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Economic impact of CarePortal donations in Glynn County, Georgia

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ABSTRACT

CarePortal allows community members to partner with the Division of Family and Child Services and make donations intended to prevent children from entering foster care or support current foster/kinship placements. This paper builds on the existing literature to estimate the average, per-child economic impact of preventing a child's entering care (\$83,270.54) and the economic impact of one dollar donated to strengthen an existing foster placement (\$2.20). These estimates were used to evaluate the economic impact of all CarePortal donations in Glynn County, Georgia, in FY2021, a total of \$5,704,451.92, impacting 97 children and helping strengthen 19 foster/kinship homes.

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Foster care; kinship care; child welfare; economic impact; mutual aid

Introduction to CarePortal


CarePortal is a digital platform developed in 2015 by The Global Orphan Project to connect churches and individuals with families in need in their communities. These could be families currently in the child welfare system (foster or kinship families) or families whose children are at risk of entering foster care. When a caseworker is able to identify a family's financial or physical need, they create a CarePortal request that is then blasted to an e-mail list of individuals and organizations who, in turn, may respond to help meet the need (The Global Orphan Project, 2021).


CarePortal serves as an example of a type of mutual aid system in the community. In practice, mutual aid allows people in a community to use material resources to reduce harm or increase security for those who are marginalized in the community. Garcia and Godsoe (2022) explain that unlike charity, mutual aid systems are not uni-directional (e.g. from the rich to the poor) but rather a communally-led relationship among equals. As such, mutual aid aims to proactively solve problems through collective action. Indeed, CarePortal in Glynn County, Georgia is an aid system that is powered by the collective action of individuals and churches who wish to serve the needs of children and families (Hope 1312 Collective, n.d.). Mutual aid is

documented in the literature as a mechanism for reducing foster care placement, particularly in Black and tribal communities (Briggs, 2021).

In Glynn County, Georgia, CarePortal is administered by the nonprofit organization Hope 1312 Collective (Hope 1312 Co). Hope 1312 Co makes the platform available to Glynn County Division of Family and Children Services (DFCS) and recruits other organizations and individuals to join the CarePortal e-mail list through which needs are matched with donors. Figure 1 shows an example of an e-mail that was sent through CarePortal, giving donors the opportunity to respond to meet a need in Glynn County. Requests range from car seats, beds, and clothing to school supplies to help purchasing groceries or paying a utility bill (Hope 1312 Collective, n.d.).

For this report, Hope 1312 Co made available a database of all CarePortal requests along with the dollar value of goods or services donated to meet each request (CarePortal Requests, 2022). Each request also is assigned to one of two categories: prevention or foster care. A caseworker marks a request as a prevention request if fulfillment of that request is likely to prevent a child or children entering into foster care. A foster care request is one that will help to strengthen a current foster care placement, which could be either a kinship (with friends or family) or a non-kinship (with strangers) placement.



Needed within 24 hrs

Critical Request 


Help Strengthen a Bio Family

Father is currently caring for his two year old child. Father is in need of a car seat for his child as well as winter clothing for his child. Gift cards could assist with purchasing clothing. Any assistance would be appreciated.


Request: #79673 **Children Served:** 1 **Adults Served:** 0 **Tier 1:** Physical Needs
Agency: GA- DHS **Location:** Brunswick, GA, 31520 **County:** Glynn



Needs (Estimated value: \$280)



Toddler/Convertible Car Seat for a Boy 1 out of 1 items still needed



Clothes for a Child/Children (see description for details) 1 out of 1 items still needed

YES, I CAN HELP!

pray.serve.give

Church Leader Actions

ACTIVATE MY TEAM

CHURCH TO CHURCH

Figure 1. Contents of an example CarePortal request e-mail.

While CarePortal tracks the dollar value of donations and the number of children impacted by each donation, the system does not include a calculation of the greater economic impact of donations through the platform. This report will provide that calculation for CarePortal donations in Glynn County, Georgia, and serve as a framework for calculating the economic impact of CarePortal donations nationwide. This analysis was done by first calculating the negative economic impact of the situations CarePortal is intended to thwart, and finds that a CarePortal donation has a positive impact equal to the absolute value of the negative outcome the donation prevents.

Economic impact of a child entering foster care in Georgia

For CarePortal donations that have the effect of preventing a child from coming into the foster care system, the economic impact is far greater than the dollar amount of the donation. This follows from the fact that there is a great economic cost to families and to society associated with a child entering foster care.

Once a child enters foster care, the average amount of time spent in care is 1–2 years (U.S. Department of Health and Human Services Children’s Bureau, 2021). During that time, taxpayers bear the cost of providing the child’s living expenses, childcare expenses, and medical expenses. In addition, the trauma associated with entering foster care and navigating the social and emotional complexities of being in care can have impacts on the child that last into adulthood and extend even to their children. These lasting impacts result in costs to the individual and their family in terms of decreased physical, social, and emotional wellbeing and to society in terms of government assistance (food stamps, cash transfers, Medicaid, etc.) and lost productivity in the labor market (Miller, Fisher, & Cohen, 2001).

A 2019 report by the nonprofit organization Alia calculates the total cost to individuals, the government, and society of a child spending one year in foster care as a negative social return on investment (SROI) of \$3.64 for every \$1 spent on the child while they are in care (Nielsen, Roman, & Ecotone Analytics, 2019). Their estimate accounts for government investments during foster care – foster parent payments, case management costs, medical, and court expenses – compared with costs to the individual, the government, and society of negative economic, healthcare, and social outcomes after foster care. [Table 1](#) provides a list of government investments during foster care and post-care costs that are included in Nielsen, Roman, and Ecotone Analytics (2019) SROI estimate.

To calculate the impact of a CarePortal donation that prevents a child from coming into foster care in Georgia, the SROI is multiplied by the average total cost to the state of serving one child in Georgia’s foster care system.

The Georgia Division of Family and Children Services (DFCS) spent \$378,697,959 on out-of-home care in FY2021 (Georgia Department of

Table 1. Investments and future costs included in Nielsen, Roman, and Ecotone Analytics (2019) estimate of social return on investment in foster care.

State Investments During Foster Care	Costs of Negative Outcomes After Foster Care	
	Cost	Borne by
Payments to Foster Family Case Management & Overhead Medical Courts	Earnings: Reduced future earnings to child	Individual
	Earnings: Lost income tax revenue	Government (Taxpayers)
	Decrease in quality of life	Individual
	Substance abuse: Patient spending on treatment	Individual
	Substance abuse: Medicaid hospital treatment cost	Government (Taxpayers)
	Crime: Cost of arrest + incarceration	Government (Taxpayers)
	Crime: Victimization cost	Society (Victims of Crime)
	Welfare Payments: Food stamps and cash assistance	Government (Taxpayers)
	Average medical and mental: Out of pocket treatment expense	Individual
	Average medical and mental: Medicaid services	Government (Taxpayers)
	Teen pregnancy/Births: Raising child for 1st year	Individual
	Teen pregnancy/Births: Medicaid hospital expenditure	Government (Taxpayers)

Human Services, 2021b, p. 34). In that same year 16,554 youth were served in foster care in Georgia (Georgia Department of Human Services, 2021a).¹ Thus, the average total cost of serving one child in foster care in FY 2021 was

$$ATC = \frac{\$378,697,959}{16,554} = \$22,876.52. \quad (1)$$

Multiplying by the SROI gives an estimate for the average economic impact of serving one child in foster care in Georgia in FY 2021 under the assumption that the child spends around 1 year in care.

$$\text{Estimated Impact} = \$22,876.52 \times -3.64 = -\$83,270.54 \text{ per child} \quad (2)$$

Economic impact of a disrupted foster placement

The negative economic impact of long-term foster care is greater when kinship or foster placements are disrupted and a child must be moved from one out-of-home placement to another (Nielsen, Roman, & Ecotone Analytics, 2019). This is in large part due to the lasting consequences for the child associated with the upheaval. Among these children, placement instability has been linked to negative qualitative, developmental outcomes (Harden, 2004). Quantifying the impact is a bit tricky and has not been formalized in the literature.

An estimate of the economic impact of a disrupted foster placement can be obtained through shadow pricing – asking what taxpayers are willing to pay to

avoid placement disruption. Georgia does not offer a financial incentive for placement stability, but in the District of Columbia, foster homes receive a bonus of \$1100 if they maintain a single placement for a 12-month period (Donald, 2019). Lawmakers there must have determined that the negative impact to society of a disrupted foster placement is at least \$1100, since they are willing to pay this amount to encourage placement stability. D.C. is the only municipality found to offer such an incentive. Thus, although the impact of a disrupted placement may differ somewhat among localities, it is necessary for this analysis to assume the impact in Georgia is similar to that of D.C. and estimate the impact of a disrupted placement in Georgia accordingly.

$$\text{Estimated Impact} = -\$1100 \text{ per disruption} \quad (3)$$

CarePortal impact, Glynn County, Georgia FY 2021

CarePortal donations have a positive economic impact insofar as they contribute to avoiding the negative impacts of a child's entering foster care or of a disrupted foster placement. A caseworker sends a request in the *Prevention* category if fulfillment of that request is intended to prevent the child(ren) from coming into foster care. Thus, the total economic impact of a *Prevention* donation is the product of the number of children served and the absolute value of the estimated impact if those children had entered foster care in Georgia (see Equation 2).

$$\text{Prevention Multiplier} = \$83,270.54 \text{ per child} \quad (4)$$

A request is marked *Foster Care* if a donation will help to strengthen or maintain an existing foster care placement. Duncan and Argys (2007) find that increasing financial compensation to foster homes is an effective way to improve placement stability; a \$100 increase results in a 20% decrease in number of disrupted placements. This is about a 0.2% decrease in probability of disruption for every dollar given to support a current placement. Therefore, the expected economic impact of a donation to a current foster placement is calculated as the absolute value of the estimated impact of a placement disruption (see Equation 3) multiplied by the probability that a donation to a placement will prevent such a disruption.

$$\text{Foster Care Multiplier} = \$1100 \times 0.002 = \$2.20 \text{ per donated dollar} \quad (5)$$

Table 2 provides a summary of all CarePortal donations in Glynn County, Georgia, for FY 2021 (July 1, 2020 – June 30, 2021) and the economic impact of those donations, by category (CarePortal Requests, 2022).

According to caseworkers' categorization of requests, CarePortal donations in Glynn County prevented 68 children from entering foster care in FY 2021.

Table 2. CarePortal donations, Glynn County, Georgia, FY 2021.

Donation Category	Individual Donations	Children Impacted	Total Value of Donations	Multiplier	Economic Impact
Prevention	34	68	\$12,942	\$83,27.54 per child	\$5,662,396.72
Foster Care	19	42	\$19,116	\$2.20 per dollar	\$42,055.20
Total	53	110	\$32,058	-	\$5,704,451.92

The value of goods and services donated toward *Prevention* requests was \$83,270.54, and the estimated total economic impact of those donations is \$5,662,396.72.

CarePortal donations in Glynn County helped to strengthen or maintain 19 foster homes, serving a total of 42 children in foster care, in FY 2021. The value of goods and services donated toward *Foster Care* requests was \$19,116, and the estimated total economic impact of those donations is \$42,055.20.

Altogether, CarePortal donations in Glynn County impacted 110 children in FY 2021. The total value of goods and services donated was \$32,058, and the total estimated economic impact of CarePortal donations in Glynn County in FY 2021 is \$5,704,451.92.

The [appendix](#) offers a similar analysis for the 2021 calendar year.

Limitations and conclusion

Anecdotally, organizations working in child welfare in Glynn County and elsewhere in Georgia have seen positive outcomes associated with use of CarePortal. This report provides a framework for quantifying that impact beyond the value of goods and services donated.

A limitation of the data is that CarePortal is unable to track whether a donation intended to prevent a move into foster care or among foster homes actually achieves that goal. To the extent that the donations do not serve their intended purpose, the calculated economic impact of donations could be overstated. However, it is perhaps more likely that the calculations in this report are a lower bound on the impact of CarePortal donations for a couple of reasons:

- (1) **Length of time in care.** The calculation of economic impact of a child entering care in Georgia assumes that the child only stays in care for about one year. In fact, at the end of FY 2021 in Georgia, 64% of children in foster care had been in care for more than one year, and 40% had been in care for more than two years. In Glynn County, 81% had been in care for more than one year and 65% for more than two years (Georgia Department of Human Services, 2021a). Neilsen, et al. (2019) show that the SROI for one dollar spent on foster care becomes substantially more

negative with the length of time in care, due to causes such as continued or new traumatic experiences, placement changes, overextended state resources, and state staffing turnovers. Thus, the economic impact of a donation that prevents a child from coming into care in Georgia, and especially in Glynn County, may be significantly higher than this report's calculation given the likelihood that a child in foster care in these areas will remain in care beyond the national average of 1-2 years.

- (2) ***Difference between kinship and non-kinship placement.*** The calculation of the economic impact of a disrupted foster placement assumes that all placements are equal. In a research brief for nonprofit Alia, Sugrue (2019) finds a consensus in the literature that children who must be placed in out-of-home care have fewer negative experiences and outcomes if they are placed with a family member or friend (kinship placement) than if they are placed with strangers (non-kinship placement); moreover, kinship placements tend to be more stable placements. It stands to reason, then, that a CarePortal donation that preserves a kinship placement would have a greater potential economic impact than a donation that preserves a non-kinship placement. CarePortal entry data does allow for distinguishing between these two types of donations to foster care, but quantifying the difference in impact remains an open question for future research.

Even as a possible lower bound, the estimate for economic impact of CarePortal in Glynn County is substantial. CarePortal donations not only improve outcomes for the families and children who benefit from them directly but that those same donations also contribute more broadly to a community's economic wellbeing.

If donations from CarePortal can help prevent foster care placements, it may be assumed that concerted investment efforts from the state to focus on anti-poverty initiatives and foster care prevention may be effective at preventing children from entering foster care. Diversion of resources toward CarePortal is one method by which the state could invest in prevention.

Note

1. Calculated as the sum of 10,800, the number in care on the last day of the fiscal year and 5754, the number discharged to permanency during the fiscal year (Georgia Department of Human Services, 2021a).

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Disclosure statement

No potential conflict of interest was reported by the author(s).

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Dr. Melissa R. Trussell received her Ph.D. in Economics from the Andrew Young School of Policy Studies at Georgia State University (GSU). Prior to that, she received her MPA from the Andrew Young School of Policy Studies at GSU, and her Bachelor's in Discrete Mathematics from the Georgia Institute of Technology. Dr. Trussell has spent time in Liberia, Africa, studying the impacts of child soldiering experiences on education and employment, the relationship of peace and trust, and local economic development in Liberia. Of particular relevance to this publication, Dr. Trussell is a foster and adoptive parent and loves finding the intersection of her passions for economics and child welfare.

Dr. Heather Farley earned her Ph.D. in Political Science from Northern Arizona University's College of Social and Behavioral Sciences. She also has a Masters in Political Science and a certificate in Public Management. She is the Chair of the Department of Business and Public Administration at the College of Coastal Georgia. Dr. Farley teaches courses in public policy, environmental policy, sustainability, and public management. Her research interests span from global sustainable development policy to local economic development and political behavior. She has authored a book on sustainability and regularly engages in community-based research and service-learning.

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Data availability statement

The data used in this analysis are property of Hope 1312 Collective, Inc., and may be made available upon request.

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Appendix— CarePortal Impact, Glynn County, Georgia, 2021 Calendar Year

Table A1 provides a summary of all CarePortal donations in Glynn County, Georgia, for the 2021 calendar year (January 1, 2021 – December 31, 2021) and the economic impact of those donations, by category (CarePortal Requests, 2022).

According to caseworkers' categorization of requests, CarePortal donations in Glynn County prevented 26 children from entering foster care in 2021. The value of goods and services donated toward *Prevention* requests was \$14,061, and the estimated total economic impact of those donations is \$4,663,150.24.

CarePortal donations in Glynn County helped to strengthen or maintain 19 foster homes, serving a total of 41 children in foster care, in 2021. The value of goods and services donated toward *Foster Care* requests was \$19,751, and the estimated total economic impact of those donations is \$43,452.20.

Altogether, CarePortal donations in Glynn County impacted 97 children in 2021. The total value of goods and services donated was \$33,812, and the total estimated economic impact of CarePortal donations in Glynn County in 2021 is \$4,706,602.44.

Table A1. CarePortal donations, Glynn County, Georgia, 2021 calendar year.

Donation Category	Individual Donations	Children Impacted	Total Value of Donations	Multiplier	Economic Impact
Prevention	26	56	\$14,061	\$83,27.54 per child	\$4,663,15.24
Foster Care	19	41	\$19,751	\$2.20 per dollar	\$43,452.20
Total	45	97	\$33,812	-	\$4,706,602.44