



Costs of Adopting: A Factsheet for Families

Introduction

Prospective adoptive parents may be concerned about the financial costs of adopting an infant or child and their ability to meet these costs. While becoming a parent is rarely free of expenses (even pregnancy and childbirth can be relatively expensive if there is inadequate insurance), adoptive parents often are faced with initial costs that can seem challenging. However, with planning and with knowledge about the different types of adoptions and available resources, they should be able to develop a budget that includes most of the foreseeable expenses. This factsheet was designed to help prospective adoptive parents learn about these expenses so that they can make informed decisions throughout the adoption process.

The total cost of adopting varies from \$0 to more than \$40,000, depending on a number of factors. The chart below outlines some general categories of adoption and costs associated with the services provided. The wide range reflects the multitude of factors that may affect costs, including the type of adoption, the type of placement agency or facilitator, and the child's age and circumstances. Prospective adoptive parents are encouraged to check with the agencies they are considering to find out more about specific costs for their circumstances.

RANGE OF ADOPTION COSTS

Foster Care Adoptions	\$0 - \$2,500
Licensed Private Agency Adoptions	\$5,000 - \$40,000+
Independent Adoptions	\$8,000 - \$40,000+
Facilitated/Unlicensed Adoptions	\$5,000 - \$40,000+
Intercountry Adoptions	\$7,000 - \$30,000

While the overall figures may seem daunting, prospective adoptive parents should explore all adoption options and the associated costs for each. In some cases, the total cost may be much less than the maximum figures cited here; resources may also be available to help offset costs. These are discussed at the end of this factsheet.

Breaking down the total cost into categorized expenses helps prospective parents understand what is involved and how to determine a predictable range for their costs. In some cases, understanding the costs associated with different types of adoption may help parents decide which type of adoption to pursue, or whether to pursue this approach to building a family.



This factsheet can help by outlining and discussing the following categories of expenses:

- Universal expenses, that is, those that occur for every type of adoption, including home study expenses and court costs.
- Adoption-specific expenses, that is, those that are associated with a particular type of adoption, including foster care adoptions, domestic infant adoptions, and intercountry (i.e., foreign or international) adoptions.

All adoptive parents pay some combination of universal and adoption-specific expenses.

The National Adoption Information Clearinghouse (NAIC) offers a factsheet for parents, *Adoption Options*, that describes the different types of adoptions. This can be accessed at http://naic.acf.hhs.gov/pubs/f_adoptoption.cfm.

Universal Expenses

Universal expenses are incurred by everyone who adopts a child. (In some cases, they may be offset by reimbursements or other resources.) These expenses include home study expenses and court costs.

Home study expenses. A home study must be completed for all prospective parents, no matter what type of adoption they intend to pursue. In the case of foster care adoption, these most often are completed by the local public agency or its contractors; for other types of adoption, private agencies or certified social workers conduct the home study. The purpose of the home study is to prepare the prospective parents for the adoption, gather information about them so that an appropriate match between the child and parents can be made, and evaluate the fitness of the parents. Home studies culminate in the social worker's written report, which includes a recommendation about whether the prospective parents are qualified to adopt and, if so, what age child or children would be most appropriate. (For more information, read the NAIC's *The Adoption Home Study Process* at http://naic.acf.hhs.gov/pubs/f_homstu.cfm.)

The cost for the home study is generally borne by the prospective parents. In the case of foster care adoption, there may be no charge for conducting the home study, although parents may incur fees for medical or psychological evaluations that may be required as part of the process. With other types of adoption, the private agency or certified (or licensed) social worker may charge \$1,000 to \$3,000 for the home study. In some cases, the fee for the home study may be included in the overall agency fee. Information about all fees should be provided in writing by the agency or social worker, and prospective parents should ask for such information.

Legal fees. All domestic adoptions and some intercountry adoptions must be finalized in a court in the United States. Some intercountry adoptions are finalized in the child's country of origin. Although not required in these situations, parents often choose also to finalize the placement in a U.S. court to provide additional protection of their child's legal status. All of these procedures incur a cost. The cost for court document preparation can range from \$500 to \$2,000, while the cost for legal representation may range from \$2,500 to \$12,000 or more in some States. (Again, these costs may be reimbursable.) In some jurisdictions an adoption can be finalized without representation.

Adoption-Specific Expenses

In addition to the costs common to every adoption, adoptive parents generally incur costs specific to their type of adoption. The costs for three types of adoption are described here: foster care, domestic infant, and intercountry. These expenses are in addition to the universal expenses described above in most cases.

Foster care adoption costs: \$0 to \$2,500. Most public agencies in the foster care system place children with special needs only, a category that is defined differently in each State but may refer to children who must be placed with siblings, who are older or in a minority group, or those with disabilities. Up-front fees and expenses may range from \$0 to \$2,500, including attorney's fees and travel expenses. In foster care adoptions, fees often are kept to a minimum or even waived, so that final costs to parents are negligible. In some cases, the child may even be eligible for government subsidy payments (often called adoption assistance), Supplemental Security Income, or Medicaid coverage. (These resources are described at the end of this factsheet.)

Domestic infant adoption costs: \$5,000 to \$40,000. These vary widely according the type of agency used and, sometimes, the individual adoption circumstances. It is important for prospective parents to fully understand what is included in agency and attorney fees. In some cases, the cost of the home study is included, rather than broken out separately. Domestic infant adoptions fall into three general categories, each with its own attendant costs:

Licensed private agency adoption costs: \$5,000 to \$40,000. Costs for this type of adoption include a fee charged by the agency and may include the cost of the home study, birth parent counseling, adoptive parent preparation and training, and social work services involved in matching a child to a prospective family. The fees charged by licensed agencies are generally predictable, and some even have sliding fee scales based on family income. In addition, some agencies may offer reduced fees to prospective parents who locate a birth parent on their own but who need the agency for counseling, facilitation, home study, and supervision services.

Independent adoption costs: \$8,000 to \$40,000 (average is \$10,000-\$15,000). Independent adoptions handled by an attorney generally result in costs that may include medical expenses for the birth mother (as allowed by law), as well as separate legal fees for representing adoptive and birth parents, and any allowable fees for advertising. Additional medical expenses may be required in situations in which there are birth complications.

State laws restrict many of these costs, including any reimbursements to the birth mother. Restrictions may also exist regarding advertisements seeking expectant parents. Where allowed, such advertising expenses may range from \$500 to \$5,000. The NAIC publication *Statutes-at-a-Glance: Regulation of Adoption Expenses* (<http://naic.acf.hhs.gov/laws/expenses.pdf>) has more information about State laws regulating these types of adoption expenses.

Compared to licensed agency adoptions, the costs of independent adoptions may be less predictable. In addition, costs may not be reimbursable in cases in which a birth mother changes her mind and chooses to parent her child.

Facilitated/unlicensed agency adoption costs: \$5,000 to \$40,000. These costs are generally the same as costs of licensed agencies. However, in States that allow adoptive placements by facilitators these placements are largely unregulated. Prospective parents may have no recourse if the adoption does not proceed as expected.

Intercountry adoption costs: \$7,000 to \$30,000. Agencies that provide intercountry adoption services charge fees that range from \$7,000 to \$30,000. These fees generally include dossier and immigration processing and court costs. In some cases, they may include a required donation to the foreign orphanage or agency. Overall costs may be affected by the type of entity in the foreign country that is responsible for placing the child (e.g., government agency, government orphanage, charitable foundation, attorney, facilitator, or some combination thereof). Many intercountry adoption agencies offer a sliding fee scale.

Depending on the country, there may be additional fees, such as:

- Child foster care (usually in South and Central American adoptions)
- Parents' travel and in-country stay(s) to process the adoption abroad
- Escorting fees, charged when parents do not travel but instead hire escorts to accompany the child on the flight
- Child's medical care and treatment (occasionally in South and Central America)
- Translation fees
- Foreign attorney fees
- Foreign agency fees
- Passport fees
- Visa processing fees and costs of visa medical examination

In many cases, tax credits, subsidies, employer benefits, and loans or grants can help with adoption costs.

Tax credits. Adoption tax credits may be available to defray some adoption costs. The amount may depend on family income and any other adoption benefits. Parents may want to check with a tax professional to determine applicable benefits.

Federal tax credits and tax exclusion. Prospective adoptive parents can find information about tax rules regarding adoption at the IRS website (<http://www.irs.ustreas.gov>). Parents should look for information on the IRS Adoption Taxpayer Identification Number and for Publication 968 on the Adoption Tax Credit and Tax Exclusion (<http://www.irs.gov/pub/irs-pdf/p968.pdf>).

State tax credits. Several States have enacted State tax credits for families adopting children from the public child welfare system in that State. Some are restricted to adoptions from foster care, while others are not.

Resources to Help Defray Adoption Costs

Subsidies and reimbursements for children with special needs. Each State has its own definition of children with special needs, but they often include children who are older, have disabilities, belong to a minority group, or must be placed with siblings. To facilitate the adoption of these children, who often are in foster care, States may provide reimbursements for some adoption costs, as well as subsidies for some children.

Reimbursement for adoption costs. After families have finalized the adoption of a child with special needs from the public child welfare system, they may be able to apply for reimbursement of expenses they paid related to the adoption, including home study fees, travel expenses to see the child, and attorney fees. Most States, under a Federal match program, offer non-recurring adoption expenses reimbursements up to a set limit (which cannot exceed \$2,000).

Subsidies. Federal and State adoption subsidies (or adoption assistance) may be available to help adoptive parents pay for the ongoing care of children with special physical, mental, or emotional needs. In addition, some children qualify for Supplemental Security Income (SSI) or Medicaid coverage. The NAIC factsheet *Adoption Assistance for Children in Foster Care* (http://naic.acf.hhs.gov/pubs/f_subsid.cfm) provides more information on this topic.

Employer benefits. Many employers provide a range of benefits for families who adopt, including paid or unpaid leave when a child arrives in the home, reimbursement of some portion of adoption expenses, or assistance with adoption services. (Corporate human resource departments can provide employees with information about any benefits available.) NAIC publishes a factsheet titled *Employer-Provided Adoption Benefits*, which can be accessed at on their website at http://naic.acf.hhs.gov/pubs/f_benefi.cfm.

Adoption Loans and Grants. Adoptive parents may be eligible to receive a loan or grant to offset some of their adoption costs. Such programs may have specific requirements regarding the type of adoption that is eligible, or they may give preference to families with the greatest financial need or with other specific characteristics. Many agencies also have adoption grant programs. More detailed information may be found by checking the resources listed below.

Additional Resources

National Endowment for Financial Education
<http://www.nefe.org/adoption/default.htm>
Offers an online booklet on adoption costs

National Adoption Foundation
www.nafadopt.org
Offers information on adoption grants and loans

Other NAIC factsheets pertaining to adoption costs:
Employer-Provided Adoption Benefits (http://naic.acf.hhs.gov/pubs/f_benefi.cfm)
Adoption Assistance for Children in Foster Care
(http://naic.acf.hhs.gov/pubs/f_subsid.cfm)