

Money Issues in Child Foster Care: Practitioners and Carers' Insights

Questões financeiras no acolhimento familiar de crianças: perspectivas de profissionais e cuidadores

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Abstract

In Portugal there is an increasing demand for child foster care placements, however there is a shortage of carers within a solidary nature. Carers receive compensation for their service and professionalization is not considered. In light of the lack of knowledge in this area, our aim is to provide insights into financial matters, focused on remuneration's impact on motivation levels to foster, and the evaluation of fostering experiences in relation to expenses. Thematic analysis of interviews with foster carers and practitioners (n=13) was informed by the Grounded Theory. The findings indicated financial considerations influence the motivation of specific applicant groups, namely unemployed. The financial strain associated with the direct and indirect costs of fostering was outweighed by the benefits of providing a family environment for foster children. Given the economic constraints, adequate compensation could be a form of recognition. To increase foster carers' recruitment and retention it was advocated reimbursement of healthcare costs. Finally, we discuss implications for policy and practice and how the legal framework has evolved to carers' dignified remuneration, tax and employment status.

Keywords: Foster care; The rights of the child; Financial support; Other types of support; Practitioners; Carers; Portugal.

Resumo

Em Portugal, regista-se um aumento da procura de respostas de acolhimento familiar de crianças; contudo, existe uma escassez de famílias de acolhimento de natureza solidária. Os cuidadores recebem uma compensação pelo serviço prestado, não sendo considerada a sua profissionalização. Face à falta de conhecimento nesta área, o presente estudo tem como objetivo fornecer contributos sobre as questões financeiras, com enfoque no impacto da remuneração nos níveis de motivação para o acolhimento e na avaliação das experiências de acolhimento em relação às despesas associadas. A análise temática das entrevistas realizadas a cuidadores de acolhimento e a profissionais (n=13) foi informada pela Grounded Theory. Os resultados indicam que as considerações financeiras influenciam a motivação de grupos específicos de candidatos, nomeadamente pessoas desempregadas. A pressão financeira associada aos custos diretos e indiretos do acolhimento foi superada pelos benefícios de proporcionar um ambiente familiar às crianças acolhidas. Tendo em conta as restrições económicas, uma compensação adequada poderá constituir uma forma de reconhecimento. Para aumentar o recrutamento e a retenção de famílias de acolhimento, foi defendido o reembolso das despesas de saúde. Por fim, discutem-se as implicações para as políticas públicas e para a prática profissional, bem como a forma como o enquadramento legal tem evoluído no sentido de garantir uma remuneração digna, o estatuto fiscal e o enquadramento laboral dos cuidadores.

Palavras-chave: Acolhimento familiar; Direitos da criança; Apoio financeiro; Outros tipos de apoio; Profissionais; Cuidadores; Portugal.

1.Introduction

Children deprived of parental care who are in alternative care belong to groups at higher risk of poverty, inequality and exclusion. These issues pose considerable challenges to the realisation of children's rights. Considering these concerns, the recommendation is for the enhancement of the alternative care system (UNICEF, 1995 - Article 20. That is through a reduction in the institutionalisation of children and further implementation of family-based care for children (FRA, 2024; Sacur & Diogo, 2021).

The enhancement of quality family and community-based care is imperative (Council of Europe, 2022; European Commission, 2021; 2024). This necessitates the provision of an accurate pool of sufficient, suitable and qualified foster carers for all children in need of such care (Haysom, et al., 2025; Reimer, 2021), as well as support placements - with supervision, training, money for supplies, among others. That is to ensure the wellbeing of children, the satisfaction of carers, and their retention in the role (Diogo & Branco, 2020). In this context, a significant challenge confronting foster care systems pertains to the social, economic and fiscal support, as well as the recognition of the work of foster families (Amorós & Fuentes, 2004). The financial aspects of fostering, and their impact, have not been sufficiently addressed by the extant literature.

1.1. Money matters in foster care

Foster care can be considered voluntary work or a profession. Certain child and youth protection systems opt for professionalisation, to varying degrees, as in the UK or France, associating foster care with remuneration schemes, with progression levels, and with initial and ongoing training processes, which contribute to the specialisation of the activity. In other cases, such as in Spain or Portugal, foster carers are valued for their voluntary work, which is based on generosity and altruism, in which the remuneration or allowance only seeks to ensure that the needs of the fostered child are met (Berridge, 2001). Each system chooses to provide the necessary amount of money and/or to reimburse expenses so that a family can take care of the foster child (allowances); or to opt for specific payment for the work carried out, according to the skills of the foster families and the specificities of the foster care they carry out, increasing the remuneration in view of the complexity and challenges of foster care, valuing the foster carers and their skills (Kirton, 2021).

In the voluntary mode, where families are driven by a sense of solidarity, acting essentially out of motivation, we find a performance that is closer to parenthood and therefore less motivated to collaborate with the biological family in recovering their skills, less preparation to deal with problematic situations, less openness to updating knowledge and learning new skills, sometimes generating situations of quasi-adoption. And in the professionalising mode, codes of ethics are adopted that make foster carers responsible for fulfilling their role. This option gives foster carers responsibilities such as drawing up reports, attending meetings and court sessions and developing a more effective relationship with the birth family, where possible, the school and the community (Reimer, 2021). For Sellick (1999), the professionalisation of foster care takes the form, in addition to remuneration, of access to ongoing training, the possibility of respite care, specialised and ongoing monitoring and the recognition by social workers that foster carers are integrated partners in the foster care programme. Specialised care can include frequent telephone contact with the team, meetings, one-to-one meetings and group sessions. Corrick (1999), on the other hand, defines a professional foster family as one that has specific skills that enable them to meet the needs of the most demanding children and is paid according to these skills.

Foster families may not receive enough money or support to cover the costs of foster care. In other cases, where remuneration varies according to location or region, foster children's standard of living may vary according to where they live (Suh & Holmes, 2022). As a result, either the children's needs go unmet or foster families make personal sacrifices and end up subsidising the system. In these circumstances, recruitment difficulties are likely to worsen, making it impossible to place or choose the best family for each child (Reimer, 2021). Other studies have also pointed out the negative impact of a lack of money on the stability of foster care (Mashiloane et al., 2023; Neymotin & Hawks, 2024).

Financial matters in foster care is a controversial issue that is deeply linked to the way social intervention is conceived. For some, foster care is a job similar to others in the social field which should be recognised and regulated as a profession, with employment and tax rights. For others, paying for labour corrupts the essence of foster care, which should be based on generosity and motivation to support children and their families, and the system should be limited to reimbursing the costs of fostering children in its various spheres. The combination of money and love is a controversial issue, which leads to heated

debates and can lead to processes of progress or decline in the degree of professionalisation of foster care, depending on the era and political choices (Kirton, 2021). Perhaps the future of the remuneration system lies in combining a balanced offer of paid and unpaid care placements. Professionalised childcare could allow a number of childcare workers to resist the opportunities of the labour market by not looking for work or accepting part-time jobs (Ramsay, 2002). The financial margin provides a freedom of choice that could contribute to retaining existing foster carers in the system and attracting new ones. According to Schofield (2003), flexible thinking and the integration of different but complementary foster care models is the way forward, since there are families in the community with diverse motivations and performances, which must be respected with the implementation of a flexible system.

It is important to emphasise that foster care, even when defined as a profession, cannot be just a profession. It is also a vocation, due to the difficulties and demands it poses and the goal it seeks to achieve: the child's safety, well-being and integral development. The motivation for fostering goes beyond merely earning a wage, and monitoring must detect and prevent these situations. Whether or not foster care is professionalised, it is still essentially a parental activity, based on scientific and technical parameters that enlighten and guide the way of acting (Schofield et al., 2013). In this sense, Hollet et al. (2022) conclude that "over time, these separate roles appeared to blend and become interconnected, such that foster carers became "professional-parents" (p. 4021).

The need to take in older children who have been badly treated and are therefore experiencing major difficulties at home, at school and in the community inevitably puts the discussion of specialised foster care on the table. This means increasing the financial resources for this measure. If foster care proves adequate to meet the needs of the most vulnerable children, the investment is justified. On the other hand, the increase in spending will mean medium- to long-term savings in the health system, the education system and the penal system (Minnis & Devine, 2002).

1.2. Issues on money in the Portuguese foster care

The Portuguese foster care system is characterised by a high rate of children in residential care. Over the last fifteen years (2010-2025), and despite a reduction of around 30% in the total number of children in care, placement in residential care has increased in

relative terms. Of the 6,446 children in residential care, only 263 (4%) were in foster families. Another worrying indicator is that of the children in foster care up to the age of 6, only 11% were in family foster care (Instituto da Segurança Social [ISS], 2024). The reduction in the number of children in foster care was due to the disinvestment in the measure and in the policy of strengthening residential care and the removal of kinship care from the foster care system in 2008. This regulation came to define foster care in a restricted way, considering it only as placement in a family without kinship ties, contrary to what happens in most industrial or post-industrial model protection systems (Courtney & Iwaniec, 2009; Reimer, 2021).

The Portuguese case thus suggests that deinstitutionalisation can be halted or postponed, even when social and cultural conditions allow for change. The predominance of the Catholic Church in Portugal does not explain the resistance to change, since deinstitutionalisation has been possible in Catholic countries such as Ireland or Spain, a neighbouring country with social and cultural patterns similar to the Portuguese context. The path that Portugal has followed since 2008 seems to go against the international movement in favour of foster care in a family context (Delgado, 2023). However, the recent approval at the beginning of this decade of 21 new foster care programmes across the country indicates a paradigm shift in child protection and foster care that has been slow to produce results.

Until the publication of Decree-Law 139/2019, the remuneration for providing the foster care service was divided into two instalments. The monthly maintenance allowance, which was intended to cover the costs of foster children; and the remuneration for the foster care service provided, which paid for the work carried out by the families and doubled in the case of foster children or young people with disabilities. The amounts of these benefits were set by ministerial order and subject to an annual update, reaching just over €300 when the two instalments were added together. The amounts that foster families received were not exempt from personal income tax (IRS), and as such had to be included in the annual tax return of the foster family or individual. The state delegated one of its duties and then came back to tax an income it had provided in return for the foster care service. One of the most common criticisms in public opinion is that families' motivation for fostering was often to find a source of income. Considering the amounts the families

received from the foster carers and the tax regime to which they were subject, this observation seems to be unfounded (Delgado, 2007; Delgado et al., 2013).

In September 2019, a new remuneration, social and tax status for foster families was approved. The activity now benefits from tax exemption on the economic compensation received and the allocation of a monthly allowance to the foster family, which now includes the remuneration for the services provided and the maintenance costs of the fostered child or young person, in a single instalment. In 2024, the financial support per child was €611 per month; this amount rose to €702 per month if the foster child was under 6 years old or had specific problems or needs, such as a disability or chronic illness (an increase of 15%); and to €794 per month if the two characteristics mentioned above were combined (an increase of 30%). Foster carers can now also benefit from social benefits for parenthood, as well as being able to apply for the health, education and social support to which the child is entitled. Foster children are now considered to be members of the household or dependents of the individual or family, for the purposes of tax deductions under the IRS Code (the Portuguese personal income tax code). Finally, one of the members of the foster family now has the right to time off work to care for the child or young person, including time off work at the start of foster care, and the working mother and father involved in the foster care process for children up to the age of 15 have acquired the right to parental leave.

In the choice between professionalisation, even if to a variable or optional degree, or a response based solely on the voluntary performance of foster carers, based on their generosity and willingness to help, the Portuguese foster care system has decidedly opted for the latter, by establishing the monthly allowance which is only intended to meet the needs of the foster child. It should be noted that from 1999 until 2015, the protection law provided for a foster family in a professional home, which would be made up of one or more people with appropriate technical training, but this was never implemented.

The objective of the present study is to provide novel insights from practitioners and carers regarding financial matters in foster care in Portugal. The central research question that guided this study was as follows: What are the perceptions of practitioners and carers regarding financial matters in foster care? The aim was to explore their opinion on the nexus remuneration-motivation to become, and remain, a foster carer. The discussion is further enriched by a detailed account of the amendments to Portuguese legislation,

including those introduced in 2025, which reflect political choices and the ongoing management of the alternative care system.

2. Methodology

The present exploratory study is supported by a qualitative approach (Blaikie, 2010). The empirical research design of this study was inspired by Charmaz's (2014) work regarding constructivist grounded theory. The primary sources of data in this approach are intensive in-depth interviews, which rely on discourse, language and silences of study's participants. The data gathering and its analysis are characterised by flexibility, which may encompass the utilisation of interviews content, field notes, and a review of prompted documents (Charmaz, 2014). In addition, case files of foster families were analysed.

Considering the period of data collection (2014–2017) as well as subsequent legislative updates—particularly those introduced by Decree-Law No. 139/2019 and Law No. 37/2025—the article draws on the reforms implemented in the system to date in order to contextualize the collected data and to update its chronological interpretation.

2.1. Sampling

In regard to the recruitment of participants, organisations offering a foster care programme in Portugal were contacted by telephone and e-mail. The project was presented and practitioners invited to interviews. All practitioners who assent to enrolment were included in the sample.

Subsequent to each interview, practitioners were invited to propose carers who might be interested in participating in the study. Consequently, a pool of foster carers was obtained, to be invited on the basis of meeting the selection criteria. The selection criteria were based on the maximum variation criterion (Flick, 2013): i) carers with their own children at home; ii) carers with independent children; iii) carers experiencing their first foster placement; iv) carers with a minimum of two experiences of fostering; v) carers who experienced leaving care/cessation/disruption in fostering. Additionally, we contemplated referrals from carers who recognised other potential participants. And a theoretical sampling (Flick, 2013) strategy was employed, so new interviews were conducted until reaching theoretical saturation.

Charmaz (2014) portrayed grounded theory studies with sample extents as eight to 12 as the total size of the interviews. The participants of this study comprised practitioners and carers ($n = 13$). The sample consisted of carers ($n = 10$) and practitioners ($n = 3$) who were employed by a non-governmental organization (NGO), or by the public social security institution. It is noteworthy that at the time of data collection, these two organisations were the sole entities offering foster care programmes in Portugal continental. The mean age of the participants was 46 years, and the majority of them had their own children, whether biological or adopted. A minority of carers ($n = 2$) held a higher education degree, and 50% held a middle school certificate. It was observed that only one foster mother was engaged in full-time employment; the remainder were homemakers, retired, unemployed, or engaged in part-time employment. In contrast, all foster fathers were employed, with the exception of one who had retired and a late husband. The carers received an average income at that time (ranging from 570€ to 1,200€ per salary), and all held home ownership for the house where they were living and fostering.

2.2. Data gathering

A protocol for narrative interviews was drafted based on the literature review and revised by a senior researcher. The final protocol comprised four groups of themes, with a total of 15 open-ended questions, focusing on expectations, major effects, benefits and pitfalls of fostering. The data gathering was conducted from 2014 until 2017. Data collection procedures involved individual, or two spouses' interviews. Each interview was scheduled to take place in a quiet setting - at a foster care organisation or at carers' home. All participants were provided information on the study, and reminded that their participation was entirely voluntary, so they could withdraw at any time. Furthermore, written consent was obtained from all participants prior to the audio recording of the interviews, which had an average duration of 90 minutes. Subsequent to this, the audio files were transcribed using Express Scribe Pro software version 10.05.

2.3. Analysis

For the analysis, every personal identifying information was protected. To this end, the participants and organisations' names were replaced by codes to ensure ethics and

anonymous reporting. The transcriptions were reviewed for accuracy. Afterwards, the narratives were uploaded to the MAXQDA 12 software programme for qualitative analysis. Initial coding, that is line-by-line coding, was applied using an interpretative approach while sensitizing concepts as suggested by Charmaz (2014). Then, at the second phase - called focused coding - coding comprised an assessment of the greatest analytic power initial codes through comparison with the data. Categories and subcategories emerged within a continuous depuration process. At this stage, the incorporation of a thematic analysis framework (Braun & Clarke, 2006) within the grounded theory approach enriched and strengthened the process of generating codes, searching for, reviewing and defining themes. Later, refining themes was relevant to inform additional data to be gathered to fill in the gaps within an iterative process.

The practice of memo writing has been in existence since the beginning of the analysis. And several outputs were extracted and downloaded from MAXQDA 12 central for the interpretative analysis. Afterwards, drafts were written and revised. Four key themes emerged from the empirical data, and these were detailed in the results section. These themes included: Money as a motivation to become a foster carer; Direct and indirect costs of fostering a child; Economic constraints; Strengthening foster care by improving care conditions.

3. Results

3.1. Money as a motivation to become a foster carer

It was reported by all carers who participated in this study that the decision to engage in a foster care programme and become a foster family was not influenced by the financial support provided. The motivations behind fostering were emphasised as being rooted in personal fulfilment and altruism, rather than financial considerations. Furthermore, there was a general consensus that the financial support provided was inadequate to meet all the expenses incurred by foster children.

We don't do it for the money. Actually, it looks like the money received won't even cover the cost of the bread the kids eat. But that's not why I foster. We do it because we like it! (Carer, F, 62y, social security).

However, during the interviews, it was hypothesised by some participants - carers and practitioners - that financial motivations may potentially influence an individual's

decision to become a foster family. This perception is of particular relevance to specific groups of applicants, namely those who were unemployed. It was asserted that fostering could be regarded as a potential career alternative or form of employment and suggested that fostering could be perceived as a means of generating income, rather than being exclusively viewed as a caregiving or child-centred activity. During periods of economic downturn, this influence is more pronounced.

The motivation [of a female group] was economic. They were unemployed and this [fostering a child] could be a way of making a living (Practitioner, F, 45y, social security).

There are lots of people interested [in fostering], but they sign up for it for all sorts of reasons that have nothing to do with helping a child. I think some people are more interested in the money from social security than in helping a child (Ex Carer, F, 40y, NGO).

3.2. Direct and indirect costs of fostering a child

While the financial support provided is not a determining factor in the decision to become a foster family, the participants noted that carers encounter a range of economic implications as a consequence of their choice to provide foster care for children. These implications pertained to the healthcare services including pedopsychiatry and dental care; childcare services as nursery school; therapeutic interventions; medication; feeding; clothing and footwear; school supplies; technological devices; and social and cultural activities.

We spent a lot on the dentist. [...] We also spent €800 on the laptop [...] When he [the foster child] was a baby, it was food and hospital. Now, I have to buy sneakers... €40 or €60, a jacket... €90 or €100. And what he takes to school, theatre and other school visits €10 (Carer, F, 64y, social security).

The costs reported were twofold: firstly, costs that were equivalent to those incurred for their own children/ or any, and secondly, costs associated with the status of foster child. The latter category of cost was found to be more significant, and in fact many foster children had special needs, e.g., hearing impairment; mental health problems; cognitive deficit.

We've got to take him [the foster children] to the doctor. He's got a bunch of health problems. I take him to the psychiatrist, and I pay for the doctor. And, I also paid for the medicines, and so on (Carer, F, 62y, social security).

Carers tend to place minimal importance on the financial implications of foster care and rarely discuss these issues. Carers generally perceive that they should be responsible for the financial dimension of fostering, as part of their role, they fulfill it as a duty. And they might feel that discussing the financial challenges could be seen as inappropriate or as a sign of inadequacy.

Foster carers cover all the costs, but don't talk about it (Practitioner, F, 46y, NGO).

These families adopt a child-centred approach, perceiving the financial strains associated with the direct and indirect costs of fostering to be outweighed by the perceived benefits of promoting the wellbeing of children and providing a stable family environment for foster children.

We have to spent money... and it will be just for the teeth. But what matters is that he to be pain-free! (Carer, F, 64y, social security).

Participants, especially the carers, also explored the bureaucracy inherent to foster care services on the grounds that it is time-consuming and exhausting and has economic implications for their lives. For instance, if foster families have to miss work and move around to deal with bureaucratic processes. Consequently, the bureaucratic burden was called into question, as one of the major sources of stress and frustration for carers. Among the administrative and bureaucratic issues they experienced, families highlighted moving the child from the previous school to a local school. Participants suggested that a broader power for foster families in decision-making processes in a more autonomous manner could result in a reduction of bureaucracy.

The bureaucratic aspects take up a lot of time. Changing to a local school was so bureaucratic... we had to go to each school and ask for permission (Carer, F, 44y, NGO).

The present study sought to explore also the perceptions of carers regarding the influence of foster children on the well-being of their own children and access to resources. In relation to the economic impact on the children of foster carers, the implications were similarly underestimated. It is the considered opinion of carers that their own children were

not deprived of goods and services solely due to the presence of a foster child within the family unit. Furthermore, participants articulated a pedagogical and solidaristic perspective on the experience of fostering for their own children.

She'd rather spend her pocket money on little gifts for them, but I don't allow it. It's her money, so she should use it for herself (Carer, F, 45y, NGO).

3.3. Economic constraints

Foster carers ascribe minimal significance to the costs and financial implications of fostering. However, there was unanimous consensus among all participants that the compensation received was inadequate to cover the associated costs. Therefore, economic constraints on fostering were identified by every participant:

If it weren't for my husband working... [we wouldn't have had enough to live on] The money the State gives us... I mean, foster carers don't get paid enough (Carer, F, 62y, social security).

We have more costs than profits, but we're not too worried about that... (Carer, F, 44y, NGO).

Narratives present constraints experienced by carers have a significant impact on the wellbeing of both the families themselves and their foster children. Given the significant financial investments made by carers in order to meet the needs of the child, this is a twofold – a carer may experience difficulties in providing quality-based care for the foster child, for example for paying specialized services as pedopsychiatric and psychological consultations, and dental braces; and a carer may compromise the quality of life for their own family in order to ensure the provision of adequate care. In both situations, the fostering conditions offered by the system impair health and care in general terms.

I went into the office [of the social security] and asked for their support to get the money back. But they told me: Nowadays, we can't give you money, you've paid it. So, well... bit by bit, with effort, we paid for the dental braces ourselves (Carer, F, 64y, social security).

It should be avoided any economic harm [for foster carers]. [...] This issue might make some families think twice before they decide to foster a child (Carer, F, 45y, NGO).

3.4. Strengthening foster care by improving care conditions

Given the economic constraints, participants reflected on their impact on the foster care system in Portugal. One of the implications, as posited by practitioners and carers, pertains to the limited appeal of the foster care measure for prospective foster parents, particularly in regard to the financial incentives offered.

[What's behind the fact that there are fewer and fewer foster families in Portugal] Obviously, it's because of the known cost and the effort involved (Practitioner, F, 45y, social security).

After discussing the implications of financial issues, participants presented suggestions to improve this protection measure, and enhance the quality of care, through the strengthening of rights and care conditions. The first one is to provide adequate financial compensation for carers.

This kid, or any other child for that matter, should get €500 for dressing up and putting on their shoes, which is a small amount. Foster carers don't get paid much! (Carer, F, 62y, social security).

However, to ensure the suitable recruitment and retention of foster families, it was proposed that expenditure on foster children, particularly clothing and healthcare costs, be reimbursed - to illustrate, dental braces, hearing aids, medications, psychological and psychiatric consultations, and health therapies. That is an alternative to the current system, in which the foster children's expenses are covered by carers. The participants stated that the proposal would be more suitable and fairer from a financial perspective, as well as serving to prevent instances of dishonest practice from the carers.

[...] to change the compensation system. [...] The idea is to set up a reimbursement system, meaning every expense with the foster child would be reimbursed [...] So, there's no risk involved here. I mean, if we're talking about embezzlement, there'd be no money being made (Carer, F, 45y, NGO).

Moreover, in a previous legislative framework, reimbursements were implemented. The participants who had been involved in the system for a considerable length of time reported a significant shift with fostering conditions. So, for the future, participants advocated for a return to the past, with regard to the reimbursement model to prevent financial burden on carers.

When I first started fostering, I used to take the foster children to a doctor, then send the invoice to the services, and get the money back. But now, I pay for everything (Carer, F, 62y, social security).

Another suggestion was that foster children should be provided with services and equipment to ensure an effective guarantee of their rights regarding their specific needs. For instance, it is imperative that each foster child be made available to benefit from specialised healthcare services in a timely manner and free of charge.

4. Discussion

This study provides insights from practitioners and carers regarding financial matters in foster care in Portugal. Findings indicate that carers did not allow financial considerations to influence their decision to become foster families, reflecting a strong degree of altruism consistent with previous research (Diogo & Branco, 2019; Haysom et al., 2025; Howell-Moroney, 2014). Nonetheless, participants recognised that financial factors may influence the motivation of certain applicant groups in specific contexts. In particular, financial constraints were perceived as more salient among unemployed individuals during periods of economic hardship, such as the international financial crisis of 2010–2013, the most severe and prolonged crisis in Portugal since the 1980s (Reis et al., 2023).

In 2019, the Portuguese Government introduced an economic incentive, alongside social and fiscal benefits, for individuals interested in becoming foster families (Decree-Law 139/2019). This reform aimed both to encourage new applications and to acknowledge the contribution of families already fostering children. Remuneration was reinforced according to the number of children placed, their age, and specific needs, such as chronic illness or disability. Despite this measure, all participants agreed that financial compensation remains insufficient to cover the costs associated with fostering. This perception aligns with international evidence showing that foster carers are generally only minimally compensated for their role (Ahn et al., 2018).

Participants emphasised that inadequate compensation may affect both foster family well-being and children's developmental outcomes. They reported difficulties in meeting children's needs, particularly when specialised services are required, such as paediatric psychiatric care, and described situations in which carers must compromise their own

family's quality of life. These experiences reflect Portugal's 'familialist' welfare model (Esping-Andersen, 1988), in which families bear significant responsibility for welfare provision. As Oldfield (2019) cautions, policies that undercompensate carers risk over-relying on altruism, potentially reducing care quality and undermining the sustainability of foster care provision.

Beyond direct expenses, participants highlighted indirect economic burdens related to fostering, including bureaucratic procedures perceived as time-consuming, exhausting, and economically consequential. Such findings are consistent with Haysom et al. (2025), who identified emotional and physical labour, professional marginalisation, and financial strain as substantial personal costs incurred by carers.

A central finding of this study was the discrepancy between the actual costs of fostering and the level of financial support provided. Participants identified two main categories of cost: routine expenses related to daily care and costs associated with the foster child's specific needs. Foster children are more likely to have experienced trauma and neglect and to present complex needs, including higher rates of mental health difficulties requiring specialised services (Engler et al., 2022). Recent data show a 25% increase in mental health diagnoses among children and young people in alternative care in Portugal (ISS, 2024), alongside increased use of psychological and psychiatric support. Despite this, participants reported ongoing barriers to accessing timely and adequate mental health care, echoing national concerns about unmet needs in child and adolescent mental health services. Consequently, Portugal has been urged to ensure timely, affordable, and high-quality access to health and education services to prevent inequalities (Eurochild, 2019).

Material resources were also identified as critical to placement stability and carer retention. Participants described insufficient funding to cover services such as transportation, childcare, respite care, and counselling as a source of strain and a potential barrier to continuing to foster. These findings are consistent with previous research highlighting the role of material resources in sustaining foster care placements (Hanlon et al., 2021; Mashiloane et al., 2023; Neymotin & Hawks, 2024).

Despite financial challenges, carers reported that intrinsic rewards outweighed economic difficulties. Providing a stable family environment and making a meaningful difference in a child's life were described as key motivations for continuing to foster. This

aligns with studies showing that intrinsic motivations, such as social contribution and relational fulfilment, are stronger drivers of retention than financial incentives (Geiger et al., 2013; Howell-Moroney, 2014).

To strengthen the Portuguese foster care system, participants emphasised improvements in recruitment and retention. Although financial compensation was not considered an incentive to foster, its adequacy was viewed as essential. Participants recommended revising compensation levels to better reflect actual fostering costs, a concern echoed in other studies reporting that allowances are generally insufficient (GAO, 2018; Haysom et al., 2025; Rhodes et al., 2001). Adequate compensation was also seen as a means of addressing carers' limited recognition, voice, and support.

A second recommendation concerned reinstating a reimbursement model for foster-related expenses, particularly healthcare, therapies, and medical devices, as provided under previous legislation (Decree-Law 190/1992). Participants argued that reimbursement would reduce the financial burden placed on carers, although evidence from other countries suggests such schemes must be carefully calibrated to be effective (Hanlon et al., 2021). Currently, Portuguese legislation does not include a reimbursement mechanism (Decree-Law 139/2019).

The third recommendation was that healthcare services and childcare services should be provided in a timely and free of charge manner to any foster child. This is a matter of paramount importance in ensuring the effective safeguarding of the rights of the child as outlined in the Convention on the Rights of the Child (UNICEF, 1995). For instance, every child has the right to a standard of living adequate for the child's physical, mental, spiritual, moral and social development (UNICEF, 1995 – Article 27). That is a special protection and assistance provided by the State to a child temporarily or permanently deprived of his or her family environment, or in whose own best interests cannot be allowed to remain in that environment (UNICEF, 1995 – Article 20). Therefore, it is imperative that efforts are made to strengthen quality family and community-based care (Council of Europe, 2022; European Commission, 2021, 2024). In order to achieve this, it is essential to ensure a pool of a sufficient number of foster families, as well as to provide healthcare and childcare services in a timely and accessible manner. In 2025, the rights of children in alternative care were reinforced in Portuguese legislation (article 58 of Law 37/2025). The following amendments were made: (i) The right to have a reference

therapist from the Ministry of Health was added; and (ii) The requirement to ensure a vacancy to attend the kindergarten or school closer to the child's address was added as well.

As recommendations for practice, the adoption of public policies is proposed that enable managers of foster care programs and professionals to adjust the support provided to the actual costs of each placement. Such adjustments should take into account not only the child's age and health-related specificities, but also characteristics related to the educational, cultural, and leisure contexts, as well as the effective costs of housing, transportation, and food across different regions. It is also important to reflect on the need to extend social and educational support within kinship care beyond economic assistance alone.

Compared to previous studies (e.g. Hanlon et al., 2021; Kirton, 2001), the participants did not discuss payment as a way of adequately rewarding their skills. Nor did they discuss the importance of receiving fees and allowances based on their level of qualification and experience in caring for children with higher levels of need (Schofield et al., 2013). Perhaps the reason for this omission is that professional foster care is not offered in Portugal, and children and adolescents with special needs are more likely to be placed in institutional settings rather than in a foster family.

Final remarks are contemplated. Notwithstanding the acceptance by participants that certain individuals may be mainly attracted by the financial compensation to apply to become a foster family, none of them were able to identify any cases. Furthermore, financial considerations do not appear to be a significant predictor of carers' satisfaction or their intention to continue fostering, as has been demonstrated in other studies (e.g., Denby et al., 1999; Diogo & Branco, 2020).

Moreover, in Portugal, the financial support amount is determined by two factors (Decree-Law 139/2019): the age of the foster children and their health or specific needs (that is, chronic illness and disability). However, the amount is not sensitive to other issues, such as local problems (e.g. rental prices) or household income. Furthermore, the study participants asserted that fostering costs increase with the age of the foster child, but the Portuguese legislation states a plus on the financial amount whether the foster child is under 6 years old. Thus, the sliding age-band scale does not reflect the assumption that older children incur greater costs in terms of feeding and clothing.

And finally, data (ISS, 2024) demonstrate that the foster care measure has been and continues to be underrepresented in Portugal, thus strengthening foster care is urgent. However, there is no evidence that an increase in the compensation would result in a substantial shift in the current numbers of children and young people placed in foster families. Furthermore, there is evidence of both, that the costs of fostering exceed those of providing care for a child who is not being fostered. And that it is likely the compensation does not adequately cover these costs (Ahn et al., 2018).

The pressure to strengthen family-based care towards foster care and therefore to increase the pool of foster families, led to a recent change in legislation (Law 37/2025). Kinshipcare families will be once again funded, in the next state budget, on the same terms as foster care families. This demonstrates a commitment to following the recommendations made by the Council of Europe (2022), the European Commission (2021, 2024), the FRA (2024), and other authors (Sacur & Diogo, 2021) towards the de-institutionalisation of children in Portugal.

5. Conclusion

The present paper provides a reflection and comprehensive overview on financial issues in foster care regarding the perceptions of both practitioners and carers in Portugal. The results of the study contribute to the ongoing discourse on the enhancement of foster care in Portugal. However, the discussion also extends the debate to other countries that are similarly committed to fulfil the rights of the child in practice, while addressing the specific needs of each child.

First, the study provides robust qualitative evidence that financial support is not a primary motivation for becoming a foster carer, highlighting instead the central role of altruism, personal fulfilment, and child-centred values. At the same time, it nuances this finding by showing that financial considerations may influence the motivations of specific applicant groups, particularly during periods of economic vulnerability, thereby avoiding simplistic assumptions about carers' motivations. Second, the study offers a detailed account of the direct and indirect costs of fostering, including healthcare, education, therapeutic interventions, and bureaucratic burdens, and demonstrates how these costs are often normalised and silenced by carers as part of a moralised sense of duty. Third, it exposes a clear mismatch between the actual costs of fostering and the compensation

provided, documenting how economic constraints can compromise both the quality of care offered to foster children and the well-being of foster families.

Implications for policy and practice are considered. For instance, governments should carefully address financial issues, by providing adequate compensation to carers and the reimbursement of the foster child's expenses. Moreover, it is also necessary to monitor public investments in order to conduct cost-benefit analysis (Chor & Oltmans, 2024). The consequences of neglecting financial matters can compromise the quality of services and the protection of a child who has already experienced trauma and abuse.

Furthermore, the volunteer-based service approach that characterizes the Portuguese foster care system could eventually coexist with professional work provided by specialized carers. Volunteer and professional work may be combined as observed in other systems. That would facilitate the establishment of specialized and therapeutic carers and thus ensuring children with specific problems or needs – who are the most vulnerable children – could benefit from a stable family-based environment (Sinclair et al., 2004). In addition, there is the matter of older children, who are unlikely to be adopted and who would benefit from a family-like living environment. The approach moving forward is to implement flexible and complementary responses in foster care models (Schofield, 2003), addressing the broad spectrum of needs among children, as well as a wide range of motivations, performances and characteristics of carers.

Further research is required on the topic of financial matters, with a particular focus on the Portuguese system where literature is scarce. Conducting a cost-benefit analysis of the economic impact on child protection policy would contribute to support policymakers in their decision process in resource allocation.

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