

Chapter 5

Implications for Research and Policy

Implications for Research and Future Evaluations

The nonexperimental components of the CSDE permit the evaluation of additional questions not addressed by the experimental evaluation. The experimental evaluation focuses on a comparison of the effects of two alternative policy regimes; the nonexperimental components enable us to look beyond these two regimes to consider a broader set of pass-through/disregard policies. Combining the approaches has also increased our confidence in the potential importance of pass-through and disregard policy in general and has increased our confidence that these policies affect payments as well as receipts. We believe that our results illustrate the importance of the recommendations of the recent National Research Council report (Moffitt and Ver Ploeg, 2001) that future evaluations consider combining experimental and nonexperimental analyses.

However, the ability to conduct nonexperimental analyses that rely on cross-state, over-time variation in state policies is dependent on accessible data on state policies in effect during different periods. Several organizations are currently committed to documenting the policies in place in each state. Our research highlights the importance of this effort, but also emphasizes its difficulty, as information is needed on historical policies, on actual implementation, and on other policies that potentially affect this population. For example, some of our analyses required historical information on the child support policies in place in each state from the 1970s forward, which proved difficult to compile. Moreover, a review of the history of pass-through and disregard legislation revealed that states were supposed to implement a \$50 pass-through/disregard in the late 1970s, but the legislation had to be clarified in 1984 because it had not been universally implemented. This suggests that efforts to document current policy should include not only the stated policy, but also any available measures of implementation. Finally, while we were interested in pass-through and disregard policy and could gather this information in fairly targeted interviews with state child support officials, we also wanted to control for the existence (and implementation) of other policies that could affect child support payments, which could not be easily gathered in these interviews.

Documenting the policies in place will increase the ability of evaluators to conduct cross-state nonexperimental studies. But cross-state studies would also be facilitated by the availability of identical (or similar) outcome measures across states. In constructing the Surveys of Wisconsin Works Families for the experimental evaluation, we reviewed other survey instruments (state-sponsored studies of welfare leavers, national surveys) and tried to use identical (or similar) questions when possible. Other researchers follow the same practice. But there is no complete central repository of these instruments, nor is there an available standard set of comments from the research teams that designed them as to the effectiveness of questions. Moreover, several studies are using administrative records and, as far as we know, there is as yet no successful effort to centralize information on coverage or accuracy that could facilitate cross-state studies. Recent efforts of the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, to coordinate the welfare leavers studies could be expanded to include other studies of low-income families.

Information for the Child Support Demonstration Evaluation included administrative records, surveys of parents and workers, and field observations. The implementation evaluation was important in shaping our understanding of the policy context and helped shape the design of our survey and subsequent analysis. Initial field observation suggested that the child support policy change may not have been clearly understood by workers and clients in the midst of the substantial welfare reform effort. In

fact, the survey results suggested that relatively few mothers and fathers understood the policy rules they faced. Obviously, effects on behavior will be weakened if policy changes are not understood. We believe participant knowledge, and the effects of knowledge, are critical areas for further study.

Survey and administrative data document nonpayment of child support among fathers of children receiving W-2. Yet the information we gathered in this part of the study does not provide an in-depth understanding of *why* these fathers are not paying. An ethnographic study of these fathers, which will increase our understanding substantially, will be released shortly. The qualitative data will add depth to our understanding of individual lives, and it already has added to the accuracy of the quantitative data collected.¹¹ We believe the combination of quantitative and qualitative analyses has improved the quality of this evaluation, and we recommend this approach to others.

Implications for Policy

The Child Support Demonstration Evaluation was designed to evaluate the impact of a new approach to child support, which was adopted within the context of a new approach to welfare. The research aimed to evaluate the direct effects of the new policy on child support payments and receipts and a wide range of potential secondary effects. The results of the experimental evaluation presented here demonstrate that Wisconsin's full pass-through has been able to increase child support amounts received among an economically vulnerable population, to increase child support collections, and to have a variety of other positive effects. These benefits have come at little cost to government.

Although some factors might lead the experimental estimates to overstate potential policy effects, we expect that the effects of a full-pass-through and disregard policy in another state would be larger than those reported here. Indeed, in many ways it is striking that we do find evidence of substantial effects, given the implementation problems, the lack of a large difference in the policies faced by the experimental and control groups, the speed with which mothers are moving off W-2, and the relative socioeconomic disadvantage of W-2 participants.

Nonexperimental analyses generally confirm that a more generous pass-through and disregard policy has beneficial effects. These analyses show that higher levels of disregards have an expected direct result, increases in child support received. On balance, these analyses also show that increased levels of the disregard are associated with increases in the likelihood of child support being paid and paternity being established.

In most states TANF participants do not receive any of the child support paid on behalf of their children. This no-pass-through, no-disregard policy generates revenue to offset public assistance and child support enforcement costs in the short run. Our results suggest, however, potentially detrimental effects of this policy on developing child support as a long-run income source for single mothers and their children. Given the time-limited nature of cash assistance, the benefits to government of retaining child support are also quite limited. In contrast, the benefits to children of establishing paternity and

¹¹For example, we changed our survey instrument in response to initial findings from the ethnographic interviews. In an attempt to discover whether fathers understood the child support rules they faced, our initial draft survey instrument asked fathers whether their ex-partners received all the child support they paid. In asking similar questions in the ethnographic study, we discovered that some fathers (correctly) believed that their ex-partners received all the child support they paid, but (incorrectly) believed that the W-2 check was then lowered dollar-for-dollar, leading to no increase in total income. This discovery led us to add an additional question to the survey, increasing the accuracy of our measures of fathers' policy knowledge.

setting a pattern of child support payments are potentially more enduring. In the current context it is increasingly important that the child support enforcement system evolve from a focus on government cost recovery to a focus on increasing family self-sufficiency.

Our results suggest the importance of federal initiatives to encourage states to adopt more generous pass-throughs and disregards of child support. The House of Representatives of the 106th Congress overwhelmingly passed the Child Support Distribution Act of 2000, which included incentives for states to pass through and disregard child support paid on behalf of families receiving TANF benefits. However, the bill did not pass the Senate before the Congress adjourned. Similar legislation has been introduced in the most recent session (H.R. 1471 and S. 685) and advocates have called for related measures to be taken up during TANF reauthorization, if they are not enacted before then (see, for example, Ganow, 2001; Greenberg et al., 2000; Turetsky, 2000; Haskins, 2001).

Recent welfare reforms have increased the potential importance of child support as an income source for low-income, single-parent families. Time limits, work requirements, and the lack of entitlement to cash assistance have made nonwelfare sources of income increasingly essential. In Wisconsin, relatively stringent work requirements have been combined with a uniquely generous approach to child support. Among most mothers participating in W-2, any child support received on behalf of their children is passed through to them and is disregarded in the calculation of their W-2 cash payments. This policy has been subject to an experimental evaluation, and the findings have been generally corroborated by nonexperimental analyses. A full pass-through/disregard has been shown to have positive effects in Wisconsin. Policies that would allow other states to adopt similar policies are under consideration. Our results suggest that such policies could play an important role in meeting the goals of increasing self-sufficiency and personal responsibility.