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[www.childwelfare.gov/pubs/
s_costsp/index.cfm](http://www.childwelfare.gov/pubs/s_costsp/index.cfm)

Costs of Adopting



Prospective adoptive parents may be concerned about the costs of adopting a child and their ability to meet those costs. Becoming a parent is rarely free of expenses—pregnancy and childbirth can be expensive and even more so without adequate insurance—and adoptive parents may be faced with initial costs that seem challenging. However, with planning and knowledge about the different types of adoptions and available resources, they

What's Inside:

- Universal expenses
- Adoption-specific expenses
- Resources to help defray adoption costs
- Additional resources



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can develop a budget to include most of the foreseeable expenses. This factsheet explains these expenses so that prospective adoptive parents can make informed decisions throughout the adoption process.

Costs of adopting may be minimal or can total 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 can affect costs, including the type of adoption, type of placement agency or facilitator, and 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	
Public Agency (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	\$15,000 - \$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 costs may be much less than the maximum figures cited here; resources may also be available to help offset all or many 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 public agency (foster care) adoptions, private (licensed private agency or facilitated) adoptions, and intercountry (foreign or international) adoptions.

Many adoptive parents pay some combination of universal and adoption-specific expenses. Many public agencies waive home study costs, reimburse most or all expenses, and offer an adoption subsidy that is up to the foster care payment amount for a qualifying child up until the age of 18 or 21, depending on the child’s characteristics.

Child Welfare Information Gateway offers a factsheet for parents, *Adoption Options*, that describes the different types of adoptions: www.childwelfare.gov/pubs/f_adoptionoption.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.¹ In the case of public agency adoptions, 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

¹ The Information Gateway Glossary defines “home study” as a “process of mutually assessing and preparing prospective foster, adoptive, or kinship families to determine their suitability to foster or adopt and determine the type of child whose needs would best be met by them. A home study may include a range of evaluative activities, visits to the family’s residence, and educational activities.” (www.childwelfare.gov/admin/glossary/glossaryh.cfm)

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 type of child or children (in terms of characteristics) would be most appropriate (for more information, read Information Gateway’s *The Adoption Home Study Process* at www.childwelfare.gov/pubs/f_homstu.cfm).

Usually prospective parents pay for the home study. In the case of public agency adoptions, home study fees may be minimal (\$500) or completely waived, although parents may incur fees for medical or psychological evaluations that could be required. With other types of adoption, a private agency adoption facilitator 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 private attorney or private 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. All of these procedures in private or intercountry adoption incur a cost.

In public agency adoptions, most States have a nonrecurring cost allowance that should cover all or most of the adoptive

parents' attorney fees. The cost for court document preparation can range from \$500 to \$2,000, while the cost for representing adoptive parents in an uncontested adoption can range from \$2,500 to \$6,000. (Again, some or all of these costs may be reimbursable.) In some jurisdictions, adoptions can be finalized without representation by an attorney.

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: public agency, domestic private agency, and intercountry. These expenses are in addition to the universal expenses described above in most cases.

Public Agency Adoption Costs: \$0 to \$2,500

Most public agencies place their primary focus on placing children from the foster care system, although some also place voluntarily relinquished infants. Many children in foster care may be defined as having special needs, 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. To read more about definitions of "special needs," see Information Gateway's *"Special Needs" Adoption: What Does It Mean?* at www.childwelfare.gov/pubs/factsheets/specialneeds

Up-front fees and expenses for public agency adoptions can be as much as \$2,500, including attorney's fees and travel expenses. In this type of adoption, fees often are very low or even waived so that final costs to parents are negligible. In some cases, the child may be eligible for government subsidy payments (often called adoption assistance), Supplemental Security Income (SSI), or Medicaid coverage. (These resources are described at the end of this factsheet.)

Private Adoption Costs: \$5,000 to \$40,000

Private adoption costs vary widely according to the type of agency used and, sometimes, the individual adoption circumstances. It is important for prospective parents to fully understand what is included in private agency, adoption facilitator, and attorney fees. In some cases, the cost of the home study is included, rather than broken out separately.

Private adoptions fall into three general categories, each with its own attendant costs:

Licensed Private Agency Adoption Costs: Approximately \$5,000 to \$40,000. Costs for this type of adoption include a fee charged by the agency and may also 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 consistent within a range, 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 seek out the agency for counseling, facilitation, home study, and supervision services.

**Independent Adoption Costs:
Approximately \$8,000 to \$40,000
(average is \$10,000 to \$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. Allowable fees for advertising may also be included. 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 Information Gateway publication *Regulation of Private Domestic Adoption Expenses* has more information about State laws regulating these types of adoption expenses:

www.childwelfare.gov/systemwide/laws_policies/statutes/expenses.cfm

Compared to licensed agency adoptions, the costs of independent adoptions may be less predictable and have been known to be much more than \$40,000. 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 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. This means there is no regulation in terms of the services provided or the expertise of the facilitator. Prospective parents may have no recourse if the adoption does not proceed as expected.

**Intercountry Adoption Costs:
Approximately \$15,000 to \$30,000**

Agencies that provide intercountry adoption services charge fees that may range from \$15,000 to \$30,000. These fees generally include dossier and immigration processing and court costs. In some cases, they include a required donation to the foreign orphanage or agency.² Overall costs can be affected by the type of entity in the 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 do offer a sliding fee scale based on the adoptive parents' income.

Depending on the country, there can be additional costs, 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

² See Information Gateway's glossary for a definition of "dossier" in adoption: www.childwelfare.gov/admin/glossary/glossaryd.cfm

- 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

Resources to Help Defray Adoption Costs

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, whether the child is designated as “special needs,” and any other adoption benefits.³ Parents may want to check with a tax professional to determine applicable benefits. With the passage of the Fostering Connections to Success and Increasing Adoption Act of 2008, States are required to inform any individual who is adopting of their eligibility for the adoption tax credit.

Federal Tax Credits, Tax Exclusion, and Refundable Credits. Prospective adoptive parents may qualify for an adoption

tax credit (an amount subtracted from their tax liability). They may also be able to exclude from their income some amounts paid to them or for them by their employer under a qualified adoption assistance program. Find information about tax credits and tax exclusion for adoption at the IRS website: www.irs.gov/taxtopics/tc607.html

The 2010 passage of the Affordable Care Act (P.L. 111-148) revised the adoption tax credit by:

- Extending the credit’s expiration date
- Increasing the maximum adoption credit and the amount that can be excluded from income
- Making the adoption credit refundable, which can reduce tax liability and potentially result in an IRS refund if the credit exceeds the liability

The IRS offers frequently asked questions and answers about adoption taxes credits, exclusions, and refundable credits for adoption on its website:

www.irs.gov/individuals/article/0,,id=231663,00.html

Parents also should find out about the IRS adoption taxpayer identification number (www.irs.gov/individuals/article/0,,id=96452,00.html), which is used for temporary identification when adopting taxpayers do not have the child’s Social Security number.

State tax credits. Several States have enacted tax credits for families adopting children from the public child welfare

³ To read more about definitions of “special needs,” see Information Gateway’s “Special Needs” Adoption: What Does It Mean? at www.childwelfare.gov/pubs/factsheets/specialneeds

system. Some States restrict the credit to adoptions from foster care.⁴

Subsidies and Reimbursements for Children With Special Needs

Definitions of children with special needs vary for each State, 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. The Information Gateway factsheet “*Special Needs*” Adoption: What Does It Mean? provides more information on this topic: www.childwelfare.gov/pubs/factsheets/specialneeds

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 nonrecurring 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 SSI or Medicaid coverage. The Information Gateway factsheet *Adoption Assistance for*

Children Adopted From Foster Care provides more information on this topic:

www.childwelfare.gov/pubs/f_subsid.cfm

Employer Benefits

Many employers provide a range of benefits for families that adopt, such as paid or unpaid leave when a child arrives in the home, reimbursement of some portion of adoption expenses, and assistance with adoption services. (Corporate human resource departments can provide employees with benefit information.) The Information Gateway factsheet *Employer-Provided Adoption Benefits* provides more information on this topic:

www.childwelfare.gov/pubs/f_benefi.cfm

Adoption Loans and Grants

Adoptive parents are sometimes eligible for a loan or a grant to offset some of their adoption costs. Such programs have specific requirements for types of adoption and may give preference to families with the greatest financial need or those with other specific factors. Some adoption agencies may also have grant programs. More detailed information may be found by checking the resources listed below.

Additional Resources

Child Welfare Information Gateway offers factsheets that pertain to adoption costs:

- *Employer-Provided Adoption Benefits*
www.childwelfare.gov/pubs/f_benefi.cfm

⁴ Check your State tax law for the latest information.

- *Adoption Assistance for Children Adopted From Foster Care*
www.childwelfare.gov/pubs/f_subsid.cfm

National Adoption Foundation offers an adoption grant, loan programs, and adoption insurance:
www.nafadopt.org

National Endowment for Financial Education offers an online booklet on adoption costs: “How to Make Adoption an Affordable Option”
www.pueblo.gsa.gov/cic_text/family/adoption

North American Council on Adoptable Children (NACAC) lists State adoption subsidy profiles:
www.nacac.org/adoptionssubsidy/stateprofiles.html

NACAC also provides information on tax credits for special needs adoption:
www.nacac.org/postadopt/taxcredit.html

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