
TESTIMONY IN SUPPORT OF BILL HB849
Universal Basic Income for Transition Age Youth
Appropriations Committee
March 6, 2024

Social Work Advocates for Social Change strongly supports HB849, which will establish a Universal Basic Income (UBI) program of \$1,000 a month for transition age youth in the Department of Human Services. Young adults age out of the foster care system in the state of Maryland at age 21 but can choose to leave care at the age of 18. Many young adults who age out of care face many negative outcomes due to a lack of financial resources. Individuals aging out of foster care face higher rates of homelessness or housing insecurity, low-income, unemployment or lack of gainful employment, lack of access to health care, higher rates of mental unwellness, lack of higher education, lack of social supports, and financial instability. UBI payments can help address these negative outcomes and help prepare these vulnerable young people for successful starts to their new adult life.

Young adults who age out of the foster care system face higher rates of homelessness and housing insecurity. Young adults aging out of the foster care system are expected to be independent adults, with a limited network of support. They do not have the same supports that those not in the foster care system have. Within 1 year of aging out of the system 14% of former foster youth experience homelessness and 25% report having unstable housing situations.¹ Other studies have shown that at some point 25% of former foster youth experience a period of homelessness.² According to scholars UBI has the potential to reduce homelessness among at risk populations.³ The UBI payments proposed in HB849 can reduce the rate of homelessness faced by adults who were in foster care.

Former foster youth face disproportionate rates of poverty and unemployment.

Another major problem facing individuals aging out of foster care is a lack of gainful-employment and scarce financial resources. According to one evaluation the medium income for foster care alumni, aged 23-24, was \$8,000, far below the poverty line, compared to a national sample of \$18,300.⁴ The same study also found that only 48% of the same sample of 23-24 year olds were employed which is significantly less than the

¹ Dworsky, A., & Courtney, M. E. (2009). Homelessness and the transition from foster care to adulthood. *Child Welfare*, 88(4), 23.

² Vacca, J. S. (2008). Foster children need more help after they reach the age of eighteen. *Children and Youth Services Review*, 30(5), 485-492.

³ "The Role of Universal Basic Income in Preventing and Ending Homelessness." Nick Kerman. 2021. *International Journal on Homelessness*, 1(1), 3-13. <https://doi.org/10.5206/ijoh.2021.1.13337>

⁴ Courtney, M. E., Dworsky, A. L., Lee, J. S., & Raap, M. (2010). *Midwest evaluation of the adult functioning of former foster youth: Outcomes at ages 23 and 24* (pp. 1097-3125). Chicago: Chapin Hall at the University of Chicago.

74% of the general population. Another study highlights that 31% of youth reported facing financial hardships the first year of aging out of care.⁵ Research has shown that UBI decreases the rate of unemployment amongst low-income individuals.⁶ A UBI payment of \$1,000 a month for young adults preparing to age out of the system will increase their chances of gaining employment and learning how to manage their money at an early age.⁷

Individuals who age out of the foster care system are at a higher risk of mental illness.⁸ Young adults who aged out of the foster care system are twice as likely to struggle with depression and anxiety disorders when compared to the general population.⁹ A study conducted by the Canadian government showed that UBI reduced the rate of hospitalization amongst its participants by 8.5%. There was a sharp decline amongst the participants in seeing psychiatrists and other mental health professionals.¹⁰ This is vital for foster youth who age out of the system because they have high rates of mental illness. UBI can reduce the hospitalizations of adults aged out of foster care and improve their mental health.

Maryland can help lead the way to provide innovative and equitable solutions for our young adults aging out of foster care. HB849 is a stepping stone youth aging out of foster care to achieve economic security, which in turn boosts Maryland's overall economy.

Social Work Advocates for Social Change urges a favorable report on HB849.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

⁵ Zinn, A., & Courtney, M. (2015). Helping foster youth find a job: A random-assignment evaluation of an employment assistance programme for emancipating youth. *Child & Family Social Work*. Advance online publication. doi:10.1111/cfs.12212

⁶ "California Program Giving \$500 No-Strings-Attached Stipends Pays Off, Study Finds." Rachel Treisman, 2021. <https://www.npr.org/2021/03/04/973653719/california-program-giving-500-no-strings-attached-stipends-pays-off-study-finds#:~:text=a%202019%20interview,A%20universal%20basic%20income%20program%20run%20by%20a%20nonprofit%20founded,the%20city's>

⁷ Peters, C. M., Sherraden, M., & Kuchinski, A. M. (2016). From foster care to adulthood: The role of income. *Journal of Public Child Welfare*, 10(1), 39–58.

⁸ Young Adults Formly in Foster Care: Challenges and Solutions." <https://youth.gov/youth-briefs/foster-care-youth-brief/challenges>

⁹ Havalchak, A., White, C. R., O'Brien, K., & Pecora, P. J. (2007). Casey Family Programs Young Adult Survey 2006: Examining out-comes for young adults served in out-of-home care. Seattle, WA: Casey Family Programs.

¹⁰ Forget, Evelyn L. "The town with no poverty: The health effects of a Canadian guaranteed annual income field experiment." *Canadian Public Policy* 37.3 (2011): 283-305.