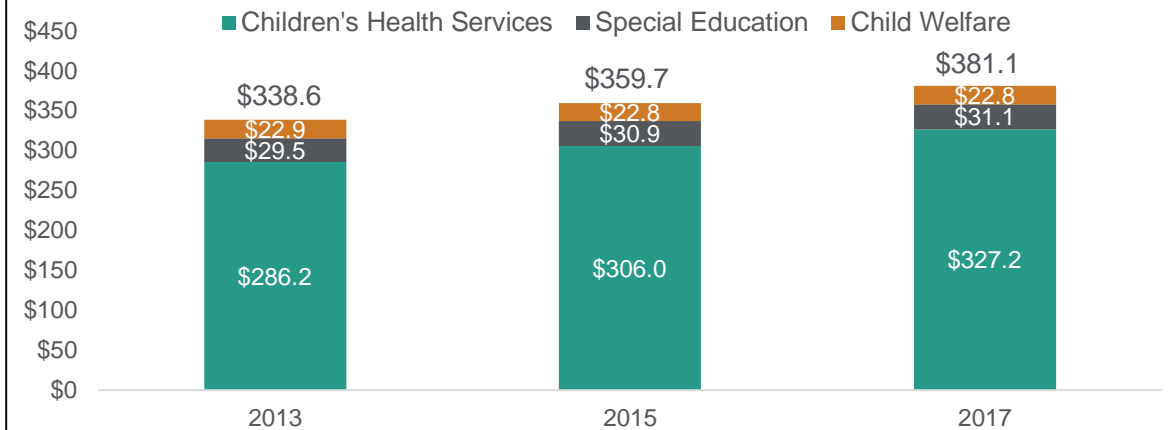


# 2018 U.S. Child & Youth Services Market Update

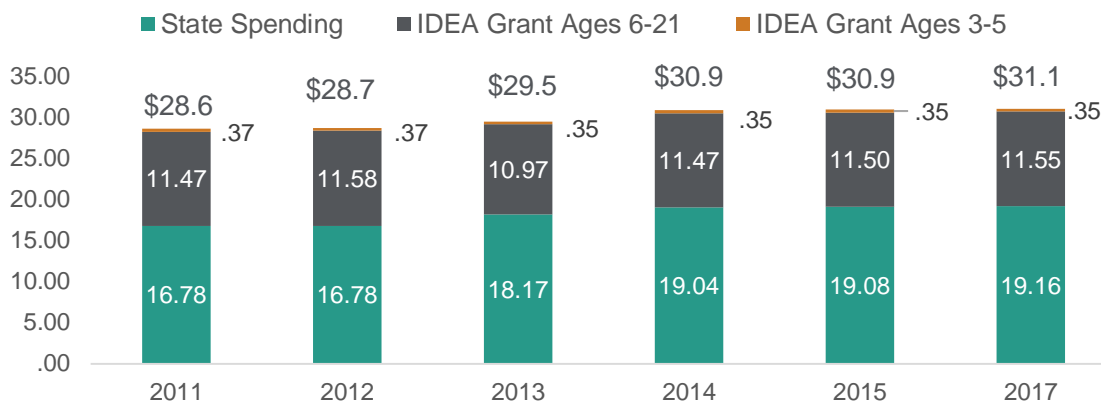
## Key Market Trends:

1. Increased incidence of serious child mental health issues and autism—with increasing comorbidity and complexity
2. Movement to community-based placement for children and youth in child welfare and juvenile justice systems—much shorter use of residential stays preferred and incentivized
3. Increase in family involvement in child welfare system due to parental opioid use
4. Lack of community-based placements for children with complex needs—lack of suitable non-institutional settings and shortage of foster parents in child welfare
5. Uncertainty in the special education sector about the implications of the Endrews decision

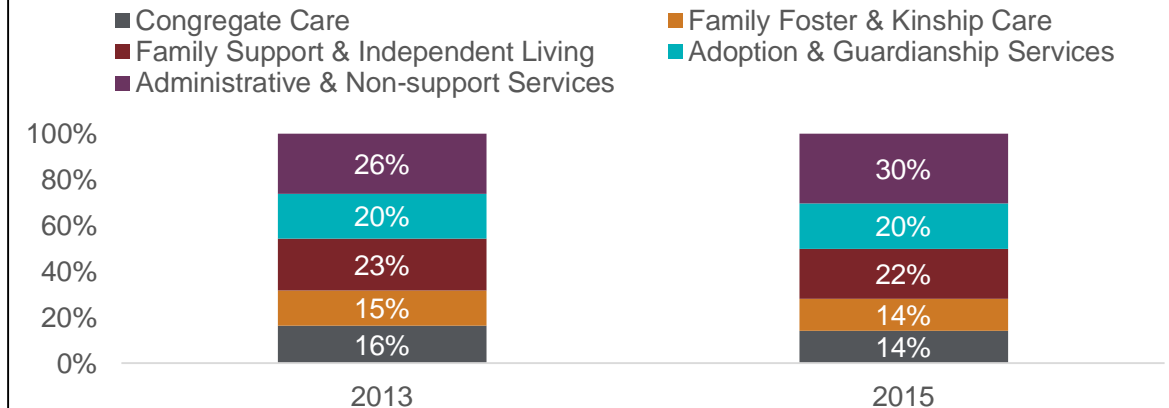
U.S. Child & Youth Services Spending, 2013-2017, Selected Years, In Billions\*



U.S. Special Education Spending, 2011-2017, In Billions\*



Child Welfare Spending By Service Type, 2013-2017, %\*



In 2017, there were 73.8 million children in the U.S. under the age of 18. In 2015, states served approximately 511,000 children through the child welfare system and 6.7 million children received special education services. The child and youth services market includes child welfare spending, health care services for children, special education funding, and juvenile justice spending (an estimate of the juvenile justice market was not available).

\*2017 is a projection based on percent growth between 2013 and 2015.