

# Albertafacts

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## What Role Does Poverty Play In RISING CHILD WELFARE CASELOADS?

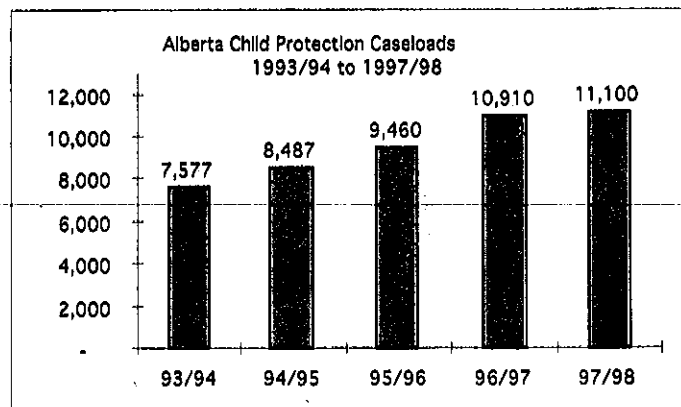
### I. Background

As described in the Child Welfare Act, the failure to provide the basic necessities is grounds for child protection system involvement: "For the purposes of this Act, a child is in need of protective services if there are reasonable and probable grounds to believe that the survival, security or development of the child is endangered because....(c) the guardian of the child is unable or unwilling to provide the child with necessities of life...."

Between May and August of 1997 the Edmonton Social Planning Council (ESPC) and Edmonton's Food Bank conducted detailed face-to-face interviews with 207 families who use the Food Bank. Questions about income history, as well as current income and family expenses, experiences with government income security programs, family nutritional needs and involvement with the child welfare system were explored.

One of the questions explored in the 1997 survey was the relationship between extreme financial hardship and involvement with Child Welfare. The questions were included in the survey to provide some insight into the relationship between intensifying poverty and the increasing number of children brought into the Child Welfare system.

Figure #1



The basic question posed by this study is: would it sometimes be more cost effective to provide additional income supports, rather than apprehending children into the Child Welfare system?

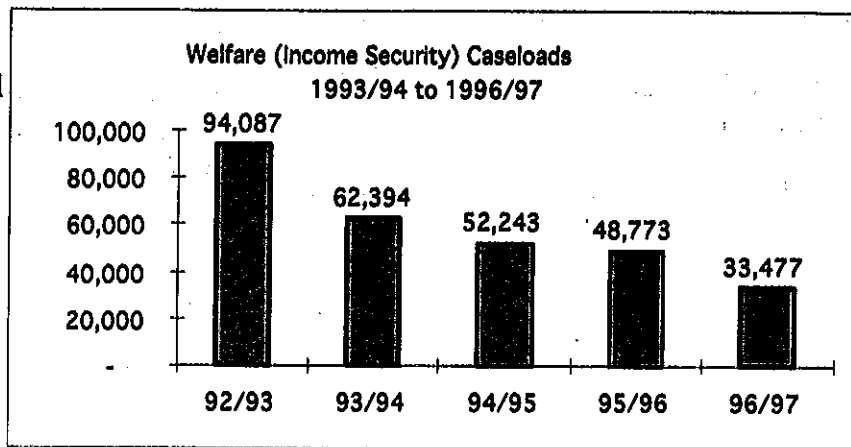
## II. What Does Available Data Suggest?

"Child welfare came to investigate us because they said that we were neglecting our children. My kids have never gone without food, but they don't eat too well sometimes because we can't afford it."—Survey Respondent

Between April of 1993 and November of 1997, the number of children in government child protection (the terms "child protection" and "child welfare" are used interchangeably) increased by 46.5 per cent between April 1993 and November 1997 (figure # 1—see page one). This rate of increase is unprecedented.

In 1993, Alberta Family and Social Services (AFSS) undertook a series of sweeping reforms to its Supports for Independence (SFI) or "welfare" programs which resulted in dramatic reductions in the number of families on welfare. Welfare caseloads declined by 64.4 per cent, or by 60,610 cases between March 1993 and November 1997 (figure # 2). The Child Welfare caseload began increasing at about the same time that the welfare reforms were implemented. The correlation between these two phenomena begs further examination.

Figure # 2



The Government of Alberta has, to date, denied any correlation between income security program cuts and the rising child welfare caseload, although the government's own Office of the Children's Advocate very clearly made the connection.

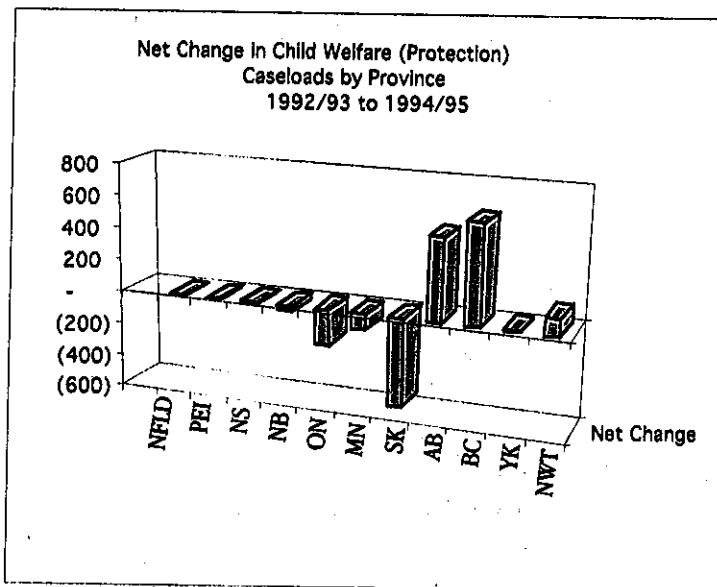
"Children are handed over to Child Welfare workers because the parents are unable to provide them with the essential needs of food, clothing and shelter... We know that in some instances Child Welfare workers have provided funds for families that once were provided for under the welfare program."—(Government of Alberta Children's Advocate Annual Report 1996-97).

One of the explanations frequently put forward by government is that the growth in Child Welfare caseloads is a national trend and therefore unrelated to Alberta policies. It is difficult to find any evidence that corroborates this position. The *Child and Family Services Annual Statistical Report* is prepared by the Federal-Provincial Working Group on Child and Family Services Information. It compares Child Welfare caseloads between Canadian provinces and territories. (It should be noted that the

report authors do caution against comparing data between provinces due to the very different nature of the reporting systems, but for the purpose of comparing caseload trends, the data are reliable).

Of 11 provinces and territories (Quebec data was not available), all but four **actually reported reductions** in child protection caseloads for the period between March 1993 and March 1995. Alberta's increase of 507 cases was exceeded only by British Columbia's increase of 614 cases (figure # 3).

Figure # 3



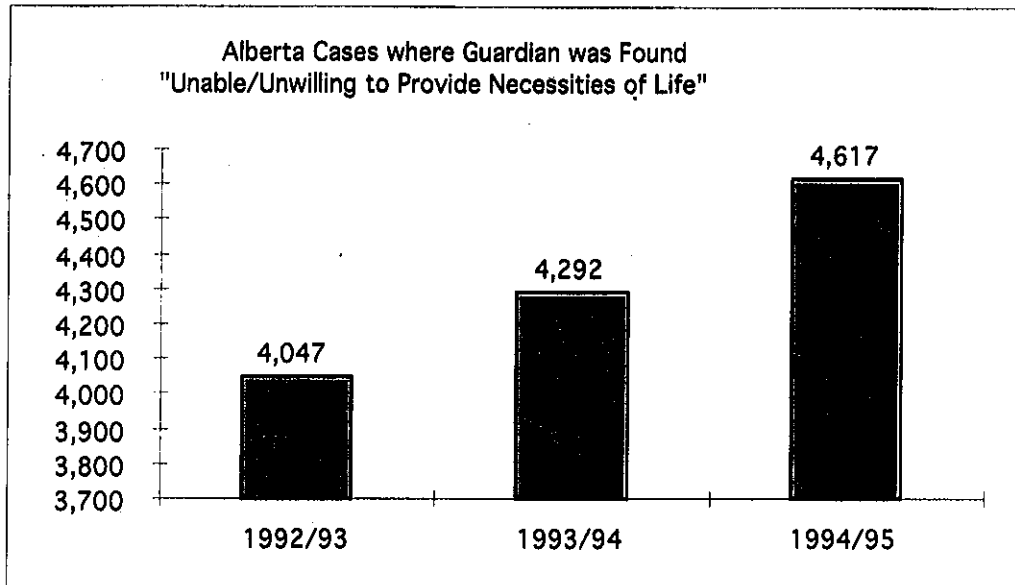
Of those interviewed in this year's survey, **18 per cent (38 respondents)**, reported "involvement with the child welfare system" that they reported as being "related to a lack of income."

It's important to note that this finding *does not* reflect the number of families who have had child welfare involvement, but only those families which had **child welfare involvement for financial reasons**. The actual rate of Child Welfare involvement for all reasons would be substantially higher.

Some of the other findings of the survey relating to the 38 "Child Welfare" families include:

- 80 per cent received their income from welfare.
- 32 per cent have been cut-off welfare at least once.
- 62 per cent have been switched to another government income security program at least once (e.g. Job Corps, Assured Income for the Severely Disabled, Employment

Figure # 4



Insurance, Alberta Student's Finance Board or Canada Pension Plan).

- **71** per cent of these families were headed by a single parent and on average, had three children to support on an income of only **\$802 per month**.
- **89** per cent of these families rated their financial stress as "very high" or "high" during the period *preceding* child welfare involvement.
- **86** per cent reported that their limited income prevented them from providing their children with needed recreational opportunities.
- **45** per cent of these families reported that their children had actually been apprehended by Child Welfare.

#### IV. What Steps Are Being Taken By Child Welfare and at What Cost?

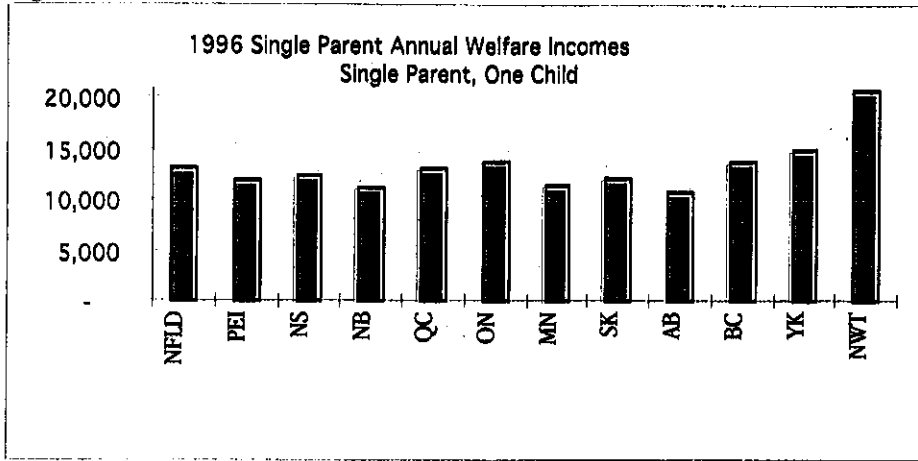
"Child Welfare investigated us because my kids were going hungry...they took my children away...my kids needed financial support, not protection."—Survey Respondent

Most of the children in these families had actually been removed from the home and provided with some form of out-of-home placement (note: individual children may have received more than one placement).

- **20** per cent had received at least one placement with an extended family member.
- **57** per cent had received a placement in a foster home.
- **36** per cent had received a placement in a group home.
- **Seven** per cent had received a placement in an emergency shelter.

The costs associated with out-of-home placement can be very high. Probably the most inexpensive placement alternative (next to extended family) is placement in a foster home where payment to foster parents can range from \$528 to \$1,350 per month. Placement in a group home costs approximately \$3,500 per month (see Appendix on page eight for a more detailed breakdown of cost estimates).

Figure # 5



Most had also received some form of "in-home" support.

- **Five** per cent of families were supplied with the services of a mediator.
- **35** per cent were supplied with a youth worker.
- **60** per cent were supplied with a parent aide.
- **75** per cent received counseling support.

The costs of providing in-home services can also be high. Among the most expensive family interventions is psychological assessment and therapeutic counseling. For example, 10 hours of psychological services billed at the standard rate for psychologists costs \$850.

Based on this information, it's possible to estimate how much money was spent providing Child Welfare services to this group of families. An estimated monthly cost was assigned to each service reported and the totals calculated for each case. It was then possible to arrive at a monthly cost. It was also possible to estimate "one time" costs such as investigation and assessment.

The estimated cost to provide child welfare services to this sample group of families:

One Time Costs (i.e. Investigations)— \$10,438  
Ongoing Monthly Child Welfare Costs—\$21,080

#### V. Would More Income Reduce Child Welfare Demand?

"All it would take is \$300 a month more...then my kids could eat, and be dressed properly..."  
—Survey Respondent

Survey respondents were asked, since the problem was primarily financial, how much more money would have been needed to make Child Welfare involvement unnecessary?

- Among these families, **87 per cent or 33 cases** indicated that a larger income would have prevented the circumstances that led to their involvement with the Child Welfare system. When asked what amount of income would be necessary, the average response was \$493 and over one-half (58 per cent) of these families said that less than \$400 per month would be sufficient.
- For **15 of the 38 cases** (approximately 40 per cent) who answered affirmatively to the Child Welfare question, it would have been cheaper to have provided them with additional financial support than with expensive Child Welfare services. The average additional monthly income required by these families was only **\$290 per month**. The average cost of providing Child Welfare services was **\$1,542 per month**

resulting in a potential saving of **\$1,252 per month per case.**

For those cases for which it would be cheaper to provide additional income rather than Child Welfare Services, the savings would be considerable:

Ongoing Monthly Child Welfare Costs	\$23,124
<u>Required Monthly Additional Income</u>	<u>\$4,350</u>
<b>Potential Monthly Savings</b>	<b>\$18,774</b>

#### VI. How Much Money Could be Saved?

In 1994/95, 4,617 cases, or 25.6 per cent of all cases, fell into the "Guardian is unable/unwilling to provide necessities" category (source: *Child and Family Services Annual Statistical Report*). If the sample in this study is representative, then it would be safe to assume that **40 per cent, or 1,847 of those cases could be dealt with in a more cost-effective manner.** (Note: It is not possible to formally determine the representativeness of the sample without the cooperation of Alberta Family and Social Services).

By multiplying the number of cases by the potential monthly saving of \$1,252 per month, we can calculate how much money could potentially be saved by the Government of Alberta.

If the study sample is representative of all cases where the "Guardian is unable/unwilling to provide necessities", the potential savings of the "income instead of services" approach are considerable:

**Potential Annual Savings (approximate) to the Government of Alberta—\$27,749,000**

#### VII. Summary

The purpose of this study was to explore the possibility that Alberta's rising Child Welfare caseloads could be driven, at least partially, by extreme financial and material hardship and to consider whether or not there might be a better, more cost effective way to provide service. The frequency and consistency of reports by front line service providers suggests that many families who find themselves in the Child Welfare system would not be there if they were not so desperately poor.

It seems impossible, in light of the evidence presented here, to ignore the significant impact that intense poverty, much of it exacerbated by social program cuts, is having on Child Welfare caseloads.

It is important to acknowledge that it would be unlikely that *all* of the potential savings could be realized easily. This is not a large enough sample to be absolutely certain, nor do we have access to all of the information that would be required to make definitive assessments about what interventions would be appropriate.

The provision of Child Welfare services is extremely complex and demanding—case decisions are based on a wide range of factors. It is possible, for example, that the parent's perception that the only problem was financial may not have been the perception of the Child Welfare worker. It is also possible that conscientious social workers recognize that the only way to help very poor families may be to bring them into Child Welfare protection. While this may be understandable, it may not be the most appropriate or, as we have seen, the most cost effective solution.

This study is merely a **reporting of what the family thinks it needs** which should, after all, be a major consideration. It is also a challenge to a government which tries to see its Child Welfare responsibilities, which it claims to care about, as distinct from its responsibility to ensure children have enough to eat, which it clearly does not care about. Unfortunately, it is not that simple.

We do need a strong Child Welfare system to intervene to protect children from abuse and neglect, but the Child Welfare system is not the place to help families whose only problem is being poor! Surrendering a child to the state is one of the most painful and stressful things that could happen to any family, even when it is necessary. It is inhumane to subject families to this stress unnecessarily.

#### VIII. Current Policy Implications

One of the biggest impacts of the 1993 welfare reforms was the removal of most, if not all, of the flexibility in the income security system. In the name of cost control, the ability of front line income security workers to provide additional income supports to a family in a period of crisis was all but eliminated, even if the provision of additional income would forestall more expensive Child Welfare interventions.

(A significant concurrent development is the ongoing transfer of responsibilities from social workers to lesser-trained para-professionals). For example, welfare clients can no longer be given emergency food vouchers unless the amount of the voucher is deducted from a subsequent cheque. This is neither humane nor cost-effective.

**The SFI (welfare) program should be reviewed and modified to allow more front line "common sense" discretion by workers.**

This study demonstrates the need to view income support as an essential instrument in the resolution of Child Welfare problems. Poverty and its impacts are inextricably linked with Child Welfare. This is not to say that "non-poor" families do not have problems, because they do, but poor families are more likely to receive government intervention.

This study also underlines a potential problem with the reorganization of Children's Services. Regional authorities will be expected to reduce the demand for Child Welfare crisis services over time, but they will have no authority over income support programs which will remain firmly under the control of the provincial government.

The new Children's Services Authorities should be provided with the capacity, and the resources, to provide additional financial support to families in crisis when it can be demonstrated that it would forestall the need for crisis intervention.

In general, this study highlights the continuing inability of the Government of Alberta to recognize the value of preventive measures. For example the Premier recently announced an increase in funding for child welfare, but neglected to increase basic allowances for families on welfare, once again confirming that the Government does not see, or refuses to see, the connection between poverty and family crisis.

Ensuring that a child has enough to eat is, after all, the most basic preventive measure of all.

*See Appendix—Child Welfare Cost Analysis Description on back cover.*

## Appendix—Child Welfare Cost Analysis Description

To determine costs for child welfare interventions, the ESPC contacted a variety of social service agencies and asked for monthly cost estimates. The costs for child welfare investigations and assessments were based on approximate cost per month, per family.


The intervention selected in the cost analysis for each family does not reflect all types of placements which may have occurred. For the purpose of this analysis, it is assumed only one service for one child was provided at a time. In situations where more than one service was indicated, the more expensive intervention was used in the calculation. For example, if a family received in-home services and foster home care, the more expensive cost of foster home care was used in the calculation.

The interventions described by the survey respondents were provided over a period of time. Some services continue for months, while others may have lasted only weeks. However, for the purpose of this analysis, a time frame of one month was used to calculate costs. It is also assumed that all families surveyed were on the child welfare caseload at the same time, which of course, they were not.

The following is the list of interventions and their approximate costs:

<u>Intervention/Service</u>	<u>Approximate cost per month</u>
Child Welfare Investigation	\$193
Child Welfare Assessment	\$204
Group Home Placement	\$3,500
In-home Services	\$360
Foster Home	\$704
Extended Family Placement	\$320

In some cases, the intervention costs are determined by calculating all the contributing factors. For example, the cost of a child welfare investigation has three different components. First, there is the cost associated with a social worker which can range from \$18 to \$24 an hour. During the investigation phase a social worker will spend approximately six hours with a family. The second component in an investigation is the time which a supervisor spends on a case—two hours per case at a cost of \$20 to \$26 an hour. The third component in an investigation is the clerical work—approximately 1.5 hours per case at a cost of \$11 to \$18 per hour. To calculate the final cost of a child welfare investigation, all the wages were averaged and totaled.



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