

W-2 Child Support Demonstration Evaluation

**Project A:  
Comparisons of Outcomes**

Part 1: A Comparison of Outcomes across Cohorts

Part 2: Outcomes among Caretaker Supplement Cases

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## **Executive Summary**

In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) ended the Aid to Families with Dependent Children (AFDC) program, and gave states more flexibility in designing replacement programs. Under the old program, states were required to pass through to recipient families the first \$50 of child support collected each month, and to disregard this amount in calculating AFDC benefits. Any child support above \$50 was retained by the state and federal governments. The new program, Temporary Assistance for Needy Families (TANF), allowed states to set their own policies about how much of the state share of child support to pass through to families, with the federal share continuing to be retained. Under these new rules, most states chose to retain the entire amount of child support collected, passing none of the money on to the custodial parent and children.

In 1997, Wisconsin implemented its TANF program, Wisconsin Works (W-2). Wisconsin received a federal waiver allowing a full pass-through and disregard, so that families could receive the full amount of monthly child support collected (full pass-through), with all child support ignored in the calculation of W-2 payments (full disregard). An evaluation of this policy change, the Child Support Demonstration Evaluation (CSDE), also began in 1997.

An important component of the CSDE was a random-assignment evaluation; most W-2 families received a full pass-through and disregard of monthly child support, while a randomly selected control group had some of their child support withheld. This approach allowed us to attribute any observed differences in outcomes between the two groups to the difference in the treatment of child support. The evaluation also included program implementation reviews, several nonexperimental analyses, and a number of ethnographic studies. During the course of the evaluation, we have compiled a large longitudinal database incorporating administrative data from several sources and three waves of data from a survey of a sample of W-2 families. These data have been used for analyses of complex family formation patterns and their implications for marriage and child support policy, as well as for child support enforcement analyses.

Random assignment ended in July 1999. After that point, all new cases received the full pass-through and disregard. Cases previously assigned to the control group continued to receive a partial pass-through and disregard until July 2002, when all cases, new and old, received the full pass-through and disregard. These changes defined two additional cohorts of full pass-through and disregard cases, those entering during a time when some older cases still received a partial pass-through and disregard, and those entering during a time when all cases received the full pass-through and disregard. The policy changed again in January 2006; the full pass-through and disregard is being phased out; amounts will be reduced each quarter of 2006; and all families now receive a partial pass-through. This most recent change falls outside the scope of the CSDE.

“Comparisons of Outcomes” is the last of four annual reports. It presents six years of follow-up information for two randomly assigned cohorts, and two to five years of follow-up information for two later-entering, full-pass-through and disregard cohorts. It also includes an analysis of cases in Wisconsin’s Caretaker Supplement program, which provides a cash benefit to parents who are receiving SSI payments and raising minor children.

The first part of this report corroborates the results from earlier reports showing positive effects of the full pass-through and disregard policy on paternity establishment among later entrants which persisted throughout the observation period, higher likelihood of child support payment in the early years of the program, and lower levels of W-2 use in the first year of the evaluation. The use of other programs (Food Stamps, Medicaid, and child care subsidies) and parents’ earnings and employment were not significantly different. Given the rapidly declining W-2 caseload and the relatively short exposure to differences in the experimental treatments, most of the experimental effects (besides those on paternity establishment) do not continue. However, these findings of limited longer-range effects do not necessarily mean that the full pass-through and disregard policy has not played a beneficial role. The narrow differences separating the partial pass-through and disregard as defined in the evaluation and the full pass-through and disregard may mean that *all* W-2 cases in Wisconsin have benefited from a fairly generous

pass through and disregard policy, compared to the zero pass-through and disregard policy used in the majority of states.

Trends in child support, program participation, and employment outcomes among cases entering W-2 after the random assignment period ended in June 1999 follow patterns similar to those of the previous cohort of full pass-through and disregard entrants, although with somewhat lower levels of employment and program participation, perhaps related to the economic downswing of the early 2000s. Among full pass-through and disregard cases, those in the earliest cohort have the worst outcomes on most measures, which is unsurprising given the higher proportion of longer-term welfare participants in this cohort. Among all cohorts, W-2 cash assistance participation decreased rapidly while Food Stamp and Medicaid/BadgerCare participation declined slowly. In all cohorts, a slim majority of children whose mothers entered W-2 without paternity established eventually had a father legally declared. After initial early increases, the percentage of cases with payments and receipts waned slowly over time and the amounts of child support paid remained flat. Finally, both mothers and fathers became less likely to be reported as working in the formal labor market over time.

In the second part of the report, we examine outcomes for participants in Wisconsin's Caretaker Supplement program (CTS), which provides assistance for parents receiving Supplemental Security Income benefits, and compare those outcomes to those for W-2 participants. We do find some differences between the two groups; CTS participants continue to receive CTS payments much longer than W-2 participants receive W-2 payments. In line with the requirements of the CTS program, the employment, earnings, and child care subsidy participation among this clientele is substantially lower than for those who participated in W-2. In both programs early entrants (many of whom transitioned from AFDC) remained in the programs (and on other assistance programs) longer than those coming in later. W-2 cases having a higher likelihood of child support payment and higher amounts paid, which is likely attributable to the higher earnings of the noncustodial fathers of W-2 children.

Cross-participation in the two programs is quite low. Fewer than 4 percent of cases which had been on CTS have subsequent W-2 payments, and receipt of CTS benefits is only slightly higher for cases which had been on W-2. Transitioning from W-2 to CTS is less common in recent cohorts than it was among the earliest W-2 entrants (5.5 percent for early entrants and under 3 percent for later entrants).

## **Part 1**

### **A Comparison of Outcomes across Cohorts**

#### **INTRODUCTION**

Since 1997, the Child Support Demonstration Evaluation (CSDE) has been examining the effects of the full child support pass-through and disregard policy that was implemented as a unique component of the Wisconsin Works (W-2) program. Previous reports issued as part of the CSDE project have examined the effects of this policy for early entrants into W-2 (Meyer and Cancian, 2001) and compared early W-2 entrants with later entrants (Meyer and Cancian, 2003). This report extends these analyses to look at longer-term effects of the full pass-through and disregard policy.

A second part to this report examines the experiences of parents receiving payments under the Supplemental Security Income (SSI) Caretaker Supplement program.

#### **W-2 AND CHILD SUPPORT**

The W-2 program was established in September 1997 as Wisconsin's Temporary Assistance for Needy Families (TANF) block grant program. As such, it replaced the Aid to Families with Dependent Children (AFDC) program, which had been the primary program for providing assistance to low-income parents. The driving philosophy behind the creation of W-2 was the encouragement of work, resulting in an attempt to make participation in W-2 as much like regular employment as possible. The services available to W-2 applicants depend on the level of employability. The most job-ready applicants are provided assistance with finding a job (Case Management Services), or are provided a subsidized job (Trial Jobs), but do not receive any cash assistance. Those less able to work are assigned to a job for which they receive a payment from the state (Community Service Job), and those least able to work due to disability are assigned to nonwork activities and also receive cash assistance.

With the goal of making W-2 participation like working in a regular job, the state chose to implement a child support pass-through and disregard policy that allowed all child support paid to parents

on W-2 to be kept by the custodial parent and not affect their W-2 eligibility or the amount of any cash payment. This policy was a change from that under AFDC, where all child support paid on behalf of welfare recipients in excess of \$50 per month was retained and shared by the state and federal governments to reimburse them for welfare expenses. Since regular employment does not affect custodial parents' receipt of child support, this move to a full pass-through policy was in line with the desire to make W-2 participation like regular work. The additional child support would increase the resources available to custodial parents, and, it was expected, remove any disincentives that noncustodial parents had under the previous system for paying formal child support.

## THE CHILD SUPPORT DEMONSTRATION EVALUATION

Wisconsin was unique in implementing this type of full child support pass-through and disregard; most states used the flexibility provided by TANF to eliminate the child support pass-through altogether and to retain all child support. Wisconsin's policy therefore provided an exceptional opportunity to examine the effects of such a policy.

As stated above, under AFDC states passed through \$50 of child support to welfare recipients and the excess was shared by the state and federal governments. This division of retained child support continued under the TANF legislation. That meant that a full pass-through and disregard policy required the federal government to waive their portion of these payments; they did so under a waiver that implemented the policy as a demonstration program with a random assignment evaluation. Cases assigned to an experimental group received all child support paid on their behalf, regardless of their receipt of W-2 cash assistance, and all child support was ignored in the calculation of W-2 payments<sup>1</sup>; cases assigned to a control group received the maximum of \$50 or 41 percent of any payment<sup>2</sup> received on their behalf

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<sup>1</sup>The disregard only affects W-2 eligibility. W-2 payment amounts in Wisconsin are not affected by participant's income regardless of whether child support is counted or not.

<sup>2</sup>In effect, the state retained the federal government's share of child support, but passed on its own share. The state share of child support counted as part of the maintenance-of-effort (MOE) requirement.

during any month they were receiving W-2 cash assistance. Cases receiving AFDC immediately prior to the implementation of W-2 on September 1, 1997, as well as new cases applying for W-2 through June 2000, were randomly assigned. (All new cases entering from June 2000 through 2005 received the full pass-through and disregard.) Cases assigned to the control group were subject to the partial pass-through and disregard each month that they received W-2 cash assistance until the end of the demonstration in June 2002, after which all cases received a full pass-through and disregard.<sup>3</sup>

Using data collected from the state's administrative computer systems and a three-wave survey of W-2 participants, investigators at the Institute of Research on Poverty have produced several reports evaluating the effects of the pass-through and disregard policies implemented in the CSDE. These reports have assessed the primary impacts on child support payment, child support receipt, and the establishment of paternity, along with secondary impacts on public assistance program participation, employment and earnings, children's well-being, and parental interactions. The *W-2 Child Support Demonstration Evaluation: Phase I: Final Report* (Meyer and Cancian, 2001) examined the effects of the full pass-through and disregard in 1998 and 1999 among cases entering W-2 in the first 10 months of the program and found that it was associated with higher amounts of child support received by custodial mothers (the mechanical effect of the experiment), along with higher percentages of noncustodial fathers paying child support. Among secondary effects there was some indication of lower usage of W-2 cash assistance among full pass-through and disregard mothers, and lower likelihood of informal earnings among noncustodial fathers associated with full pass-through and disregard mothers, but most secondary outcomes did not show significant effects. Finally, a comparison of the governmental costs of the two policies found no significant difference, leading to the conclusion that the money given up by the state in

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<sup>3</sup>At the end of 2005 the federal waiver expired and all W-2 cases were transitioned back to a partial pass-through policy. With the re-authorization of TANF in February 2006, the TANF policies allowed states to increase pass-through amounts to a maximum of \$200, dependent on family size. These subsequent changes to the pass-through policy fall outside the time frame of the analysis of this report.



implementing the full pass-through and disregard may be largely made up by reduced costs in other areas (such as amounts spent on W-2 cash assistance).

*W-2 Child Support Demonstration Evaluation: Phase II: Final Report* (Meyer and Cancian, 2003) compared these early W-2 entrants with later (January-June 1999) entrants<sup>4</sup> during the first year after entry into W-2 and found evidence of the experiment's effects consistent with the earlier report. Children in the full pass-through and disregard group were more likely than those in the partial pass-through and disregard group to have paternity established. A greater percentage of mothers in the full pass-through and disregard group had child support paid on their behalf, in addition to the mechanical effect of higher child support receipt. These results were particularly apparent for cases that were likely to be new to the welfare system and for those with a history of higher child support. Effects were generally less apparent for the smaller group of later entrants.

#### EFFECTS OVER LONGER TIME PERIODS

The current report uses administrative data through June 2005 to follow the cases in both the early and later cohorts of cases for six years after they entered W-2, allowing a look at the long-term effects of the pass-through and disregard policy.

There are some reasons to expect that effects of the full pass-through and disregard may be long lasting. The short-term effects on paternity establishment and fathers' payment of child support may signal a qualitative change in fathers' sense of responsibility for their children's well-being that could translate into longer-term positive outcomes. Also, the increased resources that are available to custodial parents might be invested in ways that have longer-term payoffs for the parents or their children.

On the other hand, we recognize that the actual exposure to different treatments is rather small. In Wisconsin most W-2 participants move off cash assistance rather quickly. By the third quarter after entry

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<sup>4</sup>Entrants in the intervening time period (July through December 1998) are excluded from analyses due to an error in the random assignment process in Milwaukee County. See the Appendix for more details.

fewer than half of early W-2 entrants were receiving any W-2 cash assistance (dropping to fewer than 20 percent by the eighth quarter). Among later entrants the drop-off was even quicker, reaching about 20 percent by the third quarter and 12 percent by the eighth quarter. Since only about half of custodial mothers on W-2 received any child support at all in each of the first two years after entry, the percentage of control-group mothers who received a partial pass-through and disregard for an extended period of time was fairly small.

In addition, some features of the data may make it harder to detect significant differences in outcomes between the experimental and control groups, especially among the later entrants. The number of cases entering W-2 in the later time period is much smaller, reducing our ability to identify statistically significant differences in outcomes. In addition, for a few months in late 2000 and early 2001 the majority of control-group cases were mistakenly subject to the full pass-through and disregard treatment (i.e., if they were on W-2 cash assistance during those months and child support was paid, then all of that child support was passed through and disregarded). This mistake will reduce the differences that may exist between the experimental and control groups during—and potentially after—that time period.

### Analyses

For the present analyses we divide the caseload of W-2 entrants into four groups based on when they entered W-2. The first cohort (Cohort 1) consists of cases which entered W-2 between September 1, 1997 (the start of W-2 implementation), and July 8, 1998. Cohort 3<sup>5</sup> cases entered between January 1, 1999 and June 30, 1999 (the end of random assignment). Cohort 4 cases entered between July 1, 1999, and June 30, 2002; these cases all received the full pass-through and disregard, but during this time period the previously assigned control-group cases were still subject to the partial pass-through treatment. Finally, Cohort 5 cases are those entering between July 1, 2002, and June 30, 2003, during the time period

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<sup>5</sup>“Cohort 2” cases, those entering between July 8 and December 31, 1998, are excluded from all analyses due to problems with random assignment in Milwaukee County.

when all cases were receiving full pass-through and disregard treatment; the cutoff of June 30, 2003, was chosen to allow at least two full years of follow-up.

The first set of tables in this report compares outcomes over six years for the experimental (full pass-through and disregard) and control (partial pass-through and disregard) groups in Cohorts 1 and 3 of W-2 entrants using a regression-adjustment analysis—as described below and in the Appendix—similar to those used in the Phase I and Phase II final reports. A second set of tables displays the unadjusted outcomes for full pass-through and disregard cases in the four cohorts described above.

### Data, Sample and Methods

The data used for these analyses are from the state of Wisconsin's administrative data system. The CARES system is used for case management of W-2 and other public assistance programs such as food stamps, Medicaid, BadgerCare (a Wisconsin program providing health insurance to low-income families who do not qualify for Medicaid), and child care benefits. The KIDS system is used to manage child support enforcement cases, and the Unemployment Insurance (UI) Wage Record file collects data on UI-reportable employment in the state. Institute for Research on Poverty data programmers have selected cases with W-2 activity from the CARES data system, matched the parents and children on those cases with any relevant cases in the KIDS system to collect child support activity, and matched all parents with the UI Wage Record to retrieve employment information.

From these administrative data extracts we select cases based on criteria established in the previous reports. The custodial-mother sample includes those W-2 cases in which the custodial parent was the child(ren)'s mother. It excludes cases with children on SSI, cases with "good cause" exemptions for child support enforcement, and those that experienced extended delays in entering W-2 or other administrative complications. Another sample includes children of mothers in the custodial-mother sample that were listed in the KIDS system, whose parents were unmarried at birth, and who did not have paternity established at the time their mother entered W-2. Finally, a sample of noncustodial fathers was selected by identifying all the fathers of children of the custodial mothers who were either previously

married to the mother or who had paternity established by the time the mother started on W-2, excluding fathers who had died before W-2 entry. In all samples, cases were included in the children's sample only for years in which the child was under 18 for the entire year, and in the parents' samples only if at least one child was under 18 for the entire year. We collected information on child support histories (including paternity establishments, receipts, and payments), participation in public assistance programs, employment and earnings, through June 2005.

Using the criteria listed above, we selected into our custodial-mother sample 16,300 cases entering in Cohort 1, 2,247 cases in Cohort 3, 17,730 cases in Cohort 4, and 6,917 cases in Cohort 5 which were eligible for the analysis. Matching samples of children and noncustodial fathers were selected for each cohort. A fuller description of the data selection process is available in the Appendix.

The analysis comparing outcomes for the full-pass-through-and-disregard and partial-pass-through groups adopts the strategy used in the previous reports. Current child support, program participation, and employment outcomes are measured on an annual basis starting at the end of the quarter the case entered W-2.<sup>6</sup> This strategy was chosen because some outcomes were only available on a quarterly basis, so that all outcomes would reflect only experiences after W-2 entry and random assignment.

Comparisons of outcomes in the two assignment groups used a regression adjustment procedure. This procedure predicts the outcome using a regression model (either a linear model for continuous outcomes or a probit model for participation outcomes), and then uses the results of that model to predict the mean outcome for the experimental and control groups. This adjustment procedure has two particular advantages. First, analyses conducted for previous reports have found some significant differences in initial characteristics between the experimental and control groups. Even when random assignment is carried out correctly (as appeared to be the case here), there may still be chance variations between the

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<sup>6</sup>For example, if a case entered W-2 in February 1998, then the first year after entry would extend from April 1998 to March 1999, the second year after entry would extend from April 1999 to March 2000, and so on.

two groups, and regression adjustment can correct for this. Second, to the extent that control variables account for some of the variance in the outcomes of interest, we are more likely to discern any effects of the experiment when control variables are included in the model. This procedure is described in the Appendix.

The tables showing outcomes for the full pass-through and disregard cases in all four cohorts are not used to estimate statistical differences and, therefore, no regression adjustment procedure is used. Instead, the simple mean outcomes are provided.

## RESULTS FROM ESTIMATES OF PASS-THROUGH AND DISREGARD EFFECTS

Tables 1 through 7 show the results of the regression-adjusted estimates comparing outcomes for full pass-through and disregard and partial pass-through and disregard cases in Cohorts 1 and 3. For each sample the number of cases in the analysis for each year are presented, showing the decline in sample sizes due to children reaching age 18. Differences in outcomes are considered significant at the  $p < .05$  level.

### Paternity Establishment

Table 1 presents the differences in paternity establishment for nonmarital children who entered the experiment without paternity established. There is no significant difference in paternity establishment for Cohort 1 cases, but in Cohort 3, children in the full pass-through and disregard group have a rate of paternity establishment which is significantly higher in 3 of the 6 years and is of roughly the same magnitude for all six years. Surprisingly, the differences in paternity in Cohort 3 persist throughout the time period of the evaluation.<sup>7</sup>

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<sup>7</sup>These first-year differences are roughly of the same magnitude as those shown in the Phase II Final Report, although in that report, the Cohort 1 first-year difference was significant, while in the current analysis it is just outside our significance threshold. This change is likely due to a correction the IRP programming staff has made to their methods for determining the actual date paternity was established. This correction affected only a small percentage of the children in the sample, but enough cases were affected to change this particular result.

**Table 1**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Paternity Establishment**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Child Sample (Non-Marital Children With Paternity Not Established At Mother's W-2 Entry)</b>									
Sample Sizes									
First Year after Entry	12,284	3,302			800	864			
Second	12,008	3,228			790	849			
Third	11,726	3,161			787	837			
Fourth	11,412	3,088			772	824			
Fifth	11,113	3,005			759	811			
Sixth	10,759	2,930			748	796			
Paternity Established at End of:									
First Year after Entry	16.6%	15.2%	1.3%	0.0764	41.8%	36.8%	4.9%	0.0633	0.3113
Second	28.1	27.6	0.5	0.5812	55.4	50.0	<b>5.5</b>	<b>0.049</b>	0.1114
Third	37.9	39.4	-1.5	0.1453	68.9	62.6	<b>6.3</b>	<b>0.021</b>	<b>0.0040</b>
Fourth	51.8	53.0	-1.2	0.2793	73.3	68.5	4.8	0.0683	<b>0.0245</b>
Fifth	59.2	59.5	-0.3	0.7933	78.1	73.4	4.7	0.0627	<b>0.0491</b>
Sixth	64.4	64.5	-0.1	0.9594	82.1	76.9	<b>5.1</b>	<b>0.0321</b>	<b>0.0341</b>

Differences are considered significant at the  $p < .05$  level (in bold)

Also notable is the difference in the rates of paternity establishment in the two cohorts. In Cohort 1, paternity establishment does not exceed 50 percent until the fourth year after entry, whereas in Cohort 3 this level is reached by the second year. This likely reflects the differences between the two samples: Cohort 1 includes more cases with previous AFDC receipt, which were more likely to have had paternity established prior to W-2 entry. Among these former AFDC children, those who did not have paternity established at the time of W-2 may have been those where paternity establishment was particularly challenging, even with the incentives provided by the full pass-through and disregard policy.

#### Child Support Payments by Noncustodial Fathers

In Table 2 we show differences in child support payments of noncustodial fathers with legally established children as of the mother's entry into W-2. As found in the Phase 1 Final Report, Cohort 1 fathers were significantly more likely to pay child support over the first few years of the experiment, when the mother of their children would get to keep all of the child support that was paid rather than just some of it. This difference in fathers' likelihood of paying child support was significant in both the second and third year after mother's entry into W-2, but did not persist past the third year of the experiment. Among the fathers in Cohort 3, the difference between full and partial pass-through and disregard is not significant in any year.

Although the full pass-through and disregard did seem to bring fathers into the child support regime by increasing the likelihood of payment (at least in Cohort 1), there are no significant differences in the amount paid. This may be because the new fathers being brought in are lower-paying fathers. It seems that the main effect of the full pass-through and disregard is to encourage participation in the formal child support enforcement regime, but it does not induce any increases in the amounts paid.

**Table 2**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Fathers' Payment of Child Support**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Non Resident Father Sample (Fathers With Legally-Established Children at Mother's W-2 Entry)</b>									
Sample Sizes									
First Year after Entry	11,212	3,063			789	707			
Second	10,964	3,008			775	694			
Third	10,697	2,946			755	674			
Fourth	10,407	2,870			731	656			
Fifth	10,105	2,770			711	627			
Sixth	9,721	2,664			673	591			
Paying Child Support in:									
First Year after Entry	52.6%	50.6%	2.0%	0.071	66.1%	67.6%	-1.5%	0.5796	0.3874
Second	56.4	53.6	<b>2.8</b>	<b>0.0132</b>	63.1	66.3	-3.2	0.2453	0.0814
Third	58.3	55.2	<b>3.1</b>	<b>0.0053</b>	60.8	63.1	-2.3	0.4002	0.0708
Fourth	54.0	54.1	0.0	0.9724	57.6	61.5	-3.9	0.1678	0.2289
Fifth	53.6	51.8	1.8	0.1131	56.2	59.7	-3.5	0.2219	0.1338
Sixth	51.8	51.2	0.6	0.6031	55.2	58.7	-3.6	0.2263	0.2646
Total Child Support Paid in:									
First Year after Entry	\$829	\$796	\$33	0.1853	\$1,424	\$1,284	\$140	0.1584	0.0607
Second	978	931	47	0.1206	1,515	1,412	104	0.336	0.3359
Third	1,003	979	24	0.4386	1,514	1,549	-35	0.76	0.8405
Fourth	1,028	1,008	21	0.5474	1,451	1,431	20	0.8633	0.7758
Fifth	1,016	984	32	0.3751	1,429	1,498	-70	0.5659	0.5719
Sixth	1,006	977	29	0.4229	1,482	1,600	-118	0.3912	0.4227

Differences are considered significant at the  $p < .05$  level (in bold)



### Employment and Earnings of Noncustodial Fathers

Table 3 shows no significant differences in fathers' employment or earnings during the six years. Given previous findings of no significant difference in employment in earlier years, it is not surprising that there are also no longer-term effects on employment or earnings.

Any potential effects of the pass-through and disregard policy on fathers' employment depend on the possibility that fathers would be more likely to participate in the formal employment market if the pass-through and disregard made them more amenable to the increased exposure to child support enforcement that formal employment provides. Given the results, it appears that even if the full pass-through and disregard has increased fathers' likelihood of paying child support, this has not translated into a movement into the formal labor market.

A notable finding is that in both cohorts, regardless of pass-through treatment, there is a general decline over time in fathers' employment and earnings, at least as captured in the Wisconsin UI data. This trend may result from fathers moving out of state, but it may also indicate that these low-income fathers are dropping out of the formal labor market, either of their own volition or because of declines in labor market opportunities due to the recession of the early 2000s, or possibly because of the incarceration of some fathers. Whatever the reason, this loss of a connection to the world of formal employment will likely increase the difficulties of getting these fathers to comply with child support orders.

### Child Support Receipt by Custodial Mothers

Table 4 shows the difference in whether and how much child support custodial mothers receive. Note that the differences in the total amount of child support received are partly a direct mechanical effect of the experiment: by design, mothers subject to the full pass-through and disregard receive more of their child support than do partial pass-through and disregard mothers. We can see that this mechanical effect is significant during for the first four years for Cohort 1 and for the first two years for Cohort 3. These time periods correspond with the years before June 2002 (the ending of the partial pass-through and

**Table 3**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Fathers' Employment and Earnings**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Noncustodial Father Sample (Fathers with Legally Established Children at Mother's W-2 Entry)</b>									
Any UI-Reported Earnings:									
First Year after Entry	46.2%	46.6%	-0.4%	0.7282	66.8%	65.1%	1.7%	0.5225	0.4949
Second	48.8	48.0	0.8	0.4798	54.7	56.9	-2.2	0.4299	0.3773
Third	52.0	49.8	2.1	0.0503	50.3	49.1	1.1	0.6991	0.7795
Fourth	41.4	40.2	1.1	0.2946	46.4	47.7	-1.3	0.6513	0.4089
Fifth	37.6	36.2	1.4	0.2069	43.7	46.0	-2.3	0.4454	0.2325
Sixth	35.6	34.6	1.0	0.3602	43.4	44.4	-0.9	0.7533	0.6109
Total UI-Reported Earnings in:									
First Year after Entry	\$5,884	\$5,933	\$-49	0.771	\$9,035	\$8,746	\$289	0.544	0.3312
Second	6,244	6,181	63	0.7331	9,074	8,894	180	0.7413	0.6912
Third	6,484	6,265	219	0.2742	8,732	8,893	-160	0.78	0.6229
Fourth	6,257	6,139	117	0.5825	8,707	8,225	482	0.422	0.5008
Fifth	5,979	5,846	133	0.5492	8,263	8,614	-351	0.5957	0.5326
Sixth	5,898	5,637	261	0.2651	8,571	8,513	58	0.9354	0.9454

Differences are considered significant at the  $p < .05$  level (in bold)

**Note:** Excludes fathers with missing Social Security numbers: Cohort 1 Full (4), Cohort 1 Partial (0), Cohort 3 Full (1), Cohort 3 Partial (1).

**Table 4**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Child Support Receipt**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Custodial Mother Sample</b>									
Sample Sizes									
First Year after Entry	12,783	3,517			1,133	1,114			
Second	12,619	3,484			1,120	1,104			
Third	12,445	3,446			1,110	1,091			
Fourth	12,253	3,411			1,095	1,079			
Fifth	12,073	3,352			1,085	1,063			
Sixth	11,837	3,282			1,067	1,046			
Receiving Child Support									
First Year after Entry	39.6%	37.1%	<b>2.6%</b>	<b>0.0196</b>	47.0%	48.2%	-1.2%	0.627	0.1639
Second	48.0	46.0	2.0	0.0673	52.3	52.9	-0.6	0.7985	0.3098
Third	52.8	51.6	1.2	0.2644	49.6	51.4	-1.8	0.451	0.2156
Fourth	52.1	52.2	-0.1	0.9136	52.0	56.8	<b>-4.8</b>	<b>0.04</b>	0.0684
Fifth	52.8	52.8	0.0	0.9773	54.1	56.5	-2.4	0.3033	0.3392
Sixth	52.7	53.6	-0.9	0.4145	56.3	59.1	-2.7	0.2329	0.4250
Total Child Support Received in:									
First Year after Entry	\$671	\$533	\$139	<b>&lt;.0001</b>	\$983	\$824	\$159	<b>0.0051</b>	0.5598
Second	868	744	124	<b>&lt;.0001</b>	1,272	1,115	157	<b>0.0475</b>	0.5889
Third	1,005	926	79	<b>0.007</b>	1,322	1,259	63	0.44	0.8674
Fourth	1,078	992	85	<b>0.0085</b>	1,345	1,359	-15	0.8636	0.2335
Fifth	1,146	1,100	46	0.191	1,450	1,442	7	0.9401	0.7352
Sixth	1,186	1,176	10	0.7969	1,523	1,655	-13	0.3627	0.2385

Differences are considered significant at the  $p < .05$  level (in bold)

disregard treatment) for each cohort, except that for Cohort 3, the third year after entry also occurs before June 2002, and in this year the difference in the amount of child support received is positive but no longer significant. For Cohort 3, this may reflect the rapid departure of cases from W-2 participation (shown in Table 5), thereby greatly reducing the exposure of control group mothers to a partial pass-through and disregard. In any case, after June 2002 (roughly the fifth year for Cohort 1 and the fourth year for Cohort 3), the mechanical effect of the experiment disappears and amounts of child support received are no longer significantly different.

Unlike the amount of child support received, whether any child support is received is not a direct effect of the experiment; whether mothers receive child support reflects whether any of the fathers of their children pay it. We see that the pattern of differences in mothers' receipt closely parallels that of differences in father's payments: Cohort 1 experiences positive effects in receipt in the first year (and nearly significant in the second year), but no differences are significant after that. Cohort 3 differences are generally not significant, but, like payments, they show negative effects of the full pass-through and disregard (with a significant difference in one year).

In general, trends over time show that the percentage of mothers in all cohort and treatment groups receiving child support rises by a few percentage points in the first few years after W-2 entry, then generally remains flat. The amount of child support received rises more (and in control group cases rises even more, corresponding with the transition of these cases to the full pass-through and disregard). These trends likely reflect the nature of the child support enforcement system; the early increase in receipt of any support indicates initial attempts to establish paternity and get fathers into the system, but later increases in the amounts of support paid indicate increased payment from fathers who are already in the system.

### Program Participation

The panels of Table 5 show differences in mothers' participation in various public assistance programs. As found in previous reports, there are very few significant differences in program

**Table 5**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Mothers' Participation in Public Assistance**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Custodial Mother Sample</b>									
W-2 Payments									
First Year after Entry	82.7%	84.7%	<b>-1.9%</b>	<b>0.0162</b>	79.8%	79.0%	0.8%	0.6616	0.1876
Second	38.4	38.1	0.4	0.7057	24.2	24.4	-0.2	0.9095	0.8437
Third	26.0	25.8	0.1	0.8719	21.8	21.9	-0.1	0.9463	0.9451
Fourth	22.7	23.2	-0.6	0.502	19.2	20.0	-0.8	0.6648	0.9988
Fifth	21.9	21.3	0.5	0.5155	18.0	18.9	-0.8	0.6308	0.4916
Sixth	20.7	21.0	-0.3	0.7336	13.3	16.4	-3.0	0.0539	0.0965
Food Stamps									
First Year after Entry	94.5%	94.0%	0.5%	0.253	90.3%	90.0%	0.3%	0.7839	0.8082
Second	82.4	82.5	-0.2	0.804	73.8	73.3	0.5	0.7994	0.7250
Third	76.9	77.1	-0.2	0.8116	70.1	71.8	-1.7	0.3877	0.5407
Fourth	73.9	73.7	0.2	0.8338	71.4	68.8	2.5	0.2089	0.2465
Fifth	73.4	73.8	-0.4	0.6597	67.0	68.0	-1.0	0.6177	0.8475
Sixth	72.1	72.9	-0.9	0.3446	66.6	66.6	-0.1	0.981	0.6477
Medicaid/BadgerCare									
First Year after Entry	98.8%	99.1%	-0.2%	0.2072	99.5%	99.0%	0.5%	0.0984	<b>0.0386</b>
Second	91.2	91.0	0.2	0.7663	89.4	88.0	1.3	0.3195	0.4621
Third	85.1	84.9	0.2	0.7331	82.9	84.2	-1.3	0.4009	0.4173
Fourth	82.5	82.3	0.3	0.7322	80.5	81.5	-1.0	0.554	0.5728
Fifth	81.0	80.0	1.0	0.213	78.5	78.2	0.3	0.8758	0.7536
Sixth	79.3	78.7	0.6	0.452	75.4	76.6	-1.2	0.521	0.3818
Child Care Subsidy									
First Year after Entry	39.9%	39.2%	0.7%	0.4919	46.0%	46.3%	-0.3%	0.878	0.7648
Second	37.1	37.1	0.0	0.9902	42.4	42.3	0.1	0.9598	0.9585
Third	33.7	34.5	-0.8	0.4138	40.4	43.0	-2.5	0.2676	0.5572
Fourth	31.9	32.3	-0.4	0.6684	39.1	37.8	1.3	0.5513	0.4731
Fifth	29.5	28.4	1.0	0.2688	33.8	36.0	-2.2	0.3134	0.1948
Sixth	26.7	26.6	0.2	0.8608	29.2	31.5	-2.3	0.2746	0.3134

Differences are considered significant at the  $p < .05$  level (in bold)

participation associated with pass-through and disregard treatment, with one exception: the full pass-through and disregard is associated with lower W-2 cash assistance in the first year after entry.

As mentioned above, there is a dramatic drop-off in W-2 cash assistance participation, especially among Cohort 3 cases. In the second year after entry, fewer than 25 percent of the mothers were receiving any W-2 cash assistance. For Cohort 1 the decrease is not quite so rapid, but fewer than 25 percent were receiving cash assistance by the fourth year after entry. Participation in food stamps and medical assistance programs remains high (above 65 percent) through the six years observed, a good indication that a large percentage of these women remain disadvantaged, even if they are no longer receiving assistance from W-2.

### Program Costs

Table 6 shows the differences in governmental costs and receipts. The government costs are calculated as the sum of amounts paid for the case in W-2 grants, food stamps, Medicaid/BadgerCare premiums, and child care subsidies, subtracting out the amounts of child support retained by the state for the case. We do not attempt to estimate any administrative costs for the case, or to separate costs which accrue to the state versus those which accrue to the federal government. The middle panel shows the amounts of child support retained by the state, which, like the amounts of child support received, reflect the mechanical effect of the experiment. We can see that even among the full pass-through and disregard cases some child support is retained, to pay for old child support debt that was assigned to the state if the mother entered AFDC and to pay for any foster or kinship care assistance given to the children.

Of more interest is the fact that total government costs show no significant differences in the effect of the pass-through and disregard policy. This is in agreement with the conclusion in previous reports that the implementation of a full pass-through and disregard policy may not impose large additional costs, at least when compared to a partial pass-through and disregard policy.

**Table 6**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Government Costs and Receipts**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Custodial Mother Sample</b>									
Total Program Participation Costs									
First Year after Entry	\$11,436	\$11,506	\$-70	0.522	\$9,206	\$9,058	\$148	0.503	0.3179
Second	9,786	9,845	-59	0.6631	8,207	8,188	20	0.9426	0.7569
Third	9,528	9,623	-94	0.5304	8,511	8,734	-223	0.4668	0.7158
Fourth	9,762	9,903	-142	0.3889	8,887	9,093	-206	0.5414	0.8675
Fifth	10,078	9,974	104	0.5549	8,992	9,130	-138	0.6948	0.5813
Sixth	9,906	9,881	25	0.8894	8,553	9,170	-616	0.0952	0.1300
Total Child Support Retained									
First Year after Entry	\$138	\$250	<b>\$-112</b>	<b>&lt;.0001</b>	\$109	\$161	\$-52	0.0677	<b>0.0153</b>
Second	160	256	<b>-96</b>	<b>&lt;.0001</b>	87	106	-19	0.2765	<b>0.0077</b>
Third	154	206	<b>-52</b>	<b>&lt;.0001</b>	98	131	-33	0.1684	0.4882
Fourth	158	191	<b>-33</b>	<b>0.0071</b>	66	83	-17	0.3106	0.5702
Fifth	137	150	-13	0.2523	78	85	-7	0.7326	0.7405
Sixth	143	126	17	0.174	61	68	-7	0.7095	0.4358
Total Government Costs									
First Year after Entry	\$11,242	\$11,193	\$49	0.6556	\$9,004	\$8,796	\$208	0.3524	0.4438
Second	9,539	9,500	39	0.7764	7,989	7,945	44	0.8728	0.9279
Third	9,281	9,321	-39	0.7954	8,295	8,466	-171	0.5792	0.7045
Fourth	9,503	9,610	-108	0.5153	8,701	8,881	-180	0.5956	0.8547
Fifth	9,845	9,740	105	0.5536	8,803	8,915	-112	0.7515	0.6225
Sixth	9,668	9,665	3	0.9854	8,387	8,992	-605	0.1014	0.1524

Differences are considered significant at the  $p < .05$  level (in bold)

Total program participation are calculated as the sum of amounts paid for the case in W-2 grants, food stamps, Medicaid/BadgerCare premiums, and child care subsidies, total government costs are total program participation costs minus the amounts of child support retained by the state for the case

### Mothers' Employment and Earnings

Like fathers' employment and earnings, the employment and earnings of mothers show little difference by pass-through and disregard status (Table 7). We would expect such differences only if the increase in resources provided by the full pass-through and disregard was enough to diminish the need for labor market earnings. Given the relatively small sums involved, this seems unlikely, and it is not surprising to find no effect.

We find the same gradual movement of mothers off of formal employment that we witnessed in fathers' employment, although it is accompanied by increasing levels of earnings. Given the large drops in W-2 cash assistance, we know that the decreases in employment are not due to a shift to the use of that public assistance program. Women's movement out of the labor force may also reflect changes in the employment situation around the turn of the century. Unlike men, the departure of women from the labor market may also reflect changes in their personal lives (marriage or other relationships, new births). Finally, as with the fathers, some mothers may be moving out of state and are no longer captured in the state's employment records.

### CROSS-COHORT COMPARISON OF FULL PASS-THROUGH AND DISREGARD CASES

The next set of tables presents the unadjusted outcomes for cases across all four cohorts. For Cohorts 1 and 3, only the full pass-through and disregard cases are presented, since there were no partial pass-through cases in Cohorts 4 or 5. Outcomes for Cohorts 1 and 3 are generally similar to those presented for the full pass-through and disregard cases in the regression-adjusted estimates, but since these tables present mean levels without any adjustment, percentages and amounts are somewhat different from the preceding tables.

The purpose of presenting these tables is not to offer direct statistical comparisons, but instead to illustrate trends in outcomes across the various cohorts. Since we have discussed trends to some degree in the preceding tables, we focus here on levels and trends that differ in Cohorts 4 and 5. Because Cohort 4



**Table 7**  
**Comparison of Regression-Adjusted Mean Outcomes, by Cohort: Mothers' Employment and Earnings**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)				Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)				P-value of Intercohort Difference
	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	Full Pass-Through/ Disregard	Partial Pass-Through/ Disregard	Difference	P-value	
<b>Custodial Mother Sample</b>									
Any UI-Reported Earnings:									
First Year after Entry	81.5%	82.4%	-0.9%	0.2252	87.3%	86.7%	0.5%	0.7059	0.4836
Second	81.2	80.1	1.2	0.1302	83.1	84.7	-1.6	0.3295	0.1056
Third	77.9	77.5	0.5	0.5675	78.9	77.8	1.1	0.5453	0.7279
Fourth	73.1	71.8	1.2	0.1651	74.2	72.6	1.6	0.4215	0.9085
Fifth	67.8	68.0	-0.2	0.8584	72.0	70.3	1.6	0.4216	0.4054
Sixth	63.9	63.8	0.1	0.8912	68.5	69.1	-0.6	0.7869	0.8170
Total UI-Reported Earnings in:									
First Year after Entry	\$4,662	\$4,554	\$108	0.2426	\$6,025	\$5,943	\$81	0.7264	0.8544
Second	6,246	6,089	157	0.1936	7,700	7,663	37	0.9036	0.6301
Third	6,977	7,002	-24	0.8625	7,820	7,661	159	0.6445	0.6151
Fourth	7,284	7,117	167	0.2932	8,086	7,791	295	0.4463	0.7727
Fifth	7,252	7,153	99	0.5596	8,174	7,975	199	0.6253	0.7994
Sixth	7,306	7,250	56	0.7587	8,649	7,929	720	0.0918	0.1210

Differences are considered significant at the  $p < .05$  level (in bold)

**Note:** Excludes mothers with missing Social Security Numbers: Cohort 1 Full (183), Cohort 1 Partial (49), Cohort 3 Full (17), Cohort 3 Partial (10)

and 5 cases entered W-2 later, we do not have six full years of observation for them. Cohort 4 cases have as little as three and as many as five years of observation; in the following tables Cohort 4 cases are included for all the years in which they have observations. Only cases that entered by June 30, 2003, are included in Cohort 5, to allow at least two full years of follow-up.

In general, Cohort 4 and 5 cases have outcomes quite similar to those of Cohort 3, and relatively dissimilar to Cohort 1. Since Cohort 1 cases entered while W-2 was just being implemented (with all of associated confusions and complications of a new program), and is composed to a much larger degree of cases that had transitioned from AFDC (meaning they were more likely to be long-term welfare recipients), it is not surprising that Cohort 1 generally has experienced worse outcomes. Other changes in the composition of the W-2 caseload have occurred as well. The figures in the Appendix showing sample breakdowns reveal that the percentages of mothers entering W-2 who were pregnant and had no other minor children has increased dramatically by cohort, reaching 10 percent of entrants by Cohort 5. That difference aside, however, there are relatively small differences in outcomes across Cohorts 3, 4, and 5, reflecting less consequential changes in the economy or in welfare policies.

Table 8 shows trends in paternity establishment among nonmarital children in the four different cohorts. In all cohorts the percentage of children with paternity established eventually exceeds 60 percent, but in Cohort 1 this only happens in the sixth year after entry, whereas in Cohorts 3 and 4 it occurs by the third year, and in Cohort 5 it occurs in the second. As mentioned before, the three later cohorts consist mostly of new cases with little previous exposure to the increased child support enforcement that comes with participation in public assistance programs. More of the children for whom paternity establishment is not difficult are still available in these later groups, whereas in Cohort 1 many such children had paternity established while the case was on AFDC. Still, it is worth noting that progress in establishing paternity for these cases continues to be made throughout the period.

Table 9 shows that the likelihood of any child support payment is somewhat higher in the later cohorts than in Cohort 1, but all of the later cohorts experience slow declines in the percentage of fathers

**Table 8**  
**Mean Paternity Establishment Outcomes for Full Pass-through and Disregard Cases by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Child Sample (Nonmarital Children with Paternity Not Established at Mother's W-2 Entry)</b>												
Paternity Established at End of:												
First Year after Entry	12,284	19.3%	0.356%	800	43.9%	1.756%	13,287	46.8%	0.433%	4,777	53.5%	0.722%
Second	12,008	30.4	0.420	790	54.9	1.771	13,148	58.6	0.430	4,730	61.5	0.707
Third	11,726	39.4	0.451	787	65.1	1.701	13,006	64.1	0.421			
Fourth	11,412	51.7	0.468	772	68.3	1.676	8,199	66.5	0.521			
Fifth	11,113	57.8	0.469	759	71.5	1.639	3,861	67.4	0.755			
Sixth	10,759	61.8	0.468	748	74.2	1.601						

**Table 9**  
**Mean Child Support Outcomes for Full Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Noncustodial Father Sample (Fathers with Legally Established Children at Mother's W-2 Entry)</b>												
Paying Child Support in:												
First Year after Entry	11,212	51.3%	0.472%	789	62.1%	1.728%	9,592	56.9%	0.506%	3,710	55.8%	0.815%
Second	10,964	55.1	0.475	775	60.5	1.757	9,367	56.9	0.512	3,631	56.5	0.823
Third	10,697	57.1	0.479	755	58.8	1.792	9,116	56.0	0.520			
Fourth	10,407	53.6	0.489	731	56.6	1.834	5,580	54.4	0.667			
Fifth	10,105	53.2	0.496	711	55.7	1.864	2,475	53.5	1.003			
Sixth	9,721	51.6	0.507	673	54.7	1.920						
Total Child Support Paid in:												
First Year After Entry	11,212	\$837	\$14	789	1,431	\$86	9,592	\$1,398	\$22	3,710	\$1,454	\$39
Second	10,964	985	16	775	1,524	90	9,367	1,489	24	3,631	1,499	40
Third	10,697	1,009	16	755	1,526	90	9,116	1,472	24			
Fourth	10,407	1,032	17	731	1,458	88	5,580	1,470	31			
Fifth	10,105	1,018	18	711	1,437	93	2,475	1,357	45			
Sixth	9,721	1,008	18	673	1,494	104						

paying any child support. This decline may be related to the declines we see in Table 10 in fathers' employment. Fathers who are not employed in the formal labor market cannot have their child support order paid through income withholding, and may be harder to track down.

The amounts of payments are about 40 percent higher for fathers in the later cohorts compared to those in Cohort 1, but after some increases in the first years, payment amounts generally stay level. Since these amounts are given in nominal dollars, amounts that are staying flat over time are actually falling when inflation is taken into account.

Employment and earnings of noncustodial fathers are shown in Table 10. Interestingly, Cohort 1 employment levels do not appear appreciably different from the later cohorts; if anything, Cohort 3 fathers have higher levels of employment, especially in the first years. The amounts of earnings fit with the general pattern, however: Cohort 1 fathers report noticeably lower earnings levels. For the most part, earnings within each cohort remain fairly level (again, in nominal terms) over time.

Mothers' child support receipt (Table 11) is fairly similar across all four of the cohorts, with between 40 and 50 percent of mother receiving child support in the early years and with gradual rises of a few percentage points subsequently. However, child support amounts are lower among Cohort 1 cases, because of the lower amounts paid by fathers and also because of the higher amounts of child support still being retained for AFDC reimbursement. All cohorts experience gains in the amounts of child support received over time.

Participation in Wisconsin public assistance programs (Table 12) is generally similar across the four cohorts. Cohort 3 mothers appear to move off of W-2 cash assistance somewhat faster than the other cohorts, perhaps because they were entering W-2 at the peak of the late 1990s job market. Still, movement off of W-2 cash assistance was rapid among all cohorts, with 40 percent or fewer receiving assistance in the second year and under 25 percent by the fourth year. Use of other assistance programs was higher and tended to remain high. Food Stamps were used by at least 65 percent of the mothers even after six years, and Medicaid or BadgerCare was used by more than 74 percent. The high rates of usage

**Table 10**  
**Mean Fathers' Employment and Earnings Outcomes for Full Pass-Through and Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Noncustodial Father Sample (Fathers with Legally Established Children at Mother's W-2 Entry)</b>												
Any UI-Reported Earnings:												
First Year after Entry	11,029	45.9%	0.474%	772	62.7%	1.742%	9,336	54.0%	0.516%	3,573	50.5%	0.837%
Second	10,789	48.1	0.481	760	52.8	1.812	9,120	48.9	0.523	3,499	49.4	0.845
Third	10,529	51.3	0.487	740	49.1	1.839	8,882	48.0	0.530			
Fourth	10,251	41.7	0.487	717	45.7	1.862	5,447	46.5	0.676			
Fifth	9,965	38.2	0.487	698	43.7	1.879	2,433	44.0	1.007			
Sixth	9,587	36.4	0.491	661	43.7	1.931						
Total UI-Reported Earnings in:												
First Year after Entry	11,029	\$5,931	\$98	772	\$9,077	\$463	9,336	\$8,855	\$141	3,573	\$9,140	\$246
Second	10,789	6,296	105	760	9,124	496	9,120	8,852	147	3,499	9,413	256
Third	10,529	6,527	110	740	8,776	510	8,882	9,056	155			
Fourth	10,251	6,294	114	717	8,699	528	5,447	9,322	206			
Fifth	9,965	6,012	116	698	8,260	546	2,433	9,095	312			
Sixth	9,587	5,926	122		8,587	589						

**Note:** Excludes fathers with missing Social Security Numbers: Cohort 1 (183), Cohort 3 (17), Cohort 4 (284), Cohort 5 (141).

**Table 11**  
**Mean Child Support Receipt Outcomes for Full Pass-Through and Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Custodial Mother Sample</b>												
Receiving Child Support												
First Year after Entry	12,783	41.7%	0.436%	1,133	46.0%	1.481	17,730	39.1%	0.366%	6,917	40.5%	0.590%
Second	12,619	48.0	0.445	1,120	50.8	1.495	17,549	45.0	0.376	6,857	45.7	0.602
Third	12,445	52.0	0.448	1,110	48.7	1.501	17,356	47.4	0.379			
Fourth	12,253	51.7	0.451	1,095	51.1	1.511	10,701	48.7	0.483			
Fifth	12,073	52.4	0.455	1,085	53.5	1.515	4,794	49.6	0.722			
Sixth	11,837	52.4	0.459	1,067	55.5	1.522						
Total Child Support Recd in:												
First Year after Entry	12,783	\$673	\$12	1,133	\$989	\$55	17,730	\$873	\$14	6,917	\$924	\$24
Second	12,619	869	14	1,120	1,276	70	17,549	1,112	16	6,857	1,127	26
Third	12,445	1,005	16	1,110	1,327	70	17,356	1,193	17			
Fourth	12,253	1,077	17	1,095	1,348	70	10,701	1,271	22			
Fifth	12,073	1,142	18	1,085	1,455	79	4,794	1,291	32			
Sixth	11,837	1,183	19	1,067	1,534	84						

**Table 12**  
**Mean Mothers' Public Assistance Outcomes for Full Pass-Through and Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Custodial Mother Sample</b>												
W-2 Payments												
First Year after Entry	12,783	74.6%	0.385%	1,133	75.2%	1.284%	17,730	78.1%	0.311%	6,917	83.3%	0.448%
Second	12,619	40.5	0.437	1,120	26.9	1.325	17,549	33.4	0.356	6,857	34.3	0.573
Third	12,445	28.3	0.404	1,110	24.6	1.293	17,356	27.5	0.339			
Fourth	12,253	24.9	0.391	1,095	23.1	1.274	10,701	23.0	0.407			
Fifth	12,073	24.3	0.391	1,085	22.2	1.263	4,794	19.7	0.574			
Sixth	11,837	23.0	0.387	1,067	17.2	1.157						
Food Stamps												
First Year after Entry	12,783	92.4%	0.235%	1,133	88.6	0.944%	17,730	87.2%	0.251%	6,917	88.8%	0.380%
Second	12,619	80.0	0.356	1,120	72.5	1.335	17,549	73.1	0.335	6,857	76.5	0.512
Third	12,445	75.0	0.388	1,110	68.6	1.394	17,356	69.8	0.348			
Fourth	12,253	72.2	0.405	1,095	70.0	1.386	10,701	66.4	0.457			
Fifth	12,073	71.8	0.409	1,085	65.7	1.442	4,794	64.6	0.691			
Sixth	11,837	70.7	0.418	1,067	65.2	1.459						
Medicaid/BadgerCare												
First Year after Entry	12,783	98.3%	0.114%	1,133	98.8%	0.328	17,730	97.9%	0.107	6,917	98.6%	0.144%
Second	12,619	89.8	0.269	1,120	87.7	0.983	17,549	87.7	0.248	6,857	89.6	0.368
Third	12,445	83.8	0.330	1,110	81.2	1.174	17,356	81.8	0.293			
Fourth	12,253	81.3	0.352	1,095	79.1	1.230	10,701	77.7	0.402			
Fifth	12,073	79.9	0.365	1,085	77.3	1.272	4,794	75.3	0.623			
Sixth	11,837	78.3	0.379	1,067	74.3	1.338						
Child Care Subsidies												
First Year after Entry	12,783	42.3%	0.437%	1,133	47.7%	1.485%	17,730	49.2%	0.375%	6,917	50.7%	0.601%
Second	12,619	40.3	0.437	1,120	45.0	1.487	17,549	45.8	0.376	6,857	46.1	0.602
Third	12,445	37.1	0.433	1,110	43.7	1.489	17,356	43.3	0.376			
Fourth	12,253	35.2	0.432	1,095	42.4	1.494	10,701	39.9	0.474			
Fifth	12,073	33.2	0.429	1,085	38.1	1.475	4,794	36.5	0.695			
Sixth	11,837	30.5	0.423	1,067	33.3	1.443						



(and eligibility) for these programs show that even after leaving W-2, the women are still quite disadvantaged. Usage rates for child care subsidies are substantially lower than for other programs, even though the state has made sure that funds are available for all parents eligible for the subsidy.

Table 13 shows trends in program participation and government costs. After initial decreases in the first year, all cohorts show costs that are quite stable over time. This initial decrease is related to the decline in W-2 cash assistance, and total costs do not show further declines. Costs appear highest for the Cohort 1 mothers and lowest for Cohort 3, with Cohorts 4 and 5 somewhere in between. The amount of child support retained declines across the cohorts, as later cohorts are less likely to have had previous AFDC experience that would need to be reimbursed.

Mothers' employment (Table 14) is much higher than fathers' employment among all cohorts, but in Cohort 1, 3, and 4 employment declines over time. Custodial mothers would not be dropping out of the labor market to avoid the child support enforcement system, but we have insufficient evidence to determine whether women are not working due to labor market conditions, marriage or births, or other factors. Those working do appear to be making more money over time, since the overall mean levels of earnings rise.

## CONCLUSIONS

We have examined the effects of the experiment and trends in outcomes over six years. Given the small opportunities for exposure to the effects of the partial pass-through and disregard policy, the relatively small size of the financial incentives created, and complications of the experiment which may have reduced even these modest differences, we did not expect to find significant differences in outcomes persisting beyond the actual duration of the evaluation period. These expectations were largely confirmed: the mechanical effect of the experiment (higher amounts of child support received) ended when treatment ended, and other effects such as higher child support payments and lower W-2 cash assistance participation lasted only for the first few years after cases started on W-2. The one exception was that the positive effects on paternity establishment endured through the observation period.

**Table 13**  
**Mean Government Cost Outcomes for Full Pass-Through and Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Custodial Mother Sample</b>												
Total Program Participation Costs												
First Year after Entry	12,783	\$11,432	\$63	1,133	\$9,262	\$184	17,730	\$10,033	\$49	6,917	\$10,960	\$81
Second	12,619	9,784	73	1,120	8,254	216	17,549	9,152	58	6,857	9,876	94
Third	12,445	9,525	78	1,110	8,547	237	17,356	9,155	63			
Fourth	12,253	9,761	85	1,095	8,914	257	10,701	9,164	86			
Fifth	12,073	10,072	90	1,085	9,010	270	4,794	8,985	133			
Sixth	11,837	9,902	91	1,067	8,565	264	.					
Total Child Support Retained												
First Year after Entry	12,783	\$139	\$4	1,133	\$111	\$25	17,730	\$45	\$3	6,917	\$34	\$5
Second	12,619	160	5	1,120	88	14	17,549	45	2	6,857	25	3
Third	12,445	154	5	1,110	99	20	17,356	42	3			
Fourth	12,253	158	6	1,095	67	12	10,701	44	3			
Fifth	12,073	137	5	1,085	80	15	4,794	51	5			
Sixth	11,837	143	6	1,067	63	13	.					
Total Government Costs												
First Year after Entry	12,783	\$11,237	\$63	1,133	\$9,058	\$186	17,730	\$9,900	\$50	6,917	\$10,807	\$81
Second	12,619	9,537	73	1,120	8,034	217	17,549	8,936	59	6,857	9,642	95
Third	12,445	9,278	79	1,110	8,329	239	17,356	8,965	64			
Fourth	12,253	9,502	85	1,095	8,728	258	10,701	8,987	86			
Fifth	12,073	9,839	91	1,085	8,819	271	4,794	8,809	133			
Sixth	11,837	9,665	91	1,067	8,398	264						

Total program participation are calculated as the sum of amounts paid for the case in W-2 grants, food stamps, Medicaid/BadgerCare premiums, and child care subsidies, total government costs are total program participation costs minus the amounts of child support retained by the state for the case

**Table 14**  
**Mean Mothers' Employment Outcomes for Full Pass-Through and Disregard Cases, by Cohort**

	Cohort 1 (Entered Sept. 1, 1997-July 8, 1998)			Cohort 3 (Entered Jan. 1, 1999-June 30, 1999)			Cohort 4 (Entered July 1, 1999-June 30, 2002)			Cohort 5 (Entered July 1, 2002-June 30, 2003)		
	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error	N	Mean	Std. Error
<b>Custodial Mother Sample</b>												
Any UI-Reported Earnings:												
First Year after Entry	12,779	77.1%	0.372%	1,132	85.2%	1.057%	17,724	75.8%	0.322%	6,913	68.8%	0.557%
Second	12,615	78.5	0.366	1,119	81.0	1.174	17,543	71.4	0.341	6,853	69.8	0.555
Third	12,441	75.8	0.384	1,109	77.2	1.261	17,350	68.4	0.353			
Fourth	12,249	71.4	0.408	1,094	73.0	1.342	10,696	67.1	0.454			
Fifth	12,069	66.5	0.430	1,084	70.8	1.381	4,793	65.2	0.688			
Sixth	11,833	62.9	0.444	1,066	67.5	1.435						
Total UI-Reported Earnings in:												
First Year after Entry	12,779	\$4,652	\$48	1,132	\$6,051	\$181	17,724	\$5,303	\$49	6,913	\$4,747	\$76
Second	12,615	6,231	61	1,119	7,718	236	17,543	6,448	59	6,853	6,293	94
Third	12,441	6,961	69	1,109	7,837	261	17,350	6,822	65			
Fourth	12,249	7,274	78	1,094	8,105	287	10,696	7,172	88			
Fifth	12,069	7,244	83	1,084	8,200	304	4,793	7,581	143			
Sixth	11,833	7,296	88	1,066	8,677	323						

**Note:** Excludes mothers with missing Social Security Numbers: Cohort 1 (4), Cohort 3 (1), Cohort 4 (7), Cohort 5 (4).

However, these findings of limited longer-range effects do not necessarily mean that the full pass-through and disregard policy has not played a beneficial role. The narrow differences separating the partial pass-through and disregard and the full pass-through and disregard may mean that all W-2 cases in Wisconsin have benefited from a fairly generous pass-through and disregard policy, compared to the zero pass-through and disregard policy used in the majority of states.

Trends in child support, program participation, and employment outcomes among cases entering W-2 after the random assignment period ended in June 1999 follow patterns similar to those of Cohort 3 full pass-through and disregard entrants, although with somewhat lower levels of employment and program participation, perhaps related to the economic downswing of the early 2000s. Among full pass-through and disregard cases, those in the earliest cohort have the worst outcomes on most measures, which is unsurprising given the higher proportion of longer-term welfare participants in this cohort. Among all cohorts, W-2 cash assistance participation decreased rapidly while Food Stamp and Medicaid/BadgerCare participation declined slowly. In all cohorts, a slim majority of children whose mothers entered W-2 without paternity established eventually had a father legally declared. After initial early increases, the percentage of cases with payments and receipts waned slowly over time and the amounts of child support paid remained flat. Finally, both mothers and fathers became less likely to be reported as working in the formal labor market over time.

## **Part 2**

### **Outcomes Among Caretaker Supplement Cases**

#### INTRODUCTION

In Part 1 of this report we examined the longer-term outcomes of parents participating in the Wisconsin Works (W-2) program. Since 1997, W-2 has provided assistance to low-income parents who would have previously been eligible for the Aid to Families with Dependent Children program, with the requirement that participants take part in work activities. The relationship between W-2, the child support pass-through and disregard policies associated with W-2, and participants' longer-term outcomes has been the primary focus of the Child Support Demonstration Evaluation (CSDE) project. W-2, however, is not the only program which provides assistance that would have previously been available under AFDC. Wisconsin's Caretaker Supplement (CTS) program for parents receiving Supplemental Security Income benefits also provides assistance that in the past was delivered through AFDC. In this part of the report we examine longer-term child support, program participation, and earnings outcomes among cases which have received assistance under CTS.

This report follows a previous CSDE report by Park and Magaña (2005) which examined the transition onto SSI and CTS and compared recipients' economic well-being before and after entry into CTS. The present report compares yearly trends in outcomes in CTS cases and W-2 cases.

#### THE CARETAKER SUPPLEMENT PROGRAM

The Supplemental Security Income (SSI) program provides a monthly cash payment to low-income Wisconsin residents with disabilities,<sup>8</sup> blindness, or who are 65 or older. Before the start of W-2, SSI recipients who were parents could also receive benefits under the AFDC program for their eligible

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<sup>8</sup>Qualifying disability is a physical or mental impairment which results in the inability to engage in any substantial gainful activity and which either can be expected to result in death or can be expected to last for 12 months or more.

children.<sup>9</sup> As this payment does not exist under W-2, the state created the SSI Caretaker Supplement. The supplement began in December 1997 for those SSI parents who had been receiving the AFDC benefit for their children and in January 1998 for other SSI parents who would have had eligible children under AFDC. Initially parents received \$77 per child each month. In July 1998 the monthly payment was raised to \$100 per eligible child, and in November 1999 it was raised again to \$250 for the first child and \$150 for additional children. These payments are in addition to those received under the SSI program. As of June 2001, approximately 6 percent of all Wisconsin SSI recipients were also receiving the Caretaker Supplement.

While CTS and W-2 both provide assistance to low-income parents, there are significant differences between the eligibility requirements and assistance provided. For CTS, the requirement that the parent be on SSI combined with low monthly income limits means that these cases will generally have a limited ability to provide for themselves outside of public assistance and will likely be using assistance for an extended period. There are no time limits for the use of SSI and CTS benefits.<sup>10</sup> W-2, on the other hand, is specifically designed to move participants off of assistance and into employment, and has a time limit of 60 months. For these reasons it is likely that W-2 participants will move off of W-2 faster than CTS recipients will leave CTS. Similarly, W-2 recipients are likely to have higher levels of income in subsequent years than CTS parents, since they will be more likely to be off assistance and back in the workplace, and because of any positive effects that the W-2 work assistance may have provided.

Differences between CTS and W-2 cases in child support and paternity outcomes are harder to predict. Both programs require cooperation with the child support agency when a child on the case has a noncustodial parent. Through 2005, both programs allowed full pass-through and disregard of child

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<sup>9</sup>Children were eligible if a parent was receiving SSI (if two parents, then both must be receiving SSI), the children themselves were not receiving SSI, and children's income and assets were also limited.

<sup>10</sup>Information on CTS eligibility and benefits is from the Wisconsin Department of Health and Family Services, *Caretaker Supplement Handbook*. (<http://dhfs.wisconsin.gov/ssi/CaretakerHandbook/wholehandbook.pdf>).

support payments made to the case.<sup>11</sup> However, there were differences in how child support was considered in financial eligibility systems. W-2 did not consider any child support payments in determining eligibility for the program (full pass-through and disregard), but for CTS, only the first \$50 was disregarded. This difference may provide a disincentive for CTS parents with higher child support or other income sources to fully cooperate with child support enforcement relative to W-2 parents.

That said, the cases receiving W-2 and CTS are not mutually exclusive. Cases are not permitted to receive W-2 and SSI at the same time, but cases may move from one program to the other, usually from W-2 to SSI. W-2 case workers assess their clients for potential eligibility for SSI and may require that the client apply for SSI benefits as a condition for W-2 participation (Section 18.9.0, Wisconsin Department of Workforce Development, 2006). Park and Magaña (2005) found that 7 percent of all cases entering W-2 during the first 9 months of the program eventually received SSI benefits by the end of 2003, and 84 percent of those also received CTS benefits. Cases transitioning from W-2 comprise a relatively small percentage of CTS cases. Only 12 percent of the cases on CTS through December 2003 had been on W-2 prior to their CTS participation.

Park and Magaña also found that mothers who received CTS were more disadvantaged than those on W-2 in terms of family characteristics, poverty status, and economic hardship, that approximately two-thirds of cases stayed on CTS for at least a year, and that the transition to CTS improved mothers' financial situations, but not enough to move the average case over the poverty line.

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<sup>11</sup>With the exception of W-2 cases randomly assigned to the partial pass-through and disregard treatment as part of the Child Support Demonstration Evaluation. Those W-2 cases received a partial pass-through and disregard of child support while they were on W-2 cash assistance through June 2002. See the Appendix to Part 1 of this report for details.

## DATA AND METHODS

The purpose of the present report is to follow the trends in child support, program assistance, and earnings outcomes over time for CTS cases; to compare cases that entered the CTS program at different times; and to compare CTS cases with W-2 cases.

Information on cases participating in W-2 and CTS comes from the administrative data systems used by the state of Wisconsin to manage the various programs. The CARES (Client Assistance for Re-employment and Economic Support) system is used to manage the state's public assistance programs, such as W-2 and CTS, Food Stamps, Medicaid, BadgerCare, and the Wisconsin Shares child care subsidy program. KIDS (Kids Information Data System) tracks child support enforcement cases, and the Unemployment Insurance (UI) Wage Record file records employment and earnings.

The data on W-2 cases was selected using the same criteria as used for the other CSDE reports. This data selection process is described in detail in the Appendix of Part 1 of this report. In short, we selected mother-headed W-2 cases from CARES which were eligible for child support and which had not had any bureaucratic delays in their start onto W-2. Children of these mothers who had not already had paternity established at W-2 entry were followed to determine if and when a legal father was declared. The noncustodial fathers of these mothers' children who had paternity established before W-2 entry were analyzed for child support payment and earnings outcomes. Each of these sets of cases was divided into four different entry cohorts based on when the mother first started on W-2.<sup>12</sup> In this report we compare CTS cases with W-2 cases that received full child support pass-through and disregard. This results in a set of 39,967 mother-headed, full pass-through and disregard W-2 cases divided into four separate cohorts, and the corresponding sets of children and fathers. These are the same cases presented in Tables 8–14 of Part 1 of this report.

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<sup>12</sup>The entry cohorts were selected for the purposes of evaluating different stages of the child support pass-through experiment. To facilitate comparisons between we have chosen to use them again for the present analysis.



The selection of CTS cases started with the set of 13,197 CARES cases that ever received any CTS payment from the beginning of the program in December 1997 through June 2005. We then eliminated 1,086 cases where the primary caretaker at entry into CTS was male, leaving only cases where the mother headed the case. Another 116 cases were excluded because the primary caretaker was under age 18 at CTS entry (only adults are supposed to be eligible for CTS payments). Finally, 682 cases were removed as they appeared not to have had a child under 18 on the case through at least the first year after CTS entry (although CTS allows payments to parents with eligible children under 19, child support and other program participation eligibility usually ends at 18, and our W-2 samples excluded cases with no minor children). To match the entry cohorts used in our W-2 cases, these mothers were divided based on the first month of CTS benefits. Cohort 1 first received CTS from December 1997 to June 1998 (4,779 cases); Cohort 3 first received CTS from January 1999 to June 1999 (128 cases); Cohort 4 first received CTS from July 1999 to June 2002 (3,045 cases) and Cohort 5 first received CTS from July 2002 through June 2003 (1,132 cases). The 285 cases entering in “Cohort 2,” between July 1998 and December 1998, were not analyzed (this period corresponds with a break in the analysis samples for W-2), and cases entering after June 2003 (1,944 cases) were excluded as we did not have at least two years of observable outcomes for these cases.<sup>13</sup>

As with the W-2 cases, these mother-headed CTS cases were matched with records of children and the fathers of those children in KIDS. Since the children’s sample was used to assess paternity establishment outcomes, we selected only children whose parents were unmarried and who had not had paternity established when the case first started on CTS. Fathers’ cases were used to assess child support payment outcomes, so we selected only those fathers who had already been established as the legal father of the child(ren) at the time of CTS entry. Both mothers and fathers were then matched with UI earnings

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<sup>13</sup>Cases that were determined to be ineligible for child support enforcement because the parents of all children on the case were married or all noncustodial parents were deceased were deleted from the W-2 sample, but data limitations prevented these determinations being made in the CTS sample. Less than 5 percent of all CTS cases were not referred to KIDS for child support enforcement, so we believe any resulting differences in the two samples will be small.

data to get earnings and employment outcomes. In general, we used the same data selection procedures for the CTS cases as had been used in the W-2 data selection process.

## RESULTS

In Table 15 we show characteristics of the separate cohorts of both CTS and W-2 cases. In both programs early entrants were more likely to have transitioned from the preceding AFDC program. African American mothers comprise a larger percentage of the W-2 caseload than of the CTS caseload, and in both programs they comprise a larger percentage among entrants in the first cohort than in later cohorts. Mothers in the CTS program are older than mothers in the W-2 program; across cohorts, CTS participants do not vary much in mother's age, but the mothers in W-2 cases are increasingly younger with each new cohort. In addition to being older, CTS mothers are also more likely to have only older children than are W-2 mothers. The number of children is similar across most of the cohorts in each program, although W-2 mothers who entered in the first cohort are most likely to have multiple children. First cohort W-2 mothers are also more likely to be in Milwaukee than other cohorts or CTS cases. Participants in both programs are most likely to have not finished high school, although in succeeding cohorts of W-2 entrants the educational level of these mothers rises.

The last panel of Table 15 shows the differences in the percentages of nonmarital children in the case who have paternity established when the case enters the program. In Cohort 1 cases in both samples about half of nonmarital children have paternity already established, but in later cohorts the two samples diverge. In later cohorts of the CTS sample increasing percentages of children already have paternity established, while in the W-2 sample the percentages of children with paternity already established declines. Cases entering W-2 have become increasingly composed of younger mothers with young, single children; these are cases least likely to have paternity established. CTS cases do not have big differences across cohort by mother's age or number of children, and the improvement in paternity establishment before entry may reflect improvements in child support enforcement over time, or may be due to larger percentages of CTS cases entering outside Milwaukee.

**Table 15**  
**Characteristics of CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
<b>Total</b>	4,779		128		3,045		1,132									
<b>Transitioned from AFDC</b>																
Transitioned from AFDC	4,048	84.7	16	12.5	101	3.3	5	0.4	11,580	71.0						
New Case	731	15.3	112	87.5	2,944	96.7	1,127	99.6	4,720	29.0	2,247	100.0	18,782	100.0	7,269	100.0
<b>Mother's Race/Ethnicity</b>																
White	1,674	35.0	41	32.0	1,232	40.5	478	42.2	4,164	25.6	922	41.0	8,265	44.0	3,300	45.4
Black	2,232	46.7	49	38.3	1,151	37.8	426	37.6	10,045	61.6	1,081	48.1	8,030	42.8	3,022	41.6
Asian	357	7.5	19	14.8	158	5.2	43	3.8	324	2.0	21	0.9	268	1.4	108	1.5
Hispanic	241	5.0	12	9.4	202	6.6	77	6.8	1,288	7.9	143	6.4	1,642	8.7	636	8.8
American Indian	80	1.7			46	1.5	14	1.2	385	2.4	61	2.7	363	1.9	137	1.9
Other	3	0.1			2	0.1	3	0.3	16	0.1	4	0.2	43	0.2	15	0.2
Unknown	192	4.0	7	5.5	254	8.3	91	8.0	78	0.5	15	0.7	171	0.9	51	0.7
<b>Age of Mother at Program Entry</b>																
Unknown									3	0.0	1	0.0	7	0.0	2	0.0
18-25	900	18.8	24	18.8	716	23.5	218	19.3	7,514	46.1	1,239	55.1	11,168	59.5	4,552	62.6
26-30	802	16.8	16	12.5	485	15.9	193	17.1	3,287	20.2	399	17.8	2,857	15.2	965	13.3
31-40	1,957	41.0	57	44.5	1,176	38.6	435	38.4	4,388	26.9	488	21.7	3,653	19.5	1,306	18.0
41+	1,120	23.4	31	24.2	668	21.9	286	25.3	1,108	6.8	120	5.3	1,097	5.8	444	6.1
<b>Age Youngest Child at Entry</b>																
0-2	1,172	24.5	35	27.3	1,014	33.3	333	29.4	9,291	57.0	1,573	70.0	13,549	72.1	5,342	73.5
3-5	847	17.7	28	21.9	452	14.8	182	16.1	2,926	18.0	237	10.6	1,704	9.1	657	9.0
6-12	1,841	38.5	47	36.7	1,063	34.9	405	35.8	3,144	19.3	328	14.6	2,546	13.6	909	12.5
13-17	919	19.2	18	14.1	516	17.0	212	18.7	939	5.8	109	4.9	983	5.2	361	5.0
<b>Number of Children at Entry</b>																
None									127	0.8	67	3.0	1,024	5.5	518	7.1
1	2,028	42.4	52	40.6	1,439	47.3	540	47.7	5,340	32.8	1,174	52.3	9,558	50.9	3,898	53.6
2	1,415	29.6	39	30.5	817	26.8	317	28.0	4,712	28.9	524	23.3	4,537	24.2	1,615	22.2
3+	1,336	28.0	37	28.9	789	25.9	275	24.3	6,121	37.6	482	21.5	3,663	19.5	1,238	17.0

(table continues)

Table 15, continued

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
<b>County a Program Entry</b>																
Unknown																
Milwaukee County	2,478	51.9	68	53.1	1,373	45.1	461	40.7	12,065	74.0	1,147	51.1	9,704	51.7	3,586	49.3
Other Urban Counties	1,296	27.1	34	26.6	969	31.8	368	32.5	2,829	17.4	709	31.6	6,156	32.8	2,604	35.8
Rural Counties	1,005	21.0	26	20.3	703	23.1	303	26.8	1,406	8.6	391	17.4	2,922	15.6	1,079	14.8
<b>Mother's Education</b>																
Unknown									237	1.5	10	0.5	92	0.5	34	0.5
No High School Degree	2,535	53.0	74	57.8	1,569	51.5	528	46.6	8,510	52.2	963	42.9	8,012	42.7	2,898	39.9
High School Degree/GED	2,122	44.4	51	39.8	1,391	45.7	562	49.7	5,954	36.5	971	43.2	8,298	44.2	3,380	46.5
Post High School Education	122	2.6	3	2.3	85	2.8	42	3.7	1,599	9.8	303	13.5	2,380	12.7	957	13.2
<b>Nonmarital Children with Paternity Established</b>																
Total N	14,135		370		8,891		3,385		23,921		1,456		20,623		7,676	
Paternity at Entry	7,193	50.9	190	51.4	5,133	57.7	2,133	63.0	11,637	48.7	656	45.1	7,336	35.6	2,899	37.8
No Paternity at Entry	6,942	49.1	180	48.7	3,758	42.3	1,252	37.0	12,284	51.4	800	55.0	13,287	64.4	4,777	62.2

Tables 16–21 present the trends in outcomes for both CTS and W-2 full pass-through and disregard cases by entry cohort. We will discuss each outcome separately, but a few general tendencies are notable. First, for many outcomes both the W-2 and CTS cases entering in Cohort 1 seem to fare worse than those entering in later time periods. For both programs these earliest entrants include large numbers of cases which are transitioning from previous AFDC programs (CTS Cohort 1 cases include cases that were grandfathered in from the AFDC “child only” program; W-2 Cohort 1 cases include many that had been on the regular AFDC program). In both groups, participants who transitioned had longer experience with such public assistance programs as Food Stamps and Medicaid, in addition to AFDC. Later-entering cohorts had a much smaller proportion of long-term program users than Cohort 1. That said, it does appear that differences between Cohort 1 and later-entering cohorts are much greater among the W-2 participants than among CTS participants. This may be because the change in eligibility requirements and program responsibilities between the old program and the new program was much greater between AFDC and W-2 than it was between AFDC “child only” and CTS. For both AFDC “child only” and CTS, parents had to be on SSI and incapable of significant work activity, while the change in work expectations for W-2 parents was dramatic.

A final general observation is that the overall levels of outcomes between CTS and W-2 cases are quite similar. For all the differences between the two programs, these are both groups of disadvantaged families, with low levels of earnings and high levels of program participation. The availability of program resources outside their respective programs are similar in the two groups (with the exception of child care subsidies); the child support enforcement system is similar for the two groups; and the job market faced by the two groups is similar.

Table 16 shows the percentages of children of program participants who had a paternity determination made after program entry. Both W-2 and CTS participation require parents’ cooperation with the child support enforcement system. Over the six years of observation available for Cohorts 1 and 3, we see more than half of children having paternity established. The speed and ultimate levels of

**Table 16**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Paternity Establishment**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Child Sample (Nonmarital Children with Paternity Not Established at Mother's Program Entry)</b>																
Paternity Established at End of:																
First year after entry	6,942	13.0%	180	13.3%	3,758	22.8%	1,252	20.0%	12,284	19.3%	800	43.9%	13,287	46.8%	4,777	53.5%
Second	6,542	21.8	176	22.7	3,572	33.3	1,180	27.9	12,008	30.4	790	54.9	13,148	58.6	4,730	61.5
Third	6,193	30.0	170	38.2	3,337	40.9			11,726	39.4	787	65.1	13,006	64.1		
Fourth	5,819	41.7	165	43.6	1,898	46.2			11,412	51.7	772	68.3	8,199	66.5		
Fifth	5,451	49.2	149	50.3	659	47.3			11,113	57.8	759	71.5	3,861	67.4		
Sixth	5,057	53.5	136	54.4					10,759	61.8	748	74.2				

paternity establishment appear higher among the W-2 cases, especially among those entering after Cohort 1, where 40 percent of incoming children have paternity established within the first year and over half within the first two years. CTS cases do not reach that level until the fifth or sixth year after entry. For both types of cases, however, paternity establishment improves in each succeeding cohort, although the improvement is more dramatic for W-2 cases. This likely reflects the fact that lower percentages of W-2 children come in with paternity already established; the children for whom paternity establishment is relatively easier are still available to be worked by the child support system. That said, even CTS cases see smaller improvements in paternity establishment in later cohorts, so there may be a general improvement in the establishment of paternity by the child support enforcement system.

Similar improvements are not seen when looking at the percentage of fathers paying child support in Table 17. CTS cases have lower levels of payment and these levels remain around 40 percent for most of the cohorts and throughout the period of observation; only among the smallest cohort (Cohort 3) is there a substantial improvement over time in the percentage of fathers paying (from 42 percent to 51 percent by the sixth year after entry). Levels of fathers of W-2 children paying child support are higher (above 50 percent) but they too do not increase across cohorts or over time. Amounts of payments by fathers in both groups tend to increase over time, with more substantial gains in the CTS cases than in the W-2 cases. Combined with the fact that the percentage of fathers who are paying remains fairly level, the increase in average payment levels for CTS fathers indicates that fathers who do pay child support pay larger amounts over time. The amount of child support paid by CTS fathers is generally less than for W-2 fathers, even after the increases in payment amounts over time.

The differences in payment amounts between W-2 and CTS cases may be due to the differences in earnings levels of these two groups of fathers (Table 18). Earnings of W-2 fathers in Cohorts 3–5 are \$2,000–3,000 more than CTS fathers in the same cohorts, although Cohort 1 W-2 fathers earnings are about the same as Cohort 1 CTS fathers: around \$6,000 to \$6,500 per year, with little change over time. Interestingly, the percentage of fathers with reported earnings declines for both CTS and W-2 fathers over

**Table 17**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Fathers' Payment of Child Support**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Noncustodial Father Sample (Fathers with Legally Established Children at Mother's Program Entry)</b>																
Paying Child Support in:																
First year after entry	2,999	38.3%	98	41.8%	2,027	39.6%	794	39.9%	11,212	51.3%	789	62.1%	9,592	56.9%	3,710	55.8%
Second	2,794	42.1	93	41.9	1,897	41.9	734	39.5	10,964	55.1	775	60.5	9,367	56.9	3,631	56.5
Third	2,611	44.1	85	44.7	1,770	41.5			10,697	57.1	755	58.8	9,116	56.0		
Fourth	2,432	41.4	78	47.4	867	43.1			10,407	53.6	731	56.6	5,580	54.4		
Fifth	2,248	42.3	69	42.0	296	41.6			10,105	53.2	711	55.7	2,475	53.5		
Sixth	2,059	42.9	61	50.8					9,721	51.6	673	54.7				
Total Child Support Paid in:																
First year after entry	2,999	\$702	98	\$651	2,027	\$778	794	\$850	11,212	\$837	789	\$1,431	9,592	\$1,398	3,710	\$1,454
Second	2,794	\$790	93	660	1,897	845	734	976	10,964	985	775	1,524	9,367	1,489	3,631	1,499
Third	2,611	867	85	920	1,770	897			10,697	1,009	755	1,526	9,116	1,472		
Fourth	2,432	935	78	842	867	1,034			10,407	1,032	731	1,458	5,580	1,470		
Fifth	2,248	938	69	1,020	296	979			10,105	1,018	711	1,437	2,475	1,357		
Sixth	2,059	1,023	61	1,221					9,721	1,008	673	1,494				



**Table 18**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Fathers' Employment and Earnings**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Noncustodial Father Sample (Fathers with Legally Established Children at Mother's Program Entry)</b>																
Any UI-Reported Wages in:																
First year after entry	2,875	51.0%	92	46.7%	1,950	47.8	764	41.8%	11,029	45.9%	772	62.7%	9,336	54.0%	3,573	50.5%
Second	2,689	49.3	88	47.7	1,828	45.5	705	41.6	10,789	48.1	760	52.8	9,120	48.9	3,499	49.4
Third	2,521	48.5	81	49.4	1,707	42.9			10,529	51.3	740	49.1	8,882	48.0		
Fourth	2,356	46.2	74	45.9	837	40.0			10,251	41.7	717	45.7	5,447	46.5		
Fifth	2,184	42.4	65	40.0	289	40.8			9,965	38.2	698	43.7	2,433	44.0		
Sixth	2,003	41.6	58	51.7					9,587	36.4	661	43.7				
Total UI-Reported Wages in:																
First year after entry	2,875	\$6,395	92	\$5,545	1,950	\$6,714	764	\$6,687	11,029	\$5,931	772	\$9,077	9,336	\$8,855	3,573	\$9,140
Second	2,689	5,899	88	7,298	1,828	6,541	705	6,823	10,789	6,296	760	9,124	9,120	8,852	3,499	9,413
Third	2,521	6,256	81	7,893	1,707	6,544			10,529	6,527	740	8,776	8,882	9,056		
Fourth	2,356	6,985	74	6,627	837	5,947			10,251	6,294	717	8,699	5,447	9,322		
Fifth	2,184	6,554	65	7,922	289	5,891			9,965	6,012	698	8,260	2,433	9,095		
Sixth	2,003	6,553	58	9,748					9,587	5,926	661	8,587				

**Note:** Excludes fathers with missing Social Security numbers.

time in almost all cohorts, and the drops are substantial; in the first year after entry, 51 percent of Cohort 1 CTS fathers and 46 percent of Cohort 1 W-2 fathers show reported earnings, but by the sixth year these have dropped to 42 and 36 percent, respectively. This decline in the percentage of fathers reporting earnings no doubt contributes to the difficulties in enforcing child support obligations owing to fathers moving out of state, incarceration, or fathers dropping out of the formal labor market.

Difficulties in getting fathers to pay child support are revealed in Table 19, where we see the results in the receipt of child support by mothers. The percentages of mothers receiving support starts off about the same for CTS and W-2 participants (around 40 percent, regardless of cohort), but W-2 mothers see pronounced improvements of about 10 percentage points by the end of the observation, while CTS rates change little. The amount of child support received does increase for all cohorts in both programs.

Trends in the use of various public assistance programs (Table 20) show the most noticeable differences between the CTS and W-2 mothers. CTS cases tended to stay on CTS for longer than W-2 cases stayed on W-2. Cohort 3 and 4 CTS cases still had 80 percent of their caseload after five years, although the Cohort 1 caseload took a big drop in the second year after entry (to about half) and then increased afterwards, reaching 70 percent by the fifth year. This is in stark contrast to the W-2 caseload, which dropped below half in all cohorts by the second year and below a quarter by the fourth year. This is likely a reflection of the eligibility requirements of the two programs; CTS parents must have a long-term disability to enter the program and for most parents that disability will not be resolved quickly, while W-2 has no such persistent eligibility requirement. CTS is designed to be a longer-term program, while W-2 is designed to provide primarily short-term assistance.

Cross-usage between the two programs is quite small. Usage of W-2 by cases that had been on CTS was generally under 4 percent per year, except for the first year after entry for Cohorts 3 and 4, where higher rates of usage may reflect some short overlaps at the beginning of CTS usage when W-2 payments are still coming in. Similarly, cases which were on W-2 move onto CTS only slowly, reaching at most 5 percent among Cohort 1 cases in the fifth and sixth year. This corresponds with Park and

**Table 19**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Child Support Receipt**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Custodial Mother Sample</b>																
Receiving Child Support in:																
First year after entry	4,779	41.2%	128	44.5%	3,045	43.2%	1,132	42.1%	12,783	41.7%	1,133	46.0%	17,730	39.1%	6,917	40.5%
Second	4,534	45.5	128	46.1	2,929	45.4	1,076	43.2	12,619	48.0	1,120	50.8	17,549	45.0	6,857	45.7
Third	4,293	47.0	126	48.4	2,790	46.0			12,445	52.0	1,110	48.7	17,356	47.4		
Fourth	4,064	46.5	120	45.8	1,437	47.5			12,253	51.7	1,095	51.1	10,701	48.7		
Fifth	3,842	45.8	110	43.6	531	46.3			12,073	52.4	1,085	53.5	4,794	49.6		
Sixth	3,581	44.9	105	44.8					11,837	52.4	1,067	55.5				
Total Child Support Received in:																
First year after entry	4,779	\$811	128	\$ 901	3,045	\$1,037	1,132	\$1,131	12,783	\$673	1,133	\$989	17,730	\$873	6,917	\$924
Second	4,534	943	128	1,005	2,929	1,115	1,076	1,198	12,619	869	1,120	1,276	17,549	1,112	6,857	1,127
Third	4,293	1,042	126	1,270	2,790	1,165			12,445	1,005	1,110	1,327	17,356	1,193		
Fourth	4,064	1,073	120	1,210	1,437	1,204			12,253	1,077	1,095	1,348	10,701	1,271		
Fifth	3,842	1,108	110	1,412	531	1,229			12,073	1,142	1,085	1,455	4,794	1,291		
Sixth	3,581	1,111	105	1,430					11,837	1,183	1,067	1,534				

**Table 20**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Mothers' Participation in Public Assistance**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-Through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Custodial Mother Sample</b>																
<b>Any Caretaker Supplement Payments</b>																
First Year after Entry	4,779	93.6%	128	97.7%	3,045	95.1%	1,132	92.8%	12,783	1.1%	1,133	0.3%	17,730	0.9%	6,917	1.1%
Second	4,534	52.3	128	93.8	2,929	86.8	1,076	71.5	12,619	1.4	1,120	1.2	17,549	1.5	6,857	1.5
Third	4,293	59.6	126	92.9	2,790	79.5			12,445	2.7	1,110	1.9	17,356	2.0		
Fourth	4,064	67.8	120	88.3	1,437	81.8			12,253	4.1	1,095	2.5	10,701	2.0		
Fifth	3,842	70.2	110	83.6	531	81.2			12,073	5.1	1,085	2.6	4,794	1.4		
Sixth	3,581	65.2	105	75.2					11,837	5.4	1,067	2.6				
<b>Any W-2 Payments</b>																
First Year after Entry	4,779	0.6%	128	10.2%	3,045	8.5%	1,132	4.2%	12,783	74.6%	1,133	75.2%	17,730	78.1%	6,917	83.3%
Second	4,534	0.9	128	3.9	2,929	2.8	1,076	2.4	12,619	40.5	1,120	26.9	17,549	33.4	6,857	34.3
Third	4,293	1.6	126	2.4	2,790	2.1			12,445	28.3	1,110	24.6	17,356	27.5		
Fourth	4,064	2.1	120	1.7	1,437	2.0			12,253	24.9	1,095	23.1	10,701	23.0		
Fifth	3,842	2.9	110	3.6	531	1.5			12,073	24.3	1,085	22.2	4,794	19.7		
Sixth	3,581	3.3	105	3.8					11,837	23.0	1,067	17.2				
<b>Any Food Stamps</b>																
First Year after Entry	4,779	86.8%	128	89.1%	3,045	83.1%	1,132	84.8%	12,783	92.4%	1,133	88.6%	17,730	87.2%	6,917	88.8%
Second	4,534	78.0	128	82.8	2,929	78.7	1,076	74.6	12,619	80.0	1,120	72.5	17,549	73.1	6,857	76.5
Third	4,293	67.6	126	76.2	2,790	76.1			12,445	75.0	1,110	68.6	17,356	69.8		
Fourth	4,064	66.0	120	76.7	1,437	78.5			12,253	72.2	1,095	70.0	10,701	66.4		
Fifth	3,842	67.7	110	79.1	531	77.4			12,073	71.8	1,085	65.7	4,794	64.6		
Sixth	3,581	68.5	105	72.4					11,837	70.7	1,067	65.2				
<b>Medicaid/BadgerCare</b>																
First Year after Entry	4,779	99.1%	128	98.4%	3,045	99.0%	1,132	97.2%	12,783	98.3%	1,133	98.8%	17,730	97.9%	6,917	98.6%
Second	4,534	91.3	128	95.3	2,929	93.6	1,076	86.9	12,619	89.8	1,120	87.7	17,549	87.7	6,857	89.6
Third	4,293	86.8	126	95.2	2,790	88.9			12,445	83.8	1,110	81.2	17,356	81.8		
Fourth	4,064	85.0%	120	90.8	1,437	89.2			12,253	81.3	1,095	79.1	10,701	77.7		
Fifth	3,842	83.1%	110	88.2	531	90.2			12,073	79.9	1,085	77.3	4,794	75.3		
Sixth	3,581	80.8%	105	83.8					11,837	78.3	1,067	74.3				

(table continues)

Table 20, continued

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-Through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
Any Child Care Subsidies																
First Year after Entry	4,779	2.1%	128	6.3%	3,045	5.1%	1,132	4.2%	12,783	42.3%	1,133	47.7%	17,730	49.2%	6,917	50.7%
Second	4,534	2.9	128	2.3	2,929	3.8	1,076	2.6	12,619	40.3	1,120	45.0	17,549	45.8	6,857	46.1
Third	4,293	3.4	126	2.4	2,790	3.6			12,445	37.1	1,110	43.7	17,356	43.3		
Fourth	4,064	3.4	120	3.3	1,437	3.5			12,253	35.2	1,095	42.4	10,701	39.9		
Fifth	3,842	3.3	110	2.7	531	4.3			12,073	33.2	1,085	38.1	4,794	36.5		
Sixth	3,581	3.8	105	3.8					11,837	30.5	1,067	33.3				

Magaña's finding that 7 percent of Cohort 1 W-2 cases ever received CTS benefits by 2003. This transitioning of cases from W-2 to CTS seems even less frequent among subsequent cohorts.

Use of other programs, such as Food Stamps and medical assistance programs (Medicaid and BadgerCare) is quite high and sustained among both of these groups. Both programs have participation rates of 65 percent or higher among both W-2 and CTS cases. Even with the movement out of W-2 cash assistance, parents are still reliant on these other forms of support, almost to the same degree that the CTS parents are. The one program which shows a dramatic difference between the two groups is child care subsidies. As child care subsidies are available only to parents who are participating in work or work-like activities, and since SSI eligibility is supposed to exclude most work activities, it is not surprising that most CTS cases do not participate in the child care subsidy program.

CTS mothers' lack of participation in formal employment is clearly seen in Table 21. Earnings of CTS mothers are less than one-fifth those of W-2 mothers, and in some cohorts and years as little as one-tenth. Given that participation in "substantial gainful activity" could render the CTS parent ineligible for SSI payments, this low level of reported earnings is not surprising. Employment rates and earnings are somewhat higher in Cohort 1, perhaps reflecting the lower levels of these cases that have remained on CTS.

## CONCLUSION

While the SSI Caretaker Supplement and W-2 are both programs that replaced aspects of AFDC, the two programs have different intended purposes, different clientele, and different requirements, so we may well expect that child support and program participation outcomes of participants in the two programs would have little in common. We do find some differences between the two groups, with CTS participants continuing to receive CTS payments much longer than W-2 participants receive W-2 payments. In line with the requirements of the CTS program, the employment, earnings, and child care subsidy participation among this clientele is substantially lower than for those who participated in W-2.

**Table 21**  
**Mean Outcomes for CTS and Full Pass-Through and Disregard W-2 Cases, by Cohort of Entry: Mothers' Employment and Earnings**

	SSI Caretaker Supplement Cases								W-2 Cases with Full Pass-through and Disregard							
	Cohort 1 (Dec. 1997-June 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)		Cohort 1 (Oct. 1997-July 7, 1998)		Cohort 3 (Jan. 1999-June 1999)		Cohort 4 (July 1999-June 2002)		Cohort 5 (July 2002-June 2003)	
	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
<b>Custodial Mother Sample</b>																
Any UI-Reported Wages:																
First Year after Entry	4,779	26.7%	128	13.3%	3,044	16.2%	1,130	12.6%	12,779	77.1%	1,132	85.2%	17,724	75.8%	6,913	68.8%
Second	4,534	26.7	128	11.7	2,928	16.1	1,074	14.2	12,615	78.5	1,119	81.0	17,543	71.4	6,853	69.8
Third	4,293	25.3	126	9.5	2,790	14.1			12,441	75.8	1,109	77.2	17,350	68.4		
Fourth	4,064	22.8	120	10.0	1,437	13.6			12,249	71.4	1,094	73.0	10,696	67.1		
Fifth	3,842	20.6	110	11.8	531	14.7			12,069	66.5	1,084	70.8	4,793	65.2		
Sixth	3,581	19.4	105	8.6					11,833	62.9	1,066	67.5				
Total UI-Reported Wages in:																
First Year after Entry	4,779	\$818	128	\$135	3,044	\$391	1,130	\$314	12,779	\$4,652	1,132	\$6,051	17,724	\$5,303	6,913	\$4,747
Second	4,534	951	128	359	2,928	473	1,074	542	12,615	6,231	1,119	7,718	17,543	6,448	6,853	6,293
Third	4,293	1,183	126	439	2,790	538			12,441	6,961	1,109	7,837	17,350	6,822		
Fourth	4,064	1,397	120	666	1,437	63			12,249	7,274	1,094	8,105	10,696	7,172		
Fifth	3,842	1,319	110	384	531	923			12,069	7,244	1,084	8,200	4,793	7,581		
Sixth	3,581	1,354	105	680					11,833	7,296	1,066	8,677				

**Note:** Excludes mothers with missing Social Security numbers: Cohort 1 (4), Cohort 3 (1), Cohort 4 (7), Cohort 5 (4).

Other differences between the two groups are smaller in magnitude, although the CTS cases generally appear to fare worse. For both groups, paternity establishment is relatively quick and the amounts of child support payments increase over time, but the percentage of fathers paying child support does not tend to improve, either within or across cohorts. Fathers of children in both programs tend to have falling rates of participation in the formal labor market and mothers continue to rely on other assistance programs at high levels (even W-2 mothers who are largely no longer receiving W-2 cash payments).

Confirming the findings in Park and Magaña, cross-participation in the two programs is quite low. Fewer than 4 percent of cases which had been on CTS have subsequent W-2 payments, and receipt of CTS benefits is only slightly higher for cases which had been on W-2. Transitioning from W-2 to CTS is less common in recent cohorts than among the earliest W-2 entrants.

While W-2 and CTS serve quite different populations, both groups share a lack of income and other resources that result in many outcomes that are similar. The nature of the requirements for CTS mean that the longer durations in that program are expected, but both groups show slow movement away from reliance on public assistance.



## **Appendix Technical Report on Data and Methods**

The analytical procedures used for this report are very similar to those used in the Phase I and Phase II final reports. Cases were selected from the state's administrative data systems, and outcomes for full and partial pass-through and disregard cases were estimated using a regression adjustment procedure. This Appendix provides more detail on the data and methods described briefly in the main report.

### **DATA SOURCES**

The data for these analyses come from the three administrative record databases, described below. Records from these three data sources were linked to each other with Social Security numbers. When the Social Security number was missing or duplicate numbers were found, we linked by name, gender, and/or birth date.

#### **CARES (Client Assistance for Re-Employment and Economic Support)**

CARES records include information on W-2 participants (case history, tier placement, payment history, sanctions) and information on use of public assistance, including Food Stamps, medical assistance, and child care. CARES data are available by case, parent, or child, and include such demographic information as birth dates, number of children, family composition, marital status, educational background, residential location, and household earnings. CARES also identifies the research assignment of cases for the study.

#### **KIDS (Kids Information Data System)**

KIDS data include child support orders, payments, arrearages, method of payment (wage withholding, tax intercepts), destination of the payment (custodial parent, state), demographic information about the parents and children in the case (birth dates, residential location of both parents), and child

support case history. KIDS may include information about dates of marriage and divorce and usually contains the date of paternity establishment for nonmarital children.

Although KIDS has valuable information on child support, there are limitations. KIDS does not include informal payments of child support—payments made in cash or in kind—nor informal changes in order agreements or physical placement of children. KIDS also does not include information on legal custody, or indicate cases with substantial physical placement with the noncustodial parent.

### Unemployment Insurance Wage Files

Unemployment Insurance (UI) wage file data provide quarterly income for individual covered workers, by employer. “Covered” workers include about 91 percent of Wisconsin workers. Excluded workers in Wisconsin are the self-employed, commission sales workers, farmers, church employees, and employees of not-for-profit organizations with fewer than four workers. There is a lag time of 6–9 months between the end of a quarter and the time at which the information is complete. The wage file contains information only on individuals working in Wisconsin. It does not contain information on the hourly wage, or on the number of hours worked per quarter.

CARES, KIDS, and UI data used in this analysis were extracted by IRP in July 2005 and included activity through June 2005. Data from previous quarterly extracts are also included if they are no longer available in the current extract.

### ADMINISTRATIVE DATA SAMPLES

CARES extracts include all cases that were on AFDC as of August 31, 1997 (whether or not they subsequently transferred into the W-2 program), and all new requests for assistance after August 1997 (also regardless of whether they actually entered W-2). The W-2 program began accepting participants as of September 1, 1997. All new applicants for public assistance after September 30, 1997, were supposed to be assigned to the W-2 program, but due to administrative errors, a few cases were assigned to AFDC after that date. County welfare agencies then had until March 30, 1998, to transition all outstanding

AFDC program participants to the W-2 program. Cases that were on AFDC and did not transfer to W-2, that transferred to W-2 two or more months after exiting AFDC, or who requested assistance but did not actually enter an assistance group, are considered “diverted” cases and were not included in our research sample.

The current analyses use data through June 2005, and we include only cases headed by a mother that entered W-2 (either as a new applicant or as a transitioned AFDC case) on or before July 30, 2003, in order to assure at least two years of observation. In the CARES database there are 56,360 mother-headed cases that entered a W-2 slot from September 1, 1997, to June 30, 2003. Of these, 21,601 entered in Cohort 1 (September 1997 to July 7, 1998); 3,495 in Cohort 3 (January to June 1999); 19,833 in Cohort 4 (July 1999 to June 2002); and 7,600 in Cohort 5 (July 2002 to June 2003).<sup>14</sup>

From these samples we deleted several groups of cases. Some cases were not eligible to have child support retained by the state, so no cases in these groups received the control treatment. These included:

1. Cases that ever had a child with a disability receiving Supplemental Security Income (SSI). Because federal law does not allow retaining a portion of the child support paid to a custodial parent who has a child receiving SSI payments, these cases were excluded from the experiment, (1,818 cases in Cohort 1, 61 in Cohort 3, 1,052 in Cohort 4, and 352 in Cohort 5).

2. Cases in which where the noncustodial father was known to be deceased and therefore could not pay any child support (33 cases in Cohort 1, 6 cases in Cohort 3, 41 in Cohort 4, 24 cases in Cohort 5).

We also excluded cases which experienced various administrative delays and errors. These included:

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<sup>14</sup>An additional 3,831 cases entered W-2 in the cohort 2 time period. All of these cases are excluded from analysis due to the error in random assignment in Milwaukee County in that time period.

3. Cases which were mistakenly assigned to AFDC after September 30, 1997 (268 cases in Cohort 1, none in other cohorts).

4. Cases which entered W-2 two or more months after having left AFDC. Since these cases were on AFDC in August 1997 and received a research assignment at that time, but did not enter W-2 until two or more months later, they are considered to have been “diverted.” (596 in Cohort 1, 231 in Cohort 3, 645 in Cohort 4, 145 in Cohort 5).

5. Cases which did not enter a slot assignment for at least 30 days after they first requested assistance, but did later enter a slot. Because many requests for assistance do not result in actual slot assignments, we needed to establish a deadline for deciding whether an applicant had actually qualified for services. County workers must determine the appropriate placement for a W-2 applicant within seven days, with an extension allowed to 30 days if the applicant needs additional time to provide verification of need. Since 30 days is then the approximate time that county workers are allowed to complete an applicant’s paperwork, it seemed likely that cases exceeding this 30-day deadline might have had reasons beyond simple administrative delay for not entering into a slot (2,288 cases in Cohort 1, 857 in Cohort 3, 108 in Cohort 4, and 36 in Cohort 5).

6. Cases in which the custodial parent had multiple CARES cases with active W-2 participation. A custodial parent who reapplies for W-2 should usually have her/his old case number reopened instead of being assigned a new case number. Since a custodial parent with two case numbers could be assigned to both the experimental and control groups, we did not include them in our analyses (100 cases in Cohort 1, 17 in Cohort 3, 102 in Cohort 4, 40 in Cohort 5).

7. Cases which had their experimental assignment group incorrectly reported to the child support system and thus may have been subject to incorrect treatment (31 cases were eliminated by this rule in Cohort 1, 61 cases in Cohort 3, none in other cohorts).

To be in the research sample, cases must have had a minor child at least through the first year after entry, since most of the programs we are looking at require a minor child for eligibility (167 cases in

Cohort 1, 15 cases in Cohort 3, 155 cases in Cohort 4 and 86 in Cohort 5). We also removed cases from the sample in later years when the youngest child had aged out.

These exclusions result in a final research sample of 16,300 custodial mothers in Cohort 1 (12,783 in the full pass-through and disregard group and 3,517 in the partial pass-through and disregard group) and 2,247 custodial mothers in Cohort 3 (1,133 in the full pass-through and disregard group; 1,114 with partial pass-through and disregard). In Cohort 4 we have 17,730 cases and in Cohort 5 6,917 cases, all of which received the full pass-through and disregard. The sample sizes decreased each year as the children reached age 18. By the sixth year of observation, 7 percent of cases in Cohort 1 and 6 percent of cases in Cohort 3 were no longer in the sample, as all children in the case had reached age 18. In Cohort 4, 2 percent of cases aged out in the first 3 years. Cohort 4 sample sizes also drop in years 4 and 5, since later entrants had less available follow-up. Cohort 5 cases are only observed for 2 years; less than 1 percent of cases aged out in the second year.

After determining the set of mother-headed CARES cases in our analysis, we also selected two additional samples for specific outcomes. Paternity establishment is possible only for those children who do not already have a legal father, so this outcome is analyzed for a sample of nonmarital children who did not have paternity established at the time their mother entered W-2. Paying formal child support is dependent on having a child to whom you could potentially owe support, so the child support payment outcomes are analyzed in a sample of noncustodial fathers who were determined to be the legal parent of a child by the time the mother entered W-2.

### Legal Noncustodial Fathers

The sample of fathers is based on the sample of mother-headed cases. Using KIDS, all children of a given mother who were born before W-2 entry and who were still under 18 at the end of the first year after entry are selected (a small number of children with missing birth dates are excluded). The father of that child is included in the sample if the child is a marital child, or if the child is a nonmarital child and

paternity was established prior to W-2 entry. Fathers who died prior to the mother entering W-2 are excluded from the analysis sample.

Note that the unit of analysis in the father sample is a father paired with a mother on W-2. A given father may have children with more than one mother in our research sample, and therefore may appear in the sample more than once (paired with each mother with whom he has children). Across all four cohorts, 44,236 different men appear in our father samples. Overall, 10 percent of fathers have legally determined children at entry with more than one mother in any cohort. Within each cohort, a smaller percentage of fathers had children with two or more mothers in that cohort. Nine percent of the fathers have children with multiple mothers in Cohort 1, 1 percent in Cohort 3, 4 percent in Cohort 4, and 1 percent in Cohort 5.

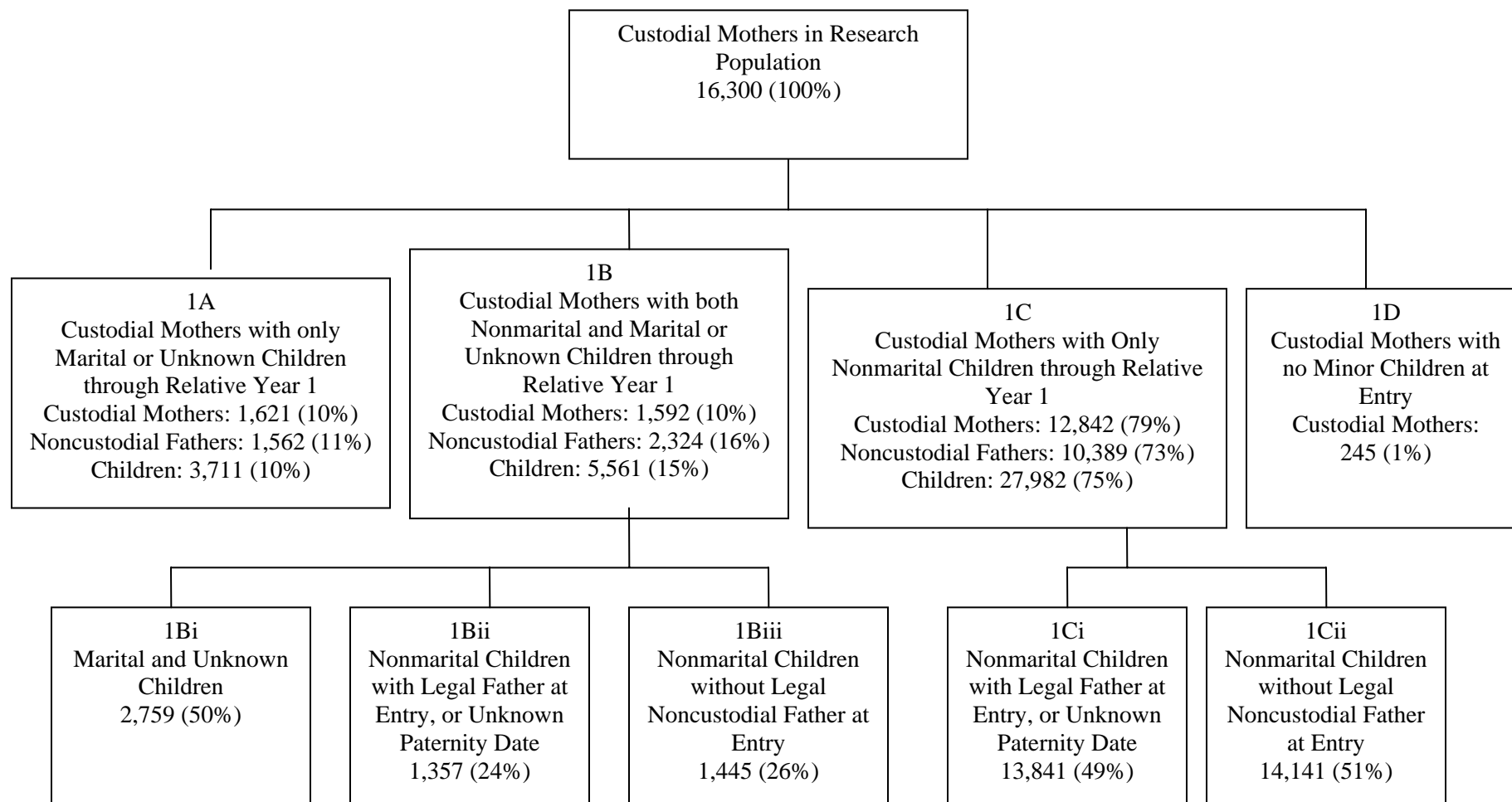
### Children of Nonmarital Parents

The sample of children begins with the group of children identified in the first step of the father sample selection. Within this group, children are included in the sample if they are nonmarital and had not had paternity established before their mother entered W-2.

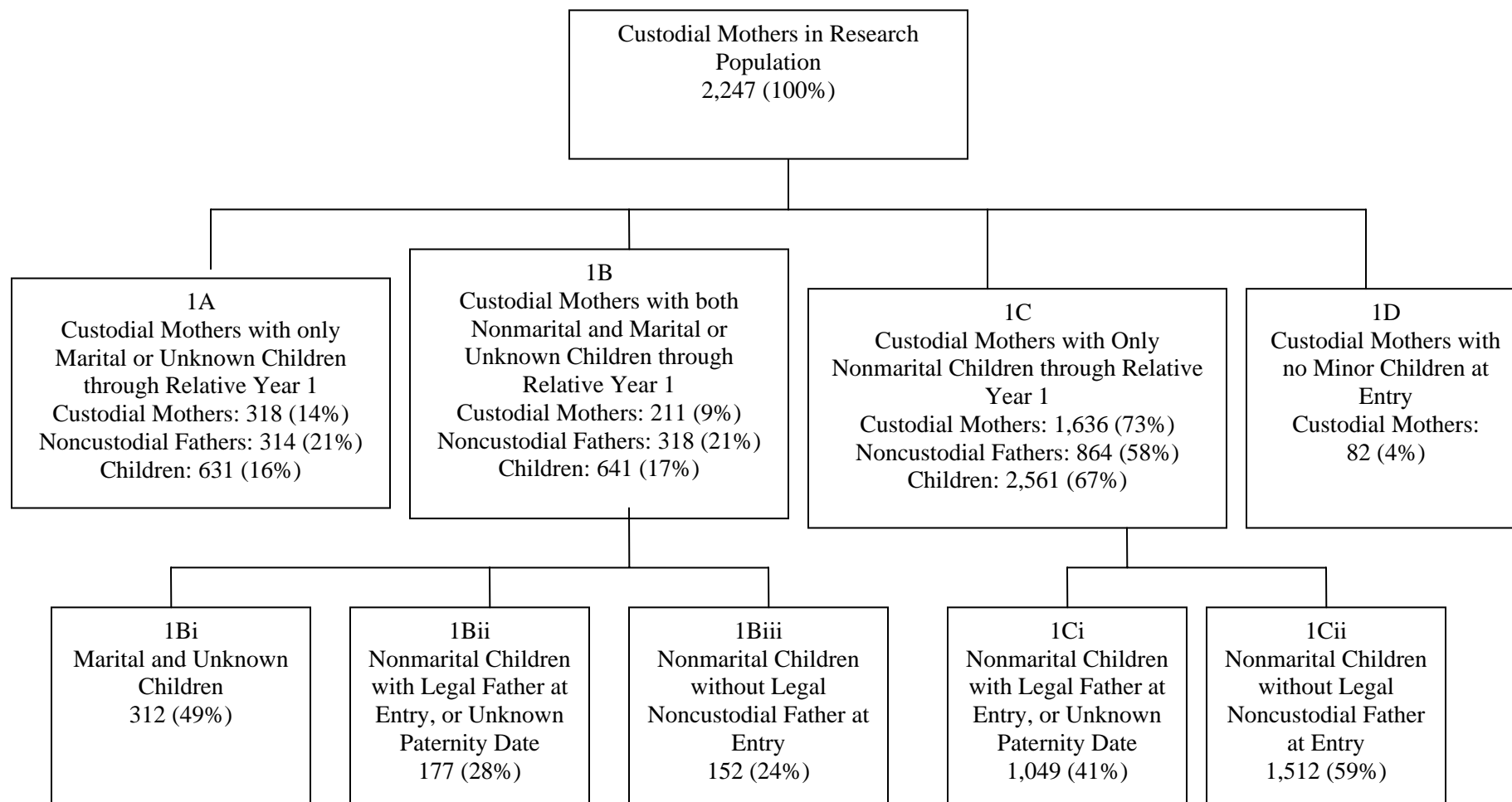
Appendix Figures 1 through 4 show the relationships among the three main administrative data samples for each of the four cohorts. The three samples are: (1) custodial mothers, (2) custodial fathers with legally established paternity when the mother entered W-2, and (3) children—some with and some without legally established paternity at entry. For example, the 16,300 mothers in the first sample of Cohort 1 can be divided into those with only marital children when they entered W-2 (Box 1A, 10 percent of mothers), those with both marital and nonmarital children (Box 1B, 10 percent of mothers), and those with only nonmarital children at entry (Box 1C, the vast majority of mothers, 79 percent). About 1 percent of mothers were pregnant when they entered W-2 and had no other children (Box 1D).

The derivation of the sample of legal noncustodial fathers (and couples) can also be seen on the figures. Mothers with only marital children (Box 1A) are each associated with a noncustodial father, and a few are associated with more than one. Mothers with both marital and nonmarital children (Box 1B) are

**Appendix Figure 1  
Research Population, Cohort 1**

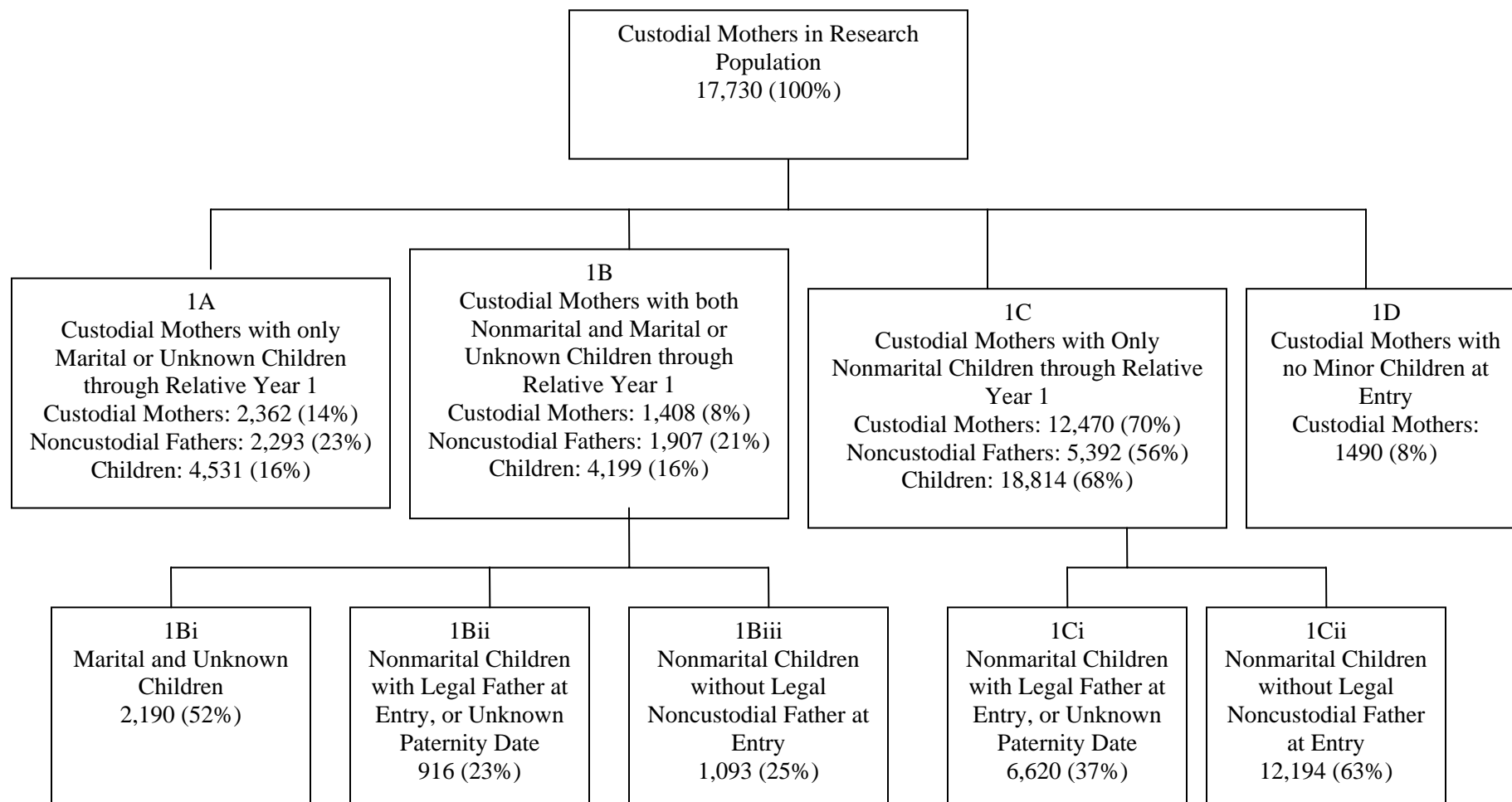


**Appendix Figure 2  
Research Population, Cohort 3**

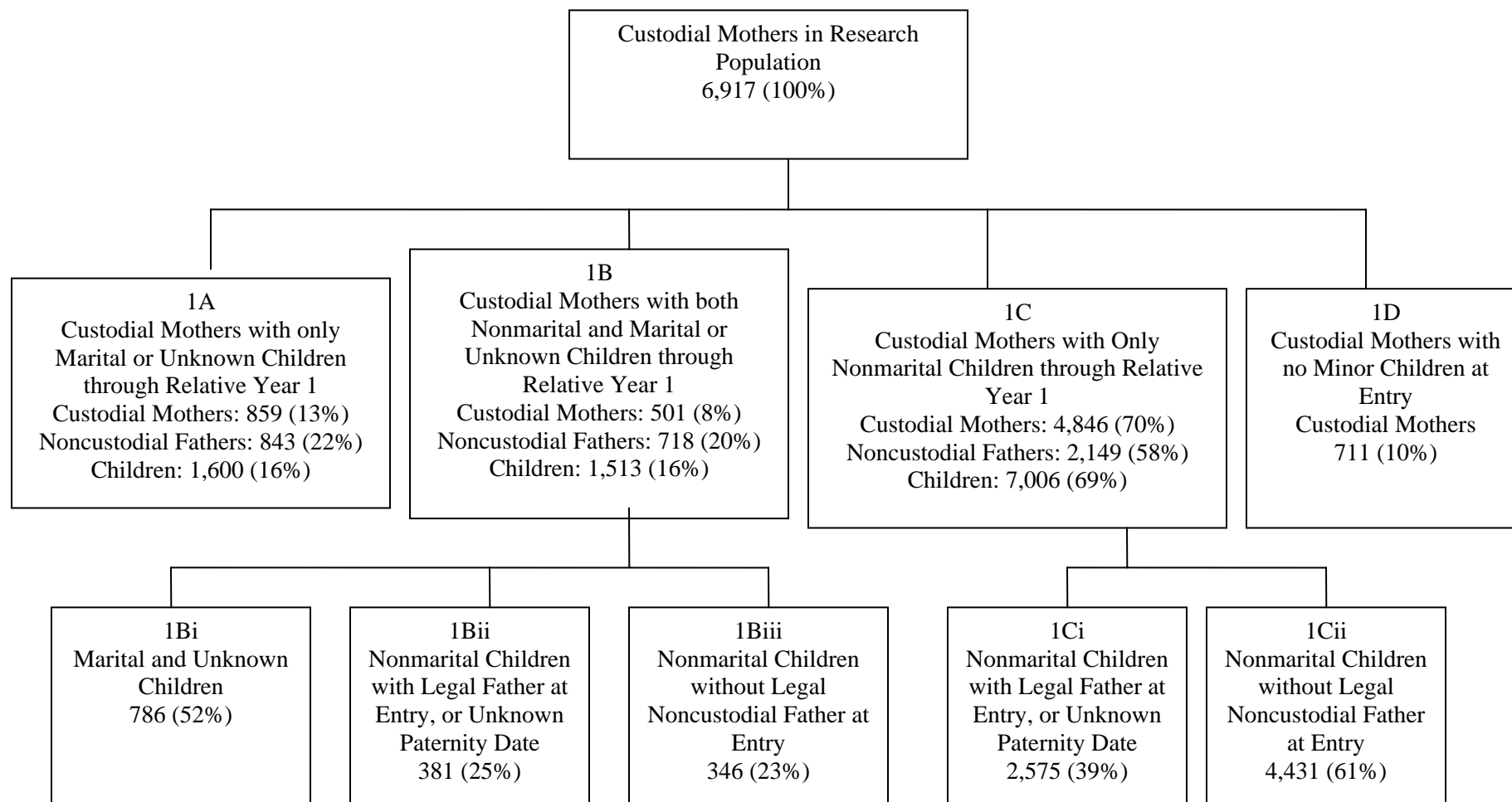




**Appendix Figure 3  
Research Population, Cohort 4**



**Appendix Figure 4  
Research Population, Cohort 5**



each associated with at least one legal father (from the marital children); the nonmarital children may or may not have a legal father at the time of W-2 entry. Finally, mothers with only nonmarital children (Box 1C) may be associated with no legal father, one legal father, or more. The total sample of fathers (and couples) can be calculated from the figure by adding the numbers of fathers in Box 1A, 1B, and 1C. For Cohort 1 that total, composed primarily of fathers of nonmarital children, is 14,275.

Finally, the sample of children needing paternity establishment comes from the mothers with nonmarital births (Box 1B and 1C). For Cohort 1, the total sample is 15,586, 1,445 from Box 1Biii and 14,141 from Box 1Cii.

#### ERRORS IN IMPLEMENTATION OF THE EXPERIMENT

As mentioned above, some cases were excluded from our sample owing to various problems in experiment implementation. Cohort 2 cases (those entering W-2 between July 9, 1997, and December 31, 1998) are excluded since no control group cases were assigned in Milwaukee County during this time period.

Smaller numbers of cases were excluded owing to the discovery that although they had been correctly assigned a research status in CARES, their research status was not transmitted to the KIDS system because of problems with case-matching between the two systems, and so they may have received the incorrect treatment. (See item 7 in the previous section).

Another problem in the implementation of the experiment occurred between September 2000 and February 2001, when a coding error in the CARES system resulted in records of W-2 benefit receipt for control group cases not being relayed to KIDS. Since the partial pass-through occurs only in those months in which control group cases receive W-2 benefits, in the absence of this information almost all cases which should have received a partial pass-through during these months instead received a full pass-through and disregard.

Of the 1,012 control group cases in our Cohort 1 and Cohort 3 samples which received any W-2 payments during these six months, 867 did not have their W-2 payments reported to KIDS and so were

subject to the full pass-through and disregard policy (instead of the correct partial pass-through and disregard policy) during this time period. This error means that there were very few cases that had the potential to experience control group treatment during this time period, thus decreasing the probability of our detecting experimental effects. In addition, the behavior of control group cases after the period of incorrect treatment may also have been affected, thus potentially reducing the magnitude of longer-term experimental-control differences.

## METHODS OF ANALYSIS

For the comparisons of outcomes for full pass-through and disregard cases across all four cohorts (Tables 8 to 14) the figures presented are simple means and percentages, except that Cohort 1 cases were weighted to reflect the changing percentage of cases being assigned to full and partial pass-through and disregard groups at different points in time.

In the comparisons of the different pass-through and disregard groups for Cohorts 1 and 3 presented in Tables 1 to 7, we used a regression-adjustment procedure that closely matches that used in the Phase I and Phase II final reports. For each yearly outcome and each cohort, a regression model was used to predict the outcome, controlling for full or partial pass-through and disregard status and also controlling for a number of other initial case characteristics (see list below). For dollar amount outcomes, an ordinary least squares regression was used; for participation outcomes, a probit regression model was used. The results of these regressions are used to predict the outcome for full pass-through and disregard and partial pass-through and disregard cases who are at the cohort mean for all the other variables in the model. The p-value for the differences in outcomes is determined by the p-value of the coefficient for experimental effect from the regression model.

There are two reasons for using regression adjustment. First, while random assignment should lead to the full and partial pass-through and disregard groups being equivalent on average, there may be some chance differences between the groups, and these could lead to a biased comparison. In the following section we show that comparisons of cases in our research samples do reveal some significant

differences in initial characteristics that we wish to control for. Second, even where there are no differences between the two groups, there may be within-group variation that is correlated with outcomes. By controlling for this variation we improve the precision of our estimates of the experimental effect, thereby improving our ability to detect any differences in outcomes.

The variables used in the analysis of mothers' outcomes include these initial characteristics where there were significant differences between the experimental and control groups. In Cohort 1, these were the assignment regime the case was assigned in, whether they were a transitioned AFDC case or a new W-2 case, and whether the mother had more than \$1,000 in child support paid on their behalf in the year before entry. In Cohort 3 the average earnings of the highest-earning noncustodial father associated with the case in the two years before W-2 entry were significantly different between the two groups.

The full set of dummy variables included in the regression model for the research mother's sample is:

Assignment Regime

Period 1 (omitted), Period 2, Period 3

Amount of Child Support Paid on Behalf of Mother in Year before Entry

None (omitted), \$1 to \$999, Over \$1000

Mother's Age

25 or younger (omitted), 26–30, 31 or older

Mother's Race/Ethnicity

White (omitted), African-American, Other

Months of AFDC receipt in 2 years prior to W-2 entry

None (omitted), 1–18, 19–24

Region

Milwaukee County (omitted), Other Urban Counties, Rural Counties

Starting W-2 tier

Upper Tier (omitted), Lower Tier, Caretaker of Newborn

Age of Mother's Youngest Child

0–2 Years (omitted), 3–5 Years, 6 or older

Mother's Education

Grade 11 or Less (omitted), HS Diploma or Equiv., Any Post-High School

Average Annual Earnings of Highest Earning Father in Two Years before W-2 Entry

0–\$14,999 (omitted), \$15,000 or more

Quarters Mother Was Employed in Two Years before W-2 Entry

0 quarters (omitted), 1 to 6 quarters, 7 to 8 quarters

#### Differences in Our Research Populations at Entry

This evaluation of the full pass-through and disregard policy has used an experimental design which randomly assigned potential W-2 clients to either the full pass-through and disregard policy or to a partial pass-through and disregard policy. The benefit of this type of design is that it enables us to argue that the two groups are, on average, the same, so that any observed differences between the two groups are the result of the different treatments they experienced instead of pre-existing differences between the two groups.

There are ways, however, that differences between the two groups could be introduced into this process, and, if they are, then these differences may pose a threat to the level of confidence we can have in our results.

One possible way in which differences may be introduced is if the random assignment process itself is flawed. As mentioned above, we know that from July 9 to December 31, 1998, a programming error led to the random assignment feature of the W-2 application system in Milwaukee County being turned off, resulting in all Milwaukee County cases in this time period being treated as full pass-through and disregard. This breakdown means that full and partial pass-through and disregard cases during this

time period are not alike (partial pass-through and disregard cases do not include any cases from Milwaukee County, while full pass-through and disregard cases do), so we have chosen to exclude cases during this time period from the analysis.

Another possible way in which differences may be introduced is if cases enter into W-2 (or specifically into the cash-paying tiers of W-2) based on their assignment. The treatment (full or partial pass-through and disregard) only has an effect for cases which are actually on W-2 and which are receiving a cash payment; cases which do not receive a W-2 cash payment receive all of their child support regardless of which treatment they were assigned. If cases find out their assignment and then choose to not proceed with their W-2 application based on that assignment, or if they are assigned to a tier based on that assignment, then the actual set of cases which are exposed to the treatment may differ.

Finally, as noted above, we do not include all cases in our analysis samples. Cases are excluded for various reasons—the custodial parent sample excludes cases with long delays in entering W-2 or other bureaucratic complications, cases ineligible for child support being retained, and cases headed by fathers. The noncustodial parent sample includes only fathers and only those fathers who were the known legal father of the child at the time of W-2 entry. The child sample only includes those children who do not already have paternity established at the time of W-2 entry. If random assignment is associated with any of these reasons for exclusion, then this may result in differences between the experimental and control groups in our research sample and may lead to biased conclusions.

With the above concerns in mind, in the Phase I and Phase II reports we examined the research mother's sample in both Cohorts 1 and 3 for any differences between full and partial pass-through and disregard cases when the case entered W-2 (see pp. 85–96 in Phase II Final Report). In these analyses we did not find any evidence of mother cases being diverted or delayed from W-2 entry based on the research group assignment, nor did we find any indication of preferential assignment in the overall sample (but there was some evidence of experimental-group cases being less likely to enter an upper tier slot assignment in cases which had received higher amounts of child support preceding W-2 entry). A

comparison of the initial characteristics of cases in the two different research assignment groups did find, however, statistically significant differences between the two groups. Specifically, in Cohort 1, full pass-through and disregard mothers were more likely to be older (over 30), and were more likely to have had more than \$1,000 of child support paid on their behalf in the year before entry. In Cohort 3, we found significant differences in the pre-entry earnings of noncustodial fathers associated with these mothers.

These differences may have been the result of simple random variation in the research group assignment process or the result of experimental-control differences in the cases which were excluded from analyses, but, regardless, using a regression-adjustment procedure to control for these differences improves our ability to detect any experimental effects. Therefore, as in previous reports, we have included these particular characteristics where differences were found in the regression models for the mother's outcomes, along with other variables which are included to improve the precision of the estimates.

While these experimental-control differences were found in the mother sample, it is possible that other differences may exist in the child and father samples, so for this report we have done separate analyses to look for differences in initial characteristics for these other samples.<sup>15</sup> There are reasons to believe that the same significant differences in initial characteristics which exist in the mothers' sample may not apply in the other samples. First, the units of analysis are different: multiple children in the children's sample could belong to a single mother in the mothers' sample, and a single mother may have children with multiple fathers in the noncustodial fathers' sample (or with none). Second, additional exclusions are made to these samples. In the children's sample we only include children who were at risk of having paternity established, that is, those children whose parents were not previously married and who had not already had paternity determined. Similarly, the noncustodial fathers' sample includes only those fathers who were at risk of having a child support order at the time of W-2 entry—those who already had

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<sup>15</sup>A replication of the examination of initial characteristics for the mothers' samples found the same results as presented in the Phase II Final Report.



their legal status as the father of a child determined. These additional exclusion steps provide another possibility for differences between the experimental and control cases to be introduced into these samples.

The comparison of experimental and control cases in these additional samples are presented in Appendix Table 1 (the children's sample) and Appendix Table 2 (the noncustodial fathers' sample). In each table we compare characteristics of cases when the associated mother-headed CARES case entered W-2. For children the characteristics examined include the characteristics of the child themselves (age and gender), but also characteristics of their mother and her W-2 case. In the fathers' sample we examine characteristics of the father themselves, of the couple, and of the associated mother. Whether experimental group and control cases are significantly different is determined by the results of a probit regression model, which uses all of the variables in the table to predict whether a case is assigned to the full pass-through and disregard treatment. If a predicted relationship between a variable and full pass-through and disregard status has a p-value less than 0.05 it is considered significant.

Both samples show differences for Cohort 1 in the percentage of cases transitioning from W-2, due to the changing ratio of cases being assigned to experimental and control over time (this difference disappears when assignment ratios are controlled for). Looking at the children's sample (Appendix Table 1) we do find some differences in initial characteristics that did not appear in the comparisons of the mothers' sample. In Cohort 1, children whose mothers were in the experimental group were more likely to have a mother over 30 and a mother who had had more than \$1,000 in child support paid on their behalf in the year preceding W-2. These two differences had occurred in the mothers' sample as well. In addition, children whose mothers were in the experimental group were more likely to have a mother with three or more children and less likely to have one or two children. This implies that among experimental group mothers with three or more children, more of their children were likely to not already have paternity established than were the children of control group women with three or more children. While this doesn't lead to an experimental-control difference in the number of children among the cases in the mothers' sample, it does lead to differences in this sample. Finally, the children of control group mothers

**Appendix Table 1**  
**Comparison of the Experimental and Control Groups in the Sample of Nonmarital Children without Paternity**

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Total Cases	12,284		3302			800		864		
Mother's Case Type										
AFDC	9,621	78.32	2204	66.75	omitted					
W-2	2,663	21.68	1098	33.25	<.0001	800	100	864	100	
Mother's AFDC Receipt before Entry										
None	1,139	9.27	482	14.6	omitted	624	78	738	85.42	omitted
1-18 Months	3,671	29.88	1061	32.13	0.5219	176	22	126	14.58	<b>0.0005</b>
19-24 Months	7,474	60.84	1759	53.27	0.6316					
Mother's Initial W-2 Tier										
Lower Tier	7,675	62.48	2053	62.17	0.0928	315	39.38	330	38.19	0.2078
Caretaker of Newborn	1,212	9.87	426	12.9	0.2726	362	45.25	374	43.29	0.203
Upper Tier	3,397	27.65	823	24.92	omitted	123	15.38	160	18.52	omitted
Location of Resident Mother										
Milwaukee County	10,083	82.08	2619	79.32	omitted	481	60.13	519	60.07	omitted
Other Urban Counties	16,66	13.56	516	15.63	0.4388	236	29.5	223	25.81	0.429
Rural Counties and Tribes	535	4.36	167	5.06	0.9808	83	10.38	122	14.12	0.1102
Age of Mother at Entry										
16-25	5,532	45.03	1558	47.18	omitted	494	61.75	517	59.84	omitted
26-30	2,854	23.23	771	23.35	0.3887	155	19.38	146	16.9	0.6554
Over 30	3,898	31.73	972	29.44	<b>0.0169</b>	151	18.88	201	23.26	<b>0.0302</b>
Missing			1	0.03	0.999					
Mother's Race										
White	1,587	12.92	411	12.45	omitted	93	11.63	85	9.84	omitted
African American	1,887	15.36	577	17.47	0.3177	228	28.5	273	31.6	0.7915
Other	8,810	71.72	2314	70.08	0.2494	479	59.88	506	58.56	0.1597
Mother's Education										
Less than High School	7,303	59.45	1911	57.87	omitted	413	51.63	430	49.77	omitted
High School Degree	3,953	32.18	1118	33.86	0.1944	303	37.88	343	39.7	0.6103
Beyond High School	889	7.24	226	6.84	0.2674	82	10.25	88	10.19	0.7022
Missing	139	1.13	47	1.42	<b>0.0372</b>	2	0.25	3	0.35	0.9895

(table continues)

Appendix Table 1, continued

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Mother's Number of Children at Entry										
One	2,114	17.21	599	18.14	omitted	352	44	395	45.72	omitted
Two	3,034	24.7	853	25.83	<b>0.0523</b>	214	26.75	200	23.15	0.3512
Three or More	7,136	58.09	1850	56.03	<b>0.0262</b>	234	29.25	269	31.13	0.1998
Age of Mother's Youngest Child at Entry										
0—2	8,245	67.12	2244	67.96	omitted	643	80.38	688	79.63	omitted
3—5	1,881	15.31	502	15.2	0.1196	59	7.38	72	8.33	0.9701
6 or Older	2,158	17.57	556	16.84	0.243	98	12.25	104	12.04	0.1142
Missing										
Average Annual Pre-Entry Earnings of Mother's Highest-Earning Nonresident Parent										
None	124	1.01	36	1.09	omitted	9	1.13	9	1.04	omitted
\$1—\$5,000	372	12.38	424	12.84	0.6528	80	10	108	12.5	0.7615
\$5,000—\$15,000	932	18.95	625	18.93	0.7135	141	17.63	144	16.67	0.3165
\$15,000—\$25,000	1,982	35.65	1137	34.43	0.3736	309	38.63	298	34.49	0.0852
\$25,000 or More	218	20.43	676	20.47	0.3217	157	19.63	171	19.79	0.7578
No Nonresident Parent	4,921	40.06	1325	40.13	omitted	456	57	511	59.14	omitted
Nonresident Parent Missing SSN	49	3.86	142	4.3	0.586	47	5.88	52	6.02	0.9673
Child Support Paid on Behalf of Mother Prior to Entry										
None	10,119	82.38	2742	83.04	omitted	694	86.75	757	87.62	omitted
\$1—\$999	1,255	10.22	354	10.72	0.4872	63	7.88	48	5.56	0.3304
\$1,000 or More	910	7.41	206	6.24	<b>0.0113</b>	43	5.38	59	6.83	0.1036
Mother's Quarters of Employment Prior to Entry										
None	2,795	22.75	734	22.23	omitted	86	10.75	135	15.63	omitted
1—6 Quarters	7,567	61.6	1993	60.36	0.9983	386	48.25	407	47.11	<b>0.031</b>
7—8 Quarters	1,917	15.61	575	17.41	0.9104	326	40.75	322	37.27	<b>0.0131</b>
Missing SSN	5	0.04			0.6463	2	0.25			

(table continues)

Appendix Table 1, continued

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Mother's Number of Legal Fathers at Entry										
None	4,921	40.06	1325	40.13	omitted	456	57	511	59.14	omitted
One	6,005	48.88	1631	49.39	0.2871	286	35.75	308	35.65	0.5344
Two or More	1,358	11.06	346	10.48	0.8066	58	7.25	45	5.21	0.1532
Relationship of Mother with Noncustodial Fathers										
Nonmarital	11,366	92.53	3055	92.52		736	92	801	92.71	omitted
Both	917	7.46	247	7.48		64	8	63	7.29	0.4075
Mother Has Child Support Order at Entry										
No	6,879	56	1901	57.57	omitted	593	74.13	678	78.47	omitted
Yes	5,405	44	1401	42.43	0.952	207	25.88	186	21.53	0.3768
Child's Age at Mother's W-2 Entry										
0-2	5,140	41.84	1446	43.79	omitted	516	64.5	541	62.62	omitted
3-5	2,538	20.66	675	20.44	0.5533	98	12.25	109	12.62	0.7043
6 or Older	4,606	37.5	1181	35.77	0.3815	186	23.25	214	24.77	0.4185
Child's Sex										
Female	6,170	50.23	1620	49.06	0.2943	406	50.75	424	49.07	0.5696
Male	6,079	49.49	1670	50.58	omitted	394	49.25	438	50.69	omitted
Missing	35	0.28	12	0.36	0.3908			2	0.23	0.9992

**Note:** Probit model for Cohort 1 also includes assignment regime variable.

**Appendix Table 2**  
**Comparison of the Experimental and Control Groups in Sample of the Legal Fathers**

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Total Cases	11212		3063			789		707		
Mother's Case Type										
AFDC	8611	76.8	2078	67.84	omitted					
W-2	2601	23.2	985	32.16	<b>0.0004</b>	789	100	707	100	
Mother's AFDC Receipt before Entry										
None	726	6.48	288	9.4	omitted	554	70.22	522	73.83	omitted
1-18 Months	3143	28.03	934	30.49	0.9706	235	29.78	185	26.17	0.1245
19-24 Months	7343	65.49	1841	60.1	0.5079					
Mother's Initial W-2 Tier										
Lower Tier	6875	61.32	1874	61.18	0.8244	420	53.23	376	53.18	0.7098
Caretaker of Newborn	548	4.89	166	5.42	0.8948	131	16.6	119	16.83	0.8385
Upper Tier	3789	33.79	1023	33.4	omitted	238	30.16	212	29.99	omitted
Location of Resident Mother										
Milwaukee County	8419	75.09	2245	73.29	omitted	344	43.6	305	43.14	omitted
Other Urban Counties	1822	16.25	507	16.55	0.5669	279	35.36	243	34.37	0.3551
Rural Counties and Tribes	971	8.66	311	10.15	0.5382	166	21.04	159	22.49	0.8542
Age of Mother at Entry										
16-25	4153	37.04	1194	38.98	omitted	261	33.08	245	34.65	omitted
26-30	2930	26.13	793	25.89	<b>0.0178</b>	212	26.87	198	28.01	0.7362
Over 30	4126	36.8	1076	35.13	<b>0.0028</b>	316	40.05	264	37.34	0.283
Missing	3	0.03			0.9976					
Mother's Race										
White	2806	25.03	843	27.52	omitted	376	47.66	339	47.95	omitted
African American	7119	63.49	1903	62.13	0.3177	328	41.57	293	41.44	0.5862
Other	1287	11.48	317	10.35	0.2494	85	10.77	75	10.61	0.2526
Mother's Education										
Less than High School	5819	51.9	1553	50.7	omitted	319	40.43	226	31.97	omitted
High School Degree	4166	37.16	1158	37.81	0.8017	338	42.84	375	53.04	<b>0.0002</b>
Beyond High School	1112	9.92	325	10.61	0.3045	130	16.48	102	14.43	0.747
Missing	115	1.03	27	0.88	0.9876	2	0.25	4	0.57	0.166

(table continues)

Appendix Table 2, continued

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Mother's Number of Children at Entry										
One	2034	18.14	553	18.05	omitted	200	25.35	199	28.15	omitted
Two	3246	28.95	912	29.77	0.1857	236	29.91	228	32.25	0.3657
Three or more	5932	52.91	1598	52.17	0.0958	353	44.74	280	39.6	0.504
Age of Mother's Youngest Child at Entry										
0–2	5916	52.76	1562	51	omitted	440	55.77	409	57.85	omitted
3–5	2490	22.21	726	23.7	<b>0.0274</b>	135	17.11	108	15.28	0.8982
6 or Older	2806	25.03	775	25.3	<b>0.0265</b>	214	27.12	190	26.87	0.6426
Father's Average Annual Pre-Entry Earnings <sup>a</sup>										
None	1739	15.51	503	16.42	omitted	113	14.32	80	11.32	omitted
\$1–\$5,000	3918	34.94	1066	34.8	0.069	199	25.22	182	25.74	0.1961
\$5,000–\$15,000	3240	28.9	851	27.78	0.1894	225	28.52	218	30.83	0.54
\$15,000–\$25,000	1426	12.72	398	12.99	0.9851	131	16.6	139	19.66	0.1396
\$25,000 or More	795	7.09	219	7.15	0.2921	116	14.7	83	11.74	0.4509
Noncustodial Parent Missing SSN	94	0.84	26	0.85	0.9096	5	0.63	5	0.71	0.4036
Child Support Paid on Behalf of Mother Prior to Entry										
None	7030	62.7	1957	63.89	omitted	423	53.61	376	53.18	omitted
\$1–\$999	2192	19.55	606	19.78	0.93	178	22.56	152	21.5	0.8046
\$1,000 or More	1990	17.75	500	16.32	0.2039	188	23.83	179	25.32	0.8665
Mother's Quarters of Employment Prior to Entry										
None	2022	18.03	503	16.42	omitted	59	7.48	46	6.51	omitted
1–6 quarters	6904	61.58	1884	61.51	0.439	326	41.32	253	35.79	0.8928
7–8 quarters	2283	20.36	676	22.07	0.5842	403	51.08	406	57.43	0.2101
Missing SSN	3	0.03			0.998	1	0.13	2	0.28	0.4492
Mother's Number of Legal Fathers at Entry										
One	6166	54.99	1704	55.63	omitted	465	58.94	424	59.97	omitted
Two or More	5046	45.01	1359	44.37	0.5112	324	41.06	283	40.03	0.5696

(table continues)

Appendix Table 2, continued

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Relationship of Mother with Noncustodial Fathers										
Nonmarital	8276	73.81	2260	73.78	omitted	459	58.17	419	59.26	omitted
Marital	1110	9.9	305	9.96	0.7203	149	18.88	143	20.23	0.6016
Both	1826	16.29	498	16.26	0.9494	181	22.94	145	20.51	0.5053
Mother Has Child Support Order at Entry										
No	2272	20.26	620	20.24	omitted	247	31.31	238	33.66	omitted
Yes	8940	79.74	2443	79.76	0.5917	542	68.69	469	66.34	0.2002
Fathers Arrearages to State at Mother's W-2 Entry										
None	2508	22.37	689	22.49	omitted	360	45.63	309	43.71	omitted
\$1-\$500	461	4.11	137	4.47	0.1461	44	5.58	40	5.66	0.6633
\$501-2,000	2412	21.51	616	20.11	0.82	130	16.48	139	19.66	0.135
\$2001 or More	5831	52.01	1621	52.92	0.197	255	32.32	219	30.98	0.542
Father's Average Annual Earnings in 2 Years before Mother's W-2 Entry										
None	3487	31.1	938	30.62	omitted	207	26.24	178	25.18	omitted
\$1,000-\$5,000	4020	35.85	1147	37.45	0.24	224	28.39	218	30.83	0.4197
\$5,001-\$15,000	2260	20.16	587	19.16	0.9257	186	23.57	166	23.48	0.1115
\$15,001-\$25,000	853	7.61	227	7.41	0.6719	89	11.28	91	12.87	0.4864
\$25,000 or More	409	3.65	115	3.75	0.4675	66	8.37	44	6.22	0.2347
Missing SSN	183	1.63	49	1.6	0.6569	17	2.15	10	1.41	0.1879
Child Support Payments to Mother in Year before W-2 Entry										
None	8295	73.98	2304	75.22	omitted	524	66.41	470	66.48	
\$0-\$1,000	1512	13.49	412	13.45	0.6022	127	16.1	104	14.71	0.5583
\$1,000 or more	1405	12.53	347	11.33	0.6222	138	17.49	133	18.81	0.7091
Father Has CS Order with this Mother at Entry										
None	5971	53.26	1634	53.35	omitted	481	60.96	436	61.67	
Order	5241	46.74	1429	46.65	0.9313	308	39.04	271	38.33	0.7759

(table continues)

Appendix Table 2, continued

	Cohort 1					Cohort 3				
	Experimental		Control		P-value	Experimental		Control		P-value
	N	%	N	%		N	%	N	%	
Age of Couple's Youngest Child										
0–2	2889	25.77	776	25.33	omitted	210	26.62	198	28.01	omitted
3–5	2936	26.19	825	26.93	0.5962	186	23.57	161	22.77	0.3084
6 or More	5259	46.91	1435	46.85	0.6781	389	49.3	340	48.09	0.3002
Age Missing	128	1.14	27	0.88	0.2694	4	0.51	8	1.13	0.1669
Couple's Relationship										
Paternity	8970	80	2452	80.05	omitted	533	67.55	476	67.33	omitted
Divorce	2237	19.95	609	19.88	0.7829	256	32.45	230	32.53	0.7139
Unknown	5	0.04	2	0.07	0.5233			1	0.14	0.9991
Number of Couple's Children										
One	7441	66.37	2039	66.57	omitted	524	66.41	517	73.13	omitted
Two	2412	21.51	644	21.03	0.3131	183	23.19	141	19.94	<b>0.0453</b>
Three or More	1359	12.12	380	12.41	0.9591	82	10.39	49	6.93	<b>0.0107</b>
Father's Age at W-2 Entry										
15–25	2950	26.31	804	26.25	omitted	180	22.81	162	22.91	omitted
26–30	2826	25.21	807	26.35	0.3819	194	24.59	167	23.62	0.6343
31 or older	5365	47.85	1438	46.95	0.3951	409	51.84	373	52.76	0.1134
Missing	71	0.63	14	0.46	0.2645	6	0.76	5	0.71	0.57
Father's Race										
White	1709	15.24	515	16.81	omitted	247	31.31	239	33.8	omitted
African-American	5915	52.76	1593	52.01	0.5871	293	37.14	271	38.33	0.45
Other	3588	32	955	31.18	0.7858	249	31.56	197	27.86	0.1042

<sup>a</sup>Earnings of highest-earning father associated with the mother.



in Cohort 1 were more likely to have missing information about mother's education, although there were no differences in other categories of mother's education.

Among the Cohort 3 children it is interesting to note that even though the mothers' sample has statistical differences between experimental and control cases in the earnings of noncustodial fathers connected to the mother, this is no longer significant when we look at the children. This is perhaps not too surprising, since we are excluding children where fathers were known at entry, therefore the earnings reported here are just for other noncustodial fathers connected to the mother. Cohort 3 children appear more likely to have had a mother with previous AFDC experience and with 7–8 quarters of work experience when they were in the full pass-through and disregard groups.

Among the fathers (Appendix Table 2), in both cohorts the only variables showing any indication of statistically significant differences are the age of the mother and the age of mother's youngest child at entry in Cohort 1, and the number of children that the couple have in Cohort 3.

The fact that there are additional differences in the children's and fathers' sample emphasize the need to control for these differences using the regression procedures described earlier in this Appendix. In fact all of the differences found have already been controlled for in the set of variables we have already been using in previous reports, although we had used them previously to improve precision of our estimates rather than to control for known differences. Beyond these differences, individual characteristics of the father and children (such as age, gender of the child, and father's race) do not show any evidence of being significantly different between the two groups, and therefore no additions to the set of control variables for these separate analysis samples are called for.

Appendix Table 3 describes public assistance programs and child support.

**Appendix Table 3  
Public Assistance Programs and Child Support**

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
<i>Nutrition Programs</i>				
Food Share (Food Stamps)	Debit card used to purchase food items. WI households using food stamps receive an average of \$175 per month.	U.S. citizen or eligible alien. Ineligible aliens may apply if others in household are eligible to receive food stamps such as underage children. Work requirements for most recipients.	No asset limit. Gross and net income limits based on household size. For example, a family of four would have a gross income limit of \$3,142 and a net income limit of \$1,571.	Child support receipt and expenditures included in eligibility determination.
WIC	Food and nutrition monthly benefit package. Provides checks or drafts for specific foods that may be used at participating stores. The value of the average food package is \$50 per month per person.	Pregnant woman or mother who is breastfeeding. Mother with a baby in the last 6 months. Infant or child under the age 5. Mother and/or child have nutrition or health need.	No asset limits. Income limits dependent on household size and is set at 185% of the federal poverty line. A family of 3 has a monthly net income limit of \$2,416.	Child support receipt included in eligibility determination. Child support expenditures may NOT be deducted from income when determining eligibility.
School Lunch & Breakfast	Free or reduced priced school breakfast and lunch.	Attends public school or a private school with available lunch and/or breakfast meals.	No asset limits. Income limits based on household size. A family of 4 has an income limit of \$2,907 for reduced price meals and \$2,043 for free meals.	Child support receipt included in eligibility determination. Child support expenditures may NOT be deducted from income when determining eligibility.

(table continues)

Appendix Table 3, continued

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
<i>Health Insurance Programs</i>				
Medical Assistance (Medicaid)	Health care coverage. Pays for doctor visits and hospital costs, prenatal care and delivery services, check-ups, immunizations, vision and hearing services, dental care, mental health counseling, prescription drugs, family planning, lab and x-ray services.	U.S. citizen. Age 65 or older, or blind, or disabled. Under age 19, pregnant, or a relative caretaker of a deprived child.	A number of different Medicaid categories have different income and asset limits. Income limits are based on percent of Federal Poverty line adjusted for family size. Only the elderly, blind, or disabled persons must meet asset limits. Assets may not exceed \$2000 for a single person and \$3000 for a couple in some categories while other categories may not have an asset limit at all.	Child Support receipt and expenditures included in income eligibility determination.
HealthyStart	Health care coverage. Pays for doctor visits, immunizations, pre-natal care, hospital care, preventive care, emergency services, dental and vision services, prescription drugs.	U.S. citizen or an eligible alien. Are pregnant or is a child under age 19.	No asset limits. Net income limits vary by household size and age of children. For example, a family of 3 with all children under age 6 would have a net income limit of \$2,481. A family of 3 with children age 6 to 18 would have a net income limit of \$1,341.	Child support expenditures deducted from gross income to determine net income limits. Child support receipt included to determine income eligibility.
BadgerCare	Covers doctor visits, immunizations, prenatal care, hospital care, preventive care, emergency services, dental and vision services, prescription drugs.	U.S. citizen or an eligible alien and live in Wisconsin. Have children under age 19 living with you. Not already covered by health insurance and do not have access to an employer-based health care program in which the employer pays 80% of the family premium.	No asset limits. Net income limits. A family of 3 would have a net income limit of \$2,481. If the net income is above certain limits family may have to pay up to 5% of their monthly net income. However, most participants do not pay any premium.	Child support expenditures deducted from gross income to determine net income limits and financial eligibility. Child support receipt included as income in determining financial eligibility.
(table continues)				

Appendix Table 3, continued

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
<i>Economic Support &amp; Job Assistance</i>				
Wisconsin Shared Child Care	Financial assistance to pay for child care. Must use one of the following: a licensed day care center or a licensed family day care home, a neighbor, friend, or relative certified for health & safety standards, or a child care program run by a public school. Family share of child care costs determined by sliding fee scale based on income, family size, number of children in subsidized care, and type of provider chosen. Some families do not have any co-pay while those who do pay between 2% and 12%.	For low and moderate income parents who are employed or in education or training programs. Income within limits, child under age 13, or between 13 and 18 with special needs. No one in home to provide child care while parent works. One of the following situations must occur: Parent working, under age 20 and in high school or GED program, participate in W-2, worked in unsubsidized job at least 9 months, participate in Food Stamp Employment and Training program, or are a W-2 applicant in job search, training, or orientation activities.	A family of 4 has a monthly income limit of \$2,984. Participating families may realize up to a 9% increase in their monthly income after and still remain eligible.	Child support receipt disregarded in determining income limits. Based on <i>gross</i> income estimates. Child care expenditures NOT deducted from income determination.

(table continues)

Appendix Table 3, continued

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
Wisconsin Works (W-2)	Provides cash payments only to custodial parents with dependent children who participate in any of 3 “subsidized” work positions. Position placement depends on work preparedness. Designed to give participants work skills needed to acquire unsubsidized jobs. The 3 subsidized positions are: W-2 Transition, Community Service Job, or a Trial Job. Other services provided include: Educational opportunities, Job Access Loans, Transportation, and Case Management Services. 60 month lifetime limit; may not be in any tier for more than 24 months; time limit extensions are possible.	U.S. citizen or eligible alien who resides in Wisconsin, cooperate with the Child Support Agency, and are one of the following: custodial parent with dependent children, noncustodial parent (case management only), pregnant woman with no children, a minor parent (case management only).	Assets may not exceed \$2,500. House and land are not included. Value of all vehicles (minus any amount still owed) may not exceed \$10,000. A family of 3 has a monthly income limit of \$1,542.	Child support receipt disregarded in determining eligibility. Child support expenditures NOT deducted from income calculations.
Supplemental Security Income (SSI)	Cash support. Maximum monthly SSI payment for a single person is \$663 and \$1001 for a couple in which both parties are eligible. Those who receive SSI are automatically enrolled in Food Share.	U.S. citizen or eligible alien. Must be one of the following: age 65 or older, or a blind or disabled adult, or a blind or disabled child, unable to work, and a limited work history.	Income and asset limits. Based on participant and participant spouse net monthly income. Monthly net income limits: individual: \$579; couple: \$869. Assets may not exceed \$2,000 for a single person and \$3,000 for a couple. Home and land, personal goods, small life insurance policies, most cars, family burial plots are excluded from asset determination.	Child support receipt disregard for adult recipients with children. One-third of monthly child support receipt is disregarded when calculating income eligibility for children SSI recipients under age 18. Child support expenditures NOT deducted from income calculations.

(table continues)

Appendix Table 3, continued

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
SSI Caretaker Supplement (SSI-CTS)	Cash supplement for those receiving SSI with dependent nondisabled children.	Single parent or a couple that receive SSI, live in Wisconsin, cooperate with the child support agency, and have a nondisabled child.	Same as those for SSI, but asset limit is \$1,000.	The first \$50 of monthly child support received by the parent (not paid per child) is disregarded in income calculations.
Earned Income Tax Credit (EITC)	Lowers taxes and provides cash back to low and moderate income workers. Average federal EITC in 2001 was over \$1,800 per household.	Low and moderate income workers. Must have earned income from a job. U.S. citizen or resident alien for tax purposes. Investment income no greater than \$2,650.	Income limit includes alimony, UC benefits, and any taxable portion of Social Security. Income limits for a single with 2 children: \$34,458; a couple with 2 children: \$35,458.	Child support receipt disregard. Child support expenditures NOT deducted from gross pay to determine eligibility.
Homestead Credit	Tax benefit for low and moderate income renters and homeowners. May lower state income taxes, and provide cash back if income is too low. Average Homestead credit in 2001 was \$487 per household. Maximum credit of \$1,160.	Wisconsin resident for the entire year, at least 18 years of age, own or rent and are not exempt from property taxes, not claimed as a dependent unless 62 years or older, not claiming farmland preservation credit, and not living in a nursing home while receiving Medicaid.	Income less than \$24,500 after subtracting \$250 per dependent.	Child support receipt included in eligibility determination. Child support expenditures NOT excluded from income determination.
Home Energy Assistance	May pay part of heating bill, part of nonheating electrical bills. Also provide weatherization assistance.	Available to low-income renters and homeowners in Wisconsin who fall within income limits.	Households with income at or below 150% of the federal poverty level may be eligible for assistance. A family of 3 has a monthly income limit of \$1,959.	Child support receipt included as income while expenditures are excluded as income.

(table continues)

Appendix Table 3, continued

Program	Benefits	Nonfinancial Eligibility	Financial Eligibility	Child Support & Financial Eligibility
<i>Housing</i>				
Section 8 Tenant Voucher	Housing voucher that allows tenant to choose rental as long as the landlord agrees to accept the voucher. The tenant pays the landlord 30% of his/her calculated adjusted income while the voucher pays the rest.	Low and very low income families.	Families with incomes below 50% of the area median income and a few targeted categories of families with incomes up to 80% of the area median income.	Child support receipt included as income. Child support expenditures are NOT excluded from income determination.
Section 8 Project	A housing voucher given to the rental owner to provide a set number of units as Section 8 rental housing in their development. Rehabilitation of existing units or construction of new units may be required. The voucher covers the difference between 30 percent of family income and the gross rent for the unit, which is paid directly to the owner.	A family on housing choice voucher waiting list that wants to move into the specific project. Landlords select families for occupancy after screening each family.	Families with incomes below 50% of the area median income and a few targeted categories of families with incomes up to 80% of the area median income	Child support receipt included as income. Child support expenditures are NOT excluded from income determination (same income determination guidelines as the voucher program).

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