

What Is the Salary for Providing Foster Care?

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Foster parents receive payment, after all, it costs money to raise a child and states don't expect parents to come out of pocket to meet these costs. But it's important to understand that foster parents can't consider this as income. The money is a subsidy, not intended as income. Foster parents are not employees of the foster care agency that licenses their home, nor are they employees of the state. They don't technically provide services to the state, they provide services in the form of care to the children they take in.

Foster Care Subsidies

States provide a monthly amount of money for each foster child within a home, called a foster care subsidy. All too often individuals become foster parents thinking that foster care will become a job or will provide income for their family, but this isn't the case. A foster care subsidy is intended to pay for the foster child's needs, and sometimes it's barely enough to cover those needs.

Claiming the Subsidy as Income

A foster parent cannot list his subsidy money on loan applications as income. As a practical matter, he never knows for sure how long a child will remain in his home. It could be devastating financially for a foster family to come to depend on the subsidy money only to have the child move on, either returned to his parents or relocated to another foster home. A foster care subsidy is money that usually can't be counted on.

Taxes and Foster Care Subsidies

A foster care subsidy is not usually considered taxable income. You don't have to report it on your tax return. But check with a tax professional if you're a foster parent because this may depend on how much you receive monthly and how long the child has been in your home. Your agency worker might also be able to answer some tax questions for you, but it's best to consult with a professional tax preparer.

Foster Parents' Income

Prospective foster families are usually asked to provide proof of income during the application process. It's important for foster agencies to know that a family is able to provide for their own children without the foster care subsidy. This prevents prospective foster parents from taking in foster children for the wrong reasons. Imagine the kind of care a child would receive if he was placed in a home that is only interested in the monthly subsidy check and not the child's needs and well-being.

A Foster Care Subsidy Is Not:

- Supplemental income
- A way to pay for vacations
- A means to buy a second or third car
- A way to pay off your home
- A way to pay for your own child's clothing, after-school clubs, lessons or other activities

Children in foster care have often experienced abuse and neglect before being placed with a family. They have already missed out on numerous opportunities in life. Don't become a foster parent with the goal of considering it as a second job — or especially a primary job. The children deserve every penny of that subsidy money to be spent on their direct care.

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