (investigators) to families, and their idiosyncratic propensities to make removal recommendations, he constructs an investigator fixed effect (similar to Kling's (2006) judge fixed effect), which is used as an instrumental variable for placement in foster care. This instrumental variable technique allows him to estimate the treatment effect for the children at the margin of being removed from their rearing families and to place a causal interpretation to the obtained estimate, i.e., the marginal treatment effect (MTE). He finds that foster care placement increased the arrest rate of the marginal child by 200-300%. He also describes the type of children that were on the margin of placement in order to say something about what types of cases these results are most likely to apply to. These cases involve African Americans, girls and young adolescents. Warburton et al. (2014) find mixed results for Canada; when estimating MTEs using a similar method to Doyle's case investigator fixed effect, they find that foster care placement of adolescents aged 16–18 reduces the rate of incarceration, while the opposite is found when using an across-the-board policy change in the child apprehension rate as an instrument for the propensity to be removed.

Our empirical strategy does not make use of exogenous variation in the placement decision and thus does not lend itself to estimating the type of marginal treatment effects that Doyle (2007, 2008) and Warburton et al. (2014) are able to identify. Instead, we are confined to conditional means comparison of adult convictions between children who were placed in foster care and the children who underwent an

² It is unclear to what extent these trends symptomize underlying changes in child welfare as opposed to changes in child welfare policy. One prominent study finds that increases in female incarcerations and reductions in cash welfare benefits played a dominant role in explaining the expansion of the fostering policy in the U.S. during 1985–2000 (Swann and Sylvester, 2006). Paxson and Waldfogel (2002, 2003) arrive to similar results, i.e., that reduced welfare benefits increase the number of children in foster care.

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