



Opportunity Passport™ participants at the Youth Leadership Institute

The Opportunity Passport™:

Building Assets for Youth Aging Out of Foster Care



The Jim Casey Youth Opportunities Initiative
Helping youth leaving foster care make successful transitions to adulthood.

*Findings from the Jim Casey Youth Opportunities Initiative
June 2009*

The Jim Casey Youth Opportunities Initiative would like to thank our co-investment and grantee partners for all of their efforts. This brief will hopefully assist organizations in helping young people build assets and savings that support them in successfully transitioning to adulthood.

In addition, the Initiative would like to give special thanks to Lynn Tiede, Jim Casey Youth Opportunities Initiative, and Fran Schorr, Metis Associates, who gave both heart and skill to the preparation of this brief.

*Cover photo by Lance Omar Thurman Photography
Graphic Design by Tina Koenen Graphic Design, Inc.*



outh aging out of foster care face many challenges. Often lacking the support of a permanent family, they must navigate this critical time in their lives with little guidance. It is not surprising that these young people, when compared to their peers from intact families, are less likely to have a high school diploma, are less likely to complete post-secondary education, and are more likely to become parents at a young age¹.

The Jim Casey Youth Opportunities Initiative (Initiative) focuses on improving the well-being of youth transitioning from foster care. The Initiative works with communities nationwideⁱⁱ to help youth and young adults leaving foster care become successful, productive adults by helping reform the systems that support them. Initiative sites implement a broad set of strategies that include engaging young people, bringing together public and private partners, using data to drive decisions and galvanizing public support in order to improve policy and practice.

Within this broader context of systems improvement, sites also implement a very focused strategy that offers young people the Opportunity Passport™, the primary component of which is an Individual Development Account (IDA), or a matched savings account. The rationale for this matched savings account is that young people aging out of foster care do not often have the typical developmental experience of learning how to manage money, and leave care without even the basic financial and asset development skills that enable people to achieve economic success. A matched savings account can help participants learn financial management, obtain experience with the mainstream banking system, and save money for assets.

Looking to apply best practices from the IDA field to this distinct population, the Initiative designed the Opportunity Passport™ for youth between the ages of 14 and 24 that have been in foster care on or after their 14th birthday. With the IDA, approved assets — education expenses, vehicle, housing, investments, microenterprise and health care — can be matched dollar for dollar, up to \$1,000 per year based on the participant's savings.

When the Initiative began its work, we were not certain that young people aging out of foster care would and could take advantage of an IDA. We have now seen that they can and will.

Saving for a vehicle purchase leads to dramatic changes in a young mother's life

At 20 years old, Danielle Brunetta was out of foster care in San Diego, California. She was pregnant with her second child and struggling to maintain a part-time job. Danielle had owned a car, but it was totaled in an accident and she didn't have the means to replace it. "I would try to get rides to and from work and child care. Every day was a struggle trying to figure it all out."

Danielle became an Opportunity Passport™ participant and youth board member through Access, Inc., the Initiative's lead organization in San Diego. Very motivated to use the matched savings account to replace her car, Danielle saved and took the required asset-specific training. "The training taught me how to shop around for cars, and avoid the "lemons" by getting a mechanic to look at the car first. I also learned about getting a loan with a good interest rate. The training was solid — I really felt like I knew what I was doing when buying a car."

After purchasing a vehicle with matched savings, Danielle was able to work full-time and decided to go to school in the evenings. "With the help of the Opportunity Passport™, I was able to purchase a car. I can now use my time more effectively, and tackle more tasks throughout the day. I've maintained full-time employment, continued a college education, and I can still be home in time to read bedtime stories to my sons. That matters to me."

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Young people transitioning from foster care are saving and buying assets

The Initiative collects IDA-related data through a web-based system and outcome-related data from the Opportunity Passport™ Participant Survey completed by participants at the time they enroll (baseline) and then twice a year thereafter. Over the past three years, we have seen consistent trends in these data demonstrating that IDAs are an important resource utilized by young people transitioning from foster care.

Data from Opportunity Passport™ participants show that those that have taken at least a baseline survey through October 2008 (baseline group, N=3052), are saving and purchasing assets at a similar rate as participants in the American Dream Demonstration (ADD).

Opportunity Passport™ Participants Match Well Against the American Dream Demonstration (ADD)

	The Initiative 5.5 yearsⁱⁱⁱ	ADD 5 years^{iv}
% with Matched Withdrawal	35%	32%
Total \$ Deposited	\$3,108,407	\$2,530,538
Average Deposit per Participant	\$1,018	\$1,070
Sample Size	3,052 participants in 10 sites	2,364 participants in 14 programs

Indeed, the Opportunity Passport™ participants are achieving this despite being an average age of 18, compared to the average age of 36 for ADD participants.

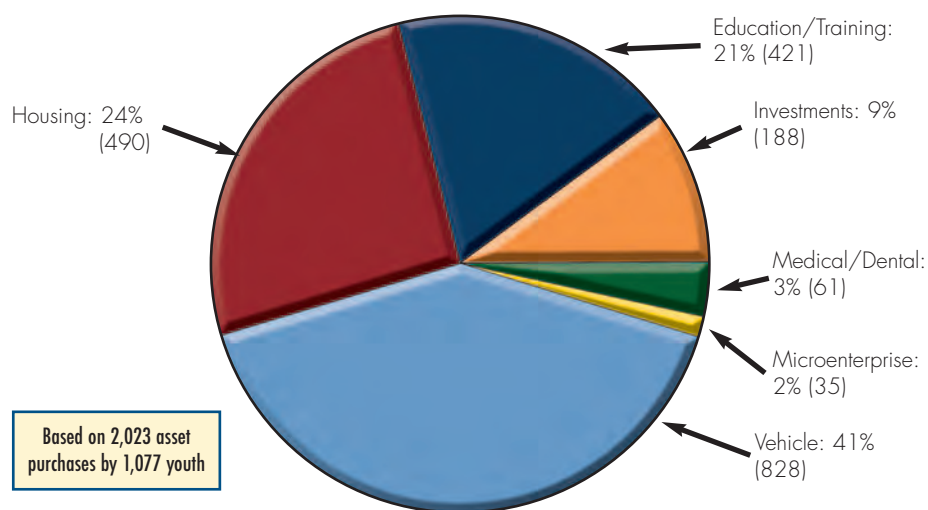
A developmentally appropriate IDA is key to success

The emphasis on supporting youth in a developmentally appropriate way has grown in recent years, fueled by research on issues such as adolescent brain development and the typical trajectory that youth take toward adulthood. Research supports that older teenagers and young adults are truly in a transition period – no longer a child, but not fully an adult. The bright line of becoming an adult at 18 or 19 years of age is fading, with growing consensus that the brain reaches maturity around age 25.

The Opportunity Passport™ was developed specifically to meet these young people *where they are* and support them on their path toward adulthood. At this age, the “assets” that young people transitioning from an intact family accumulate are primarily their education, their early work experience, and their ability to live independently. The support that youth and young adults from intact families often receive is help with post-secondary education expenses, help purchasing a car – which facilitates their ability to attend school and go to work – and help with a deposit on their first apartment. Typically, these types of “assets” are not readily available to young people transitioning from foster care.

Unlike other asset-building programs, the Opportunity Passport™ is unique in that participants can use their match dollars to purchase a vehicle, pay a deposit on an apartment, cover medical expenses, and procure investments, in addition to the more traditional IDA-approved assets of education expenses, purchase of a house, or microenterprise. Given these options, Opportunity Passport™ participants in the baseline group have most often purchased a car, followed by housing and education assets. Most housing purchases are for rent deposits, with a small number of young people purchasing homes, typically as they reach age 24.

Opportunity Passport™ Asset Purchases



Furthermore, almost one-half (46%) of asset purchasers have gone on to purchase another asset. In these cases, the assets purchased are most often some combination of a vehicle, housing, and education expenses.

An IDA can meet the immediate needs of young people, while broader systems reforms occur

Rob Hilla was 20 years old and out of Michigan's foster care system. He tried to get Medicaid coverage, but the Medicaid worker told him he wasn't eligible. "I got denied services," said Hilla, now 22 and a member of the Michigan Youth Opportunities Initiative youth board and Opportunity Passport™ participant. So instead, he used his matched savings account for braces – a very typical need of youth and young adults – and for other medical expenses.

The experiences of Hilla and other young people aging out of foster care led Michigan to enact reforms to make sure that those leaving foster care have health insurance. It took two years, but Michigan extended Medicaid to youth until age 21. And in 2008, the state instituted another reform aimed at making it even easier for young people to get Medicaid coverage. They established a procedure to automatically enroll them, ensuring no gap in coverage through age 21.

"I'm glad I was able to use my IDA for something that I really needed. The Opportunity Passport™ gave me something to fall back on, at a time when I didn't have any other options."

“Despite this challenge, there are promising ways to support young people – at all ages and stages of development – to build their financial knowledge and experience.”

These data suggest that the matched savings account, while clearly no replacement for a family, is being utilized by participants in a developmentally appropriate way that facilitates a natural path toward economic success. The assets match the young people’s interests and needs. We believe that these unique assets are motivating young people to take advantage of the IDA, and in the process they are connected to mainstream banking and acquiring real world experience with savings.

Another developmentally appropriate way that we see youth using their IDAs is in the type of account activity. Not surprisingly, participants that purchase assets make more deposits than those that have not purchased an asset. However, asset purchasers also make more *unmatched* withdrawals (i.e., withdrawals for other reasons), while still managing to amass savings in order to reach their goal^Y. This indicates that they are practicing and developing new savings and money management behaviors. They are learning to save by struggling to save, which is not only typical behavior for young people, but for the population at large. In fact, for the past several years the personal savings rate in America has been negligible or negative.

Youth and young adults must guide their involvement in asset development

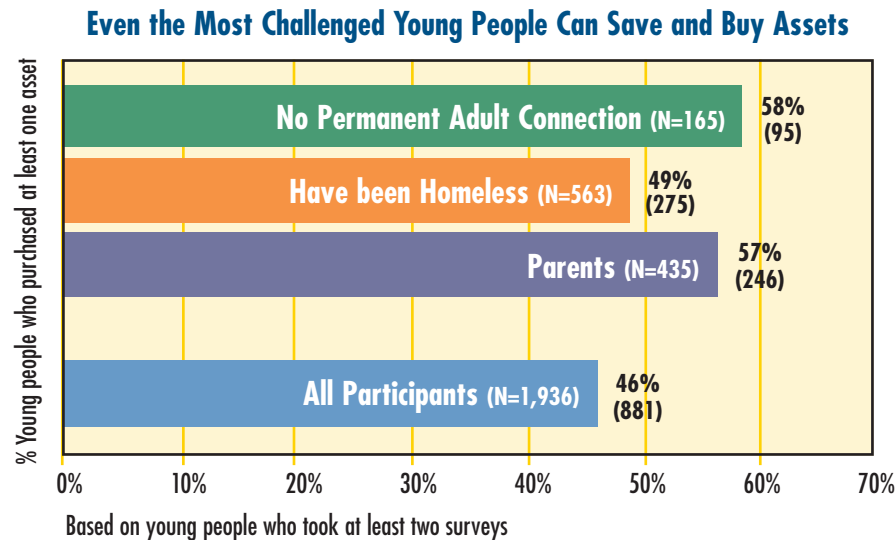
One of the core principles of the Initiative is the importance of the voice of youth and young adults in guiding the work. In practice, this occurs primarily through youth leadership boards and community boards that work in full partnership to create opportunities for, and advocate on behalf of, youth leaving foster care.

However, the role of young people in guiding their own future has been further reinforced in sites’ experience implementing the Opportunity PassportTM. Not all young people are at the proper developmental stage to manage bank accounts or to save for long-term goals immediately following financial literacy training.

Despite this challenge, there are promising ways to support young people – at all ages and stages of development – to build their financial knowledge and experience. Sites found that the financial literacy training provided a good foundation for young people, and introduced them to the potential of a matched savings account. But the training was not the only prerequisite to being ready to participate. Youth and young adults need to be motivated to have an IDA; they need a clear goal and plan for saving. Young people that do not feel ready should be engaged in other ways, such as being supported in planning for the future and goal setting, and being provided with real opportunities for earning income. But ultimately, it is the *young person* that should determine when he or she is ready to begin saving, a readiness that is not necessarily tied to age.

Even the most challenged young people are able to save and purchase assets

All youth in and leaving foster care face serious challenges. However, we identified an interesting trend when examining findings from our longitudinal group (i.e., Opportunity Passport™ participants that took at least two surveys [N=1,936], a subset of the baseline group referred to earlier). We found that young people who report facing additional challenges, such as being a young parent, experiencing homelessness, or having no adult in their lives to turn to for support – actually utilize the IDA proportionately *more* than others.



We suspect that a higher level of need – even survival – is leading to the higher rate of utilization. That is, these young people need help to get a car, an apartment, help with school costs, etc., even more. And they are able to take advantage of the IDA to meet some of those needs, lacking the supports families typically provide.

An IDA is an important support... but no replacement for a family

The IDA is a resource that the Initiative believes has great potential for supporting this population, and the data indicate that young people transitioning from foster care can save and purchase assets when given access to matched savings accounts that meet their needs. That is promising.

Early trends show that Opportunity Passport™ participants who report having a permanent adult in their lives are more likely to do better across outcome areas.

But in the end, we are interested in improving the overall well-being of youth transitioning from care. An area for continued study is how the utilization of an IDA can improve a young person's life trajectory. For the Initiative, it is still too early in implementation to see changes in life outcomes. Across our sites, implementation of the Opportunity Passport™ was staggered over the past five years. Therefore, the young people in our longitudinal group have an

average length of participation of only about two years. However, we have *begun* to see some differences in outcomes for asset purchasers as compared to those that have not yet purchased an asset. In particular, asset purchasers are more likely to self-report being employed and having safe, stable and affordable housing, and they experience greater rates of improvement over time^{vi}.

These are very early trends, and we will see if they hold as the longitudinal data become more robust. But the trends are also not surprising. The opportunity for an IDA promotes regular employment. Does it matter whether the IDA motivates a young person to obtain employment in order to save for an asset, or that the young person is able to save for an asset because they were previously employed? Either way, steady employment and savings behavior are rewarded.

Furthermore, there are logical reasons why the most-utilized assets would impact housing and employment. The purchase of a car, the most common asset purchased, has potential to impact both employment and housing opportunities very quickly. Young people with a car immediately have a broader geographic area within which they can find appropriate employment or housing, while also providing reliable transportation to and from their job. And clearly a match for an apartment deposit can directly impact having safe, stable and affordable housing.

The connection between asset purchases and youth outcomes needs more time and research to substantiate. However, what the data are also beginning to suggest – and what the participants have told us and common sense dictates – is that what young people need more than anything is a family. Early trends show that those participants who report having a permanent adult in their life are more likely to do better across outcome areas, in particular related to housing, health insurance coverage, and personal and community engagement^{vii}.

This overarching need for a family must never be overlooked as targeted supports for young people leaving foster care are considered.

An apartment, a car, a job, and a new lease on life

Gina's old life was rocky and difficult. As one of six children of teen parents, Gina often was absent from school because she was the primary caregiver for her younger siblings. Her dad was in prison. "We didn't know where my mom was half the time," she says. Four of her six siblings were placed in foster care. Gina, 15 1/2 at the time, had dreams of going to law school and becoming a lawyer. Her first pregnancy shelved those plans. Still, she was determined not to follow the same path as her parents.

Gina got involved with Bridging the Gap, a partnership between the Initiative and the Mile High United Way in Denver, and isn't sure how she would have made it without this support. Gina saved for assets and with matches through her Opportunity Passport™, she was able to put a \$300 deposit on an apartment and buy a new Hyundai. A "door opener" – a person or organization in the community who offers opportunities for youth in or formerly in foster care to work toward self-sufficiency – gave her discounted rent on the three-bedroom apartment for her and her three children, and even hired Gina as a leasing agent.

"My whole life has changed as a result of this," says Gina, "I wouldn't have this apartment. Through my job, I have life insurance, health insurance and a 401K. This is the first job in which I'm not on any assistance. This is a dream come true. I never thought I would have a job where I would be able to support myself."

Recommendations for policy and practice

The IDA is one important resource that can be utilized by young people transitioning from care. Based on our experience and data, we recommend that during the upcoming reauthorization of the Assets for Independence Act, policymakers should make asset-building programs available for young people ages 14-24 transitioning from foster care that:

- include vehicles as allowable assets for IDAs for this population;
- expand the home ownership asset to allow for apartment deposits; and
- ensure that the financial literacy training provided is developmentally appropriate.

We further recommend systemic changes in the practice of child welfare and asset development practitioners that would support youth until age 21 in:

- making permanent connections to family that better ensure sustainable support;
- guiding their participation in asset-building programs;
- attending and completing post-secondary education or training; and
- attaining and retaining employment, housing, and health care.

ⁱ Kids are Waiting and the Jim Casey Youth Opportunities Initiative (2007) Time for Reform: Aging Out and On their Own... Philadelphia, PA: Pew Charitable Trusts.

ⁱⁱ Jim Casey Youth Opportunities Initiative has ten demonstration sites: Atlanta, Connecticut, Denver/Front Range, Des Moines, Maine, Michigan, Nashville, Rhode Island, San Diego, and Tampa; and two co-investment sites in Nebraska and Indiana.

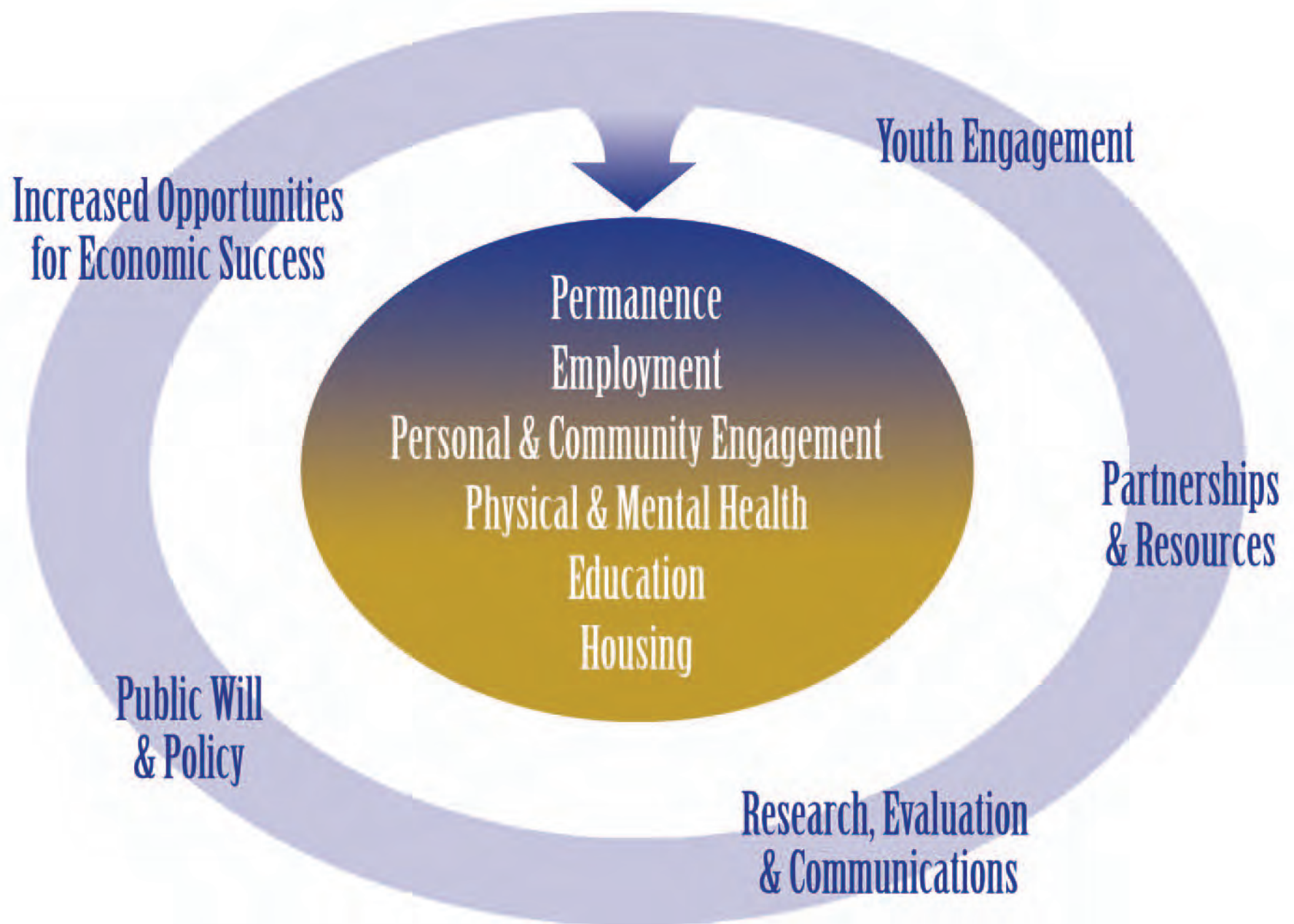
ⁱⁱⁱ Data collected from ten demonstration sites through December 31, 2008.

^{iv} Schreiner, M., Clancy, M., & Sherraden, M. (2002). Final Report. Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts. St. Louis, MO: Washington University, Center for Social Development.

^v Unpublished data, Jim Casey Youth Opportunities Initiative, June 2009. The average number of **deposits** for asset purchasers is 14.6; for non-asset purchasers the average number of deposits is 6.5. The average number of **unmatched withdrawals** for assets purchasers is 8; for non-asset purchasers the average number of unmatched withdrawals is 6.5.

^{vi} "Cross-Site Report: Youth Indicator Findings on Opportunity Passport™ Participants", Jim Casey Youth Opportunities Initiative, November 2008.

^{vii} "Cross-Site Report: Youth Indicator Findings on Opportunity Passport™ Participants", Jim Casey Youth Opportunities Initiative, November 2008.



All five strategies working together lead to improved outcomes and systems for youth leaving foster care.



The Jim Casey Youth Opportunities Initiative is a national foundation that brings together the people, resources and systems necessary to assist youth leaving foster care make successful transitions to adulthood. The Initiative achieves its mission through making grants, providing technical assistance, and advocating for improved policy and practice. The Initiative is working in sites nationwide that implement five broad strategies: Youth Engagement; Partnerships and Resources; Research, Evaluation and Communications; Public Will and Policy; and Increased Opportunities. As part of the Increased Opportunities strategy, the Opportunity Passport™ is a package of resources that is used to create opportunities for young people leaving foster care. The Opportunity Passport™ has three distinct components: *a personal bank account* for short-term expenses and instant cash; *a matched savings account* (or IDA) for asset-building; and *door openers*, which are opportunities developed on a local basis (e.g., expedited access to job training or adult education courses). More information can be found on our website at: www.jimcaseyyouth.org

Metis Associates, an independent research and evaluation consulting organization, provides ongoing evaluation and technical assistance to the Jim Casey Youth Opportunities Initiative on the collection, maintenance, analysis, interpretation and presentation of data. Metis has been working collaboratively with the Initiative and its ten demonstration sites to examine and assess progress on implementation and outcomes. Improvement is tracked through the self-evaluation efforts of each site, using the data collection tools and assistance provided by the Initiative. Metis supports the self-evaluation work at each site and aggregates and evaluates the data across sites. Information about Metis Associates can be found at: www.metisassociates.com



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