

## Five Reasons Why States Should Provide Direct Financial Assistance to Young People with Chafee Funds from the Consolidated Appropriations Act

- 1. Many young people from foster care struggled economically prior to the pandemic. Their financial needs are significantly greater as a result of the pandemic:** Surveys, including those done by the Field Center and FosterClub, show that young people have significant unmet financial need. Of the young people surveyed:
  - 55 percent were food insecure.
  - Almost 50 percent saw a negative impact on employment.
  - About 50 percent reported housing instability or homelessness.
  - Almost 3 out of 4 experienced financial stresses.
  - 2/3 saw major negative impacts on their education.
  - Many did not receive stimulus and other pandemic assistance<sup>1</sup>
- 2. Direct financial assistance is what Congress intended:** One of Congress's main intents in increasing Chafee funds in the Consolidated Appropriations Act was to provide immediate relief through the provision of direct financial assistance. Young people, many of whom did not receive other federal stimulus payments, advocated for emergency financial aid since the beginning of the pandemic. Providing direct financial assistance ensures that young people receive the funds that are intended for them.
- 3. Direct financial assistance is a highly effective way to reduce poverty, and improve economic status and well-being:** Numerous studies show that direct financial assistance is a very effective way to reduce poverty and empower people.<sup>2</sup> Providing no strings attached direct financial assistance during and before the pandemic has been shown to have several positive outcomes: reduces income volatility, improves chances of finding full-time employment, improves health, reduces depression and anxiety and enhances wellbeing, and alleviates financial scarcity, creating new opportunities for self-determination, choice, and goal-setting.<sup>3</sup>
- 4. Providing direct financial assistance It is respectful of the status of young adults who deserve choice:** Direct financial assistance provides young people an opportunity to meet the needs they have identified as important and gives them choice, control and shows them trust. Young people are in the best position to know what they need.
- 5. Providing direct financial assistance is an expeditious way to get support to young people:** Many of the flexibilities the law provides, such as extending the age of eligibility, end on September 30, 2021. Time is of the essence and young people need aid right away. Getting funds to youth directly is a way to meet immediate needs and get funds out to youth.

*This document was developed by Juvenile Law Center, FosterClub, and Youth Villages (April 2021).*

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<sup>1</sup> [The Experiences of Older Youth In & Aged Out of Foster Care During COVID-19](#) ( September 2020; [Poll Results: Checking on Young People from Foster Care as COVID-19 continues](#) (December 2020)

<sup>2</sup> [Research on Cash Transfers, Glve Directly](#) (last updated on December 22, 2020)

<sup>3</sup> [Stockton Economic Empowerment Demonstration: Preliminary Analysis: SEEDS First Year](#) (2021).