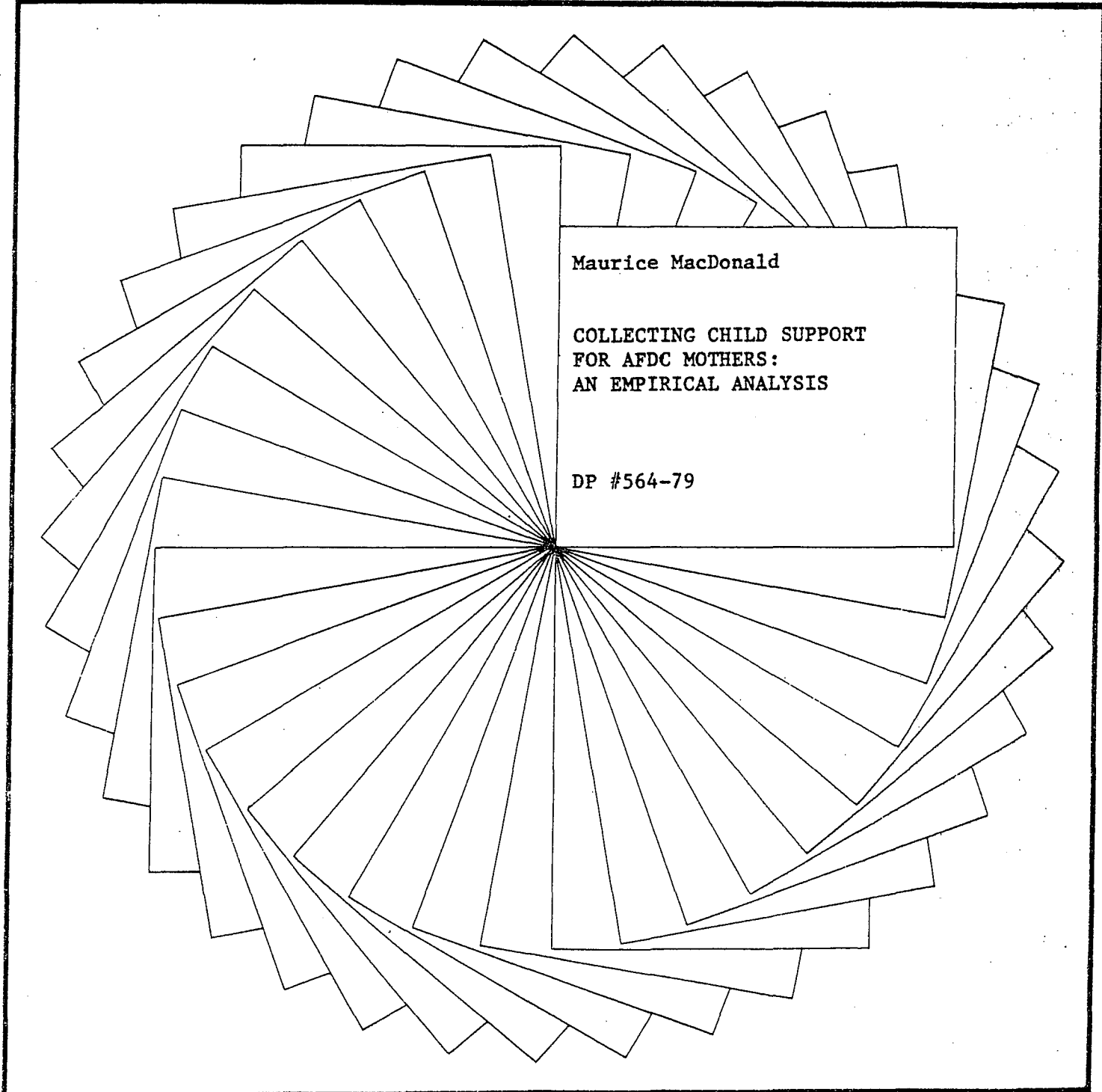




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A large graphic consisting of a stack of papers fanned out from a central point. The top paper is white and contains text, while the other papers are represented by simple black outlines.

Maurice MacDonald

COLLECTING CHILD SUPPORT
FOR AFDC MOTHERS:
AN EMPIRICAL ANALYSIS

DP #564-79

Collecting Child Support for AFDC Mothers:

An Empirical Analysis

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ABSTRACT

Previous research demonstrates that most female heads of families get neither adequate nor regular child support payments. Insofar as AFDC recipients fail to collect support that absent fathers could pay, taxpayers bear an AFDC burden that could be shifted to the absent father, who remains legally responsible for the support. In addition, collecting more support from absent fathers might conceivably discourage family instability. This study provides a quantitative assessment of the nature of the AFDC child support problem, and analyzes the effects of various government policies on success in collecting support for AFDC mothers.

The data are the 1975 AFDC Survey Case records. Over two thirds of 1975 AFDC mothers were deserted or had an out of wedlock child. These two events are associated with the most serious obstacles to successful child support collection. Although AFDC support collection services have been expanded, less than half of the caseload in 1975 received any help, although collection services were quite effective for those who did get help. This probably results from efforts to arrange voluntary support agreements. Court orders were found to be relatively ineffective. An incremental reform that might complement increased use of voluntary agreements would be to redesign State AFDC benefit formulas to encourage collection of child support. Although most states currently reduce AFDC payments one dollar for every dollar of child support income, tentative evidence is that states that have large set asides for child support income may be encouraging mothers to collect support.

Collecting Child Support for AFDC Mothers:
An Empirical Analysis

1. INTRODUCTION

In 1975, 32 percent of all AFDC cases were opened because a father had left home, and another 6 percent because an absent father reduced payment of child support (Oberhue, 1977). A substantial part of the remaining 62 percent of case openings, primarily due to reductions in the mother's income or increased family needs (e.g., medical), are indirectly due to the male parent's absence: Had the father been present a greater total family income would have been available.

Absent fathers remain legally responsible for child support payments when a mother receives AFDC. Hence policies to collect child support have been strengthened as the AFDC caseload has grown. In 1950, states were required to provide prompt notice to appropriate law enforcement officials whenever AFDC was furnished to abandoned or deserted children. In that same year, cooperating states instituted the Uniform Reciprocal Enforcement of Support Act, providing that any state may rely on any other state to apprehend and prosecute absent fathers who fail to provide support (McKeany, 1960). By 1967, Congress had amended the Social Security Act to require that each state coordinate its support collection efforts by creating a single IV-D agency to establish paternity of children and to assist mothers in obtaining support payments. Several states experiencing especially rapid growth in AFDC case loads also strengthened their collection efforts by coordinating activities among localities to exchange information for locating delinquent fathers. The success of these efforts provided

additional impetus for the most recent federal legislation (P.L.93-647), which established a Parent Locator Service in January, 1975 (U.S. Congress, 1975).

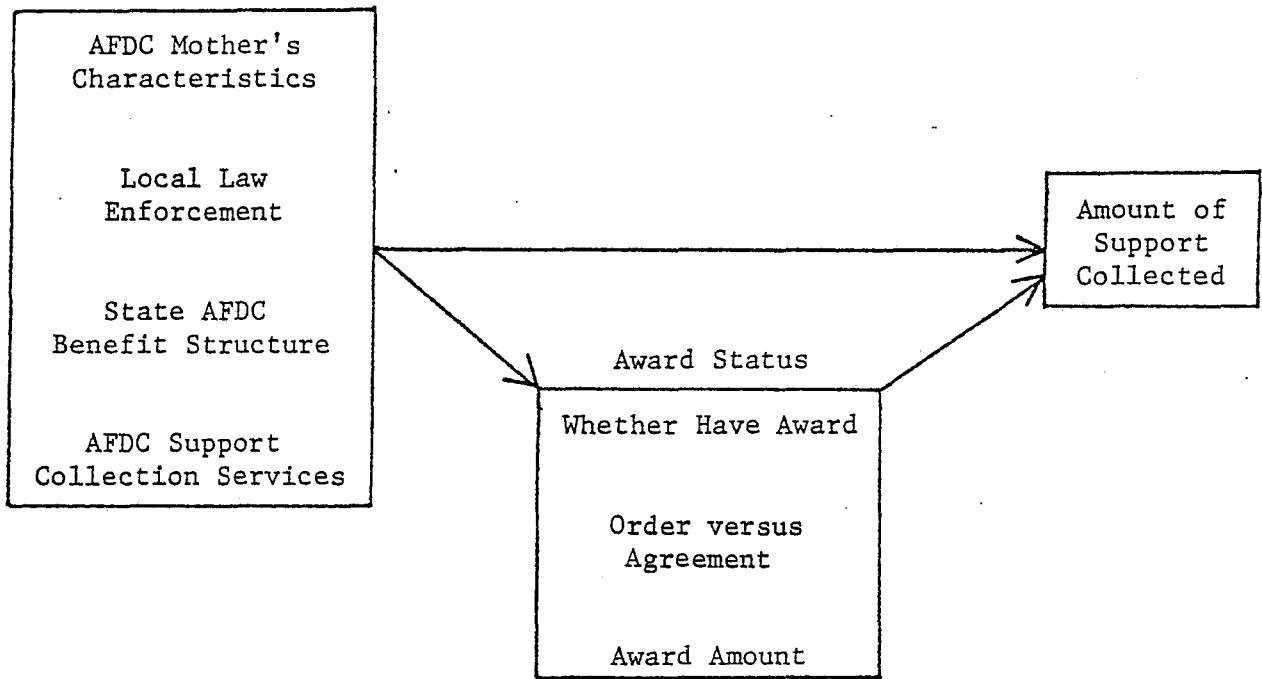
In brief, this service reimburses states for costs incurred in locating and collecting from the absent fathers of children in AFDC recipient units, and specifies that recoveries are to be used to reimburse states and federal government for their respective shares of public assistance paid to mothers in lieu of delinquent support payments. The legislation also grants access to federal data files for the purpose of discovering the whereabouts and resources of delinquent fathers, and funds regional blood-typing laboratories for establishing paternity. For the first time courts were authorized to garnish wages of federal employees, and the Internal Revenue Service could be used to collect support payments. All these services were also made available at cost to non-AFDC recipients.

Previous research by Carol Jones et al. (1976) and Judith Cassetty (1978) demonstrates that most female heads of families get neither adequate nor regular child support payments. Insofar as AFDC recipients fail to collect support that absent fathers could pay, taxpayers bear an AFDC burden that could be shifted to the absent father, who remains legally responsible for the support. In addition, collecting more support from absent fathers might conceivably discourage the formation of female headed families likely to become AFDC recipients by reducing desertions and out of wedlock births.

The purpose of this study is twofold: to provide a concise quantitative assessment of the nature of the AFDC child support problem, and to analyze conceptually and empirically the impact of various government policies on collecting support for AFDC mothers. Figure 1 depicts the

Figure 1

Influences on Child Support Income
for AFDC Mothers



child support collection process. In conjunction with the AFDC mother's characteristics, AFDC regulations and judicial policies have direct effects on the amount of support collected. In addition, these factors have indirect effects that operate through their influence on the mother's child support award status. Selected aspects of these direct and indirect effects on support collection are analyzed in the various sections of this paper.

Section 2 demonstrates that few AFDC mothers collect child support and that many who do suffer from payment irregularity. The tabulations indicate this problem is especially acute for the deserted and never married, and that although services to establish paternity and locate absent fathers appear to increase support collection somewhat, other collection services are ineffective. In the third section the support collection role of the courts is characterized in terms of the adequacy of court ordered support payments, and by the number and type of mothers with these orders. The relationships between court order amounts and the mother's characteristics are examined.

Section 4 analyzes the financial incentives and disincentives that arise from the program structure relationship between AFDC payments and child support income. Although the AFDC regulations compel cooperation in pursuing claims against fathers, effectiveness is likely to depend on the generosity of State AFDC benefits and on how these are reduced for child support income and earnings. AFDC benefit structure incentive indicators are presented and compared among selected states.

Using individual recipient units as observations, Section 5 derives multiple regression estimates of the impact of State AFDC benefit structure and IV-D agency services on the amount of child support collected by mothers with support awards. The influences of the mother's characteristics and award status are also analyzed. The amount of the support award is used to control for the size of the father's support obligation. With respect to the impact of collection services, the main conclusion is that services to arrange voluntary agreements appear to be effective, whereas court orders are not. The tentative evidence about AFDC benefit structure incentives is that large set-asides for child support income may encourage collection.

Throughout there are comments on the implications of the findings for strategies to improve support collection for AFDC mothers. The concluding summary section consolidates these remarks and focuses on further research needs.

The data for this study are from 1975 AFDC case records. This information was collected by State AFDC caseworkers under the direction of the Social and Rehabilitation Service, National Center for Social Statistics, Department of Health, Education and Welfare. For each state a sample was drawn from the universe of all families receiving AFDC in May, 1975. Children receiving foster care were excluded, and case record items were adjusted, as needed, to correspond to the study month. To obtain a data extract suitable for analyzing the child support collection process further sample restrictions were applied.¹

An important limitation of AFDC case record data is that some recipients fail to report child support income because their AFDC payments would be

reduced. There are no data to guide case record adjustments. Therefore, this study implicitly assumes uniform under-reporting of child support income across unit characteristics.

Using an AFDC sample also precludes analysis of policy issues related to how the income eligibility criteria for the AFDC program creates incentives to rely on AFDC instead of child support income or earnings. To study whether and to what extent mothers respond to incentives of this type requires a sample of all single mothers. However, available samples are either too small (e.g., the Panel Study of Income Dynamics) or fail to provide support award status and/or measures of the father's support obligation (e.g., the Survey of Income and Education).

2. AN EMPIRICAL ASSESSMENT OF THE CHILD SUPPORT PROBLEM FOR AFDC MOTHERS

In the top panel of Table 1 the extent of the child support problem is quantified in terms of the percentage of support award amounts actually received by AFDC recipient units during the 1975 survey month. Award amounts include the sum of any voluntary agreements with the absent father and the amount of any court-ordered support, per month, per child in the recipient unit. The table also displays variation in percentages of awards received across marital status categories.

Nationally only 11 percent of all AFDC recipients reported obtaining any part of any child support awards they were entitled to. Stated conversely, 89 percent of all AFDC mothers either had no award or received no part of whatever award they had. (The table reveals that 61 percent had no award.) Tables not presented here also reveal considerable variation across states. For example, in Massachusetts and Michigan, only 1 and 3 percent of AFDC mothers received any child support. In Missouri, 17 percent

Table 1

Characterizing Child Support Collection
for AFDC Mothers, 1975
(in percentages)

A. Award Status

Support Received	Marital Status ^a				Total
	Divorced	Separated	Deserted	Never Married	
1. Child support status					
No award	25	39	72	80	61
Court order	78	47	18	13	31
Voluntary agreement	4	12	8	5	6
Combination of order and agreement	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	100	100	100	100	100
All	27	3	30	40	100
2. Amount of support order (per child/month)					
\$0	27	48	77	84	65
\$1-50	38	23	11	11	18
\$51-100	26	18	5	2	9
\$101-150	5	4	1	0	2
\$151-200	1	2	1	0	1
\$201 or more	<u>3</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>4</u>
	100	100	100	100	100
All	26	4	30	40	100
3. Support received as a proportion of support award (per child/month)					
Zero ^b	81			93	89
0.01-0.25	5			2	3
0.26-0.50	2			1	1
0.51-0.75	1			0	1
0.76-1.00	<u>11</u>			<u>4</u>	<u>6</u>
	100			100	100
All	30			70	100

Table 1
(Continued)

B. Type of Award

Award Status	Voluntary Agreements (N = 1200)	Court Orders N (= 5712)
Met fully	47.8	23.9
Met partially		
Regularly	14.2	8.3
Irregularly	13.3	18.1
Not met	24.7	
Initiated proceedings to secure compliance		19.7
Proceedings not initiated	<u> </u>	<u>30.0</u>
	100.0	100.0

C. Type of Collection Service

Support Rec'd as a Proportion of Support Award (per Child/Month)	Established Paternity or Located Absent Father	All Other Services	None	Total
Zero	84	91	89	89
0.01-0.25	6	4	3	3
0.26-0.50	1	1	1	1
0.51-0.75	1	1	0	1
0.76-1.00	<u>8</u>	<u>4</u>	<u>7</u>	<u>6</u>
	100	100	100	100
All	12	33	55	100

Source: 1975 AFDC Survey Tape

a. 50 states; N = 19,938

b. Includes units with no awards, and units with awards who collected no support.

of AFDC recipients received some child support. Whether and how much of these variations are due to differences in state AFDC policies will be examined in the fifth section of this paper.

Among those mothers who did receive some part of an award, almost half received over 75 percent of their award. Thus, during the survey month, about 6 percent of all AFDC mothers were relatively successful child support collectors. Whether or not these same mothers were as successful throughout 1975 is another question. Cassetty (1978) and Jones et al. (1976) found that most mothers collect support irregularly, and that the frequency and adequacy of payments deteriorate over time.

To investigate the AFDC situation, the second panel of Table 1 provides data about the regularity of support payments to AFDC mothers in 1975, by award type. Voluntary agreements are relatively infrequent. Half of these voluntary agreements, but only one quarter of the court orders, were met fully, meaning the father paid the entire award regularly. Among partially paid awards, irregular payments were much more prevalent for court orders. Thus, in general, court orders do not appear to be as effective as voluntary agreements. Note also that over half of all mothers with court orders who did not receive any support in 1975 also had not initiated any proceedings to secure compliance.

In assisting AFDC mothers to secure compliance with support awards, the effects of marital status on collection difficulty must be considered. About 70 percent of AFDC mothers are deserted or never married; as the first panel in Table 1 shows, these mothers are less likely to collect child support than are divorced or separated mothers. The first panel demonstrates further how marital status is associated with the mother's

support award status. Court orders were by far the most predominant type of award. Deserted and never married AFDC mothers were twice as likely to have no support arrangement as divorced or separated mothers. In fact, mothers who were deserted or never married and who had not obtained an award constituted 40 percent of all AFDC mothers. This implies that any comprehensive collection strategy must combat the special enforcement difficulties that arise in assisting the seduced and abandoned. Congress reached the same conclusion in 1975, when it established the Federal Parent Locator and provided funding incentives to improve support collection activities.

Apparently, these 1975 changes were sorely needed. Panel 3 of Table 1 indicates that at that time, 55 percent of all AFDC mothers received no support collection services from the State IV-D agency. (Among these 55 percent are the few that obtained support without assistance, as well as those who received assistance prior to 1975.) To begin to determine whether the other 45 percent who received collection assistance benefited, all services were divided into two categories and then cross-tabulated with the percentage of the award amount received by the mother. To separate relatively successful assistance from all other services, one category contains mothers who received any type of service that helped establish paternity or locate the father. The "other service" category contains mothers for whom assistance did not result in these outcomes.² The tabulations indicate that mothers did obtain more of their awards when the IV-D agency established paternity or located an absent father; however, only 5 percent more of these mothers obtained support than among those who had no assistance. There was no evidence that the use of other collection

services affects the amount of support obtained. In fact, proportionately fewer mothers in the "other service" category received any support income than those with no services. Hence, in general, the bivariate evidence suggests support collection assistance is not highly effective.

At this point, a consolidation of findings seems useful.

(1) Only 11 percent of all AFDC mothers received any child support from the absent father.

(2) A subgroup of relatively successful support collectors, about 6 percent of AFDC mothers, obtained more than 75 percent of their award during the survey month. However, the frequency of irregular payments for the sample is high, implying that even successful collectors probably experience periodic collection difficulty.

(3) About 70 percent of AFDC mothers were deserted or had never married. These mothers were much less likely to have an award than the divorced or separated, and require special support collection assistance.

(4) On the basis of a preliminary bivariate assessment of the association between support payments and the use of IV-D agency services, only those services that result in locating the absent father or establishing paternity seem effective.

The multivariate analysis of Section V examines the effectiveness of collection assistance in greater detail. However, in preparation for that analysis, two other major influences on child support payments must be considered: the role of the judiciary system, and the effect of State AFDC benefit structure incentives for support collection.

3. THE ROLE OF THE JUDICIARY SYSTEM

The role that the courts play in child support collection can be characterized by the payment amounts that court orders require, and by the number and type of AFDC mothers that have court orders. Panel V of Table 1 shows that about half of the AFDC mothers with court orders were entitled to payments of less than \$50 per month per child. Only 7 percent of all AFDC mothers had court orders exceeding \$100 per month. In 1975, the official poverty threshold income for an urban four person family implied that a minimally adequate amount necessary to support a child was roughly \$100 per month.³

The need standards established by State AFDC agencies provide another perspective for evaluating the adequacy of court orders. Table 2 tabulates categories of need assessment amounts obtained from the AFDC unit's case file, with the support order amount. This tabulation reveals there was considerable disagreement in 1975 between court orders and AFDC agency assessment of need. Over 80 percent of AFDC mothers with support orders of less than \$50 per month lived in recipient units whose need was assessed by the welfare agency at more than \$50 per month per person. A mere 11 percent of mothers with orders exceeding \$50 per month lived in units whose needs were assessed to be less than \$50 per month.

Taken at face value these comparisons suggest that the courts order payments that are unreasonably small. However, court orders, the poverty threshold, and AFDC need standards all derive in large part from differing ability to pay considerations. Hence, the difference between the courts' assessment of the ability of low income men to pay and the higher average ability of the general taxpaying public to pay undoubtedly explains a large part of the discrepancy at issue here.

Table 2 indicates that for the entire country the characteristics of the AFDC mother are related to both the payment order amount and the likelihood that the mother has an order. Among mothers with orders, small orders are associated with central city residence, low education, and being nonwhite. All of these characteristics can be interpreted to indicate low ability to pay on the part of the relevant absent fathers. In addition, many of these same characteristics seem disadvantageous in terms of the mother's access to the legal system. Recipient units headed by mothers who were less than 30 years old, nonwhite, or lived in the central portion of an SMSA were much less likely to have a court order. Part of the access difficulty for these mothers probably stems from their higher propensities for being deserted or never married.⁴

In terms of an overall characterization of the role of the judiciary system, these and related findings lead to two conclusions. First, the courts generally appear to set support orders that reflect the absent father's ability to pay that are low relative to official need assessments for the family. Second, whether or not a given single mother obtains a court order is dependent upon her personal characteristics, such that the stereotypical young, Black, unwed or deserted AFDC mother is least likely to get a court order.

4. CHILD SUPPORT COLLECTION INCENTIVES AND AFDC PROGRAM BENEFITS

The most explicit child support policy embodied in Federal AFDC regulations is that mothers are required to assign any support award to the IV-D agency as an eligibility requirement for AFDC. AFDC recipients must help the agency to identify and locate the absent father and to

Table 2

Amount of Court Ordered Support Payment, by
 Characteristics of the AFDC Recipient Unit
 (in percentages; N = 19,938)

Characteristics	Amount of Support Order (per month/child)			
	\$0	\$1-50	\$51 or more	Total
<u>AFDC Need Standard</u>				
\$1-50	23	17	11	20
\$51-100	52	68	54	55
\$101 or more	25	15	35	25
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
All	66	18	16	100
<u>Mother's Age</u>				
14-19	10	4	5	8
20-29	47	36	48	45
30-39	27	42	30	30
40-49	12	15	13	13
50+	4	3	4	4
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
All	66	18	16	100
<u>Mother's Race</u>				
White	44	63	76	52
Black	49	33	20	41
Other	7	4	4	7
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
All	66	18	16	100
<u>Mother's Schooling</u>				
Less than 8 years	19	16	11	18
8-11 years	33	33	29	32
12 years or more	29	32	34	30
Unknown	19	19	26	20
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
All	66	18	16	100
<u>Residence</u>				
Central SMSA	61	51	45	56
Other SMSA	16	20	25	18
Urban (outside SMSA)	14	18	19	15
Rural	9	11	11	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
All	66	18	16	100

Source: 1975 AFDC Survey Tape.

establish the paternity of children. Required cooperation also includes providing documentary evidence, and court appearances. Willful failure to cooperate results in the award of protective payments for the children to a caretaker relative, and an end to the mother's share of the AFDC payment.

It is difficult to establish willful failure to cooperate. Furthermore, there is controversy about how to handle the issue of reprisals from the absent father. (Recent regulations permit noncooperation when there is reason to believe this would be in the children's best interest.) These difficulties probably introduce considerable administrative discretion into caseworker decisions, confounding the usual problems for policing compliance with regulations that recipients dislike. For these reasons, mothers exercise a considerable degree of control over how ardently they cooperate.

An obvious method for encouraging more effective cooperation would be to provide a financial incentive. Most State AFDC benefit formulas actually discourage child support collection by reducing the AFDC payment one dollar for every dollar of child support income. However, states that set payment maximums below their official need standards (or that apply ratable payment reductions to the difference between the need standards and countable income) consequently reduce the effective benefit reduction rate on child support. By imposing a payment maximum, states create a set-aside amount of child support (or other income) that can be collected without affecting receipt of the maximum AFDC payment. Until child support income becomes large enough to reduce benefits below the maximum, the mother receives both the maximum benefit and whatever support she manages to collect. After support collection

exceeds the set-aside, the excess above the set-aside becomes subject to the regular 100 percent benefit reduction rate (unless the state also applies a ratable reduction, in which case the benefit reduction rate is equal to the ratable reduction percentage).

Table 3 displays set-asides and benefit reduction rates for child support for selected states. The larger the set-aside or the lower the benefit reduction rate on support, the greater the financial incentive to collect support. The table also contains AFDC payment guarantees and benefit reduction rates on earned income. The guarantee, or maximum payment available to a recipient unit with no countable income, represents the generosity of AFDC payments. When AFDC benefits are relatively generous, it is expected that less support will be paid. Fathers may be less willing to pay when they know their children will get adequate assistance from the public. Certainly there is less pressure on the mother to collect under these circumstances. The overall effect of State AFDC policy thus depends on both the guarantee and the support reduction rate. In addition, it is conceivable that the benefit reduction rate on earned income also influences collection efforts. States that tend to discourage market work with high benefit reduction rates on earnings may indirectly cause some mothers to collect child support as a means of offsetting the relatively restricted gain from earning.

There appears to be considerable variation in AFDC support collection incentives among states in Table 3. The guarantee levels display well-known disparities, and there is considerable range in set-asides among the seven states that have them. In many states, collection incentives are not consistent. For example, California's high guarantee and low

Table 3

1971 State AFDC Benefit Structure Parameters

	Benefit Reduction Rate on Earnings (1)	Benefit Reduction Rate on Child Support (2)	Monthly Averages for 3-Person Recipient Unit	
			Set-Aside (3)	Guarantee (4)
Alabama	0.45	0.35	96.04	261.18
California	0.17	1.00	63.62	352.92
Florida	0.21	0.60	0.00	232.05
Georgia	0.28	1.00	56.46	223.38
Illinois	0.43	1.00	0.00	269.37
Kentucky	0.44	0.87	6.24	219.00
Louisiana	0.35	0.51	0.00	232.20
Maryland	0.33	1.00	0.00	299.49
Massachusetts	0.52	1.00	0.00	371.25
Michigan	0.58	1.00	0.00	365.55
Mississippi	0.19	0.30	91.06	215.01
Missouri	0.45	1.00	170.11	398.01
New Jersey	0.36	1.00	0.00	391.14
New York	0.26	1.00	0.00	421.92
North Carolina	0.45	0.86	0.00	229.50
Ohio	0.29	1.00	0.00	223.17
Pennsylvania	0.32	1.00	0.00	340.50
Tennessee	0.43	1.00	45.27	232.86
Texas	0.45	1.00	0.00	240.24
Washington	0.41	1.00	0.00	353.52

Sources: Column 1--Hutchens (1976, Table 1); Column 2--State AFDC Maximums (1972); Columns 3 and 4--Derived from the 1971 AFDC Survey Tape, based on averages of values computed for individual recipient households.

benefit reduction rate on earnings discourage payment and collection, but the set-aside does provide a substantial financial benefit to mothers who collect. Thus in any given state the net effect of the benefit structure depends on the comparative incentives, and on how responsive mothers are to each type. One aim of the next section of this paper is to discern whether the combination of incentives provided by the AFDC benefit structure of seven large and regionally diverse states helps to explain interstate variation in support payment levels.

5. MULTIVARIATE ANALYSIS OF AFDC POLICY INFLUENCES

The goal of the analysis presented here is to obtain cross-section multiple regression estimates of the separate impacts of two AFDC policies affecting child support payments from absent fathers--providing support collection assistance to AFDC mothers, and incentives for collection from the State AFDC program benefit structure. Individual AFDC recipient units from the 1975 AFDC survey provided the sample observations. As Table 4 shows, the demographic characteristics of the mother and indicators of her award status were included as control variables. The dependent variable was the amount of child support collected by the recipient unit. The sample was restricted to those mothers who had a support award. The purpose of this sample restriction was to isolate how the AFDC program variables influence success in collecting support once an award has been established; hence, the analysis abstracts from AFDC program influences on the number and type of women with support awards. (An early remark explained that the entire paper ignores how program structure influences who becomes an AFDC recipient.)

Table 4

Multiple Regressions Predicting the Monthly Amount of Child Support (per Child) Collected from Absent Fathers in 1975, for AFDC Mothers with Child Support Awards

Predictors	50 States		Selected States ¹		
	(N = 7751)		(N = 1514)		
	(1)	(2)	(3)	(4)	(5)
Constant	21.49*	25.03*	21.34*	19.23*	13.77*
Black	-2.21*	-2.40*	-1.62	-4.98*	-4.85*
Age 14-29	2.51*	2.86*	2.68*	2.45*	2.41*
Age 40 or older	1.17	0.74	-0.13	1.54	2.17
Resides SMSA center	-2.06*	-1.83*	-2.25	-0.46	0.00
Resides SMSA suburbs	-2.38*	-1.73*	0.13	-0.57	-0.50
Some high school	-0.03	-0.02	3.76	2.97	2.86
Completed high school	0.18	0.48	4.56*	5.01*	4.87
Education unknown	0.90	1.14	1.07	2.25	2.12
Deserted	-3.14*	-2.83*	-6.51*	-4.70*	-4.79*
Never married	-5.19*	-5.19*	-5.02*	-3.91*	-3.86*
Award is agreement	+14.32*	+14.00*	+12.47*	+11.31*	+11.18*
Award \$51-100	10.40*	10.50*	10.85*	8.95*	8.87*
Award \$101 or more	6.32*	6.54*	4.44*	3.21*	2.93*
Established paternity or located father		-7.26*	-7.30*	-5.93*	
Other support enforcement services		-7.76*	-8.69*	-5.98*	
California (n = 401)				-3.47	-2.61
Colorado (n = 228)				-3.97	-2.18
Massachusetts (n = 325)				-9.42*	-8.22*
Missouri (n = 176)				12.16*	14.05*
Pennsylvania (n = 243)				4.19	6.98
Texas (n = 119)				-2.68	-1.66
\bar{y}	\$11.50	\$11.50	\$9.36	\$9.36	\$9.36
\bar{R}^2	0.08	0.10	0.09	0.16	0.14

*Significantly different from zero at the 0.05 level.

¹In addition to the six states that were used as dummy variables, the sample included Michigan as the left-out category.

To explore whether the net impact of State AFDC benefit structure collection incentives matters, a subsample of mothers with awards from seven large states was also analyzed. These states were selected to represent the various regions, and include divergent AFDC benefit structures. Six state dummies were used to capture the impact of the state benefit structure relative to that in Michigan. A more ambitious strategy (to be pursued in future work) would be to include measures of the various program incentive parameters for all 50 states.

Two variables measured the effects of support collection services, relative to receiving none. One indicates the mother received services that resulted in locating the father or in establishing paternity. The other collection service variable represents units that received any other support collection services.

The regressions do not include direct measures of variation in local law enforcement practice. To the extent enforcement varies systematically by size of place, the use of the residence variable may capture variation in enforcement. Nevertheless some specification bias undoubtedly remains, which makes inferences about the effects of mothers' characteristics more difficult. For instance, although it might be inferred that blacks are less willing to collect support, their negative coefficient may instead stem from lax enforcement practices in areas with relatively large black populations. Similarly, the large negative coefficients for the deserted and unwed may indicate either greater collection difficulty or an unwillingness to collect. For the sample of all mothers with awards, residence in an SMSA also had a negative effect. But this size of place effect vanished when state was included in the subsample analysis. Another difference

between the two samples was that education had no effect in the national sample. Although an earlier finding indicated that younger mothers have trouble obtaining court orders, youth is an advantage for collecting support among mothers with awards. One explanation is that the young have not yet experienced the reduction in payment regularity that is likely to occur after becoming a single parent as time elapses.

The regressions control for the absent father's support payment liability. This is accomplished by categorical variables for the amount of the mother's support award. The results are that the two categories of mothers with awards exceeding \$50 per month per child received substantially more support than mothers with awards below \$50. Yet mothers with awards exceeding \$100 per month collect less support than mothers whose awards range from \$51 to \$100. Perhaps absent fathers who are most well off are also most skillful in manipulating the support payment process to their advantage. Another hypothesis is that courts and IV-D agencies set awards that are discouragingly high.

The evidence about support collection services from Table 1 was that assistance in establishing paternity or locating the father seems marginally effective, whereas other services are not. In Table 4, the negative regression coefficients for both support service categories suggest that collection assistance is actually counterproductive, as might occur if fathers respond in reprisal to collection pressure by reducing support payments. It could also be that support services are targeted poorly-- i.e., on the most difficult cases to collect from. At any rate, it is important to recognize that these collection service coefficients net out the impact of award type, whereas collection services do affect the type

of award mothers obtain. Specifically, most voluntary agreements are arranged with the help of the IV-D agency. A strong positive coefficient for these agreements indicates they are much more effective than court orders. Therefore to get a crude estimate of the total impact of providing collection services, it seems reasonable to add the positive voluntary agreement coefficient to the negative support service coefficient that results when award type is held constant. For all mothers with awards, this would mean adding the \$14 agreement coefficient to a negative \$7 service coefficient, producing a \$7 average positive effect as an estimate of the total impact of support services. In comparison to the \$11.50 sample average collection amount, that estimate implies providing support collection services is a fairly effective policy.

An important caveat about this collection service estimate is that it attributes the entire effect of having a voluntary agreement to collection services, which probably results in a tendency to overestimate collection service effectiveness. Parents do reach voluntary agreement without IV-D assistance. With IV-D assistance, some mothers obtain ineffective court orders. The impact of these complications could not be analyzed, because the 1975 AFDC survey data do not specify the timing of collection services with respect to the date that award type was established, nor whether a particular service resulted in an agreement or court order.

Another consideration is that, despite the regression estimate, voluntary agreements may not be more effective than court orders. It could be that the AFDC survey sample of mothers with court orders includes a selected group of units with especially recalcitrant absent fathers, for reasons that are not tapped by the other variables in the regression equation.

In this event, for most mothers court orders might actually be as effective as the voluntary agreements arranged by the IV-D agency, implying that the true effect of support services is substantially less than estimated above.

Nevertheless, given that court orders appear to be much less effective than voluntary agreements, a policy implication is that either more voluntary agreements should be arranged, or that alternative compulsory methods ought to be developed. For instance, one new compulsory approach would be to use the income tax withholding system to collect from all absent fathers. Garfinkel (1979) has proposed a "social child support insurance system" that would use the federal tax system in this manner. Watts and his colleagues (1979) have evaluated this type of system, comparing it to the current situation and to two alternative reform proposals that would integrate welfare and the federal income tax.

An incremental reform that might complement increased use of voluntary agreements would be to redesign the AFDC program benefit structure to provide greater support collection incentives. Table 4 provides tentative evidence that State AFDC benefit structures do influence child support collection. There, state dummies indicate the net impact of all the various AFDC benefit structure incentives. Since this impact depends on the generosity of AFDC benefits, on the benefit reduction rate on earnings, and on the reduction rate on child support income, the state coefficients provide no direct information as to what aspect of the State benefit structure matters. In addition, it may be that systematic differences across states that have not otherwise been accounted for are also represented in these coefficients.

Relative to Michigan, only Massachusetts and Missouri had significant coefficients. AFDC mothers in Massachusetts collect about \$8 less, whereas those in Missouri collect over \$10 more than Michigan mothers. How do indicators of AFDC benefit structure incentives for support collection differ among these three states? Referring to Table 3, all three had high payment guarantees, high benefit reduction rates on earnings, and no ratable reductions (i.e., they all have 100 percent benefit reduction rates above any set-aside). Only Missouri had a set-aside, and it was very large. Therefore, one can argue that mothers in Missouri collected more child support because their State AFDC program offered a collection incentive that the other states did not provide. However, there is no obvious AFDC benefit structure interpretation that will explain why Massachusetts collects less child support than Michigan. It is also puzzling why the substantial set-aside available to California mothers does not lead to more collection in California. Perhaps that state's very low benefit reduction rate on earnings encourages mothers to rely instead on their own earnings. In brief, accepting the hypothesis that support collection would improve if AFDC mothers benefited financially requires more evidence. However, the results suggest AFDC mothers may respond to large set-asides.

6. SUMMARY, POLICY IMPLICATIONS, UNRESOLVED ISSUES

Despite legal principles and AFDC policies to the contrary, very few AFDC mothers collect child support from their children's absent father. In addition to increasing the burden of existing AFDC cases, this situation fails to discourage the demographic events that lead to AFDC dependency. Over two thirds of 1975 AFDC mothers were deserted or had an out of wedlock birth. The analysis in this paper found that these two events are

associated with the most serious obstacles to successful child support collection. Although AFDC support collection services have been expanded, less than half of the caseload in 1975 received any collection assistance. The multivariate evidence is that collection services were quite effective for those who did get assistance. This probably results from efforts to arrange voluntary support agreements.

Available AFDC data strongly suggests court orders are much less effective than voluntary support agreements for increasing child support collection among AFDC mothers. It also appears that the most disadvantaged AFDC recipients are not likely to obtain court orders. Therefore, new compulsory collection strategies seem necessary for obtaining support from fathers unwilling to pay voluntarily. It has been suggested by others that using the IRS withholding system would be most effective. A major unresolved issue connected with such a tax strategy is whether the amounts that can be collected from recalcitrant fathers would justify the effort. Another is how to decide what the father is obligated to pay, and on what grounds. Isabel Sawhill (1977) has proposed that mandatory uniform support standards be adopted, and she has explored payment formulas that attempt to equalize the respective incomes of the separated spouses, relative to their household needs. The thorniest complications for choosing these formulas arise in considering whether the needs of an absent father's new family (assuming he remarries) ought to be recognized, and in deciding how much, if anything, the mother is expected to earn for her children. Yet equally perplexing considerations have already been overcome in establishing such benefits as AFDC payments and for assessing federal income tax liabilities.

Therefore further research to reveal the distributional consequences of compulsory uniform child support tax obligations is likely to contribute to the development of politically feasible collection mechanisms that bypass the judiciary quagmire.

Another option is to continue depending on the strategy of providing collection assistance. Here it has emphasized that this approach relies heavily on cooperation from the AFDC mother. Current explicit AFDC policy compels the mother to cooperate, with little financial incentive. Most states reduce AFDC payments one dollar for every dollar of child support income. Based on a subsample of individuals from selected states, including mothers permitted to retain part of their support income, tentative evidence for providing financial collection incentives was obtained. That is, the multivariate analysis of support collection amounts partially supports the hypothesis that mothers collect more successfully when their income consequently rises. Whether the expected increase in support collections from reducing the benefit reduction rate on child support income would be greater than the associated increase in AFDC payments was not analyzed. If currently unsuccessful collectors collect more regularly or recover substantial arrearages, AFDC costs might conceivably decline. At any rate, the public might be willing to pay increased benefits to some AFDC recipients to move part of the cost of supporting children back where it presumably belongs.

A recommendation to improve future analyses of support collection service effects stems from difficulties encountered in determining whether a particular collection service resulted in a court order, or voluntary agreement. Future AFDC surveys should obtain information about the timing

of collection services and support awards by type of award. Available data make it difficult to distinguish between the impact of collection services to enforce an existing award of either type versus the effect of establishing a court order or voluntary agreement. This is an important issue because child support collection policy ought to be guided by knowledge about the relative gains to be expected from AFDC program efforts, in comparison with strategies relying on court orders and law enforcement agencies.

NOTES

¹Sample records from Puerto Rico and the Virgin Islands were eliminated, as were those of all recipient units where the fathers were dead, physically or mentally incapacitated, or resided in the recipient unit's household. The resulting national analysis sample contains 19,938 case records of AFDC recipient units headed by a single mother. The entire 1975 survey tape contains 21,731 records, including intact families that receive assistance from the AFDC-Unemployed Parent program and units headed by a stepfather who has not adopted children receiving AFDC.

²Although the two service categories used here do isolate two successful outcomes (establishing paternity and/or locating the father) from all others, it would have been desirable to have more information on the nature and quality of services received.

³To obtain this crude estimate, the four person annual urban poverty threshold was converted to a monthly per person figure.

⁴Multiple regression was used to assess the multivariate relationship between the mother's personal characteristics and the likelihood of having a court order. As expected, the deserted or never married were least likely to have an order, holding all other characteristics constant. Within a divorced or separated subsample, Blacks without a high school diploma were least likely to have an order. However, among the deserted or never married, race was insignificant and education was relatively unimportant. Instead deserted or never married mothers residing outside an SMSA were least likely to obtain a court order.

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