

Pay the Village

By James A. Lomastro

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The Winter 2024–25 Generations Journal issue on grandparenthood established, with clarity and depth, the strength, sacrifice and structural vulnerability of grandparents raising grandchildren. Jean C. Accius documented that grandparent caregivers collectively save government and taxpayers more than \$4 billion annually. Hughes, Beach and James showed that the remaining grandparent caregivers are older, more disabled, more likely to live in poverty, and more likely to be in long-term caregiving arrangements without a parent present.

The issue's Guest Editors Wendy Lustbader and Gaynell Simpson gave voice to decades of structural inequity: Black grandmother caregivers operating behind closed doors, hiding grandchildren from housing managers, stretching Social Security benefits across two generations without recognition or support.

What this body of work has established is that grandparent caregivers produce enormous, measurable public value. What the policy response has consistently failed to do is pay for it. This article argues for a shift: from recognition of sacrifice to compensation for economic contribution. Gratitude is warranted. Payment is overdue.

The Economic Value That Goes Uncompensated

The \$4 billion annual savings figure is a conservative floor, not a ceiling. It captures avoided foster care costs. It does not capture avoided Child Protective Services expenditures, special education costs prevented by placement stability, mental health intervention costs associated with the documented developmental harms of non-kinship foster care, or the Medicaid costs avoided when grandparents delay nursing home entry because family obligation takes precedence over their own care needs.

Kinship care produces better outcomes for children at substantially lower cost than non-kinship foster care, with children in kinship placements showing 30% to 50% lower rates of behavioral and developmental problems. The public saves at every point in the trajectory. Grandparents absorb the cost.

The individual burden is equally clear. Brookings Institution research places the average cost of raising a child at \$17,000 per year, or \$1,417 per month. Approximately 18% of grandparents responsible for their grandchildren live in poverty, and a quarter have disabilities. The population providing the most economically valuable informal care

service in the American child welfare system is also among its most financially precarious members.

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A System Designed to Withhold

The failure to compensate grandparent caregivers is not primarily a fiscal failure. It is a structural choice. Licensed foster parents receive maintenance payments because the public has recognized that full-time childcare for the state deserves compensation. The logic is sound. Its application is radically inconsistent. For every child formally placed with a relative in foster care, approximately 18 more children are being raised by relatives outside the formal system—and those families receive nothing comparable, because they did not navigate a licensing process designed for a population that is not them.

Grandparent caregivers without a parent present—the most vulnerable subgroup—are most likely to be older than 60, disabled, impoverished, and taking on this care for the long term. These are precisely the grandparents least able to complete a licensing process and most in need of the financial support it would unlock. The system directs compensation toward those who need it least and withholds it from those who need it most. That is not an oversight. It is the predictable consequence of designing programs around institutional convenience rather than caregiver need.

The Age-Friendly Paradox, Applied

In a prior article in this journal, the Age-Friendly Paradox was applied to aging policy broadly: the tendency of well-intentioned initiatives to generate visible, symbolically meaningful activity while avoiding the structural questions that would require redistributing resources. The policy response to grandfamilies demonstrates the same pattern. The RAISE Act Advisory Councils have produced detailed recommendations. The 2022 National Strategy to Support Family Caregivers identified financial assistance as a priority. Kinship Navigator programs—which help grandparents find resources—have proliferated. What has not proliferated are the resources. Navigator programs map the terrain of inadequacy. They do not fill it.

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What Compensation Requires

The fiscal case is already won. The \$4 billion in avoided foster care costs alone substantially exceeds any reasonable compensation level. When the full accounting includes avoided child welfare, special education, mental health, and nursing home costs, the public benefit of grandparent caregiving is unambiguously positive. The failure to compensate is a political choice, not a budget constraint.

That choice can be reversed through specific, existing policy vehicles. A federal kinship caregiver payment program should provide monthly support to grandparents raising grandchildren outside formal foster care, without requiring formal custody proceedings, at a rate reflecting actual child-rearing costs—the Brookings figure of \$1,417 per month provides a reasonable baseline.

A kinship caregiver tax credit, available regardless of custody status and structured to benefit fixed-income households, would address the failure of the existing Child Tax Credit to serve grandparents on Social Security. Presumptive eligibility for grandchildren in informal kinship arrangements for Medicaid and CHIP—without requiring legal proceedings—would remove the most immediate health coverage barrier. Directed allocation of opioid settlement funds to grandfamilies affected by parental substance use disorders should include payment, not only navigation services, as an eligible use. And Older Americans Act reauthorization should explicitly recognize and fund grandparent caregiver compensation, acknowledging that these older adults are providing publicly beneficial community care and they deserve support accordingly.

Conclusion

Grandmothers in Seattle subsidized housing in the early 2000s, surviving on Social Security and food banks, ask where the village is. The caregivers most essential to the functioning of both the child welfare and aging services systems continue to absorb costs that belong to those systems, without compensation. Research has made the case. Advocacy has documented the need. The fiscal logic is unambiguous. What remains is the decision to pay the village that has been doing the work for free.

James A. Lomastro lives in Conway, Mass. His grandchildren lived with he, his wife, and their parents for 17 years. They were foster parents for other relatives, too, and provided residential support for aging parents.