Influence of Government Policy on the Foster Care Placement Gap

by

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Abstract

In this paper, I examine the influence of child welfare licensing regulations on the foster care placement gap. The foster care placement gap measures the rate black children enter foster care compared to the rate at which white children enter foster care. I analyze the impacts foster care licensing laws have on the foster care placement gap using data from Adoption and Foster Care Analysis and Reporting System (AFCARS), the Census Bureau, the Current Population Survey (CPS), and Grandfamilies Search Laws Database. The Search Laws Database was used to create a comprehensive dataset of the varying foster care licensing laws in the United States. I use linear regression to look at the relationship between the placement gap and policy and non-policy variables. There is little relationship between the placement gap and the licensing laws in the child welfare system. Unemployment and poverty are related with a smaller placement gap.

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1. Introduction

The United States child welfare system has a past of treating children of different races in disproportional ways when entering the system. Policy and legislation may play a role in why the treatment is unequal. Foster care is a state implemented program, which means the main responsibility of each state is to provide temporary services to promote the well-being of children and families (Children's Bureau, 2020). Since it is a state implemented program, there are varying degrees of policies that have formed the current child welfare system.

The policies that shape foster care are important because they impact the way the program is run. In 2012, Beltran examined foster care licensing laws and made suggestions on how to improve the detrimental effects different laws may have on children. Beltran (2012) focused on improving problematic standards and suggesting core standards that should be implemented nationwide. Besides Beltran (2012), very little is known about the policy implications of different licensing standards on the national level.

The overrepresentation of black children compared to white children – known commonly as the placement gap – has been an issue within the child welfare system and a large body of research looks at the causes for this disparity (Dettlaff et al., 2011; Hill, 2007; Huggins-Hoyt et al., 2019; Maguire-Jack et al., 2015; Woodmass et al., 2017; Wulczyn et al., 2013). Previous studies focused on varying risk factors such as poverty, geographic location, and maltreatment reports to determine why this disparity exists. None, however, have looked at how licensing standards can impact the placement gap.

The main objective of this study is to determine how foster care licensing laws impact the placement gap between black children and white children. To do so I create a comprehensive database that accounts for licensing laws for all states in the United States, as there is not one

currently available. I use this database to examine the relationship between state licensing laws and the placement gap. To date no study has looked at this relationship. Foster care is a state implemented program, and the varying licensing laws can impact how and where a child is placed. There is therefore a need to see how the licensing laws affect decisions made by agencies and caseworkers when placing a child in the child welfare system and whether the licensing laws have an impact on the placement gap within foster care.

2. Background and Literature Review

2.1 Background on the foster care system

The US child welfare system has been funded through the federal government since 1935, when the Social Security Act gave state-level grants to establish child welfare agencies. In order to qualify for federal funding, each state must follow specific minimum guidelines but has a large amount of flexibility in implementing the specific programs, including deciding licensing requirements for potential foster parents. The foster care system is a significant part of each state's child welfare system, however the varying licensing standards can become problematic when trying to obtain a license.

2.1.1. Overview of foster care policy

The purpose of child welfare is to keep children safe by promoting their well-being and ensuring proper care is received in whatever form is necessary (Child Welfare Information Gateway, 2021). Child welfare practices to ensure well-being can include removing a child from their home, working with biological parents to keep a child in their home or providing training to parents that have had a child removed in order to reunite their family.

Children enter foster care when child welfare workers receive reports on possible abuse or neglect and deem the situation serious enough for removal. If enough evidence of maltreatment is found, an investigation is opened. If a caseworker determines the child is in danger and the report is cause for concern, the case will become substantiated. There are different steps that can be taken depending on the assessment of severity when a case is deemed substantiated. If there is little or no risk, it might have been that the maltreatment or neglect was a one-time incident and there is no indication it will happen again. In this case, the child stays with the parents and no extra action must be taken to keep a child in the home. If there is more moderate risk, in-home child welfare services may become necessary. These services will include parent skill training, childcare, job training, or counseling services. If deemed a high-risk case, in-home services may once again be offered, but removal of the child is also an option. If removed, the child will be placed with a relative or in the foster care system.

2.1.2. Licensing requirements

State foster care agencies are required to assess potential foster care homes to ensure children will be in a safe and healthy environment. To become licensed as a foster family, applicants must meet certain standards that vary by state. Minimum standards that apply for most states include compliance with fire and safety codes, acceptable housing conditions, no hazards, certain personal qualifications, and training requirements (Children's Bureau, 2020). The approval process consists of a social worker overseeing that all these requirements are met. If the state-mandated standards are not met, licensing approval may be withheld.

Licensing determines how funding is reimbursed to states from the federal government and if foster families will receive any financial assistance (Geen, 2004). In fiscal year 2019, state welfare agencies spent around $30 billion on welfare programs and there was a total of $9.8

billion allocated solely through the federal government for child welfare (Stoltzfus, 2019). 56% of the $30 billion comes from state and local programs and 27% comes from the federal level. Additionally, foster care accounted for 54% of the $9.8 billion of federal funding given to states.

Depending on where in the federal government the funds are coming from, certain conditions must be met. Title IV-E typically has eligibility criteria the states must meet in order to use funds on children in the welfare system. Since states oversee the distribution of this funding, foster care assistance for children can be provided if the following criteria is met: income tests, removal requirements, and placement into a licensed home or facility (Stoltzfus, 2019). On the other hand, Title IV-B has no eligibility requirements for recipients of funds, only that the funds be used to protect children and preserve families. When the Adoption and Safe Families Act passed in 1997, requirements stated that kin and non-kin must meet the same licensing standards in order to receive financial assistance and placed importance on finding permanent homes for children (ASFA; U.S. Public Law 105-89).

There are certain stipulations that must be met to receive the federal funding, but once met, the states choose how to allocate the funding between services and agencies. Foster care accounts for the majority of funding allocated for child welfare spending and programs. Although a large portion of funding is used for child welfare services, it is not entirely clear how the funds are being used in each state.

2.1.3. Provisional or temporary licenses and emergency placements

Depending on the state and subject matter at hand, a provisional or temporary license may be issued. When trying to place a child, relatives are often the first option for placement. The kin may not meet all specifications to be fully licensed at the time of placement, in which case a provisional license (also known as a temporary or emergency license) is issued (Beltran,

2012). The federal government has given the states a broad definition of what kinship policies must be met (Allen & Bissell, 2004). Provisional or temporary licenses will usually be issued for a certain amount of time to give foster families the ability to fulfill all requirements to become fully licensed. A provisional license is typically issued for relatives who need a foster care license earlier than anticipated (Think of Us, 2020). These licenses are usually time-limited and allow a relative to care for the child if basic safety and background checks have been completed. States that do not allow provisional licenses will issue emergency or temporary placement options for children instead. Some states allow provisional licenses for non-relatives as well; in all cases foster parents obtaining a provisional license must met basic background and safety checks.

2.1.4. Waivers and variances

If a home has been issued a provisional, temporary, or emergency license, active and intentional steps are taken to ensure that becoming fully licensed is the next part of the process. If a foster parent cannot comply with all licensing standards, a waiver or variance can be issued that still allows a foster home to become fully licensed. Waivers and variances can be issued for several reasons for relatives and non-relatives. Although the definitions differ on the federal level, states use the terms *wavier* and *variance* interchangeably within the language of licensing standards. If looking at the federal definition, waivers are exemptions from compliance with non-safety standards for specific cases (Nieto et al., 2009). Variances, however, are alternative ways to comply with licensing standards in a specific state.

2.2 The placement gap

In 2019, of the 400,000 children in foster care, 23% were black and 44% were white (U.S. Department of Health and Human Services, 2020). In contrast, black children only make

up 14% of all children nationwide (KIDS COUNT, 2020). Previous studies show similar disproportionalities in the child welfare system but a root cause has yet to be found (Hill, 2007).

The most common way to measure this racial disparity is the placement gap. The placement gap compares the rates at which black children vs white children enter child welfare services in similar geographic areas to see which group of children is overrepresented or underrepresented. The placement gap is also sometimes referred to as the disparity ratio or the disparity rate (Hill, 2007; Wulczyn et al., 2013; Huggins-Hoyt et al., 2019).

As noted above, foster care entry occurs when a maltreatment report is made, and if evidence is found that is severe enough it will become a substantiated case. Maltreatment represents one of the largest reasons there is disproportionality of black children compared to white children in the foster care system. There are many risk factors that can be included when referring to maltreatment, which will be discussed later. Possible reasons black children are overrepresented in the child welfare system due to maltreatment include: black children are more likely to be reported as maltreated (Needell et al., 2003), reports on maltreatment of black children are more likely to become substantiated (Maguire-Jack et al., 2020), or a combination of both (Maloney et al., 2017).

Stresses of living in poverty can result in higher maltreatment rates and reports. Poverty and economic hardships have long been determined to be risk factors of child maltreatment. Economic hardships such as unemployment, paying for housing, and food insecurity can lead to a child being reported as maltreated (Dettlaff & Boyd, 2020). The economic hardships lead to an increase in maltreatment reports because parents are not able to fully ensure the safety and well-being of their child if unable to provide basic necessities such as food and shelter. Poverty is

associated with economic hardships because ongoing hardships like unemployment and food insecurity will lead to an increase in poverty. Poverty can increase maltreatment risks, which will result in more reports among poorer families (Kim & Drake, 2018). Black children are more likely to be from poor more families, and the placement gap shrinks when comparing black children to white children in poverty (Wulczyn et al., 2013). Since black children are more likely to be from poor families, the level of poverty is not assumed to be as high of risk as it will be when looking at a white child living in poverty. This means less maltreatment reports will be made for black children where poverty is concerned when compared to white children.

Maltreatment reports are more likely to turn into substantiated cases for black children when comparing to white children (Maloney et al., 2017). When a maltreatment report is made, a caseworker will decide whether to keep a child in home or remove them. The decision threshold for risk assessment from caseworkers has been shown to have a relationship with treating black children differently than white children (Dettlaff et al., 2011). This decision threshold is what caseworkers use to make decisions on keeping a child in home or removing them and placing them in the foster care system. Black children are considered a lower risk than white children. Reasons that impact the threshold at which these substantiation decisions are made include: household composition, number and age of children in the household, report source, racial makeup of a geographic area, and stresses of neighborhood impoverishment (Woodmass et al., 2017; Maguire-Jack et al., 2020). For example, a black child from a single parent household located in a poor, urban community would be less likely to be pulled from their house compared to a white child with the same characteristics. This decision threshold perception of risk changes with the individual or agency assessing the risk associated with the child.

Maltreatment reports and substantiation of the report can be impacted by the community children are from. In rural southern counties, maltreatment rates were lower in majority Black areas when looking at substantiation rates and poverty (Smith & Pressley, 2019). This is due to lower maltreatment report rates and not substantiation rates, which were similar to those of surrounding areas. It is unclear why there are fewer reports, but some reasons might be that the area in question has a lack of available resources to deal with child maltreatment or that people in the community are less likely to report maltreatment compared to neighboring counties. A lack of available resources, such as in-home trainings, mean a child can be removed from the home quicker than usual because it will be considered the best option (Rivaux et al., 2008). In a different study, it was shown that densely populated metropolitan counties had higher maltreatment disparity for black children when compared to white children located in the same area and having risk factors of poverty and maltreatment (Maguire-Jack et al., 2015). Higher levels of poverty and maltreatment are associated with densely populated metropolitan areas, but there are more people and more resources available. However, this can cause more children to be reported as maltreated because more out of home placements are an option, which would result in higher substantiation rates. Although two different reasons for the reason maltreatment reports are made, both can make a difference when determining if cases become substantiated.

A combination of preventative services, processes, and trainings have been used to combat the issue of racial disproportionality in foster care placement between black and white children. Pryce et al. (2019) conducted a case study to identify strategies that might aid in decreasing the disparity in child welfare in two New York counties. Strategies considered in their case study were: preventative services and resources, community collaborations, family meetings, and strengthening the relationship of the court system and social services. In the two

counties that had implemented the strategies, the disparity ratio decreased by 90 percent in one county and by 50 percent in the second county. Tilbury & Thoburn (2009) also found that a combination of processes and outcome measurements is needed to make an impact on decreasing racial disparity in child welfare. Some suggestions from this study were to make strong commitments to racial equity, develop agency collaborations, and fixing policy responses to racial differences.

3. Data

3.1 Adoption and Foster Care Analysis and Reporting System (AFCARS)

I used the Adoption and Foster Care Analysis and Reporting System (AFCARS) to measure the number of foster children entering the child welfare system. AFCARS data is collected annually by states, who report data on each child in foster care in that state, including the race, gender, ethnicity, and the date the child entered foster care. Using the AFCARS data, I obtained the number of black, white, and other race children that entered foster care for each state in each month between 2004 and 2019. Since the placement gap literature focuses on the difference between black and white placement rates, I used three race/ethnicity categories: non-Hispanic white, non-Hispanic black, and all others. The AFCARS data originally goes back to the 1980s, however, I only used the years 2004 through 2019 because there was missing data for specific states, especially for 2003. The children before these years could not be identified by race, making calculation of a placement gap impossible. Additionally, Puerto Rico and Washington D.C. were included in the original data but were also excluded from the final data set due to missing data. Puerto Rico was excluded because foster care policy data were unavailable for Puerto Rico. Washington D.C. was excluded because there were no white

children entering foster care in specific months, making the placement gap impossible to calculate.

3.2 Census Bureau

I obtained Census Bureau data on the total number of children by age, sex, and race by state from the 2010 decennial census. I matched this data with the AFCARS data for each state. The Census Bureau data allowed me to calculate the placement gap, which is the dependent variable. The placement gap was calculated as in Wulczyn (2013):

> Black placement rate= Total number of black children entering foster care/(Total number of black children in each state/10,000)
>
> White placement rate= Total number of white children entering foster care/(Total number of white children in each state/10,000)
>
> Total placement gap= Black placement rate/White placement rate

3.3 Labor Statistics and Poverty Data

In addition to the placement gap, I obtained data from the Census Bureau on the state unemployment rate and the poverty rate. The state unemployment rate was obtained from the Current Population Survey (CPS), which is a survey conducted monthly by the Bureau of Census for the Bureau of Labor Statistics and reports the unemployment rate for each state and each month. I also obtained from the Census Bureau the percent of each state's population in each year that had incomes below the poverty line. These data were derived from the CPS.

3.4 Grandfamilies Database

The licensing requirements were retrieved from Grandfamilies.org, which has a function allowing the user to search foster care licensing laws by state. The search laws portion of the

Grandfamilies.org website (Beltran, 2012) compiles a list of statues, bills, administrative codes, and policy manuals for each state into a database for public use. States use different language when writing these laws so there is not a complete and comprehensive dataset available that has similar regulations and guidelines for each state. I therefore used the Grandfamilies database to determine what laws were the same or were similar between states and created a comprehensive dataset of requirements for each state. If a state does not have a specific regulation, I denoted this with "not specified." I focused on the following variables describing the foster care regulatory environment:

a) whether the state allows provisional licenses (also called emergency or temporary licenses),
b) whether the state allows a waiver for any of the provisional, emergency, or temporary licenses,
c) the amount of initial training hours required (1-12 hours, 13 to 30 hours, not specified, no training required)
d) whether the state has income requirements to be licensed,
e) whether sibling groups can be placed together,
f) whether waivers will be issued for separate bedrooms
a) whether a waiver can be issued if a kinship guardian does not meet the age requirement.

I matched these regulations with the AFCARS data at the state level to investigate the impacts of various licensing requirements on the placement gap. Table 1 shows the total number of states that allow each policy and includes the mean and standard deviation for the placement gap, the white placement rate, and the black placement rate. Across states with different licensing policies, the means for the black placement rate is higher than the means for the white

placement rate, leading to placement gaps over 1. A placement gap over 1 means there is racial disparity between black children and white children, as can be seen in the means across the various policies for the placement gap.

Table 1. Total number of states that allow each policy including mean and standard deviation.

Policy	Total Number of States with Policy	Placement Gap	White Placement Rate	Black Placement Rate
Provisional/Temporary License				
Relative only license allowance	6	3.523	18.803	55.640
		(2.00)	(12.918)	(39.354)
All household type license allowance	40	3.611	22.295	75.566
		(2.890)	(15.881)	(72.426)
No provisional license allowed (reference)	4	1.874	26.677	49.250
		(1.027)	(16.892)	(43.726)
Provisional/Temporary Renewable License				
Renewable	41	3.560	21.729	70.872
		(2.699)	(15.891)	(65.370)
Non-Renewable	9	3.017	24.504	71.968
		(2.835)	(14.793)	(78.677)
Training Hours				
1 to 12	14	3.317	21.815	68.893
		(1.459)	(13.012)	(45.133)
13 to 30	20	3.557	23.683	80.015
		(3.349)	(17.999)	(86.169)
Not Specified	14	3.158	20.634	54.800
		(1.928)	(14.902)	(42.234)
No training required (reference)	2	5.652	21.690	110.823
		(5.292)	(13.078)	(101.195)
Relative Age Waiver/Variance				
Waiver allowed	46	3.621	21.934	73.491
		(2.789)	(15.790)	(69.670)
No waiver allowed	4	1.630	25.589	43.220
		(.431)	(14.680)	(32.560)
Sibling Placement Waiver/Variance				
Waiver allowed	21	3.470	23.239	74.942
		(2.970)	(15.325)	(80.282)
No waiver allowed	29	3.455	21.493	68.265
		(2.546)	(15.986)	(57.242)

Separate Bedroom Waiver/Variance				
Waiver allowed	39	3.603	22.187	74.250
		(2.923)	(16.270)	(73.032)
No waiver allowed	11	2.959	22.367	59.792
		(1.819)	(13.670)	(43.785)
Income Requirement				
Relative waiver for income requirement	4	2.465	23.780	54.852
		(1.538)	(13.460)	(41.020)
Sufficient income requirement for all	34	3.437	22.360	68.756
		(2.507)	(15.993)	(55.686)
No income requirement (reference)	12	3.863	21.332	83.034
		(3.466)	(15.653)	(98.253)

4. Methods

I used linear regression to measure the association between policy and non-policy variables and the placement gap of state (s) in month (m):

$$placement\_gap_{sm} = \sum_{t=1}^{7} \alpha_t \, policy_{st} + unemployment_{sm} + population_{sy} + poverty_{sy} + \varepsilon_{sm} \quad (1)$$

The policy variables I included in $policy_{st}$ are: whether the state offers a provisional or temporary license ($pt\_license_s$), whether the state allows provisional or temporary licenses to be renewed (pt_renew_s), whether and how many training hours ($training\_hours_s$) are required, whether the state allows a waiver or variance for a relative's age, ($relativeage\_wv_s$), whether the state allows sibling placement waiver or variance ($siblingplace\_wv_s$), whether the state allows separate bedroom waiver or variance ($sepbed\_wv_s$), and whether the state has a sufficient income requirement ($income_s$).

I controlled for state-month unemployment ($unemployment_{sm}$) for state (s) in month (m), and the percent of state population under poverty ($poverty_{sy}$) and total state (s) population in year (y). The primary coefficients of interest are α_t, which describe the relationship between the t

state level policies ($policy_s$) and the placement gap. Table 2 shows the definitions of the policy and control variables.

I also clustered standard errors on states and tested for multicollinearity. To test for multicollinearity, I ran a variance inflation test (VIF). The VIF shows how much inflation of the estimated coefficients is being caused by multicollinearity (Craney & Surles, 2002).

Table 2. Definition of policy variables and control variables.

Variable	Definition
Provisional/Temporary License	Whether provisional/temporary/emergency license is issued. 0=No provisional license, 2=Relative only issued provisional license, 3=Any household type issued a provisional license.
Provisional/Temporary Renewable License	Whether provisional/temporary/emergency license is renewable.
Training Hours	The amount of initial training hours required. 1= 1-12 hours, 2= 13-30, 3 = Training required but amount not specified, 4 =No training required
Relative Age Waiver/Variance	Whether waivers/variances of the age restrictions are issued.
Sibling Placement Waiver/Variance	Whether waivers/variances are issued to keep groups of siblings together.
Separate Bedroom Waiver/Variance	Whether waivers/variances are issued to allow children to share a bedroom.
Income Requirement	Whether sufficient income is required for non-relatives or relatives. 0=No income requirement, 1=Relative waiver issued for income requirement, 2=Sufficient income required for all household types.
Unemployment Rate	The state's monthly unemployment rate.
Percent Poverty	The annual percent poverty rate for states.
Population	The annual population by state.

5. Results

Table 3 shows the results from Equation (1). I ran three different regressions with the following outcome variables: the placement gap, the white placement rate, and the black placement rate.

Table 3. Effects of policy and non-policy variables on the placement gap and placement rates.

	Placement Gap	**White Placement Rate**	**Black Placement Rate**
Provisional/Temporary License			
Relative only license allowance	1.847*	-8.606*	10.29
	(0.792)	(3.963)	(18.09)
All household type license allowance	1.203	-5.521	11.77
	(0.602)	(3.809)	(18.09)
No provisional license allowed (reference)			
Provisional/Temporary Renewable License	-0.462	0.541	-4.595
	(0.729)	(2.788)	(17.91)
Training Hours			
1 to 12	-1.792	7.204	6.588
	(1.422)	(5.997)	(36.22)
13 to 30	-1.736	5.694	2.634
	(1.466)	(4.663)	(39.10)
Not Specified	-2.550	5.353	-21.75
	(1.461)	(4.975)	(36.58)
No training required (reference)			
Relative Age Waiver/Variance	-1.283	2.062	-15.85
	(0.714)	(4.286)	(18.24)
Sibling Placement Waiver/Variance	-0.0996	-0.116	-8.183
	(0.583)	(3.568)	(14.27)
Separate Bedroom Waiver/Variance	-0.464	-0.923	-10.56
	(0.561)	(3.531)	(12.30)
Income Requirement			
Relative waiver for income requirement	-0.197	-2.141	-23.66
	(0.862)	(4.112)	(24.49)
Sufficient income requirement for all	0.247	-1.804	-11.21
	(0.599)	(3.252)	(17.46)
No income requirement (reference)			
Unemployment Rate	-0.0425	-1.149***	-3.830**
	(0.0835)	(0.299)	(1.331)
Percent Poverty	-0.150*	0.669	-1.160
	(0.0618)	(0.592)	(1.948)
Population	0.00471	-0.570**	-1.703**
	(0.0224)	(0.182)	(0.614)
Constant	6.457***	25.44***	128.6***
	(1.378)	(6.034)	(35.14)
Mean outcome	3.462	22.227	71.069
Observations	9449	9449	9449
R^2	0.130	0.115	0.138

5.1 Foster care policy and the placement gap

The ability for any type of household to receive a provisional license is related with a 1.203 higher the placement gap compared to states that do not issue a provisional or temporary license, although this increase is not statistically significant. Compared to the mean placement gap (3.462), this represents a 34.7 percent increase in the overall placement gap. This increase in the placement gap is the result of an increase in the placement rate for black children by 11.77 and a corresponding decrease in the placement rate for white children (-5.521), though neither is statistically significant. Compared to states where no provisional or temporary license is issued, states that only offer provisional license to relatives have an associated increase of 1.847 in the placement gap. The rise in the placement gap is driven by an increase in black child placement (10.29) and a decrease in white child placement (-8.606), with the decrease in the white placement rate being statistically significant.

There is no statistically significant relationship between the placement gap and the amount of training hours required, whether separate bedrooms are required, whether siblings can be placed together, and whether sufficient income is required for foster care households. There is also no statistically significant relationship between the placement gap and relative-specific policies, including the income requirement waiver and the relative age waiver.

5.2 Non-policy variations in placement gap

The state's monthly unemployment rate is associated with an overall decrease (-0.0425) in the overall placement gap, although this relationship is not statistically significant. However, there is a significant decrease associated with the white placement rate (-1.149) and the black placement rate (-3.830). As can be seen, the black placement rate is more sensitive to unemployment changes compared to the white placement rate.

The percent poverty in each state is associated with a significant decrease in the placement gap (-0.150). This shows higher rates of poverty is associated with a narrowing of the placement gap.

Although there is no relationship between the total state population and the placement gap, the white placement rate and the black placement rate have a significant relationship with the total population. There is a statistically significant negative relationship between placement rates and the total population, the white placement rate (-0.570) and black placement rate (-1.703).

5.3 Multicollinearity test

Table 4 shows the results of the multicollinearity test. Testing for multicollinearity is important in this study because the policy variables could easily overlap. Typically, a VIF test showing a VIF of less than 10 is a good indication that the variables used are suitable for the regression (Alin, 2010). As can be seen, all policy and non-policy variables have a VIF less than 10, suggesting that these variables have separate explanatory power when determining the placement gap. The categories of training hours have VIFs that are close to the threshold of 10. I tested to see if dropping the variable training hours would change the significance of the regression, but the results stayed the same. Because the results were the same, I kept training hours in the final regression.

Table 4. Results of the multicollinearity VIF test.

Policy	Placement Gap VIF
Provisional/Temporary License	
Relative only license allowance	2.64
All household type license allowance	2.83
No provisional license allowed (reference)	
Provisional/Temporary Renewable License	1.68
Training Hours	
1 to 12	8.78
13 to 30	9.58
Not Specified	8.71
No training required (reference)	
Relative Age Waiver/Variance	1.40
Sibling Placement Waiver/Variance	2.10
Separate Bedroom Waiver/Variance	1.41
Income Requirement	
Relative waiver for income requirement	1.87
Sufficient income requirement for all	1.83
No income requirement (reference)	
Unemployment Rate	1.39
Percent Poverty	1.79
Population	1.38

6. Discussion and Conclusion

The placement gap between black and white children has been an area of concern within child welfare for the past decade. I looked at the policy implications foster care licensing laws can have on the placement gap. To my knowledge, the only other examination done in this particular area was Beltran (2012). Beltran's (2012) examination of the licensing laws did not analyze the effects the licensing laws have on the placement gap, but it did point out that problems arise due to the variation between states because of licensing laws.

In my study, the only policy variable that has any explanatory power is the ability to receive a provisional or temporary license as a relative. However, the ability to receive this license is

related with an increase in the placement gap. Relatives are the first point of contact when trying to place a child, which could be done on an informal level. If an informal placement is made, it is done privately between parents and guardians or voluntarily through child services (Lee et al., 2017). If it is done on an informal level, the home the child goes to is not required to meet all licensing requirements. If it is done informally, there is no way for these families to receive financial support if needed. To receive financial support for the child the homes would need to become a licensed foster home. As noted above, in order to receive a provisional or emergency placement, all basic safety and background checks must be met for the household and all members of the household. If the child is placed in an informal setting, meeting these requirements is not guaranteed. A member of the household could fail the background check, which would result in not receiving any type of license. The increase in the placement gap due to the ability of a relative to receive a provisional or temporary license could be explained by black families being more likely to keep children in an informal setting. Historically, black families have kept their children in an informal foster setting because of disproportionality among races stemming from the agency and community (Detlaff & Boyd, 2020). If black families move from informal to formal foster care to become licensed, this will cause an increase in the black placement rate.

In contrast, some of the non-policy variables were significantly related with the placement gap. More poverty is associated with a decrease in the placement gap and the black placement rate but an increase in the white placement rate. This is a puzzling result that merits further examination.

The decreasing relationship between unemployment and the placement gap does not align with what has previously been found (Beimers & Coulton, 2011; Kim et al., 2011; Kim & Drake,

2018; Wulczyn et al., 2013). One explanation for the relationship found here could be parents being able to stay home with their children. Although this could contribute to poverty because there is not a flow of income into the home, the parents would be readily available within the household. Subsidies can be offered to parents who are unemployed, but it is often associated with a decline in welfare for children because employment must be found within a certain amount of time and children are not receiving proper parental care (Herbst & Tekin, 2010). If working, maltreatment could be reported because of the lack of presence of parents in the home. In-home maternal care has shown to improve child well-being (Herbst & Tekin, 2014). If a mother is working, she will not be able to provide the care that benefits a child's growth and development. By staying home and giving children the proper care necessary, unemployment could decrease the placement gap.

This study is not without limitations. First is the possibility of coding disparities within the policy variables. I attempted to combine differing licensing laws into variables that would be useful for analysis. The licensing laws are so different throughout states, which means each variable encompasses a broad range of laws. For example, all states provide some type of waiver or variance, however, I did not differentiate what exactly the reason the waiver or variance is issued. Future research would separate the differing reason for waiver/variance issuance. Additionally, this study only accounted for state-level data for children. Since AFCARS data suppress geographic identification of rural counties, there was no way to determine the current placement for children on the county level for all states across the country. Future research could measure how the licensing laws for each state can have varying relationships with the placement gap for different counties throughout the state. Not only would this require more data, but there would also be a need to look more in-depth at the reasons for child maltreatment. This could

provide greater explanation on how the licensing laws can impact the number of substantiated cases throughout the states.

Overall, this study shed light on a new area of research pertaining to the foster care placement gap. The licensing laws I looked at do not have much of a relationship with the placement gap. The idea that licensing laws could impact the placement gap added another factor to the already complex ones known but a more detailed set of laws needs to be used. Further research is needed to fully understand the impacts licensing laws in the foster care system can have on the placement gap between black and white children.

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