

The Conference
Board of Canada

Empowering Indigenous Youth in Care as They Transition to Adulthood

Critical Actions for Philanthropy and Policy



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Key findings

- Our findings show that Indigenous youth aging out of care are underemployed and have lower earnings than the general population. Strengthening their education and mental health to match the average non-Indigenous population is shown to increase their total lifetime income by an estimated \$1.1 billion.
- If action is not taken to improve education, employment, and mental health outcomes for Indigenous youth aging out of care within the next five years, the loss in economic potential would be at least \$2.0 billion and could reach up to \$5.5 billion, as projected by two different economic modelling scenarios.
- Indigenous-led programs and services delivered by child and family well-being agencies prioritize identity-building for youth in care. Philanthropy and public policy can help support these efforts, positively impacting mental health, education, and employment outcomes for youth transitioning out of care and into the community.
- Kin care placements should be used when possible. Compared with foster care, kin care appears to be more compatible with Indigenous values, self-determination, and the future state of Indigenous-led child welfare in Canada.
- The findings of this research show that compared to children and youth in foster care, children and youth in kin care report better mental health and are more likely to pursue a post-secondary education. Yet, they also may require extra support during the crucial high school years.
- Many Indigenous child and family well-being agencies want to develop facilities that offer a sense of family and kinship. These would be places where youth can drop in for tea, counselling, and cultural support. However, infrastructure gaps remain an issue that philanthropy and policy can help address.
- Indigenous child and family well-being agencies need sustained roles for Elders and specialists who focus on relational, preventative work that is strengths-based and solutions-focused. Young people should also have meaningful opportunities to co-steer the child welfare sector, whether as research advisors or in the governance of service delivery.
- Policy-makers should rethink provincial guidelines for program eligibility to ensure that youth get the support they need during critical life transitions. Age cut-offs for support are inconsistent with development and have proven not to work for Indigenous youth.

A transition in terminology

As the child welfare sector's appreciation and support of Indigenous self-determination grows, terminology is shifting. Indigenous child and family well-being agencies (ICFWA) are moving away from the term "aging out of care" due to its connotation of leaving youth with no support at the age of majority.¹ Instead, they're using terminology such as *aging youth into community*, *post-majority care*, *support for those who are or were in care*, *youth engagement*, and *supporting a young person's transition to adulthood*.

We agree that these terms are the goal. Because there are still provincial age cut-offs impacting programs and services, including financial support for caregivers, youth may experience precarious living conditions—even homelessness—when they reach the age of majority. These conditions impact their options for pursuing higher levels of education and finding employment. However, to maintain the focus on the fact that these age-based policies still exist and to support the need for philanthropic and policy change in the sector, we use "aging out of care" when discussing quantitative data on reaching the age of majority. We bring "aging into community" back into our qualitative discussion of recommended policies and practices.

When a child is *in care*, they are under the guardianship of a government authority.² Children may be placed in care voluntarily by their guardians or for protection³ for a short time or for the long term. Until they reach the age of majority, they may be *in care*, *formerly in care*, or have a formal youth agreement providing residential services.⁴ The goal for ICFWAs is preventative, to keep families together.

Children in care may live in residential placements like group homes, foster care with non-relative caregivers approved by an agency, and kin care with formal and informal caregiving by relatives (short- or long-term).⁵ Long-term kin care placements for Indigenous children are often called customary care,⁶ and they are one of "the oldest forms of care ... a long-standing tradition which involves relatives caring for other relatives."⁷

Today, families receive the same financial support through formal customary care agreements that government organizations or Indigenous child and family well-being agencies provide to foster families. Informal and other alternative placements may also receive variable financial supports.⁸ These arrangements keep children close to their culture and networks and uphold community values for collective responsibility. For example, in Ontario, Children's Aid Societies (that continue to serve Indigenous children) and Indigenous child and family well-being agencies (that specifically serve Indigenous children, on and off reserve) must pursue customary care for Indigenous children first before moving to other measures. But there are not enough approved Indigenous alternative care homes, which often means the Children's Aid Society needs to use non-Indigenous foster homes or group facilities.⁹ We expand on the data on children and youth in care in Canada below.

As for the agencies, in Ontario these are called *Indigenous child and family well-being agencies*, which we will use for brevity throughout this report. However, note that these may be called *Indigenous delegated agencies*, or *Indigenous Child and Family Services Societies* or *Authorities*, for example, in other provinces.

1 The age of majority refers to the age at which the law considers a person to have reached adulthood, when decisions no longer require the oversight of a parent or guardian. These ages vary across provinces in Canada from ages 18 to 19, and affect child welfare supports since the age indicates when a person is no longer considered a minor.

2 Government of British Columbia, "Children and Youth in Care."

3 University of Manitoba, "Term: Children in Care (CIC) / Ever in Care."

4 Government of British Columbia, "Children and Youth in Care."

5 Crowe and Schiffer, *Mashkiwenmi-daa Noojimowin: Let's Have Strong Minds for the Healing*.

6 Government of Ontario, "Customary Care"; PART, *Alternative Care Arrangements in Child Welfare*.

7 Carriere-Laboucane, "Kinship Care: A Community Alternative to Foster Care."

8 Ontario Association of Children's Aid Societies, "Kinship"; PART, *Alternative Care Arrangements in Child Welfare*.

9 Ontario Association of Children's Aid Societies, "Kinship."

Introduction

In 2019, new federal legislation, *An Act respecting First Nations, Inuit and Métis children, youth and families*, prioritized Indigenous jurisdiction over Indigenous children in care. The legislation cited the United Nations Declaration on the Rights of Indigenous Peoples, the Truth and Reconciliation Commission's Calls to Action, and Indigenous peoples' inherent right to self-determination as rationales.

The 2019 Act commits to reform child and family services for Indigenous children by focusing on prevention, early intervention, and protection.¹⁰ It also affirms Indigenous jurisdiction over cultural continuity, kin care, and decision-making about children in care.

However, this restructuring requires adequate resourcing and a commitment to substantive equality—which means equal opportunities and equitable outcomes—to successfully align with Indigenous communities' needs, values, and hopes for the future.¹¹

The Conference Board of Canada conducted a study in 2014, which demonstrated that investing in education and mental health for youth transitioning from care to adulthood generates substantial long-term economic benefits for both the youth in transition and for Canadian society.¹² In our current report, we build on this study's approach and findings, incorporating feedback from staff and leaders of Indigenous child and family well-being agencies. We also explore policy options that can strengthen Indigenous-led systems of care. We expand on the 2014 study by including youth in foster care and kin care, and youth living on and off reserve.

The 2014 report stated that most youth aging out of care do not graduate high school, but our research now shows this is most prevalent in Indigenous children and youth in kin care. Also, the 2014 report indicated that youth are completely without financial support between the ages of 18 and 21, depending on their province. However, our updated study looks at the services that Indigenous child and family well-being agencies provide *despite* provincial age cut-offs. While some of the root causes, challenges, and benefits from investing in education and mental health are similar between these reports, this study dives into the *why, what's being done, and who would benefit the most from which actions*.

Our study has two quantitative research elements: a profile of the children in care in Canada using census data; and an economic model that assesses the lifelong economic outcomes for youth aging out of care. As participation in the census varies across Indigenous communities, some caution should be taken in interpreting data on Indigenous peoples from the census, especially among First Nations living on reserve,¹³ which has the highest non-response rate.

10 Branch, Legislative Services, *Consolidated Federal Laws of Canada, An Act Respecting First Nations, Inuit and Métis Children, Youth and Families*.

11 Gaspard, *Funding First Nations Child and Family Services: A Performance Budget Approach to Well-being*.

12 Bounajm, Beckman, and Thériault, *Success for All: The Economic Case for Investing in the Future of Canadian Children in Care*.

13 Residence on reserve within census data includes a person's usual place of residence in eight census subdivisions legally affiliated with First Nations, defined further at Statistics Canada, "Residence on or off reserve of a person."

In addition, small population sizes and data suppression in the Indigenous population, especially Indigenous on reserve, may affect the quality of the data. To provide more context and stories, we also have qualitative case studies featuring promising practices and programs, and areas of need. The case studies were informed by interviews with staff and managers from Indigenous child and family well-being agencies. (See Appendix B for more details on our methodology.)

Often, Indigenous child and family well-being agencies must push back against the system to make sure young people have the best possible outcomes, which can help them build strong lifelong connections to their communities. An Indigenous-led system that “emphasizes the well-being of children, families, and communities would invest early to mitigate risks rather than pay for corrective measures later on.”¹⁴ As our qualitative research indicates, this approach focuses agencies on prevention.

This report contains calls to action for corporations and policy-makers. These actions include areas where philanthropic investment can have an immediate and crucial impact on the lives of Indigenous youth aging into community. Our research provides a compelling argument for investment, and shares innovative practices and programs from leading Indigenous child and family well-being agencies in Canada.

Recommendations

Based on our findings, we believe the following actions would have the highest impact for Indigenous youth aging into community:

- fund programs beyond the age of majority, and reassess their age criteria;
- support programs that develop strong identities;
- improve employment and leadership opportunities for Indigenous youth;
- strengthen the high school completion rates of Indigenous youth in kin care;
- develop infrastructure to help build community, including drop-in facilities and housing;
- align funding for agencies with the unique needs of the community that agency serves.

A profile of Indigenous children and youth in care in Canada

The following profile uses the 2016 census because it features children and youth in care before the 2019 federal legislation transferred power over child protection services to Indigenous communities and agencies. Our profile distinguishes two groups of children and youth in care: children and youth in foster care; and children and youth in kin care. The population in foster care from the census includes any child or youth who is living in a home where the caregiver, who is not the child’s parent or relative, receives compensation to care for the child.¹⁵ The kin care population primarily includes children and youth living in a home with relatives (broadly defined to include those with a significant relationship) without a parent present. This covers a range of situations, including customary care arrangements both short- and long-term, guardianships, and informal care. It is worth noting that some children and youth in the kin care population may not have had contact with the child welfare system in Canada but are informally living with relatives other than their parents. (See Appendix B for details.)

In our profile of children and youth in care, we only include children and youth in foster care under the age of majority, which corresponds to the year that foster children age out of the child welfare system and are no longer eligible to receive supports. (See Appendix B for the age of majority in each province/territory.)¹⁶ This age of majority may vary by province/territory, but falls between the ages of 18 or 19. For the kin care population in each province and territory, the same cohort of children defined by age was included.

¹⁴ Gaspard, *Funding First Nations Child and Family Services: A Performance Budget Approach to Well-being*, 11.

¹⁵ Ontario Association of Children’s Aid Societies, “Fostering.”

¹⁶ Birken and others, *Children Aging out of Care: Literature Scan*.

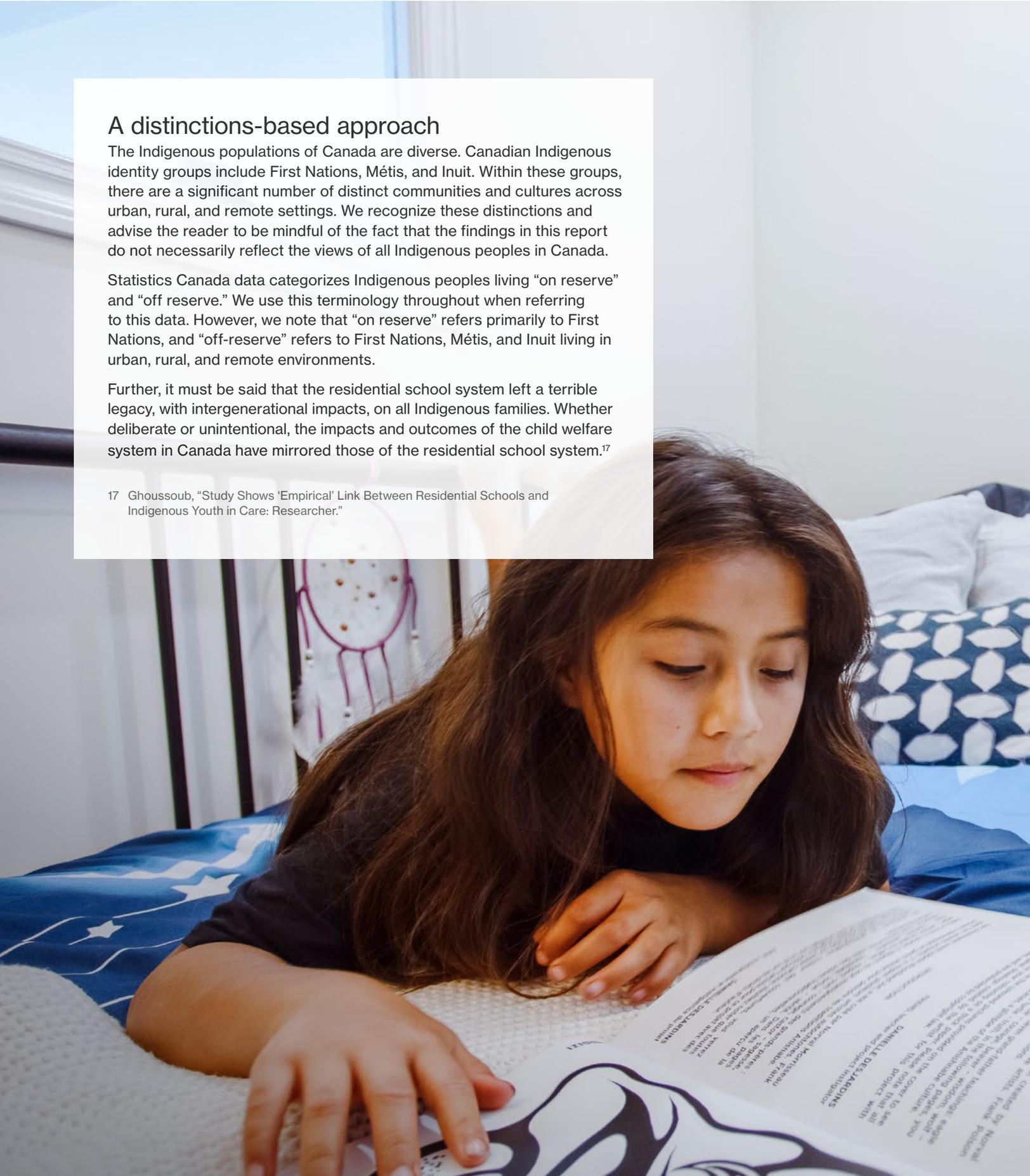
A distinctions-based approach

The Indigenous populations of Canada are diverse. Canadian Indigenous identity groups include First Nations, Métis, and Inuit. Within these groups, there are a significant number of distinct communities and cultures across urban, rural, and remote settings. We recognize these distinctions and advise the reader to be mindful of the fact that the findings in this report do not necessarily reflect the views of all Indigenous peoples in Canada.

Statistics Canada data categorizes Indigenous peoples living “on reserve” and “off reserve.” We use this terminology throughout when referring to this data. However, we note that “on reserve” refers primarily to First Nations, and “off-reserve” refers to First Nations, Métis, and Inuit living in urban, rural, and remote environments.

Further, it must be said that the residential school system left a terrible legacy, with intergenerational impacts, on all Indigenous families. Whether deliberate or unintentional, the impacts and outcomes of the child welfare system in Canada have mirrored those of the residential school system.¹⁷

17 Ghoussoub, “Study Shows ‘Empirical’ Link Between Residential Schools and Indigenous Youth in Care: Researcher.”



In 2016, the Truth and Reconciliation Commission of Canada called the over-representation of Indigenous children in the child welfare system a “growing crisis.”¹⁸ Though Indigenous peoples make up roughly 5 per cent of the population in Canada, according to data released from Statistics Canada, 52.2 per cent of children in foster care were Indigenous in 2016. This number has grown to 53.8 per cent in 2021.^{19,20,21}

Table 1 provides estimates from the 2016 census of the number and rates of children and youth in foster care by province and territory.

Across every province and territory, the Indigenous population had higher rates of foster care placement compared to the non-Indigenous population. However, rates for Indigenous children and youth in foster care vary significantly across the provinces and territories, ranging from 9.7 children per 1,000 to 62 children per 1,000.

While Indigenous children and youth were over-represented in foster care in every province and territory, they were most over-represented in Yukon, Alberta, Manitoba, Saskatchewan, and British Columbia. (See Chart 1.) In 2016, the territories and Western provinces had the highest proportion of Indigenous children and youth in foster care.

Table 1

Indigenous children and youth are more likely to be in foster care than non-Indigenous children and youth, but rates vary across regions

| | Age of population | Foster care population | | | | | |
|---------------------------|-------------------|-----------------------------------|----------------|--------------------|----------------|--------------------|----------------|
| | | Total population | | Indigenous | | Non-Indigenous | |
| | | Number of children in foster care | Rate per 1,000 | Number of children | Rate per 1,000 | Number of children | Rate per 1,000 |
| Newfoundland and Labrador | 0–18 | 650 | 6.8 | 230 | 18.7 | 420 | 5.0 |
| Prince Edward Island | 0–17 | 130 | 4.7 | 10 | 11.2 | 125 | 4.7 |
| Nova Scotia | 0–18 | 750 | 4.3 | 175 | 11.8 | 570 | 3.6 |
| New Brunswick | 0–18 | 605 | 4.2 | 105 | 12.1 | 500 | 3.7 |
| Quebec | 0–17 | 7,645 | 4.8 | 1,110 | 23.3 | 6,535 | 4.3 |
| Ontario | 0–17 | 8,100 | 3.0 | 2,130 | 19.6 | 5,975 | 2.3 |
| Manitoba | 0–17 | 5,960 | 20.7 | 5,130 | 62.0 | 835 | 4.1 |
| Saskatchewan | 0–17 | 2,180 | 8.6 | 1,780 | 26.1 | 400 | 2.2 |
| Alberta | 0–17 | 4,760 | 5.2 | 3,255 | 36.3 | 1,500 | 1.8 |
| British Columbia | 0–18 | 5,625 | 6.3 | 3,475 | 39.1 | 2,150 | 2.7 |
| Yukon | 0–18 | 100 | 12.8 | 100 | 40.7 | 0 | 0.0 |
| Northwest Territories | 0–18 | 125 | 11.5 | 115 | 17.3 | 10 | 2.4 |
| Nunavut | 0–18 | 130 | 9.2 | 130 | 9.7 | 0 | 0.0 |

Note: The age of the population for each province/territory corresponds to all children whose age is below the age of majority for foster care in that province or territory. This differs across provinces and territories and is listed in Appendix B. For the census, Statistics Canada rounds all totals to the nearest 5 and suppresses values less than 10. Totals may not add up due to rounding.

Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.

18 Truth and Reconciliation Commission of Canada, *Canada's Residential Schools: The Legacy*.

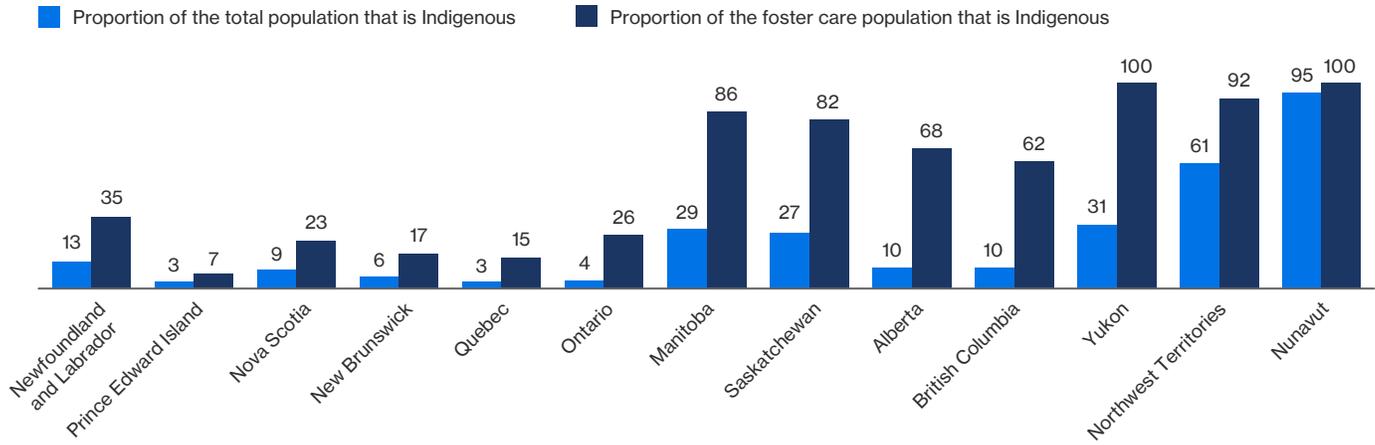
19 Statistics Canada, “Indigenous Population Continues to Grow and Is Much Younger than the Non-Indigenous Population, Although the Pace of Growth Has Slowed.”

20 Hobson, “More than Half the Children in Care Are Indigenous, Census Data Suggests.”

21 Some caution should be taken in comparing foster care rates from the census across years.

Chart 1

Indigenous children and youth are most over-represented in foster care in Yukon, Alberta, Manitoba, Saskatchewan, and British Columbia (per cent)



Notes: All children under the age of majority were examined in each province and territory: aged 0 to 17 in Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, and Alberta; aged 0 to 18 in Newfoundland and Labrador, Nova Scotia, New Brunswick, British Columbia, Yukon, the Northwest Territories, and Nunavut. For the census, Statistics Canada rounds all totals to the nearest 5 and suppresses values less than 10. Totals may not add up due to rounding. Over representation was calculated using the difference between the proportions.
Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.

Location of foster care placement

In 2016, Indigenous children and youth in foster care were more likely to live in rural areas while non-Indigenous children and youth in foster care were more likely to live in urban areas. (See the download in Appendix B for Table 2.) The location of placement in foster care directly impacts the types of support that foster children and their families can access. Children and youth in foster care living in rural areas may have limited access to traditional and alternative education systems, health services, and employment opportunities, to name a few. This is an opportunity for policy and philanthropy to make a difference. Access to supports can improve the well-being of children in care and reduce the impact that being involved in the foster care system can have on a child’s ability to transition to adulthood.

Placement type

Child welfare agencies recognize the benefits of kin care placements where a child or youth is cared for by their family or home community. Kin care placements help children and youth maintain a sense of belonging, safety, and security, and are the preferred setting for children in need of care.²²

However, in some cases, suitable extended family placements are not available and children are placed in foster care instead. In 2016 in Canada, among Indigenous children under the age of 15 years, less than half of children living without a parent in their home were in foster care. Instead, most were living in a home with other relative(s). (See Table 3.)

While the data show that Indigenous children living without a parent present were more likely to be in foster care than non-Indigenous children, differences do exist between Indigenous children living on and off reserve. (See Table 3.) In 2016 in Canada, Indigenous children under the age of 15 years and living without a parent, on reserve, were less likely to be in foster care and more likely to be living with other relative(s) compared with Indigenous youth living off reserve. This finding aligns with data from Indigenous Services Canada that show there has been a general rise in kin care placements and a general decline in foster care placements for First Nations children on reserve over the past 15 years. (See Chart 2.) The finding also resonates with the priority that First Nations peoples place on keeping their children in their community and connected to their culture.

22 Ontario Association of Children’s Aid Societies, “Kinship.”

Table 3

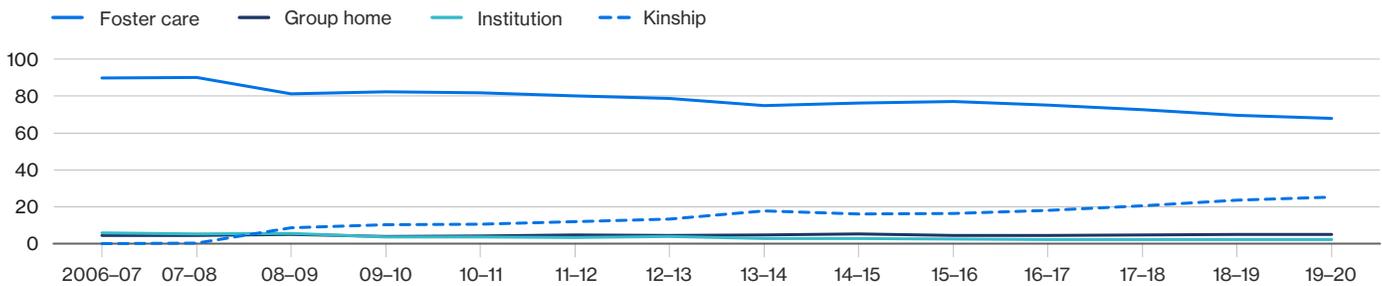
Indigenous children living on reserve without a parent are more likely to be living with relatives than Indigenous children living off reserve (2016)

| | Non-Indigenous | | Indigenous | | Indigenous on reserve | | Indigenous off reserve | |
|--|----------------|----------|------------|----------|-----------------------|----------|------------------------|----------|
| | Count | Per cent | Count | Per cent | Count | Per cent | Count | Per cent |
| Living with other relatives; no parent present | 27,105 | 66 | 19,380 | 56 | 8,000 | 76 | 11,385 | 48 |
| Living in foster care | 13,695 | 34 | 14,970 | 44 | 2,525 | 24 | 12,450 | 52 |
| Living with non-relatives only or alone | 0 | | 0 | | 0 | | 0 | |

Notes: Data include all children aged 0 to 14 living without a parent in the home within Canada. For the census, Statistics Canada rounds all totals to the nearest 5 and suppresses values less than 10. Totals may not add up due to rounding.
Sources: Statistics Canada, Aboriginal Population Profiles; The Conference Board of Canada.

Chart 2

Kinship placements are increasing for First Nations children on reserve (per cent)



Notes: For 2014-15 and 2015-16, a portion of kinship placements are reflected in foster care due to coding changes (following legislative changes in Quebec). Children-in-care counts are based on a point in time, typically the last day of the fiscal year (March 31). This number does not include the number of Indigenous children in care from provincially funded agencies. As well, a point-in-time count is not a measure of every First Nations child who experiences care in a community over time. By focusing on a single day, the count will not include some people who cycle in and out of care, but it does provide an estimate of how many First Nations children are in care on a given day. Ontario: Before fiscal year 2018-19, kinship placements were reported under foster care. Manitoba: Kinship care placements are reported under foster care. Yukon: Before fiscal year 2015-16, kinship placements were reported under foster care.
Sources: Government of Canada, "First Nations Child and Family Services"; The Conference Board of Canada.

Mental health

Children placed in care often experience trauma from adverse childhood experiences. Neglect and exposure to intimate partner violence were the most frequent types of adverse childhood experiences seen in substantiated child welfare investigations across Canada. Indigenous children had higher rates of all types of maltreatment in these investigations compared to non-Indigenous children.²³ Research among Métis peoples in British Columbia has shown that major depression and suicidal ideation were higher among individuals who had aged out of care compared to individuals who had never been in care.²⁴

While in-depth national data are hard to find, the 2016 census provides a general profile of the mental health of children and youth in care. (See Chart 3.) According to the data, Indigenous and non-Indigenous children and youth in foster care had similar rates of mental health conditions. (See Appendix B for a definition of mental health from the census.) Approximately 30 per cent of both Indigenous and non-Indigenous children and youth living in foster care reported a mental health condition. This compares to only 5 per cent of non-Indigenous and 9 per cent of Indigenous children and youth of a similar age in the total population.

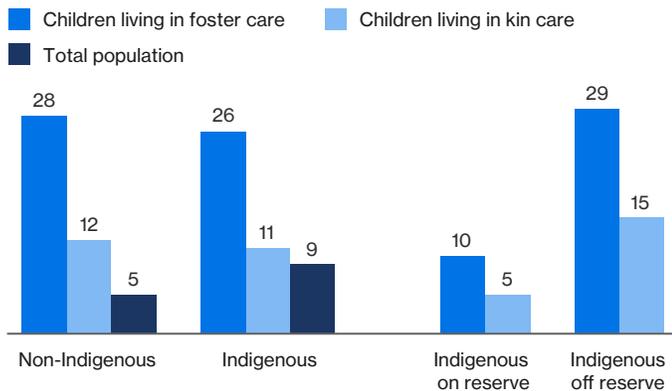
²³ Fallon and others, *Denouncing the Continued Overrepresentation of First Nations Children in Canadian Child Welfare*.

²⁴ Kaspar, "Long-Term Depression and Suicidal Ideation Outcomes Subsequent to Emancipation from Foster Care."

However, among Indigenous children and youth needing care in 2016, being able to stay in one’s home community on reserve or with relatives was associated with lower rates of mental health conditions. In fact, research has shown that the absence of a connection with family and community can have detrimental impacts on mental health and well-being.²⁵ Children in kin care experience lower rates of behavioural problems and mental health conditions than those in foster care.²⁶

Chart 3

Children needing care had lower rates of mental health conditions if they were able to stay in their communities or with relatives than those living in foster care (percentage with a condition, 2016)



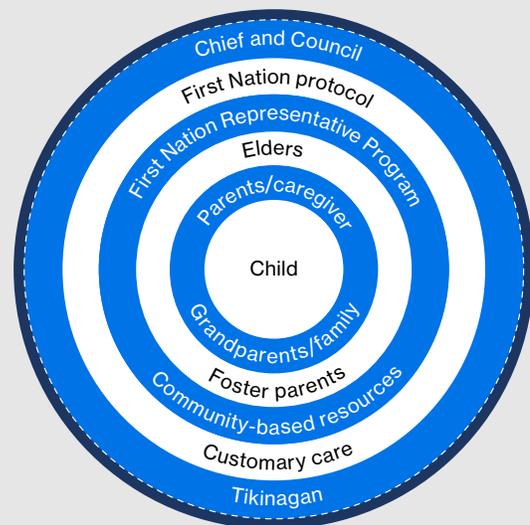
Notes: All children and youth under the age of majority in each province and territory were included in the Canadian foster care population. A cohort of children with similar ages was included for the kin care population. Mental health conditions among children were assessed using the question on the census that asks whether a person has emotional, psychological, or mental health conditions that were long-term conditions that have lasted or are expected to last for six months or more. The results among Indigenous people on reserve should be interpreted with caution as this question has a higher non-response rate. Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.

25 Ziemann, “We Don’t Know What to Do with You”: Changing the Way We Support the Mental Health of Youth in and from Care.
 26 Winokur, Holtan, and Valentine, “Kinship Care for the Safety, Permanency, and Well-being of Children Removed from the Home for Maltreatment.”

Tikinagan

Tikinagan Child & Family Services, an Indigenous child and family well-being agency in Northern Ontario, recognize that all people are spiritual beings. The team works to connect young people to their culture, language, community, and traditions for the 30 First Nations they serve. One example of this involves connecting young people to regalia, which consists of traditional clothing, accessories, and spiritual items that are worn during ceremonies and celebrations, such as powwows. Their focus on connection is ongoing and just as significant as other protective measures they provide. To uphold this value, they developed the Wee-chee-way-win Circle (see Exhibit 1), a network that invites anyone with an interest in the child’s well-being to become a member of their Circle, as part of the Tikinagan service model where the community has a responsibility to raise children. Tikinagan staff coordinate the individuals in this network. For example, social workers consult with Elders for their guidance and the Nation is involved in case management decision-making. “Although each has a different role in the Circle, the success of a young adult’s emotional security depends on teamwork. By working together in mutual cooperation and respect, a circle of healing will surround the young adult.”²⁷

Exhibit 1
Wee-chee-way-win Circle



Source: Tikinagan Child & Family Services, “Wee-chee-way-win Circle.”

27 Tikinagan Child and Family Services, “Our Service Model: Mamow Obiki-ahwahsoowin.”

Education

It has long been recognized that youth in foster care have lower levels of educational attainment than the general population, including both the completion of high school and the pursuit of post-secondary education.²⁸ In 2017, for example, Ontario's Office of the Provincial Advocate for Children and Youth reported that 56 per cent of children in foster care in the province drop out of high school.²⁹ In addition, research in British Columbia has shown that children who had never been in care were about 3.5 times more likely to graduate from high school compared to children in care.³⁰ While education rates are lower among Indigenous peoples in the general population, Indigenous children in foster care are further impacted.³¹

Children in care face numerous barriers to completing high school, including intermittent foster care placements, limited guidance and support in their home environment, limited access to school counselling and mentorship, unmet mental health and special needs, and unstable housing and poverty.³² Foster children age out of care at a time when young adults generally make decisions about employment and post-secondary education options. Yet, while youth in the general population typically benefit from family supports in their pursuit of a post-secondary education, youth aging out of foster care lose access to their supports.³³

28 Rutman and Hubberstey, *Fostering Success: Improving Educational Outcomes for Youth in/from Care*.

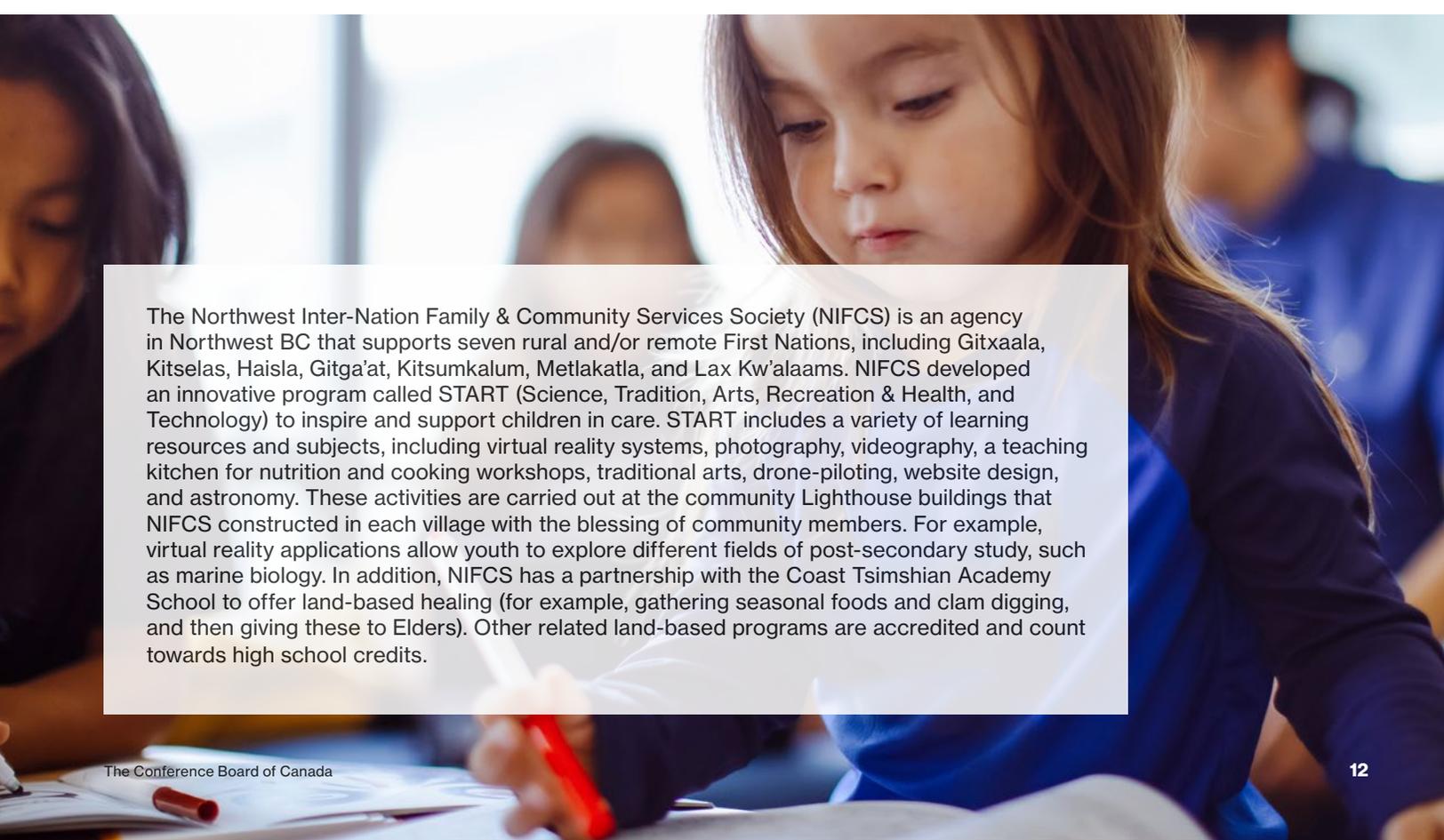
29 Kovarikova, *Exploring Youth Outcomes After Aging-Out of Care*.

30 Provincial Health Officer, *Health and Well-Being of Children in Care in British Columbia : Report 2 on Educational Experience and Outcomes*, 64.

31 Statistics Canada, "The Educational Attainment of Aboriginal Peoples in Canada."

32 Rutman and Hubberstey, *Fostering Success: Improving Educational Outcomes for Youth in/from Care*.

33 Ibid.



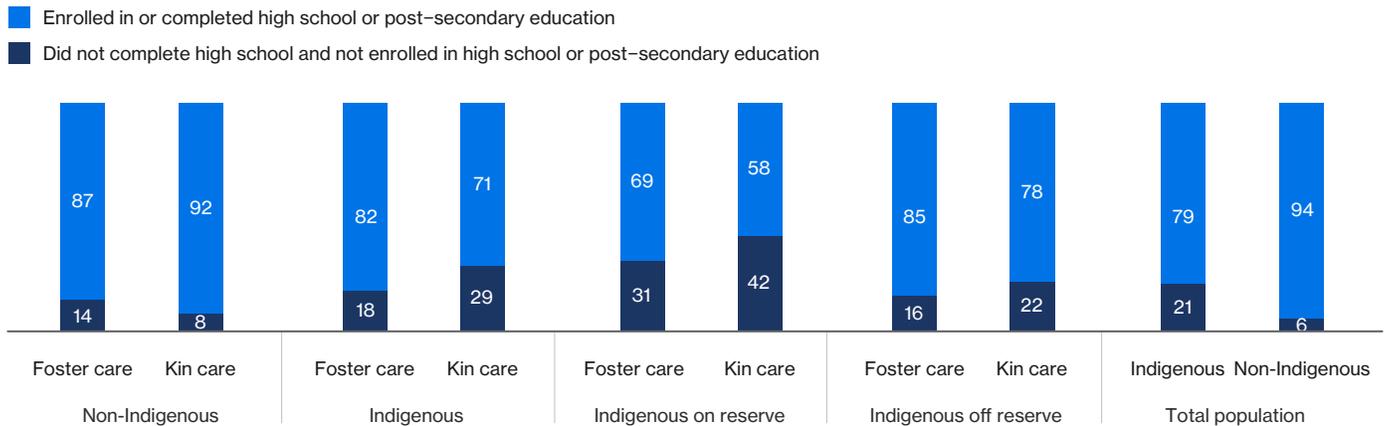
The Northwest Inter-Nation Family & Community Services Society (NIFCS) is an agency in Northwest BC that supports seven rural and/or remote First Nations, including Gitxaala, Kitselas, Haisla, Gitga'at, Kitsumkalum, Metlakatla, and Lax Kw'alaams. NIFCS developed an innovative program called START (Science, Tradition, Arts, Recreation & Health, and Technology) to inspire and support children in care. START includes a variety of learning resources and subjects, including virtual reality systems, photography, videography, a teaching kitchen for nutrition and cooking workshops, traditional arts, drone-piloting, website design, and astronomy. These activities are carried out at the community Lighthouse buildings that NIFCS constructed in each village with the blessing of community members. For example, virtual reality applications allow youth to explore different fields of post-secondary study, such as marine biology. In addition, NIFCS has a partnership with the Coast Tsimshian Academy School to offer land-based healing (for example, gathering seasonal foods and clam digging, and then giving these to Elders). Other related land-based programs are accredited and count towards high school credits.

Using 2016 census data, we constructed an educational profile of youth in care in Canada. (See charts 4 and 5.) The data show that there is a gap in educational attainment for children in foster care. Non-Indigenous and Indigenous youth in foster care were more likely to have dropped out of school compared with the non-Indigenous total population. However, among the Indigenous foster care population, youths living in foster care on reserve were more likely to have dropped out of school compared with Indigenous youth living in foster care off reserve. This finding is consistent with research on the general population that shows a gap in education between Indigenous peoples living on and off reserve.³⁴ It suggests that First Nations youth in foster care who live on reserve may have less access to both formal and alternative education options compared to Indigenous youth living in foster care off reserve.

The census data on the pursuit of education also indicate some relative advantages for youth living in kin care versus foster care, with a few exceptions. (See charts 4 and 5.) In the non-Indigenous population, youth in kin care were less likely to have dropped out of high school and more likely to be pursuing or have completed a post-secondary education compared to youth in foster care. Yet, for Indigenous youth, those in kin care were more likely to have dropped out of high school compared to those in foster care. This finding suggests there may be hurdles to remaining in high school for Indigenous youth who live in kin care arrangements. These youth and their extended family members may not have the same access to educational supports in high school as Indigenous youth in foster care. Nonetheless, for Indigenous youth in kin care who were able to stay in school, the data suggest that having the support of extended family within the home—be it financial, social, emotional—or logistical—improves the likelihood of pursuing a post-secondary education.

Chart 4

Indigenous children in kin care are more likely to have dropped out of school than those in foster care, especially those living on reserve (per cent)

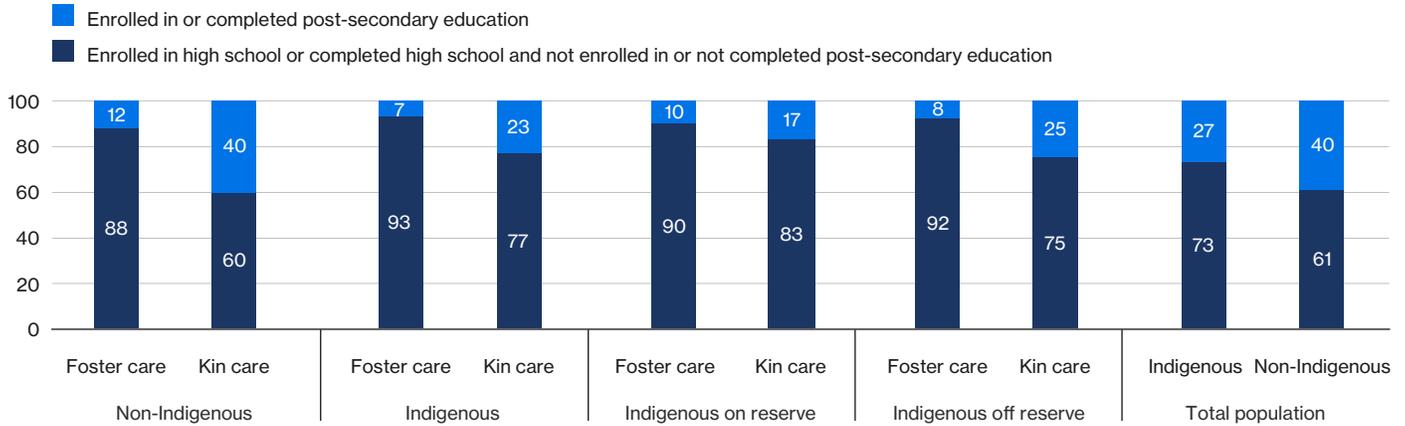


Note: Education rates are among individuals age 17–25 in different living arrangements. Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.

34 Statistics Canada, and Assembly of First Nations, “A Snapshot.”

Chart 5

Youth in kin care are more likely to pursue a post-secondary education compared with youth in foster care (per cent)



Note: Education rates are among individuals age 17–25 in different living arrangements. Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.

Modelling the economic outcomes for youth aging out of care

Growing up in foster care or kin care has significant and long-term effects on not only children’s lives but also society. As discussed in the previous section, children who spend time in care fall behind in various areas of well-being and development. These effects continue to limit their opportunities and outcomes long into adulthood, which together impact economic growth and incur costs on government, for example, through higher social program payments and loss of income tax revenue.

To quantify the economic costs of Indigenous children growing up in care, we modelled the labour market outcomes of the cohort of youth who aged out of care from the time they reached their majority age of 18 or 19 years in 2017 (one year after the 2016 census data used in the profiles above) until the year 2099. We also assessed the impact on public finance. (See Appendix B for a detailed methodology.)

Income disparities for Indigenous individuals who aged out of care

Total income

According to our projections, Indigenous youth who aged out of care are expected to face a significant income disparity. On average, their lifetime earnings are estimated to be \$526,500 (or 19.6 per cent) lower than non-Indigenous youth who were formerly in care. This income disparity becomes even more pronounced when compared with non-Indigenous youth from the general population, where the average lifetime total income shortfall for Indigenous individuals who aged out of care is estimated at \$650,000 (or 23.1 per cent). These estimates aggregate income from all possible sources, including employment, investment, pension, and government transfers. (See Chart 6.)

The income disparity is driven by a combination of factors, such as Indigenous identity (including the impacts of systemic racism), gender, province of residence/employment, educational attainment, and mental health status. Together, these factors influence labour market outcomes as well as the accumulation of personal wealth.

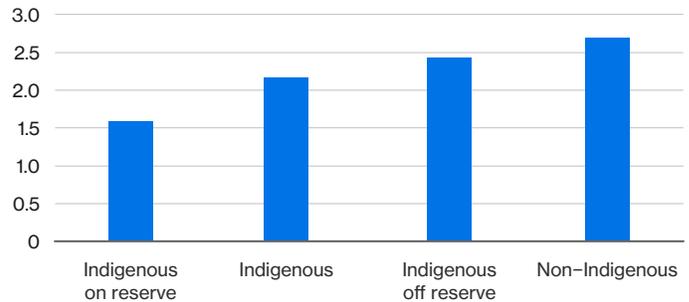
Our findings show that income prospects for Indigenous youth in care vary depending on whether they live on reserve or off reserve. At the time they age out of care, Indigenous youth living on reserve generally self-report (or their guardians report) better mental health than Indigenous youth living off reserve and non-Indigenous youth in care. However, the educational performance of Indigenous youth living in care on reserve is significantly poorer, as there is a higher rate of high school dropouts and lower rates of post-secondary education pursuit and attainment. Specifically, about 41.2 per cent of Indigenous youth in care on reserve dropped out of high school,³⁵ which is significantly higher than the general Indigenous population living off reserve (21.1 per cent) and the general non-Indigenous population (8.2 per cent). Such results also parallel a historic educational funding gap between federally funded on-reserve schools and provincially funded public schools. A 2016 report from the Parliamentary Budget Office estimated the federal government would have to increase funding by somewhere between \$336 million and \$665 million to provide on-reserve students with an education comparable to what they would get off-reserve.³⁶

A lack of skills and qualifications often limits job options and hinders one’s ability to secure quality employment. Due in large part to lower education attainment, we project that, on average, a First Nations youth in care on reserve will earn \$837,500 (or 34.5 per cent) less over their lifetime than an Indigenous child in care off reserve. When compared to a non-Indigenous child in care, the discrepancy is as large as \$1.1 million (or 40.9 per cent). (See Chart 6.)

The results of our analysis suggest that among Indigenous children formerly in care, living on or off reserve plays a more important role in shaping their education level and, consequently, their future labour market participation and total incomes than the type of care (kin care or foster care) they received. (See Chart 7.) Regardless of whether a First Nations child living on reserve is in kin care or foster care, their future incomes, on average, consistently lag behind First Nations, Métis, and Inuit children who were raised in other caregiving settings.

Chart 6

Indigenous adults formerly in care likely to face significant lifetime total income disparity
(average lifetime total income, \$ millions)



Notes: Children in both foster care and kin care are included. The average lifetime total income is calculated by dividing the total incomes of each cohort over their lifespan (adjusted for mortality over time) by the number of cohort members when they age out of care (i.e., the entire cohort without adjusting for deaths).
Source: The Conference Board of Canada.

In contrast, we forecast that for Indigenous youth living off reserve and for non-Indigenous youth, those who receive kin care will have a stronger economic performance on average later in life compared to their foster care counterparts.

This is because a larger proportion of these former kin care youth enroll in or graduate from post-secondary programs and report better levels of mental health.³⁷ In particular, Indigenous youth who were raised in kin care off reserve have more positive lifelong income prospects, which we estimate at an average of \$229,500 more than the general Indigenous population (where youth not in foster or kin care make up about 91.7 per cent of the entire population). Moreover, we estimate that an Indigenous youth raised in kin care off reserve will have an average of about \$81,300 more in total income over their lifetime than non-Indigenous youth raised in care.

35 The data include all Indigenous children who lived on reserve in either foster or kin care between the ages of 17 to 25 years in the 2016 census. This finding is consistent with our 2014 study: Bounajm, Beckman, and Thériault, *Success For All: The Economic Case for Investing in the Future of Canadian Children in Care*.

36 Office of the Parliamentary Budget Officer, *Federal Spending on Primary and Secondary Education on First Nations Reserves*, 4.

37 Note that the average impact masks the fact that Indigenous children in kin care off reserve have a higher high school dropout rate compared to their foster care counterparts.

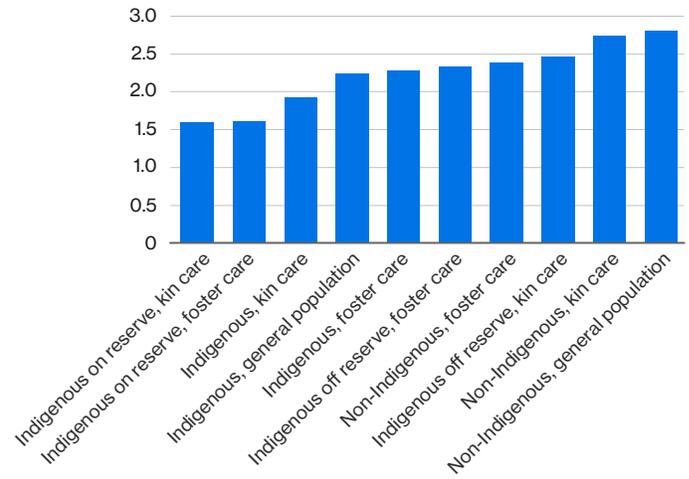
The income disparities between former Indigenous youth in care and the non-Indigenous general population are significant. (See Chart 7.) On average, the income shortfall for a an Indigenous person who grew up in kin care on reserve will amount to more than \$1.2 million over their lifetime compared to a non-Indigenous person from the general population.³⁸

Cost to government through social assistance

Due to their more limited incomes from employment and other sources, many former youth in care depend on government supports. But there is variation between groups. (See Chart 8.) We forecast that social assistance payments will, on average, account for less than 2 per cent of the total incomes of Indigenous and non-Indigenous youth in kin care throughout their lives after they age out of care. However, for the remaining groups in care (including Indigenous youth in kin care on reserve and youth in foster care regardless of identity), these proportions range between 18.4 per cent and 27.1 per cent of their total incomes. Thus, for about every \$10 these individuals make or receive over their life spans, about \$2 to \$3 will come from government supports.

Chart 7

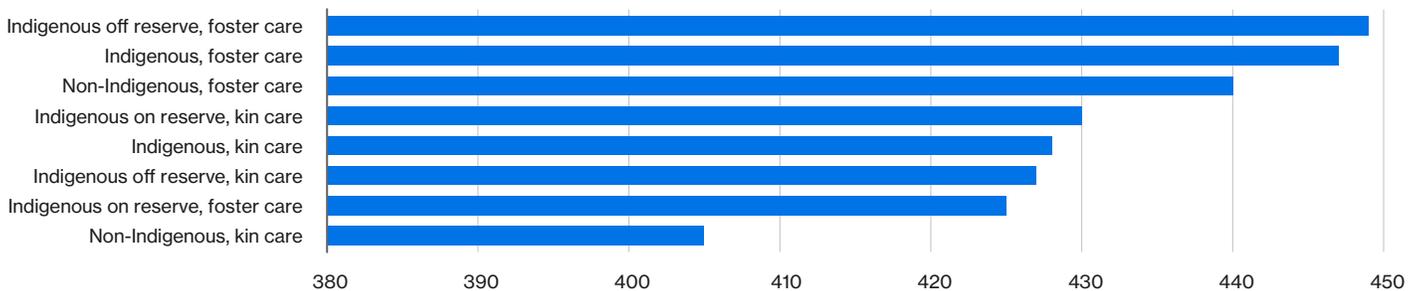
First Nations, Metis, and Inuit youth living off reserve will earn more than Indigenous youth living on reserve (average lifetime total income, \$ millions)



Note: The average lifetime total income is calculated by dividing the total incomes of each cohort over their lifespan (adjusted for mortality over time) by the number of cohort members when they age out of care (i.e., the entire cohort without adjusting for deaths).
Source: The Conference Board of Canada.

Chart 8

Indigenous and non-Indigenous adults formerly in foster care likely to receive more social assistance over their lifetimes (average lifetime total social assistance received, \$000s)



Source: The Conference Board of Canada.

³⁸ More than 96 per cent of the general non-Indigenous population consists of children not in foster care or kin care.

Economic benefits of investing in Indigenous children in care

Young Indigenous people leaving the child welfare system have important talents, knowledge, and experience. But our projections show that they are underemployed and have lower earnings than they would if their talents were fully used. Aside from being a moral challenge for society, this socio-economic loss presents an important public policy challenge for governments.

To quantify the economic benefits of strengthening the education and mental health of children in care, we explored two alternative scenarios:

- Scenario I: Bringing the education and mental health levels of Indigenous children in care to those of the general Indigenous population;
- Scenario II: Bringing the education and mental health levels of Indigenous children in care to those of the general non-Indigenous population.

The impacts of improving education and mental health

In our model, for the 2016 Indigenous cohort of 3,045 youth who will be aging out of care in 2017, raising their education and mental health levels to match the general Indigenous population increases their total lifetime income by an estimated \$388.9 million. Moreover, implementing appropriate policies to raise their education and mental health to the level of the general non-Indigenous population nearly triples their lifetime incomes to a combined total of \$1.1 billion.

These findings highlight the potential long-term benefits for the Canadian economy in terms of productivity, labour supply, and output if former Indigenous youth in care were able to achieve income levels similar to the general population through interventions that improve their education and mental health. (See the download in Appendix B for tables 4 and 5.)



Sustained, long-term investment in the education and mental health of youth in care will provide permanent economic gains. It is important to note that the figures mentioned represent the economic benefits of investing in just one cohort (i.e., the 2016 census cohort of Indigenous youth one year away from aging out of care). As a new cohort emerges from care each year, the benefits of investing in their education and mental health will accumulate over time. If action is not taken within the next five years, the loss in economic potential—cumulative across cohorts—would amount to nearly \$2.0 billion under Scenario I and approximately \$5.5 billion under Scenario II.

Improving the education and mental health of Indigenous youth in care therefore helps improve the balance sheets of federal and provincial/territorial governments. The results of our economic analysis show that if the education and mental health levels of the Indigenous cohort aging out of care were similar to those of the general Indigenous population, governments could save \$43.5 million in social assistance payments, and receive an additional \$88.7 million in income taxes and \$18.9 million in consumption taxes over the lifespan of this cohort. In comparison, the savings in social assistance payments would more than double to \$90.9 million and garner additional revenues of \$269.6 million in income taxes and \$55.9 million in consumption taxes, if this cohort of Indigenous youth attained the same levels of education and mental health as those of the general non-Indigenous population.

Overall, by enhancing the health and education of the 2017 Indigenous cohorts aging out of care, the estimated net improvement to Canada's government finances over their lifetime could be \$151.2 million under Scenario I and \$416.3 million under Scenario II.

Invest now for an inclusive future

The average net fiscal savings per child in care under the alternative scenarios vary based on Indigenous identity, residence on/off reserve, and type of placement. (See Table 6.) These estimates can be interpreted as the maximum investment that federal and provincial/territorial governments could make to enhance the education and mental health of children in care while still achieving a positive return on their investment.

For instance, governments could invest up to \$103,159 per Indigenous foster child living off reserve over their lifetime to raise their levels of education and mental health up to those of the general Indigenous population. They could also invest up to \$208,394 to equalize their level of education and mental health to that of the general non-Indigenous population while still achieving a positive fiscal outcome over the long term. Compare this to the average cost per year per First Nations child in care of \$41,000 from 2016–17, which has risen to \$56,000 per child from 2019–20.³⁹

Investments for Indigenous children living off reserve in foster care should focus on increasing post-secondary education, improving mental health, and eliminating employment gaps between Indigenous and non-Indigenous peoples.

Additionally, governments can invest up to \$46,775 per First Nations child in kin care on reserve over their lifetime to bridge the education and mental health gaps with the general Indigenous population, and up to \$96,987 to close the disparities with the general non-Indigenous population, while still achieving positive fiscal outcomes in the long term.

The findings of this research suggest that investments should prioritize improving education attainment levels and success rates across the educational continuum for Indigenous children in kin care, which would mean increasing high-school enrollment, reducing high school dropout rates, and promoting post-secondary education. Such efforts should help to reduce employment and skills gaps between Indigenous and non-Indigenous peoples.

Interventions should prioritize the unique cultural and socioeconomic needs of Indigenous and non-Indigenous children in care to close their health and economic gaps while considering not only the fiscal implications for government budgets but also the productivity gains for society as a whole.

Investing in the education and mental health of children in care would not only improve the overall efficiency of the Canadian economy, but also empower children in care to participate more fully in the economy and overcome marginalization. While it is beyond the scope of the current research to determine the feasibility and return on investment of achieving these targets in education and mental health, these estimates provide a good indication of the lost economic potential of not acting.

There are also other costs to society that haven't been included in our model. The previous discussion does not, for example, include the potential increases in healthcare costs associated with increased mental health issues, or higher incarceration rates or experiences with homelessness that could result in additional costs to governments. As such, the potential net fiscal savings could be even larger than estimated in this study.

39 Government of Canada, "First Nations Child and Family Services."

Table 6Net fiscal savings per person under scenarios I and II
(\$ 000s)

| Panel A: Scenario I | | | | |
|---|---|------------------------------|---|-----------------------|
| | Indigenous | Indigenous on reserve | Indigenous off reserve | Non-Indigenous |
| Assumptions | Equalizing education and mental health to their counterparts of the Indigenous general population, by gender. | | Equalizing education and mental health to their counterparts of the non-Indigenous general population, by gender. | |
| Impact on total market incomes (alternative scenario minus status quo) | | | | |
| Foster care | 200.26 | 120.52 | 210.74 | 401.16 |
| Kin care | 83.78 | 133.66 | 52.79 | 48.07 |
| Impact on government finances (alternative scenario minus status quo) | | | | |
| Foster care | 95.21 | 34.73 | 103.16 | 183.26 |
| Kin care | 34.11 | 46.78 | 26.24 | 18.70 |
| Panel B: Scenario II | | | | |
| | Indigenous | Indigenous on reserve | Indigenous off reserve | Non-Indigenous |
| Assumptions | Equalizing education and mental health to their counterparts of the non-Indigenous general population, by gender. | | | |
| Impact on total market incomes (alternative scenario minus status quo) | | | | |
| Foster care | 458.56 | 278.42 | 482.23 | 401.16 |
| Kin care | 309.11 | 291.44 | 320.10 | 48.07 |
| Impact on government finances (alternative scenario minus status quo) | | | | |
| Foster care | 193.73 | 82.16 | 208.39 | 183.26 |
| Kin care | 117.26 | 96.99 | 129.86 | 18.70 |

Source: The Conference Board of Canada.

A closer look at four provinces

To better appreciate the diverse realities touched upon in our economic modelling and quantitative analysis, we interviewed Indigenous child and family well-being agencies (ICFWAs) from four case study regions: British Columbia, Manitoba, Ontario, and Quebec. Qualitative information from the case studies help explain why we see a number of the results associated with our quantitative modelling.

Our study looked at how Indigenous-led programs in British Columbia, Manitoba, Ontario, and Quebec offer cultural continuity and community connections, supports for well-being, and skills development and employment programs for youth in care. These initiatives also offer specialized governance roles for youth in care, and generally espouse goals of Indigenous self-determination.

Programs offered by ICFWAs help to address key social determinants of health, namely social inclusion and access to economic resources, which the Canadian Mental Health Association recently highlighted.⁴⁰ Improving these social determinants can help Indigenous youth succeed in school and work and improve their well-being.

The four case study regions represent a cross-section of unique policy environments: the highest legislated age cut-off for supports (Ontario); a province with the “United Nations Declaration on the Rights of Indigenous Peoples” (UNDRIP) embedded in provincial law (BC); a province with a higher proportion of Indigenous peoples in the population than other provinces (Manitoba); and a province fighting Indigenous self-determination embedded in federal Bill C-92 (Quebec). These four provinces also represent diverse First Nations, Métis, and Inuit realities.

40 Canadian Mental Health Association, “Social Determinants of Health.”

Case study provinces: Legislation and policy in context

British Columbia

British Columbia has the “United Nations Declaration on the Rights of Indigenous Peoples” (UNDRIP) embedded in provincial law, and its *Indigenous Self-Government in Child and Family Services Amendment Act* (Bill 38) has passed its first reading.⁴¹ BC has an Indigenous Child and Family Services directorate, which includes representation from First Nations and Métis child and family well-being authorities.⁴² In BC, financial supports (housing, childcare, tuition, healthcare) can be extended past the age of majority, until the age of 27.⁴³ Unique to BC at the time of writing this report is a controversial 2023 decision by the federal government denying the 2019 bid by the Métis Nation of BC (MNBC) to opt into the new federal Indigenous child welfare law, claiming that MNBC does not constitute an “Indigenous governing body.”⁴⁴

Manitoba

Manitoba has a higher percentage of Indigenous peoples in the population, including a higher Métis population, than other provinces.⁴⁵ In Manitoba, there are two First Nations-focused and one Métis-focused child and family well-being authorities. Youth aged 18 to 21 may consent to receive continued funding (food, rent, physical and psychological health services) to support their transition to independent living.

Ontario

Ontario has a diversity of First Nations, Métis, and Inuit children in care. The Association of Native Child and Family Services Agencies of Ontario (ANCFSAO) provides a range of supports to its member agencies. It is mandated to build a better life for all Indigenous children by promoting the delivery of culturally based services.

ANCFSAO’s members deliver over 60 Indigenous child and family well-being programs and services to 119 of 133 First Nations and urban centres across the province.⁴⁶ Inuit children in Ontario are represented by Tungasuvvingat Inuit (TI), designated by Inuit Tapiriit Kanatami (ITK). Young people aging out of care in Ontario receive health benefits until the age of 25 and counselling and life skills supports until age 29. Agencies must also establish Registered Education Savings Plans (RESPs).⁴⁷

Quebec

In Quebec, two unique structures were created under the James Bay and Northern Quebec Agreement: The Cree Board of Health and Social Services of James Bay, and the Nunavik Regional Board of Health and Social Services.⁴⁸ These structures receive federal and provincial funding. Outside these modern Treaty-created structures, Quebec has jurisdiction for on reserve First Nations children, and it is the only provincial government to challenge federal Bill C-92 on its constitutionality.^{49,50} In other provinces, Nations have established delegated agencies and have some degree of movement towards Indigenous jurisdiction over child welfare. In December of 2022, the Supreme Court of Canada heard Quebec’s arguments and is expected to release a judgment in late 2023.⁵¹ If the Supreme Court rules in favour of Quebec, it could have a ripple effect outward to Indigenous child welfare agencies and communities nationwide. In Quebec, financial supports for youth in care end at the age of majority (age 18), unless the child consents to an alternative living environment, is deemed to have higher needs, or is pursuing higher education.⁵²

41 Legislative Assembly of British Columbia, *Bill 38 – 2022*.

42 McKenzie, “After Generations of Stolen Kids, ‘Powerful Changes’ to B.C. Law Set to Return Child Welfare Jurisdiction.”

43 Birken and others, *Children Aging Out of Care: Literature Scan*, 39–45.

44 Forester, “Métis Nation B.C. in Court After Feds Say It Doesn’t Qualify as ‘Indigenous Governing Body’.”

45 Government of Canada, “Membership in a Métis Organization or Settlement: Findings From the 2021 Census of Population,” September 21, 2022. Accessed May 31, 2023.

46 Association of Native Child and Family Services Agencies of Ontario (ANCFSAO). “Priorities.”

47 Birken and others, *Children Aging Out of Care: Literature Scan*, 39–45.

48 Government of Canada, *Indigenous Health Care in Canada*.

49 Richardson, “Quebec Challenges Federal Child Welfare Law to the ‘Detriment of First Nations Children’ Says Chief.”

50 Goud, “Quebec’s Misguided Challenge to Federal Indigenous Child Welfare Law” (blog).

51 Macnab, “With Constitutional Challenge Pending, First Nations Sign Child Welfare Agreements Under Bill C-92.”

52 Birken and others, *Children Aging out of Care: Literature Scan*, 39–45.

Education and mental health disparities in the case study regions

Across the four provinces, census data show that both Indigenous and non-Indigenous children in kin care had better mental health outcomes compared to their counterparts in foster care. (See the download in Appendix B for Chart 9.) This is in line with our Canadian profile. In fact, in some provinces, the mental health of children in kin care was more comparable to the general population than the foster care population. At the same time, there were few differences between the mental health of male and female children (the two genders used in the Statistics Canada data) in different care settings in both the Indigenous and non-Indigenous populations of children. (See Appendix B, Table 2 in data download.)

Across the four provinces, there were disparities in education among youth who aged out of foster care, as shown in the census data. Children and youth in foster care were more likely to drop out of school and less likely to pursue a post-secondary degree compared to the total population. (See the download in Appendix B for charts 10 and 11.) These disparities were greatest for Indigenous children and youth in foster care.

Similar to our Canadian profile, Indigenous children in kin care across the four provinces were more likely to have dropped out of high school. However, those who stayed in school were more likely to pursue a post-secondary education. (See charts 7 and 8.) Across both Indigenous and non-Indigenous youth in care, among the two genders available in the Statistics Canada data, females generally had better educational outcomes than males. (See Appendix B, Table 2 in data download.)

Income disparities

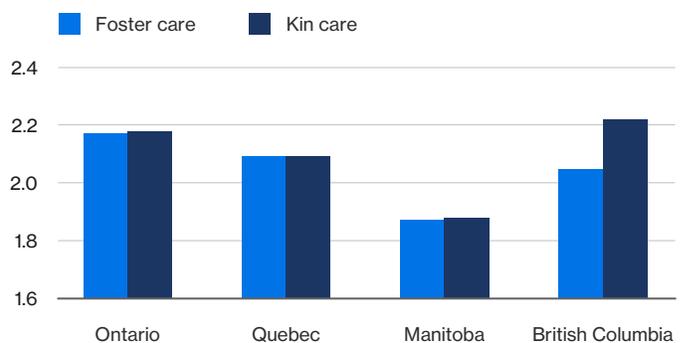
Across the four case study regions, our projections show that, on average, Indigenous adults raised in kin care earn higher total incomes over their lifetime than those raised in foster care. These estimates are based on consistently better post-secondary education and mental health outcomes for Indigenous youth in kin care.

However, this positive impact is dampened by higher high school drop-out rates for the kin care group than for the foster care population. As a result, the income disparities for youth raised in kin care are expected to be minimal in Ontario, Quebec, and Manitoba.

(less than \$13,000 over an 82-year forecast horizon). By contrast, the income disparities are much more notable in British Columbia (over \$175,000), where Indigenous adults raised in foster care had the highest rate of mental health issues (40 per cent) among the four provinces. (See Chart 12.)

Chart 12

Average lifetime total income greater for Indigenous adults formerly in kin care versus foster care (\$ millions)



Source: The Conference Board of Canada.

The results of our projections indicate that the disparities in average lifetime total earnings between Indigenous adults raised in care (whether kin care or foster care) and their non-Indigenous counterparts are evident across all four case study regions. The largest discrepancy is forecasted in Manitoba, with estimates indicating that, on average, Indigenous children in care will earn a lifetime income that is 30 per cent lower than the general non-Indigenous population in that province. (For further details, see Chart 13.)

The provincial case for investing

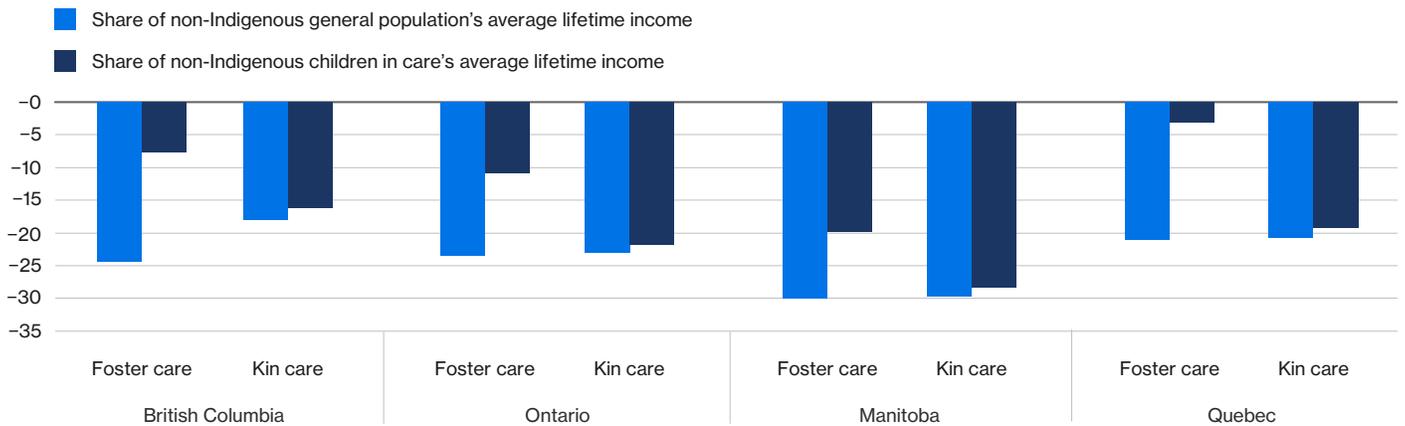
Chart 14 illustrates the average impacts of attaining education and mental health targets on public finances, which can be interpreted as the maximum investment that federal and provincial/territorial governments could make per capita to improve the education and mental health of children in care while still achieving a positive return on investment.

Overall, the potential fiscal savings are higher for investing in Indigenous children under kin care settings. (Please refer to Appendix D for detailed modelling results on the economic benefits of investing in improving education and mental health in children in care.)

Improving employment, education, and mental health outcomes for youth aging out of care is important for the youth and has potentially enormous economic benefits to society. But what are the best ways to make these improvements? To answer this question, we engaged with Indigenous child and family well-being agencies across our case study regions.

Chart 13

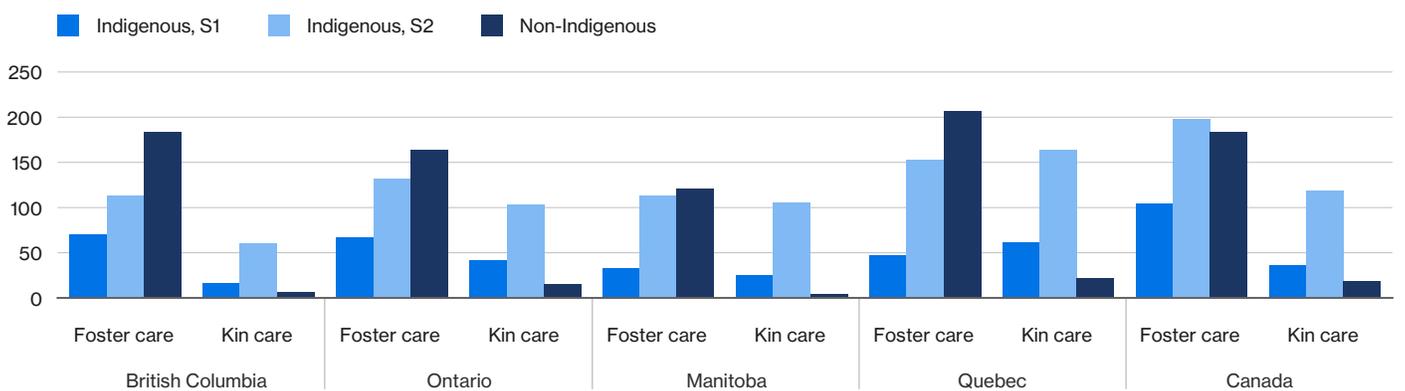
Indigenous workers who were raised in foster or kin care earned less than their non-Indigenous counterparts (per cent, average lifetime income of Indigenous adults raised in care as a share of average non-Indigenous lifetime income)



Source: The Conference Board of Canada.

Chart 14

Investing in Indigenous children in kin care results in greatest fiscal savings for government (impact on government finances = investment scenario minus status quo, \$ 000s)



Notes: Indigenous S1 assumes equalizing education and mental health of the Indigenous children in care to the Indigenous general population, by gender. Indigenous S2 assumes equalizing education and mental health of the Indigenous children in care to the non-Indigenous general population, by gender. Non-Indigenous assumes equalizing education and mental health of the non-Indigenous children in care to the non-Indigenous general population, by gender. Source: The Conference Board of Canada.

Indigenous agencies: A focus on prevention and building lifelong connections for youth

To better understand how Indigenous child and family well-being agencies support youth in care as they transition to adulthood, we interviewed 12 Indigenous agencies and organizations across our four case study regions, including rural, remote, and urban agencies.

Our interviews included front-line staff, program managers, and senior leaders. This gave us a comprehensive picture of the complexities faced by Indigenous agencies trying to repair and work around historically discriminatory policies and legislation that forced assimilation. Most staff are Indigenous people who have been impacted by the legacies of colonization.

Agency representatives described their policies, programs, and services as “traditional and progressive,” meaning they reflect Indigenous ways of knowing and being. They are also innovative, as they push the boundaries of what is possible in a highly regulated sector. The agency staff and leaders we spoke to are working in the areas of guardianship, improving social work practice and agency policies, delivering youth programs, and enhancing prevention, protection, and traditional foundations. These important elements contribute to positive outcomes for youth transitioning to adulthood.

The major themes that emerged across our interviews were prevention strategies and building lifelong connections with community. Agencies achieve these goals for young people in different ways, as the following promising practices are ones that other agencies, funders, and policy-makers can support:

- Improving data collection, especially to better understand the realities and needs of youth in kin care, as it is a diverse group.
- Developing programs and services that build identity, which in turn provides access to culture and community, and related educational supports.

- Sustaining roles for Elders and specialists who focus on relational, preventative work that is strength-based and solution-focused
- Empowering more young people in care to participate in governance and research initiatives that affect them, which will develop leadership qualities, increase self-esteem, and open employment opportunities in the helping professions, including the child welfare sector and healthcare.
- Developing infrastructure, including culturally appropriate facilities, to support counselling and cultural guidance.
- Rethinking age cut-offs and other structural barriers to continued assistance, to promote access to education and mental health supports.

Data improvements and research should focus on youth in kin care

Improved data collection is essential for reconciliation and understanding the needs of Indigenous children and youth in care.⁵³ To achieve this, further research is needed to understand the realities and needs of the kin care group, as kin care is for many Indigenous communities a preferred option for caregiving (reducing foster care placements) and has a wide array of arrangements.

As an overarching category, kin care can include an informal 20-day stay with an extended family member while a parent is in hospital, as well as a grandparent who is the formal primary caregiver of a child for more than a decade. Such contrasting arrangements require different kinds of support. The importance of supporting long-term arrangements was emphasized by many respondents in our interviews.

53 Truth and Reconciliation Commission of Canada, *Canada's Residential Schools: The Legacy*, Call to Action 1, 1.



To better understand the kin care group and its diversity, improved data collection should be undertaken with Indigenous leaders and federal and provincial/territorial governments to promote distinctions-based data collection structures and approaches that uphold Indigenous data sovereignty and principles such as ownership, control, access, and possession (OCAP). Data policies should consider community, family, and youth needs and how these groups may evolve over the coming years as self-determination over child welfare is asserted. Data limitations were especially highlighted by the *National Inuit Action Plan on Missing and Murdered Inuit Women, Girls and 2SLGBTQQIA+ People*.⁵⁴

The Métis National Council (MNC) noted a need for distinctions-based data strategies that enable Indigenous governments and communities to collect, manage, and own Indigenous data. Distinctions-based data strategies would help the Métis Nation identify and understand the specific needs of Métis communities, which is crucial for designing systems that allow for Métis jurisdiction over child welfare. However, most child welfare data ownership rests with provincial and territorial governments, to which Indigenous governments and communities do not always have access. Current data gaps and inequitable balance of power hamper self-determination, but there are opportunities for federal, provincial/territorial, and Indigenous governments to improve data sharing and coordination through mechanisms like information-sharing agreements, distinctions-based measurement approaches, and Indigenous data sovereignty.

Indigenous agencies are focused on identity-building for better outcomes

Representatives from the agencies we spoke with expressed that cultural values are reflected in transition ceremonies held when young people reach the age of majority. These ceremonies include family, Elders, community leaders, social workers, agency staff and leaders, and many others. Their biological family may be flown to the event with accommodations provided. Such events are different for each Nation and community, but they generally involve celebration and ceremony. Leaders or Elders often share words of wisdom to support this transition and gifts are shared with the young person/emerging adult. For some communities, this could be ceremonial items such as a medicine pouch or regalia.

One of the goals of Vancouver Aboriginal Child and Family Services (VACFSS) is to build strong peer relationships. Staff at VACFSS mentioned that when it comes to promoting education, tuition waivers work relatively well and many youth access them. But these incentives would be even more effective if complemented by greater stability and stronger community connections in the lives of participating youth. To this end, VACFSS has a program called “Touching the land of our relations,” which involves taking young people to their home community at least once while in care. Communities in turn host cultural camps and connect youth with urban Elders. The program helps encourage educational achievement by connecting it to broader dimensions of wellness and cultural well-being.

Positive relationships and close bonds are important for youth transitioning to adulthood. These relationships may be with peers, agency staff, and role models or leaders in their community. Metis Child, Family and Community Services (MCFCS) in Manitoba has created a network grounded in decolonization to better support relational connectedness.

⁵⁴ Pauktuutit Inuit Women of Canada, and Inuit Tapiriit Kanatami, *National Inuit Action Plan on Missing and Murdered Inuit Women, Girls and 2SLGBTQQIA+ People*, 17.

MCFCS ensures that by the age of 15 every youth is establishing connections. While this connection process begins as early as possible, MCFCS recognizes that some youth are coming into care after the age of 14. The organization's directors review care plans for all youth approaching the provincial age-limiting cut-off and works to ensure that appropriate supports are in place for youth to optimize their success. The Manitoba Métis Federation citizenship process is integral to ensuring youth have additional community connection. Citizenship also enables them to access additional financial supports and education programs for Métis citizens.

The Secwepemc Child and Family Services Agency (SCFSA) serves seven Indigenous communities, on and off reserve, including the City of Kamloops, BC. The agency has overseen significant shifts in practice, which have substantially increased the number of children in relative care (kin care) and decreased the number of children brought into care/remaining in care. Between March 2021 and March 2022, 32 children were returned to the care of their families.⁵⁵ Staff are encouraged to engage in ways that strengthen their relationship with the community, including attending ceremonies, celebrations, and community events. There is a focus on transitioning youth from care in a good way for their greatest well-being. Use of the Signs of Safety⁵⁶ framework, which is a research-informed approach to child protection practice that is grounded in relationships and meaningful safety, is a factor in these outcomes. The outcomes focus on ensuring that children know where they are from and find ways for them to be welcomed back to their home community and territory.

Elder advisors play an important role at many agencies, including SCFSA. They are part of an important circle of care, as are specialized staff, who support their youth's transition to adulthood.

Specialized programming needs specialized roles, including engaging young people as advisors

One of the major recent evolutions with the Secwepemc Child and Family Services Agency (SCFSA) relates to staffing. Teams have evolved so there are now specialized roles to support children, youth, and communities in a good way, through different experiences and at different stages of their journey. The teams employ relational, preventative approaches that are strength-based and solution-focused.⁵⁷ Changes to funding and the agency's framework of practice (Signs of Safety) have contributed to this shift. Examples include an intensive youth support team, a community-based family preservation team, a Community Living BC (CLBC) funded position to support youth who qualify for CLBC services, and a dedicated kinship team. SCFSA also has youth transition coordinators to support youth leaving care. Staff in this role begin planning early around what will happen when a youth turns 19. With a focus on youth-centred service delivery, stronger relational work helps to build trust, as well as engage youth in the programs that affect them.

The Vancouver Aboriginal Child and Family Services Society (VACFSS) is interested in having youth define what independence looks like for them. As they serve Vancouver, they have an urban population that is often socially isolated and living with structural and systemic barriers, such as housing unaffordability or racism with caregivers who are not culturally aligned. As a result, they've developed an active youth advisory group⁵⁸ – in place since 2010 – of 12 young people aged 14 to 24 who are, or were, in care because “who better to ask about the system, and how it can be better, than youth who have experienced it firsthand.”⁵⁹ This is a youth governance model that has impacted policy within the agency. The model could be supported and replicated elsewhere.

55 Secwepemc Child and Family Service Agency, *Secwepemc Child and Family Service Agency 2021/22 Annual Report*.

56 Elia International Ltd., “Signs of Safety: Home.”

57 Secwepemc Child and Family Service Agency, *Secwepemc Child and Family Service Agency 2021/22 Annual Report*.

58 Vancouver Aboriginal Child & Family Service Society (VACFSS), “Youth Advisory Committee.”

59 Ibid.

Housing and other enabling infrastructure

“The hardest part of our job is finding housing where there is no housing.”

Source: Research participant.

Based in Northern Ontario, Tikinagan promotes a culturally appropriate, holistic, and youth-centred approach. Through their newly launched Neegaan Inabin program, they support young people ages 18-26 from 30 rural and remote First Nations through transitional pillars, one of which is housing. In support of this pillar, Neegaan Inabin has a pilot housing project called TAY Tiny Homes, which consists of three tiny houses (with plans to expand) at their property outside Vermilion Bay. This community of homes provides accessible, safe, and affordable housing. Projects like this are a key area where larger corporations can get involved in making a difference for youth transitioning out of care. As a basic need, housing stability has significant impacts on the health, safety, and well-being of young people transitioning out of care.

Technological infrastructure is also important. For the Ktunaxa Kinbasket Child and Family Services Society (KLCFSS) in BC, collecting data and developing care plans in the field in a rural environment was a challenge, and connectivity was an issue. So KLCFSS partnered with an external vendor to build an IT system around their case management model (the first of its kind in Canada). The platform supports risk assessments, and is built around the signs of safety (SOS), signs of success, and signs of well-being (SOWB) frameworks.^{60,61} Workers carry tablets with them to be able to collect information and record decisions and needs in the field. It is an interactive, participatory system that reduces data recording at desks and includes families and youth.

Youth can type in their own information, and this has led to more inclusive work so families can see what is written about their children in care. They’ve also worked with representatives of the provincial ministry to have the Ktunaxa Nation’s own webpage for self-determined protection services management as part of the ministry website. This innovative initiative has the potential to revolutionize the way that Indigenous agencies collect, manage, and analyze youth and family prevention/protection data.

Such technological innovations for Indigenous-controlled data collection and analysis are important to Inuit as well. The *National Inuit Action Plan on Missing and Murdered Inuit Women, Girls and 2SLGBTQQIA+ People’s* calls for action include closing “data and information gaps about service delivery to children and youth,” including “detailed information about the types of services being provided to Inuit children and youth, duration and location of service delivery, and background information about children and youth receiving services.”⁶²

Indigenous agencies are finding ways to innovate despite persistent infrastructure gaps that have major impacts on their youth’s well-being and economic outcomes. But there is much more work to be done, especially for agencies serving rural and remote environments.

It’s time to rethink provincial policy barriers

“Our leadership is not risk averse. We want to have zero children transitioning out of care because they aren’t in care to begin with.”

Source: Research participant.

60 Elia International Ltd., “Signs of Safety: Home.”

61 Elia International Ltd., “What Is Signs of Safety?”

62 Pauktutit Inuit Women of Canada, and Inuit Tapiriit Kanatami, *National Inuit Action Plan on Missing and Murdered Inuit Women, Girls and 2SLGBTQQIA+ People*, 31.

Leaders at multiple Indigenous agencies and national bodies said that there should be no age limit on supports for young people transitioning into adulthood. Forcing youth to make the shift into adulthood by arbitrarily linking readiness to a specific age leaves many youth without the confidence they need to thrive. Pauktuutit Inuit Women of Canada argue that “Inuit youth who are no longer eligible to receive care after turning 18 are left without the skills, resources and supports needed to prosper, leaving many vulnerable to experiencing the very forms of adversity that they were taken into care to protect them from.”⁶³ The *National Inuit Action Plan on Missing and Murdered Inuit Women, Girls and 2SLGBTQQIA+ People*’s calls for action to improve services for Inuit children in care outside of Inuit Nunangat, including continued support for youth who otherwise age out of services.⁶⁴

Provincial regulations can be limited, with program eligibility determined by whether a young person is currently in care at the time of reaching the age of majority in their province, or whether they had been in care for a specified period of time before. Indigenous delegated agencies do not observe the legal age of majority as a specific time of transition; they strive to ensure their programs are centred on youth needs leading up to and after the provincial cut-offs. Even with the extension of youth supports to an older age in Ontario, some youth may still require a longer and flexible transition period. Indigenous agencies are here for these people to ensure they do not fall through the system’s cracks.

Our discussions with Indigenous agencies and organizations revealed that the age range to access services is an important issue and it varies substantially across provinces. Key questions to address are: When is a young individual ready to take on this transition? What types of mechanisms are needed so that children or youth can refuse service at one point but access it later when they are ready, and not be limited by a low age threshold?

As Indigenous communities develop their own laws, agencies will follow them, no matter where the agency is located and the children are from. However, some children in care do not know where they are from. More questions remain for children who are not connected to a specific Nation or community, because it would be impossible for an agency to follow that community’s laws. Will these children remain under provincial legislation?

Calls to action

The key audiences for our recommendations are public and private funders including governments, corporations, and philanthropic organizations. The following actions include areas of focus for immediate philanthropic and public investment that we argue have the highest impact on or for Indigenous youth aging into community.

Age-informed program cut-offs

- Public and private funders should allocate long-term funding that helps agencies offer programs to individuals beyond the provincial age of majority. Taking inspiration from successful initiatives such as the Metis Spirit Program operated by MCFCS, this funding would enable similar programs to be replicated.
- Policy-makers need to reassess the age criteria for program eligibility, particularly for Indigenous youth. Age cut-offs are incongruous with developmental realities and do more harm than good. By expanding the criteria for program eligibility beyond age, policy-makers can create more inclusive and effective programs for Indigenous youth.

Identity-building

- Public and private funders should provide long-term funding to support agencies’ identity-building activities and processes with youth and community partners (e.g., genealogy, membership in the Métis Nation, hosting transition circles with community leaders and Knowledge Keepers). Such activities

⁶³ Ibid, 28.

⁶⁴ Ibid, 40.

positively impact a variety of developmental outcomes for youth in care, including their education and future employment.

- Public funders should expand short-term project-based funding for youth programs into long-term sustainable supports for family programs, such as programs that support men and boys, Elders, and moms who are in care themselves.

Employment and leadership opportunities

- Corporate and government partners can offer mentorship and employment opportunities for former youth in care, even in time-limited ways like internships. This will help to flip the current script that former youth in care will not be self-sufficient.
- Agencies and associated bodies in the child welfare sector should engage young people directly in initiatives that affect them, whether as research advisors or in service delivery. VACFSS's youth governance model provides a leading example.
- Our economic modelling suggests that improving employment outcomes for Indigenous in kin care on reserve and for all Indigenous youth in foster care provides a substantially larger economic return to society compared to other groups in care. Public and private funders may want to immediately focus on addressing the education and mental well-being of these groups as the biggest opportunity to make a change.

High school graduation attainment for children and youth in kin care

- According to our analysis, children and youth in kin care who successfully graduate from high school are more likely to pursue a post-secondary education compared to those in foster care. Public and private funders have an opportunity to support more innovative programs that help strengthen the high school completion rates of Indigenous youth in kin care.

- Our economic modelling shows that Indigenous children in care who live on reserve would benefit the most from interventions to improve education outcomes, by completing high school and enrolling in post-secondary education.

Infrastructure

- Research shows that the absence of a connection with community can have detrimental impacts on mental health and well-being, and mental health conditions are most prevalent among children and youth in foster care. Public and private funders can provide funding to help more agencies develop what some First Nations and Métis participants called a *kookum's house* model, a facility where youth can drop in for tea, counselling, and cultural enrichment, and receive much-needed mental health support, which is especially important for children and youth in foster care.
- Housing is desperately needed to ensure suitable home environments for youth in care. Low funding levels lead to unsafe or unstable housing in urban, rural, and remote environments.
- Youth aging out of care should be included as advisors for interventions and policy related to addressing the unhoused population in Canada.

Distinctions-based approaches

- Agencies serving remote communities have significantly different needs than agencies serving urban and rural communities. Challenges for remote agencies include human capital (staffing), transportation for community members, housing and food expenses for youth, workplaces for staff, and internet or cell phone connectivity across the region. We recommend that public and private funders work directly with remote communities to better understand and address their unique needs.
- First Nations, Métis, and Inuit children and youth have different needs, access to supports, and living environments. Corporations and policy-makers need to continue to ensure distinctions-based approaches in their decision-making.

Conclusion and future research

The results of our projections show that over their lifetime, Indigenous adults raised in care earn less than their non-Indigenous counterparts. This disparity is exacerbated for Indigenous people who grew up on reserve. To help children and youth on reserve reach their full potential in adulthood, public and private funders should be focused on First Nations-led solutions that address educational attainment, infrastructure gaps, employment opportunities, and provincial policy barriers. To effectively allocate resources, further research efforts should be directed towards identifying the specific investment needs within these areas and assessing their anticipated benefits. Such analysis will facilitate a clearer understanding of which areas should be prioritized for investment and will provide valuable insights into the expected return on investment, taking into account the feasibility of implementation.

Indigenous child and family well-being agencies work in the best interests of youth and their communities within a system that is transitioning between provincial and federal regulations to Indigenous self-determination. Indigenous children and youth in care need more effective programs and services to help them achieve their full potential. But more work is also needed to better understand the diverse realities and needs of First Nations, Métis, and Inuit children and youth, particularly those in kin care. Evidence shows that community and cultural connections are of pivotal importance to Indigenous youth transitioning out of care. Measures used to report the outcomes of their transition should pay special attention to these connections and the positive impacts they can have on educational achievement and mental well-being. In this work, young people in care should be fully engaged as advisors and co-investigators.

In light of the data, and aligned with the new federal legislation, public and private funders have an immediate and significant opportunity to work directly with First Nations, Métis, and Inuit communities, governing bodies, and child and family well-being agencies, to improve education outcomes for young Indigenous people in care.

As expressed in our calls to action, education and employment opportunities can be created with partnerships across First Nations, Métis, and Inuit communities, post-secondary institutions, industry, and training providers to build capacity in areas that are relevant to communities and to support self-determination. Mentorships, on-the-job training, and micro-credentials can be especially useful in areas without access to other types of education.

For Métis and Inuit children, as well as for First Nations children living off reserve, programs and policies should focus on strengthening mental health through identity-building, community connections, and infrastructure that includes a supportive drop-in cultural setting. Public and private funders can build on existing successes with kin care, which leads to stronger economic performance, educational attainment, and mental health for this group compared to those in the foster care system. Children in kin care have better mental health than those in foster care; the data support the importance of aligning with existing Indigenous priorities for kin care. Policies and programs should continue to bolster this group's positive outcomes.

Investing in initiatives led by First Nations, Métis, and Inuit people and communities that increase and nurture kin care options over foster care, improving educational outcomes for youth transitioning out of care, and building identity and connection to community will have significant long-term benefits to the Canadian economy. As a new cohort emerges every year, benefits are cumulative. In a single cohort's lifespan, there will be at least \$389 million in total market income. With the two investment scenarios we've shown, this number compounds to as much as \$5.5 billion in GDP over five years.

The time to act is now.

Appendix A

Glossary

Aging into community: A newer term used primarily by Indigenous child and family well-being agencies to describe the transition of a youth formerly in care into more independent living, supported by their community and connection to culture and identity.

Aging out of care: An older term used to describe a youth formerly in care who is reaching the age of majority in their province. While this term is used less by Indigenous child and family well-being agencies today, it reflects the current realities of provincial age cut-offs for programs and services, gaps that are now filled by Indigenous delegated agencies.

An Act respecting First Nations, Inuit, and Métis children, youth and families: Legislation passed in 2019 that commits to reform child and family services (prevention, early intervention, and protection) for Indigenous children. It also affirms Indigenous jurisdiction over cultural continuity and decision-making about children in care.

Customary care: An out-of-home formal placement for children in need of protection that is specific to—but may not apply to all—Indigenous communities. “Indigenous communities have the inherent right to determine how Customary Care is defined and applied for their own community members.”* In some cases, a customary care agreement may involve a non-Indigenous family deemed by the community to be capable of caring for the child according to the community’s customs.*

*Source: Practice & Research Together (PART), *Alternative Care Arrangements in Child Welfare: Kinship and Customary Care*. May 2023.

Kin care: An out-of-home formal placement for children in need of protection.**

**Source: Practice & Research Together (PART), *Alternative Care Arrangements in Child Welfare: Kinship and Customary Care*. May 2023.

Appendix B

Methodology

Quantitative component

The quantitative component of the research has two primary objectives:

- A profile of the children in care in Canada which included information on the type of care, social identity, geography of where children were living, mental health and education.
- An economic model which assessed the economic outcomes and potential benefits of improving access to mental health and educational supports of children in care.

[A profile of the children and youth in care in Canada](#)

The 2016 census was used to profile children and youth in care in Canada based on the living arrangement questions on the census. In the census, living arrangement are determined based on an individual’s usual place of residence during the year. This reflects where an individual spends most of their time throughout the year. In this research, we distinguish between children and youth living in foster care and children and youth living in kin care. The foster care population from the census includes all children and youth who are living in a foster care arrangement. The kin care population includes any child or youth who is currently living in a home with relatives without a parent present. This may include several care arrangements including customary care and kinship out of care arrangements both short and long-term, guardianships, and informal care arrangements. It is worth noting that some of the children and youth in the kin care population may not have had contact with a child welfare system in Canada but may informally live with relatives other than their parents.

The 2016 iteration of the census was chosen because it captured children and youth in care in Canada before the legislation changes took place that transferred power over child protection services to Indigenous communities and agencies.

It should be noted that the counts for foster care population in the report may be underestimated due to data limitations. The census relies on respondents to identify a foster child living within their home, which may result in the underreporting of the number of children being identified as living in foster care in Canada. For example, in situations where a family is fostering a child within their family, the child may be identified as a family member rather than a foster child. In addition, the kin care population would include children living in a variety of arrangements including customary care and kinship out of care arrangement both short and long-term, guardianships, and informal care arrangements.

In the profile, all children and youth in foster care under the age of majority were included in the analysis. The age of majority corresponds to the year that foster children age out of the system and are no longer eligible to receive supports.¹ Across the provinces and territories, the age of majority in Canada is 18 or 19 (see Appendix B, Table 1 in the data download available at the end of this appendix). For the kin care population, the same cohort of children and youth defined by age were included.

In the profile, data from the 2016 census was used to describe the social identity, geography of where children were living, and mental health of children and youth in foster care and kin care. All individuals under the age of majority were included. The mental health among children and youth in care was assessed using the question on the census that asks whether a person has emotional, psychological, or mental health conditions that were long-term conditions that have lasted or are expected to last for six months or more. It is worth noting that the results among Indigenous people on reserve should be interpreted with caution as this question has a higher non-response rate among people living on reserve.

In order to estimate the education of youth in foster care and kin care, we examined the educational pursuit and attainment among a cohort of youth identifying as in care between the ages of 17 and 25. The census was the only national data available that provided information on the assess these outcomes in youth living in different care arrangements as well as Indigenous youth living on and off reserve. We examined whether a youth in care had dropped out of school and were not currently enrolled in or had completed either high school or post-secondary education. It was also possible to examine the type of education that youth in care were pursuing or had completed, either high school or post-secondary. However, between the ages of 17 and 25, the foster care population that the census captures would include youth who had aged out of the foster care system but had their care extended past the age of majority. At the same time, youth who had aged out of the system and no longer identified as foster children would

not be included. While these limitations exist, the census was the best source of information to estimate the education of youth in foster care by identity and those living on and off reserve.

Modelling the economic outcomes for former youth in care

The economic modelling component of the research has two primary objectives:

- To estimate the lifelong economic outcomes for former Indigenous youth in care and to assess these outcomes by comparing them with former non-Indigenous youth in care as well as Indigenous and non-Indigenous youth in the general population;
- To estimate the potential economic benefits of improving the educational outcomes and mental health well-being for Indigenous youth in care.

To that end, the first step involved constructing a profile of the cohort of youth before they reach the official age of majority. Specifically, the target population of this analysis is the youth one year away from aging out of care in the censal year of 2016.

To complete the profile of former youth in care, we applied assumptions based on the data presented in Appendix B, tables 3–10, available at the end of this appendix, to slot the target population into different groups. The profile consists of 264 groups of youth aging out of care, each having different combinations of attributes, including sex, Indigenous identity, type of placement, education, and mental health status. Out of these, there are 72 groups for Canada overall² and 48 groups for each of the four study provinces.³ Additionally, we included 120 groups of youth from the general population⁴ (i.e., not specifically identified as those who have received foster care or kin care) for comparison, resulting in a full profile of 385 groups.

1 Birken and others, *Children Aging Out of Care: Literature Scan*.

2 The national youth cohorts are divided based on five characteristics (type of placement, Indigenous identity, sex, education, and mental health). There are two possible states for three variables—type of placement (foster care or kin care), sex (male or female), mental health (with or without illness)—and three possible states for two variables—Indigenous identity (on reserve, off reserve, and non-Indigenous) and education (below high-school, high school graduates, and some post-secondary education and above). Therefore, the Canadian cohort can be slotted into $2 \times C_3^1 + 3 \times C_2^1 = 72$ groups.

3 The provincial youth cohorts are divided based on five characteristics (type of placement, Indigenous identity, sex, education, and mental health). There are two possible states for four variables—type of placement (foster care or kin care), Indigenous identity (Indigenous and non-Indigenous), sex (male or female), mental health (with or without illness)—and three possible states for one variable—education (below high-school, high school graduates, and some post-secondary education and above). Therefore, each provincial cohort can be slotted into $1 \times C_3^1 + 4 \times C_2^1 = 48$ groups.

4 The general population is divided based on four characteristics (Indigenous identity, sex, education, and mental health). There are two possible states for three variables—Indigenous identity (Indigenous or non-Indigenous), sex (male or female), mental health (with or without illness)—and three possible states for one variable—education (below high-school, high school graduates, and some post-secondary education and above). Therefore, each national/provincial cohort can be slotted into $1 \times C_3^1 + 3 \times C_2^1 = 24$ groups, totalling 120 groups for Canada overall and the four provinces of analysis combined.

To evaluate the potential economic outcomes of each of the 385 groups, we developed a model that forecasts their economic performance over their lifespan from 2017 (when the groups reached the majority age) to 2098 (when the groups will reach 100 years old). We further assumed that their educational attainment and mental health status will remain unchanged throughout the forecast horizon.

The modelling exercise considers three scenarios between 2017 (the year when the cohorts transitioned out of care) and 2099 (when the cohorts will reach 100 or 101 years old): a status-quo scenario and two alternative scenarios.

- The status quo scenario is a forecast of the expected economic performance of the former youth in care, specifically the 2016 census cohort who have aged out of care.
- The alternative scenarios explore the potential economic benefits that would result if youth transitioning out of care had the same level of educational attainment and mental well-being as select counterpart populations of the same age. This includes:
 - Scenario I assumes equalizing the education and mental health of the youth transitioning out of care to their counterpart of the same gender and geography in the respective Indigenous or non-Indigenous general population;
 - Scenario II assumes equalizing the education and mental health of the youth transitioning out of care to their non-Indigenous general population counterparts of the same gender and geography.

For each of the three scenarios, the economic performance of each group was measured by four outcomes: total income, income taxes paid to governments, consumption taxes paid to governments, and social assistance received from governments.

We forecast economic outcomes in future years by assuming synthetic cohorts based on the 2016 census data. To illustrate, if a 19-year-old belonged to the group of Indigenous, Ontarian females in foster care with a high school diploma who do not suffer from mental health illness, her expected total market income in 10 years would be equal to the current average income of 29-year-olds with similar characteristics, including province of residence, Indigenous identity, education, and mental health well-being. We assumed no interprovincial or international migration of these groups. The projection was adjusted with the probability of earning total income of the current 29-year-old cohort with the same characteristics.

Additional adjustments were made to account for productivity growth and discount rates. The Conference Board of Canada's national and provincial forecasts on income growth and 10-year bond yields were applied for the inner forecasting years, while for outer forecasting years, we assumed that income growth would converge toward the discount rate.

Income taxes paid to the government were estimated as the difference between average total market income and average after-tax income, which was calculated based on census data by age, sex, education, and mental health status. Since the census does not collect information on consumption tax, a flat rate of 4.87 per cent of income was applied to estimate consumption taxes. This flat rate was determined based on the ratio of the sum of goods and services tax (GST) and provincial sales tax (PST) combined paid by households⁵ and household disposable income.⁶ Furthermore, mortality rates by age, sex and geographic region from Statistics Canada⁷ were applied to account for deaths of cohort members as they age.

The economic benefits of investing in the education and mental health of youth aging out of care were estimated as the difference between the alternative scenarios and the status quo scenario in the performance of the groups. It should be noted that within each scenario, group members with the same characteristics will have similar outcomes. Therefore, the difference in total outcomes between scenarios is due to the distribution of youth across the 264 groups among former youth in care based on their characteristics. As the alternative scenario has more youth with higher educational attainment and fewer youth with mental health problems than the status quo, the overall outcomes of the cohort that has aged out of care are expected to improve.

As a final note, readers may be interested to see results of The Conference Board of Canada's last *Success for All: The Economic Case for Investing in the Future of Canadian Children in Care* report, which suggests that there is both a humanitarian and a compelling economic case for action. We have made some improvements to the current report, in addition to data update. The current report includes youth in both foster care and kin care, with the sample consisting of those at the exact age one year before they reach their majority age, as specified by provincial legislation. Additionally, the data used in the current report further stratify Indigenous identity into on reserve and off reserve status and breaks down education level into three hierarchies. Finally, several assumptions regarding the determination of consumption tax, productivity growth, and discount rates have been changed.

5 Statistics Canada, Table 36-10-0432-01 (formerly CANSIM 384-0045).

6 Statistics Canada, Table 36-10-0112-01 (formerly CANSIM 380-0072).

7 Statistics Canada, Table 13-10-0710-01 (formerly CANSIM 102-0504).

Qualitative component

Our study asks: What are the longer-term economic benefits of investing in the education, employment, and mental well-being of Indigenous children in care? Our economic modelling shows the benefit of improving these outcomes. Qualitative case studies in British Columbia, Manitoba, Ontario, and Quebec show *how* these areas can be improved through Indigenous-led initiatives and policies.

Our case study design focuses on Indigenous-led programs, policies, and services, especially those with an education, employment, well-being, or community component. Aligned with Indigenous research methodologies,⁸ our research involves information gathering with Indigenous child and family well-being agencies staff and leadership. We follow a distinctions-based approach, meaning that the interests of First Nations, Métis, and Inuit—and their residency as on/off reserve, rural/urban, and remote/Northern—are represented in our case studies.⁹ Our methodology prioritizes self-determination as the underlying guiding premise, prioritizing the importance of Indigenous culture and ways of knowing and being.

Based on this approach, we share common themes among Indigenous-led interventions that could be used as a guide for programs at other agencies, benefiting Indigenous children in care, their caregivers, and communities, and providing a return on investment to Canada.

Get the data

Use the link below to get the data for:

- Descriptive data of youth in care
- Modelling results for the four study provinces
- Supplemental tables and charts

8 Smith, *Decolonizing Methodologies*; Kovach, *Indigenous Methodologies*.

9 National Association of Friendship Centres, *The Friendship Centre Movement & Canada's Distinctions-Based Approach to Indigenous Self-Determination*.

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