

## Financing Adoption

One of the major considerations in making the decision whether to adopt a child is the cost of adoption. Adoption fees vary greatly and sometimes depend on whether you adopt an infant or an older child. Whether you use a private or public agency, an attorney, or intermediary also affects adoption fees. There are many sources of help for adoption costs and numerous factors to consider.

**Federal tax credits and tax exclusion** Federal income tax credits and tax exclusion may be available to defray some adoption costs. The IRS provides a tax credit up to \$12,150 (for tax year 2009) for qualified expenses paid to adopt an eligible child. Prospective adoptive parents can find information about tax rules regarding adoption at the IRS website.

**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, or assistance with adoption services. Corporate human resource departments can provide employees with information about any benefits available.

### Web Links for Additional Information

- Shaohannah's Hope: Stephen Curtis & Mary Beth Chapman Grant : [www.shaohannahshope.org](http://www.shaohannahshope.org)
- Employer Benefits Fact Sheet: <http://www.adoptlink.com/benefits.htm>
- Texas Adoption Assistance: [http://www.dfps.state.tx.us/Child\\_Protection/services.asp](http://www.dfps.state.tx.us/Child_Protection/services.asp)
- LifeSong for Orphans: Matching grants: <http://www.lifesongfororphans.org/>
- Lake Pointe Church Adoption Fund: <http://www.lpcadoption.org/>
- General Links <http://www.affordingadoption.com/grants.php>

**State subsidies and reimbursements for children with special needs** For the adoption of a special-needs child, the State of Texas offers Medicaid health care coverage, reimbursement of one-time adoption-related expenses, and monthly payments to assist with the child's needs. The state also offers reimbursement of up to \$1,500 in expenses for **international adoptions** where the adopted child meets any one of the following "special needs" definitions: is at least six years old; is at least two years old and a member of a minority group that traditionally has barriers to adoption; is being adopted with a sibling or to join a sibling; or has a verifiable physical mental or emotional handicapping condition. See the DFPS link above for complete details.

**Adoption Loans and Grants** Adoptive parents may be eligible to receive a loan or grant to offset some of their adoption costs. Such programs may have specific requirements or financial need considerations and typically require a completed home study before submitting an application. Many agencies also have adoption grant programs and some offer pastoral discounts. The popularity of home equity loans are another option to consider. The Lake Pointe Church Adoption & Orphan Ministry provides an adoption grant fund for members through contributions from those who wish to remove the financial roadblocks to adoption.

Building families through  
the adoption miracle



Showing God's love  
to the world's orphans

Creating ambassadors of hope through foster care

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## Financing Adoption, cont'

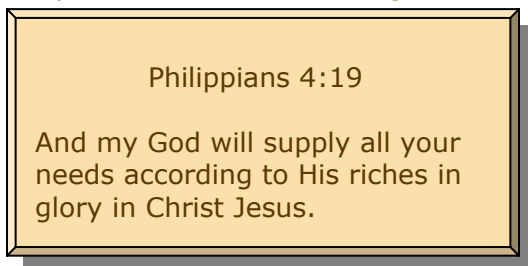
**Military Reimbursements** The military provides active-duty personnel a reimbursement for most one-time adoption costs up to \$2,000 per child. The maximum amount available in a given year is \$5,000, even if both parents are in the military. Reimbursement is made after the adoption is finalized.

**Friends & Family** Adoption is much like a mission trip and your friends and family are willing to help you. Some adoption agencies provide a special fund for donors to give a tax-deductible gift. Grandparents typically will help with everything from newborn expenses to college, so why not adoption?

**Why so much?** Typically, the costs are in three areas: government, agency, and travel. Although domestic can have a low travel cost, the agency/attorney costs can be more than international. Most adoptions end up around \$20,000 but there are numerous factors that can bring that cost down or double it. It is somewhere between a Honda Civic and a Lincoln Navigator. A good adoption agency will be able to provide a close estimate of the total costs. If they cannot, or are giving you a figure much lower than everyone else, consider that a red flag.

**Savings / Planning** It is imperative that you build a special savings account that is part of your regular budget. Many adoptions follow a timeline enabling you to plan accordingly. A common annual income requirement is \$10,000 per person in the household including the child to be adopted and China now requires a net worth of \$80,000. To meet these requirements and work through a budget may require the aid of a certified financial planner.

**God's Plan** We would be remiss if we did not discuss the most important element to financing adoptions. Although the Lord may use numerous vehicles to provide for your adoption, we must never forget that we need total dependence and trust in Him to make



this happen. The Scriptures contain all we need to help us through this huge financial hurdle, but we can rest assured that it is indeed possible with God. Aside from Scripture, *The Treasure Principle* by Randy Alcorn is a valuable resource to help you in this journey.

*This overview does not substitute for specific tax or legal advice. Please consult your tax, financial, or legal advisor for detailed information specific to your needs. Please refer to the web resources listed above and official program documentation for up-to-date amounts and conditions for assistance programs.*

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