Previous research documents that social policies and negative parenting behavior shape children’s risk of entering foster care. However, children’s behavior could also be a contributing cause. Children entering foster care display far higher levels of attention-deficit/hyperactivity disorder (ADHD) and other types of behavioral problems, with older children being most overrepresented. Whereas it is well established that such behavioral issues lead to increased risk of delinquency, more negative health outcomes, and more family instability if left untreated, relatively little research has considered how shifts in the behavioral problems of children could affect foster care caseloads.

We use annual administrative data from Denmark, 1995 to 2010, to study how increased medical treatment of ADHD affected Danish children’s risk of foster care entry. During this period, Danish children experienced a 50% decrease in the risk of ever entering foster care, while the percentage of children who received medical treatment of ADHD rose from zero children per 1,000 to more than 12 children per 1,000. We exploit geographical variation in the tendency to treat ADHD and macro- and individual-level information together with fixed-effect models to establish whether increased ADHD treatment caused a decrease in foster care risk.

**Key Findings**

- The increased treatment of ADHD significantly and substantially lowered foster care rates in Danish municipalities among children ages 6 to 17.
- Using individual level longitudinal microdata, we find that the increase in ADHD treatment caused a 33% decrease in the individual-level risk of being in foster care for children ages 6 to 17.
- We find no effect among children who did not experience an increase in medical treatment (those at ages 0 to 5), buttressing the cause for our first two key findings representing causal effects.

**Policy Implications**

Medical treatment of ADHD has been found to have negative effects in countries with high medical treatment rates, such as the United States. Nevertheless, our findings suggest that properly identifying the group of children who benefit from treatment, which in Denmark involves an extensive process lasting upward of six months, and treating only those can have substantial positive effects. Foster care is a very invasive and expensive intervention into the lives of families. Preventive interventions designed to alter children’s behavior, be they medical or therapeutic, can be an important tool for social services to improve child and family welfare, thereby lowering the need for more invasive interventions, such as foster care placement, in the short run. In addition, this can also have substantial positive macrolevel influence in the long run as well.