

# FUNDING YOUR ADOPTION

In a perfect world, adoption would not require fees and finances would not be the obstacle that they sometimes are in bringing children and families together. Adoption, no doubt, is expensive. Yet many people can rationalize spending \$20,000 for a car. Ultimately, we tend to support our values and beliefs with our money. We will sacrifice one thing that may be “good” for that which we deem to be “better.” Investing in the life of a child is a choice that carries value beyond what the adoption costs. In fact, its value is eternal. Although coming up with the money to adopt can be a challenge, almost everyone who desires to adopt can find the means to do so with a little resourcefulness and determination.

Here are some ideas for funding your adoption:

## **Personal and Family Resources**

**Savings:** The most wonderful option would be to tap one’s saving account. There is no interest to pay and no approval needed from a loan officer. But, this is a fairly unlikely source, especially for those who have received infertility treatments prior to making the decision to adopt.

**401K and Pension Plans:** Some plans allow you to borrow at very favorable rates compared to other loan rates. These, along with insurance policies with cash values, can be great sources. However, other plans have substantial penalties and tax consequences.

**Family:** Family members often times are more than willing to help with a gift or an interest free loan. But often times, the strings that are attached to the “gift” are harder to swallow than the interest. Family members often feel a right to give their input as to the kind of adoption and the sort of child one should adopt.

## **Adoption Agency Assistance**

**Sliding Scale Fees:** Some private adoption agencies offer reduced fees based on your income. In the case of a waiting child, most offer reduced fees or require no fee. When considering an adoption agency, ask if they offer the benefit of sliding scale fees.

**Payment Plans:** Many agencies have payment plans or take credit cards. You can make installment payments monthly, quarterly, etc. Check with the adoption agency you will be using for creative ways to make payments.

## **Tax Credits**

### **Federal Tax Credit**

Adoptive parents may be able to claim a tax credit on their federal income tax return for qualified adoption expenses. The credit is up to \$12,150 for each child adopted. This tax credit is more valuable than a tax deduction because allowable expenses are subtracted dollar for dollar against your tax liability. For example, if you owe \$8,000 in federal taxes and have \$6,000 in qualified adoption

expenses, your tax bill is reduced to \$2,000. If your tax bill is smaller than the amount of credit you are eligible for, the unused portion of the credit may be carried forward for up to five years.

### **State Tax Credits**

Several states have enacted state tax credits for families adopting children from the public welfare system in that state. Contact your State Adoption Specialist with the Department of Human Services.

## **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, assistance with adoption information and referral services, etc.). If your employer does not currently offer adoption benefits as part of a benefit package, you might consider advocating for this at your place of employment. Contact the National Adoption Center at 1-800-TO-ADOPT (862-3678) to order their packet, "Advocating for Adoption Benefits."

## **Corporate Matching Gifts**

These program may be considered part of your employer's adoption assistance program or a separate program where your employer may match certain monies paid and/or charitable donations paid to an international adoption agency to help complete your adoption.

## **Grants and Loans**

**Home Equity Loans** use the equity in your home as collateral for the bank to lend you money. Loans generally come as either fixed term second mortgage loans, which will pay back over a period of time and go away. Or they can be used as revolving lines of credit, which can be prepaid and used again for a period of time and later turned into a fixed term loan. Both offer the advantage of the interest possibly being tax deductible. The revolving line of credit also has the advantage of being available to finance a second or third adoption, without asking for the bank's "permission." Because you are using the equity in your home, you may often be able to borrow more than you could without collateral.

**A Child Waits Foundation** is a non-profit, charitable foundation that makes grants and low interest loans to families adopting internationally. Eligibility to obtain a loan is based on financial need and each case is judged individually. Their goal is to fund families who have exhausted all other resources and who would not be able to continue with an adoption without the foundation's help. Currently loans are for five years at 5% with a limit of \$10,000 for one child. The foundation does not make loans to families who could obtain funds from other places but at a higher interest rate.

A Child Waits Foundation  
1136 Barker Road  
Pittsfield, MA 01201  
(866) 999-2445, fax (518) 794-6243  
cnelson@achildwaits.org  
www.achildwaits.org

**First Union Bank's Adoption Loan Program** at (888) 314-5437 is available to people living in CT, DE, FL, GA, MD, NC, NJ, NY or VA. U.S. Bank also offers adoption financing.

**Gift of Adoption Fund** awards grants to support domestic and international adoptions. Grants in support of international adoptions are awarded for adoptions for any Hague Adoption Convention member countries. Grants range from \$2,000 to \$5,000.

Gift of Adoption Fund  
P.O. Box 567  
Techny, IL 60082  
(877) 905-2367  
info@gift of adoption.org  
www.gift of adoption.org

**JSW Adoption Foundation** is a private foundation established to assist the potential adoptive parents by providing cash grants to subsidize a portion of the adoption expenses. Grants are awarded from \$2,000 and up. Preference is given to childless applicants and those who are experiencing extraordinary hardship and financial need.

JSW Adoption Foundation  
127 East Main Street, Suite 5  
Port Washington, WI 53074  
(877) 905-2367

**The Funds4families Loan Program** is administered through American Home Loans and offers a diversity of loan programs such as debt consolidation, home equity line of credit, home improvement, and refinancing. Their email address is help@funds4families.com and their phone number is (800) 451-3372.

**The Hebrew Free Loan Association** provides interest free loans to Jewish adults wanting to adopt internationally or domestically. A single person or couple, after demonstrating additional need, may borrow up to \$10,000 toward the expenses incurred for the adoption of a child. Further support may be available in special circumstances. The repayment schedule for up to \$5,000 is over a three year period. They can be reached at (415) 546-9902. Also, check with your own religious organization about adoption financial assistance.

**The National Adoption Foundation** is a non-profit organization dedicated to providing financial support, information and services for adoptive families. NAF has established a \$9 million revolving loan bank to provide unsecured loans of up to \$25,000 to adoptive families. Your payments and interest then help other adoptive parents. NAF also has a home equity loan program. Both loan programs are financed through Bank of America. The foundation has a limited program to provide direct grants, usually in the \$500 to \$2,500 range, to assist families with adoption costs. You can contact the foundation to request that an application packet be sent to you.

National Adoption Foundation  
5 Shelter Rock Rd.  
Danbury, CT 06810  
info@nafadoption.org  
www.nafadopt.org  
(203) 791-3811

## **Christian/Church Based Assistance**

**ABBA Fund** provides interest-free covenant loans to Christian couples who are called by God to expand their families through adoption. They also help churches establish loan funds for members by providing administrative assistance and fund management at no cost.

ABBA FUND  
P.O. Box 1120  
Ramseur, NC 27316  
(888) 775-3422  
info@abbafund.org  
www.abbafund.org

**Cadman Foundation** helps bring together couples starting, or expanding their family, with orphaned children. They provide grants and fundraising grants to offset the cost of adoption.

Cadman Foundation  
413 Shellbourne Drive, Suite 150  
Rochester Hille, MI 48309  
(248) 370-8040 Fax (248) 370-8039  
Julie@CadmanFoundation.org  
www.cadmanfoundation.org

**God's Grace Adoption Ministry** provides grants to two parent Christian families ranging from \$1,000 to \$4,000.

God's Grace Adoption Ministry  
P.O. Box 4  
Modesto, CA 95353  
info@ggam.org  
www.ggam.org

Hadassah's Hope strives to help families with the burden of adoption internationally.

Hadassah's Hope  
20472 Crescent Bay, Suite 100  
Lake Forest, CA 92630  
(949) 600-5252  
customerservice@hadassahshope.org  
www.hadassahshope.org

**Kingdom Kids Adoption Ministries** help families raise finances for adoption by developing a support team committed to praying for and contributing to the family's adoption.

Kingdom Kids Adoption Ministries  
1417 N. Lincoln Street  
Spokane, WA 99201  
(509) 465-3520 Fax (509) 465-5527  
Ministry@KingdomKidsAdoption.org  
www.kingdomkidsadoption.org

**Lifesong for Orphans** offers matching grants and interest free loans to help couples overcome the high cost of adoption. They also provide families with a “support raising” process to help them gather prayer and financial support for their adoptions.

Lifesong for Orphans  
P.O. Box 40  
202 N. Ford Street  
Gridley, IL 61744  
(309) 747-4515 Fax (309) 747-4647  
info@lifesongfororphans.org  
www.lifesongfororphans.org

**Shaohannah’s Hope** (Show Hope) offers grants to families to reduce the financial barriers to adoption. They also provide information to churches in how to start an adoption assistance fund.

Shaohannah’s Hope  
44180 Riverside Parkway  
Lansdowne, VA 20176  
(800) 784-5361  
info@shaohannahhope.org  
www.showhope.org

## **Other Forms of Subsidy and Assistance**

**State Adoption Subsidy:** Children with special needs may qualify for an adoption subsidy which is paid to adoptive families to help them pay for their child’s need for ongoing therapies or treatment. Adoption subsidy agreements must be negotiated with the placing agency before the child’s adoption is finalized. In addition, some children qualify for SSI (Social Security Insurance) payments or Medicaid coverage because of their medical conditions. For more information contact the North American Council for Adoptable Children at (800) 4709-6665 or e-mail at [adoptionassistance@nacac.org](mailto:adoptionassistance@nacac.org). For information on adoption subsidy for the state in which you live go to [www.nacac.org/adoptionsubsidy/stateprofiles.html](http://www.nacac.org/adoptionsubsidy/stateprofiles.html).

**Non-Recurring Adoption Expense Reimbursement:** 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 for the adoption, which may include home study fees, travel expenses to meet the child, attorney fees, etc. Each state sets a maximum cap which cannot exceed \$2,000 per adoption. For states that provide this reimbursement, go to [www.library.adoption.com/.../reimbursement-of-non-recurring-adoption-expense-for-special-needs-children.html](http://www.library.adoption.com/.../reimbursement-of-non-recurring-adoption-expense-for-special-needs-children.html).

**Military Non-Recurring Program** is a one-time subsidy program for full-time military personnel. Adopting couples or singles can receive up to \$2,000 of reimbursement of adoption expenses for one child or \$5,000 for siblings. Reimbursement is made only after the adoption is finalized and only if the adoption was completed through a state licensed public or private non-profit adoption agency. Eligible personnel should complete DD Form 2675 (Reimbursement for Adoption Expense) which can be downloaded at <http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>. See Defense Finances and Accounting Service Instruction 1341.

**United Way International** provides assistance for cost of travel for children adopted with illness needing immediate medical attention. Applications are selectively considered and must be supported with a doctor's statement.

United Way International  
701 N. Fairfax St.  
Alexandria, VA 22314  
(703) 519-0092

## **Fund Raising**

Some families appeal to their church and/or their neighbors for help. This help can take the form of outright assistance or a variety of fundraising activities, donations of goods and other items. One couple decided that they wouldn't let finances stand in the way of the family they were determined to build. Michael Sky and Penny Sharp wanted to adopt a child from China; many of the resources mentioned earlier weren't available and money was a problem. "When we decided we wanted to do this, we had nothing," said Michael. With the help of several friends, however, he and Penny came up with a number of creative ways to reach their goal. They sent out newsletters to nearly 600 friends and community members, telling their story and asking for any kind of financial support. They also organized a community benefit concert and an auction of arts and crafts. Through such creative fundraising events and a great deal of dedication and hard work they were able to make their dream come true. Almost one year to the day after Michael and Penny began their journey, they brought their daughter home from China.

### **Fundraising Ideas**

Golf tournaments  
Garage sales or neighborhood yard sales  
Car wash  
Carnival  
Raffles  
School projects  
Bake sales  
Collections at local grocery stores  
Collections through job