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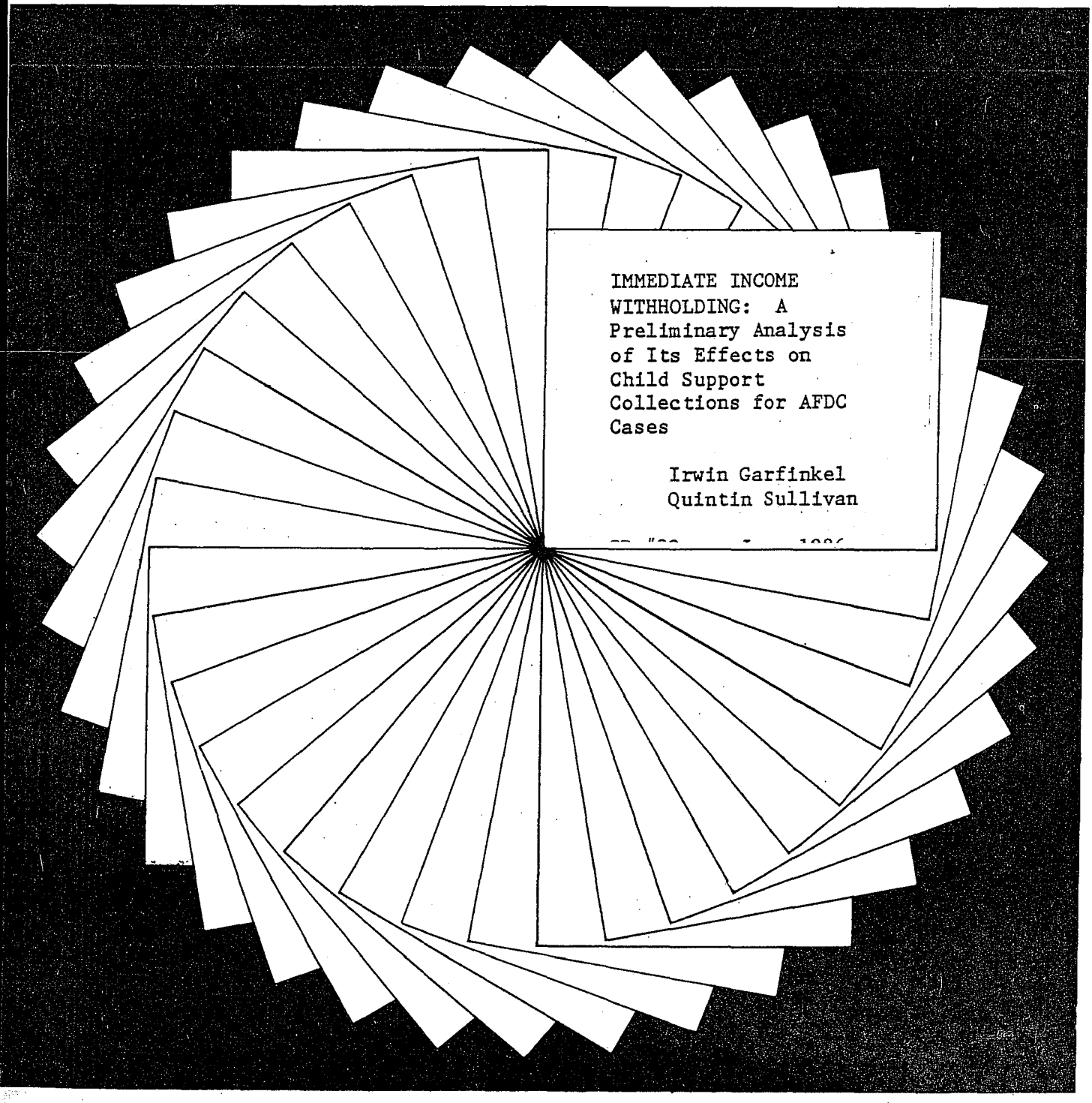

Immediate Income Withholding: A Preliminary Analysis of Its Effects on Child Support Collections for AFDC Cases

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This is one of a series of IRP reports on the effects of the Wisconsin Child Support Assurance Demonstration. I would like to thank Roger Rowin and Mary Henning for comments on an earlier version--in particular for their explanation of the unreliability of the non-AFDC data.

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Executive Summary

This report on the effects of universal, immediate, income withholding is the first to measure the effects of any of the five key features of the child support assurance system (CSAS) that Wisconsin is developing. Under CSAS, the proportion of their income that noncustodial parents are required to share with their children is specified in code or law in very simple terms that everyone can understand--such as 17% of gross income for one child, 25% for two, and 29%, 31%, and 34% respectively for three, four, and five or more children. The resulting obligation in all cases takes effect immediately and is withheld from wages and other income sources, just like income and payroll taxes. Under the third and fourth features, the children receive the amount paid by the noncustodial parent or a socially assured benefit, whichever is higher, and custodial parents with below-average income also receive a public subsidy of one dollar per hour worked to cover work expenses. Finally, when the amount paid by the noncustodial parent plus an equal proportion of the income of the custodial parent add up to less than the assured benefit, the public finances the difference.

The analysis in this report of the effects of immediate income withholding on child support collections in the 10 pilot counties is of necessity crude. It is based on official reports to the state Child Support Enforcement Office in the Department of Health and Social Services from the 10 pilot counties and the 10 control counties of child support collections for the months between September 1983 and November 1985, roughly the 6 months preceding and the 21 months following the implementation of the income withholding demonstration in the 10 pilot counties. Not until October 1984, however, did the pilot counties agree on a relatively common procedure. Thus in practice the data represent 6 months of pre-implementation data, 13 months of post-implementation data and eight months of something in between.

The county reports do not distinguish among collections according to the date when the obligation to pay support began. Because immediate income withholding was applied only to new cases in most pilot counties, the total collections in these counties will be dominated by cases unaffected by the imposition of immediate income withholding. A simple illustration makes the point. Suppose that in the first year after the initiation of income withholding, cases that began after the initiation accounted for only one-tenth of total cases which made payments during the year. A 30% increase in the collection effectiveness of immediate withholding would show up in the first year as only a 3% increase in total collections. That is such a small increase that it could easily be masked by other changes. On the other hand, state officials report that in one or two counties, such as Sheboygan, old AFDC-IV-D cases were also put on immediate wage withholding. At this point we have no way of measuring exactly what proportion of collections or collections potential is attributable to the recent cases affected by immediate withholding.

Over time, this problem will diminish. Within 5 to 10 years at the most, the official aggregate reports will be the best measure we will have of the effects of withholding on collections. In the meantime, we will get a much better estimate of the long-run impact of income withholding from the IRP sample of court records in pilot and control counties.

A second problem with the data used in this report is that they are totally unreliable as a measure of the effect of income withholding on child support collections for custodial parents not on AFDC. The reason is simple. The local Child Support Enforcement Offices provide services to only a small proportion of the children and custodial parents not on AFDC. Thus the vast bulk of child support payments by noncustodial parents do not pass through the local Child Support Enforcement Office.

The findings are encouraging with respect to the effects of income withholding on child support collections for children on welfare. No matter how we measure it, there is a statistically significant increase in the number and amount of child support payments per AFDC case. The best estimates are that the number of child support collections increased by 3% more and the amount of dollars collected increased by about 5% more in pilot than in control counties.

It is too early to judge the practical as opposed to the statistical significance of these gains. Assuming that the cases affected by immediate withholding in the pilot counties constitute one-fifth to one-tenth of all collections in those counties, a 3% increase translates into a long-run increase in collections from a low of 15% to a high of 30%, while the 5% increase in dollars collected translates into a 25% to 50% increase. On the other hand, assuming all of the pilot counties have already implemented income withholding in all old AFDC cases, the long-run gains would be only 3% and 5% respectively.

Furthermore, it is not clear whether the gains reported here represent only the beginning of a large steady increase in collection effectiveness or all the improvement that immediate income withholding will achieve. Based on the crude analysis in this report, we cannot say which is more likely to be true. Future analyses will apply more sophisticated models to the data and will also be based on more years of experience with income withholding.

Another encouraging finding is that collections are increasing in the control counties as well as the pilot counties. The proportion of AFDC cases paying at least some child support increased over the 27 months by about 10% and the dollars collected per AFDC case increased by about 25%.

There are also grounds for caution: One is that we cannot as yet say how much of these increases are due to improvements in the economy or to improvements in child support enforcement services. It is possible that without improvements in the economy, universal immediate withholding would not have led to such encouraging findings.

A second ground for caution is that the data from county child support enforcement agencies are unreliable for drawing conclusions about child support payments to custodial parents not on AFDC. These data not surprisingly show no evidence of improvement in child support collections for non-AFDC cases.

IRP Special Report #40 (August 1986) will rectify two of the principal weaknesses of this report. It will measure the effects of universal immediate withholding on only the new child support cases that could have been affected by it. And it will measure the effects on custodial parents who are not on AFDC as well as custodial parents who are.

INTRODUCTION

This report is divided into five sections. The first section describes the Wisconsin demonstration of a child support assurance program. In the second section, the data upon which this report rests are described. The third section presents the results of the effects of immediate income withholding on child support collections in terms of the number of payments and the amount of payments. The fourth section discusses how child support collections are affected by the unemployment rate and the average income in a county, by the population and racial composition of a county, and finally by the passage of time. The fifth section shows how collections vary by county after taking into account the measurable differences among counties in pilot status, unemployment rates, average income, population size, and racial composition.

I. STATUS OF THE WISCONSIN CHILD SUPPORT REFORM INITIATIVE

One of every five American children is now potentially eligible for child support.[1] That is, they have a living parent not residing with them who could be contributing to their financial support. Demographers project that nearly one-half of all children born today will become potentially eligible for child support before they reach adulthood.[2] Thus the quality of the nation's child support institutions is of great importance.

Unfortunately, the U.S. child support system is plagued by serious problems. It condones and therefore fosters parent irresponsibility. It is inequitable. And it leaves thousands of children and their mothers impoverished and dependent on welfare.[3]

In response to these problems the state of Wisconsin has embarked upon a major reform effort to create a new child support assurance system. If successful, Wisconsin's system is likely to become the model for the nation.

Under a child support assurance system all parents living apart from their children would be obligated to share income with their children. The sharing rate would be specified in the law and would depend only upon the number of children owed support. The obligation would be collected through payroll withholding, as social security and income taxes are. Children with a living noncustodial parent would be entitled to benefits equal to either the child support paid by the noncustodial parent or a socially assured minimum benefit, whichever was higher. Should the noncustodial parent pay less than the assured benefit, the custodial parent would be required to make a small contribution up to the amount of the subsidy. Any remaining difference would be financed out of general revenues.

For two reasons, the state has implemented the collection phase of the system before the benefit phase. First, improving collections before instituting a new benefit is fiscally prudent. Second, the assured benefit and custodial contributions are more complicated administratively and fiscally.

In July 1983, the Wisconsin Legislature enacted a budget bill that directed the DHSS to (1) contract with 10 counties to withhold child support payments from the wages of all new obligors, and (2) publish a child support standard based on a percentage of the noncustodial parent's income that judges and family court commissioners could use in lieu of the nine guidelines in the old law. The bill also contains a provision

which requires all Wisconsin counties to adopt universal income withholding in new cases as of January 1, 1987.

The standard was published by DHSS and sent to all judges and family court commissioners in December 1983. It provides for a child support obligation equal to 17% for one child, and 25, 29, 31, and 34% respectively for two, three, four, and five or more children.

By May 1984 ten counties had contracted with DHSS to pilot the use of immediate income assignments. The counties were selected on the basis of the willingness of the judges and family court commissioners to implement the assignments, the desire of related agencies to participate in the pilots, and the willingness of a majority on the county boards to contract with DHSS to participate in the pilot. In addition, factors such as diversity in geographic location were considered. The ten pilot counties are Clark, Dane, Dunn, Kewaunee, Monroe, Oneida, Ozaukee, Richland, Sheboygan, and Winnebago.

Meanwhile, state officials also successfully sought federal legislation that allows Wisconsin to use federal funds to help finance the state's assured child support benefit. Because the assured benefit will reduce AFDC costs, of which the federal government pays about half, the federal government agreed to allow Wisconsin to use the resulting savings to help finance the assured benefit. The agreement, contained in the 1984 landmark federal child support legislation, extends for seven years--from the last quarter of 1986 through 1993.

Finally, the July 1985 budget bill for the 1986-87 biennium contains new child support legislation that permits additional counties to begin immediate withholding prior to January 1, 1987, and makes the DHSS

percentage-of-income standard the presumptive child support award as of July 1987. This means that awards can depart from the standard only if the judge makes a written finding that justifies such a departure. Finally, the new bill gives the DHSS authority, subject to a final approval by the Joint Finance Committee in late 1986, to implement the assured benefit on a demonstration basis in several counties.

In the year following the 1985 legislation nearly twenty additional counties began implementing universal immediate income assignments, including several control counties and Milwaukee, the largest county in the state.

II. METHODOLOGY AND DATA

The demonstration of the withholding and assured-benefit plus wage-subsidy components of the new system will take place in certain counties. To evaluate its effects, we will compare outcomes in the counties with the new system to outcomes in the same counties before the new system was installed and to outcomes in similar counties with the current system during the same time period. The weakness of restricting the evaluation to a before-after comparison in the counties with the new system is that something else beside the treatment may have changed. For example, an improvement in the economy could lead to improvements in child support collections and decreases in AFDC caseloads that would be attributed to the new system if only a before-after comparison was used. By using matched comparison sites as well, we can control for improvements in the economy and other general changes that affect all counties alike over time.

The weakness of using only cross-site comparisons is that the counties may differ in other ways beside the presence or absence of treatment. For example, higher-income counties are likely to have a better record of child support payments. Matching counties perfectly is likely to prove difficult. By using historical data for each site, we can control for differences across sites.

Of course, even the combination of before-after and cross-site comparisons does not completely assure an unbiased estimate of the treatment. For example, if a major industrial plant closed in a comparison site, the child support collections at that site might be lower than they were at the demonstration site. Changes peculiar to the demonstration or comparison counties will confound estimates of the treatment effect. The best protection against this eventuality is to have as many different sites and to collect as much historical data as we can afford. But there is no guarantee that we can completely control unpredictable factors.

There is no scientific way of ascertaining exactly how many counties should be included in the demonstration or how much longitudinal data should be collected precisely because of the question of cost. The greater the number of counties included and the more data collected, the more costly the demonstration will be.

The evaluation of the withholding provision involves the use of 10 pilot counties and 10 control counties. Table 1 lists the 10 pilot and control counties along with the starting dates of each. Two of the original control counties, Juneau and Price, began using immediate withholding as of August 1, 1985, and January 1, 1986, respectively.

The data we analyze in this report are monthly reports of child support collections both for cases in which the custodial parent is

receiving AFDC and for cases in which the custodial parent is not receiving AFDC. Counties report collections for AFDC cases and nonAFDC cases separately. The child support collection data are reported to the Department of Health and Social Services (DHSS) each month by the respective county. Both the total number of cases in which there was a payment and the total dollars collected (in each county for each month) are reported. These are our measures of collection performance.

The data cover the time period from September 1983 to November 1985, 27 months. (We do not have data for October and November 1985 on the number of cases, but we do have dollar amounts.) This period includes both pre-implementation and post-implementation time periods. For the control counties, we have data for the corresponding period of time (September 1983 to November 1985).

By comparing the dates of the reports to the dates of implementation of the immediate income assignment provision of the Child Support Reform Project in Table 1, we can see that the 27 months of data we analyze here can be broken down in the following manner: 4 to 10 months of data prior to the official date of implementation, and 17 to 23 months of data after the official date of implementation. In view of the fact that standardized procedures in the pilot counties were not developed until October 1984, however, the post-implementation data are closer to 12 than to 23 months.

There are two serious and two not so serious problems with these data. The first serious problem is that the reports on child support collections by the county child support enforcement agencies do not distinguish among collections according to the date when the obligation

Table 1

Income Withholding Pilot Counties and Control Counties

Pilot Counties	Implementation Date
Clark	1-15-84
Dane	5-01-84
Dunn	1-03-84
Kewaunee	1-01-84
Monroe	2-01-84
Oneida	6-15-84
Ozaukee	2-15-84
Richland	1-03-84
Sheboygan	3-15-84
Winnebago	4-02-84
Control Counties	**Implementation Date (If Applicable)**
Calumet	--
Dodge	4-1-86
Green	9-1-86*
Jefferson	9-1-86*
Juneau	8-01-85
LaCrosse	--
Marathon	6-15-86
Price	1-01-86
Racine	--
St. Croix	--

*Expected implementation date.

to pay support began. Because immediate income withholding was applied only to new cases in pilot counties, the total collections in these counties will be dominated by cases unaffected by the imposition of immediate income withholding. Thus it would probably require a massive effect of immediate income withholding to have even a noticeable effect on total collections. A simple illustration makes the point. Suppose that in the first year after the initiation of income withholding, cases that began after the initiation accounted for only one-tenth of total cases which made payments during the year. A 30% increase in the collection effectiveness of immediate withholding would show up in the first year as only a 3% increase in total collections. That is such a small increase that it could easily be masked by other changes. On the other hand, it appears that at least one or two counties have included all old AFDC cases in withholding. At this point we have no way of measuring exactly what proportion of collections or collections potential is attributable to the recent cases affected by immediate withholding.

The second serious problem with the data used in this report is that they are totally unreliable as a measure of the effect of income withholding on child support collections for custodial parents not on AFDC. The reason is simple. The local Child Support Enforcement Offices provide services to only a small proportion of the children and custodial parents not on AFDC. Thus most child support payments by noncustodial parents do not pass through the local Child Support Enforcement Office.

The other two problems are relatively minor.

First, current collections and arrearages are reported together by the counties. The DHSS for purposes of this report separated these two

types of child support payments and derived the totals that we analyze here. This report looks only at "current" collections. The DHSS feels that there may be some problem in this retroactive separation process. The reporting procedures are apparently not as standardized as they could be, resulting in late reports and corrections to earlier data.

Second, there are some refunds[4] that have not been subtracted from the totals here. Counties periodically request refunds from the state. In a telephone coversation, Ron Gollonik of the DHSS stated that refunds amounted to approximately $50,000 of the (roughly) $2 million collected each month. These sources of bias remain unexplored, but there is no reason to believe that they are systematically related to the presence or absence of the implementation of immediate income withholding.

In order to take into account the influence of other differences between the pilot and control counties on child support payments over time, we collected data on five other variables: AFDC caseloads, unemployment, income, population size, and race. The AFDC caseload data are based on data from the records of checks written by the state of Wisconsin. The data base utilized is the Income Maintenance Program. Monthly totals are compiled for each county. Any case that received a check for one or more days in the month is included in the count. The reports on these data (compiled by Neil Gleason of the Office of Management Information) are considered accurate assessments of the actual numbers of AFDC-Regular cases, excluding from this analysis those AFDC cases in which there are two parents in the household.[5]

The monthly unemployment rates for each county are taken from the publications of the Bureau of Labor Management Information (BLMI). The unemployment rate is the number of unemployed as a percentage of the civilian labor force. Unemployment data are revised annually through a process called "bench-marking." The 1984 data are in that process as of this writing. Essentially, the estimates used here (for 1984 and 1985) are derived by the BLMI using sampling techniques and several data sources (current employment statistics, unemployment compensation program statistics, and Current Population Reports). These estimates are then periodically revised after the respective data sources submit actual counts and/or revisions of earlier estimations. We do not consider this to be a source of bias, again assuming there is no systematic relationship between our experimental manipulations and errors in the unemployment estimating procedures.

Population and race figures are from the 1980 Census. We compute the percentage of the population that is nonwhite as our estimate of race. We use 1983 per capita adjusted gross income figures for each county for our income estimates. The income figures are reported in the State of Wisconsin Blue Book, 1985-1986.

III. RESULTS

In this section we test the following two hypotheses: (1) the number of collections should increase for pilot counties after implementation; and (2) the dollar amount of those collections should likewise increase.

We test each hypothesis in two ways: (1) by a simple comparison of mean collections in pilot counties after immediate withholding began to

mean collections in control counties and to mean collections in the pilot counties before immediate withholding began and (2) by the same sorts of comparisons as in (1) above except that the means being compared are adjusted through multiple regression analysis to control for other differences across counties and over time.

Table 2 gives the average collection performance for the pilot and control counties both pre- and post-implementation (of immediate income withholding). For pilot counties the mean of the first ratio (numbers of collections to AFDC caseload) increased from .317 to .340, an increase of .023. For control counties the same ratio increased from .305 to .313, an increase of .008. The pilot county ratio increased by .015 more than that for the control counties. This amounts to about a 5% increase in the proportion of cases for which there is a collection.

The second ratio (dollars of collections to AFDC caseload) is also presented in Table 2. Again the pilot counties increased their ratios by more than did the control counties. The pilot mean increased from 41.05 to 46.99, a difference of 5.94. The control mean increased from 44.54 to 45.71, a difference of 1.17. This amounts to an increase of about 12%.

Are these legitimate findings or possibly statistical aberrations? We test that hypothesis by two methods. The first method, two sample t-tests, estimates the probability of getting a difference between means at least as large as the one observed, if in fact the two means are equal.

The probability that the difference between the number of collections in the pilot counties before and after implementation of immediate with-

Table 2

Numbers of Collections and Dollars Collected per AFDC Case in Pilot and Control Counties Before and After Implementation of Withholding

Ratio	Experimental Status	Before Implementation	After Implementation
Number of collections per AFDC case	Pilot	.317	.340
	Control	.305	.313
Dollars of collections per AFDC case	Pilot	41.05	46.99
	Control	44.54	45.71

Two-Sample t-Tests of AFDC Collection Ratio Means

Ratio	Comparing	Probability
Number of collections per AFDC case	Pilot before to pilot after	.000*
	Control before to control after	.437
	Pilot after to control after	.000*
Dollars of collections per AFDC case	Pilot before to pilot after	.000*
	Control before to control after	.595
	Pilot after to control after	.303

*Significant at .01.

holding is due to chance is less than one in one hundred. The same is true for the difference in collections between pilot and control counties in the months after implementation of immediate withholding. Similarly the probability that the difference between the dollars collected in the pilot and control counties before and after implementation is due to chance is also less than one in one hundred.

For the regression analysis, the dependent variables are equal to (1) the number of AFDC cases with a child support collection for each county each month divided by the number of AFDC cases in the same county and month and (2) the dollars of child support collected for each county by month divided by the number of AFDC cases in the same county and month. The key independent variable is the pilot variable which is equal to one if the data are for a pilot county during a month after the demonstration began and zero otherwise.

Table 3 presents the coefficient of this pilot variable from three different regressions. In each of the three sets, the coefficients represent an estimate of the effects of immediate withholding on the number of child support collections per AFDC case and the dollars collected per AFDC case. In the first set of regressions only the pilot variable is included. The second set of regressions also include variables measuring the unemployment rate in the county during the month the collections were made and the county's per capita income in 1983, the county's population and racial composition in 1980, and a calendar month variable to capture changes over time in collection rates. The third set adds a set of 19 county variables to capture unmeasured differences between the 20 counties. We believe the third set of regressions gives us the best estimate of the true effects of immediate income withholding.

Table 3

Experimental Dummy Coefficients and t-Values for Collection Ratios for AFDC Collections

Dependent Variable	Simple Regression (1)	Multiple Regression with Demographic Variables and Time Dummy (2)	Multiple Regression with All Variables Plus County Dummies (3)
Number of collections per AFDC case	.03 (5.23)	.03 (6.03)	.01 (2.88)
Dollars of collections per AFDC case	2.41 (2.15)	2.50 (2.28)	2.32 (2.48)

No matter whether we simply regress the experimental dummy alone on the two payment variables (column 1), or do multiple regressions which include county characteristics and time (column 2), or do multiple regressions which also include a set of county variables (column 3), in all cases there is a statistically positive relationship between immediate income withholding and child support collections for AFDC cases. The effects range from one to three percentage points, which translates into an increase of from 3 to 10% in collections. We are inclined to believe that the 3% estimate is the most reliable in that it is based on the most fully specified regression model.

Is a 3% increase in collections in the pilot counties significant from a policy point of view? That depends upon the answers to at least two questions: (1) What proportion of total collections in the pilot counties are accounted for by the new cases which experienced immediate income withholding? and (2) Is this measured increase in collections only the beginning of an even bigger increase or is it the only improvement we will ever achieve? We do not yet have the answers to these questions.

If cases affected by immediate withholding in the pilot counties constitute as little as 10% of all collections during the first year, the long-run effect would be 30%. If, in contrast, the cases affected by immediate withholding represented as much as 20% of all collections in this period, the effects in the long run would be only 15%.

The effects on dollars collected are even larger than those on numbers of payments. The coefficient in the third column from the best specified model represents a 5% increase in dollars collected per case,

which translates into a steady state 25% to 50% increase in dollars collected achieved in one to one-and-one-half years of operation. Even the lower bound would represent a respectable if hardly spectacular long-run increase in child support payments.

In short, for AFDC cases, there appears to be a highly statistically significant positive effect of immediate withholding on child support payments. A crude estimate is that the ratio of AFDC cases with child support payments to AFDC cases was 15 to 30% higher in pilot counties as a result of immediate income withholding. Dollar amounts collected per AFDC case were 25 to 50% higher.

These are very encouraging findings. But there are several grounds for caution. The gains reported here are large if they represent only the first part of an even bigger improvement but not nearly so impressive if viewed as all the improvement we are likely to achieve. Based on the crude analysis in this report, we cannot say which is more likely to be true. Future analyses will apply more sophisticated models to the data and will also be based on more years of withholding.

A second ground for caution is that we cannot yet say to what extent these increases are due to improvements in the economy or to improvements in child support enforcement services. It is possible that without improvements in the economy, universal immediate withholding would not have led to such encouraging findings.

A third ground for caution is that the data from county child support enforcement agencies are unreliable for drawing conclusions about child support payments to custodial parents not on AFDC. These data not surprisingly show no evidence of improvement in child support collections for non-AFDC cases.

In short, for AFDC cases, there appears to be a highly statistically significant positive effect on child support collections of immediate income withholding. But we are currently unable to ascertain whether the positive effect is highly significant in terms of policy.

Table 4 presents the same information as Table 3 except the dependent variables are number of child support payments and dollars collected for non-AFDC cases rather than for AFDC cases. The dependent variable in this case is divided by the number of people in each county rather than the number of AFDC cases in each county.

In no case was there even a positive coefficient. The associated t-values indicate that only one of the coefficients was significant at the commonly accepted .05 level of significance. That coefficient, -.27, means that for experimental counties the ratio of dollars collected to population decreased by .27 for the experimental counties. Not a big decrease considering the average ratio for all counties for the entire period was 73.37, but nonetheless a significant decrease. But recall that for non-AFDC cases, the data are unreliable.

The August 31 IRP Special Report #40 will rectify two of the principal weaknesses of this report. First, it will measure the effects of universal immediate withholding on only the new child support cases that could have been affected by it. Second, it will measure the effects on custodial parents who are not on AFDC as well as custodial parents who are.

Table 4

Experimental Dummy Coefficients and t-Values for Collection Ratios for Non-AFDC Collections

Dependent Variable	Simple Regression (1)	Multiple Regression with Demographic Variables and Time Dummy (2)	Multiple Regression with All Variables Plus County Dummies (3)
Number of collections per person in county	-.002 (.99)	-.003 (1.89)	-.002 (.63)
Dollars of collections per person in county	-.08 (1.12)	-.27 (3.73)	-.001 (.009)

IV. EFFECTS OF UNEMPLOYMENT, INCOME, POPULATION SIZE, RACIAL COMPOSITION, AND TIME

In this section we discuss the effects on child support collections of the unemployment rate and the average income in a county, the population size and racial composition of a county, and the passage of time.

Looking first at the top panel of Table 5, two of the coefficients seem reasonable and three do not. First, the sensible ones: (1) for an increase of $1000 in per capita income, collection performance, as measured by the numbers of collections ratio, increases by .00001; and (2) as time passes (in monthly increments) the same ratio will increase by .001. These results increase our confidence in the data by telling us: (1) as income increases in a county, the ability to collect child support increases; and (2) as time passes, the entire state should experience better collection performance as a result of vigorous collection efforts. The coefficients for the dollars ratio shows quite similar interpretations for income and time.

The other three variables, however, present anomalies. First, the unemployment figure indicates that for an increase of 1% in unemployment, the ratio (collections/AFDC-Regular caseload) will increase by .01. It would seem remarkable if, with fewer people working, one finds an improved level of collection. Second, and finally, the population and race coefficients are positive and statistically significant for collections per AFDC case but negative and significant (or nearly so) for dollars collected per AFDC case.

The second panel in Table 5 presents the same set of coefficients as the top panel but the regressions from which the bottom panel are drawn

Table 5

Effects of Unemployment, Income, Time, Population Size, and Race on Child Support Collections

Variable	Number of Collections per AFDC Case		Dollars of Collections per AFDC Case	
	Coefficients without County Dummies			
Unemployment	.01	(6.07)*	1.20	(4.74)*
Income	.00001	(3.88)*	.004	(9.65)*
Time	.001	(2.41)*	.37	(5.46)*
Population	.0000001	(2.12)*	-.0001	(5.94)*
Race	.27	(1.98)*	-49.25	(1.85)
	Coefficients with County Dummies			
Unemployment	-.003	(3.49)*	-.39	(2.50)*
Income	--	(0.00)	--	(0.00)
Time	.001	(2.70)*	.26	(7.15)*
Population	--	(0.00)	--	(0.00)
Race	--	(0.00)	--	(0.00)

*Significant at .05.

contain a set of dummy variables to capture the unique effect of each of the 20 counties. With the inclusion of these variables the coefficients for the unemployment, race, and population variables become more reasonable. This increases our confidence in the regressions that include these variables.

V. UNIQUE, UNIDENTIFIED DIFFERENCES BETWEEN COUNTIES

Table 6 presents the county variables. Waukesha is the omitted county and each of the county coefficients indicates the extent to which the county in question does better or worse than Waukesha. The first thing to note about Table 6 is that there are statistically significant differences between Waukesha and nearly all of the other counties. Some are positive and others are negative. This suggests that there are unique aspects to the collection effectiveness of the counties in our sample that are not explained by the variables we control for--unemployment, per capita income, racial composition, population size, and pilot status. Thus controlling for these unique differences by including this set of county variables appears to be appropriate.

At this point, we cannot say why some counties have better records than others. We suspect that at least part of the differences are attributable to differences in demographic characteristics of the populations in the counties which we have not measured. On the other hand, it is also likely that part of the differences are attributable to differences in collection practices across counties.

Table 6

Unique Unidentified Differences Between Counties
Multiple Regressions with County Dummies Included

Variable	Coefficient and t-Value			
	Number of Collections per AFDC Case		Dollars of Collections per AFDC Case	
Pilot County Dummies				
Clark	.09	(8.94)*	8.99	(5.05)*
Dane	-.02	(2.71)*	-7.58	(4.63)*
Dunn	-.03	(3.71)*	-6.05	(3.59)*
Kewaunee	.06	(6.44)*	10.93	(6.34)*
Monroe	.01	(1.60)	-6.80	(4.01)*
Oneida	.03	(3.73)*	1.03	(.62)
Ozaukee	.03	(2.99)*	11.46	(6.93)*
Richland	-.06	(6.13)*	-13.26	(7.67)*
Sheboygan	.03	(2.78)*	9.54	(5.82)*
Winnebago	-.01	(1.26)	-3.45	(2.10)*
Control County Dummies				
Calumet	.09	(10.02)*	30.62	(18.67)*
Dodge	.07	(8.54)*	23.81	(15.81)*
Green	-.06	(6.68)*	-1.24	(.84)
Jefferson	-.02	(2.62)*	1.90	(1.26)
Juneau	-.09	(10.73)*	-17.47	(11.35)*
Marathon	-.03	(2.96)*	-7.79	(5.09)*
Price	.08	(9.39)*	-.27	(0.18)
Racine	.04	(4.38)*	-2.55	(1.67)
St. Croix	-.08	(9.66)*	-5.25	(3.51)*

Note: t-value in parentheses.

*Significant at .05.

NOTES

[1]U.S. Department of Commerce, Bureau of the Census, "Child Support and Alimony, 1983," Current Population Reports, ser. P-23, no. 141 (Washington, D.C.: Government Printing Office, 1985).

[2]Larry L. Bumpass, "Children and Marital Disruption: A Replication and Update," Demography, 21 (February 1984): 71-82.

[3]Irwin Garfinkel, "Child Support Assurance: A New Tool for Achieving Social Security," forthcoming in a monograph edited by Alfred Kahn and Sheila Kamerman comparing child support programs in different countries.

[4]The refunds are generally of two types. The first results from money sent to the state in error (i.e., money collected from a traffic ticket). The second results from AFDC case terminations (i.e., a case is terminated and the collection is sent to the state anyway).

[5]The reasoning behind this exclusion is our interest in child support. We assume that the portion of the AFDC-UP caseload that receives child support payments is low. This will clearly produce an undercount, since some of these families have been involved in previous marriages and divorces. Therefore, we do not feel this is a great source of concern. We want to look at the portion of the AFDC population that most closely corresponds to the collections studied here. That population is generally women and children who are receiving AFDC (the AFDC-Regular caseload).