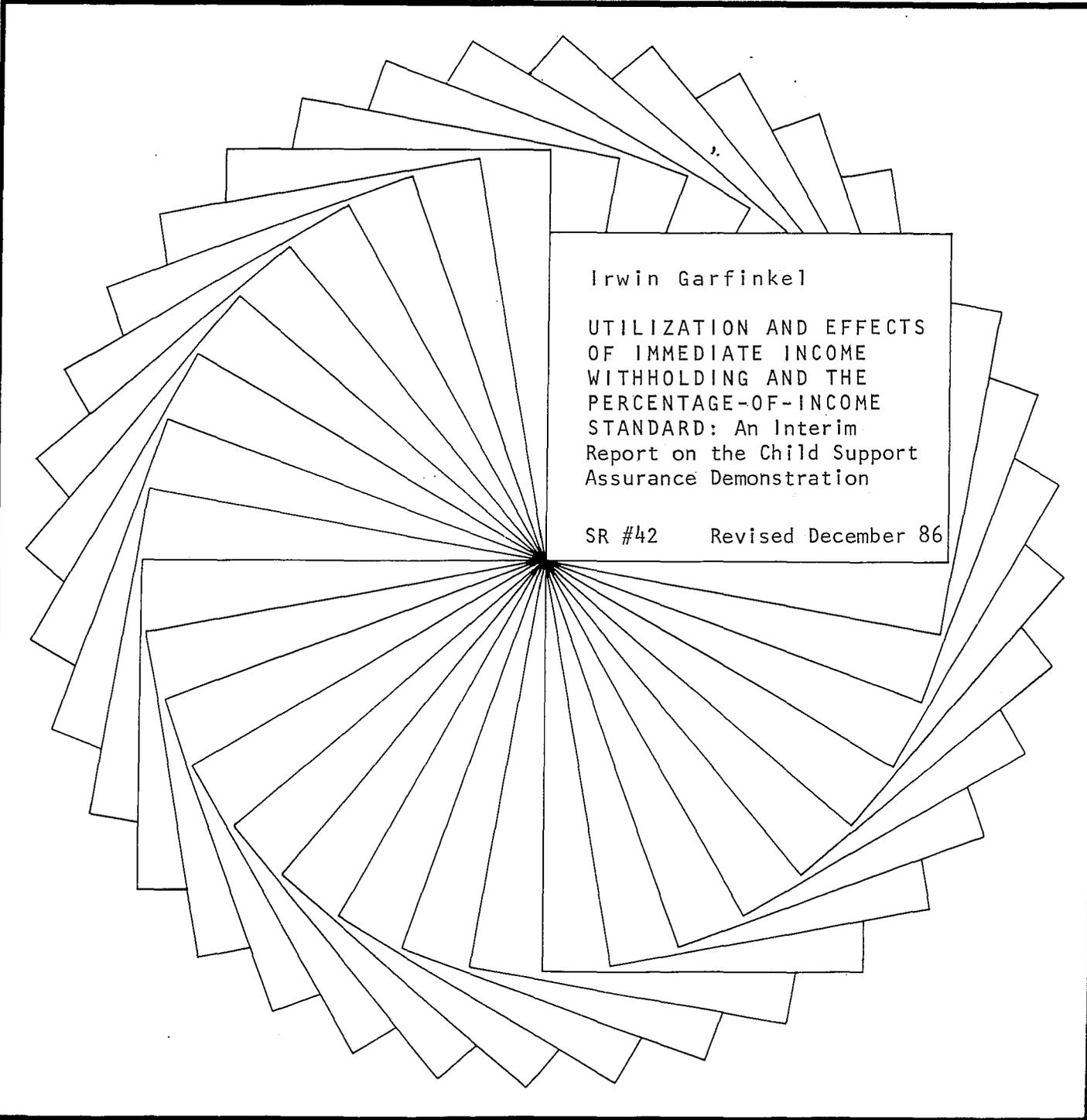


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Irwin Garfinkel

UTILIZATION AND EFFECTS
OF IMMEDIATE INCOME
WITHHOLDING AND THE
PERCENTAGE-OF-INCOME
STANDARD: An Interim
Report on the Child Support
Assurance Demonstration

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Utilization and Effects of Immediate Income Withholding
and the Percentage-of-Income Standard: An Interim Report
on the Child Support Assurance Demonstration

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Executive Summary

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

The report is preliminary in that it is based on early analyses of incomplete data. The report is based primarily on data collected from child support court records from 1980 thru 1986 in 20 Wisconsin counties. Additional data will be collected in early 1987. Other data sources--including surveys of judges and family court commissioners conducted in 1984 and 1985, county reports to the state on child support collections, and verbal reports of state officials--are also used in the report to supplement the story conveyed by the court records.

A. Utilization of the Percent of Income Standard

Based on the surveys of judges and family court commissioners, it appears that utilization of the percentage-of-income standard to arrive at fixed-dollar child support orders has increased--though by how much is difficult to judge. State officials, however--from discussions with local officials--report that where the standard is being employed, it is used primarily to arrive at child support orders that are expressed in dollar terms rather than as a percentage of the noncustodial parent's income. (Apparently, Sheboygan County, where orders are made in percentage terms, is an exception.) Unless there is a conscientious and expensive effort to review and index all cases at least annually, this failure to use the standard to arrive at percentage rather than fixed-dollar orders will lead over time to lower amounts of child support obligations and collections.

B. Effects of the Standard on Awards

Average initial child support awards as a proportion of noncustodial parent income were close to the standard before its publication and remained so afterwards. This finding highlights again the importance of the automatic indexing feature of the percentage-of-income standard, which is currently being used very little. The percentage-of-income standard will lead to increased collections, not by raising initial orders, but by automatically indexing orders.

Variations in award levels both across counties and within counties appear to have diminished somewhat in the two years since the percentage-of-income standard was published. The small decline could indicate that either the standard is not being used very much or that there are a large number of cases in which departure from the standard is justified in the minds of judges and family court commissioners.

Before publication of the standard, child support awards as a proportion of the noncustodial parent's income generally declined as income increased. After publication, however, the relationship of awards to income seems to have become somewhat less regressive and more proportional.

Finally, the proportion of court cases resulting in child support awards increased slightly in pilot counties and decreased moderately in control counties after publication of the standard and initiation of immediate income withholding. Exactly why this is so is not clear.

C. Utilization of Immediate Income Withholding

As expected, utilization of immediate income withholding has increased substantially within pilot counties--from about 7 percent to about 58 percent. Unexpectedly, however, utilization of immediate income assignments is far from universal in pilot counties, and in four of the ten control counties such utilization is nearly as high or higher than in some of the pilot counties.

Why immediate income assignments are being used in only about 58 percent of the cases in pilot counties is not clear. The court data collected to date permit only rough estimates of the extent to which the noncustodial parents without immediate income assignments had assignable income. What evidence we have, however, indicates that the lack of assignments is due partly to a lack of assignable income and partly to the unwillingness of judges and family court commissioners to make immediate assignments in all cases.

D. Effects of Immediate Income Withholding

Child support collections have increased by about 10% in both pilot and control counties. That collections increased by equal amounts in

pilot and control counties suggests that perhaps immediate income withholding is no more effective than withholding in response to delinquency. A closer examination of the data, however, suggests that (1) immediate income withholding does increase collections and (2) the failure of the effectiveness of immediate income withholding to translate into larger increases in collections in pilot counties is due to several offsetting factors.

One offsetting factor is that non-custodial fathers in the pilot counties were more likely than their counterparts in the control counties to have low income and to be unemployed. After controlling for such differences, collections in pilot counties increase about 4% to 6% more than in the control counties.

Implementation problems are another factor dampening the apparent effects of immediate income withholding. Ironing out the bugs in new administrative procedures invariably takes time. The difference in increased collections between pilot and control counties is bigger in the second than in the first year of the immediate income withholding demonstration.

The third and most important reason for the failure of immediate income withholding to translate into much larger increases in collections in pilot counties is that the pilot counties are not using immediate assignments in all possible cases and some of the control counties are making extensive use of immediate assignments. As a consequence, the difference in increased collections in pilot and control counties will underestimate the effectiveness of immediate income withholding.

Two other estimates of the effects of immediate income withholding on collections can be derived from: (1) the relationship between the extent of utilization of immediate income assignments in counties and child support collections in those counties and (2) the relationship between the utilization of immediate income assignments in individual cases and collections in those cases. The former suggests that increasing the utilization of immediate income assignments from zero to 70% would increase child support collections by 13% to 18%. Similarly, child support payments are 25% to 26% higher in cases with immediate income assignments than in cases without immediate income assignments. But the comparison of individual cases probably overstates the effects of immediate income assignments because of the impossibility of controlling perfectly for whether the obligor has assignable income. More careful analysis of the data as well as additional data reflecting longer experience with immediate income withholding is necessary to get a more precise estimate of the effects of withholding on collections.

INTRODUCTION

This report assesses the utilization of the percentage-of-income standard and immediate income withholding and their effects on child support orders and collections. The percentage standard and income withholding are two of the key features of the child support assurance system that the state of Wisconsin is developing. In the first section of this report the status of the development of the Wisconsin child support assurance system--of which the standard and withholding are a part--is described.

This report is based primarily on data collected from child support court records from 1980 thru 1986 in 20 Wisconsin counties. Other data sources--surveys of judges and family court commissioners conducted in 1984 and 1985, county reports to the state of child support collections, and impressions of state officials--are used to supplement the story conveyed by the court records. The second section describes the methods and data that are being used to evaluate the reform.

The utilization of the percentage-of-income standard and its impact on child support awards are described in the third section; the fourth describes the utilization of immediate income withholding and its effect on child support collections.

The summary and conclusion are contained in the Executive Summary.

I. STATUS OF THE WISCONSIN CHILD SUPPORT ASSURANCE SYSTEM DEMONSTRATION

One of every five American children is now potentially eligible for child support.¹ That is, they have a living parent not residing with

them who could be contributing to their financial support. Demographers project that nearly one-half of all children born today will become potentially eligible for child support before they reach adulthood.² The quality of the nation's child support institutions is obviously of great importance.

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

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

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

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

In July 1983, the Wisconsin Legislature enacted a budget bill that directed the state's Department of Health and Social Services (DHSS) to (1) contract with ten counties to withhold child support payments from the wages of all new obligors (immediate income withholding), and (2) publish a child support standard based on a percentage of the non-custodial parent's income (percentage-of-income standard) that judges and family court commissioners could use in lieu of the nine guidelines in the old law. The bill also contains a provision which requires all Wisconsin counties to adopt universal immediate income withholding in new cases as of January 1, 1987.

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

By May 1984 ten counties had contracted with DHSS to pilot the use of immediate income withholding. The counties were selected on the basis of the willingness of the judges and family court commissioners to implement the withholding, the desire of related agencies to participate in the demonstration, and the willingness of a majority on the county boards to contract with DHSS to participate in the demonstration. In addition, such factors as diversity in geographic location were considered. The

ten pilot counties are Clark, Dane, Dunn, Kewaunee, Monroe, Oneida, Ozaukee, Richland, Sheboygan, and Winnebago.

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

Finally, the July 1985 budget bill for the 1986-87 biennium contains new child support legislation that permits additional counties to begin immediate income withholding prior to January 1, 1987, and makes the DHSS percentage-of-income standard the presumptive child support award as of July 1987. This means that awards can depart from the standard only if the judge makes a written finding that justifies such a departure. Finally, the new bill gives the DHSS authority, subject to a final approval by the Joint Finance Committee in late 1986, to implement the assured benefit on a demonstration basis in several counties.

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

II. EVALUATION DESIGN AND DATA COLLECTION

The evaluation was designed to enable both a before/after and a cross-county comparison of the effects of the immediate income

withholding demonstration. That is, evaluation of the income withholding demonstration involves comparing child support collection effectiveness in counties that use immediate income assignments to the collection effectiveness of the same counties before they adopted immediate income withholding and to the collection effectiveness of a set of similar counties that did not adopt immediate income withholding. The data we collected, however, also enable us to evaluate what effect, if any, the publication of the percentage-of-income standard had on child support orders.

The ten counties participating in the demonstration have been matched with ten similar control counties and both predemonstration and post-demonstration data have been collected. The pilot and control counties were matched on such aggregate characteristics as population, geographic location, divorce rate, unemployment rate, average per capita income and the reported IV-D (federal child support enforcement for AFDC families) case expenditures. As Table 1 indicates, on average the pilot and control counties match fairly well.

Within each of the counties our sampling frame was all family court cases (including paternities) in which a child under 18 years of age was involved. Because the pilot demonstration was scheduled to occur over a three-year period, the predemonstration (baseline) period also encompassed three years--from July 1, 1980, through June 30, 1983. For the baseline sample we randomly selected from each county 150 to 200 cases that commenced at some point over the 1980-83 period, with equal numbers of cases each year. Each case in the baseline sample has a minimum of 12 months of data, and a maximum of 36 months.

Table 1
 Characteristics of Pilot and Control Counties

	1980 Population	1981 Divorces	1980 Per Capita Income	1983 Unemployment Rate	1983 AFDC-IV-D Case Expend.
<u>Pilots</u>					
Clark	32,910	112	\$7,125	12.6%	\$12.9
Dane	323,545	1,741	10,364	6.8	13.47
Dunn	34,314	118	6,875	7.7	13.44
Kewaunee	19,539	67	8,067	14.3	28.0
Monroe	35,074	191	7,995	10.1	9.98
Oneida	31,216	188	8,023	10.4	13.72
Ozaukee	66,981	303	12,245	9.4	13.25
Richland	17,476	97	7,346	11.8	12.97
Sheboygan	100,935	447	9,733	9.5	10.38
Winnebago	131,703	658	9,772	9.2	9.34
Unweighted Mean	79,369	392	8,755	10.2	13.75
<u>Controls</u>					
Calumet	30,867	104	\$8,766	14.7%	\$35.74
Dodge	75,064	456	8,882	10.7	11.37
Green	30,012	160	9,945	8.1	5.46
Jefferson	66,152	336	9,017	11.4	15.07
Juneau	21,039	93	7,395	11.4	18.32
Marathon	111,270	341	8,240	11.4	9.48
Price	15,788	79	7,225	11.7	11.91
Racine	173,132	1,083	10,229	13.0	11.68
St. Croix	43,262	213	8,087	8.7	11.98
Waukesha	280,326	1,481	11,819	10.0	13.65
Unweighted Mean	84,691	435	8,961	11.1	14.47

Ultimately, the postdemonstration sample will mirror the baseline sample. The postdemonstration period will eventually encompass three years --from January 1, 1984, through December 31, 1986 and 150 to 200 cases will be selected from each county. This report, however, analyzes data collected as of two years after the scheduled implementation of the demonstration. Table 2 depicts the implementation dates for immediate withholding in pilot counties and the scheduled implementation dates in control counties that subsequently adopted withholding. For pilot counties, the maximum and average number of months of data on child support payments after implementation of immediate withholding is also depicted. The latter indicates that although we have two years of payment data in some cases, the average is closer to one year.

For Year 1 of the postdemonstration sample, data were collected on those cases which began one month after the county's implementation date of the demonstration, up to October 1, 1984. This sampling plan maximized the number of months of demonstration participation while allowing an implementation lag of at least one month. Within each county, 30 to 100 cases were randomly selected. Data collection this year "updated" or "followed up" these cases, adding court action and payment data, up to February 1, 1986. Each case now has a minimum of 16 months of data and a maximum of 24 months.

For Year 2 of the postdemonstration sample, data were collected on those cases that began between October 1, 1984 and June 1, 1985. Within each county, every case was selected until the sample size was reached or to a June 1, 1985, commencement date, whichever occurred first. This sampling plan maximized the number of months of court action and payment data.

Table 2

Implementation Dates and Months of Data Available
on Immediate Wage Withholding

Pilot Counties	Implementation Date	Number of Months of Data	
		Maximum	Average
Clark	1-15-84	24.2	14.5
Dane	5-01-84	20.1	12.0
Dunn	1-03-84	24.4	11.5
Kewaunee	1-01-84	22.2	13.7
Monroe	2-01-84	24.9	15.1
Oneida	6-15-84	19.8	12.2
Ozaukee	2-15-84	24.0	13.3
Richland	1-03-84	24.0	13.8
Sheboygan	3-15-84	21.2	13.5
Winnebago	4-02-84	21.0	13.2
Control Counties	Implementation Date (If Applicable)		
Calumet	--		
Dodge	4-1-86		
Green	9-1-86*		
Jefferson	9-1-86*		
Juneau	8-01-85		
Marathon	6-15-86		
Price	1-01-86		
Racine	--		
St. Croix	--		
Waukesha	--		

*Expected implementation date.

Within each county, we selected 30 to 100 cases; the number drawn in each county varies according to the county's caseload size. In some counties the caseload was small enough within the time period to permit selection of relevant cases, whereas in Dane County approximately 20 percent of the relevant cases were selected. The data are weighted to reflect the proportion of relevant cases in the population of family court cases in each county.

For each court action in a case, data collected include the dates and purposes of the actions, the custody and visitation agreements, amount of child support ordered, arrearages, other types of payment orders (family, maintenance or lump sum), property settlements, whether attorneys are involved, how support is determined, and income assignment orders and effectuation.

Payment data collected are from the entire available payment record for each case, detailing the date and amount of all payments sent to the office of the county clerk of court. It should be noted, however, that while Wisconsin law requires noncustodial parents to make child support payments to the county clerk of court rather than directly to the custodial parent, we know from discussions with some clerk of court staff that this is not always done. These discussions have also led us to believe that the prevalence of direct payments to the custodial parent varies from county to county depending upon the pressure the court exerts. Data from the CHIPPS survey indicates that direct payments are made in about 7 percent of child support cases.⁴ The court data indicate that only 2 to 3 percent of cases report direct payment agreements. We are currently planning a survey of custodial and noncustodial parents which should

provide a more accurate picture of direct child support payments. The survey will be for only a portion of our sample, however, and will not be implemented until 1987. Until these survey data are available we must assume that the official court records underestimate the payment of child support by a small amount.

The data obtained from the court and payment records of cases also include some demographic information--age, race, education, employment, income amounts and sources, number and age of children, and marital history and status. Unfortunately, data on income are missing in nearly half the cases and data on race and education are missing in 80 to 90 percent of the cases.

Table 3 presents unweighted case counts for pilot and control counties both by the year in which the case began and by the type of case. There are about 1200 cases per year, nearly evenly divided between the ten pilot and ten control counties. With a few exceptions, most of the counties have between 40 and 80 cases per year. Dane and Waukesha counties have substantially more because they have much bigger populations potentially eligible for child support. Kewaunee and Price have noticeably smaller samples in the fourth and fifth cohort years because of their size and the fact that in those years the sample was drawn from less than a full year's experience in order to insure at least four or five months of potential payment experience. Paternity cases--whose number is more than one-third as many as divorce cases --were oversampled so that we would have a sample large enough to analyze. In the analysis below they and other cases are weighted appropriately to reflect the proportion of relevant cases in the population.

Table 3

Number of Cases by County, Cohort, and Case Type

	Cohort					Case Type		
	1980-81	1981-82	1982-83	1984-85	1985-86	Pater-	Di-	Other
	1	2	3	4	5	nity 1	vorce 2	3
<u>Pilot</u>								
Clark	57	49	45	41	41	57	129	47
Dane	138	128	134	104	159	141	400	124
Dunn	53	49	50	31	66	53	136	60
Kewaunee	43	46	51	24	12	28	107	41
Monroe	51	54	50	52	49	46	173	37
Oneida	52	48	52	46	56	50	166	38
Ozaukee	63	64	62	51	67	81	197	32
Richland	44	49	50	25	37	45	126	35
Sheboygan	74	76	72	55	67	102	227	16
Winnebago	78	73	73	78	82	123	224	37
Total	653	636	639	507	636	726	1885	467
<u>Control</u>								
Calumet	50	54	51	40	57	58	157	37
Dodge	52	47	49	64	60	65	207	-
Green	53	51	45	28	50	47	137	43
Jefferson	48	49	52	54	72	62	182	31
Juneau	48	43	51	37	44	40	162	21
Marathan	69	64	67	63	83	109	195	42
Price	46	49	49	23	29	39	125	32
Racine	67	68	66	81	80	110	196	56
St. Croix	53	48	55	53	53	42	174	46
Waukesha	133	135	132	114	157	158	430	83
Total	619	608	617	557	685	730	1965	391

The cases classified as others include interstate enforcement and action-to-compel cases. There are two kinds of interstate enforcement cases: those in which the custodial parent resides in Wisconsin and the noncustodial parent lives outside the state, and vice versa. Action-to-compel cases are usually ones in which there has been a separation and the noncustodial parent has applied for AFDC. Because many of these cases differ from the conventional divorce and paternity cases--for example, there is often a history of nonpayment of support when the case comes to the court--they are not analyzed in the data below. They will be analyzed in subsequent work.

III. UTILIZATION AND EFFECT OF THE PERCENTAGE-OF-INCOME STANDARD

The potential effects on child support collections of applying the income standard depends in part on the extent to which judges and family court commissioners elect to use it. Thus we begin this section with an analysis of the extent to which the standard is being used. Then we consider evidence on effects.

A. Utilization

There are no data in the court records on the utilization of the percentage-of-income standard. Thus we must rely on two surveys of judges and family court commissioners. In 1984 and in 1985, the Institute for Research on Poverty surveyed first family court commissioners and then family court judges on their use of the standard. In the earlier survey only about 17 percent of the commissioners reported using the standard

"most or all of the time;" whereas in the later survey, judges reported that in 38 percent of cases the standard was "strictly applied."⁵

Finally, although utilization of the percentage-of-income standard has increased, in nearly all cases in which the standard has been used, its purpose was to arrive at a child support award expressed as a specified dollar amount rather than as a percentage of income. This conclusion is based on verbal reports by state officials, who in turn based their reports on discussions with local child support officials.

(Sheboygan appears to be an exception.) The rationale apparently is that county clerks of the court do not feel they can monitor percentage orders because they do not have access to data on total income. Presumably, when withholding and computerization become more routine this will no longer be a problem. In the meantime, however, one of the principal advantages of the standard--that it automatically indexes child support awards to increases and decreases in the noncustodial parent's income--is not being realized. Because the incomes of noncustodial parents increase, on average, over time, using the standard to derive fixed dollar orders rather than percentage orders means that over time obligations and collections will be lower.

In short, it seems clear that utilization of the percentage-of-income standard to arrive at fixed dollar child support orders has increased, but the surveys of judges and commissioners are out of date and the court data do not permit us to say what the current level of usage is. Failure to utilize the standard to arrive at child support orders that are expressed as a percentage of the noncustodial parent's income results in lower child support obligations and collections.

B. Effects of the Percentage-of-Income Standard on Initial Awards

To measure the effects of the standard on initial child support awards, we looked at three outcomes: the proportion of cases with child support awards, the average initial award as a proportion of income by income class, and awards as a proportion of income by county. Table 4 presents the proportion of cases with child support orders by county before and after the publication of the standard. There is some variation across counties in the proportion of cases with awards. In the postpublication period, for example, Dodge County has the lowest proportion, 73 percent, and Oneida the highest, 90 percent. The sources of this variation have yet to be explored.

The most interesting aspect of Table 4 is the weighted averages, which indicate that whereas the proportion of cases with awards increased from 82 percent to 83 percent in pilot counties, in control counties the proportion decreased from 84 percent to 79 percent. This difference is statistically significant. Why award rates decreased noticeably in control counties while they increased slightly in pilot counties is something of a mystery. Because the percentage-of-income standard could have been used or ignored by judges and family court commissioners in both pilot and control counties, there is no reason to believe that publication of the standard should have resulted in such an effect. A possible explanation is that greater utilization of immediate income withholding in pilot counties has resulted in efficiencies that allow staff to devote more time to harder cases, resulting in the securing of more awards. If the proportion of harder cases--such as paternities--has

Table 4

Percentage of Cases with Support Orders, by County,
before and after Publication of Standard
and Beginning of the Demonstration

County	Before Publication of Standard, before Demonstration	After Publication of Standard, after Demonstration
<u>Pilots</u>		
Clark	80	84
Dane	79	80
Dunn	72	86
Kewaunee	80	86
Monroe	87	89
Oneida	83	90
Ozaukee	87	89
Richland	85	87
Sheboygan	86	81
Winnebago	86	82
Weighted average	82	83
<u>Controls</u>		
Calumet	83	76
Dodge	80	73
Green	88	74
Jefferson	81	80
Juneau	78	82
Marathon	79	74
Price	75	75
Racine	89	82
St. Croix	80	88
Waukesha	85	81
Weighted average	84	79

Note: All data are weighted.

been increasing, that would account for the decline in control counties in the proportion of cases with awards, and the efficiencies of immediate income assignments in pilot counties might have been sufficient to offset this adverse trend. At this point, however, this is only speculation.

Why approximately 20 percent of the cases potentially eligible for awards do not get them is illuminated somewhat by the data in Table 5, which presents the proportion of cases receiving awards, by marital status and custody arrangement. In almost 90 percent of divorce cases in which the mother receives sole custody, a child support award is made. These cases constitute about 80 percent of all child support cases. The proportion of paternity, father custody, and joint custody cases in which there is an award is substantially lower--ranging only from 66 to 81 percent, 20 to 32 percent, and 60 to 74 percent, respectively. In future research we will attempt to explore in greater detail the circumstances pertaining to cases with no awards. The increase in the proportion of paternity cases receiving awards in pilot counties, coupled with the large decrease in the proportion receiving awards in control counties, is consistent with the hypothesis that utilization of immediate withholding in pilot counties freed staff time to pursue more difficult cases. On the other hand, the big increases in award rates for joint custody and father custody cases in pilot counties suggests that pilot counties may be using the standard more than control counties.

Although there is some mystery as to why 20 percent of cases do not receive awards, the 80 percent who do is a much higher figure than the national averages of only about 60 percent. One reason that the figure is so much higher is that Wisconsin more actively pursues awards than

Table 5

Percentage of Cases with Awards, by Marital Status and
Custody Arrangement, before and after Publication of the Standard

Case and Custody Type	Pilot Counties		Control Counties	
	Prepublication	Postpublication	Prepublication	Postpublication
Sole mother custody, divorce cases	88	89	92	89
Sole mother custody, paternity cases	76	81	76	66
Joint custody, divorce cases	60	70	74	71
Father custody, divorce cases	20	32	24	28
All cases	82	83	84	79

Notes: All data are weighted. Computations summarize the entire court record and exclude cases where there was a change in custody.

does the rest of the nation. Another reason, however, is that our sample consists only of potentially eligible families who enter the court system. Because some of the potentially eligible families do not enter that system, and therefore do not obtain awards, the estimate from the court record data is not comparable to the national estimate from survey data and is higher than would be an estimate of the proportion of all families potentially eligible for child support that have a child support award.

Table 6 presents data on child support awards as a percent of the noncustodial parents' income before and after publication of the proportional income standard. The data are limited to sole custody cases in which there was data on the income of the noncustodial parent. The income figure refers to the time when the award was made. The data are presented by number of children and by income class. The awards are those made in the final judgment of the case, or if there was not a final judgment, the initial judgment. The most striking finding is that there is very little change in average awards as a percentage of income after publication of the standard. The weighted averages at the bottom of the table indicate that the percentages for one and two children were identical before and after publication of the standard--18 percent and 24 percent, respectively--then rose slightly for three children--from 27 percent to 28 percent; and increased considerably for four children--from 29 percent to 36 percent. Equally striking is how close these percentages are to the percentages represented by the published standard.

Awards as a percentage of income generally decrease as the income of the noncustodial parent increases. The highest awards as a proportion of

Table 6

Child Support Award as a Percentage of Income by Income Class and Number of Children, before and after Publication of the Standard

Noncustodial Parents' Gross Yearly Income Category	Prepublication: Number of Children				Postpublication: Number of Children			
	1	2	3	4+	1	2	3	4
	n=650	n=496	n=167	n=59	n=403	n=285	n=97	n=28
\$1-\$4999	34%	57%	35%	36%	26%	39%	45%	25%
\$5000-\$9999	20	30	36	24	18	27	29	38
\$10,000-\$14,999	18	23	24	32	18	23	28	38
\$15,000-\$19,999	14	22	28	24	15	23	31	37
\$20,000-\$29,999	13	21	24	33	18	24	26	32
\$30,000-\$39,999	15	19	21	36	14	20	22	30
> \$40,000	14	17	18	21	20	16	24	31
Weighted Average	18	24	27	29	18	24	28	36

Notes: This table is not disaggregated by experimental status (i.e., control and pilot counties are analyzed together). Only sole custody cases where income of the payor is greater than 0 and where there is an award are included. Cases where the payor has changed, and all interstate enforcement and action-to-compel cases are excluded. Values greater than 100 percent are set equal to 100 percent. All data are weighted.

income are for those parents with income under \$5000. These awards are so much higher in percentage terms than all the other awards that part of the explanation must be that judges and family court commissioners are assuming in these cases that income is temporarily low. Even if we ignore the under \$5000 category, however, awards generally decline in percentage terms as income increases.

After publication of the standard, the relationship between awards and income appears to be somewhat more proportional. For example, while the percentage for one child declines steadily between \$5000 and \$40,000 before publication of the standard, after publication it is virtually flat throughout. Similarly, the decline for two children is less steep up to \$40,000 of income after publication of the standard than before.

Finally, Table 7 presents data on average awards as a proportion of income, by counties, before and after publication of the standard. The data indicate a fair amount of variation in average awards across counties. For one child in the prepublication era, for example, awards as a percentage of income range from a low of 11 percent in Dunn and Price counties to a high of 24 percent in Green County. On the other hand, there is a small decline in the variation of awards both within and across counties. The standard deviations of awards as a percentage of income (not shown in the table) declined somewhat in the postpublication period. The decline suggests that publication of the standard has had some effect. The fact that the decline is so small, however, suggests that either the standard is not being used very much or that there are a large number of cases in which departure from the standard is justified in the minds of judges and family court commissioners.

Table 7

Award as a Percentage of Income by County, Experimental Status, and Number of Children, before and after Publication

	<u>Before Publication:</u>				<u>After Publication:</u>			
	<u>Number of Children</u>				<u>Number of Children</u>			
	1	2	3	4+	1	2	3	4+
<u>Pilots</u>								
Clark	14	23	14	23	15	18	22	30
Dane	19	23	28	35	17	23	31	56
Dunn	11	18	17	22	14	25	28	22
Kewaunee	21	22	32	22	5	25	29	-
Monroe	23	19	18	22	15	23	43	-
Oneida	16	23	19	34	19	18	27	22
Ozaukee	16	24	30	20	21	26	31	-
Richland	14	19	26	22	14	24	61	-
Sheboygan	16	20	20	31	17	27	25	29
Winnebago	20	25	26	21	17	23	31	26
Weighted Average	18	22	25	26	17	24	30	35
<u>Controls</u>								
Calumet	20	25	22	35	31	28	30	26
Dodge	22	30	28	15	21	25	22	31
Green	24	33	30	56	22	24	29	29
Jefferson	16	24	30	30	19	25	26	49
Juneau	17	28	35	42	22	31	32	20
Marathon	17	26	30	26	17	26	26	28
Price	11	27	23	21	16	17	20	50
Racine	21	28	32	36	16	27	30	39
St. Croix	13	14	15	40	27	18	32	15
Waukesha	16	22	24	30	18	20	22	37
Weighted Average	18	25	28	33	19	24	26	36

Notes: Only sole custody cases where income of the payor is greater than 0 and where there is an award are included. Cases where the payor has changed, and all interstate enforcement and action-to-compel cases are excluded. Values greater than 100 percent are set equal to 100 percent. All data are weighted.

In summary, average initial child support awards as a proportion of the noncustodial parent's income were close to the standard before its publication and remained so afterwards. Variations in award levels across counties have diminished slightly. After publication of the standard, the relationship of awards to income seems to have become somewhat less regressive and more proportional.

IV. UTILIZATION AND EFFECT OF IMMEDIATE INCOME WITHHOLDING

The potential effectiveness of immediate income withholding on child support collections depends in part on how extensively immediate income assignment is ordered, which in turn depends both upon the extent to which obligors have assignable income, and upon the the extent to which family court commissioners and judges order immediate income assignments in cases where it is possible to do so. We begin first with data on utilization and then consider the effects on collections.

A. Utilization

Table 8 presents data on the proportion of cases with assignable income. Assignable income is defined as wages or salaries paid by a third party, or unemployment compensation. Because a large proportion of cases had no information on income sources we present this information in three ways: the number of cases with no information on income sources divided by the total number of cases (proportion unknown); the number of cases in which there is a known income source which is assignable divided by the total number of cases (assignable income, lower bound); and the number of cases in which there is a known income source which is

Table 8

Percentage of Cases with Assignable Income

County	Prepublication			Postpublication		
	Unknown	Lower Bound	Upper Bound	Unknown	Lower Bound	Upper Bound
<u>Pilots</u>						
Clark	15	61	71	2	70	71
Dane	14	76	88	7	84	90
Dunn	33	56	83	31	57	82
Kewaunee	13	68	78	7	82	88
Monroe	27	58	80	16	57	68
Oneida	29	57	81	30	48	69
Ozaukee	19	71	88	8	90	98
Richland	33	54	80	22	57	73
Sheboygan	33	62	93	17	80	97
Winnebago	17	67	81	16	70	84
Weighted average	21	68	86	14	75	86
<u>Controls</u>						
Calumet	21	70	89	20	65	81
Dodge	25	67	89	11	82	92
Green	15	70	82	16	65	77
Jefferson	20	69	86	10	82	92
Juneau	34	56	85	33	51	77
Marathon	23	69	89	15	78	92
Price	15	72	84	34	57	87
Racine	19	70	87	8	78	84
St. Croix	23	72	93	30	59	85
Waukesha	21	72	91	24	68	89
Weighted average	21	70	88	17	72	87

Notes: All data are weighted. This table summarizes cases where the father is payor. Interstate enforcement and action-to-compel cases are excluded. We use the final judgment, but if there is none, we use the first court action.

assignable divided by the number of cases in which there is data on income sources (assignable income, upper bound). The second figure is a lower-bound estimate of the proportion of cases with assignable income in that it assumes that no cases with missing data on income sources have assignable income; the third figure assumes that the proportion of cases with missing data that have assignable income is the same as that for the cases with data. Because the latter assumption is unlikely and the former, as we shall see below is clearly false, the truth undoubtedly lies somewhere in between.

The postdemonstration figures for the pilot counties are likely to be the best estimates. Note that although the pilot and control counties had the same percentages of missing data on income sources and of assignable incomes in the predemonstration period, during the postdemonstration period the proportion of missing data had dropped more in pilot counties--suggesting that the pilot counties made greater efforts to obtain income data, which paid off in the form of detecting a greater percentage of total cases with assignable income. (The differences in income data at the time of the first order were even more dramatic--only 23 percent missing in pilot counties versus 35 percent in control counties.) The postdemonstration figures for the pilot counties suggest that between 75 percent and 86 percent of cases have assignable incomes.

Table 9 presents data on utilization of both immediate income assignments and response-to-delinquency assignments before and after the immediate income withholding demonstration began. A case in which there is an income assignment issued at the same court appearance in which a child support order was issued and in which there is a date specified in the

Table 9

Utilization of Immediate and Response-to-Delinquency
Income Assignments, by Cohort

	Percentage of Cases with Immediate Assignment					Percentage of Cases with Either Immediate or Response to Delinquency Assignment				
	Cohort					Cohort				
	1	2	3	4	5	1	2	3	4	5
<u>Pilots</u>										
Clark	6	16	0	47	67	19	16	4	52	71
Dane	2	3	7	62	54	12	16	14	65	60
Dunn	0	0	0	71	43	4	4	0	71	43
Kewaunee	7	14	23	71	63	10	27	26	79	75
Monroe	16	13	23	33	40	28	16	34	46	42
Oneida	0	3	0	71	41	13	18	9	77	46
Ozaukee	3	1	6	81	67	15	1	6	84	68
Richland	6	0	0	67	68	15	2	3	73	71
Sheboygan	3	2	2	61	58	17	8	2	64	60
Winnebago	0	10	5	55	65	10	24	6	68	79
Weighted average	3	5	6	60	55	14	15	10	67	60
<u>Controls</u>										
Calumet	15	6	7	20	23	31	6	7	20	29
Dodge	10	0	3	17	10	20	9	3	33	12
Green	2	10	3	33	53	8	14	6	40	56
Jefferson	5	6	14	17	35	22	13	24	29	48
Juneau	10	6	0	11	15	20	12	3	25	30
Marathon	0	0	0	3	4	16	6	0	12	13
Price	0	0	0	8	6	4	4	0	31	18
Racine	39	17	24	33	31	49	26	29	49	39
St. Croix	0	0	0	5	0	0	0	0	10	3
Waukesha	2	5	5	11	23	11	12	8	22	28
Weighted average	14	8	11	18	22	24	15	14	30	29

Notes: Interstate enforcement and action-to-compel cases, and cases with private pay agreements or no award are excluded. Only cases where the father is the payor are included. All data are weighted.

court record as to when the assignment took effect is classified as one in which there is an immediate income assignment. (In some cases the effective date of the income assignment was more than 60 days after the court date, we did not classify these as immediate assignments.)

Response-to-delinquency assignments are cases in which there was evidence of a delinquency and there was an income assignment, but it was ordered at a court appearance subsequent to the appearance at which child support was ordered. Cases in which there was an income assignment in the court record, but the assignment was undated or pending, are not counted as either immediate or response assignments. There are also a few cases with dated income assignments which cannot be categorized as either immediate or response assignments. Finally, there are some cases in which there was no evidence whatsoever of any income assignment in the court record.

The data in Table 9 indicate that the utilization of immediate income assignments increased dramatically in the pilot counties after the demonstration began (cohorts 4 and 5). Whereas in the three predemonstration periods, pilot counties on average used immediate income assignments in only 3 percent, 5 percent, and 6 percent of cases, in the two postdemonstration periods utilization increased to 60 percent and 55 percent of cases.

In control counties, utilization of immediate income assignments was higher in the predemonstration period than in pilot counties--14 percent, 8 percent, and 11 percent, as compared to only 3 percent, 5 percent, and 6 percent. Utilization also increased in the postdemonstration period, though not nearly so much as in pilot counties--18 percent and 22 percent

compared to 60 percent and 55 percent. In the predemonstration period, the extensive use of immediate income assignments in Racine County accounts for the high average for the control counties. In the postdemonstration period, several other control counties--Green, Jefferson, Calumet and Waukesha--also begin to use immediate assignments quite frequently.

Indeed, the utilization of immediate income assignments in three of these control counties--Green, Jefferson, and Racine--is nearly as high or higher than utilization in some of the pilot counties. In practice, therefore, though there is a big difference on average between the utilization of immediate income assignments in pilot and control counties, in some particular cases, the neat distinction between pilot and control counties has begun to break down.

The second panel in Table 9 indicates the extent to which counties used either immediate or response-to-delinquency assignments. Several points stand out. First, whereas on average pilot counties used immediate income assignments in the postdemonstration period nearly three times as often as control counties, the difference in utilization of the sum of immediate and response assignments is only about twice as much. Second, it is somewhat surprising that pilot counties continue to use response-to-delinquency assignments in the postdemonstration period. Why immediate income assignments were not used in these cases is puzzling, since the point of the demonstration was to order income assignment wherever possible.

Finally, and related to the previous point, the data in Table 9 indicate that in the pilot counties, utilization of immediate income assignments has been far from universal. Only from 55 percent to 60 percent of

cases in the pilot counties had immediate income assignments. This is substantially below the estimated range of 75 percent to 86 percent of the cases with assignable income. Thus it seems worthwhile to explore in greater detail why immediate income assignments are not used more frequently in pilot counties. Tables 10 and 11 are designed to shed some light on this issue.

Table 10 presents data on utilization of income assignments by source of income. The data is limited to cases in which the noncustodial father is the obligor. Four sources of income are identified: wages and salaries paid by others; self-employment income; unemployment insurance; and other sources. In addition, there is a column for missing income source. Not surprisingly, immediate income assignments are most common--74 percent of cases--where income is derived from wages and salaries. Even in these cases, however, 26 percent of cases do not have immediate income assignments. In other words even in the best circumstances for immediate income assignments, utilization is less than universal. Also not surprising is the finding that immediate income assignments are least common in cases where self-employment is the principal source of income--in fact, it is somewhat surprising that income assignments are used as frequently as they are in these cases. Similarly, the fact that immediate income assignments are utilized in 42 percent, and response assignments in another 11 percent of cases, in which income source is missing in the data is strong evidence that at least 53 percent of the cases with that missing data do have assignable income. Finally, in 81 percent of the cases with unemployment insurance income there is an immediate income assignment. The fact that this figure is higher than the figure for wages and salaries is surprising.

Table 10

Utilization of Income Assignments in Pilot Counties
during the Demonstration, by Father's Income Source

Income Assignment Type	Father's Income Source				Source Missing
	Employed by Other	Self- Employed	Unemployment Compensation	Other	
Immediate	74%	13%	81%	39%	42%
Response to Delinquency	3	11	-	-	11
Pending, unclear	12	38	13	51	22
No assignment	11	39	6	10	25

Notes: Interstate enforcement and action-to-compel cases, and cases with private pay agreements, no income or no award are excluded. Income source information is from the first court action only. Income assignment type is from the first court action in which there was an assignment. Only cases where the father is the payor (per entire court record) are included. All data are weighted.

Table 11 presents data on use of income assignments in the pilot counties after the demonstration began, by income class of the noncustodial father. The data indicate, on the one hand, that utilization of immediate income assignments increases with the income of the noncustodial father; but that the proportion of cases with no evidence of any kind of income assignment jumps dramatically for those with incomes above \$30,000. These data are consistent with the idea that lack of assignments are due partly to the lack of assignable income and partly to unwillingness of judges and family court commissioners to utilize immediate assignments in all cases.

B. Effects of Immediate Income Assignments on Collections

This section analyzes the impact of immediate income assignments on child support payments. The sample for analysis is limited to divorce and paternity cases with child support awards and no direct payment agreements between the parents. The regularity and amount of child support payments are measured respectively by the following two variables: (1) the ratio of months of child support payments made to months in which there was a child support obligation, and (2) the ratio of dollars of child support paid to dollars of child support due.

Table 12 shows the ratios of months paid to months due and payments made to payments due for both pilot and control counties both before and after the demonstration began. In both pilot and control counties, the ratios are higher in the postdemonstration period. The increase--about 10 percent--is notable. Although the increase in the months paid to months due in the pilot counties is bigger than that in the control

Table 11

Utilization of Income Assignments in Pilot Counties
during the Demonstration, by Father's Gross Annual Income

Noncustodial Father's Gross Annual Income	Income Assignment Type			Pending or Unclear
	Immediate	Response to Delinquency	No Assignment	
\$0	15%	17%	19%	49%
\$1-\$4999	50	9	11	30
\$5000-\$9999	51	10	13	26
\$10,000-\$14,999	64	9	6	22
\$15,000-\$19,999	63	4	10	24
\$20,000-\$29,999	67	2	13	18
\$30,000-\$39,999	75	-	15	10
> \$40,000	68	-	32	-
Missing	54	6	16	23

Notes: Interstate enforcement and action-to-compel cases, and cases with private pay agreements or no award are excluded. Income information is from the court action of assignment; if no assignment, then from the final judgment, if no final judgment, then from the first court action. The income assignment type is from the first court action in which there was an assignment. The "pending or unclear" cases have missing or pending dates or are neither response nor immediate assignments. Only cases where father is the payor (per entire court record) are included. Yearly income is computed by multiplying monthly income by 12. All data are weighted.

Table 12

Ratio of Payments Made to Payments Due and
Months Paid to Months Due, before and after the Demonstration Began

County	Before Demonstration		After Demonstration	
	<u>Payments Made</u> Payments Due	<u>Months Paid</u> Months Due	<u>Payments Made</u> Payments Due	<u>Months Paid</u> Months Due
<u>Pilots</u>				
Clark	58%	56%	66%	68%
Dane	60	62	68	69
Dunn	60	60	56	59
Kewaunee	62	61	87	88
Monroe	58	54	54	50
Oneida	54	56	64	65
Ozaukee	60	60	73	78
Richland	46	48	53	52
Sheboygan	57	59	70	71
Winnebago	50	51	51	54
Weighted average	57	58	63	64
<u>Controls</u>				
Calumet	72	74	66	73
Dodge	64	65	63	70
Green	55	58	64	67
Jefferson	61	65	72	77
Juneau	59	60	52	56
Marathon	57	60	71	71
Price	63	61	61	62
Racine	53	60	59	64
St. Croix	48	47	49	46
Waukesha	56	59	62	63
Weighted average	56	60	62	65

Notes: Interstate enforcement and action-to-compel cases, and cases with private pay agreements or no award are excluded. Values greater than 100 percent are set equal to 100 percent. All data are weighted.

counties, the difference is trivial--1 percentage point. Thus the higher utilization of immediate income withholding in pilot counties appears to be having no discernible effect on either the regularity or amounts of child support payments.

A closer examination of the data suggests that (1) immediate income withholding does increase collections and (2) the failure of the effectiveness of immediate income withholding to translate into larger increases in collections in pilot counties is due to several offsetting factors.

One offsetting factor is that non-custodial fathers in the pilot counties were more likely than their counterparts in the control counties to have low income and to be unemployed. Table 13 contains estimates of the differential increase in collections between pilot and control counties from regressions which take account of these factors. The first two columns present regressions in which the dependent variables are the ratios of months paid to months owed and dollars paid to dollars owed and the key independent variable is an experimental dummy variable which is equal to one if the individual case commenced after the pilot began and is from a pilot county. The other independent or control variables consist only of the county and cohort in which the individual's child support obligation began. The third and fourth columns add a set of variables to control for low income and unemployment. Whereas the experimental coefficient is not significantly different from zero in either the first or second regressions, controlling for low incomes and unemployment leads to a statistically significant experimental effect in column three and an effect that is very close to significant in column four. The coefficients in columns three and four can be divided by the means of the

Table 13

Effects on Relationship of Pilot to Child Support Collections
Controlling for Income and Unemployment
Regression Coefficients (t-values in parentheses)

Independent Variable	Dependent Variable			
	Months Paid Months Owed	Dollars Paid Dollars Owed	Months Paid Months Owed	Dollars Paid Dollars Owed
Experimental Dummy	2.00 (1.49)	.47 (.34)	3.74 (2.85)*	2.05 (1.52)
Missing Income Data			-12.28 (16.22)*	-11.03 (14.29)*
Zero Income			-41.25 (18.62)*	-36.52 (16.26)*
Unemployment Compensation			-11.26 (6.84)*	-14.62 (8.65)*
Amount Father's Income			.001 (3.00)*	.001 (3.93)*
Cohort 2	2.51 (2.84)*	.35 (.39)	2.25 (2.59)*	.30 (.34)
Cohort 3	3.96 (4.19)*	2.75 (2.87)*	3.50 (3.77)*	2.48 (2.64)*
Cohort 4	4.14 (3.19)*	2.17 (1.64)	.34 (.27)	-1.45 (1.11)
Cohort 5	8.54 (7.69)*	8.09 (7.15)*	6.06 (5.56)*	5.69 (5.11)*
Pilot County				
Dummies:				
Clark	-1.49 (.57)	.97 (.36)	1.29 (.50)	3.09 (1.16)
Dane	1.46 (1.26)	3.81 (3.24)*	.46 (.40)	2.83 (2.45)*
Dunn	-2.45 (.95)	.77 (.29)	-.70 (.28)	2.29 (.90)
Kewaunee	6.05 (1.60)	9.60 (2.46)*	6.77 (1.83)**	10.07 (2.63)*
Monroe	-9.27 (4.96)*	-2.48 (1.28)	-4.27 (2.32)*	2.07 (1.08)
Oneida	-2.85 (1.27)	-1.11 (.49)	-.03 (.01)	1.48 (.66)
Ozaukee	4.49 (2.23)*	5.40 (2.65)*	4.57 (2.33)*	5.32 (2.66)*
Richland	-11.18 (3.95)*	-9.28 (3.25)*	-7.60 (2.74)*	-5.90 (2.11)*
Sheboygan	1.53 (1.02)	2.43 (1.59)	2.43 (1.65)**	3.30 (2.20)*
Winnebago	-8.25 (5.62)*	-6.83 (4.60)*	-4.77 (3.30)*	-3.50 (2.39)*
Control County				
Dummies:				
Calumet	13.08 (5.06)*	11.75 (4.48)*	14.42 (5.71)*	12.91 (5.03)*
Dodge	5.63 (3.14)*	6.10 (3.33)*	8.03 (4.58)*	8.30 (4.63)*
Green	1.17 (.51)	-.42 (.18)	2.84 (1.25)	1.27 (.55)
Jefferson	8.75 (5.14)*	7.43 (4.31)*	8.72 (5.23)*	7.54 (4.45)*
Juneau	-3.64 (1.39)	-2.53 (.95)	-.80 (.31)	.14 (.05)
Marathon	2.71 (1.85)**	3.49 (2.32)*	4.95 (3.45)*	5.63 (3.81)*
Price	1.59 (.46)	5.45 (1.56)	6.55 (1.96)*	10.12 (2.96)*
Racine	1.01 (.90)	-3.43 (3.00)*	5.12 (4.58)*	.56 (.50)
St. Croix	-13.40 (6.34)*	-8.57 (3.97)*	-11.33 (5.49)*	-6.78 (3.20)*
Waukesha				
		Referent County		

Notes: Regressions use only cases where there is an award and where the father is payor.

Regressions exclude interstate enforcement, action to-compel cases, and cases with a private pay agreement. All data are weighted.

*Significant at .05

**Significant at .10

ratios of months paid to months owed and dollars paid to dollars owed to derive an estimate of percentage increase in collections in pilot counties due to immediate income withholding. The resulting estimate indicates that collections in pilot counties increased about 4% to 6% more than in the control counties.

Implementation problems are another factor dampening the apparent effects of immediate income withholding. Ironing out the bugs in new administrative procedures invariably takes time. The regressions in Table 14 are identical to those in columns three and four of Table 13 except that they distinguish between experimental effects in the fourth and fifth cohorts. The two experimental coefficients indicate that the difference in increased collections between pilot and control counties is bigger in the second than in the first year of the immediate income withholding demonstration.

The third and most important reason for the failure of the utilization of immediate income withholding in pilot counties to translate into much larger increases in collections is that the pilot counties are not using immediate assignments in all possible cases and some of the control counties are making extensive use of immediate assignments. As a consequence, the difference in increased collections in pilot and control counties will underestimate the effectiveness of immediate income withholding.

Table 15 presents results from a regression analysis of the relationship of county utilization of immediate income assignments to child support collections. The dependent variables are once again the ratios of months paid to months owed and dollars paid to dollars owed. The

Table 14

Relationship of Pilot in Different Time Periods to
Child Support Collections
Regression Coefficients (t-values in parentheses)

Independent Variable	Dependent Variable			
	Months Paid		Dollars Paid	
	Months Owed		Dollars Owed	
Experimental Dummy Cohort 4	1.71	(.83)	.15	(.07)
Experimental Dummy Cohort 5	4.69	(3.10)*	2.95	(1.90)**
Missing Income Data	-12.30	(16.24)*	-11.04	(14.31)*
Zero Income	-41.32	(18.65)*	-36.59	(16.28)*
Unemployment Compensation	-11.27	(6.85)*	-14.62	(8.65)*
Amount Father's Income	.001	(2.98)*	.001	(3.91)*
Cohort 2	2.24	(2.59)*	.30	(.34)
Cohort 3	3.50	(3.77)*	2.48	(2.64)*
Cohort 4	1.17	(.82)	-.67	(.45)
Cohort 5	5.62	(4.92)*	5.28	(4.52)*
Pilot County				
Dummies:				
Clark	1.29	(.50)	3.12	(1.17)
Dane	.43	(.38)	2.79	(2.42)*
Dunn	-.75	(.30)	2.24	(.88)
Kewaunee	6.85	(1.86)**	10.15	(2.65)*
Monroe	-4.38	(2.38)*	1.95	(1.02)
Oneida	.03	(.01)	1.53	(.68)
Ozaukee	4.58	(2.33)*	5.32	(2.66)*
Richland	-7.62	(2.75)*	-5.93	(2.12)*
Sheboygan	2.38	(1.62)	3.26	(2.17)*
Winnebago	-4.75	(3.28)*	-3.48	(2.38)*
Control County				
Dummies:				
Calumet	14.41	(5.71)*	12.89	(5.02)*
Dodge	7.98	(4.55)*	8.26	(4.61)*
Green	2.92	(1.29)	1.34	(.58)
Jefferson	8.65	(5.19)*	7.46	(4.41)*
Juneau	-.83	(.32)	.10	(.04)
Marathon	4.95	(3.46)*	5.61	(3.80)*
Price	6.55	(1.96)**	10.12	(2.96)*
Racine	5.08	(4.54)*	.52	(.46)
St. Croix	-11.36	(5.50)*	-6.81	(3.22)*
Waukesha				
				Referent County

Notes: Regressions use only cases where there is an award and where the father is payor. Regressions exclude interstate enforcement, action to-compel cases, and cases with a private pay agreement. All data are weighted.

*Significant at .05

**Significant at .10

critical independent variable, however, is the proportion of cases in the county at the time of the initial child support award in which immediate income assignments were used. In addition, the regression controls for the county and time period in which the child support order originated and income and unemployment of the noncustodial parent. The greater the utilization of immediate income assignments by the county, the greater the ratios of both months paid to months owed and dollars paid to dollars owed. The relationship is highly significant from a statistical point of view. Moreover the size of the coefficients indicates that increased utilization of immediate income assignments will noticeably increase collections. For each 10 percentage point increase in the utilization of assignments, the ratio of months paid to months owed increases by 1.6 percentage points and the ratio of dollars collected to dollars owed increases by 1.1 percentage points. These numbers imply that an increase in utilization of immediate income assignments from zero to 70 percent increases months paid by 18 percent and dollars paid by 13 percent.

Note that the cohort coefficients in Table 15 indicate that with the exception of cohort 4, there is a steady increase in collection performance over time. This is true even after controlling for the utilization of immediate income assignments. The ratios for the fifth cohort are nearly 5 percentage points--or almost 10 percent--higher than those for the first cohort. This is encouraging because it suggests that Wisconsin counties are finding additional ways besides just immediate income withholding to increase collections.

The relationship between utilization of immediate income assignments and child support payments in individual cases is even stronger than the

Table 15

Relationship of County Utilization of Immediate Income
Assignments to Child Support Collections
Regression Coefficients (t-values in parentheses)

Independent Variable	Dependent Variable	
	Months Paid Months Owed	Dollars Paid Dollars Owed
Proportion of Immediate Assignments		
Missing Income Data	15.82 (5.96)*	10.74 (3.96)*
Zero Income	-12.39 (16.37)*	-11.11 (14.40)*
Unemployment Compensation	-41.68 (18.82)*	-36.83 (16.39)*
Amount Father's Income	-11.36 (6.91)*	-14.70 (8.71)*
Cohort 2	.001 (2.92)*	.001 (3.87)*
Cohort 3	2.62 (3.03)*	.55 (.62)
Cohort 4	3.59 (3.87)*	2.54 (2.70)*
Cohort 5	-2.25 (1.67)**	-3.44 (2.50)*
	3.26 (2.77)*	3.54 (2.93)*
Pilot County Dummies:		
Clark	.02 (.01)	2.18 (.82)
Dane	-.15 (.14)	2.27 (2.03)*
Dunn	-.67 (.27)	2.14 (.85)
Kewaunee	4.49 (1.21)	8.44 (2.19)*
Monroe	-5.06 (2.81)*	1.25 (.66)
Oneida	1.45 (.67)	2.30 (1.05)
Ozaukee	3.25 (1.66)**	4.25 (2.13)*
Richland	-8.44 (3.06)*	-6.62 (2.37)*
Sheboygan	1.82 (1.26)	2.76 (1.88)**
Winnebago	-5.74 (4.02)*	-4.31 (2.98)*
Control County Dummies:		
Calumet	13.72 (5.43)*	12.43 (4.84)*
Dodge	8.31 (4.74)*	8.49 (4.73)*
Green	.85 (.37)	-.07 (.03)
Jefferson	7.85 (4.69)*	6.94 (4.09)*
Juneau	-.64 (.25)	.24 (.09)
Marathon	6.18 (4.27)*	6.43 (4.32)*
Price	7.63 (2.28)*	10.86 (3.17)*
Racine	1.95 (1.57)	-1.60 (1.27)
St. Croix	-9.86 (4.74)*	-5.78 (2.71)*
Waukesha		
	Referent County	

Notes: Regressions use only cases where there is an award and where the father is payor. Regressions exclude interstate enforcement, action to-compel cases, and cases with a private pay agreement. All data are weighted.

*Significant at .05

**Significant at .10

relationship between the extent of utilization of immediate assignments by counties and child support payments. Table 16 reports results from two regressions in which the dependent variables are again the ratios of months paid to months owed and dollars paid to dollars owed. The critical independent variable in these regressions is whether or not the non-custodial parent was subject to immediate income withholding. In addition, the regression not only controls for the county and time period in which the child support order originated, but also uses a set of variables to control for whether or not the individual had assignable income. Failure to control for whether the non-custodial parent had assignable income will result in an overestimate of the effect of immediate withholding for the following reason. In cases where the non-custodial parent has no income there will be neither an immediate assignment nor a child support payment. If there is no control for whether there is assignable income, the association between no assignment and no payment, will be treated in the regression as if the absence of the assignment caused the absence of a payment.

The coefficients of the immediate assignment variables are highly significant in both a statistical and policy sense. The chances that we would find such a large effect if the true difference were zero, is less than one in a thousand. Moreover, the ratios of dollars paid to dollars owed and months paid to months owed are respectively 25% and 26% larger in cases with immediate income assignments. Whereas the difference in child support collections between pilot and control counties understates the effectiveness of immediate income withholding, the difference in collections between individual cases with and without immediate income

Relationship of Immediate Income Assignments
in Individual Cases to Child Support Collections
Regression Coefficients (t-values in parentheses)

Independent Variable	Dependent Variable	
	Months Paid Months Owed	Dollars Paid Dollars Owed
Immediate Assignment Dummy	16.03 (17.89)*	14.37 (15.59)*
Assignable Income	17.05 (14.81)*	13.04 (11.05)*
Assignable Income (don't know)	7.77 (6.22)*	6.30 (4.92)*
Amount Father's Income	.001 (3.20)*	.001 (4.13)*
Missing Income Data	-8.27 (10.21)*	-8.08 (9.72)*
Zero Income	-24.74 (10.59)*	-23.44 (9.80)*
Unemployment Compensation	-13.83 (8.57)*	-16.44 (9.84)*
Cohort 2	2.84 (3.36)*	.78 (.91)
Cohort 3	3.86 (4.26)*	2.78 (3.00)*
Cohort 4	-3.19 (2.79)*	-5.10 (4.33)*
Cohort 5	2.18 (2.39)*	1.78 (1.89)**
Pilot County		
Dummies:		
Clark	.62 (.25)	2.54 (.98)
Dane	-.52 (.50)	1.59 (1.50)
Dunn	-.18 (.08)	2.23 (.90)
Kewaunee	4.83 (1.35)	9.05 (2.14)*
Monroe	-5.24 (3.03)*	.94 (.52)
Oneida	.11 (.05)	1.13 (.52)
Ozaukee	2.78 (1.48)	3.29 (1.71)**
Richland	-8.62 (3.22)*	-7.16 (2.62)*
Sheboygan	.83 (.61)	1.56 (1.10)
Winnebago	-6.77 (4.99)*	-5.57 (4.02)*
Control County		
Dummies:		
Calumet	13.37 (5.43)*	11.97 (4.73)*
Dodge	7.94 (4.64)*	8.22 (4.66)*
Green	1.70 (.77)	.17 (.08)
Jefferson	7.63 (4.69)*	6.61 (3.96)*
Juneau	.27 (.11)	.99 (.39)
Marathon	5.67 (4.05)*	6.43 (4.42)*
Price	7.06 (2.17)*	10.51 (3.12)*
Racine	.06 (.05)	-3.72 (3.28)*
St. Croix	-9.75 (4.83)*	-5.34 (2.56)*
Waukesha		Referent County

Notes: Regressions use only cases where there is an award and where the father is payor. Regressions exclude interstate enforcement, action to-compel cases, and cases with a private pay agreement. All data are weighted.

*Significant at .05

**Significant at .10

assignments probably overstates the effects of immediate income assignments. The latter is so because of the impossibility of controlling perfectly for whether the obligor has assignable income. More careful analysis of the data as well as additional data reflecting longer experience with immediate income withholding is necessary to get a more precise estimate of the effects of withholding on collections.

NOTES

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

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

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

⁴The CHIPPS survey is the Children, Income, and Program Participation Study, conducted by the Institute for Research on Poverty in 1985.

⁵The 1984 "Family Court Commissioner Telephone Survey" findings are from the July 6, 1984, Division of Community Services memo, from Roger Rowin (Project Manager, Child Support Reform) to Severa Austin (Director, Bureau of Human Resources). The findings of the 1985 telephone survey of family court judges in Wisconsin are from the March 1985 report of the Wisconsin Department of Health and Social Services, Division of Policy and Budget, Bureau of Evaluation, entitled "Reported Use of the Percentage of Income Standard."