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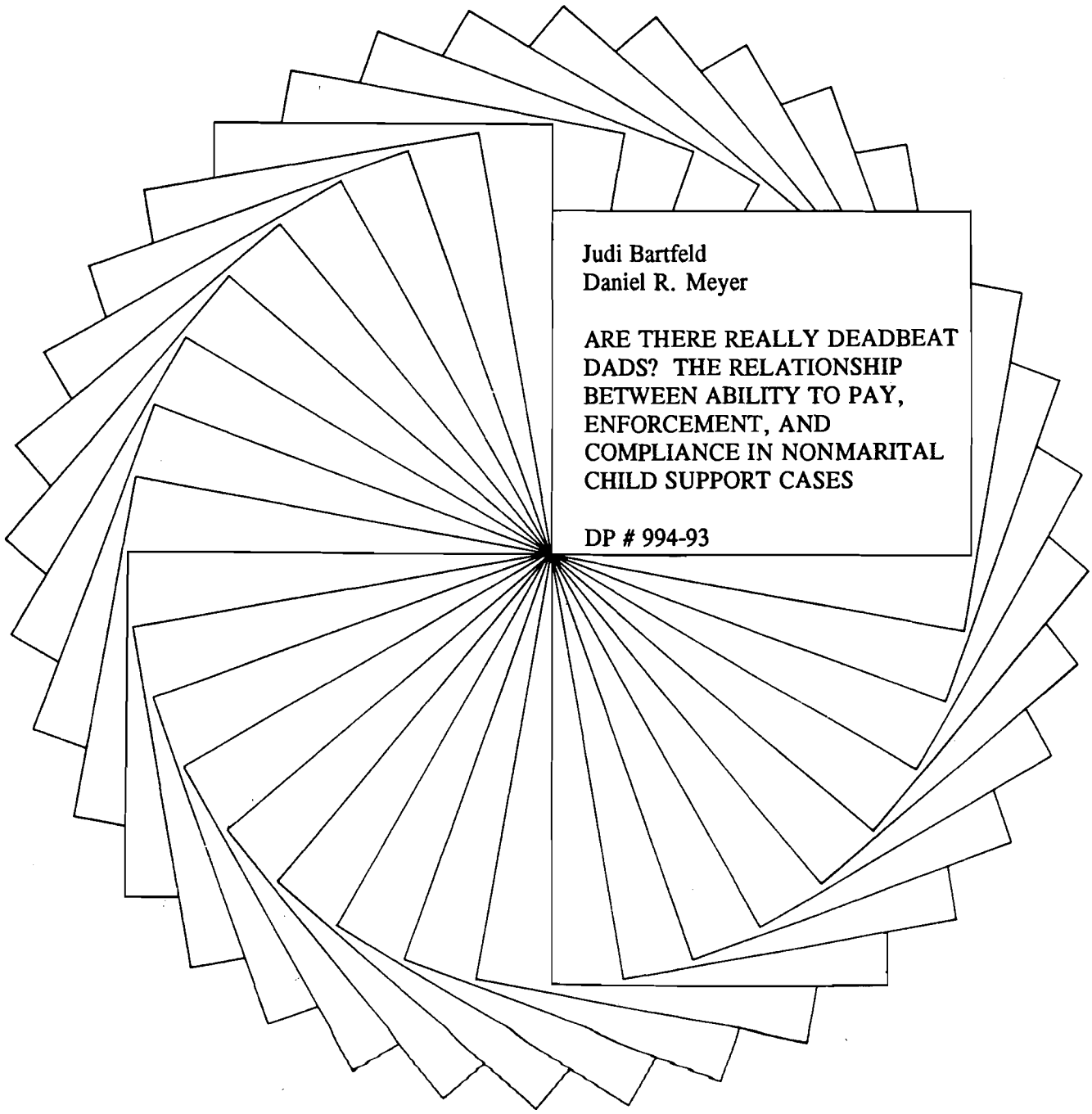

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ARE THERE REALLY DEADBEAT DADS? THE RELATIONSHIP BETWEEN ABILITY TO PAY, ENFORCEMENT, AND COMPLIANCE IN NONMARITAL CHILD SUPPORT CASES

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Are There Really Deadbeat Dads? The Relationship between Ability to Pay, Enforcement, and Compliance in Nonmarital Child Support Cases

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Abstract

The authors examine the determinants of child support compliance in nonmarital child support cases in Wisconsin, focusing on the father's ability to pay and the stringency of the child support enforcement system. They find that tougher enforcement rules positively affect compliance rates. Higher incomes are associated with higher compliance rates, and lower incomes, with lower rates. The percentage of income that is owed in child support also has an effect on compliance. Orders which represent a high percentage of income relative to existing guidelines are associated with lower compliance rates. However, owing a low percentage of income only has an effect on compliance for fathers with very low incomes; for these fathers, obligating them to pay low amounts of support positively affects compliance. These results suggest that a father's ability to pay, in addition to his willingness to pay, determines the extent to which he fulfills his child support obligation. The authors conclude that to increase child support collections, we should increase both the earning power of noncustodial parents and the stringency of the enforcement system.

Are There Really Deadbeat Dads? The Relationship between Ability to Pay, Enforcement, and Compliance in Nonmarital Child Support Cases

I. INTRODUCTION

Poverty among single-mother families has become an area of significant public policy concern. The poverty rate of these families is substantially higher than among any other major demographic group (U.S Bureau of the Census, 1991b), and single mothers and their children are frequent recipients of public assistance. As policymakers grapple with this problem, they are increasingly looking towards the private child support system for solutions.

Increased scrutiny of the child support system has led to growing awareness of a variety of problems, including the frequent lack of support orders among single parents and widespread noncompliance with issued orders. National data indicate that one-quarter of women who are owed child support receive no payments, one-quarter receive partial payments, and only half receive the full amount due (U.S. Bureau of the Census, 1991a).

The growing attention to these problems reflects a change in the prevailing view of the potential of the child support system to benefit poor women and children. Prior to the late 1970s, there was a widespread belief that noncustodial parents were too poor to contribute significant sums to the support of their children. However, much of the current discussion about those who are not paying support (the "deadbeat dads" of the popular press) reflects the assumption that compliance with support orders is primarily a reflection of willingness to pay rather than ability to pay. Indeed, most of the policy initiatives targeting noncompliance have focused on enforcement methods (for example, withholding child support directly from the income of noncustodial parents and intercepting tax refunds of delinquent parents). Little attention has been paid to enhancing the noncustodial parent's ability to pay, with the notable exception of the Parents' Fair Share Demonstration, a five-state

demonstration program which combines employment and training for noncustodial parents with strengthened child support enforcement.

In this paper, we examine the determinants of child support compliance in nonmarital child support cases in Wisconsin, focusing on two types of factors--fathers' ability to pay and the stringency of the enforcement system. In Section II, we review related literature; Section III presents data and methods; results are presented in Section IV; and in the last section we discuss conclusions and policy implications.

II. PREVIOUS LITERATURE

Several researchers have looked explicitly at enforcement and ability to pay as determinants of compliance with issued awards. Garfinkel and Klawitter (1990), using court record data from Wisconsin, estimate that withholding child support from income on a routine basis (referred to as immediate income withholding, as compared to income withholding in response to delinquency) increases the compliance rate by 11 to 30 percent. The lower estimate is based on defining immediate withholding at the county level (i.e., whether or not immediate withholding was required in the county at the time the order was issued), while the upper estimate is based on defining immediate withholding at the case level. Gordon (1991), in a multistate analysis, also found some evidence suggesting that immediate withholding has a positive effect on compliance, although this was not statistically significant.

Researchers have attempted to investigate the relationship between compliance and ability to pay, but have been hampered by the inadequacy of most available data. Most research pertaining to child support compliance utilizes data consisting of surveys of custodial parents, in which information on the current economic well-being of noncustodial parents is obtained second-hand if at all. O'Neill (1985), using 1979 and 1980 Current Population Survey (CPS) data, found that the noncustodial

parent's ability to pay, as measured by mothers' reports of fathers' income, had a positive effect on compliance in divorce cases. Peterson and Nord (1987) used the 1984 Survey of Income and Program Participation (SIPP) to look at the determinants of compliance in divorce and paternity cases. They found that the award level was positively associated with compliance, and suggested that this might proxy for noncustodial-parent income. Sonenstein and Calhoun (1988) used the 1985 Survey of Absent Parents to examine compliance in divorce and paternity cases, and found that the noncustodial parent's self-reported income level was associated with higher compliance. Peters and Argys (1991) found that unemployment among noncustodial parents was associated with substantially lower compliance rates among a sample of recently divorced parents in California and Arizona. Finally, initial reports from the Parents' Fair Share Demonstration, based on focus groups with noncustodial parents, document a strong desire among noncustodial parents to earn more money to meet their child support obligations (Furstenberg, Sherwood, and Sullivan, 1992).

III. DATA, VARIABLES, AND METHODS

Data

The primary data set used in this analysis is the Wisconsin Court Record Database (WCRD), collected and maintained by the Institute for Research on Poverty. This database consists of court record and payment history information on a sample of divorce, separation, and paternity cases involving at least one child under age eighteen from twenty-one Wisconsin counties. (For detailed discussion of the data and sampling procedures, see Brown and Marshall, 1992). Data have been collected for cases that entered the courts between July 1980 and June 1988, including payment records and all support-related court actions for up to five years. These data include case characteristics, details of support orders, and characteristics of both parents.

An additional data source used in this analysis consists of income information from the Wisconsin Department of Revenue (DOR). Personal taxable income information is available annually, from 1980 through 1989, for parents in the WCRD who filed Wisconsin income tax returns in any of those years. Marital status is also available in these data. In any given year, tax data are missing for a subset of the parents--those who have moved out of state, those who are avoiding paying income taxes, and those with incomes too low to necessitate the filing of a return.[1]

In this analysis, we select a subset of cases from the WCRD. Our sample includes paternity cases involving one child in which a child support order was in effect for the entire calendar year following the year of the first order. We have limited the sample to paternity cases because the determinants of compliance may differ between marital and nonmarital cases. Additionally, we suspect that ability to pay may be a more important factor in paternity cases, in light of the lower incomes among this population. Future work will extend this analysis to divorce cases. We have excluded cases in which the father is not the payer, as well as cases in which the amount of support owed or paid could not be determined from the data.[2] The sample has 1,417 cases, with order dates ranging from 1980 to 1988. All dollar amounts have been adjusted to 1988 dollars, using the Consumer Price Index.

Variables

The focus of this analysis is the relationship between compliance and two types of variables: those reflecting ability to pay, and those reflecting child support enforcement efforts. We define compliance as the ratio of support paid to support owed, measured in the calendar year following the year in which child support was first ordered.[3] The compliance rate is coded as 1 when payments exceed obligations and is thus limited to a range of 0 to 1.

We use two measures of ability to pay--total income and the percentage of current income owed in child support. Researchers have typically operationalized ability to pay simply as total

income, with no adjustment for the relative amount of support ordered (O'Neill, 1985; Sonenstein and Calhoun, 1988). However, we believe that income alone does not adequately reflect the concept of ability to pay. Consider, for instance, a parent with a monthly income of $600 and a $50 monthly order; that parent has a greater ability to pay than a parent with the same income and a $300 order. Including a measure of the percentage of income owed addresses this issue by capturing the relative burden of support orders.

Our measures of "ability to pay" are not perfect. An important limitation is that they do not reflect potential income. That is, some noncustodial parents may voluntarily limit their incomes despite having a child support obligation. To the extent that willingness to pay child support influences both earnings and compliance, interpreting income solely as a measure of ability to pay is inappropriate. Unfortunately, the data do not contain sufficient human capital variables with which to estimate potential income.

Both ability to pay measures are coded categorically in this analysis. We use four categories for income, corresponding to multiples of the 1988 poverty line for single adults. The categories are below $6,155, $6,155 to $12,309, $12,310 to $18,464, and above $18,464. Note that we have determined these categories on the basis of the one-person poverty level, and have categorized fathers on the basis of personal income rather than family or household income.

The percentage of income owed is coded in three categories: below 15 percent, 15 to 20 percent, and above 20 percent. We selected these categories because eight out of the nine states which use a fixed percentage of income as their child support standard have a standard which falls between 15 percent and 20 percent for one child (Lewin/ICF, 1990). Thus, the categories represent low, standard, and high orders relative to current guidelines in almost all states which use a fixed percentage standard, including Wisconsin. (The presumptive child support award in Wisconsin for one child has been 17 percent of the noncustodial parent's income since July 1987.)[4] Defining

"ability to pay" relative to existing guidelines reflects one normative standard, used here to make the results more relevant for policy purposes.

We use two variables to capture the effect of the child support enforcement system--a system variable and a case-level variable. The first is simply the year in which compliance is measured (e.g., the year after the first child support order). This ranges from 1981 to 1989, a period during which the state and federal emphasis on child support enforcement increased dramatically. (For instance, in 1981 Congress passed a program to intercept federal tax refunds as a means of collecting child support arrears, and the 1984 Child Support Amendments included a number of provisions aimed at increasing compliance.) Thus, the year variable may reflect the stringency of the overall enforcement system.

Of course, changes in compliance over this period may also reflect factors such as changing caseloads and changes in the economy. In the 1980s, for example, courts heard more and more cases in which the father had little apparent ability to pay support; these cases would not have made it into the system in the past. To the extent that the caseload has become "worse" over time, the year variable may underestimate the true effect of the enforcement system. On the other hand, the economy in Wisconsin improved substantially since the early 1980s, so the year variable may overestimate the effect of the enforcement system by capturing improvements in the economy. We attempt to control for both factors in our analysis.

The other enforcement variable is the use of immediate income withholding, which refers to the withholding of child support obligations from the noncustodial parent's income from the time of the initial support order. Note that this is distinct from withholding child support in response to delinquency. Immediate withholding was first used in 1984, and has been mandatory since September 1987. However, recent analysis indicates that it still is not used in all cases (Meyer and Bartfeld,

1992a). In this analysis, use of immediate withholding is defined at the case level, that is, whether or not a given case has an immediate withholding order.

Methods

We use three strategies in our analysis. First, we look at the ability to pay of parents who are not in full compliance with their support orders, using the measures described above. Next, we present cross-tabulations showing the compliance rates according to variables related to both ability to pay and the stringency of the enforcement system. In order to control for the relationship among these variables, we also use a multivariate approach. We use maximum likelihood estimation to estimate a two-sided tobit model (Maddala, 1983) in which

$$(1) \qquad Y^* = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 C + \epsilon$$

and $Y = \begin{cases} 0 & \text{if } Y^* \leq 0 \\ Y^* & \text{if } 0 < Y^* < 1 \\ 1 & \text{if } Y^* \geq 1 \end{cases}$

where

Y = the ratio of child support paid to owed;

Y^* = an unobserved variable underlying Y;

X_1 = dummy variables for cases in which the "burden" is low (support order is less than 15 percent of the noncustodial parent's income) or high (support order is greater than 20 percent of the noncustodial parent's income);

X_2 = dummy variables for cases in which the father is in the first, third, fourth, or missing income categories;

X_3 = a dummy variable for cases in which the support order is less than 15 percent of the father's income and in which his income is in the lowest category (i.e., the interaction between one of the dummy variables in X_1 and one in X_2);

X_4 = a dummy variable for cases with immediate withholding;

X_5 = dummy variables for the year in which compliance is measured;

C = a vector of control variables.

The control variables include a set of dummy variables for counties, the income of the custodial parent (obtained from the DOR data, and set at the mean if missing), a dummy variable to indicate missing custodial-parent income, a dummy variable for noncustodial parents under age twenty-one, a dummy variable to indicate missing age, a dummy variable to indicate cases in which the order is explicitly indexed to the payer's income, and a dummy variable to indicate married noncustodial parents. We include the county variables because child support orders are established, monitored, and enforced at the county level, so that compliance rates may vary substantially among counties even after controlling for case-level characteristics. We include the other case-level variables because previous research has indicated a potential impact on compliance, and because there may be caseload changes over the nine-year period which could confound our interpretation of the year variables. We have not included economic indicators such as county unemployment rate, because we assume that any effect of economic performance on compliance would operate through an effect on income.

There are limitations to this model which arise from the relationship among the independent variables. First, almost all of the cases with high orders are in the two lowest income categories. Thus, we do not have adequate data to determine whether high orders have an across-the-board effect on compliance rather than an effect limited to the lower income range. Low and standard orders, on the other hand, occur at all income levels. A related problem is that virtually all of the highest income cases have low orders. Thus, the "high income" variable actually represents an interaction between high income and low orders. We are unable to test for a broader high-income effect.

IV. RESULTS

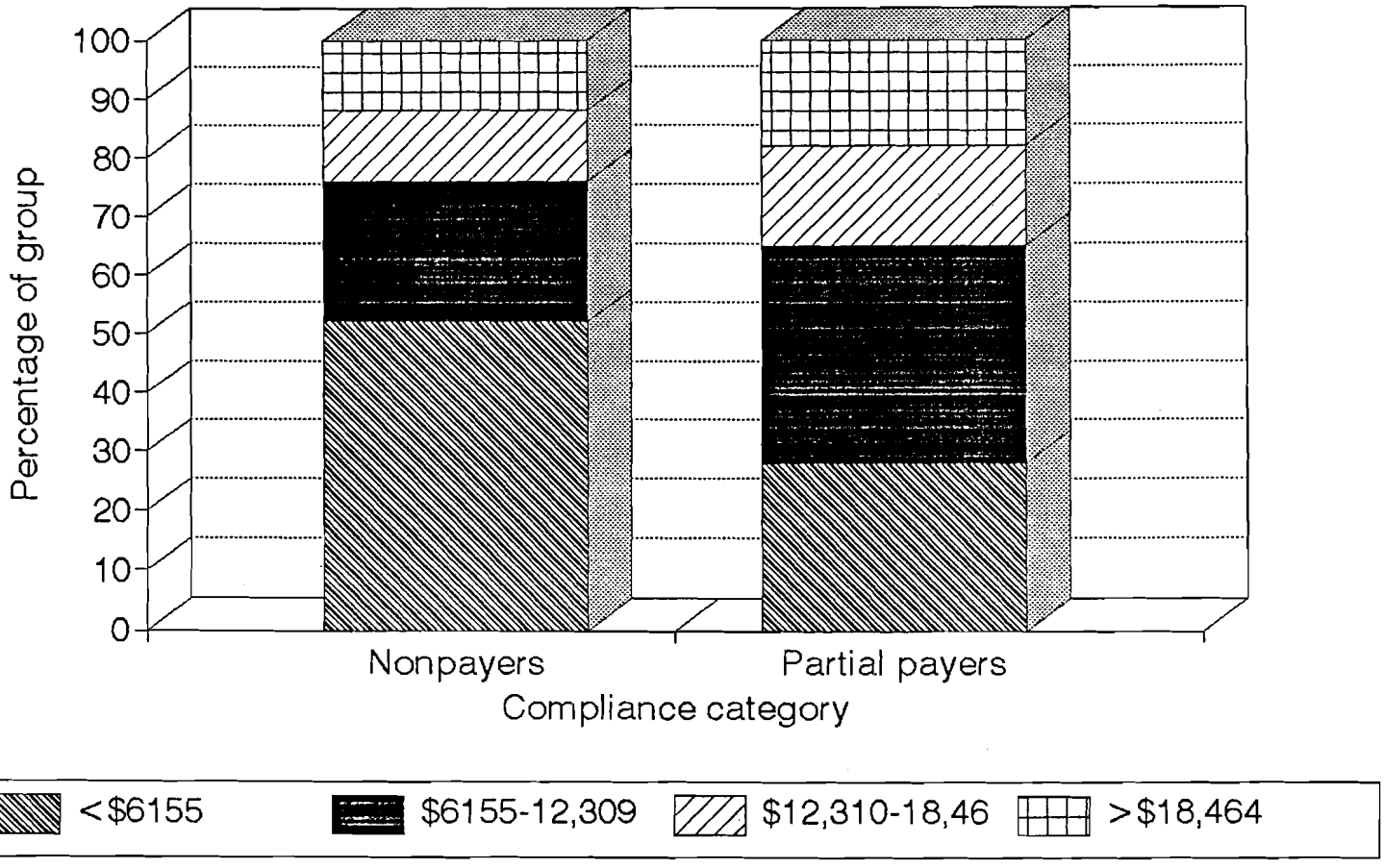
Who Are Noncompliers?

We begin by examining the noncompliers' ability to pay child support, as measured by income and the percentage of income owed in support. Our intent here is simply to describe noncompliers as a group, rather than to analyze the determinants of compliance. For this portion of the analysis, we have limited the sample to the 715 cases (out of the larger sample of 1,417 cases) in which income information for the noncustodial parent is available in the tax data.

Figure 1 looks at the income breakdown of noncompliers, with nonpayers and partial payers shown separately. Most nonpayers--fathers who have child support orders yet pay no support--have extremely low incomes. Fifty-two percent are in the lowest income category (i.e., below the single-person poverty line), and only 24 percent are in either of the two highest income categories (i.e., above twice the single-person poverty line). Partial payers are somewhat better off, with 28 percent in the lowest income range.

There are two important caveats to these results. First, previous research indicates that fathers' incomes increase substantially over time in paternity cases (Meyer, 1992; Phillips and Garfinkel, 1992). Thus, this description of noncompliers as a very poor group may be more illustrative of noncompliers with recent awards than of all noncompliers. Second, we have excluded cases in which DOR income data are not available, and are thus only describing noncompliers filing income taxes in Wisconsin. If the missing cases are primarily those with incomes too low to necessitate filing, then the true income distribution would be even lower than suggested by our results (i.e., we would have systematically excluded fathers with the lowest incomes). If the missing cases are primarily those who have moved out of state, the direction and magnitude of the bias would be less apparent.[5]

Figure 1
Income of Noncompliers



The share of income owed in support (Figure 2) varies substantially among both nonpayers and partial payers. Fifty-four percent of nonpayers have orders which are above 20 percent of their current income, as do 31 percent of partial payers. These orders are considered high by most current support guidelines. On the other hand, 40 percent of nonpayers and 57 percent of partial payers have orders which are below 15 percent of their current income, an amount which is less than that dictated by current standards.

Determinants of Compliance

Table 1 presents data on compliance rates in the sample as a whole as well as in various subgroups. The first column indicates the mean compliance rate; the second through fourth columns indicate the percentage of cases in each of three compliance categories: zero compliance, partial compliance, and full compliance (defined as paying at least 95 percent of the obligation). In the total sample the mean compliance rate is .48, with 29 percent of fathers paying nothing, 45 percent paying in part, and 27 percent paying in full. The bivariate results in Table 1 suggest that compliance varies according to variables reflecting both the father's ability to pay and the stringency of the child support enforcement system.

Mean compliance ranges from .31 for those in the lowest income category to .83 for those in the highest category. Over this same range, the share who are full payers increases from 9 percent to 60 percent, while the share who are nonpayers falls from 33 percent to 8 percent. Despite the increased compliance at higher income levels, note that a substantial percentage of fathers with the highest incomes are still not in full compliance.

The relative burden of support orders, as measured by the percentage of income owed, also appears important. Mean compliance rates are .33 for those owing above 20 percent of income, .62 for those owing 15 to 20 percent, and .73 for those owing below 15 percent. Full payers increase from 11 percent to 46 percent over this range, while nonpayers fall from 31 percent to 9 percent.

Figure 2
Percentage of Inc Owed by Noncompliers

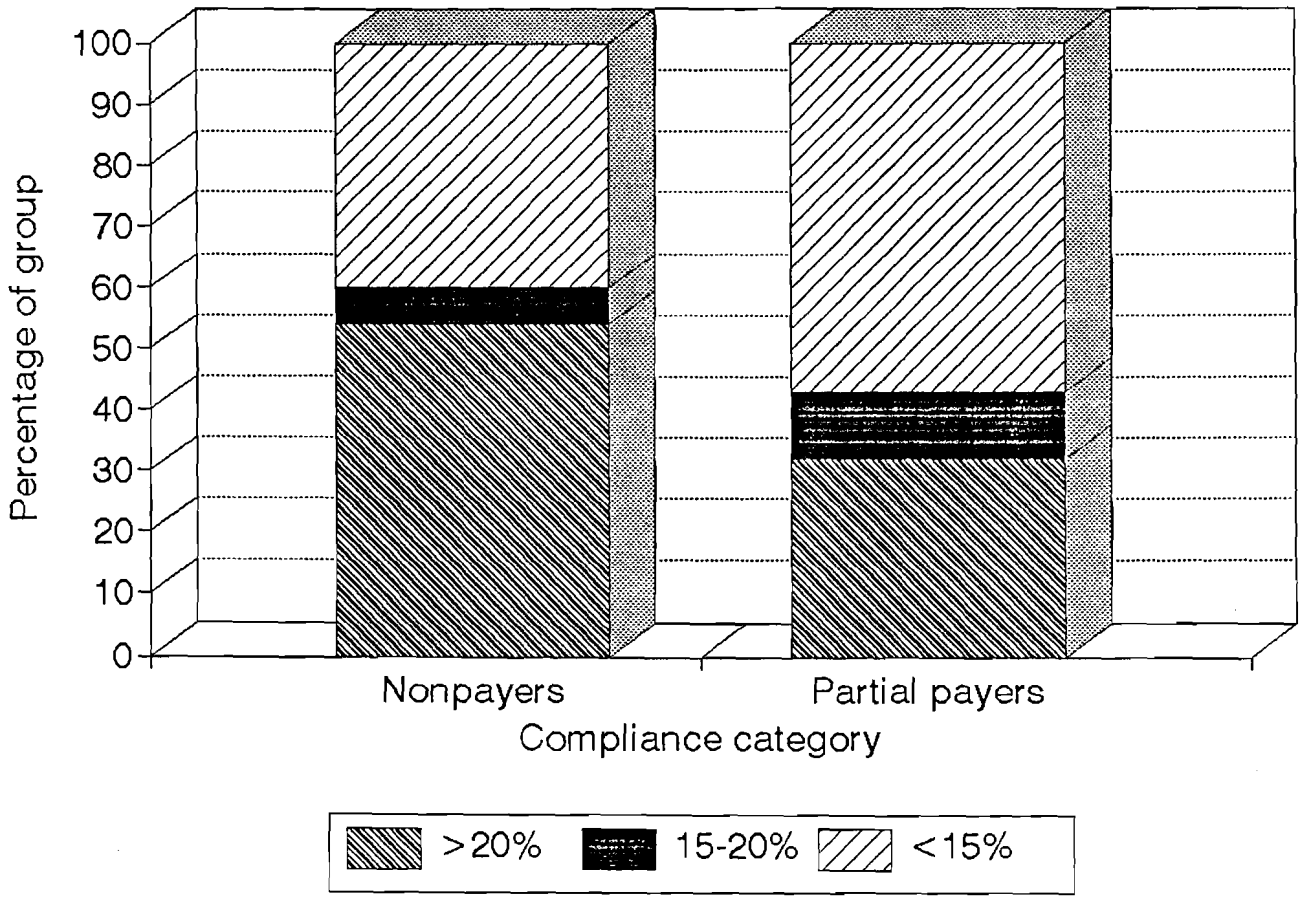


TABLE 1

Compliance with Child Support Orders in Paternity Cases, by Income, Percentage of Income Owed, Year, and Use of Immediate Withholding

	N	Mean Compliance Rate	Percentage of Fathers Who: Pay Nothing	Pay in Part	Pay in Full
Total	1,417	.48	29	45	27
Noncustodial-parent income:					
Missing	702	.35	43	39	18
<$6,155	172	.31	33	58	9
$6,155-12,309	218	.61	11	61	28
$12,310-18,464	153	.73	9	46	45
>$18,464	172	.83	8	32	60
Percentage of noncustodial parents' income that is owed:					
Missing	702	.35	43	39	18
<15%	459	.73	9	45	46
15-20%	66	.62	9	62	29
>20%	190	.33	31	59	11
Immediate withholding:					
Yes	820	.57	20	47	33
No	597	.37	41	42	18
Year:					
1981	45	.32	44	44	11
1982	215	.32	44	42	14
1983	276	.44	33	47	20
1985	116	.44	32	41	28
1986	215	.50	24	49	27
1987	272	.58	22	44	34
1988	192	.60	17	47	36
1989	86	.60	23	38	38

Source: Wisconsin Court Record Database and Wisconsin Department of Revenue.

Notes: Percentages may not add to 100% due to rounding.

However, while compliance increases as the percentage of income owed decreases, a significant share of those with either standard or low orders are not in compliance with their support orders.

The next two panels show compliance according to two indicators of enforcement--the use of immediate withholding, and the year in which compliance is measured--both of which also appear important. The mean compliance rate is .57 for cases with immediate withholding, compared to .37 for other cases. Cases with immediate withholding are more likely to be full compliers--33 percent versus 18 percent--and correspondingly less likely to be nonpayers--20 percent versus 41 percent.

Finally, compliance increases steadily over the nine-year period. Mean compliance increases from a low of .32 in 1981 to a high of .60 in 1989. The share of nonpayers falls from 44 percent to 23 percent, while the share of full payers grows from 11 percent to 38 percent.

Because of the relationship among the above variables, however, it is difficult to sort out their effects without a multivariate approach. For instance, the highest orders (as a percentage of income) occur disproportionately among parents with the lowest incomes. Thus, we estimate a double-sided tobit model with compliance as the dependent variable, as described earlier.

The tobit results are presented in Table 2. As expected, higher income is associated with higher compliance rates. The coefficients on the two dummy variables indicating high and low orders have the expected signs (negative for high orders and positive for low orders), with the coefficient for high orders significantly different from 0 ($p < .05$). This indicates that high orders (as a percent of income) are associated with lower compliance rates than are standard orders. We found no evidence of an across-the-board effect of low orders. However, the interaction term between low orders and the lowest income group has a positive and statistically significant coefficient ($p < .10$). This suggests that the detrimental effect of very low income on compliance is attenuated by having a low support order. (Equivalently, having a low order does have a positive effect on compliance when the father is in the lowest income category.)[6]

TABLE 2

Tobit Model of Child Support Compliance in Paternity Cases

	Coefficient	(Standard Error)
INTERCEPT	.242*	(.123)
FATHER'S INC BELOW $6,155	-.376**	(.092)
FATHER'S INC $6,155-$12,309	(Omitted category)	
FATHER'S INC $12,310-$18,464	.157**	(.073)
FATHER'S INC ABOVE $18,464	.347**	(.078)
MISSING INCOME	-.479**	(.082)
LOW ORDER (<15%)	.006	(.085)
STANDARD ORDER (15-20%)	(Omitted category)	
HIGH ORDER (>20%)	-.229**	(.099)
LOW ORDER * LOWEST INCOME	.336*	(.176)
IMMEDIATE WITHHOLDING	.156**	(.046)
1981-1982	(Omitted category)	
1983	.150**	(.059)
1985	.134*	(.080)
1986	.182**	(.068)
1987	.267**	(.066)
1988	.371**	(.073)
1989	.359**	(.092)
MOTHER'S INCOME	.019**	(.006)
MISSING MOTHER'S INCOME	.063	(.060)
CUSTODIAL PARENT ≥ AGE 21	(Omitted category)	
YOUNG NONCUSTODIAL (<21)	-.041	(.041)
NONCUSTODIAL AGE MISSING	.111	(.087)
UNMARRIED NONCUSTODIAL	(Omitted category)	
MARRIED NONCUSTODIAL	-.108	(.072)
CHILD ≤ AGE 1 AT PETITION	(Omitted category)	
CHILD > AGE 1 AT PETITION	-.004	(.042)
MISSING CHILD AGE	.111	(.149)

(table continues)

TABLE 2 (continued)

	Coefficient	(Standard Error)
ORDER INDEXED TO INCOME	-.532*	(.285)
Sigma	.613**	(.019)
N = 1417		
Log-likelihood = -1238.8		

Source: Wisconsin Court Record Database and Wisconsin Department of Revenue.

Notes: Model also includes county dummy variables; results available upon request.

* Significantly different from zero at the .10 level.

** Significantly different from zero at the .05 level.

The model also suggests that stronger enforcement has a positive effect on compliance. The withholding coefficient is positive and statistically significant, as are the coefficients for all of the year variables.[7]

It is possible that the enforcement system may have a disproportionate effect on certain kinds of cases. In particular, we hypothesized that enforcement would work better on fathers who had the greatest ability to pay. To test this, we added interaction terms between the high-income category and the enforcement variables (immediate withholding and year). To simplify the interaction, we recoded year as a continuous variable for this analysis. The results did not support this hypothesis; the year-high income interaction coefficient was barely positive, and the withholding-high income interaction coefficent was negative, with neither statistically significant (model not shown). Thus, we found no evidence that changes in the enforcement system have had a disproportionate impact on the highest-income payers.

In Table 3, we present predicted compliance rates for a variety of prototypical cases which differ in income level, percentage of income owed, use of immediate withholding, and year. All remaining variables are set to the mean in calculating predictions. In computing predictions, we have only varied those variables with coefficients significantly different from zero. Also, we have only computed predictions for high order cases in the two lowest income categories, because our sample includes very few high order cases at higher incomes. Predictions are for the observed variable Y, not the latent variable Y*, and are thus limited to a range of 0 to 1.

As the earlier discussion suggests, the predicted compliance rate varies substantially with both the father's ability to pay and the stringency of the enforcement system. The lowest predicted compliance rate, .25, is for cases in 1981-82 in which immediate withholding is not used, the father's income is below the single-person poverty line, and the order is between 15 and 20 percent of his income (row A). For an analogous case in 1989 (row E), the predicted compliance rate is .44;

TABLE 3

Predicted Compliance with Child Support Orders, by Total Income, Percentage of Income Owed in Support, Use of Immediate Withholding, and Year, Based on Tobit Model

Row	Income Level	Order	Immediate Withholding	Year	Predicted Compliance
A	1	Standard	No	1981-82	.25
B	2	Standard	No	1981-82	.45
C	3	Standard	No	1981-82	.54
D	4	Standard	No	1981-82	.65
E	1	Standard	No	1989	.44
F	1	High	No	1989	.31
G	1	Low	No	1989	.64
H	1	Standard	Yes	1989	.53
I	1	High	Yes	1989	.40
J	1	Low	Yes	1989	.72
K	2	Standard	No	1989	.65
L	2	High	No	1989	.52
M	2	Standard	Yes	1989	.73
N	2	High	Yes	1989	.61
O	3	Standard	No	1989	.74
P	3	Standard	Yes	1989	.80
Q	4	Standard	No	1989	.82
R	4	Standard	Yes	1989	.87

Source: Wisconsin Court Record Database and Wisconsin Department of Revenue.

Notes: Standard orders are 15 to 20 percent of current income; low orders are less than 15 percent of income, and high orders are more than 20 percent of income. Income levels correspond to multiples of the 1988 single-person poverty line. All income above three times the single-person poverty line is coded as level 4. Mean values are used for all other independent variables. Predictions are for the observed variable Y, not for the unobserved variable Y^*.

adding immediate withholding (row H) increases the predicted compliance rate to .53. Modifying the ability-to-pay variables also has a substantial effect. Replacing the standard order with a high order (row I) decreases predicted compliance from .53 to .40, while replacing the standard order with a low order (row J) increases predicted compliance from .53 to .72; alternatively, keeping a standard order yet increasing income to between one and two times the one-person poverty level (row M) increases predicted compliance from .53 to .73, and increasing income to above three times the one-person poverty level (row R) results in a predicted compliance rate of .87.

IV. CONCLUSIONS AND POLICY IMPLICATIONS

A number of important findings have emerged from this analysis. First, our analysis indicates that fathers who do not comply with child support orders in the year following their initial order have, on average, very low incomes. This is especially true of fathers who do not pay any support. Furthermore, many fathers who do not comply with their orders have orders which represent a higher share of their income than prescribed under most existing support guidelines. On the other hand, not all noncompliers are poor, and more than half have orders which by current guidelines are standard or even low.

Our results suggest that the fathers' ability to pay has an impact on child support compliance. Predicted compliance increases substantially with income, especially at the lowest income levels. Additionally, the detrimental effect of extremely low income on compliance rates is offset by having a lower order (relative to income). We found no evidence of a more general effect of low orders, though we did find a negative effect of high orders on compliance. (As noted earlier, however, almost all of the high order cases in our sample occurred in the two lowest income categories; thus we were unable to determine whether this high order effect would hold at high income levels.)

Finally, our results indicate that strengthening the enforcement system does lead to greater compliance. Controlling for various case characteristics, compliance increased dramatically over the 1980s, an effect which can likely be attributed at least in part to the greater emphasis on enforcement over this period. Immediate income withholding, a specific enforcement strategy introduced during the mid-1980s, is also associated with higher compliance rates, a finding which is examined in more detail elsewhere (Garfinkel and Klawitter, 1990; Meyer and Bartfeld, 1992b).

The results of this analysis have several implications. At a policy level, they suggest that continued attention be paid to child support enforcement strategies. In light of existing research indicating that immediate withholding is not always used even when "mandatory" (Meyer and Bartfeld, 1992a), and that withholding orders often do not keep pace with job changes (Gordon, 1991), greater attention to implementing immediate withholding laws seems a promising policy direction.

The results also highlight the importance of adhering to, rather than exceeding, established support guidelines. The lower compliance rates among cases with high orders, coupled with existing research showing that high orders occur disproportionately among the lowest income payers (even after the guidelines became presumptive) (Melli and Bartfeld, 1991) suggest that compliance rates could be improved by closer adherence to the guidelines, and that the effect would be most pronounced among the lowest income payers. Note that higher compliance does not necessarily translate into higher payments, if the higher compliance is due to lower awards. However, it is arguable that one appropriate benchmark by which to gauge the functioning of the child support system is compliance relative to orders adhering to established guidelines.

The finding that low orders, as compared to standard orders, are associated with substantially higher compliance among the lowest-income fathers may also inform the debate over the appropriateness of the various child support guidelines currently in use.[8] Specifically, our findings

suggest that child support obligations based on a fixed percentage of income may be perceived as a greater burden by the lowest-income fathers. Thus, basing support on a lower percentage of income for the lowest-income fathers, as is currently done in some states, may be more appropriate. Of course, all child support guidelines reflect value judgments regarding the competing interests of children, custodial parents, and noncustodial parents (Garfinkel and Melli, 1989); the burden on the noncustodial parent is only one of several relevant factors to consider.

The results also suggest that efforts to increase the earnings capacity of noncustodial parents, in conjunction with enhanced enforcement efforts, may have a positive effect both on compliance and on total child support payments. The increase in total payments would stem from higher compliance rates and, to the extent that orders did keep pace with income, from the increase in the amount of the obligation. Thus, focusing on earnings capacity may be a promising addition to recent policy initiatives aimed at improving the functioning of the child support system. Subsequent research could shed more light on this issue by analyzing compliance from a longitudinal rather than cross-sectional perspective, to see if compliance rates respond to changes in income over time.

Perhaps the most important implication of this research has to do with the question posed in the title, namely, "Are there really deadbeat dads?" Our results suggest that framing the discussion of noncompliance in terms of "deadbeat dads" may be an oversimplification. Rather, it may be useful and appropriate to distinguish among types of noncompliers, both in describing the problem and in proposing solutions.

Notes

[1]The income above which state income tax returns must be filed varies from year to year as well as with marital status. In 1988, the cutoff points were $5,200 for a single person, $8,900 for a married couple filing jointly, and $4,230 for a married person filing separately. However, those with incomes below the filing limit may choose to file, because Wisconsin offers a refundable tax credit to low-income people who rent their homes.

[2]Although guidelines dictate the percentage of noncustodial parents' income which judges are supposed to order in child support, the actual order is usually expressed as a fixed dollar amount. In some cases, however, the order is expressed as a percentage of income, so that the obligation changes as income changes. If the order is indexed to income, we can determine the amount of support owed from the tax data. However, if a tax record is not available for the relevant year, or if the order is indexed to income for only a part of the year, we are unable to determine the amount of support owed. Such cases were excluded from the sample.

[3]An alternative measure of compliance is the gap between support paid and support owed. When the gap measure is used, a noncustodial parent who pays $100 per month out of a $200 obligation is treated the same as a parent who pays $500 per month out of a $600 obligation. When the ratio measure is used, on the other hand, a parent paying $100 per month out of a $200 obligation is treated the same as a parent paying $300 per month out of a $600 obligation. We feel the second measure is conceptually more appropriate.

[4]Note, however, that nonstandard orders in this sample do not indicate noncompliance on the part of the courts, for two reasons. First, the majority of the sample consists of cases which entered the courts before the guidelines were mandated. Second, the percentage of income is calculated for the year following the support order; when the support order is not explicitly indexed to income,

changes in income can result in orders which deviate from the guidelines, even if the order was initially appropriate.

[5]We suspect that the excluded cases are primarily low-income cases, as the distribution of the amount of support owed in these cases is similar to that in the lowest income cases.

[6]Because the average income among payers with low orders in the lowest income category is higher than the average income among payers with standard and high orders in the same income category, we thought the interaction coefficient might be capturing an income difference rather than an order difference within the low-income category. We tested this by dividing the lowest income category into two income subgroups and reestimating the model. The coefficient on the interaction term still had a positive coefficient which was only slightly smaller than in the original model.

[7]Note that there are no 1984 cases in the sample.

[8]Some states use a fixed percentage of income, others use a percentage which increases or decreases with the payer's income level, and in several states parents are assumed to be unable to afford support until they have achieved a minimum income level for themselves (Lewin/ICF, 1990).

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