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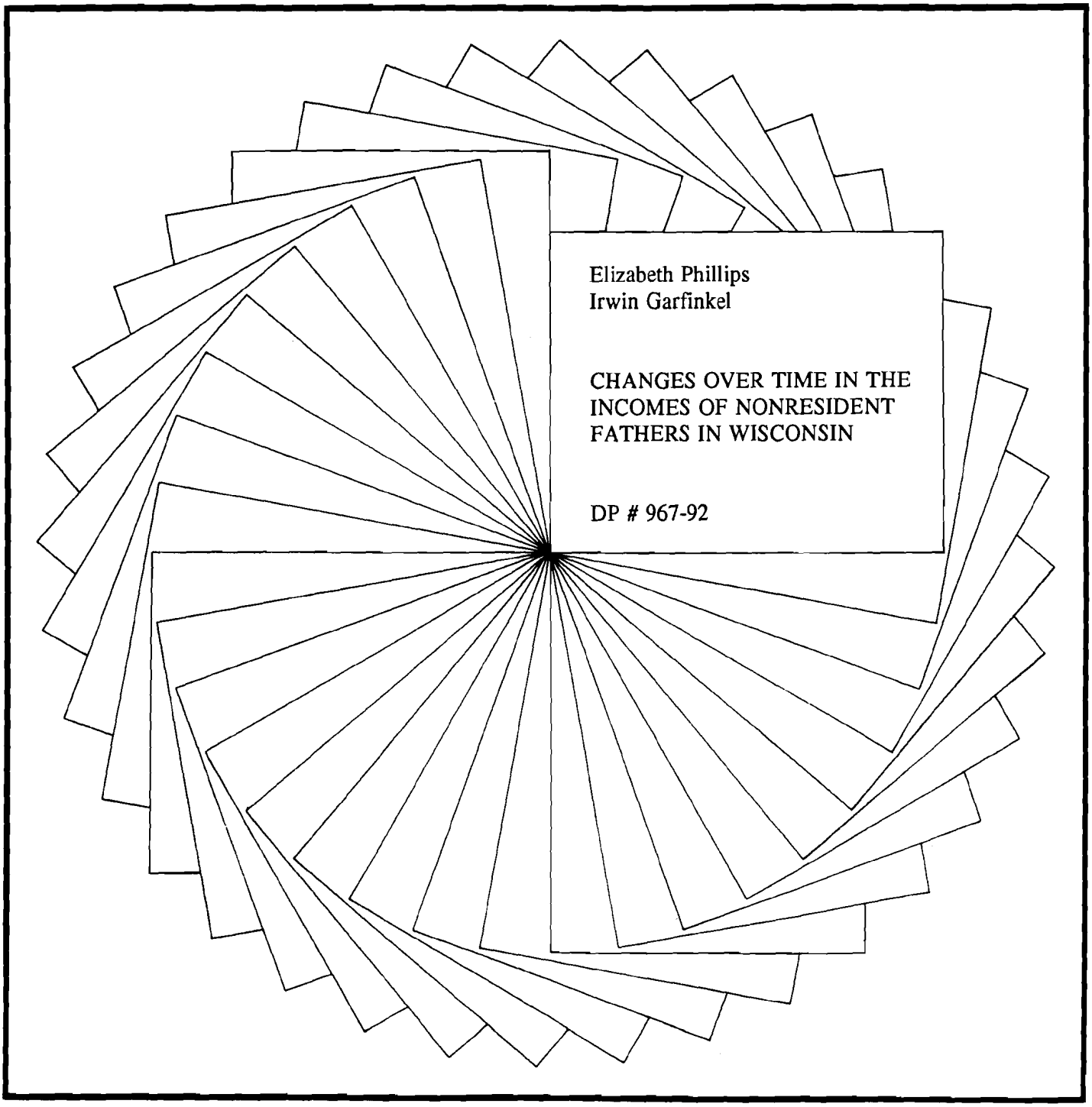

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CHANGES OVER TIME IN THE INCOMES OF NONRESIDENT FATHERS IN WISCONSIN

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Changes over Time in the Incomes of Nonresident Fathers in Wisconsin

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Abstract

This study examines the changes over time in the personal incomes of nonresident fathers--whether divorced or nonmarital--in Wisconsin. Using data from the Wisconsin Court Record data base and the Wisconsin Department of Revenue, the authors examine the incomes of these fathers over the first seven years following a divorce or the initiation of a paternity suit. They also study separately the income patterns of initially poor nonresident fathers and fathers whose nonresident children receive welfare. The most important finding is that the incomes of nonmarital fathers, which are typically low in the beginning, increase dramatically over the years after paternity establishment--often to a level comparable with the incomes of divorced fathers. Based on their findings, the authors conclude that failing to establish child support obligations for nonresident fathers simply because their incomes are initially low does not appear justified.

Changes over Time in the Incomes of Nonresident Fathers in Wisconsin

I. INTRODUCTION

Currently there is a considerable literature on the so-called economic consequences of marital instability. Most studies, however, have focused on the plight of single mothers and their children. Those that have addressed the financial situation of nonresident fathers have largely approached the issue not as a primary focus of attention, but in the context of the fathers' former partners, the resident mothers. That is, the fathers' incomes were of interest in that they could be used as benchmarks against which to measure the relatively low incomes of the mothers, and/or to calculate how much child support the fathers could (or should) be paying. As a consequence, these studies (which are discussed below) typically entail only point estimates of the men's financial situations.

This lack of attention on fathers is perhaps not surprising, given the all too often dire circumstances in which single mothers find themselves. Though the mothers' stories were perhaps of more immediate interest, since nonresident fathers are typically thought to bear responsibility for financially supporting their nonresident children, it is important that we also learn more about them. Indeed, in order to fully understand the impact and potential of child support legislation--on the fathers as well as on the mothers and children--it is especially crucial that we understand something about the fathers' situations over time. Unfortunately, due largely to a dearth of good data,[1] there have been only a couple of studies attempting to trace the income patterns of divorced men. There have been even fewer studies of nonmarital fathers.

In this paper we explicitly study the financial situation of nonresident fathers--that is, men from paternity or divorce cases involving children in which the mother has sole physical custody of the couple's minor children.[2] Following the methodological example of Weiss (1984) and Duncan and Hoffman (1985) we use data from official court and tax records in the state of Wisconsin to trace,

for up to seven years after the divorce or paternity action, the personal incomes of the fathers. We conduct separate analyses of poor fathers and of fathers whose nonresident children have received welfare. Though little separate attention has been paid to them, these subpopulations are important ones. From a policy perspective, we would like to know: Do nonresident fathers who start out poor remain that way? Do fathers of children on welfare have lower incomes than other nonresident fathers, and if so, do the differences remain constant over time?

Like most, our data set has its weaknesses (most notably, the fact that data on income are limited to those fathers filing state income tax returns). At the same time, it provides one of the few available sources of information on paternity cases, and provides a larger sample of divorces than is available in most other longitudinal data bases.

II. PREVIOUS FINDINGS

As a quick review of the literature, and to provide a reference point for comparing our own figures, we begin by briefly summarizing the various measures of nonresident fathers' income reported by other researchers. Table 1 (pp. 4-5) presents past findings on overall mean income, and Table 2 (p. 7) presents the more limited findings on mean income trends. All dollar figures have been transformed to their 1988 equivalents by use of the CPI. Unfortunately, direct comparisons are still somewhat difficult, since not only do methodological techniques differ across studies, but the studies consider different underlying populations, come from different base years, and use different definitions of income.

Indeed, even among the estimates for divorced fathers (as opposed to all or other types of nonresident fathers) there is great variation among the studies presented in the tables. For instance O'Neill (1985) and Garfinkel and Oellerich (1989) both focus on a cross-section of all divorced nonresident fathers, while the others typically look at nonresident fathers who were married and then

divorced during specific periods of time. Typically the studies using longitudinal data have considered only those fathers still in the sample in the most recent year of the survey, and have taken their incomes in that year. Teachman and Polonko (1989), however, report the average income of fathers in the year of their divorce (which could be anytime between 1973 and 1986), and Hill (1988) reports the average income of fathers over their entire postdivorce period (which in her study varies from one to twelve years). Sample sizes also vary tremendously across studies, with potential implications for estimation precision. The Survey of Absent Parents, described by Sonenstein and Calhoun (1988), never made it beyond the pilot stage and consisted of a very small number of couples: roughly fifty recent divorce and fifty recent Child Support Enforcement (CSE) system cases from each of two sites. The studies utilizing the PSID also typically consist of at most a few hundred fathers, depending on exactly how "nonresident father" is defined. Finally, it is important to notice that some studies report earnings, others personal income, and still others report household income.

Technique and sample differences, of course, have implications for the ensuing dollar amounts, complicating comparisons across studies. For example, estimates of income in a given year based on a cross-section of all divorced fathers in that year should be higher than those based on a sample of all fathers divorced sometime during the past three years, since on average the former will be older and have more work experience. If household income is the measure, more may have remarried as well, thus raising income estimates. Estimates from recession years, even correcting for inflation, will tend to be lower than income estimates generated during expansion years.

Point Estimates

Table 1 presents a summary of the past findings on the mean income of nonresident fathers. At first glance the figures appear to vary widely, though similarities begin to emerge once figures are grouped by type of father and some of the differences mentioned above are considered.

TABLE 1
Summary of Past Findings on Mean Income of Nonresident Fathers[a]

Study	Data Set Used	Sample Population	Base Year(s) of Study	Nonresident Fathers' Income Reported in Study	Nonresident Fathers' Income Reported in Study, in 1988 Dollars
Chambers (1979)		Divorce and paternity cases from Genesee County, Mich., with active child support orders in 1969/1970	Year of divorce[b]	$10,920[c] (in 1977 dollars)	$21,300[c]
Garfinkel and Oellerich (1989)	1979 CPS	Noncustodial fathers	1978	19,346[d] (for all noncustodial fathers, in 1983 dollars)	23,000
				7,775[d] (for never-married noncustodial fathers, in 1983 dollars)	9,200
				23,600[d] (for divorced[e] noncustodial fathers, in 1983 dollars)	28,000
Nichols-Casebolt (1986)	1980 PSID	Noncustodial fathers, married in 1968, retained in sample	1980	24,984[f] (for white noncustodial fathers, in 1981 dollars)	32,500[f]
				13,579[f] (for nonwhite noncustodial fathers, in 1981 dollars)	17,700[f]
Hill (1988)	1982 PSID	Absent fathers, married in 1968, retained in sample	1970-1981	10,300[f,g] (in 1968 dollars)	35,000[f]
O'Neill (1985)[h]	June 1980 CPS	Men from disrupted marriages with children living elsewhere	1980	21,132[f]	30,300[f]
Cassetty (1978)	1975 PSID	Absent fathers, married in 1968, retained in sample	1974	10,327	24,800
Teachman and Polonko (1989)	NLS-HS72	Ex-husbands of mothers who were high school seniors in 1972	Year of divorce[i]	20,989[j] (in 1985 dollars)	23,100[j]
Sonenstein and Calhoun (1988)	SOAP	Noncustodial fathers from recent divorce and CSE cases with child support orders	1985	20,000[k] (for divorce cases in Ohio)	22,000[k]
				16,900[k] (for divorce cases in Florida)	18,600[k]
				8,000[k] (for CSE cases in Ohio)	8,800[k]
				10,000[k] (for CSE cases in Florida)	11,000[k]

(table continues)

TABLE 1 (continued)

Study	Data Set Used	Sample Population	Base Year(s) of Study	Nonresident Fathers' Income Reported in Study	Nonresident Fathers' Income Reported in Study, in 1988 Dollars
Haskins et al. (1985)		Absent fathers active in North Carolina CSE	1982/83	6,653 (ESC[l] report for AFDC recipients)	8,000
				8,024 (ESC[l] report for non-AFDC recipients)	9,700
			1984	9,512 (self-report for AFDC recipients)	10,800
				10,095 (self-report for non-AFDC recipients)	11,500
McDonald et al. (1983)		Absent fathers of children on AFDC in Wisconsin	1980	10,851 (based on Wisconsin tax records)	15,600
Lerman (1986)	NLS-LFB	Young unwed absent fathers, aged 14-21 in 1979, not living with parents	1984	10,236[f] (for white absent fathers)	11,700[f]
				10,329[f] (for black absent fathers)	11,800[f]
Lerman (1990)	NLS-LFB	Young absent fathers, aged 14-21 in 1979	1987	12,857[j]	13,400[j]

Note: Incomes reported by studies are in base-year dollars, unless otherwise specified in parentheses.

[a]More information may be provided in a given study than is displayed here. In the interest of manageability, we have tried to choose the figures most relevant to our own study for presentation.
[b]Twenty-year range, standardized at 1969 level.
[c]Mean net weekly earnings (earnings less taxes and union dues) as reported by Chambers, times 52.
[d]Incomes of nonresident fathers were imputed based on mothers' characteristics.
[e]Does not include separated or remarried fathers.
[f]Family income.
[g]Reported income is the average income of nonresident fathers over those years between 1970 and 1981 in which they were divorced ("ex-couple years" in Hill's study).
[h]O'Neill also presents a mean income estimate based on mothers' reports of their ex-husbands' incomes from the April 1979 CPS. This figure, $17,800 in 1978 dollars ($32,300 in 1988 dollars), was derived from reports of the relatively few women in the sample who had child support awards and who knew their ex-husbands' incomes (recorded crudely in one of six categories).
[i]Ranged from 1973 to 1986.
[j]Earnings.
[k]Median income.
[l]Employment Security Commission of North Carolina.

Looking first at the studies focusing specifically on divorced fathers, Hill (1988), Nichols-Casebolt (1986) (for whites), and O'Neill (1985) come to quite similar conclusions--family incomes in the just-over $30,000 (in 1988 dollars) range. Cassetty (1978), Teachman and Polonko (1989), and Sonenstein and Calhoun (1988), who present personal incomes, also come to similar conclusions--means around the low $20,000s. The estimate of Garfinkel and Oellerich (1989),[3] also for personal income, is just slightly higher. Sonenstein and Calhoun's figures, the lowest of the bunch, are based on median income, which is typically below the mean.[4]

Turning to the studies specifically addressing the nonresident fathers of (for the most part) low-income children--Sonenstein and Calhoun (CSE portion), Haskins et al. (1985), and McDonald et al. (1983)--it is hardly surprising to see that their incomes are lower than those of all divorced fathers, though the range of estimates (from $8,000 to $15,600) is relatively wide. Figures from the two studies that specifically address unwed nonresident fathers (Lerman, 1986; and Garfinkel and Oellerich) and those that specifically target young fathers (Lerman 1986; 1990) come close each other and to the figures for fathers of poor children. This is perhaps not surprising, as the groups may overlap to a great degree.

Finally, the two studies that look at nonresident fathers as a whole, Garfinkel and Oellerich (1989) and Chambers (1979), both report mean personal incomes in the low $20,000s (though the latter's estimates were based on net earnings, not total income).

Income Trends

There are far fewer studies of the pattern of nonresident fathers' income over time. Table 2 presents the findings from three studies: Duncan and Hoffman (1985) and Hill (1984), both of whom measure postdivorce family income; and Lerman (1990), who measures personal earnings of young absent fathers.[5] Though the latter includes a large percentage of nonmarital fathers, to our knowledge there have been no studies that address the income pattern of this group only.

TABLE 2

Past Findings on the Trend in Nonresident Fathers' Income over Time

Duncan and Hoffman (1985): Mean Family Income of Divorced Men[a]
(PSID-'82)

	yr before divorce	1 yr. after	2 yrs. after	3 yrs. after	4 yrs. after	5 yrs. after
In 1981 dollars	$25,403	$21,488	$23,398	$24,470	$24,952	$25,874
In 1988 dollars	$33,000	$27,900	$30,400	$31,800	$32,500	$33,700
Percent poor	6	4	4	3	3	3
Income:needs	3.6	3.7	4.0	4.0	4.0	4.2

Hill (1984): Mean Family Income of Absent Fathers from Disrupted Marriages (married in '68, retained in sample)[b]
(PSID-'82)

	1 yr. after divorce	2 yrs. after	3 yrs. after	4 yrs. after	5 yrs. after	6 yrs. after	7 yrs. after	8 yrs. after
In 1968 dollars[c]	$10,645	$10,970	$11,355	$11,670	$10,917	$11,447	$12,761	$12,302
In 1988 dollars	$36,200	$37,300	$38,600	$39,700	$37,100	$38,900	$43,400	$41,800
Percent poor	1.8	6.1	3.7	2.6	5.2	2.3	1.7	5.7

Lerman (1990): Mean Earnings of Young Men Who Were Absent Fathers in 1984
(NLS-LFB)

	1982	1983	1984	1985	1986	1987
In current dollars	$7,013	$7,608	$8,587	$10,549	$12,251	$13,035
In 1988 dollars	$8,600	$9,000	$9,800	$11,600	$13,200	$13,600

[a]Minus child support and alimony when appropriate.
[b]Based on ex-couple years.
[c]Hill-presented distributions. Means are based on the authors' crude transformation: the midpoint of each range ($30,000 for top), multiplied by the appropriate percentage, summed.

In the top panel of the table, Duncan and Hoffman look at individuals who split up sometime between 1969 and 1976 (both married and cohabitating couples were included), were between the ages of twenty-five and fifty-four at the time, and were still retained in the survey in 1981--for an ultimate sample of 250 men. It is important to note that Duncan and Hoffman address the situation of divorced men who may or may not have fathered children, though the age restriction of their sample makes it likely that many, if not most, were fathers, and most of these probably did not have custody of their children after the split. They determine the year each couple split up and, after converting all incomes to their 1981 equivalents, assess the next five years.

Hill looks at those couples with children, married in 1968 and remaining in the sample, who split between 1969 and 1981. She determines the year that each couple's marital status changed, and then considers that year and all to follow (which can be anywhere from one to fourteen) as "ex-couple years." Rather than each father, or each couple, she takes the ex-couple year as the unit of observation, and after putting income into 1968 dollars, presents the income distribution of nonresident fathers in each of the first eight years after divorce. Unlike the sample obtained by Duncan and Hoffman, which is constant over time, Hill looks at all fathers divorced one, two, and up to eight years, rather than exactly the same fathers in their first, second, or eighth postdivorce years. In the first year after divorce her estimates are based on 147 couples, while for the eighth postdivorce year they are based on just 70.

The means in the table are approximations based on Hill's distribution (see the table footnote). They yield figures slightly higher than those reported by Duncan and Hoffman, who subtract child support and alimony payments from income when appropriate. Though this makes their lower figures reasonable, the discrepancy may also be partly due to the fact that Duncan and Hoffman had non-fathers in their sample and/or to the imprecision of our transformation to means.

Both studies indicate that average postdivorce family income increases somewhat over time, as would be expected as work experience increases and more fathers remarry. Duncan and Hoffman also find that, at least immediately following separation, men's incomes fall off somewhat. This can largely be explained by the fact that wives' earnings are no longer available and, perhaps to a lesser degree, to the fact that Duncan and Hoffman subtract child support and alimony--expenses the fathers did not have prior to separation.

Compared to the other two, Lerman's study reports a different measure of income (personal earnings) for a different subpopulation of nonresident fathers (young absent fathers, both divorced and unwed). Using a different methodology from the others, Lerman's annual income measures are not relative to the year the man became nonresident. Instead, he selects all who were absent fathers in 1984, and then looks at their incomes in the prior two, and following three, years. Some may have been fathers in the earlier years and some may not have been. The figures reported by Lerman are considerably lower than those reported in the top two panels of the table. This is to be expected, given that he is reporting earnings (the others report household income) and his sample is restricted to very young men (aged nineteen to twenty-six in 1984). The most striking thing about Lerman's study is the relatively rapid growth in the young men's mean earnings.

Looking specifically at the trend in poverty over time, Duncan and Hoffman find a definite decline in poverty for men during the first five years after divorce. These findings, which are consistent with those of Chambers (1979), Weitzman (1981), Nichols-Casebolt (1986), and Hill (1988), make one thing quite clear: fathers, as a whole, experience increases in their standards of living after divorce. This is due, of course, to the fact that poverty status takes family size into consideration, and after divorce nonresident fathers have smaller households, almost by definition. The most notable thing about Hill's figures is the apparent arbitrariness of the poverty rates in the first eight years after divorce. Hill herself notes that they range from 1.7 percent to 6.1 percent with

"no apparent systematic variation from one year to the next" (p. 11). It would seem that the instability is due, at least in part, to the small sample sizes and to the fact that the cells do not contain exactly the same fathers across years.

To briefly summarize, then, we have a number of point estimates of nonresident fathers' income. For divorced fathers, personal incomes are typically found to be in the $20,000s, and family incomes are generally about $10,000 higher. Estimates of the incomes of fathers of children on welfare are much lower, though with a wider range ($8,000 to $15,600). Younger fathers and never-married fathers also have mean incomes that are lower than those of divorced nonresident fathers as a whole. We know less about the trends over time in nonresident fathers' incomes. What little evidence we have suggests that divorced men see gradual increases in their incomes, as well as increases in their standards of living, after divorce. Young absent fathers, though starting out with relatively low incomes, appear to experience relatively rapid income growth.

III. DATA

The data used in this project come from three unique, but matched, data bases managed and maintained by the Institute for Research on Poverty: IRP's Wisconsin Court Record data set (CRD), the Wisconsin Department of Revenue data set (DOR), and the Wisconsin Department of Health and Social Services Aid to Families with Dependent Children data set (HSS).

Court Record Data

The CRD contains information obtained from official court documents on nearly twelve thousand divorce, separation, and paternity cases[6] in which there was at least one minor child. The data, originally collected to enable evaluation of several child support reform initiatives being piloted in the state of Wisconsin during the mid-1980s, come from twenty-one Wisconsin counties (ten

original pilots, ten demographically matched controls, and Milwaukee). To meet evaluation needs, data were collected in five waves for several cohorts of court cases. Subject to budgetary constraints, attempts were made to follow the cases, as far as recording the occurrence and results of any new court actions, for a number of years. Thus, the CRD contains information on cases with court petition dates initiating between July 1980 and January 1989, with several years of follow-up for many.

Included in the CRD is information on such things as dates and purposes of each court action, number and ages of children involved, custody and visitation decisions, property settlements, child support awards and payments, whether the case was subject to the various legal reforms, etc. Some demographic information, such as parental age, race, and education, is also included, though unfortunately it is missing in a large number of records. For instance, while ages are known for almost all cases, race is available for only about 20 percent, and educational attainment for an even smaller proportion.

Department of Revenue Data

The Wisconsin state Department of Revenue maintains computerized files of all state income tax records. By supplying the Department with the social security numbers of the parents in the CRD, IRP was able to create a matched data set of tax records spanning the period 1980 through 1989. The DOR contains at least one tax record for 78 percent of the fathers in the CRD (74 percent of those involved in paternity cases and 85 percent of those in divorce cases). Unfortunately, these fathers do not all have records in each calendar year. There are several reasons why tax records are missing. One has to do with the way IRP obtained the data,[7] and the other with the parents themselves--some will have incomes sufficiently low that filing is not necessary, and others will have moved out of state.

The DOR contains such useful information as annual adjusted gross income (AGI), wage and salary earnings, number of dependents claimed, and marital status. However, since the Department's tax forms and storage technique changed drastically in 1986, a consistent income series was not maintained across years. Specifically, in the years before 1986, individual (personal) income was recorded, but family (husband and wife's joint) income was not. From 1986 on, for joint filers family income was recorded, but individual incomes were not. Fortunately, in most of these latter cases individual income can be deduced from information on personal wage and salary income. For more detail on the construction of the relevant variables in the DOR, see the appendix.

Health and Social Services AFDC Data

The Wisconsin Department of Health and Social Services maintains computerized records on all Aid to Families with Dependent Children (AFDC) recipients. Contained in these records are, among other things, the monthly benefit received and the number of parents and children covered. Again, by providing the Department of Health and Social Services with the social security numbers of the court record parents, an extract of those parents who received AFDC at any point after January 1980 was provided to IRP.

Creating the Nonresident Fathers' Data Set

In order to create the data set ultimately used in this project, the CRD and DOR were merged. (The HSS data are merged in later when we examine nonresident fathers whose children receive welfare.) All cases that were either divorces (including legal separations and annulments) or paternity establishments were retained. This resulted in a sample of 10,145, of which 2,828 were paternities and 7,317 were divorces. The next step was to determine the year of the divorce or paternity action. While this would seem to be easy, it is not necessarily so, given that it often takes several trips to court to finalize matters. For the purpose of this study, we regard the first court date

as the critical action for paternity cases, and the final judgment as the critical action for divorce cases.[8]

Next, custody status was determined, and only those cases in which the father was the nonresident parent of the minor children involved in the definitive court action were retained. Nonresident fatherhood was assumed to result if the mother had sole physical custody of the couple's children (fathers with split or shared physical custody, still relatively rare arrangements, were not included, nor were those whose children lived with neither parent). To the extent possible, fathers who switched custody arrangements or who reconciled with the children's mother were included in the sample only in the years in which they were, in fact, nonresident.[9] Fathers were also excluded from the sample in the years in which their youngest nonresident child was over the age of eighteen.[10]

Finally, since the purpose of our study is to focus on trends over time, those fathers for whom a record of income in the year before the "action" and in at least one year after was not possible (that is, those with action years in 1980 or 1989) were dropped. This led to a final sample of 5,294 nonresident fathers from divorce cases and 2,608 nonresident fathers from paternity cases.

The strengths of this data set are its large size, the relatively long period of income data, and its coverage of nonresident fathers involved in paternity cases as well as divorce cases. Since all information comes from official reports--court records and tax files--the potential problems associated with self-reported data are also greatly reduced.

Of course, the data set is not without its weaknesses. First, income figures are available only for those fathers who file state income tax returns. Since people with sufficiently low incomes are not required to file, we may be systematically excluding the lowest-income fathers, either across the board (if we never have a record) or in bad years (if records are sporadic).[11] Somewhat offsetting this phenomenon is the fact that some of the fathers not filing will have moved out of state, and they

are a potentially higher-than-average income group. Unfortunately, we do not know why tax returns are missing. A second weakness is that only fathers who have entered the court system (a potentially unique--and again maybe higher income--group) are included. Married men without legal separations, and nonmarital fathers who do not admit fatherhood and whose children's mothers have not brought suit are thus not included. Third, since all of our information comes from Wisconsin, to the extent that the data are internally representative, they still may not be nationally representative (Wisconsin is less urban and has fewer minorities than the national population). Finally, personal adjusted gross income (our measure of income) is not always what is commonly thought of as total income, since numerous adjustments (including deducting alimony paid) are allowed to those filing the long tax form. While individual wage and salary earnings or total family income--perhaps more accurate measures of well-being--might have been preferable, neither is available in enough cases in our data set to make them feasible alternatives for studying trends over time.

IV. RESULTS

Personal Incomes of Nonresident Fathers

In order to facilitate comparing incomes over time (and to group income by years relative to the action rather than by calendar year), all incomes were converted to their 1988 equivalents via the CPI for the northern states. By grouping fathers by distance from their divorce or first paternity action, we are including reports of income from different calendar years in the same calculation. In the year before the divorce or paternity action, for instance, individual income reports may come from any calendar year between 1980 and 1987.[12] In the first year after, they may come from calendar years 1982-1989, while for the seventh year after, income reports all come from calendar year 1988 or 1989, since only cases with actions in 1981 or 1982 could possibly be in the sample this long.

The mean personal income of all fathers for whom we had an income record in the year before the action (either the final judgment in divorce cases or the first court action in paternity cases) was then computed, as was the mean across all fathers for whom we had income records one, two, three, and up to seven years after.[13] The results are presented in Table 3, in the top row of each panel (panel one reports statistics on paternity cases, and panel two, divorce cases). To illustrate just how the means were calculated, let's say we have a tax record for a given father, divorced in 1982, in the year before his divorce, and in the postdivorce years of 1983, 1984, 1985, but not 1986, and then starting again in 1987. His youngest nonresident child turned nineteen in 1988, so income data from 1989 are irrelevant. His income would be included in the means of the year before and one, two, three, five, and six years after.

Based on these income figures, we also determined the number of fathers with personal incomes below the federal poverty line,[14] and the mean poverty ratio (that is, the ratio of income to the poverty line) in pre- and post-action years. These figures are found in the second and third rows of each panel in Table 3. To determine the appropriate poverty line, each father's family size was established by the number of dependents he claimed on his tax form. To the degree that fathers (particularly young men in paternity cases) were living with their own parents, these measured standards of living may thus be understating actual experience.[15]

Note that since the calculations are based on personal income, this measure of poverty is concerned with whether the father himself is able to raise his family out of poverty (that is, wives' earnings are not counted, as would be the case with official measures of family poverty status). As a consequence, our poverty rates are likely to be higher than estimates calculated in the traditional manner. Indeed, the divorced fathers in our sample appear to be a less well-off group than those studied by either Duncan and Hoffman or Hill. Nonetheless, our figures still confirm the universal finding from past research that fathers experience a rise in living standard after divorce.

TABLE 3

Mean Personal Incomes of All Nonresident Fathers in Sample
(in 1988 dollars)

	Year Before Action	1 Yr. After	2 Yrs. After	3 Yrs. After	4 Yrs. After	5 Yrs. After	6 Yrs. After	7 Yrs. After
Paternities								
With tax record								
Mean income	$10,847	$12,559	$13,734	$15,201	$16,021	$16,873	$18,527	$20,744
Poverty ratio	1.5	1.6	1.8	1.9	1.9	2.0	2.2	2.5
Percent poor	41	35	32	27	25	22	20	16
N	1,172	1,083	1,005	862	675	516	409	256
With $0 imputed[a]								
Mean income	$5,683	$5,901	$6,570	$7,462	$8,040	$8,707	$9,580	$10,642
Poverty ratio	.8	.8	.8	.9	1.0	1.1	1.2	1.3
Percent poor	69	69	67	64	62	60	58	57
N	2,237	2,305	2,101	1,756	1,345	1,000	791	499
Percent imputed	48	53	52	51	50	48	48	49
Divorces								
With tax record								
Mean income	$22,888	$22,964	$23,809	$23,856	$24,733	$24,848	$26,078	$25,000
Poverty ratio	2.1	2.8	2.8	2.8	2.7	2.7	2.8	2.7
Percent poor	19	15	15	13	14	12	10	11
N	3,334	3,142	2,685	2,227	1,671	1,173	1,010	601
With $0 imputed[a]								
Mean income	$15,535	$14,512	$14,860	$15,245	$15,933	$15,927	$16,798	$15,967
Poverty ratio	1.4	1.8	1.8	1.8	1.8	1.7	1.8	1.7
Percent poor	45	46	47	44	45	44	42	43
N	4,912	4,972	4,302	3,485	2,594	1,830	1,568	941
Percent imputed	32	37	38	36	36	36	36	36

Source: Authors' computations based on the IRP's Wisconsin Court Record data set and the Wisconsin Department of Revenue data set.
[a]An income of $0 was assumed in the years tax records were missing.

Realizing that we may be upwardly biasing our mean income results by including fathers only in the years in which they file tax forms, we provide an extreme lower bound to our figures by also figuring out the means assuming that the non-filers had no incomes in those years. That is, rather than dropping otherwise appropriate fathers from the analysis in the years they did not file, we assigned them an annual income of $0. In the example above, the father with the postdivorce income reports in 1983, 1984, 1985, 1987, and 1988 would now be included in the means of one through six years after, with an income of $0 assigned to 1986. This assumption is, of course, an unreal one. Some of the fathers will actually have rather high incomes, but will have filed in another state; others will have incomes that do not require filing (public assistance, or earnings below the filing cut-off[16]), but are well above $0. Perhaps still others should have filed, but simply did not. The figures in the fifth row of each panel were calculated under the lower-bound assumption of no income at all in the years in which tax records were requested but were not on file. The fact that the Ns still decrease over time even when zero income is imputed is due largely to the fact that fathers entering the system in later years simply cannot have long follow-ups. Fathers whose nonresident children reach the age of nineteen soon after the action, as well as those who reconcile with their children's mother, will also, though to a far lesser degree, reduce the sample over time.

Under this assumption we calculate mean incomes that are roughly half of those reported in the first row for paternities, and just over 60 percent of those reported in the first row for divorces. In assessing the lower-bound estimates, it is important to remember that many of the missing-income fathers may have moved out of state. Indeed, it is estimated that approximately 30 percent of all child support cases involve parents living in different states (Committee on Ways and Means, 1991, p. 682). To the degree that out-of-state fathers' incomes are similar to those of fathers filing in Wisconsin, a more realistic adjustment would perhaps exclude the movers. A crude, back-of-the-envelope adjustment for the seventh post-action year, for example, in which 149 (or 30 percent) of

the non-filing paternity-case fathers and 282 (or 30 percent) of the divorced fathers are assumed to have moved and have a mean income the same as their counterparts who still live in Wisconsin, yields a new mid-range estimate of $16,836 for paternities and $23,459 for divorces,[17] suggesting that the top row of each panel is probably closer to the truth than the fifth. This notion is further supported by the fact that while we know that our top-row figures are somewhat overstated, particularly for paternities, they are generally closer to those reported in past research than are the extreme lower-bound estimates. Similarly, among those for whom we have income tax records, the percentage of divorcing fathers who were poor in the year before their divorce (19 percent) is more or less consistent with national statistics,[18] while the figure derived by imputing zeros (45 percent) seems quite exaggerated.

The most notable features of Table 3 are how much lower the income of the average father in a paternity case is than the income of the average divorced father in the year before the action, and then how quickly the nonmarital fathers increase their incomes while the divorced fathers seem to gain much more slowly, if at all. Indeed, the fathers from paternity cases, though starting out with a mean income less than half that of their divorced counterparts (based on the first-row estimates), have nearly doubled their incomes within seven years, to achieve incomes that are over 80 percent of those of divorced fathers. Using the lower-bound fifth-row estimates (with imputed zeros) paternity-case income still increases nearly 90 percent, and goes from a little over one-third to about two-thirds of divorced-father income.

Part of the reason for the lower starting incomes of the paternities, as well as perhaps for the steeper increases in their incomes, is that paternities are, on average, younger than the divorces. The mean age of the paternity fathers at the time of the action is twenty-six (with over half of these fathers under the age of twenty-five and less than one-quarter over age thirty), while the mean age of the

divorced fathers is thirty-three (with only about a third younger than thirty, and over one-fifth over age forty). Thus many of the paternities are probably just entering the stable labor force.

As another means of checking the degree to which our sample choice might be affecting our income findings, we also constructed a table of the mean incomes of constant samples of fathers. That is, we restricted our analysis to sets of the same fathers for whom we had several years of consecutive income data. The findings are presented in Table 4. Again, to illustrate how the subsamples were defined, the divorced father described earlier would not be included in the figures presented in Table 4 at all, since while he has income data for the year before, he only has three consecutive postdivorce records. If he had had an income report in 1986 he would have been included in the subsamples with five, six, and seven total years of data, since he would have had six consecutive years of postdivorce data.

Again, recall that the relatively small portion of fathers for whom we have several complete years of follow-up is due not only to the potentially problematic fact of sporadic missing income reports, but also to the (non-biasing) facts of some fathers simply not being nonresident for that long, and some not having their tax records requested in every year. For instance, of the 2,608 paternities and 5,294 divorces in our sample, just 633 and 1,208, respectively, had action years (in 1981 or 1982) early enough to allow them to have seven years of post-action data. And of these, some 154 paternities and 282 divorces were excluded from the sample in certain years for reasons of reconciliation, children growing up, changing custody status, or failure to have requested income data. Nonetheless, this still results in a record of income in the year before the action and in the seven subsequent years for only 20 percent of the possible paternity cases and 39 percent of the possible divorce cases.

Though the mean incomes reported in Table 4 are somewhat higher than those reported in the top row of each panel in Table 3, particularly for the paternity-case fathers, the income patterns, or

TABLE 4

Mean Personal Incomes for Constant Samples of Nonresident Fathers
(in 1988 dollars)

	Year Before Action	1 Yr. After	2 Yrs. After	3 Yrs. After	4 Yrs. After	5 Yrs. After	6 Yrs. After	7 Yrs. After
Paternities								
5 yrs. data, n=314	$12,999	$14,651	$16,920	$18,732	$19,494			
6 yrs. data, n=203	12,910	14,500	16,426	18,038	19,042	$20,179		
7 yrs. data, n=156	13,366	14,997	16,950	19,006	19,989	21,124	$21,945	
8 yrs. data, n=94	14,143	14,396	16,677	18,589	19,645	20,610	22,386	$23,125
Divorces								
5 yrs. data, n=1,058	$23,178	$22,517	$23,279	$24,749	$25,442			
6 yrs. data, n=727	23,672	22,368	22,765	24,379	25,469	$27,354		
7 yrs. data, n=611	23,344	21,738	22,125	23,464	24,692	26,893	$27,618	
8 yrs. data, n=358	23,593	20,907	21,502	22,557	23,340	26,194	27,397	$27,331

Source: Authors' computations based on the IRP's Wisconsin Court Record data set and the Wisconsin Department of Revenue data set.

trends, are generally the same as those found in the earlier table. This suggests that the incomes of those who have missing income records are, on average, lower than those who do not--a result that is not surprising. A notable feature of Table 4 that was not readily apparent in Table 3 is the drop-off in income for divorced fathers immediately following divorce. Though Duncan and Hoffman had a similar finding for family income, theirs could largely be attributed to losing the wife's income and to paying alimony and child support. Since we use individual income and do not subtract support payments (though deducting alimony is allowed in calculating AGI for tax purposes), these are not viable explanations in our case. Instead, it appears that the drop-off may be an artifact of our data spanning a period of varied macroeconomic conditions. That is, the subsamples with long follow-ups necessarily come from cases with actions in the early 1980s, and thus recession years weigh heavily in the first postdivorce-year measurements.[19] This realization points up the fact that macroeconomic conditions and sample weighting across calendar years are almost always issues--though not always explicitly recognized--in analyses of this nature.

A recognized weakness of our data set is the fact that tax records are missing in various years for a large portion of cases. Trying to overcome this weakness, we have presented our findings on the income trends of nonresident fathers in three different ways: averaged over all for whom records are available, imputing an income of zero to those for whom no record exists and then including them in the average, and finally looking separately at just those for whom "good," or complete, data exist. Based on a comparison of Tables 3 and 4, it appears that those with missing income records do indeed have somewhat lower incomes, on average, than those with full data. Consequently, just using the records we have will tend to overstate the true mean for all nonmarital and divorced nonresident fathers. At the same time, the extreme lower-bound estimates generated by assuming that whenever a record is missing the father's income was $0 seem highly unrealistic. The truth, no doubt, lies somewhere in between the two estimates of Table 3. Unfortunately, we have no way of knowing for

sure why individual income records are missing, and to speak with much greater confidence would require a deeper analysis, which is outside the scope of this paper.

One thing we feel quite confident about, however, is the trend in income growth over the first several years after a paternity suit or divorce. Regardless of the sample definition, paternity-case fathers experience rapid growth while divorced fathers progress much more slowly. Though perhaps somewhat surprising, our finding of rapidly increasing incomes for nonmarital fathers is consistent with Lerman's (1990) finding of a similar pattern for young absent fathers--though the two samples do not include exactly the same types of men. Likewise, both Duncan and Hoffman (1985) and Hill (1984), who looked at divorces, also found mean incomes that fluctuated, but eventually appeared to be on a modest upward trend. Our dollar figures are somewhat lower than theirs, though this is partly explained by the fact that we measured individual, not family, income, and partly by the fact that we use adjusted gross income rather than total income.

Poor and Near-Poor Fathers

Since poor fathers may have difficulty supporting their nonresident children--and thus may be assigned low or no child support obligations--it is important to know if they typically remain poor, or if over time their incomes rise. In order to better understand the experiences of poor parents, a separate analysis was conducted for the subsample of nonresident fathers whose personal incomes were below 150 percent of the poverty line in the year before their divorce or paternity action. This subsample consisted of 1,171 divorced fathers and 678 paternity-case fathers, all of whom necessarily had an income record in the year before their action. We are asking: what happens to fathers we know were living near or below the poverty line in the year before their paternity action or divorce?

The results are presented in Table 5. Since we are conditioning on having an income record in the year before the action, the lower-bound estimates replace missing income records with imputed

TABLE 5

Mean Personal Incomes of Nonresident Fathers below 150% of Poverty Line in Year Before Action
(in 1988 dollars)

	Year Before Action	1 Yr. After	2 Yrs. After	3 Yrs. After	4 Yrs. After	5 Yrs. After	6 Yrs. After	7 Yrs. After
Paternities								
With tax record								
Mean income	$5,221	$8,998	$10,727	$12,578	$13,680	$14,566	$15,814	$18,346
Poverty ratio	.7	1.2	1.4	1.6	1.7	1.8	1.9	2.2
Percent poor	70	46	39	35	26	28	22	12
N	678	415	370	307	227	167	148	90
With $0 imputed[a]								
Mean income	$5,221	$5,909	$6,927	$7,946	$8,129	$8,388	$9,438	$10,652
Poverty ratio	.7	.8	.9	1.0	1.0	1.0	1.1	1.3
Percent poor	70	64	60	59	56	59	54	49
N	678	632	573	486	382	290	248	155
Percent imputed	-	34	35	37	41	42	40	42
Divorces								
With tax record								
Mean income	$ 9,595	$13,177	$15,622	$15,355	$15,853	$16,513	$17,182	$17,345
Poverty ratio	.9	1.6	1.9	1.8	1.8	1.9	1.9	1.9
Percent poor	54	31	27	23	27	23	20	18
N	1,171	816	689	557	412	281	250	145
With $0 imputed[a]								
Mean income	$9,595	$9,407	$10,721	$10,194	$10,302	$10,266	$10,820	$10,983
Poverty ratio	.9	1.2	1.3	1.2	1.2	1.2	1.2	1.2
Percent poor	54	51	50	49	53	52	50	48
N	1,171	1,143	1,004	839	634	452	397	229
Percent imputed	-	29	31	34	35	38	37	37

Source: Authors' computations based on the IRP's Wisconsin Court Record data set and the Wisconsin Department of Revenue data set.
[a]An income of $0 was assumed in the years tax records were missing.

zeros in the post-action period only.[20] For paternities the sample constitutes over half of the full sample with income reports in the year before the action, and for divorces, just over one-third.

The table tells basically the same qualitative story as did the earlier tables, though now the trend is perhaps even stronger. Though starting incomes are, by definition, lower than the incomes of fathers in the full sample, poor/near-poor nonmarital fathers appear to be quickly regressing toward the mean for all. Indeed, going by the first-row estimates, nonmarital fathers more than triple their incomes between the year before and the seventh year after their paternity action, and divorced fathers nearly double their predivorce incomes in the seven years following divorce. Even using the conservative (and perhaps more reasonable for this subsample) estimates with imputed zeros, nonmarital fathers' income still doubles, and divorced fathers' income still increases, albeit only slightly. Interestingly, by seven years after the action there is no noticeable difference between the incomes of fathers in paternity suits and fathers who were divorced. This is no doubt largely due to the fact, mentioned earlier, that the nonmarital fathers are younger than the divorced fathers, and thus their early poverty was perhaps a temporary function of their weak labor force attachment.

Though no past studies have looked directly at subsamples of poor nonresident fathers over time, Duncan and Hoffman (1985) did separate out white divorced men who were initially above and below the median family income. Though not recorded in Table 2, they found that for the upper half of the income distribution, white men experienced a slight decline in income (less than 5 percent) during the period between the year before their divorce and five years after. The lower half of the distribution, however, experienced a gain of about 16 percent. These findings are consistent with ours, which also indicate a larger increase, percentage-wise, for poor/near-poor divorced nonresident fathers than for all divorced fathers during the seven-year postdivorce period.

Fathers with Nonresident Children Receiving Welfare

Since so many children in single-mother families depend on welfare (Garfinkel and McLanahan [1986] estimate that the proportion may be approaching half), we would like to know how their fathers are doing. Are they also poor, or are they relatively well off--suggesting they could perhaps be doing more to help their welfare-dependent children? To address this question we used the HSS data to create a subsample of those fathers whose nonresident children lived in families receiving AFDC payments at some point after the action. Of the 7,902 nonresident fathers in our full sample, 3,883 (or 85 percent of the paternities and 35 percent of the divorces) had nonresident children who, at some point after the divorce or paternity action, received welfare benefits.[21]

The mean incomes of these fathers are presented in Table 6. The striking feature of the table is, again, the rapid income growth. Though divorced fathers with nonresident children on welfare start out and remain less well off than the full sample of divorced fathers, their income gain over time, percentage-wise, is greater. Nonmarital fathers with children on welfare, on the other hand, look quite similar to the full sample of paternities. This should not be surprising, of course, since the vast majority of nonmarital fathers in our sample appear to have fathered children who ended up on welfare. Once again, it is interesting to note that the nonmarital fathers end up roughly as well off as their divorced counterparts. All in all, the fathers of children on welfare in our sample end up not rich, but not poor, either.

Several of the studies summarized in Table 1 presented point estimates of the incomes of fathers with children either explicitly receiving AFDC or in the CSE system (most of whom are, or were, receiving public benefits). As noted earlier, the range of these estimates is quite wide. Our figures, though hard to directly compare, seem roughly comparable.

TABLE 6
Mean Personal Incomes of Fathers Whose Nonresident Children Receive AFDC at Some Point
(in 1988 dollars)

	Year Before Action	1 Yr. After	2 Yrs. After	3 Yrs. After	4 Yrs. After	5 Yrs. After	6 Yrs. After	7 Yrs. After
Paternities								
With tax record								
Mean income	$10,161	$11,700	$13,114	$14,782	$15,422	$16,676	$18,653	$20,576
Poverty ratio	1.4	1.5	1.7	1.9	1.9	2.0	2.3	2.5
Percent poor	43	37	33	27	26	22	19	17
N	878	867	809	701	560	427	337	223
With $0 imputed[a]								
Mean income	$ 5,196	$ 5,465	$ 6,223	$ 7,231	$ 7,787	$ 8,673	$ 9,791	$11,083
Poverty ratio	.7	.7	.8	.9	1.0	1.0	1.2	1.4
Percent poor	71	71	68	64	63	60	57	56
N	1,717	1,856	1,705	1,433	1,109	821	642	414
Percent imputed	49	53	53	51	50	48	48	46
Divorces								
With tax record								
Mean income	$15,709	$15,710	$16,584	$17,460	$17,994	$19,301	$20,273	$20,994
Poverty ratio	1.5	1.8	1.9	2.0	2.0	2.1	2.1	2.2
Percent poor	31	26	24	21	22	18	15	15
N	1,037	964	886	797	622	494	447	285
With $0 imputed[a]								
Mean income	$9,488	$8,639	$8,987	$9,883	$10,020	$11,432	$12,465	$12,979
Poverty ratio	.9	1.0	1.0	1.1	1.1	1.2	1.3	1.3
Percent poor	58	59	59	55	57	51	48	48
N	1,717	1,753	1,635	1,408	1,117	834	727	461
Percent imputed	40	45	46	43	44	41	39	38

Source: Authors' computations based on the IRP's Wisconsin Court Record data set, the Wisconsin Department of Revenue data set, and the Wisconsin Department of Health and Social Services Aid to Families with Dependent Children data set.
[a]An income of $0 was assumed in the years tax records were missing.

V. CONCLUSIONS

Through past research we have some understanding of the financial situation of fathers after divorce. Unfortunately, the data typically used in these studies are lacking in many regards. For one, the data sets are often not large or detailed enough to allow looking at subsamples of divorced fathers. In this paper we develop a new longitudinal data set with a large number of divorce cases. Not only do we examine the personal income trends of divorced nonresident fathers as a whole, but we separate out those fathers who were poor or near-poor before divorcing and those who have nonresident children that receive welfare after the divorce. While our findings on divorced nonresident fathers as a whole are generally consistent with past findings, we present the first set of findings on the income trends of these two important subgroups. Notably, we find that the fathers of children on welfare--whether divorced or nonmarital--though never wealthy, do improve their standards of living rather quickly.

The main contribution of this work, however, is the focus on nonmarital fathers. To date there have been no studies looking explicitly and uniquely at the incomes of these men. Despite this lack of empirical work, the conventional wisdom seems to be that fathers involved in paternity cases have very low incomes, and as a result cannot (or should not) be expected or required to support their children. While admittedly we may have been focusing on the more well-to-do nonmarital fathers, we find that though they do start off with relatively low incomes, the paternity-case fathers in our sample raise their income levels and improve their standards of living rather quickly. Indeed, no matter how the sample is cut, nonmarital fathers appear almost as well off as divorced fathers with nonresident children within a very short period of time. Consequently, it is unclear that they should be treated any differently.

The main implication of these findings would seem to be that establishing both paternity and child support obligations are important--even if a father's income appears low at the time. Just

because a father may have a very low income when he goes to court, it does not mean his income will remain that way for long. Freeing him from his future paternal obligations on these grounds does not seem justifiable.

Appendix:

Technical Details on the DOR Data Set

Both the DOR and the CRD are complicated data sets which required considerable amounts of variable construction on the part of IRP staff. Detailed information on the DOR is presented here, since its income variables bear most directly on the results of this paper. More detailed information on the CRD can be provided by the authors upon request.

In order to augment the data in the Court Record data set (CRD) and several other related data sets, IRP requested from the Wisconsin Department of Revenue the state income tax records of every parent in the CRD for whom social security numbers were known (>94 percent). The requests for tax information were made at several different points in time. Records from the years 1981-1985 were requested first, in 1987, for the first three waves of court cases. In 1988, tax records from 1984 and 1985 were requested for wave four, and in 1989 tax records from 1980 were requested for the first four waves. Finally, in 1990, tax records for the years 1986-1989 were requested for all five waves.

The number of matches is highest in the latest request period (1986-1989), since the social security numbers of the most recent additions to the CRD were not included in the early requests. Specifically, there are matches for 33 percent of CRD paternity fathers and 56 percent of CRD divorce fathers in 1980; 27 percent and 41 percent respectively in 1981; 25 percent and 39 percent in 1982; 25 percent and 37 percent in 1983; 34 percent and 48 percent in 1984; 34 percent and 46 percent in 1985; 49 percent and 64 percent in 1986; 50 percent and 63 percent in 1987; 51 percent and 63 percent in 1988; and 48 percent and 61 percent in 1989.

Among those for whom records were requested, missing tax data is most likely the result of no form being filed--either income was sufficiently low, or the parent moved out of state. It is also

possible that some cases (primarily mothers before 1986) were lost when they remarried and filed under their new spouse's social security number.

During the period over which tax data were requested, the tax system underwent significant changes, as did tax forms and the way the state of Wisconsin stored its taxpayer records. Before 1986 the Wisconsin Department of Revenue maintained a separate file for each individual taxpayer, regardless of whether he or she was single or married and filing either "separate" or "combined" with a spouse. Beginning in 1986, however, the state allowed married couples to file "joint," and began recording all joint returns under the primary taxpayer's social security number, with the (potentially) combined income of the two spouses recorded in the wage and income fields (separate individual incomes were not recorded).

For our purposes, each of these storage methods is problematic: determining individual incomes for married couples is made difficult in the years after 1985, while obtaining family (that is, husband and wife's joint) income is impossible in the years before 1986 if both spouses' records are not available (as would be the case when a parent remarries). Further complicating matters is the fact that the Department of Revenue, through an oversight, provided post-'85 joint files to IRP in a way so as to make it impossible to tell if the "primary taxpayer" was in fact the husband or the wife. For the purposes of creating the DOR data set, it was assumed that the husband was the primary taxpayer. Though imperfect, this assumption is probably correct in the majority of cases since this is the way joint tax forms are typically filled out, and, according to analysts at the Wisconsin Department of Revenue, they often recode aberrant forms to fit this format anyway.

The DOR data set contains three variables pertaining to income: individual (personal) income, individual (personal) wage and salary earnings, and family (husband + wife) income. Depending on availability of records, each is potentially available for each parent, in each year, from 1980 to 1989.

Individual income, the main income variable used in this paper, was constructed from the Department of Revenue's annual data tapes as follows. The dollar amount recorded in the federal adjusted gross income field was used, unless it was $0 (before 1986 reporting federal AGI was only required if the taxpayer had some out-of-state income; if it was not reported, the DOR recorded a 0). When federal AGI equaled $0, the amount recorded in the Wisconsin income field was used. The main differences between the two definitions of income are minor, concerning the treatment of capital gains, state income tax refunds, and municipal bond interest. Though in every calendar year--and for every record--there are fields on the Department's tapes called "adjusted gross income" and "Wisconsin income," the exact definition (and thus dollar amount reported by a taxpayer) may vary somewhat. For most filers, AGI and/or Wisconsin income is positive and equals or exceeds wage and salary earnings. However, for those who can subtract, for example, business losses or other adjustments, the income field may be less than reported wage and salary earnings, and occasionally is even negative. If a negative income was recorded in the chosen income field, say due to bankruptcy, then an income of $0 was recorded (that is, no negative incomes were allowed).

In years before 1986, the dollar amount in each individual's income field represents his or her own income, regardless of filing status, since records were kept separately then. From 1986 on, however, while this is still the case for those filing single or married but separate, for those filing joint with a spouse there is only one record, and it is the couple's (potentially) combined income. In such a case, personal income is not available directly, and the fields concerning the married-couple credit (available to all two-earner families in Wisconsin beginning in 1986) were consulted.

In order to claim this credit, each spouse's wage and salary earnings must be reported and are recorded in separate "credit wage" fields on the Department tapes. Thus, if there were positive wages recorded here (the credit <u>was</u> claimed), it was assumed that both spouses worked, and individual incomes were determined by assigning each spouse his or her own personal wages, plus

half of the joint asset income (that is, half of the difference between the sum of the two wages and the total joint income).

If the credit was not claimed, it was assumed that there was, in fact, just one earner during the year, and that it was the primary taxpayer. In such a case, if total joint wage and salary earnings are known (they are recorded in separate wage fields for some, but not all, tax forms), then they were assigned to the primary taxpayer (as discussed earlier, necessarily the husband), along with half of any household asset income (determined as described above). His wife was assigned a personal income of half the joint asset income. When total wage earnings were not recorded separately (as is the case on form 1s, the long form, beginning in 1986), the total income was assigned to the husband, and an income of $0 was assigned to the wife. This, of course, is not quite accurate, and will result in an overstatement of the husband's income and an understatement of the wife's, to the degree that the couple has asset income.

Notes

[1]Despite the fact that several attempts have been made to develop national data bases explicitly addressing nonresident fathers (the 4/79 Current Population Survey (CPS) supplement, the 6/80 CPS supplement, the Survey of Absent Parents [SOAP]), few large, comprehensive, and reliable sources exist. In the April 1979 child support supplement to the CPS, mothers with child support orders were asked about the incomes of the absent fathers of their children; unfortunately, a large portion did not know, and the questions were eliminated from later surveys. A special CPS supplement was then prepared for divorced fathers in June 1980; it, however, is thought to suffer from the underreporting of nonresident children (Cherlin et al., 1984; O'Neill, 1985). The SOAP, though initially promising, never got beyond the small pilot stage in two states. Other potential sources of income data for fathers include the Panel Study of Income Dynamics (PSID) and the National Longitudinal Studies (NLS). Each of these, while valuable, suffers from relatively small sample sizes (at least in terms of numbers of nonresident fathers remaining in the survey) and a lack of comprehensiveness. Regional data sources are also sometimes available and useful, but many not be nationally representative. One additional national survey, the Survey of Income and Program Participation (SIPP), though not used much to date for studying nonresident fathers, may eventually prove useful.

[2]Though we have adopted the term "nonresident father" to describe men not living with their children, others have used "absent father" or "noncustodial father" to mean essentially the same thing.

[3]In their study, Garfinkel and Oellerich get around the lack of good data by following the adage "like mates with like." They run several regressions (husband's income on wife's characteristics using the 1979 CPS, men's income on men's characteristics including dummies for marital status using the 1976 Survey of Income and Education (SIE), and men's income on mother's characteristics

and children's welfare status using the 1979 CPS-CSS) and use the resulting coefficients to impute incomes for all types of noncustodial fathers based on the mothers' characteristics.

[4]Sonenstein and Calhoun also present corresponding household income figures (transformed here to their 1988 equivalents): for divorces, they are $23,100 for the Ohio sample and $20,300 for the Florida sample, and for the CSE cases they are $9,800 in Ohio and $15,100 in Florida. These figures are also considerably below the others reported in the table. Note, however, how close Sonenstein and Calhoun's household incomes are to their individual incomes. This is no doubt a result of the relatively low rate of remarriage (about 25 percent) for most of their sample. For comparison purposes, Oellerich (1984) estimates that almost two-thirds of all divorced noncustodial fathers are remarried, and Duncan and Hoffman (1985) find that three-fourths of their sample of divorced men were remarried within five or six years.

[5]Two additional studies (Weitzman, 1981; and Nichols-Casebolt, 1986), look at pre- and post-divorce standards of living, but do not cover multiple years and so are not included on the table.

[6]More precisely, the data set contains 11,840 cases, of which 7,328 (62 percent) are divorces, legal separations, or annulments; 2,862 (24 percent) are paternities; and 1,650 (14 percent) are other types--primarily interstate child support cases and actions to compel payment of support. Fathers from the latter group have not been included in this study since we cannot necessarily tell if the case was a divorce or paternity, nor do we know the start of that status.

[7]DOR data requests were made by providing the Department with Court Record social security numbers. In about 5.5 percent of all cases the social security numbers were unknown, so matches were impossible. Moreover, as is often the case with ongoing projects, data requests for tax files were made at several different points in time. Since the CRD itself was expanding over time, at the first tax request not all the social security numbers that would eventually be included in the CRD were known--necessarily resulting in fewer matches in the earlier years. While ideally it would be

desirable to make a new request for all tax years with the full CRD sample, this is not financially feasible. Finally, it is also possible that some parents were lost in the early years when they remarried and filed returns under their new spouses' social security numbers (which were not known to IRP, and hence not included in the request). This problem is thought to more severely affect mothers' returns than fathers', however.

[8]The date of the final judgment was available for 91 percent of the divorced fathers. The remainder mostly either never finalized their divorces or did so after our data collection period had ended.

[9]Determining whether custody arrangements or marital status changed was sometimes tricky. Though changes in custody are noted in the CRD, it is possible that some later custody changes went undetected, since the CRD follow-up is often not as long as the DOR data period. In addressing custody switchers (a small minority of all cases) our rule of thumb was to treat multiple switchers as de facto joint custody cases (and hence not include them), but to include fathers who made a one-time switch from nonresident status to some other, or from another to nonresident, in the appropriate years. For lack of more information, it was assumed that the custody status at the end of the CRD follow-up remained unchanged. The information on subsequent marital status comes from the DOR. By matching the spouse's social security number on a joint tax form to that in the CRD it is possible to tell if a father is married to his court record partner (his ex-wife, or the mother of his out-of-wedlock child), or whether he has remarried (or, in the case of paternities, married a different woman). In a small portion of cases this variable is missing--that is, we know the father filed as married, but either the wife's social security number was not properly recorded on the tax form, or the mother's social security number was not recorded in the CRD. When this happened we used the father's marital status in the surrounding tax years to make a guess of his situation in the missing

year. It is not possible to know, with our data, whether parents are cohabitating without being married.

[10]In a small number of cases (thirty-seven) the youngest child's age could not be determined; these cases were dropped.

[11]In Wisconsin, a "homestead tax credit" is available to those with low earnings. To the extent that low-income fathers file in order to receive their credit, they will not be lost to our sample, mitigating the problem. The credit, however, is not available to those whose income is unearned--AFDC, SSI, etc.--so fathers with only these types of income will definitely be excluded from our sample.

[12]The years will not necessarily be equally represented in each calculation, however, since the number of court cases collected each year was not the same. Relatively few cases have action years in 1984, for instance.

[13]Though in some cases we have income for up to eight post-action years, since the sample size is quite small by then, the analysis is not carried this far.

[14]In 1988, the official weighted average poverty thresholds were as follows:

family of one (under age 65): $6,155

family of two (householder under 65): $7,958

family of three: $9,435

family of four: $12,092

family of five: $14,304

family of six: $16,146

family of seven: $18,232

family of eight: $20,253

family of nine or more: $24,129

(Source: U.S. Bureau of the Census, Current Population Reports series P-60, no 171, Table A-2, p. 355.)

[15]Lerman (1986) finds that over half the young unwed fathers in his sample live with one or both of their own parents, with significant implications for mean family income level. Haskins et al. (1985) find that about half of the absent fathers in the North Carolina CSE caseload live with their parents.

[16]In Wisconsin during the period 1980 to 1985, filing a state income tax return was required of all who had earnings of $3,200 or more (if single) or $5,200 or more (if married). In 1986 these cut-offs were raised to $5,200 for singles and $7,200 for those married filing jointly. Thereafter the cut-off for singles remained the same, but for joints was raised each year, to $8,900 in 1989.

[17]$16,836 = ((256 x $20,744) + (149 x $20,744) + (94 x $0)) / 499; $23,459 = ((601 x $25,000) + (282 x $25,000) + (58 x $0)) / 941. A similar adjustment could be carried out for each post-action year, though in the year before the action it would be somewhat suspect since we have no a priori knowledge about the number of fathers who lived out of state--one would not think it would be so high.

[18]In the mid-1980s, about 8 percent of all married-couple families with children were poor, and about 18 percent of all male-headed families with children were (Select Committee on Children, Youth, and Families, p. 111). Since our figures are based only on fathers' income rather than family income, 19 percent does not seem too out of line.

[19]To check this hypothesis, we restricted our sample to those with action years in 1983 or later, and then recalculated mean incomes. Once this was done, the drop-off disappeared. Indeed, for the subsample of 224 divorces with action years in 1983 and all six years of subsequent postdivorce income data, mean before-year income was $22,106 and mean income one year after was $22,365.

[20]Lower-bound estimates were not calculated in precisely the same manner as they were for Table 3 (that is, also including those without income reports in the before-year calculation) since doing so would have implicitly meant assuming that every father without an income record in the year before his action was poor in that year, and thus formed part of the baseline for inclusion in the poverty subsample. A more meaningful calculation seemed to be to look specifically at those fathers we knew were poor, and then--to lessen bias in the follow-up estimates that might result from subsequent missing records--impute zeros for any missing income reports in the post-action period. These are the figures presented in Table 5. Though not presented in the table, forming a lower-bound by assuming that all with missing records were poor in the year before leads to estimates that generally follow the pattern established in Table 3: while magnitudes are roughly halved, growth patterns are similar.

[21]These figures may be somewhat understated since we are potentially missing the lowest-income fathers altogether--a problem since their ex-partners might also be quite poor, and thus disproportionately on welfare. A lesser problem is the fact that we are missing social security numbers for the mothers in a small portion (about 2 percent) of the cases in our sample. Finally, mothers on welfare outside of Wisconsin will not be included.

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