# Chapter 2
# Child Support among W-2 Participants

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The decreasing availability of cash assistance to single-parent families has resulted in increased policy attention to the private child support system. Child support is being considered as a potential income source for families who would have relied extensively on the welfare system in the past. The 1996 welfare reforms included several provisions designed to increase the importance of child support to the welfare population. The child support enforcement system was strengthened, including new incentives for states to establish paternity and collect support, stronger mandates that recipients of cash and noncash assistance cooperate with child support enforcement efforts, and new enforcement strategies to make it harder for nonresident parents to avoid payment—especially when employed in the formal labor market.

Ironically, the policy emphasis on enhanced child support as a partial alternative to welfare coincides with a growing awareness of the problems with the child support system from the standpoint of low-income fathers. Specific problems highlighted by recent research include fathers' reluctance to pay support when it is retained by the state to offset welfare costs, very low income and earnings capacity that impede fathers' ability to comply with support obligations, support orders that are not reflective of actual earnings, and the accumulation of arrearages which many fathers have little realistic hope of ever paying (see, for example, Waller and Plotnick, 2001).

In Wisconsin, policymakers recognized the potential problems associated with state retention of child support payments. The state applied for and received a federal waiver allowing it to implement a full pass-through of child support to welfare recipients on an experimental basis. Such a policy is consistent with the philosophy of the Wisconsin Works (W-2) program, in that it treats welfare recipients the same as low-wage workers (who are able to supplement their wages with private child support). Wisconsin is the only state with such a policy, although there is increasing interest in this approach among policymakers nationwide.

Because of the unique treatment of child support payments in Wisconsin, child support is likely to be a more important income source than in other states. Child support is also likely to play a greater role for welfare recipients in Wisconsin than elsewhere because of the state's strong child support system, as evidenced by above-average performance on a variety of outcome measures (U.S. Office of Child Support Enforcement, 2000). In light of these advantages, Wisconsin provides an excellent "laboratory" in which to assess the potential role of child support as an income source to welfare clients.

This section addresses two issues critical to our understanding of the current and potential role of child support for welfare recipients.[1] First, we describe patterns of child support receipt among W-2 clients, focusing on receipts over a two-year period. Prior to W-2, no state provided welfare recipients with the full child support paid on their behalf. As a result, we know little about what mothers can expect in the way of child support under such a policy regime. Second, we examine the factors associated with compliance with child support obligations on the part of nonresident fathers of children receiving W-2, with particular emphasis on the role of the fathers' ability to pay support. Our analysis offers insight into the factors which continue to constrain child support transfers in this population.

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## Background and Prior Research

### Child Support as an Income Source to Single Mothers

Despite several decades of policy interest, child support continues to be an uncertain source of income to single-parent families. The most recent Census Bureau data disclose that only 36 percent of child support-eligible mothers received any support from their children's nonresident fathers during 1998 (U.S. Census Bureau, 2000), a figure which has seen little improvement over the past two decades. Even estimates that include support paid without a formal obligation suggest that only half of children receive support from their nonresident fathers over the course of a year (Sorensen and Zibman, 2000).

The availability of child support is particularly problematic for low-income and never-married mothers, the populations most directly affected by welfare reform. Only one-quarter of child support-eligible mothers below the poverty line received any child support during 1997, as did 22 percent of never-married mothers (U.S. Census Bureau, 2000).[2] The prevalence of child support receipt among never-married mothers has increased over the past decade (Bartfeld and Meyer, 1999; Sorensen and Halpern, 1999), but receiving such support continues to be the exception rather than the norm. Nonetheless, child support is an important income source among those low-income mothers who are fortunate enough to receive it. Data from the National Survey of America's Families show that among poor children who receive support, such support constitutes 26 percent of total family income.

What role, then, can we expect child support to play as an income source for welfare recipients during and after their tenure on the welfare caseloads? Not surprisingly, a recent General Accounting Office (GAO) study found child support to be an uncertain income supplement for families leaving welfare. Focusing on three states with short welfare time limits, the study found that only 20–40 percent of families reaching their time limits had received any child support in the prior 12 months (U.S. GAO, 1998). Furthermore, national Census Bureau data indicate that among child support-eligible mothers receiving one or more forms of public assistance during 1997, only 28 percent received any child support payments.[3]

In this section, we provide evidence of the extent, magnitude, and regularity of child support among W-2 recipients. Can we expect more favorable child support outcomes than suggested by the available national data? Wisconsin's policy context clearly creates an opportunity for child support to play an important role. The state's strong enforcement system is more effective than average in collecting support from nonresident parents, and the full pass-through ensures that welfare recipients will in fact benefit from the support paid on their behalf. Evidence from the evaluation of the pass-through policy suggests that fathers subject to the new policy have a higher likelihood of paying formal support than do fathers subject to a reduced pass-through (Volume I).

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[2]Note, however, that the published figures show the poverty status after child support has been considered, so they do not consider any women who would be poor without child support. For a discussion of this issue and an estimate of its effects, see Meyer and Hu (1999).

[3]By 1997, some states had eliminated the $50 per month pass-through of child support for TANF recipients. TANF recipients in these states may not know whether child support was paid on their behalf, and may report (accurately) that they did not receive any. However, the percentage of comparable mothers who reported receiving child support in 1995, before the pass-through was eliminated, was similar to that reported in 1997.

Compliance with Child Support Obligations

Receipt of child support is a multistep process, with parents falling out at various points along the way. In the case of nonmarital children, there are three key steps: a legal father must be identified, a support order must be issued, and support must be collected. At the national level, only 40 percent of never-married mothers had a current support order for their child(ren), and just over half (55 percent) of those mothers who were owed support actually received any (U.S. Census Bureau, 2000).

What explains the low rate of compliance with support obligations? A variety of research has addressed this question in recent years. Quantitative approaches to understanding child support compliance typically model payments or pay-to-owe ratios as a function of a nonresident father's ability to pay support, characteristics of the enforcement system, and the father's desire to pay support, with the latter variously linked to the strength of ties with the children and mother, the level of economic need among mothers and children, and the perceived fairness of the support obligation (see Bartfeld and Meyer, 1994; Beller and Graham, 1993; Lin, 2000; Meyer, 1999; Meyer and Bartfeld, 1996).

The conceptualization of "ability to pay" has evolved in the child support literature. Early research focused on direct and indirect measures of fathers' income and earnings capacity and consistently found that fathers' earnings or income—or proxies for such—were associated with higher child support compliance (e.g., Beller and Graham, 1993; O'Neill, 1985; Sonenstein and Calhoun, 1990). Subsequently Bartfeld and Meyer (1994) argued that ability to pay would be more fully captured by a measure which considered the "burden" of the support order, that is, the amount owed in support relative to actual income. This is supported in the empirical literature (Bartfeld and Meyer, 1994; Meyer and Bartfeld, 1996; Meyer, 1999), and it appears to be a particularly important predictor of compliance among nonmarital fathers (Meyer, 1999).

Specific enforcement policies have also been linked to higher compliance ratios. For instance, Garfinkel and Klawitter (1990) found that withholding child support from the wages of nonresident parents immediately upon the onset of the order is associated with increased payments.

On the other hand, there is less empirical evidence for the importance of factors linked to desire to pay support. Child support reforms over the past 20 years have limited the extent to which fathers' desire to pay support matters. The system has become increasingly stringent and automated, especially for fathers in the formal labor market, leaving limited role for discretion. It is not surprising, then, that ability to pay and enforcement efforts would be the primary determinants of compliance outcomes. This explanation is consistent with the findings of Lin (2000), who shows that fathers' perceptions of the fairness of a support order is a more important predictor of compliance among fathers not subject to immediate income withholding than among fathers subject to such withholding.

Formal analyses of child support compliance have included broad samples of child support-eligible mothers and have not focused in particular on compliance among fathers of children receiving public assistance. Furthermore, existing studies all examine compliance in the pre-TANF era, and as such do not reflect the effect of recent changes in child support policy and practice. Recent qualitative studies, however, have paid closer attention to the barriers to child support compliance among fathers of children on welfare. Specific problems highlighted by this research include fathers' reluctance to pay support when it is retained by the state to offset welfare costs, very low and fluctuating income and earnings which impede fathers' ability to comply with support obligations, support orders that are not reflective of actual earnings, and the accumulation of arrearages which many fathers have little realistic hope of ever paying (Edin, 1995; Johnson, Levine, and Doolittle, 1999; Pate and Johnson, 2000; Waller and Plotnick, 2001). Consistent with these concerns, a recent federal report found that child support cases with

retroactive support orders, as well as cases in which orders are based on imputed versus actual income, are less likely to have any support paid (U.S. DHHS, 2000).

In this section, we examine compliance with child support obligations on the part of nonresident fathers of children receiving W-2. A clear understanding of factors associated with compliance among these fathers can shed light on the potential and limitations of child support as an income source for the welfare population, in the context of a full pass-through policy and a strong enforcement system. We adapt earlier models of child support compliance, incorporating insights from the emerging literature on child support and low-income fathers. We pay particular attention to the role of ability to pay support, using a multidimensional measure that includes earnings capacity, employment, the burden of the support obligation, and the extent of arrearages.

## Data and Methods

### Data and Sample

Data are drawn from administrative records from the KIDS and CARES systems—the administrative data systems used in the child support and public assistance systems, respectively. These data are collected as part of the Child Support Demonstration Evaluation (CSDE). We also use administrative data on earnings as reported by Wisconsin employers for purposes of the Unemployment Insurance (UI) program. UI captures most, but not all, Wisconsin earnings, but does not capture any out-of-state earnings fathers may have.

Our base sample includes child support-eligible mothers who entered W-2 during the first nine months of the program, that is, from October 1997 through June 1998. W-2 applicants during this period were randomly assigned to one of two policy regimes with regard to child support. Those in the experimental group were to receive a full pass-through of all child support paid on their behalf, while those in the control group were to receive a reduced pass-through during months in which they received cash assistance, with the remainder of their support going to reimburse the state for welfare payments. Because we are interested in examining patterns of child support payment and receipt in the context of a full pass-through, we exclude control-group cases (i.e., those receiving a reduced pass-through) from our sample.[4] Our final sample includes a total of 15,811 mothers.[5]

Our analyses reflect two related perspectives—child support receipts by mothers and child support payments by nonresident fathers. Our receipt analyses use the sample described above. Our payment analyses use a sample of nonresident fathers associated with W-2 recipients in the above sample. Specifically, we include those fathers identified as legal fathers (i.e., who have had paternity legally established or who have marital children) and who have support obligations in place during the time period(s) in question. Thus, we do not have a father to correspond to each mother in our sample, as some mothers do not have an associated legal father who owes support. Likewise, some mothers have two or more associated fathers in our sample. Sample sizes vary across analyses.

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[4]We do include cases not in the experimental evaluation for a variety of reasons unrelated to child support (extended delays in entering W-2, child receiving Supplemental Security Income, etc.).

[5]This is a larger sample than is used in Volume I as we have included some cases that were inappropriate for the experimental comparison, such as cases with long delays between random assignment and the start of W-2 participation.

Our descriptive results are weighted to reflect differing rates of assignment to experimental and control groups over the nine-month period, and are thus generalizable to cases entering W-2 over this period.

Methods and Analysis Plan

We include four general kinds of analyses. First, we describe patterns of child support receipt among recent W-2 recipients. Second, we describe patterns of payment on the part of nonresident fathers associated with those recipients. Third, we compare the characteristics of full payers and nonpayers. Finally, we assess factors associated with compliance with child support obligations, paying particular attention to the importance of the fathers' ability to pay support.

We estimate a two-sided tobit model in which the dependent variable is the ratio of support payments to support obligations during 1999, top-coded at 1. The tobit specification is appropriate given the relatively large number of cases at the upper and lower limits.[6] The time period covered by the dependent variable—1999—begins 6–15 months after the date of W-2 entry for this sample.[7]

The conceptual framework underlying this analysis posits that compliance with child support obligations is influenced by the father's ability to pay support; his expectation that support will benefit his children; the strength of his ties to the mother and child(ren); and the child support enforcement system. This is an adaptation of earlier models of child support compliance, incorporating insights from the emerging literature on child support and low-income fathers. In light of quantitative and qualitative evidence that fathers of welfare recipients have a tenuous attachment to the formal labor market, we also explore how the factors associated with compliance differ for fathers with and without formal earnings.

*Ability to Pay*. We expect nonresident fathers' ability to pay support to be an important determinant of compliance with child support obligations. Conceptually, ability to pay support is a function of actual income (primarily earnings), the burden of the support obligation (relative to current income), arrearages which have accrued (thus increasing the effective order), and earnings capacity. In our model, we include the following variables to reflect various dimensions of fathers' ability to pay:

• The burden of the support order, as measured by the percentage of earnings owed in support in 1999. This variable is constructed based on administrative records of earnings as reported for purposes of Unemployment Insurance (UI).

• The number of quarters of Wisconsin employment in 1999, based on the UI record. We expect fathers who have no recorded employment to have lower compliance. Those without an employment record may have very low income, leading to lower compliance, or they may have other sources of income, which are difficult for the present enforcement system to tap.

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[6]The tobit model constrains the independent variables to have the same impact on the likelihood of paying any support as on the compliance ratio given that something is paid. We also estimated separate models of these two steps, i.e., a probit model with a dependent variable coded 1 if support was paid, and a one-sided tobit model of the compliance ratio when positive. The substantive findings are similar to those reported here.

[7]We chose a calendar year because, in future work, we will be expanding our analyses to incorporate variables from the survey, which are defined on a calendar year basis. However, results of the models are very similar if we estimate them over the second year following W-2 entry as opposed to estimating them over 1999, as there is considerable overlap between these two periods.

• Fathers' earnings history in the two years prior to mothers' entry into W-2. We expect past earnings to proxy for earnings capacity. Again, these variables are constructed from the UI earnings records.

The UI data capture most, but not all, earnings of fathers. To the extent that fathers have earnings not reported to the UI system, we are underestimating fathers' actual earnings and employment.

• Additional variables to reflect earnings capacity, including the father's age at time of children's entry into W-2 and the mother's education level. The latter serves as a proxy for the father's education, which is generally not available.[8]

• The local unemployment rate in 1999. We expect that higher unemployment would be associated with lower current earnings and hence lower ability to pay support.

• The amount of the support order (and the support order squared). Support orders are generally linked (albeit imperfectly) to either actual or potential income. On average, we expect fathers with higher orders to have greater earnings capacity than those with lower orders, after controlling for the burden of the order. (Note, however, that this variable may also reflect willingness to pay, in that some fathers may be less willing to pay orders that they view as too high.)

• High arrearages owed to the state at baseline. Arrearages increase the effective support order in that parents are obligated to pay their current order as well as a share of their arrears each month. Such additional monthly obligations are not captured in either the order amount or the burden variables. There are problems, however, with including arrears as an independent variable in a model of child support compliance, in that arrears in some cases stem from low past compliance.[9] Because of potential endogeneity problems, we do not include arrears in our main model. We do, however, report the results when we subsequently add a measure of high arrears (at least $5,000) at mother's entry into W-2.[10]

*Fathers' Expectation That Support Will Benefit His Child(ren).* Qualitative research strongly suggests that fathers who expect their support to be retained by the state, rather than to benefit their child(ren), are reluctant to comply with formal support obligations (e.g., Waller and Plotnick, 2001). While the full pass-through in Wisconsin should in theory alleviate this problem, survey data from fathers suggest limited understanding of this policy (see Volume I). As a result, we include the following variables:

• Mother's initial W-2 tier. To the extent that fathers are not fully informed about the new pass-through policy, those whose ex-partners are in lower tiers, and hence receiving cash assistance, may not expect their support to benefit their child(ren). We expect lower compliance among such fathers.

• Mother's prior AFDC history. Knowledge of the new policy appears to be better among fathers whose ex-partners are new to the welfare system. Consistent with this, the full pass-through appears to have a greater impact on the likelihood of paying support among fathers whose ex-partners have not had

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[8]Patterns of assortative mating suggest that, on average, mothers with higher levels of education tend to have partners with higher education as well, and Sorensen and Zibman (2000) document similar educational levels among poor mothers who do not receive support and poor fathers who do not pay support.

[9]Not all arrears stem from underpayment. Arrears also accrue when orders are issued retroactively and when orders cover lying-in or other costs in addition to current support.

[10]We would prefer to control for all arrears, not just arrears owed to the state. However, this is not currently available in the data.

recent AFDC experience. We expect, therefore, that lack of recent welfare experience on the part of the mother would be associated with higher compliance.

These measures are imperfect indicators of the father's expectation that support will benefit his children. It is possible that mothers who have substantial AFDC history and those who enter in lower tiers may be associated with fathers with lower earnings capacity, even net of the other controls in our model. Nonetheless, our hypothesis that these variables are linked to a father's expectation that support will benefit his children are consistent with the findings of the evaluation of the pass-through policy. As documented in Volume I of this report, the pass-through appears to have a greater impact on the likelihood of paying support among those fathers whose partner is in an upper tier and/or does not have recent AFDC experience.

*Strength of Ties to Children*. We expect that fathers with stronger ties to their ex-partners and children would have a greater desire to comply with support obligations. Our measures of ties to the mother and children are weak due to our reliance on administrative data. We include the following variables in our model:

• Type of child support case (marital versus nonmarital). Because marital fathers are likely to have spent more time living with their children than have nonmarital fathers, we expect marital fathers to have stronger ties to their children.

• Age of the youngest child. The expected relationship between age and compliance is ambiguous. Fathers with older children may have a longer history of connection to their children, but may also have been out of touch for a longer period.[11]

• Whether there are other legal fathers associated with the resident mother. We expect stronger ties between the father and the mother when the mother does not also care for children who have a different father.

• Number of children the couple has as of W-2 entry. Ties to the children and their mother may be greater for fathers who have more children with the mother.

*Child Support Enforcement System.* The stringency of the child support system, as well as the extent of parents' prior exposure to that system, are expected to influence child support compliance on the part of nonresident parents. We include the following variables to capture the stringency of the system and the parents' prior exposure:

• The percentage of cases served by the Child Support Enforcement Office in which paternity has been established (and percentage squared), measured at the county level. To the extent that a high paternity establishment rate reflects a more effective enforcement system, it may be associated with higher compliance as well. On the other hand, a high county rate of paternity establishment may imply that more challenging cases are included in our compliance sample. As such, being in a county with a high paternity rate could serve as a proxy for being a difficult case.

• The percentage of cases served by the Child Support Enforcement Office in which a support order has been issued (and percentage squared), measured at the county level. As with the paternity establishment rate, the expected impact of this variable is ambiguous.

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[11]We lack accurate data on the date of separation, which would be a more meaningful variable.

• Whether the father had a support obligation at the time the mother entered W-2. Fathers who had a support order in effect at the time of W-2 entry would have had a longer period in which to be subject to enforcement efforts, and may therefore have higher compliance.[12]

• As noted earlier, we also include a variable for mothers' AFDC experience. Because AFDC recipients, like W-2 recipients, faced substantial requirements to cooperate with the child support system, we expect that fathers whose ex-partners have prior AFDC experience would have been subject to greater enforcement efforts prior to W-2 entry, which may contribute to better compliance. As described above, though, these fathers may also have less understanding of the pass-through policy, which would lead to a downward impact on compliance.

In addition to the above variables, we also control for county, differentiating among Milwaukee, other urban counties, and rural counties. Compliance could differ among counties for a variety of reasons including programmatic differences as well as unmeasured differences in caseload characteristics. We also control for race and ethnicity, differentiating among whites, African Americans, Hispanics, Asians, and Native Americans.

The above model may be overly simplistic in that it implicitly treats payment of child support as optional, with certain attributes (e.g., expectation that support will benefit children) increasing fathers' willingness to pay support. A more realistic model would acknowledge that routinized enforcement tools have removed a good deal of discretion from the payment of support. In particular, we would expect that the widespread use of immediate income withholding, in conjunction with the existence of a central database recording new hires, would make child support compliance much more routine and obligatory for those fathers working in the formal labor market. This is consistent with recent research findings that fathers' perceptions of the fairness of a support order are a more important predictor of compliance among fathers without withholding than among fathers subject to withholding (Lin, 2000).

We propose, then, an alternative model, which allows the parameters of the independent variables to vary according to the degree of discretion afforded the obligor. For these purposes, we consider compliance to be largely obligatory when the father has formal employment during each of the four calendar quarters of 1999, and discretionary when he has no quarters of formal employment. We estimate separate models for these subgroups, using the variables described above. This is analogous to a model in which the independent variables are interacted with the quarters of employment during 1999. To assess whether this provides a better fit than separate models, we conduct a likelihood test comparing a fully interacted model to an uninteracted model which controls for the number of quarters of employment.

We emphasize that we use the term "discretionary" to convey that the obligor has some control over whether he chooses to pay. It is not discretionary, however, in terms of the severe penalties that accrue to those not paying.

Note that a father's ability and/or desire to pay support may influence not only his compliance rate but also his decision with regard to participating in the formal labor market, an impact we do not measure here. In light of the limited payment discretion afforded fathers in the formal labor market, fathers who perceive their support orders as too great a burden, who do not expect their formal payments to benefit their children, or who are less committed to supporting their children may opt out of the formal

[12]We would prefer to control for the time since the start of the order, but we do not have accurate data on the start date of longer-standing orders.

labor market. Our models are designed to estimate the impact of the independent variables on compliance net of any intermediate impact on current employment.

## Results

### Patterns of Child Support Receipt

How important is child support to mothers participating in W-2? Figure II.2.1 shows that average child support is quite low, increasing from $41 per month during the quarter of entry to $72 per month by the eighth quarter. These low averages, as well as the increase over time, are largely due to the relatively small but increasing share of mothers who receive support at all, as shown in Figure II.2.2: Fewer than one-quarter of mothers receive support during the first quarter (24 percent), increasing to 37 percent by the final quarter. Rates of support are somewhat higher when we consider annual versus quarterly periods, with 39 percent of mothers receiving at least some support during the first year after W-2 entry and 47 percent receiving support during the second year (Table II.2.1). Note that failure to receive support stems not only from noncompliance but also from breakdowns at the earlier stages of paternity and order establishment. Among the subset of mothers owed support at the time of W-2 entry, 61 percent and 68 percent received support during the first and second years, respectively (not shown).

Fewer than half of mothers received support even after two years, but the amounts received by mothers who did get support are not trivial, increasing from $170 to around $200 per month over the eight quarters (Figure II.2.3). By way of comparison, these payments amount to 25–30 percent of the payment a W-2 participant receives in a community service job placement, and are three to four times higher than a welfare recipient would be able to keep were she subject to the $50 pass-through policy of the pre-W-2 era. However, less than half of the mothers who received child support over the course of a year received it in every quarter.

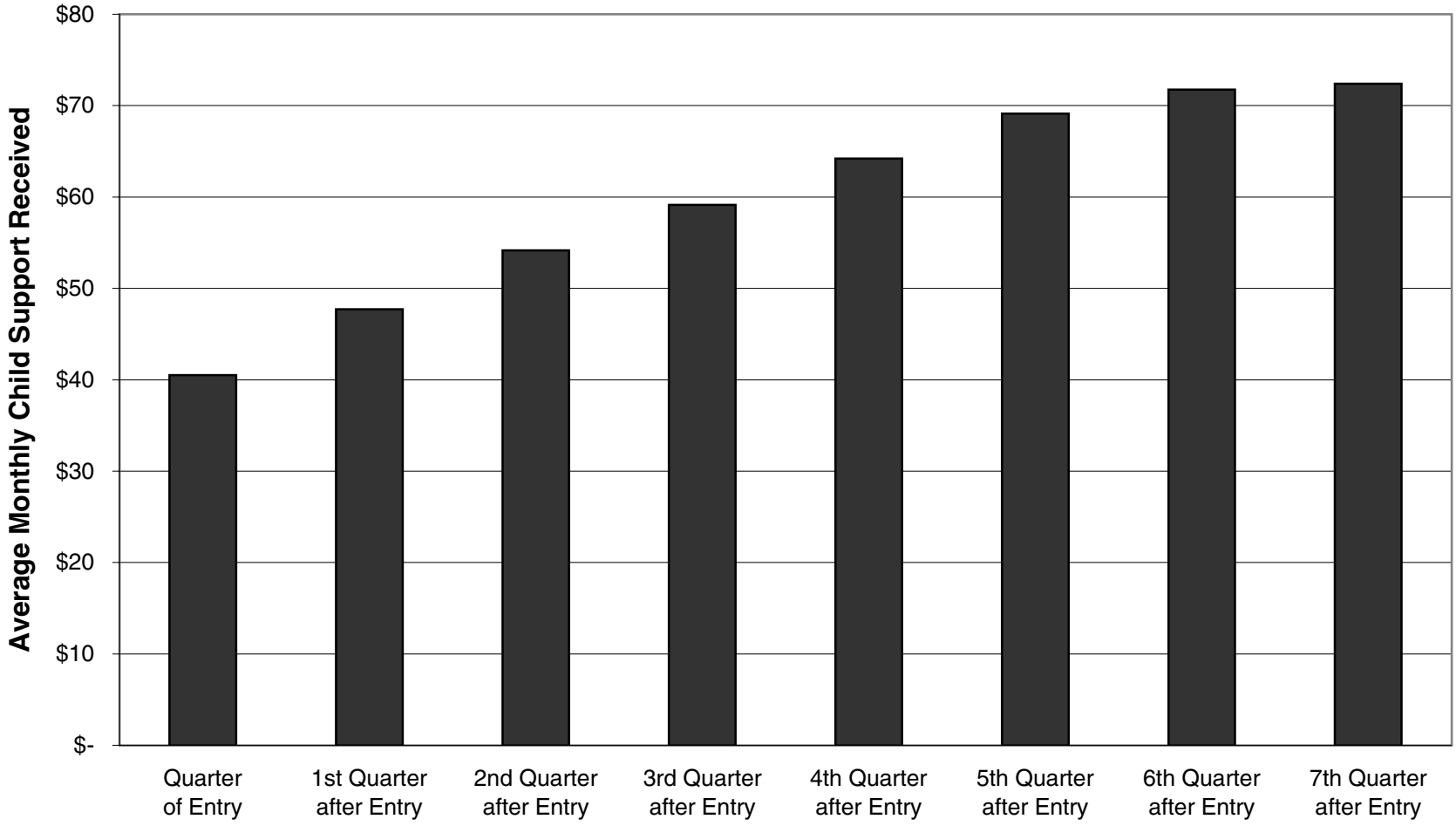
In sum, these data illustrate that child support became an increasingly common source of income over the two-year period, and for mothers who received support, amounts were large enough to be of substantive importance. At the same time, child support was received by fewer than half of W-2 recipients even after two years, and it is not a dependable income source among those who do receive it. As such, it is not currently an income source that policymakers should count on to boost the incomes of all welfare recipients. On the other hand, child support does appear considerably more common than among various national comparison groups. As per the Census Bureau data discussed earlier, only 36 percent of all child support-eligible mothers nationwide received support during 1997, as did 25 percent of mothers below the poverty line, 22 percent of never-married mothers, and 28 percent of mothers receiving some form of public assistance (U.S. Census Bureau, 2000), all of which are lower than the 39 percent to 47 percent of W-2 clients receiving support during the two years examined here.

### Variations in Child Support Receipt

We find considerable variation in support receipt among W-2 recipients. Here, we describe the differential importance of child support during the first two years following W-2 entry for selected subgroups, shown in Table II.2.1. Our intent is simply to illustrate how the "bottom line" of support receipt varies among key subgroups of interest, rather than to identify the factors underlying these patterns. In our subsequent analysis of support payments on the part of fathers, we will examine factors associated with these payments in a multivariate context.

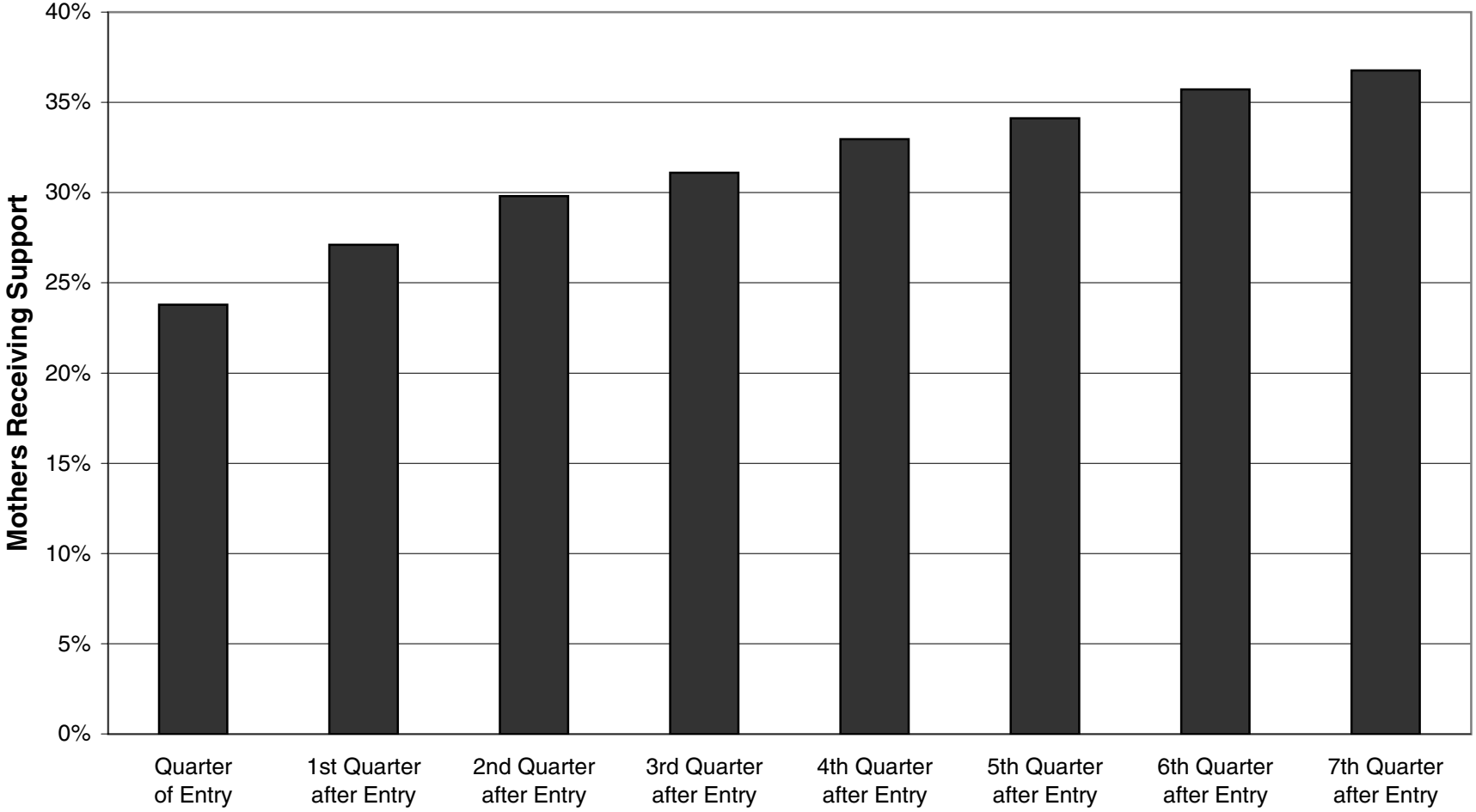
*Regional Differences*. Welfare caseloads in Wisconsin are increasingly concentrated in Milwaukee. Our results indicate that child support is a much less significant source of income to W-2

## Figure II.2.1
## Average Monthly Child Support Received by Resident Mothers




**Sample**: 15,811 full pass-through resident mothers. **Data**: CARES.

## Figure II.2.2
## Percentage of Resident Mothers Receiving Any Child Support



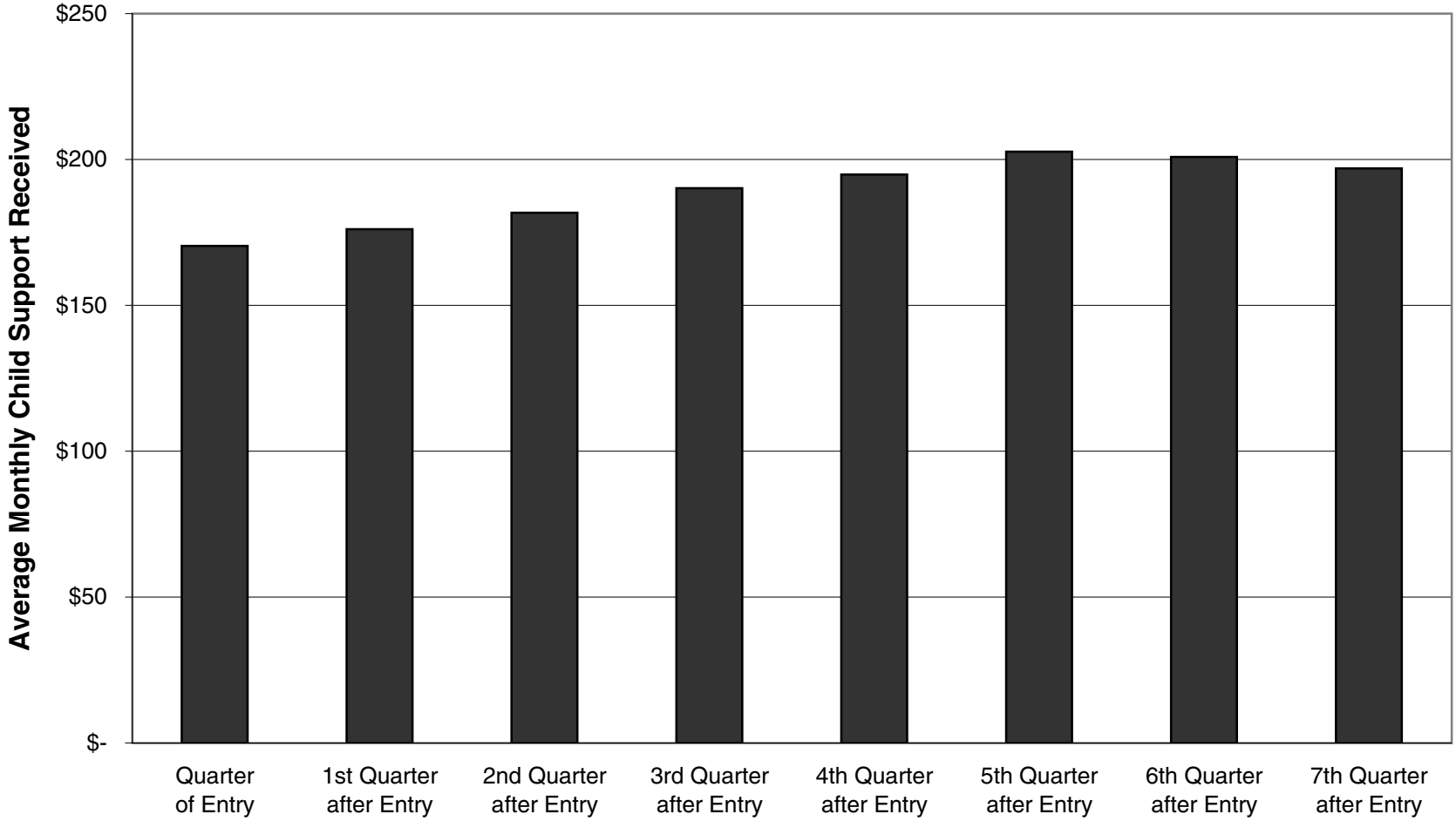

**Sample**: 15,811 full pass-through resident mothers. **Data**: CARES.

**Table II.2.1**
**Child Support Received by Resident Mothers**

| | % Receiving Any Child Support | | Total Child Support Received | | Total Received if Positive | |
|---|---|---|---|---|---|---|
| | 1st Year | 2nd Year | 1st Year | 2nd Year | 1st Year | 2nd Year |
| **All Resident Mothers** | 39.0% | 46.8% | $600 | $819 | $1,540 | $1,752 |
| **By Region** | | | | | | |
| Outside of Milwaukee | 51.6% | 58.0% | 1,004 | 1,362 | 1,946 | 2,347 |
| Milwaukee | 35.1% | 43.5% | 468 | 651 | 1,334 | 1,496 |
| **By Prior AFDC Experience** | | | | | | |
| 1–18 months | 38.6% | 45.6% | 607 | 836 | 1,572 | 1,834 |
| 19–24 months | 42.3% | 50.1% | 611 | 814 | 1,445 | 1,624 |
| None | 28.8% | 39.6% | 573 | 897 | 1,987 | 2,268 |
| **By Relationship with Children's Fathers** | | | | | | |
| Any marital | 55.1% | 59.4% | 1,298 | 1,614 | 2,355 | 2,716 |
| Nonmarital only | 36.3% | 44.9% | 474 | 686 | 1,307 | 1,526 |

**Sample**: Full pass-through resident mothers.

**Figure II.2.3**
**Average Monthly Child Support Received by Resident Mothers among Those Receiving Any Child Support**




**Sample**: 15,811 full pass-through resident mothers. **Data**: CARES.

recipients in Milwaukee than it is in the rest of the state. Mothers in Milwaukee received less than half as much support, on average, as did mothers elsewhere in the state during each of the first two years. Not only were Milwaukee clients less likely to receive support (35 percent versus 52 percent in the first year and 44 percent versus 58 percent in the second year), they also received considerably lower amounts. For instance, those mothers who received support in the second year received an average of $2,347 outside of Milwaukee, compared to $1,496 in Milwaukee. These differences could reflect differences in caseload characteristics, differences in child support enforcement practices, or both.

*Prior Welfare Experience.* Because our sample focuses on entrants to W-2 during the first nine months of the program, the majority of mothers in our sample, while new to W-2, are not in fact new to the welfare system. The women without AFDC experience, though a minority in this sample, are likely to be the most representative of women who will enter W-2 as the program matures. These mothers are likely to have had less exposure to the child support system prior to W-2 entry than have mothers who have received AFDC and been subject to child support cooperation requirements. As such, child support receipt among mothers without recent welfare experience may be a better gauge of the role that child support could be expected to play among the W-2 population in the longer term.

As seen in Table II.2.1, the average amount of child support for new welfare entrants was $573 in the first year following W-2 entry, increasing to almost $900 in the second year, quite similar to amounts for mothers with recent AFDC experience. Child support was relatively uncommon among new welfare recipients, however, with only 29 percent of such women receiving support in the year following W-2 entry and 40 percent in the subsequent year. This is considerably less than the 42 percent and 50 percent of long-term AFDC recipients who received support over the same periods. When support is received, mothers new to the system receive more. In the second year, for example, the new welfare entrants who received support got an average of $2,268, compared to $1,834 for those with moderate welfare experience and $1,624 for those with extensive experience.

*Relationship to Father.* Child support is a much more common—and more sizable—income source for W-2 clients who have previously been married to the father of their child(ren) than for those who have only nonmarital children. During the first year following W-2 entry, just 36 percent of clients with only nonmarital children received support, compared to 55 percent of those who were separated or divorced from their child(ren)'s father, with a similar differential in the second year, as shown at the bottom of Table II.2.1. This is compounded by differential receipts among the two groups. Those with nonmarital children who received support, received an average of $1,307 during the first year, only slightly more than half of the $2,355 among separated or divorced clients who received support. We do not explore the underlying causes of this difference, but it is apparent that child support is a less dependable—and less sizable—income source for W-2 clients with only nonmarital children, the majority of the caseload.

Payment Patterns

Receipt of child support can be seen as the final step of a multistage process that includes establishing a legal father, issuing a formal support obligation, and enforcing that obligation. In the case of mothers with children from more than one father, full receipt depends on navigating the system multiple times. As discussed in Volume II, Chapter 3, mothers can "fall out" of this process at each of the interim stages.

Our focus here is on support payment as opposed to the intermediate steps. Table II.2.2 provides information on payment outcomes for fathers who owe support during the year in question. These fathers become increasingly likely to pay support over the two years following the mother's W-2 entry. Only 31

**Table II.2.2**
**Child Support Paid by Nonresident Fathers**

| | By Year | | By Quarter | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th |
| Percentage Paying Any Child Support[a] | 58.7% | 64.1% | 30.8% | 35.4% | 36.6% | 35.9% | 37.4% | 39.1% | 40.6% | 39.7% |
| Total Child Support Paid[a] | $943 | $1,128 | 56.4<br>$169 | 72.0<br>$216 | 70.1<br>$210 | 61.2<br>$184 | 71.1<br>$213 | 82.9<br>$249 | 86.3<br>$259 | 70.5<br>$211 |
| Total Paid if Positive[a] | $1,607 | $1,760 | 183.0<br>$549 | 203.3<br>$610 | 191.3<br>$574 | 170.3<br>$511 | 190.2<br>$571 | 212.2<br>$636 | 212.5<br>$638 | 177.7<br>$533 |
| % with Full Compliance[b] | 24.4% | 27.5% | | | | | | | | |
| Compliance Rate[b] | 37.1% | 41.5% | | | | | | | | |

**Sample**: Nonresident fathers of children of full pass-through resident mothers.

[a]Calculated for fathers with a child support order in the year.
[b]Calculated for fathers with only a fixed-amount child support order in the year.

percent of fathers paid any support during the first quarter, increasing to about 40 percent by the final quarter of the period. Looking over full years, we find that 59 percent of fathers with a support obligation paid at least some support during the first year, as did 64 percent in the second year. Among those who paid support, the mean amounts also increased slightly, from $1,607 during the first year to $1,760 in the second year.

Although more than half of fathers who owed support paid at least a portion of their obligation, relatively few fathers paid their obligation in full. The average pay-to-owe ratio was 37 percent in year one and 42 percent in year two,[13] with only about one-quarter of fathers in full compliance.[14]

What accounts for such low compliance, especially in light of the full pass-through—expected to increase fathers' willingness to pay—and a strong enforcement system, intended to remove much of the discretion from paying? A possible explanation lies in the low formal labor force connection among the fathers in question. Twenty-six percent of fathers with support obligations had no formal employment in Wisconsin in the prior two years, according to UI records, while only 24 percent were employed during each of the eight quarters (not shown). The majority of enforcement tools—including income withholding and the reporting of new hires to a central database—can have little if any effect on fathers who do not work for wages in the formal labor market. In addition, other tools, like the interception of tax returns, work for those with either wages or self-employment, but do not work for those without any connection to the formal labor market.

Characteristics of Nonpayers and Full Payers

We present a brief snapshot of two groups of fathers—those who paid none of their support obligation during 1999 and those who paid their obligation in full (Table II.2.3).[15] For each group, we summarize variables related to the fathers' ability to pay support, including current and past employment and earnings, the percentage of earnings owed in support, the extent of arrears owed to the state, and the amount of the support order.

The differences are dramatic. Among those fathers paying no support during the year, slightly more than half (55 percent) had any formal earnings in Wisconsin during the two years preceding the mother's W-2 entry, and only 6 percent had earnings during all eight quarters. In contrast, 84 percent of full payers had formal earnings during the same period, including half with earnings during each of the eight quarters.

These differences are not limited to past earnings. During 1999—the year for which compliance status is defined—more than two-thirds of nonpayers lacked formal earnings in Wisconsin, while only 5 percent had earnings during each quarter of the year. Clearly, enforcement strategies that depend on employers will not be an effective tool for this population. On the other hand, only 18 percent of the full

[13]For this average we consider those who pay more than their order to pay 100 percent.

[14]We use a smaller sample to examine child support compliance. We exclude fathers who have orders expressed as a percentage of income rather than as a fixed dollar amount, roughly one-quarter of our sample. The results for the other payment variables, i.e., the percentage who pay support and the mean payment when positive, are similar whether we include or exclude these cases.

[15]The sample of full payers is limited to fathers whose orders are expressed as a fixed dollar amount rather than as a percentage of income. The characteristics of the nonpayers show little change if we also limit that group to fathers with fixed dollar orders. This table is limited to fathers for whom the Social Security number is known (so that we can match with earnings records); this exclusion eliminates 413 fathers.

**Table II.2.3**
**Characteristics of Nonpayers and Full Payers**

| | By Compliance with Child Support Order in 1999 | | |
|---|---|---|---|
| | Nonpayers[a] Mean | Nonpayers[b] Mean | Full Payers[b] Mean |
| **Father's Employment in 2 Years before Entry** | | | |
| None | 44.9% | 45.0% | 16.0% |
| 1–4 quarters | 33.8 | 34.4 | 11.5 |
| 5–7 quarters | 15.2 | 14.7 | 22.2 |
| 8 quarters | 6.2 | 6.0 | 50.3 |
| **Father's Quarters of Employment in 1999** | | | |
| None | 71.0 | 70.9 | 18.4 |
| 1 quarter | 11.4 | 11.2 | 1.2 |
| 2 quarter | 7.8 | 7.9 | 2.5 |
| 3 quarter | 4.9 | 5.1 | 6.5 |
| 4 quarter | 4.9 | 4.9 | 71.4 |
| **Ratio of Child Support Order to Earnings in 1999** | | | |
| No earnings | 71.0 | 70.9 | 18.4 |
| Less than 0.15 | 3.2 | 3.1 | 60.4 |
| 0.16–0.20 | 0.8 | 0.9 | 8.7 |
| 0.21–0.35 | 2.1 | 2.3 | 7.9 |
| Higher than 0.35 | 22.9 | 22.8 | 4.7 |
| **Father's Arrearages at Entry** | | | |
| No arrears | 5.9 | 5.4 | 13.6 |
| $1–$500 | 1.1 | 1.0 | 9.1 |
| $501–$2,000 | 16.0 | 15.1 | 18.1 |
| $2,001–$5,000 | 28.4 | 28.8 | 27.0 |
| $5,001 or more | 48.6 | 49.7 | 32.3 |
| **Order Amount in 1999 (among those with fixed orders only)** | | | |
| Mean | | $1,789 | $2,247 |
| Median | | $1,500 | $1,920 |
| Distribution | | | |
| Less than $1,000 | | 10.8 | 12.8 |
| $1,000–$1,250 | | 7.2 | 7.8 |
| $1,250–$1,500 | | 36.0 | 15.7 |
| $1,500–$1,750 | | 11.2 | 8.1 |
| $1,750–$2,000 | | 6.9 | 7.5 |
| $2,000–$2,500 | | 11.9 | 15.2 |
| $2,500–$3,000 | | 8.2 | 11.1 |
| $3,000–$3,500 | | 3.1 | 6.8 |
| $3,500 or higher | | 4.7 | 15.1 |
| **Earnings in 1999** | | | |
| Mean | $1,003 | $1,029 | $18,084 |
| Mean of those with positive earnings | $3,461 | $3,540 | $22,162 |

[a]Nonresident fathers with any child support order in 1999.
[b]Nonresident fathers with only fixed amount child support order in 1999.

payers had no formal earnings for the entire year, while 71 percent had earnings during each quarter. Consistent with the differences in employment patterns, the difference in the amount of formal earnings between the groups is striking. The nonpayers, of whom two-thirds have no reported earnings, have overall mean earnings of only $1,003, and a mean of $3,461 among those with positive earnings. The full payers, on the other hand, have overall mean earnings of $18,084, with a mean of $22,162 among those with positive earnings.

Not surprisingly, the two groups differ dramatically in the share of earnings owed in support—what we term the burden of the support order. As noted, 71 percent of the nonpayers had no formal Wisconsin earnings, resulting in an order which was infinitely burdensome as defined here.[16] Only 3 percent of nonpaying fathers owed less than 15 percent of earnings in support; fewer than 1 percent owed 16–20 percent (which spans the Wisconsin standard for one child), 2 percent owed 21–35 percent, and 23 percent owed more than 35 percent. Among full payers, on the other hand, low orders relative to earnings were the norm—about three-fifths of such fathers owed less than 15 percent of their earnings in support, 9 percent owed 15–20 percent, 8 percent owed 21–35 percent, and only 5 percent owed a larger percentage.

The "burden" of the order does not reflect arrearages, of which the fathers are typically expected to pay a portion each month. We do not have access to data on current arrears for this analysis, but we do have data on the extent of arrears owed to the state at the time of the mother's W-2 entry, including child support, reimbursements to Medicaid for the costs of a child's birth, and other charges. Such arrears are substantial for both nonpayers and full payers. Among nonpayers, more than 90 percent owe more than $500 in arrears, the threshold at which tax intercepts are triggered. Half of nonpayers have substantial arrears, in excess of $5,000. Arrears are somewhat less prevalent among the full payers, with about three-quarters owing at least $500 and almost one-third owing more than $5,000.

The final rows of Table II.2.3 show that both the mean and median orders are higher for full payers than for nonpayers. This suggests that full payment is possible even when the dollar value of orders is high, as long as it is not high relative to earnings, a possibility we explore in the multivariate analysis below.

Multivariate Analyses

Our comparison of nonpayers and full payers suggests a strong connection between ability to pay and compliance outcomes. We use a multivariate approach to more formally examine factors associated with compliance with child support obligations during 1999, as described earlier. We present two sets of results: a model estimated over the full sample, and the same model estimated separately for nonearners and full-year workers.

*Full Sample Model*. Column 1 of Table II.2.4 shows the parameters from the full sample model. (Means of the independent variables are shown in Appendix Table II.2.1.) Consistent with our expectation, most dimensions of ability to pay are strongly associated with the compliance ratio.

Compliance ratios decline as the burden of a support order increases. Compliance ratios are significantly higher among fathers whose orders represent less than 15 percent of income relative to those with orders in the 16–20 percent range, and compliance ratios decrease as the percentage of income owed in support increases, with coefficients highly statistically significant. On the other hand, compliance

[16]We assume that many of these fathers had at least some degree of self-employment, informal earnings, or earnings outside Wisconsin which we are unable to capture in our measure of burden.

**Table II.2.4**
**Tobit Models of Rate of Compliance in 1999**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| **(1) Ability To Pay** | | | | | | | | | |
| ***Ratio of Child Support Order to Earnings in 1999*** | | | | | | | | | |
| <.10 | 0.348 | 0.037 | **<0.0001** | 0.430 | 0.034 | **<0.0001** | | | |
| .10–.15 | 0.156 | 0.038 | **<0.0001** | 0.206 | 0.033 | **<0.0001** | | | |
| .16–.20 (omitted) | | | | | | | | | |
| .21–.25 | -0.075 | 0.046 | 0.104 | -0.083 | 0.044 | 0.058 | | | |
| .26–.30 | -0.176 | 0.053 | **0.001** | -0.171 | 0.055 | **0.002** | | | |
| .31–.35 | -0.251 | 0.056 | **<0.0001** | -0.314 | 0.058 | **<0.0001** | | | |
| .36–.50 | -0.363 | 0.045 | **<0.0001** | -0.454 | 0.050 | **<0.0001** | | | |
| >.51 | -0.582 | 0.038 | **<0.0001** | -0.568 | 0.050 | **<0.0001** | | | |
| ***Amount of Child Support Order*** | 1.6E-04 | 1.6E-05 | **<0.0001** | 2.4E-04 | 2.0E-05 | **<0.0001** | 4.0E-05 | 5.3E-05 | 0.447 |
| ***Amount of Child Support Order Squared*** | -1.1E-08 | 2.1E-09 | **<0.0001** | -1.6E-08 | 2.3E-09 | **<0.0001** | 4.0E-09 | 6.7E-09 | 0.553 |
| ***Father's Quarters of Employment in 1999*** | | | | | | | | | |
| No quarters (omitted) | | | | | | | | | |
| 1 quarter to 3 quarters | 0.689 | 0.039 | **<0.0001** | | | | | | |
| 4 quarters | 0.859 | 0.036 | **<0.0001** | | | | | | |
| ***Father's Earnings in 2 years before Entry*** | | | | | | | | | |
| $0 (omitted) | | | | | | | | | |
| $1–$5,000 | -0.096 | 0.022 | **<0.0001** | 0.020 | 0.052 | 0.702 | -0.196 | 0.056 | **0.001** |
| $5,000–$15,000 | 0.067 | 0.027 | **0.012** | 0.111 | 0.052 | **0.034** | 0.290 | 0.092 | **0.002** |
| $15,000–$25,000 | 0.185 | 0.037 | **<0.0001** | 0.237 | 0.057 | **<0.0001** | 0.183 | 0.192 | 0.340 |
| $25,000+ | 0.057 | 0.051 | 0.263 | 0.103 | 0.066 | 0.116 | 0.435 | 0.328 | 0.185 |
| ***Father's Age at Entry*** | | | | | | | | | |
| 16–17 | -0.039 | 0.345 | 0.910 | -0.006 | 0.466 | 0.991 | -4.900 | 3,500.700 | 0.999 |
| 18–25 (omitted) | | | | | | | | | |
| 26–30 | 0.022 | 0.022 | 0.300 | -0.037 | 0.028 | 0.186 | 0.189 | 0.074 | **0.011** |
| 31–40 | 0.033 | 0.022 | 0.144 | -0.059 | 0.029 | **0.043** | 0.198 | 0.076 | **0.010** |
| 41+ | 0.103 | 0.031 | **0.001** | 0.018 | 0.041 | 0.649 | 0.305 | 0.097 | **0.002** |

**Table II.2.4, continued**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| ***Mother's Level of Education at Entry*** | | | | | | | | | |
| No high school degree (omitted) | | | | | | | | | |
| HS degree or equivalent | 0.009 | 0.017 | 0.578 | -0.026 | 0.021 | 0.215 | 0.020 | 0.054 | 0.712 |
| Some beyond high school | 0.092 | 0.028 | **0.001** | -0.007 | 0.034 | 0.828 | 0.342 | 0.086 | **<0.0001** |
| ***County Unemployment Rate*** | -0.003 | 0.060 | 0.965 | -0.095 | 0.096 | 0.321 | 0.162 | 0.169 | 0.339 |
| ***County Unemployment Rate Squared*** | 0.008 | 0.009 | 0.374 | 0.017 | 0.014 | 0.216 | -0.005 | 0.025 | 0.845 |
| **(2) Expectation That Support Will Benefit Children** | | | | | | | | | |
| ***Tier Level at Entry*** | | | | | | | | | |
| Lower tier (omitted) | | | | | | | | | |
| Caretaker of newborn | -0.047 | 0.037 | 0.203 | -0.103 | 0.048 | **0.033** | 0.045 | 0.116 | 0.699 |
| Upper tier | 0.023 | 0.017 | 0.167 | -0.016 | 0.021 | 0.444 | 0.115 | 0.054 | **0.033** |
| ***Mother's Time on AFDC before Entry*** | | | | | | | | | |
| 0 months (omitted) | | | | | | | | | |
| 1–18 months | -0.111 | 0.043 | **0.011** | -0.031 | 0.056 | 0.574 | -0.360 | 0.130 | **0.006** |
| 19–24 months | -0.112 | 0.044 | **0.010** | 0.002 | 0.057 | 0.976 | -0.437 | 0.131 | **0.001** |
| **(3) Strength of Ties** | | | | | | | | | |
| ***Couple's Relationship*** | | | | | | | | | |
| Paternity (omitted) | | | | | | | | | |
| Divorce | 0.075 | 0.028 | **0.007** | 0.054 | 0.035 | 0.129 | 0.177 | 0.084 | **0.036** |
| ***Age of Couple's Youngest Child at Entry*** | | | | | | | | | |
| 0–2 (omitted) | | | | | | | | | |
| 3–5 | 0.004 | 0.021 | 0.852 | -0.007 | 0.027 | 0.805 | 0.041 | 0.075 | 0.584 |
| 6–12 | 0.061 | 0.023 | **0.007** | -0.002 | 0.029 | 0.932 | 0.272 | 0.079 | **0.001** |
| 13–17 | 0.115 | 0.036 | **0.001** | 0.005 | 0.045 | 0.904 | 0.333 | 0.111 | **0.003** |
| ***Other Children in Mother's Household*** | | | | | | | | | |
| No other children (omitted) | | | | | | | | | |
| Other children, no other legal fathers | -0.006 | 0.022 | 0.775 | -0.019 | 0.028 | 0.496 | 0.049 | 0.072 | 0.492 |
| Other legal fathers | -0.010 | 0.019 | 0.604 | -0.006 | 0.024 | 0.815 | -0.007 | 0.064 | 0.907 |

**Table II.2.4, continued**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| ***Number of Children at Entry*** | | | | | | | | | |
| One (omitted) | | | | | | | | | |
| Two or more | -0.067 | 0.018 | **0.000** | -0.017 | 0.024 | 0.472 | -0.225 | 0.060 | **0.000** |
| **(4) Child Support Enforcement System** | | | | | | | | | |
| ***County Paternity Establishment Rate*** | -0.108 | 0.048 | **0.025** | 0.144 | 0.093 | 0.123 | -0.244 | 0.113 | **0.031** |
| ***County Paternity Rate Squared*** | 0.001 | 0.000 | **0.033** | -0.001 | 0.001 | 0.102 | 0.002 | 0.001 | **0.033** |
| ***County Child Support Order Rate*** | 0.055 | 0.023 | **0.015** | 0.001 | 0.036 | 0.986 | 0.065 | 0.062 | 0.293 |
| ***County CS Order Rate Squared*** | 0.000 | 0.000 | **0.033** | 0.000 | 0.000 | 0.770 | 0.000 | 0.000 | 0.304 |
| ***Father Owes CS to Mother at Entry*** | 0.033 | 0.028 | 0.239 | 0.047 | 0.036 | 0.188 | -0.077 | 0.096 | 0.422 |
| **(5) Control Variables** | | | | | | | | | |
| ***Region at Entry*** | | | | | | | | | |
| Milwaukee (omitted) | | | | | | | | | |
| Other urban counties | 0.029 | 0.094 | 0.756 | -0.012 | 0.143 | 0.932 | 0.281 | 0.266 | 0.291 |
| Rural counties | 0.018 | 0.107 | 0.864 | 0.032 | 0.155 | 0.835 | 0.162 | 0.304 | 0.594 |
| ***Father's Race*** | | | | | | | | | |
| White (omitted) | | | | | | | | | |
| African American | -0.128 | 0.031 | **<0.0001** | -0.009 | 0.040 | 0.820 | -0.334 | 0.099 | **0.001** |
| Hispanic | -0.015 | 0.046 | 0.740 | -0.016 | 0.059 | 0.791 | -0.086 | 0.152 | 0.571 |
| Native American | -0.168 | 0.083 | **0.044** | -0.171 | 0.101 | 0.091 | -0.472 | 0.371 | 0.203 |
| Asian | -0.029 | 0.169 | 0.864 | -0.116 | 0.174 | 0.505 | -0.251 | 0.513 | 0.624 |
| ***Intercept*** | 2.223 | 1.626 | 0.172 | -5.303 | 3.099 | 0.087 | 6.679 | 3.920 | 0.088 |
| **(6) Model Statistics** | | | | | | | | | |
| ***Sigma (scale)*** | 0.592 | 0.008 | | 0.463 | 0.009 | | 1.034 | 0.034 | |
| ***N*** | 8,062 | | | 2,925 | | | 2,836 | | |
| ***Log Likelihood*** | -6,263.24 | | | -1,937.71 | | | -2,224.57 | | |

**Sample**: Nonresident fathers with only fixed amount child support order in 1999.
**Note**: Model also includes variables indicating missing age, unknown race, missing Social Security numbers, unknown marital relationship, and timing of W-2 entry. Probability values of 0.05 or less are shown in bold type.

increases with the dollar value of the support order. Taken together, these results suggest that high orders in and of themselves are not problematic from the standpoint of compliance, so long as those orders do not constitute an unduly large share of income.[17]

The variables reflecting current employment are quite important. Those with more quarters of earnings have higher compliance, as expected. Earnings history, which we view as a proxy for earnings capacity, is also related to compliance. Compared to fathers with no formal earnings in the two-year period prior to W-2 entry, compliance is significantly higher for those with prior earnings in the $5,000–$15,000 range, and especially in the $15,000–$25,000 range. There is no significant difference for those earning above $25,000, a category which includes fewer than 300 of the fathers in our sample.

Other variables intended to reflect earnings capacity are also important. For instance, compliance is highest for the oldest fathers (over age 40), and it is significantly higher for fathers whose ex-partner has post-high school education. However, we find no evidence that the local unemployment rate is linked to compliance, net of other factors in the model.

The next panel includes variables intended to reflect the father's expectation that support will be passed through to his child(ren). Contrary to expectation, we find no difference in compliance ratio according to the mother's initial W-2 tier. We do, however, find that recent AFDC receipt is significantly related to lower compliance. As noted above, fathers associated with recent AFDC recipients may have a less clear understanding of the new pass-through policy. On the other hand, there may be other unmeasured differences, including differences in earnings capacity, between men associated with long-term versus recent welfare recipients.

The next set of independent variables is intended to reflect, albeit imperfectly, the strength of the nonresident father's ties to his ex-partner and children. We include four sets of variables: the couple's relationship (nonmarital or divorced), the age of the youngest child, the presence of other legal fathers associated with the resident mother, and the number of the couple's children at W-2 entry. We find mixed results. Consistent with expectations and prior research, divorced fathers have higher compliance ratios than nonmarital fathers. Those with older children have higher compliance ratios, suggesting that ties may strengthen over time.[18] However, couples with more children (who we hypothesized may have stronger ties) have lower compliance. There is no evident relationship between the compliance outcome and the presence of other children in the mother's household.

The next panel includes variables reflecting the child support system and parents' prior exposure to that system. Results indicate that fathers in counties that establish paternity in a larger share of cases served by the Child Support Enforcement Office have lower compliance ratios, a finding which could reflect the challenges associated with collecting support from fathers brought into the formal system by virtue of strict paternity establishment procedures or the difficulty in simultaneously focusing on paternity establishment and enforcement. On the other hand, the model also suggests that a higher rate of order establishment among fathers is associated with a higher compliance ratio, perhaps because counties

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[17]The order amount and the burden (order divided by income) are obviously related. Entering only one of them does not change the conclusions. In a model without the burden variables, the coefficient on the order amount is positive and statistically significant, similar to the results in Table II.2.4; in a model without the order variables, the coefficients on the burden variables are similar to the results in Table II.2.4.

[18]We also ran a model in which child's age was interacted with divorce and paternity. This model shows that those with older children have significantly higher compliance rates, whether they are marital or nonmarital fathers.

which place the greatest emphasis on issuing orders also tend to have the most effective enforcement strategies. We find no relationship between compliance and having a support order in place at the time of W-2 entry (a measure of past child support exposure).

The last panel shows the impacts of several control variables. Net of other factors, compliance does not differ among fathers in Milwaukee, other urban counties, and rural counties. African-American and Native-American fathers appear to have lower compliance ratios than whites, with no differences among other racial groups.

In sum, this model provides strong support for the hypothesis that a father's ability to pay support is an important determinant of child support compliance. It also provides some limited evidence that expectations that support would benefit children is linked to compliance; mixed support for the hypothesis that a father's ties to children play a role; and some evidence that overall county success with regard to intermediate child support outcomes is related to differential compliance outcomes.

*Compliance among Discretionary versus Nondiscretionary Obligors*. As discussed earlier, the above model implicitly suggests that compliance with support obligations is affected by the discretion of the obligor. However, the increasingly routinized nature of support collections for those who have earnings from the formal labor market makes this an overly simplistic assumption. Whereas fathers who do not wish to pay support may choose to work outside of the formal labor market, those fathers who do work in the formal labor market have considerably less discretion as to how much support they pay. Discretion is not completely absent, of course. Some fathers do not have withholding orders, and when fathers change jobs they may opt not to inform their employer of obligations (or may not inform the child support system of the job change), resulting in a delay in enforcement efforts. However, we would expect discretion to play a decreasing role as connection to the formal labor market increases.

To assess how the correlates of compliance differ when payment is discretionary versus nondiscretionary, we estimate our base model separately for two subsamples: full workers, i.e., those who worked in the formal labor market during each quarter of 1999, and nonearners, i.e., those with no reported earnings in the year.[19] Note that this distinction is imperfect in that "nonearners" may work in the informal labor market or in formal jobs outside of the state. We expect that variables reflecting the father's desire to pay support will be related to compliance among nonearners but not among full workers. Thus, we expect the variables representing a father's expectation that support will benefit his children, as well as variables representing the strength of his ties to his child(ren), to be important only for nonearners. We expect the ability to pay support to be important for both groups of fathers, but that this would be captured by different variables for the two groups. Because we have fewer direct controls of ability to pay among nonworking fathers (in that we cannot control for the burden of the support order), we expect the indirect measures of ability to pay to be more important for this group.

*Factors Associated with Compliance among Fully Employed Fathers*. The coefficients and standard errors for the fully employed sample are shown in the middle columns of Table II.2.4. As expected, the ability-to-pay variables are almost the only significant variables in the model. Fathers with low-burden orders, relative to those owing in the 16–20 percent range, have significantly higher compliance ratios, while fathers with high-burden orders have decreasing compliance ratios. Net of the

[19]This is equivalent to a model in which we include interaction terms between all independent variables and the number of quarters of employment. The fully interacted model (or the separate models) allows us to directly examine the correlates of compliance for each subgroup. To determine whether a fully interacted model (equivalent to the separate models reported here) is preferable to an uninteracted model, we conducted a likelihood test of the two models and found that the interacted model is preferable ($p < .001$).

burden of the order, higher orders are associated with higher compliance. Earnings capacity, as measured by past earnings, is also associated with higher compliance. The more indirect measures of earnings capacity—fathers' age and mothers' education—are not consistently related to compliance, perhaps because their effects are picked up by the more direct measures.

In contrast to the full sample, there is virtually no relation between compliance ratios and any of the variables reflecting either perceived benefit to children or strength of family ties. Thus the differences we saw in the earlier sample—including higher compliance among fathers whose ex-partners are new to the welfare system and among fathers with older versus younger children—are by and large absent here. Likewise, the previous findings with regard to characteristics of the child support system are not evident for this sample. Finally, we find no compliance differences among racial groups for the sample of fully employed fathers. In sum, our results suggest that for fathers with close connection to the formal labor market, ability to pay is the driving force behind compliance with support obligations.

*Factors Associated with Compliance among Fathers outside the Formal Labor Market*. Not surprisingly, factors associated with compliance are different among nonearners than among full workers. As noted previously, we are unable to include the burden of the order in our model for this sample, as that variable is defined from reported earnings. In reality, many of these fathers are likely to have earnings not reflected in our data or to have other sources of income, and as such the burden of their orders would vary. Perhaps because we do not have a measure of burden, we find that indirect measures of ability to pay are important for these fathers. Fathers whose ex-partners have post-high school education had significantly higher compliance, and compliance increased with the fathers' age.

Unlike the case for fully employed fathers, we find that the variables intended to proxy for a father's expectation that support will benefit his child(ren) are significantly related to compliance. Fathers whose ex-partner is in an upper (noncash) tier of W-2 have significantly higher compliance net of other factors, while fathers whose ex-partners have AFDC experience in the two years prior to W-2 entry have significantly lower compliance.

Compliance is related to the measures reflecting the strength of ties, in contrast to the results for fully employed fathers. Divorced fathers have higher compliance ratios, as do those with older children.

Fathers with two or more children have significantly lower compliance, perhaps because their orders are larger relative to their earnings capacity and hence are proxies for burden.

Finally, we find significantly lower compliance among African Americans than among whites, with no net differences among fathers in Milwaukee, other urban counties, and rural counties. In sum, our results confirm that, in addition to variables reflecting ability to pay, variables likely to reflect differential preferences for paying support are significant predictors of compliance among fathers outside the formal labor market.

*Compliance and Arrears.* As discussed above, arrears typically result in a higher de facto obligation than is reflected in our order or burden measures, in that fathers are expected to pay off a portion of their arrears each month. High arrears, which many fathers have little realistic expectation of paying off, may lead fathers to avoid the formal enforcement system altogether. To test this possibility, we estimated the same model with an additional variable denoting whether a father owed more than $5,000 to the state when his children entered W-2. Appendix Table II.2.2 shows the results. In the full sample, those with high arrears do have lower compliance net of other factors. The relationships between other variables and compliance are largely unchanged by this addition. The final columns show that high arrears are strongly negatively related to compliance among those with no recorded employment; among those with full employment the relationship is small and only marginally significant ($p < .10$).

**Conclusions**

This section addresses two issues critical to our understanding of the current and potential role of child support for welfare recipients. First, it describes patterns of child support among W-2 clients, providing important information about the prevalence and extent of child support in the context of a full pass-through and a strong enforcement system. Second, it examines the factors associated with compliance with child support obligations, with emphasis on the importance of fathers' ability to pay support.

We find that child support receipt is considerably more common among W-2 recipients than among the best available comparison groups nationwide. During the first two years following W-2 entry, between 39 percent and 47 percent of mothers received at least some child support. In contrast, only 25 percent of poor mothers nationwide received support in 1997, as did 22 percent of never-married mothers and 28 percent of mothers receiving some form of public assistance (U.S. Census Bureau, 2000).

Support is a nontrivial source of income among those who receive it, averaging between $1,540 and $1,752 during the two years examined. Among those who received support during a given three-month period, the average monthly amounts ranged from $170 to $200, or 25–30 percent of the maximum W-2 payment. These annual dollar amounts are somewhat lower than the national estimates for relevant comparison groups, perhaps because more challenging cases receive at least some support in Wisconsin, whereas in other states they may not receive anything. Note also that comparisons to average receipts nationwide do not reflect that outside of Wisconsin, child support reduces the amount of public assistance available.

The overall rate of receipt is encouraging, but we also find that such support is a variable and unpredictable source of income. It is considerably less common among mothers in Milwaukee than in the rest of the state, among mothers new to the welfare system than for those with prior AFDC experience, and among nonmarital mothers than for divorced mothers. In any given quarter, it is received by fewer than 40 percent of mothers. Among mothers who receive support at some point during the year, just under half receive support during each quarter, and 35–39 percent receive support only during one or two quarters. Furthermore, the steep increases in the percentage of mothers receiving support and the average support received over the first five quarters after entering W-2 appear to have slowed by the seventh and eighth quarters after entry.

Failure to receive support stems from breakdowns at a variety of steps (establishment of paternity, establishment of a support order, and collection of support owed), but this section focuses on breakdowns at the final stage. Of those fathers who owe support, only between 59 and 64 percent pay any support during the first two years following the mother's W-2 entry, and only about one-quarter pay their orders in full.

We find striking differences between those fathers who do not pay any of their obligation and those fathers who pay their support in full. The nonpayers are characterized by extremely low rates of past and current employment in the formal labor market; fewer than three-fifths had any formal employment in Wisconsin during the two years prior to the mother's W-2 entry, and fewer than one-third had any formal employment in the current year. Among the minority of nonpayers with formal earnings in 1999, support obligations constituted a large share of those earnings—more than 35 percent, for the majority of these fathers. This does not reflect arrearages. In addition to current support, more than 90 percent of nonpayers owed more than $500 in arrears, including half with arrears in excess of $5,000. Full payers, on the other hand, have a much stronger connection to the formal labor force, and are

characterized by low orders relative to current earnings. More than 80 percent had at least some formal earnings during the current year. Among those with earnings, nearly three-quarters owed less than 15 percent of current earnings in support. Like nonpayers, they also had substantial arrearages.

Not surprisingly, our multivariate analyses confirm that ability to pay is very closely tied to child support compliance. Ability to pay is treated here as a multidimensional construct, and multiple dimensions appear to be relevant. Orders that are a high percentage of the fathers' earnings, an absence of formal employment, a history of low earnings, and high arrears to the state all have a distinct negative impact on the compliance ratio.

Different factors appear to be important in the compliance patterns of fathers who are strongly connected to the formal labor market as compared to those outside of the labor force. For those with four quarters of employment, only the most direct measures of ability to pay—prior earnings, and orders as a percentage of current earnings—are significant predictors of compliance. For those fathers without formal employment—whom we refer to as discretionary obligors—ability to pay is also important. In this case, the significant dimensions of ability to pay include earnings capacity, as measured by age and mothers' education, as well as the existence of high arrearages to the state. Fathers with large arrears to the state have significantly lower compliance ratios, perhaps because they opt to avoid the enforcement system altogether. In contrast to the fully employed fathers, compliance among the discretionary obligors is linked to other factors as well. Variables intended to proxy for the father's expectation that support will benefit his children are significantly linked to higher compliance. Likewise, discretionary obligors with older children have higher compliance ratios than those with younger children, and African Americans have lower compliance than whites.

What can policymakers learn from these results? We offer the following conclusions from this research:

1. **Child support should be viewed as an important supplemental income source to families who come in contact with the welfare system, rather than as an income source that is routinely available.** Child support can indeed be an important source of income to these mothers and children, and W-2 recipients appear more likely to receive such support than do comparable groups nationwide. However, policymakers should not count on such support for all W-2 recipients when assessing the potential economic well-being of this population. Even in a policy environment considered favorable for maximizing child support income, fewer than half of W-2 recipients receive support in a given year, and fewer than half of those receive support during each quarter of the year.

2. **Enforcement strategies linked to formal employment—including income withholding and the reporting of new hires to a centralized database—can have little further impact on compliance among fathers who currently do not pay any of their support obligation.** These nonpayers have extremely limited connection to the formal labor force both before and after the mother's entry into W-2, and as such, there is little that employment-based enforcement can do to improve their compliance.

3. **Increasing compliance may require efforts to reduce the burden of support orders and the magnitude of arrearages.** Most nonpaying fathers have no formal earnings, but those who do usually owe more than 35 percent of their earnings in current support. Likewise, the vast majority have arrearages owed to the state, including roughly half with arrearages in excess of $5,000. We find evidence that both the burden of the support order and the presence of high arrears are associated with lower compliance ratios. Policymakers should explore strategies to

ensure that orders keep pace with changes in the circumstances of obligors, such that orders do not exceed fathers' ability to pay.

4. **Enforcement is generally effective among fathers with strong connection to the labor force, but there is still room for improvement.** Fathers who have earnings during all four quarters of the year have fairly high compliance, with 95 percent paying at least some support and an average pay-to-owe ratio of .73. On the other hand, only half of these fathers pay their orders in full. Continued efforts to enforce support obligations could produce further gains among fully employed fathers.

5. **Policymakers should pursue strategies to enhance the formal employment of fathers associated with W-2 recipients.** Employment is a strong predictor of compliance. Our findings suggest that, in addition to a direct impact of employment on compliance, employment also increases compliance by reducing underpayment related to differential preferences for paying support. Among fully employed fathers, factors other than ability to pay are not strongly associated with compliance outcomes.

6. **Policymakers and researchers should endeavor to learn more about the circumstances of fathers with no reported earnings.** Possible explanations for lack of reported earnings include self-employment, informal earnings, living out of state, disability, unemployment, and incarceration. In the absence of such knowledge, it is difficult to ascertain what constitutes fair and appropriate treatment by the child support system.

7. **Wisconsin should increase its efforts to inform all welfare recipients and associated nonresident parents about the full pass-through policy. Other states should consider implementing a full pass-through.** We hypothesize that fathers' expectations about whether children will benefit from their support are related to the level of compliance. In this research, we only have approximations for whether fathers expect their children to receive their payments. Nonetheless, our findings of higher compliance among fathers whose partners are new to the welfare system, as well as higher compliance among fathers whose partners are initially assigned to an upper (noncash) tier of W-2, suggests that expectations that support will benefit children influence fathers' payment decisions, particularly among those fathers outside the formal labor force. These findings are consistent with the evaluation of the full pass-through, which found that the pass-through policy had a larger impact on the likelihood of payment among fathers whose ex-partners were in a higher tier and/or had no recent AFDC experience (Volume I).

**Appendix Table II.2.1**
**Mean Characteristics of Model Samples**

| | Full Sample | | By Quarters of Employment in 1999 | | | |
|---|---|---|---|---|---|---|
| | | | 4 Quarters | | No Quarters | |
| | Mean | S.D. | Mean | S.D. | Mean | S.D. |
| **(1) Ability to Pay** | | | | | | |
| ***Ratio of Child Support Order to Earnings in 1999*** | | | | | | |
| <.10 | 0.164 | 0.293 | 0.415 | 0.391 | | |
| .10–.15 | 0.098 | 0.236 | 0.231 | 0.334 | | |
| .16–.20 | 0.061 | 0.189 | 0.130 | 0.267 | | |
| .21–.25 | 0.038 | 0.151 | 0.068 | 0.199 | | |
| .26–.30 | 0.025 | 0.123 | 0.036 | 0.148 | | |
| .31–.35 | 0.021 | 0.114 | 0.029 | 0.133 | | |
| .36–.50 | 0.042 | 0.159 | 0.043 | 0.162 | | |
| >.51 | 0.164 | 0.294 | 0.048 | 0.170 | | |
| No earnings | 0.352 | 0.379 | | | 1.000 | 0.000 |
| No SSN | 0.036 | 0.148 | | | | |
| ***Amount of Child Support Order*** | 2,003.030 | 934.961 | 2,177.350 | 1,043.130 | 1,910.750 | 903.776 |
| ***Father's Quarters of Employment in 1999*** | | | | | | |
| No quarters | 0.352 | 0.379 | | | 1.000 | 0.000 |
| 1 quarter to 3 quarters | 0.249 | 0.343 | | | | |
| 4 quarters | 0.363 | 0.381 | 1.000 | 0.000 | | |
| No SSN | 0.036 | 0.148 | | | | |
| ***Father's Earnings in 2 years before Entry*** | | | | | | |
| $0 | 0.252 | 0.345 | 0.036 | 0.147 | 0.580 | 0.392 |
| $1–$5,000 | 0.373 | 0.384 | 0.307 | 0.366 | 0.333 | 0.374 |
| $5,000–$15,000 | 0.222 | 0.330 | 0.394 | 0.388 | 0.069 | 0.202 |
| $15,000–$25,000 | 0.080 | 0.215 | 0.179 | 0.304 | 0.013 | 0.091 |
| $25,000+ | 0.036 | 0.147 | 0.083 | 0.219 | 0.005 | 0.053 |
| No SSN | 0.036 | 0.148 | | | | |

**Appendix Table II.2.1, continued**

| | Full Sample | | By Quarters of Employment in 1999 | | | |
|---|---|---|---|---|---|---|
| | | | 4 Quarters | | No Quarters | |
| | Mean | S.D. | Mean | S.D. | Mean | S.D. |
| ***Father's Age at Entry*** | | | | | | |
| 16–17 | 0.0005 | 0.018 | 0.0003 | 0.015 | 0.0004 | 0.015 |
| 18–25 | 0.296 | 0.362 | 0.248 | 0.343 | 0.272 | 0.353 |
| 26–30 | 0.256 | 0.346 | 0.265 | 0.350 | 0.255 | 0.346 |
| 31–40 | 0.345 | 0.377 | 0.374 | 0.384 | 0.353 | 0.379 |
| 41+ | 0.100 | 0.238 | 0.113 | 0.251 | 0.116 | 0.254 |
| Age missing | 0.003 | 0.044 | | | 0.004 | 0.048 |
| ***Mother's Level of Education at Entry*** | | | | | | |
| No high school degree | 0.552 | 0.394 | 0.511 | 0.397 | 0.557 | 0.394 |
| HS degree or equivalent | 0.360 | 0.381 | 0.386 | 0.386 | 0.353 | 0.379 |
| Some beyond high school | 0.088 | 0.225 | 0.103 | 0.242 | 0.090 | 0.227 |
| ***County Unemployment Rate*** | 3.662 | 0.563 | 3.639 | 0.600 | 3.645 | 0.553 |
| ***Father Has CS Arrears over $5,000*** | 0.424 | 0.392 | 0.358 | 0.380 | 0.483 | 0.396 |
| **(2) Expectation That Support Will Benefit Children** | | | | | | |
| ***Tier Level At Entry*** | | | | | | |
| Lower tier | 0.639 | 0.381 | 0.633 | 0.382 | 0.641 | 0.381 |
| Caretaker of newborn | 0.047 | 0.169 | 0.045 | 0.165 | 0.051 | 0.175 |
| Upper tier | 0.313 | 0.368 | 0.322 | 0.371 | 0.308 | 0.366 |
| ***Mother's Time on AFDC before Entry*** | | | | | | |
| 0 months | 0.040 | 0.156 | 0.045 | 0.164 | 0.040 | 0.155 |
| 1–18 months | 0.264 | 0.350 | 0.264 | 0.350 | 0.264 | 0.350 |
| 19–24 months | 0.696 | 0.365 | 0.691 | 0.366 | 0.697 | 0.365 |
| **(3) Strength of Ties** | | | | | | |
| ***Couple's Relationship*** | | | | | | |
| Unknown | 0.003 | 0.042 | 0.001 | 0.028 | 0.006 | 0.061 |
| Paternity | 0.896 | 0.242 | 0.882 | 0.256 | 0.887 | 0.251 |
| Divorce | 0.101 | 0.239 | 0.117 | 0.255 | 0.107 | 0.245 |

**Appendix Table II.2.1, continued**

| | Full Sample | | By Quarters of Employment in 1999 | | | |
|---|---|---|---|---|---|---|
| | | | 4 Quarters | | No Quarters | |
| | Mean | S.D. | Mean | S.D. | Mean | S.D. |
| ***Age of Couple's Youngest Child at Entry*** | | | | | | |
| 0–2 | 0.242 | 0.340 | 0.245 | 0.341 | 0.194 | 0.314 |
| 3–5 | 0.316 | 0.369 | 0.301 | 0.364 | 0.325 | 0.372 |
| 6–12 | 0.365 | 0.382 | 0.368 | 0.383 | 0.390 | 0.387 |
| 13–17 | 0.077 | 0.211 | 0.086 | 0.223 | 0.091 | 0.228 |
| ***Other Children in Mother's Household*** | | | | | | |
| No other children | 0.276 | 0.355 | 0.294 | 0.361 | 0.250 | 0.344 |
| Other children, no other legal fathers | 0.242 | 0.340 | 0.226 | 0.332 | 0.254 | 0.345 |
| Other legal fathers | 0.482 | 0.396 | 0.480 | 0.396 | 0.496 | 0.397 |
| ***Number of Children at Entry*** | | | | | | |
| One | 0.688 | 0.368 | 0.692 | 0.366 | 0.689 | 0.367 |
| Two or more | 0.312 | 0.368 | 0.308 | 0.366 | 0.311 | 0.367 |
| **(4) Child Support Enforcement System** | | | | | | |
| ***County Paternity Establishment Rate*** | 74.238 | 4.881 | 74.466 | 5.044 | 74.503 | 5.161 |
| ***County Child Support Order Rate*** | 51.468 | 8.955 | 51.811 | 9.368 | 52.173 | 9.335 |
| ***Father Owes CS to Mother at Entry*** | 0.916 | 0.219 | 0.913 | 0.223 | 0.929 | 0.203 |
| **(5) Control Variables** | | | | | | |
| ***Region at Entry*** | | | | | | |
| Milwaukee | 0.809 | 0.311 | 0.802 | 0.316 | 0.781 | 0.328 |
| Other urban counties | 0.127 | 0.264 | 0.125 | 0.262 | 0.152 | 0.285 |
| Rural counties | 0.063 | 0.193 | 0.073 | 0.207 | 0.067 | 0.198 |
| ***Father's Race*** | | | | | | |
| White | 0.101 | 0.239 | 0.127 | 0.264 | 0.096 | 0.234 |
| African American | 0.446 | 0.394 | 0.361 | 0.381 | 0.469 | 0.396 |
| Hispanic | 0.039 | 0.154 | 0.039 | 0.154 | 0.036 | 0.147 |
| Native American | 0.011 | 0.082 | 0.012 | 0.086 | 0.007 | 0.068 |
| Asian | 0.002 | 0.037 | 0.004 | 0.048 | 0.002 | 0.036 |
| Unknown | 0.401 | 0.389 | 0.457 | 0.395 | 0.389 | 0.387 |

**Sample**: Nonresident fathers with only fixed amount child support order in 1999.

**Appendix Table II.2.2**
**Tobit Models of Rate of Compliance in 1999**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| **(1) Ability to Pay** | | | | | | | | | |
| ***Ratio of Child Support Order to Earnings in 1999*** | | | | | | | | | |
| <.10 | 0.340 | 0.036 | **<0.0001** | 0.428 | 0.034 | **<0.0001** | | | |
| .10–.15 | 0.149 | 0.037 | **<0.0001** | 0.205 | 0.033 | **<0.0001** | | | |
| .16–.20 (omitted) | | | | | | | | | |
| .21–.25 | -0.074 | 0.046 | 0.106 | -0.082 | 0.044 | 0.061 | | | |
| .26–.30 | -0.169 | 0.053 | **0.001** | -0.169 | 0.055 | **0.002** | | | |
| .31–.35 | -0.254 | 0.055 | **<0.0001** | -0.314 | 0.058 | **<0.0001** | | | |
| .36–.50 | -0.357 | 0.045 | **<0.0001** | -0.451 | 0.050 | **<0.0001** | | | |
| >.51 | -0.579 | 0.038 | **<0.0001** | -0.565 | 0.050 | **<0.0001** | | | |
| ***Amount of Child Support Order*** | 1.8E-04 | 1.6E-05 | **<0.0001** | 2.4E-04 | 2.0E-05 | **<0.0001** | 9.2E-05 | 5.2E-05 | 0.079 |
| ***Amount of Child Support Order Squared*** | -1.2E-08 | 2.0E-09 | **<0.0001** | -1.6E-08 | 2.3E-09 | **<0.0001** | -1.3E-09 | 6.6E-09 | 0.843 |
| ***Father's Quarters of Employment in 1999*** | | | | | | | | | |
| No quarters (omitted) | | | | | | | | | |
| 1 quarter to 3 quarters | 0.690 | 0.039 | **<0.0001** | | | | | | |
| 4 quarters | 0.858 | 0.035 | **<0.0001** | | | | | | |
| ***Father's Earnings in 2 Years before Entry*** | | | | | | | | | |
| $0 (omitted) | | | | | | | | | |
| $1–$5,000 | -0.091 | 0.022 | **<0.0001** | 0.016 | 0.052 | 0.751 | -0.166 | 0.056 | **0.003** |
| $5,000–$15,000 | 0.055 | 0.027 | **0.038** | 0.103 | 0.052 | **0.049** | 0.273 | 0.090 | **0.002** |
| $15,000–$25,000 | 0.153 | 0.037 | **<0.0001** | 0.224 | 0.057 | **<0.0001** | 0.141 | 0.188 | 0.455 |
| $25,000+ | 0.012 | 0.051 | 0.806 | 0.087 | 0.067 | 0.192 | 0.249 | 0.323 | 0.441 |
| ***Father's Age at Entry*** | | | | | | | | | |
| 16–17 | -0.038 | 0.342 | 0.912 | -0.010 | 0.466 | 0.983 | -4.788 | 3,453.100 | 0.999 |
| 18–25 (omitted) | | | | | | | | | |
| 26–30 | 0.029 | 0.022 | 0.173 | -0.035 | 0.028 | 0.207 | 0.201 | 0.073 | **0.006** |
| 31–40 | 0.045 | 0.022 | **0.042** | -0.055 | 0.029 | 0.058 | 0.230 | 0.075 | **0.002** |
| 41+ | 0.114 | 0.031 | **0.000** | 0.021 | 0.041 | 0.605 | 0.336 | 0.096 | **0.001** |

**Appendix Table II.2.2, continued**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| ***Mother's Level of Education at Entry*** | | | | | | | | | |
| No high school degree (omitted) | | | | | | | | | |
| HS degree or equivalent | 0.012 | 0.016 | 0.481 | -0.025 | 0.021 | 0.227 | 0.028 | 0.053 | 0.602 |
| Some beyond high school | 0.090 | 0.028 | **0.001** | -0.007 | 0.034 | 0.834 | 0.316 | 0.085 | **0.000** |
| ***County Unemployment Rate*** | 0.007 | 0.060 | | -0.085 | 0.096 | 0.375 | 0.168 | 0.166 | 0.312 |
| ***County Unemployment Rate Squared*** | 0.007 | 0.009 | 0.437 | 0.016 | 0.014 | 0.251 | -0.004 | 0.024 | 0.870 |
| ***Father Has CS Arrears over $5000*** | -0.142 | 0.017 | **<0.0001** | -0.038 | 0.023 | 0.093 | -0.430 | 0.055 | **<0.0001** |
| **(2) Expectation That Support Will Benefit Children** | | | | | | | | | |
| ***Tier Level at Entry*** | | | | | | | | | |
| Lower tier (omitted) | | | | | | | | | |
| Caretaker of newborn | -0.051 | 0.037 | 0.170 | -0.106 | 0.048 | **0.028** | 0.074 | 0.114 | 0.519 |
| Upper tier | 0.025 | 0.016 | 0.130 | -0.016 | 0.021 | 0.444 | 0.123 | 0.053 | **0.020** |
| ***Mother's Time on AFDC before Entry*** | | | | | | | | | |
| 0 months (omitted) | | | | | | | | | |
| 1–18 months | -0.092 | 0.043 | **0.031** | -0.028 | 0.056 | 0.618 | -0.296 | 0.127 | **0.020** |
| 19–24 months | -0.084 | 0.043 | 0.053 | 0.007 | 0.057 | 0.901 | -0.338 | 0.128 | **0.009** |
| **(3) Strength of Ties** | | | | | | | | | |
| ***Couple's Relationship*** | | | | | | | | | |
| Paternity (omitted) | | | | | | | | | |
| Divorce | 0.044 | 0.028 | 0.116 | 0.044 | 0.036 | 0.214 | 0.101 | 0.084 | 0.229 |
| ***Age of Couple's Youngest Child at Entry*** | | | | | | | | | |
| 0–2 (omitted) | | | | | | | | | |
| 3–5 | 0.039 | 0.021 | 0.064 | 0.002 | 0.028 | 0.947 | 0.153 | 0.075 | **0.042** |
| 6–12 | 0.108 | 0.023 | **<0.0001** | 0.010 | 0.030 | 0.744 | 0.412 | 0.080 | **<0.0001** |
| 13–17 | 0.174 | 0.036 | **<0.0001** | 0.020 | 0.045 | 0.667 | 0.515 | 0.112 | **<0.0001** |
| ***Other Children in Mother's Household*** | | | | | | | | | |
| No other children (omitted) | | | | | | | | | |
| Other children, no other legal fathers | -0.010 | 0.022 | 0.631 | -0.020 | 0.028 | 0.474 | 0.025 | 0.070 | 0.718 |
| Other legal fathers | -0.013 | 0.019 | 0.483 | -0.006 | 0.024 | 0.799 | -0.033 | 0.063 | 0.599 |

**Appendix Table II.2.2, continued**

| | Full Sample | | | By Quarters of Employment in 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 4 Quarters | | | No Quarters | | |
| | Coeff. | S.E. | P-value | Coeff. | S.E | P-value | Coeff. | S.E. | P-value |
| ***Number of Children at Entry*** | | | | | | | | | |
| One (omitted) | | | | | | | | | |
| Two or more | -0.038 | 0.019 | **0.040** | -0.010 | 0.024 | 0.674 | -0.147 | 0.060 | **0.014** |
| **(4) Child Support Enforcement System** | | | | | | | | | |
| ***County Paternity Establishment Rate*** | -0.104 | 0.048 | **0.031** | 0.148 | 0.093 | 0.112 | -0.217 | 0.111 | 0.051 |
| ***County Paternity Rate Squared*** | 0.001 | 0.000 | **0.043** | -0.001 | 0.001 | 0.092 | 0.001 | 0.001 | 0.060 |
| ***County Child Support Order Rate*** | 0.057 | 0.023 | **0.011** | 0.001 | 0.036 | 0.981 | 0.068 | 0.061 | 0.265 |
| ***County CS Order Rate Squared*** | 0.000 | 0.000 | **0.027** | 0.000 | 0.000 | 0.773 | 0.000 | 0.000 | 0.296 |
| ***Father Owes CS to Mother at Entry*** | 0.067 | 0.028 | **0.018** | 0.053 | 0.036 | 0.144 | 0.084 | 0.096 | 0.382 |
| **(5) Control Variables** | | | | | | | | | |
| ***Region at Entry*** | | | | | | | | | |
| Milwaukee (omitted) | | | | | | | | | |
| Other urban counties | 0.038 | 0.094 | 0.689 | -0.004 | 0.143 | 0.980 | 0.310 | 0.262 | 0.236 |
| Rural counties | 0.015 | 0.107 | 0.890 | 0.038 | 0.155 | 0.808 | 0.158 | 0.299 | 0.598 |
| ***Father's Race*** | | | | | | | | | |
| White (omitted) | | | | | | | | | |
| African American | -0.125 | 0.031 | **<0.0001** | -0.009 | 0.040 | 0.825 | -0.318 | 0.097 | **0.001** |
| Hispanic | -0.012 | 0.046 | 0.791 | -0.013 | 0.059 | 0.821 | -0.090 | 0.149 | 0.547 |
| Native American | -0.147 | 0.083 | 0.077 | -0.166 | 0.101 | 0.100 | -0.390 | 0.369 | 0.291 |
| Asian | -0.046 | 0.169 | 0.786 | -0.125 | 0.174 | 0.472 | -0.178 | 0.510 | 0.726 |
| ***Intercept*** | 1.921 | 1.619 | 0.235 | -5.492 | 3.099 | 0.076 | 5.432 | 3.863 | 0.160 |
| **(6) Model Statistics** | | | | | | | | | |
| ***Sigma (scale)*** | 0.588 | 0.008 | | 0.462 | 0.009 | | 1.013 | 0.033 | |
| ***N*** | 8062 | | | 2925 | | | 2836 | | |
| ***Log Likelihood*** | -6,229.22 | | | -1,936.30 | | | -2,192.27 | | |

**Sample**: Nonresident fathers with only fixed amount child support order in 1999.
**Note**: Model also includes variables indicating missing age, unknown race, missing Social Security numbers, unknown marital relationship, and timing of W-2 entry. Probability values of 0.05 or less are shown in bold type.

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