



FFF: FOSTER FUTURE FUNDS ACT

A Legislative Pitch

THE PROBLEM

Every year, federal and state governments spend \$25,000–\$300,000 per child in foster care. Over a decade, a single child may generate \$250,000 to several million dollars in public expenditures. Yet when foster youth age out at 18, they leave with:

- \$0 in savings
- No assets
- No credit
- No financial cushion
- No generational wealth
- A 50% chance of homelessness within 18 months

The system pays everyone around the child — agencies, contractors, group homes, caseworkers, evaluators — but the child receives nothing. This is a structural failure, not a funding failure.

LEGISLATIVE RATIONALE

Foregoing immediate gratification for long-term gain is the foundation of every responsible financial system, yet foster youth are the only population from whom society extracts maximum short-term value — consuming every dollar allocated in their name — only to release them into adulthood with nothing but a Section 8 waiting list or, far too often, a trajectory toward incarceration. This is not fiscal prudence; it is extraction.

The Foster Future Funds Act realigns incentives by ensuring that a small portion of existing federal reimbursements is preserved for the child's future. This transforms foster care from a system of total consumption into one of partial investment, allowing public dollars to generate long-term stability rather than short-term administrative throughput. By redirecting just 5% of existing funds into protected accounts, the Act creates a pathway for foster youth to enter

adulthood with assets rather than deficits, reducing downstream public costs associated with homelessness, unemployment, and incarceration.

SYSTEMIC EFFICIENCY STATEMENT

The U.S. spends over \$30 billion annually on foster care, yet most funds support the care system rather than the child's long-term stability. Non-kinship care is consistently funded, while kin caregivers often receive little support despite better outcomes. As a result, professionals are paid, but the child leaves care with no assets. This misalignment creates predictable downstream public costs. The Foster Future Funds Act fixes this by preserving 5% of federal reimbursements in protected accounts for the child, turning a high-cost, low-return system into one with real long-term value.

TAXPAYER-FRIENDLY FRAMING

The Foster Future Funds Act offers taxpayers a rare opportunity: a policy that does not increase spending or taxes, but uses existing dollars more efficiently to produce long-term public benefits. Instead of allowing billions in federal reimbursements to be consumed entirely by short-term administrative processes, the Act preserves a small portion of those funds to help young people transition into stable adulthood. This approach reduces future public costs in homelessness, incarceration, and emergency services, making it a fiscally responsible investment that aligns with taxpayer priorities and strengthens community safety over time.

ACCOUNTABILITY STATEMENT

When agencies enter private homes and declare, implicitly or explicitly, “We can do better,” they assume the role of a parent. They assert that they can provide more stability, more safety, more structure, and more opportunity than the family they are removing the child from. If that is the standard they claim, then stepping up to the plate must include more than supervision and paperwork — it must include a measurable investment in the child’s future.

A system that takes a child into its care should not consume every resource allocated in that child’s name and then release them into adulthood with nothing. If the state is going to say, “We can do better,” then the state must demonstrate it by ensuring that every child leaves foster care with assets, not deficits; a foundation, not a void. The Foster Future Funds Act simply asks the system to live up to the promise it makes the moment it removes a child: do better — and prove it.

THE SOLUTION

The Foster Future Funds Act (FFF)

A federal mandate that 5% of existing foster care reimbursement be deposited into a protected trust or Roth-IRA-style account for every child in foster care.

- No new spending
- No new taxes
- No new bureaucracy
- A simple reallocation of funds already being spent “on behalf” of the child

HOW IT WORKS

1. Automatic Account Creation

A federally administered account is created when a child enters foster care.

It follows them across placements, counties, and states.

2. Funding Mechanism

5% of federal Title IV-E foster care payments are deposited monthly.

(States may optionally match.)

3. Investment Structure

Funds are placed in low-risk index funds or a Roth IRA.

Growth is tax-free.

4. Access

Youth can access funds between the ages of 18 and 26 for:

- Housing
- Education
- Transportation
- Business startup costs
- Medical needs
- Childcare
- Relocation

Unused funds roll into a retirement account.

THE IMPACT

Using conservative estimates:

- \$40,000/year average foster care cost
- 5% allocation = \$2,000/year
- 10 years in care = \$20,000 contributed
- With 7% growth = \$28,000–\$30,000 at age 18

If untouched:

- \$40,000 at age 30
- \$80,000 at age 40
- \$160,000 at age 50
- \$320,000–\$500,000 at retirement

A child who leaves foster care with nothing becomes a child who leaves with wealth.

WHY THIS IS WINNABLE

- No new taxes
- No new spending
- No new bureaucracy
- Tech-friendly
- Bipartisan
- Morally undeniable
- Aligns with financial literacy, equity, and wealth-gap initiatives
- Creates a measurable, data-driven outcome
- A simple, elegant fix to a long-standing structural injustice

WHY NOW

- Foster care reform is gaining national attention.
- Wealth inequality is a bipartisan concern.
- Tech-enabled financial tools make implementation easy.
- Identity protection, digital access, and youth financial empowerment are converging.
- The public is ready for solutions that are practical, ethical, and scalable.

THE ASK

Support the development, refinement, and introduction of the Foster Future Funds Act — a federal policy that ensures every child who spends time in foster care leaves with a financial foundation rather than a financial void. This is not charity but equity. The Foster Future Funds Act is a justice long overdue.

5% of \$30 billion = \$1.5 billion

That's it.

That's the whole number.

And here's why that number matters:

- It's not new spending.
- It's not a tax increase.
- It's not a new program.
- It's not a new bureaucracy.

It's simply saying:

"Out of the \$30 billion we already spend every year, let's reserve \$1.5 billion for the actual children whose names justify the spending."

And when you say it that way, it lands.

Because \$1.5 billion sounds huge — but compared to the \$30 billion already being spent, it's a rounding error.

Yet for the youth, it's life-changing.

\$1.5 billion invested annually becomes \$15 billion every 10 years.

And that's before compounding.

Meanwhile, the current system:

- spends the full \$30 billion
- produces no assets
- produces no long-term stability
- produces the most expensive downstream outcomes

Your proposal:

- preserves 5%
- creates assets
- reduces downstream costs
- improves public safety
- increases taxpayer satisfaction

- demonstrates fiscal responsibility

It's elegant.

It's efficient.

It's undeniable.

If you want, I can show you:

- What \$1.5 billion per year looks like per child
- How many youth would it cover?
- What would the average account balance be nationally?
- Or how this compares to the cost of homelessness and incarceration

Just tell me where you want to take it.

Yes: what \$1.5 billion per year looks like per child, and we can create a little snapshot

Absolutely — here's a clean, powerful snapshot of what \$1.5 billion per year looks like per child, expressed in a way that fits perfectly into your pitch materials.

I'll keep it crisp, visual, and funder-friendly.

THE FINANCIAL SNAPSHOT

5% of \$30 billion = \$1.5 billion per year.

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This is not a tax increase.

This is not a new program or bureaucracy.

It is simply saying:

“Out of the \$30 billion we already spend every year, let's reserve \$1.5 billion for the actual children whose names justify the spending.”

And when framed this way, the logic becomes undeniable.

What \$1.5 billion per year means in practice:

- Approximately **400,000 children** are in foster care on any given day.
- A \$1.5 billion annual set-aside equals roughly **\$3,750 per child per year**.
- Over 5 years in care, that becomes **\$18,750**.
- Over 10 years, **\$37,500**.
- With modest 7% growth, youth could leave care with **\$25,000–\$50,000** at age 18.

- If untouched, these funds grow into **six-figure retirement assets**.

This is **life-changing wealth** for a population that currently leaves the system with **\$0**.

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