



## **Adoption Tax Credit Not Fulfilling Original Purpose**

New Data Show Tax Credit Primarily Supports Private & Foreign  
Adoptions, Not Foster Care Adoptions

Washington, DC – As Congress considers extending the federal adoption tax credit, a new Child Trends research brief summarizing U.S. Treasury data finds that the vast majority of adoption tax credit dollars support children adopted privately or from foreign countries, while the original intent of the tax credit was to promote adoption of U.S. foster children. The research brief, entitled [\*The Adoption Tax Credit: Is It An Effective Approach to Promote Foster Care Adoption?\*](#), also shows that the tax credit disproportionately supports higher income families.

Congress enacted the federal adoption tax credit in 1996 to help families defray adoption costs and to promote the adoption of foster care children. In 2001, Congress increased the tax credit from \$5,000 to \$10,000 per adoption and raised the phaseout range from \$75,000- \$115,000 of income to \$150,000-\$190,000. Both the credit and phaseout range are indexed for inflation.

The research brief finds:

- ✦ Private adoptions accounted for almost half of the children supported by the adoption tax credit, and 38 percent of the dollars spent on the credit in 2004, the last year for which data are available.

- ✦ Foreign adoptions accounted for just over one-third of the children supported, but 45 percent of the dollars spent.

Foster care children accounted for 18 percent of the children supported and 17 percent of the dollars spent.

In addition, two-thirds of the total dollars spent on the tax credit in 2005 were received by families with incomes above \$75,000; 40 percent of the benefits went to those earning more than \$100,000. The type of adoption varies greatly by income:

- ✦ Foreign adoptions accounted for more than 45 percent of adoptions by tax credit recipients with incomes above \$100,000 compared with 20 percent of adoptions among recipients with incomes below \$50,000.

Foster care adoptions accounted for about 10 percent of the adoptions by tax credit recipients with incomes over \$100,000, compared with more than 25 percent of the adoptions among recipients with incomes below \$50,000

The research brief also finds that parents are much likely to claim the tax credit for foreign adoptions than for foster care adoptions—nearly all foreign adoptions were supported by the credit in 2004, but only 1 in 4 foster care adoptions were.

“We need to educate parents who adopt foster children about this tax credit,” says Rob Geen, Child Trends’ Vice President for Public Policy and Director of Child Welfare Research. “We should also consider alternative approaches, such as supporting state and local efforts to recruit adoptive parents or supporting post-adoption services, since the tax credit may not be the most effective means of increasing the adoption of foster children.”

The Child Trends brief is based on a new U.S. Treasury Department report, *Federal Income Tax Benefits for Adoption: Use by Taxpayers 1999-2005*.

[Child Trends](#) is a nonprofit, nonpartisan research center serving those dedicated to creating better lives for children.



## Be a Hero for an Older Child

By Steven Walker

*This speech was presented at the opening of a heart gallery in New York. Steven's mother is a parent leader of the group Supporting Our families' Interest in Adoption in Amherst, New York.*

My name is Steve and I am 18 years old. I am so happy to see all of you here tonight for the Heart Gallery opening. It shows me that you really care about children and want to make a difference.

I want to share a little bit about myself with you. I was a former foster child for 6 years before I was adopted and had a forever family. I had been in many, many foster homes and looked at by several families interested in adopting me, but it felt like an eternity before I finally had a place to call HOME.

Many children will behave the way I did (not so long ago). I was a handful. I would push my new parents away when I found myself loving them because I didn't want to hurt again. I would say inappropriate things and act uncontrollably.

I was so afraid to love them and then have them kick me out so I decided to kick myself out before they could hurt my feelings. I really gave them a run for their money. There are days I just shake my head and can't believe I act that way, but they understood how my heart was broken and needed time to heal.

It was New Year's Eve 1997 when my parents took me to Niagara Falls to see the ball drop. It was their 2<sup>nd</sup> wedding anniversary, and they wanted to celebrate their marriage and me as their SON! Finally I felt like a REAL kid and finally I had a forever family.

They stuck through everything with me and have helped me be the person I am today and will continue to help me be the adult I want to become. My parents also sought out help and advice from adoption professionals to help our family grow stronger and overcome the rough times.

Please DO NOT believe children when they say they don't want to be adopted. They really DO! They are just afraid to be disappointed so they would rather not take the risk if getting their feelings hurt so they decided to ACT TOUGH instead. EVERY kid wants to have a place called HOME! And every kid wants somebody to come home to!

Please do not look at the age of a child as a reason NOT to adopt them! Older children and teenagers need a forever family and want to be loved, too! I should know! I am 18 and could imagine what my future would be if I could not come home from college for Thanksgiving or be married adult and not have a family to visit for Christmas with the kids.

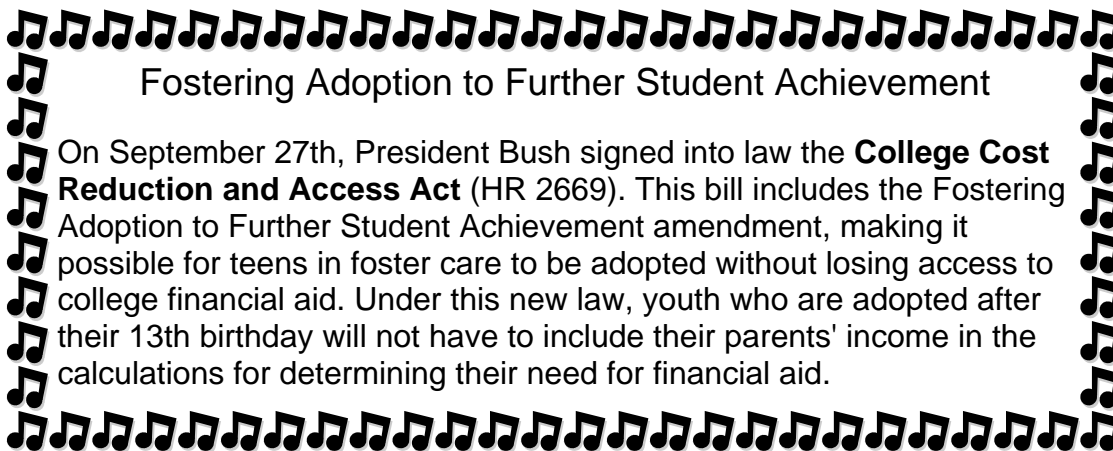
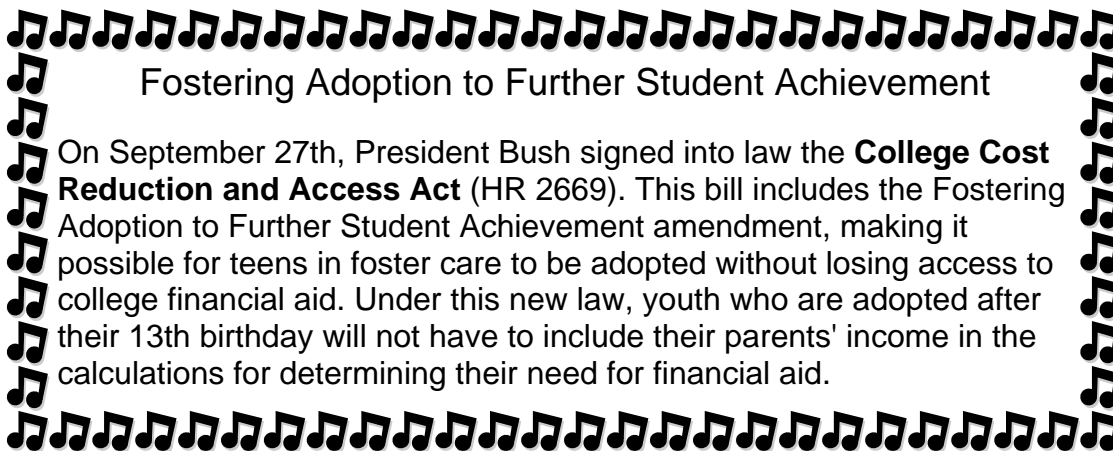
We are not just children until the age of 18 or 21. We will be your kid for the rest of our lives. I want to be 30 and be calling my dad about sports and how he lost our Superbowl bet! I want to be 40 and tell my mom that my teenager is driving me nuts...and then ask her "How did you ever do it, Mom? Thank you for sticking by my side!"

There are so many children waiting for a forever family and many of them are older, who will love you the rest of your life if you would just give them a chance

There are so many siblings waiting to be adopted, who need and should stay together. I know first hand what it is like to not live with my younger brother. My heart aches for him everyday and I dream of what it would have been like to grow up in the same home with him and do things together. YES, that also means fighting with each other too.

Please don't say no to a child because they come with a brother or sister or two. Sure many of you will say "WOW, that's an instant family but you know what....it's also an instant wonderful family for the kids, too!

*Anyone interested in adopting older children from foster care may contact TAP*

Fostering Adoption to Further Student Achievement

On September 27th, President Bush signed into law the **College Cost Reduction and Access Act** (HR 2669). This bill includes the Fostering Adoption to Further Student Achievement amendment, making it possible for teens in foster care to be adopted without losing access to college financial aid. Under this new law, youth who are adopted after their 13th birthday will not have to include their parents' income in the calculations for determining their need for financial aid.

### Happy Adoption Day

Philadelphia's Pat Bubb has turned a family tradition into a business. Her Happy Adoption Day cards celebrate the anniversary of either the day the child arrives in the family or of the adoption finalization.

After adopting her own two children she looked for a way of sharing the information about their adoption and decided that celebrating their adoption day with a card and small gift would be a fun way to introduce the topic and share appropriate information as they grew up. After her children grew up she decided to start an internet business so that today's adopters can have access to attractive cards for all ages with messages that enhance the child's feeling of belonging and being special.

In recent months Pat has started making other types of cards for adoptive families, including cards congratulating a child's adoption finalization, and adoption reunion cards. Pat's Happy Adoption Day cards can be purchased at [www.hawkfeathercreations.com](http://www.hawkfeathercreations.com)



Eric is a happy, friendly young man who will make you smile within minutes of meeting him. He is active and takes pleasure in many outdoor activities such as basketball and football. He also enjoys fishing and is hoping that his new family will like the sport as well. When Eric grows up he would like to be a State Police officer.

Eric is ready for that special family who will love him and support him Regardless of the circumstances. Eric has improved in regards to understanding personal boundaries and he is also working to understand the importance of handling frustrations better.

All families will be considered for Eric. He is legally free for adoption.

Call TAP at 215.256.0669

# When You Thought I Wasn't Looking

*(By A Child)*

***A message every parent, grandparent or person who is around children should read, (no matter how old you or your children are), because children are watching you and doing as you do, not as you say.***

**When you thought I wasn't looking,** I saw you hang my first painting on the refrigerator, and I immediately wanted to paint another one.

**When you thought I wasn't looking,** I saw you feed a stray cat, and I learned that it was good to be kind to animals.

**When you thought I wasn't looking,** I saw you make my favorite cake for me and I learned that the little things can be the special things in life.

**When you thought I wasn't looking,** I heard you say a prayer, and I knew there is a God I could always talk to and I learned to trust in God.

**When you thought I wasn't looking,** I saw you make a meal and take it to a friend who was sick, and I learned that we all have to help take care of each other.

**When you thought I wasn't looking,** I saw you give of your time and money to help people who had nothing and I learned that those who have something should give to those who don't.

**When you thought I wasn't looking,** I felt you kiss me good night and I felt loved and safe.

**When you thought I wasn't looking,** I saw you take care of our house and everyone in it and I learned we have to take care of what we are given.

**When you thought I wasn't looking,** I saw how you handled your responsibilities, even when you didn't feel good and I learned that I would have to be responsible when I grow up.

**When you thought I wasn't looking,** I saw tears come from your eyes and I learned that sometimes things hurt, but it's all right to cry.

**When you thought I wasn't looking,** I saw that you cared and I wanted to be everything that I could be.

**When you thought I wasn't looking,** I learned most of life's lessons that I need to know to be a good and productive person when I grow up.

**When you thought I wasn't looking,** I looked at you and wanted to say, "Thanks for all the things I saw when you thought I wasn't looking."

***Each of us, parent, grandparent, relative or friend, influence the life of a child.  
How will you touch the life of someone today?***

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