Children Adopted from Abroad and their Families in the United States: A Demographic Analysis of the Effect of Changing Policies in the Past 20 Years

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Abstract

What are the demographics of children who are adopted from abroad and what incentives drive families to adopt them? According to the U.S. Census more than one and a half million children living in the U.S. are adopted, with fifteen percent of them born abroad, and more than twenty thousand new adopted orphans from abroad entering the country each year. The families of these adopted orphans are mostly white, wealthy, and well educated (see Kossoudji, 2008), yet we know very little about them. In this paper we use a cohort analysis of the 2000 census determine to what extent international adoptions have changed during the last 20 years; we ask how does policy by other countries change U.S. parents' adoption behavior; we examine how does policy in other countries and in the United States change the demographic characteristics of the children adopted from abroad and the families that adopt them.

This preliminary paper uses information from the 2000 U.S. census.

Very Preliminary draft: DO NOT cite or quote.

1. Introduction

What are the demographics of children who are adopted from other countries as adopted orphans and what incentives drive their families to adopt them? According to the U.S. Census more than one and a half million children living in the U.S. are adopted. Fifteen percent of these children were born abroad, mainly in South Korea, China, Russia and Mexico and more than twenty thousand adopted orphans from abroad enter the country each year. The families of these adopted orphans are mostly white, wealthy, and well educated (see Kossoudji, 2008). Yet, very little is known about the changing characteristics of these children, other children adopted from abroad, or their families in the United States. Nothing is known about the determinants that might lead a parent looking to adopt either a U.S. born child or a child born abroad. It is particularly relevant to understand whether children abroad and adoptable children in the United States are substitutes for each other. There are three hundred thousand native born children are in the foster care system, many of whom may potentially be adopted in the future.

International adoption is sensitive to policy, either domestic or international, and there have been significant policy changes in this arena in the last 20 years. Policy changes abroad and in the United States explain the burst of children arriving from China (where few children came from 15 years ago) and the dearth of children from Guatemala (where many children came from 15 years ago). These policy changes are responsible for the changing character of adopted orphans from abroad. For example, after1988 Korea's abortion policy emphasized placing children within Korea instead than internationally. Further, after 1989 and the fall of the Berlin Wall, American families looking to adopt were able to consider children from the former socialist republics. In 1992, China instituted the Chinese Adoption Law that allowed American families to adopt Chinese

children. Domestically, in 1994 congress approved the Multi-Ethnic Placement Act (MEPA), which facilitated adoptions when the parents are from a different race/ethnicity than the child.

In this paper we have three goals: first, document the prevalence of international adoptions in the United States, and using a cohort analysis of the 2000 census determine to what extent international adoptions have changed during the last 20 years. Then we turn to examine the reasons for those changes. We ask, how does policy by other countries determine the probability that an adopting American family chooses to adopt abroad or not? Lastly, how does policy in other countries and in the United States change the demographic characteristics of the children adopted from abroad and the families that adopt them. In this draft we include only preliminary results. Our preliminary results suggest show that the number of foreign adoptions has increased, most rapidly during the decade of the 1990's and this is due to a rise of Chinese and Russian born adoptees. Further, we find evidence that suggests that concurrent with decreases in the number of white native-born children available for adoption, the number of adoptions from abroad increases, leaving open the possibility that adopting parents substitute by adopting foreign children. Simple race explanations do not help explain this phenomenon since a majority of adopted orphans from abroad are of a different race than the adopting parents. Our results also suggest that the number of children living in foster care in the United States is uncorrelated with the number of foreign adoptions.

2. Data and Preliminary Results

In this paper we use the 5% sample of the 2000 Census. This survey contains information on whether the household head's children is biologically born, adopted or

stepchildren. Further, we also know whether an adopted child was born in the United States or not, and using the year the child arrived to the United States we can infer the age, and year, at which the child was adopted. Our sample in this paper consists of all children not living with either of their parents – or another family member -- in the Census. We restrict the sample to all persons under the age of 18.

Figure 1 shows the number of native-born children adopted, living in foster care or living with relatives – but not with either parent – in the United States. Surprisingly, while the number of children in foster care and those living with extended family remains constant across different birth cohorts, the number of adopted children decreases, especially among those born after 1990. Of course, there is a timing issue here, because the adoption process takes some time to match the adopting families with each child, but still it is surprising that the number of children adopted and who were 7 years old is only ⅘ the number of children adopted born 2 years earlier. Importantly, notice that the fall in adopted children coincides with the 1989 fall of the socialist block and the 1992 Chinese Adoption Law. Figure 2 decomposes by race the number of native born adopted children and children in foster care, and shows that the decline in adoptions is concentrated among White/ non-Hispanic children, while among Hispanic and Black children the number adopted increases relative older children and then slows down, perhaps because of the timing of the adoption children among younger cohorts. At the same time, the number of adopted orphans from abroad has consistently risen during those years, from 7,093 in 1990 to 20,679 in 2006.

Figures 3 and Figure 4 show the decline of native born adopted children after 1992, this is associated with an increase in the number of adopted children born abroad, and particularly those born in China or in Russia. The number of adoptions from China

(Russia) has risen from 234 (547) in 1992 to 2,232 (2,772) by the year 1999. Finally, notice the shift in the composition of foreign adopted children: while more than 60% f the children adopted in 1986 were born in Korea, only 13% of the children adopted in 1999 were born in Korea. This decline in the adoptions from Korea is also pictured in the pre-1992 period seen in Figure 3. In summary, these figures suggest that domestic and international policy play an important determinant in whether a family adopts a child or not, and where the child is from.

We then turn to an examination of the parents who adopt from abroad. Table 1 presents characteristics of the adopting families. The top panel presents the household composition. Children born abroad are more likely to live with heterosexual cohabitating parents than U.S. born children. U.S. native children are more likely to live with a single mother or a single father. Further, children adopted from abroad are more likely to live in a household with other children, either adopted or biological. The second panel in Table 1 presents the characteristics of the adopting parents: those adopting abroad are older (both the father and the mother), more likely to have a college degree and more likely to be white non-Hispanic. The bottom panel in Table 1 presents the economic characteristics of the adopting parents. Those who adopted abroad are more likely to be employed, and they also have higher incomes[1].

Table 2 presents the demographic characteristics of adopted and foster care children, either native or foreign born. Adopted children are more likely to be girls, especially those born abroad. 51% of all native-born adopted children are girls, 59% of

[1] Importantly the 2000 Census top codes earnings above 200,000 assigning the mean of the average earning in the state for all high income earners. To the extent that outliers at the right tail of the distribution affect the mean these estimates are likely to be based downward.

foreign-born adopted children are girls, and 49% of children in foster care are girls. Not surprisingly, while more than 60 percent of U.S. born adopted children are White, only 23 percent of foreign-born adopted children are White. Further, while the White-Black ratio among adopted children is 6-1, among foster care children this ratio is 1-1. Only 4 percent of foreign-born adoptees are Black, but 25 percent of them are Hispanic and 46 percent of them are Asian. Regarding the age distribution, foreign-born adoptees and children in foster care are relatively younger than U.S. born adoptees, this is perhaps a consequence of longer adoption lags or higher adoption costs for U.S. adopted children.

Table 3 presents the bivariate distribution between the year a foreign-born child came to the United States, and the country of origin. Consistent with Figure 4, most foreign-born adopted children who came to the United States before 1988 were born in Korea. Also consistent with Figure 4, the bulk of the children that came after 1992 are from Russia or China. Perhaps another striking result from Table 3 is that the "other" category increases with time, and among children adopted after 1997, almost 40 percent of them came from a different country. Finally, it is worth noting that the distribution of foreign adopted children in the United States with year arrived is right skewed, as 40 percent of all foreign adopted children came after 1996, while only 13 percent came before 1988.

3. Empirical Strategy

Our model on the impact of changing policy on the characteristics of adopted children and their families is a straightforward fixed effects model of the long term impact of policy changes.

Our empirical strategy to examine substitution between U.S. adoptions and adoptions abroad requires more work. It consists in analyzing the relationship between domestic and international adoptions in the United States. Ex-ante is not clear how international adoptions are related with domestic adoptions. For example, in a state level naïve model where foreign adoptions at the state level are a function of domestic adoptions:

$$f_j = \alpha + \theta \times d_j + \varepsilon_j \quad (1)$$

it is not clear what will be the value of the parameter θ. If $\theta>0$ then perhaps international and domestic adoptions are driven by the demand for children. Conversely, if $\theta<0$ then it is possible that international adopted children are seen as substitutes of domestic adopted children. This may be because adopting parents may have a preference for foreign born children or because the stock of available native born children is lower than the number parents wish to adopt. To initially explore this relationship we estimate the following model:

$$f_{jt} = \alpha + \beta \times h_{jt} + \eta_{jt} \quad (2)$$

where f_{jt} is the log of the weighted count of foreign-born children adopted in state j in year t. Note that in the Census we cannot identify the year a child is adopted, but for foreign born adopted children we can observe the year the children migrated to the United States, and we use this second measure as a proxy for adoption date. h_{jt} is the weighted count of children born in the U.S. in years j-2 and j-1, and who do not live with either biological parent or another family member in state j in the 2000 Census. This variable is meant to capture the flow of children that may be available for adoption at the state level in year j.

While this analysis has yet to be completed, even our preliminary regressions suggest that the relationship is complicated. Table 4 presents the estimates for equation

(2). Notice that as f_{jt} and h_{jt} are in natural logs then β can be interpreted as an elasticity. Column 1 presents estimates when no other controls are added, column 2 presents estimates with year of adoption fixed effects, column 3 presents estimates with state fixed effects, and finally column 4 presents estimates with both state and year fixed effects. Column 1 suggests that a 10% increase in the number of children born -- and who do not live with a family member -- is associated with a similar increase in the number of children adopted from outside. Including year fixed effects raises this elasticity to 1.16, while including state fixed effects decreases the elasticity – and changes the sign of the estimate – to -2.04. This is because once that controls for state are included, any characteristic that is time invariant such state size or state income level will be accounted for. In column 4, once that both state and year of adoption fixed effects are included, the estimate suggests that a 10% increase in the number of adoptable children born is associated with a 4% decrease of foreign adoptions. This suggests that, once across state and year of adoption are accounted for, foreign adopted children are taken as substitutes for foreign born children. This estimate is not statically significant different from zero at conventional levels, as the p-value is 15 percent.

4. Extensive Results and Discussion

This section has yet to be completed

Reference List

To be completed

Table 1. Demographic Profile of Parents of Adopted Children

	(1) U.S. Born	(2) Foreign Born
Un-Weighted Count	69,569	10,287
Weighted Count	1,367,509	211,878
Household Composition		
Proportion Mother and Father	0.80	0.85
Proportion Single Parent	0.18	0.14
Proportion Same Sex Partnership	0.01	0.01
Household Size	4.41 (0.006)	4.36 (0.016)
Proportion Head's with Biological Children	0.49	0.54
Proportion Head's with Other Adopted Children	0.13	0.19
Proportion Head's with Step-Children	0.04	0.03
Parents Characteristics		
Father's Age	42.85 (0.040)	45.03 (0.084)
Mother's Age	40.56 (0.037)	42.82 (0.077)
Proportion Fathers College Graduate	0.32	0.54
Proportion Mothers College Graduate	0.26	0.51
Proportion Fathers White (Non-Hispanic)	0.65	0.68
Proportion Mother's White (Non-Hispanic)	0.70	0.73
Economic Characteristics		
Proportion Fathers Employed	0.85	0.90
Proportion Mother Employed	0.61	0.65
Father's Wage Income	$ 52,278 (204)	$ 61,253 (598)

Mother's Wage Income	$ 26,370 (109)	$34,782 (400)
Total Household Income	$ 71,574 (272)	$ 95,819 (847)

Sample: Parents of adopted children in the 5% 2000 U.S. Census

Table 2. Demographic Characteristics of Adopted Children

	(1) Adopted U.S. Born	(2) Adopted Foreign Born	(3) Foster Care
Weighted Count	1,367,509	211,878	289,707
Proportion Female	0.51	0.59	0.49
Proportion White Non-Hispanic	0.63	0.23	0.41
Proportion Hispanic	0.19	0.25	0.17
Proportion Black	0.12	0.04	0.36
Proportion Asian	0.04	0.46	0.02
Age 0-1	0.06	0.08	0.11
Age 2-4	0.13	0.19	0.16
Age 5-9	0.30	0.25	0.28
Age 10-14	0.34	0.30	0.28
Age 15-18	0.18	0.18	0.17

Sample: All adopted children in the 5% 2000 U.S. Census

Table 3. Place of Birth and Year Adopted of Foreign-Born Adopted Children Bivariate Distribution

	(1) 1983-1987	(2) 1988-1991	(3) 1992-1996	(4) 1997-2000	(5) Total
Korea	0.07	0.05	0.05	0.05	0.22
China	0.00	0.00	0.03	0.07	0.10
Russia	0.00	0.00	0.03	0.07	0.10
Romania	0.00	0.01	0.01	0.01	0.03
Mexico	0.01	0.02	0.03	0.03	0.09
Guatemala	0.00	0.00	0.01	0.01	0.04
Other	0.05	0.09	0.14	0.15	0.43
Total	0.13	0.18	0.30	0.40	

Sample: All foreign born adopted children in the 5% 2000 U.S. Census

Table 4. State Level Regressions of Foreign Born Adoptions in Year *j*

	(1)	(2)	(3)	(4)
Children Born *j-1* & *j-2*	1.052*	1.165*	-2.046*	-0.395
	(0.042)	(0.033)	(0.147)	(0.269)
Year Fixed Effects	No	Yes	Yes	Yes
State Fixed Effects	No	No	No	Yes
Constant	-3.651*	-5.772*	21.834*	7.089*
	(0.358)	(0.346)	(1.205)	(2.197)
R-Squared	0.366	0.575	0.656	0.727
N	816	816	816	816

* Denotes statistically significant different than zero at 10% confidence level.
Sample: State level variables calculated by the authors from the 2000 Census. These variables are constructed with foreign born children which arrived to the United States between 1984 and 1999, and native born children who were born between 1982-1999.

Table 5. State Level Regressions of Foreign Born Adoptions in Year *j*

	(1)	(2)
White Children Born *j-1* & *j-2*	-0.209	-0.339
	(0.214)	(0.237)
Black Children Born *j-1* & *j-2*	-0.054	-0.033
	(0.064)	(0.062)
White Adopting Parents *j*		0.724*
		(0.187)
Black Adopting Parents *j*		-0.060*
		(0.036)
Year Fixed Effects	Yes	Yes
State Fixed Effects	Yes	Yes
Constant	5.795*	1.764
	(1.655)	(2.558)
R-Squared	0.726	0.736
N	816	816

* Denotes statistically significant different than zero at 10% confidence level.
Sample: State level variables calculated by the authors from the 2000 Census. These variables are constructed with foreign born children which arrived to the United States between 1984 and 1999, and native born children who were born between 1982-1999.

Figure 1

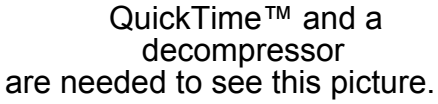

Figure 2

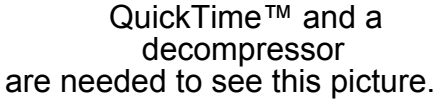

Figure 3

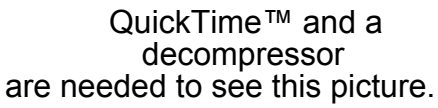

Figure 4

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