

Factors Associated with Nonpayment of Child Support

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INTRODUCTION

The child support enforcement system has been strengthened and routinized over the past three decades. In the automated enforcement system, once a child support order is established, earnings of noncustodial parents who owe child support are routinely withheld from their paycheck. Past-due amounts are also regularly garnished from their federal and state income tax refunds. In addition, most employers are required to report all new hires to state agencies to help in tracking parents with child support obligations and in timely withholding of support from earnings. Noncustodial parents who owe delinquent child support are also penalized with a range of enforcement mechanisms (e.g., wage garnishment, revoking drivers' licenses or professional licenses). Given the improved administrative capacity for monitoring and collecting child support, noncustodial parents have little discretion in paying child support. Therefore, we might expect close to full payment of child support orders, as long as the noncustodial parents remain in the formal economy.

However, this is not the case. Despite the employment of an automated enforcement system, recent statistics show that only half of noncustodial parents pay the full amount of what they owe. In Wisconsin, a recent study found that among noncustodial fathers who had a child support order in 2000, only 47 percent paid the full amount and 13 percent paid nothing in the first year of the order; and in the third year of the order, 54 percent paid the full amount and 15 percent paid nothing (Meyer, Ha, and Hu, 2008). Similarly, nationwide in 2005, 47 percent of custodial mothers who were due child support reported receiving the full payment and 23 percent reported receiving no support (Grall, 2007).

Understanding the reasons for noncompliance is critical in improving the child support enforcement system and providing suitable financial support to custodial-parent families. In this report, we explore potential reasons why some orders are not fully paid despite the routinization of the enforcement system. We use a unique set of merged Wisconsin administrative data covering a six-year

time period and examine noncustodial fathers in couples who had their first child support order in 2000 to document the potential reasons for noncompliance.

PRIOR LITERATURE

The low compliance rate may result from gaps in the effectiveness of the automated child support enforcement system. Alternatively, the enforcement system may work seamlessly, but some noncustodial parents' unstable financial capacity may preclude full payment.

In Wisconsin and most other states, the child support enforcement system is unavoidable for those in the formal economy. Current child support and past support are collected through automated wage withholding and federal and state income tax intercepts. In addition, employers are required to report all new hires to a national directory. State agencies can match the information on new hires with a nationwide database of those who owe child support (i.e., the Federal Case Registry of Child Support Orders), enabling states to track and enforce child support for those with delinquent orders and for those who work out of state. This child support enforcement mechanism primarily serves those in the formal economy. Noncustodial parents who do not work in the formal labor market may comply less with child support orders because their earnings are not automatically withheld; they have more discretion in paying child support, compared with those working in the formal labor market whose payments are withheld from their paychecks or intercepted from their tax returns. In addition, parents who change jobs or who work out of state may miss payments due to delays in establishing withholding. Little research has documented the extent to which noncustodial parents are less likely to pay child support due to administrative delays.

A substantial number of prior studies have focused on the relationship between noncustodial parents' financial capacity and child support payments. Most of these studies explore the level of noncustodial parents' earnings and provide insights into the estimated capacity to pay child support (Phillips and Garfinkel, 1993; Sorensen, 1997; Mincy and Sorensen, 1998; Cancian and Meyer, 2004). Several studies further examined the relationship between noncustodial parents' economic status and

payments (Sorensen and Zibman, 2001; Cancian and Meyer, 2006). These studies found a positive relationship between the level of earnings and payment. Some studies analyzed the relationship between the burden of a child support order (the owed amount relative to earnings of noncustodial parents) and child support compliance (the amount paid relative to the amount owed) and found that a high burden is associated with a decline in compliance rates (Huang, Mincy, and Garfinkel, 2005; Meyer, Ha, and Hu, 2008), although one study also found that higher burdens do not generally lead to lower payments (Meyer, Ha, and Hu). These studies suggest that modification of child support orders to reflect noncustodial parents' changing economic situations may be related to order compliance.

Other studies have examined the related topic of whether stricter child support enforcement affects fathers' employment, particularly employment in the formal labor market, and they show mixed results (Rich, 2001; Pate, 2002; Rich, Garfinkel, and Gao, 2007). Another study examined the relationship between incarceration, child support enforcement, and the labor force participation of young black men (Holzer, Offner, and Sorensen, 2005). The study found that previous incarceration was associated with a decline in the labor force participation of young black men, implying that their child support payment would also be reduced. Our focus is on the relationship between employment instability and child support payment patterns.

In summary, prior research provides insights into some potential factors that may be related to noncompliance with child support orders. However, little research has fully examined a range of reasons for noncompliance and the relative importance of each factor given the automated enforcement system. This report attempts to fill this gap by focusing on how changes in orders, noncustodial parents' employment patterns, their economic status, and incarceration are associated with noncompliance with child support orders. Understanding how these reasons, alone and together, affect noncustodial parents' compliance may provide information on the implication of some systematic issues related to noncompliance.

DATA AND METHODS

Data and Sample

Data are drawn from administrative data systems in Wisconsin for the years 2000 through 2005. Information on child support orders and payments was obtained from the Kids Information Data System (KIDS), the statewide child support information system. The KIDS data also include demographic information on the parents and children involved. Data on earnings and employment were extracted from the state's Unemployment Insurance records. Additionally, data from the Department of Corrections were used to integrate evidence of incarceration among noncustodial parents.¹ Using a merged dataset from all of these sources, we examine factors related to noncompliance of child support and the relative importance of the factors, alone or together, related to noncompliance.

We begin by selecting couples who had their first child support order in 2000 ($n = 17,223$). Because the focus of this study is to provide potential explanations for noncompliance by tracking noncustodial parents' payments over time, and to provide insights on further system development to improve custodial parents' income, we limit our sample to couples in which the data show that the father is the noncustodial parent and the mother is the custodial parent over the entire time period. In doing so, we excluded couples in which the father was not the noncustodial parent or the mother was not the custodial parent at the beginning of the order, and couples in which the noncustodial parent and the custodial parent changed over the next five years (excluding 2,832 cases). We also limit our base sample to couples whose order could have been in effect over a six-year period. Thus, we excluded couples whose youngest child was age 18 or more at the end of our observation period (1,583 cases). We also

¹Our incarceration data include only those in the Wisconsin prison system and do not include fathers who were incarcerated in other states, those in the federal prison system, or those in county jails. Therefore we underestimate the number of incarcerated fathers. We match the state's incarceration records based on the noncustodial fathers' names and birth dates. In matching, we consider nicknames, special characters in names, or hyphenated names, or whether first name and last name or first name and middle name are transposed in the data, etc. These matching techniques have been significantly improved over the past years. However, there may still be fathers who were incarcerated in Wisconsin but dropped nonetheless in the matching process.

excluded cases in which the noncustodial parent or the child(ren) died (and thus their order was terminated within the six years), and cases in which the order lasted such a short period of time that nothing was owed in the time period we used to match orders and payments (166 cases).²

Further, we excluded couples that ever had a percentage-expressed or mixed order during the six-year period (4,656 cases). In Wisconsin, percentage-expressed or mixed orders are no longer issued for IV-D cases and for most non-IV-D cases, effective since 2003, and the existing percentage-expressed orders have been converted to fixed-dollar-amount orders. Because currently more than 95 percent of all child support orders are fixed-dollar-amount orders and because there are also technical difficulties in calculating the owed amount for percentage-expressed orders and matching it with the paid amount, we focus only on orders that are for fixed-dollar amounts. Finally, we also excluded 137 couples who were identified in our data as having moved to another state. This leaves a base sample of 7,849 couples.

In each year, we also excluded child support orders that ended during the year even though the child had not reached age 18. A recent report on child support orders found that, even among children under 18, about 25 percent of orders ended over a five-year period after the initial order (Cook, 2008). In some cases the order may have ended because changes in custody, parents living together, or other changes not fully reflected in the KIDS system, made an order for child support inappropriate. In other cases both noncustodial fathers and custodial mothers may have stipulated to end their orders. Because we are interested in child support compliance patterns, and the previous research suggests that child support would be irrelevant in many of these cases, in each year's analysis we keep only cases that have a child support order throughout that year. Therefore, the sample of this study is 7,744; 7,282; 7,051; 6,882; 6,714; and 6,533 noncustodial fathers in each of the six years, respectively.

²In this study, we analyze years relative to the order period (detailed explanation below). Due to the use of this method, some cases that had orders only in the very first or second month of the observation period appeared to have zero orders for the whole observation period in our analysis. We excluded those cases.

Finally, in this study we examine years relative to the date of the first order. That is, the “first year” will include the first calendar quarter after the order begins and the next three quarters, and the “second year” will be the next four quarters.

Measures

The key variable in this study is the amount of child support ordered and paid. We consider only current child and family support orders between the couple. Other owed amounts, including past support, arrears on past support, lying-in (birthing) costs, and other court costs (e.g., blood tests, fees, etc.), are excluded in our measure. Our measure of payments is similar, focusing only on payments for current child and family support and ignoring other types of payments.

We analyze the compliance rate, defined as the proportion of the amount owed that is paid. When payments exceed orders, we code compliance as 100 percent. We then divide fathers into three groups by the level of their compliance: (1) nonpayers, representing fathers who paid nothing; (2) partial payers, representing fathers who paid some but less than 90 percent of what they owed; and (3) full payers, indicating those who paid at least 90 percent of the owed amount.

Analytical Approach

Our focus in this study is to explore potential reasons why some fathers do not make full payment of their child support order. Before we examine potential explanations, we first examine the extent of the compliance rate over six years using the three categories of compliance defined above: no payment, partial payment, and full payment. Then we consider four main categories of potential reasons for noncompliance. Given that the enforcement system is automated, we first consider whether any changes in the owed amount are related to a low level of compliance. Changes in orders were divided into three

categories: no change in order, a single change in order during a given year, and two or more changes in order in a given year.³ We then document the distribution of changes in orders by the level of compliance.

Second, we examine noncustodial fathers' employment patterns and document how the employment patterns differ among those who did not pay anything, who paid something, and who paid the full amount of orders. Given the automated enforcement system, we expect fathers who have a year-round job in the formal labor market will pay child support in full. Fathers who experience changes in employers or changes in employers with unemployment spells may pay less due to administrative delays in wage withholding or to simply not having enough earnings to pay support in full. We explore how noncustodial fathers' employment patterns differ by the fathers' level of compliance. Our measure of employment patterns distinguishes five categories: (1) fathers who had one and only one employer throughout the given year; (2) fathers who had multiple employers but had at least one employer that did not change during the given year; (3) fathers who changed employers but were "continuously" employed (i.e., had earnings in each of the four quarters) in the given year; (4) fathers who did not have earnings for all four quarters; and (5) fathers who did not have any formal employment in the given year (e.g., fathers with zero earnings).

Because prior studies found that the level of noncustodial fathers' earnings was strongly related to child support compliance, we also conduct a similar analysis to see whether our results are comparable with prior research. Some low-income fathers may still pay the full amount of what they owe. Therefore, this analysis will provide information on the relative importance of earnings in paying child support compared to other factors. We distinguish five categories of annual earnings (zero earnings; \$1–\$10,000; \$10,001–\$20,000; \$20,001–\$30,000; and \$30,000 or more) and examine the distribution of earnings by

³We also explored differentiating increases in orders from decreases in orders, but this made little difference in our results.

the level of compliance.⁴ Finally, we document the proportion of fathers who had been incarcerated sometime in the given year and the proportion of those by the level of compliance.

The next analyses consider all four potential factors together to account for noncompliance. In the first analysis, we select fathers who paid nothing and those who made partial payments, and document descriptive information on the association between each factor and noncompliance. We consider all factors in a hierarchical order: evidence of incarceration, having less than four quarters with employment, changes in employers, changes in orders, and having low earnings. In the final analysis, we consider all of the above categories simultaneously and document the compliance rates of some selected cases. We begin with a case that is assumed to make the full payment of support under the given automated enforcement system. We then consider potential factors one by one and examine any changes in the proportion of nonpayers, partial payers, and full payers.

RESULTS

Compliance Rate Over Time

Table 1 documents the compliance rate over the six years. In each year, child support orders that ended or were suspended were excluded from the compliance calculation. The results show that the mean compliance rate remained fairly stable over time, between 64 percent and 67 percent in each year. In the first year, 46 percent of fathers paid child support in full and another 41 percent of fathers paid some support, whereas 14 percent of fathers paid nothing. The proportion of full payers increased over time, as the proportion of partial payers declined, and the proportion of nonpayers increased more modestly. In the sixth year, 55 percent of fathers paid the full amount of orders, 29 percent paid some of what they owed, and 17 percent paid nothing for child support.

⁴We adjust all dollar values to be in 2006 dollars, using the CPI-U, to account for inflation.

Table 1
Compliance Rate over Six Years

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
N	7,774	7,282	7,051	6,882	6,714	6,533
Mean compliance rate (%)	64.3	65.7	65.0	65.2	66.4	67.2
Proportion of cases with:						
Nonpayment	13.6	15.9	17.3	16.3	16.1	16.5
Partial payment	40.9	33.6	31.6	29.0	28.2	29.0
Full payment (90% or more)	45.9	50.5	51.0	52.2	53.0	54.5

Patterns of Order Change, Employment, Earnings, and Incarceration by Compliance Rate

Next we consider the relationship between noncompliance and changes in orders, employment, earnings, and incarceration. Table 2 examines nonpayers, partial payers, and full payers separately, showing the distributions of fathers in each category by whether they had an order change, their employment patterns, their level of earnings, and incarceration. In the first year, 74 percent of full payers had no change in their order. A higher proportion of nonpayers (86 percent) and partial payers (80 percent) had no changes in orders. Thus, changes in orders are not strongly associated with noncompliance. Compared to full payers, nonpayers and partial payers were more likely to have unstable employment; about 93 percent of nonpayers did not have an employer in at least one quarter (65 percent did not have an employer during any quarter, and another 28 percent had 1–3 quarters without employment). Similarly, more than half of the partial payers did not have earnings in at least one quarter in the first year. In contrast, only 23 percent of full payers did not have year-round earnings. In addition, only 11 percent of partial payers had a single employer for four consecutive quarters, whereas about half of full payers continuously worked with a single employer throughout the first year.

Table 2 also shows the distribution of the level of fathers' earnings by their payment status. Similar to previous studies, our study found that fathers who did not pay support, or paid only partial support, were more likely to have low earnings; in the first year, more than 90 percent of nonpayers had annual earnings below \$10,000, compared to only 20 percent of full payers. Partial payers' earnings were greater than those of nonpayers, but still very low relative to earnings of full payers; 20 percent had earnings more than \$20,000, while 70 percent of full payers had earnings more than \$20,000, with one half earning more than \$30,000. Finally, the incarceration rate was also much higher for nonpayers; 15 percent of nonpayers had been incarcerated in the first year, compared to 4 percent of partial payers, and only 0.3 percent of full payers.

Considering changes over the six years, the patterns of these distributions of fathers in each category by the level of compliance were generally similar, but the patterns became more distinct over

Table 2
Proportion of Noncustodial Fathers by Changes in Orders, the Level of Earnings, Employment Pattern, and Incarceration; and by Compliance Rate

	<i>Year 1 (n=7,774)</i>			<i>Year 6 (n=6,533)</i>		
	Non-payer	Partial Payer	Full Payer	Non-payer	Partial Payer	Full Payer
N	1,059	3,177	3,538	1,078	1,895	3,560
Changes in order amounts						
No change	86.1	80.1	73.9	90.5	87.0	87.0
One change	12.7	16.7	22.7	8.9	11.7	12.3
Two or more changes	1.2	3.2	3.4	0.7	1.3	0.8
Employment pattern						
One and only one employer, four quarters	3.6	11.2	50.3	3.0	10.1	47.8
Same employer over four quarters, multiple employers over year	1.3	7.4	15.5	0.8	5.3	11.9
Not the same employer for four quarters, but has four quarters with earnings	2.6	24.1	10.9	1.3	14.8	8.3
Does not have four quarters with earnings	27.8	36.6	7.6	17.5	38.6	8.8
No employers over year	64.7	20.7	15.7	77.4	31.2	23.2
Level of earnings						
Zero earnings	64.7	20.7	15.7	77.4	31.2	23.2
\$1–\$10,000	28.3	37.9	4.4	17.0	38.1	5.4
\$10,001–\$20,000	2.2	21.3	10.8	2.1	14.8	10.2
\$20,001–\$30,000	1.5	9.8	19.7	1.5	7.6	15.6
\$30,001 or more	3.3	10.4	49.5	2.0	8.3	45.6
Incarceration						
Incarcerated	14.9	3.9	0.3	19.8	9.1	0.7
Not incarcerated	85.1	96.1	99.8	80.2	90.9	99.3

time. The exceptions are patterns in the proportion of those with order changes among nonpayers, partial payers, and full payers, which remain almost the same across the groups over time. In the sixth year, virtually all nonpaying fathers had unstable employment: about 77 percent of nonpayers appeared to have zero earnings and another 18 percent had positive earnings but some quarters without earnings in the given year. Among partial payers, the proportion of fathers without any employer increased from 21 percent in the first year to 31 percent in the sixth year. One noticeable finding is that in the sixth year nearly one-quarter of the full payers had no earnings, an increase since the first year. This may reflect increases in the proportion of fathers living out of state, with their earnings not recorded in the Wisconsin Unemployment Insurance data system. Finally, the incarceration rates also increased to 20 percent among nonpayers and 9 percent among partial payers.

Potential Reasons for Noncompliance With Child Support Orders

We have found that, despite the fact that the child support enforcement system is quite automated, half of fathers with an order did not pay child support in full, with little change in the proportion of the nonpayers over time. In Table 2, we also show that, compared to full payers, nonpayers were more likely to have unstable employment, low earnings, and to be incarcerated, with patterns for partial payers in between. We now consider all of these factors together and examine potential reasons for noncompliance. Table 3 presents the extent to which each factor is associated with the noncompliance of fathers, considering the factors hierarchically. Because the results are similar in each year, we focus on the results in the first year.

In the first year, 1,059 fathers (14 percent) did not pay any child support. The nonpayers tend to be those with limited participation in the labor force; 15 percent of them were incarcerated, and another

Table 3
Factors Associated with Child Support Noncompliance, Hierarchically Categorized

	Nonpayers	Partial Payers
Year 1 (n=7,774)		
N	1,059	3,177
1. Fathers who were incarcerated	14.9	3.9
2. Excluding those in 1, fathers with 0-3 quarters of employment	77.5	53.7
3. Excluding those in 1 and 2, fathers with changes in employers	2.6	23.9
4. Excluding those in 1, 2, and 3, fathers with changes in orders	1.8	5.1
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.9	5.5
6. Fathers in none of these categories	2.3	8.0
Year 2 (n=7,282)		
N	1,158	2,450
1. Fathers who were incarcerated	20.5	5.1
2. Excluding those in 1, fathers with 0-3 quarters of employment	73.8	61.3
3. Excluding those in 1 and 2, fathers with changes in employers	1.7	18.3
4. Excluding those in 1, 2, and 3, fathers with changes in orders	1.0	3.7
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.7	5.1
6. Fathers in none of these categories	2.3	6.6
Year 3 (n=7,051)		
N	1,223	2,230
1. Fathers who were incarcerated	21.6	6.6
2. Excluding those in 1, fathers with 0-3 quarters of employment	73.5	64.1
3. Excluding those in 1 and 2, fathers with changes in employers	1.7	16.1
4. Excluding those in 1, 2, and 3, fathers with changes in orders	0.9	3.3
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.7	4.4
6. Fathers in none of these categories	1.6	5.6
Year 4 (n=6,882)		
N	1,223	2,089
1. Fathers who were incarcerated	22.4	7.2
2. Excluding those in 1, fathers with 0-3 quarters with employment	72.4	63.0
3. Excluding those in 1 and 2, fathers with changes in employers	1.1	14.7
4. Excluding those in 1, 2, and 3, fathers with changes in orders	0.9	3.2
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.8	5.8
6. Fathers in none of these categories	2.3	6.2

(table continues)

Table 3, continued

	Nonpayers	Partial Payers
Year 5 (n=6,714)		
N	1,124	1,996
1. Fathers who were incarcerated	21.7	8.5
2. Excluding those in 1, fathers with 0-3 quarters with employment	73.5	63.0
3. Excluding those in 1 and 2, fathers with changes in employers	1.6	15.8
4. Excluding those in 1, 2, and 3, fathers with changes in orders	0.6	3.3
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.5	4.1
6. Fathers in none of these categories	2.1	5.3
Year 6 (n=6,533)		
N	1,078	1,895
1. Fathers who were incarcerated	19.8	9.1
2. Excluding those in 1, fathers with 0-3 quarters with employment	75.2	61.7
3. Excluding those in 1 and 2, fathers with changes in employers	1.3	14.2
4. Excluding those in 1, 2, and 3, fathers with changes in orders	0.9	3.2
5. Excluding those in 1, 2, 3, and 4, fathers with low earnings (less than \$20,000)	0.8	4.7
6. Fathers in none of these categories	2.0	7.1

78 percent were those who were not incarcerated but did not have all four quarters with employment.⁵ Thus, 92 percent of fathers who made no payment were either incarcerated or had at least one quarter with no formal earnings. Of the remaining 8 percent of fathers not paying any support, most changed employers or orders, or had earnings less than \$20,000. Two percent of nonpayers did not fit in any of the categories we consider in this analysis.

Among partial payers, 58 percent of fathers were either incarcerated or did not have four quarters with employment, compared to 95 percent for nonpayers. An additional 24 percent of partial payers changed employers during the year, 5 percent had a change in their owed amount, and 6 percent of those who paid only some child support did not fit in any of the previous categories, but did have low earnings. Eight percent of partial payers did not fit in any of the categories we consider in this analysis.

Compliance Rate of Selected Cases in the First Year

In Table 3, we show the extent to which each potential factor is associated with noncompliance with child support. Table 4 presents actual compliance rates for each case to show the relative magnitude of the change in compliance associated with each factor, focusing on the first year (as noted above, the results from the first to the sixth year were similar).

We begin with our “base” cases that are expected to pay the full amount of support if the enforcement system functions as intended. The base case represents fathers who had all four quarters with earnings, no employer change, earnings of at least \$20,000, no order change, and no evidence of incarceration (n = 1,824). About 85 percent of these fathers paid the full amount of support (Case 1). The table shows compliance rates for fathers in the combinations of the factors that we considered for

⁵Among the 78 percent of fathers who were not incarcerated but did not have all four quarters with earnings (n = 821), 69 percent had zero earnings, 15 percent had one quarter with earnings, 8 percent had two quarters with earnings, and 8 percent had three quarters with earnings in that year.

Table 4
Average Compliance Rates in the First Year Given Alternative Combinations of Factors (n = 7,774)

Case	Having Four Quarters with Earnings	Same Employer for Four Quarters	Earnings More than \$20,000	Order Change	Incarcerated	N	Child Support Compliance Rate		
							No Payment	Partial Payment	Full Payment
1	Yes	Yes	Yes	No	No	1,824	1.3	13.9	84.8
2	Yes	Yes	Yes	Yes	No	708	2.4	18.8	78.8
3	Yes	No	Yes	No	No	344	0.3	43.3	56.4
4	Yes	No	Yes	Yes	No	125	4.0	36.0	60.0
5	Yes	Yes	No	No	No	365	2.5	47.4	50.1
6	Yes	Yes	No	Yes	No	71	2.8	40.9	56.3
7	Yes	No	No	No	No	573	3.3	81.7	15.0
8	Yes	No	No	Yes	No	130	2.3	74.6	23.1
9	No	No	Yes	No	No	79	2.5	40.5	57.0
10	No	No	Yes	Yes	No	50	4.0	44.0	52.0
11	No	No	No	No	No	2,633	27.0	51.8	21.2
12	No	No	No	Yes	No	582	18.2	49.3	32.5
13	—	—	—	—	Yes	290	54.5	42.4	3.1

noncompliance in Table 3. The presented cases also represent the most common situations that noncustodial fathers may face in terms of noncompliance.

- Among fathers with the same conditions as Case 1, but with a change in order, 79 percent paid the full amount (Case 2).
- For those like Case 1, but who did not have the same employer over the year, the full-payment rate was decreased to 56 percent (Case 3).
- Returning to the base case on other dimensions, but considering fathers with earnings no more than \$20,000, the compliance rate falls substantially, from 85 percent to 50 percent paying the full amount (Case 5).
- Returning to the base case, but considering fathers with earnings no more than \$20,000 and a change in employer, the full-payment rate falls to 15 percent and the partial-payment rate increases to 82 percent (Case 7).
- When fathers did not have earnings in all four quarters, the full-payment rate of those with earnings more than \$20,000 was 57 percent (Case 9) and it was 21 percent for those with earnings less than \$20,000 (Case 11).
- Among those who had changes in employers, fathers with changes in orders had generally higher full-payment rates than those without changes in orders (Case 8, Case 10, and Case 12).
- Finally, among those who were incarcerated at any time during the year, 55 percent made no payment, and only 3 percent made full payment.

CONCLUSION

This report examined potential factors that may be related to noncompliance with child support orders. We examined how changes in orders, employment patterns, earnings, and incarceration, alone and together, were associated with what fathers paid relative to what they owed. We found that the child support enforcement system generally works as intended. When fathers had earnings throughout the year and the earnings were more than \$20,000, and when they also had no employer change or order change, about 85 percent paid the full amount of child support owed.

Nearly all fathers who did not pay had unstable employment or earnings, and a significant minority of them was incarcerated. Many of the partial payers also had unstable employment or earnings; however, our findings also show that a significant proportion of the partial payers had consistent employment (at least one employer in each quarter) but experienced a change in employer. Employers are

required to report all new hires to state agencies for transmittal to the National Directory of New Hires. Child support agencies match all new hires with a database of those who owe child support. When there is a match, the system issues a new withholding order to the employer. Our results suggest that this monitoring process may not work seamlessly for some fathers who change their employers, and efforts to speed the establishment of withholding with new employers may be a productive strategy for increasing compliance.

Findings also show that among fathers who may have unstable employment (not having year-round earnings, employment change, and low earnings), the full-payment rate was higher for those with changes in orders than those without any changes in orders. It may be that fathers who are more attentive to paying child support, or who better understand the enforcement system, are more likely to successfully seek a modification. Alternatively, it may be that a modification of a child support order according to the changing noncustodial father's economic situation may contribute to improved compliance with child support.⁶

Finally, our findings also suggest that a significant proportion of non-full payers had limited economic resources or limited capacity to meet their child support obligation. Particularly, in each of the six years, 90 percent of fathers making no payment and 70 percent of fathers making partial payment were incarcerated or did not have year-round employment. The effectiveness of the child support enforcement system is also contingent on fathers' economic ability to pay child support. Therefore, it may be necessary not only to improve the enforcement system, but also to provide noncustodial fathers who have unstable employment or who had been incarcerated with services, such as job training programs or job search services, to improve their capacity to meet their child support obligations.

⁶However, a recent report found a significant proportion of changes in orders were not in the same direction as changes in earnings; among fathers with large decreases in earnings (of more than 50 percent), only 3 percent had a large decrease, while 12 percent had a large increase in orders. Among fathers with large increases in earnings, 12 percent had a large increase, and 3 percent had a large decrease in orders (Ha, Meyer, and Cancian, 2006).

APPENDIX

**Analysis of Potential Factors Related to Noncompliance Using Court Record Data
(Unweighted n = 728)**

- We also analyzed a sample of noncustodial fathers from the Court Record Data (CRD). There were 1,518 couples who had their first child support orders between July 2000 and December 2002. Among those couples, we selected 728 fathers based on the same sample selection criteria we used for the KIDS sample. The weighted sample size was 5,562. We followed them for four years. Due to data limitations, we did not consider the patterns of incarceration among these fathers.
- In summary, the results were generally similar to our base results. One exception is that full-payment rates were fairly stable over the four years in the CRD sample – in the KIDS sample, full-payment rates were slightly increased, from 46 percent to 52 percent, over the four years. This may be because the CRD sample includes a slightly higher proportion of paternity cases than the KIDS sample (70 percent versus 62 percent). Compliance rates for fathers in the CRD sample were also lower and employment patterns were more unstable compared to those in the KIDS sample. Overall, the patterns of compliance rates by order changes, earnings, and employment patterns are generally similar between the two samples. The hierarchical analysis shown in Appendix Table 3 has similar patterns for nonpayers, but somewhat different patterns for partial payers. Our general conclusions hold, however: non-payment can be almost completely explained by inconsistent employment; while inconsistent employment is also a key characteristic of partial payers, the relationship is not as strong.

**Appendix Table 1
Compliance Rate over the Four Years**

	Year 1	Year 2	Year 3	Year 4
Unweighted n	723	695	669	655
Mean (%)	58.5	55.1	55.6	54.6
Nonpayment	20.4	22.7	24.5	23.0
Partial payment	38.2	34.2	34.4	36.4
Full payment	41.4	43.1	41.1	40.7

Appendix Table 2
Proportion of Noncustodial Fathers by Changes in Orders, the Level of Earnings, Employment Pattern, and Incarceration; and by Compliance Rate

	<i>Year 1 (Unweighted n = 723)</i>			<i>Year 4 (Unweighted n = 655)</i>		
	Non-payer	Partial Payer	Full Payer	Non-payer	Partial Payer	Full Payer
Unweighted n	77	240	406	90	190	375
Changes in order amounts						
No change	95.5	88.1	83.3	85.3	94.2	89.7
One change	4.5	11.5	14.9	14.7	5.4	10.3
Two or more changes	0.0	0.4	1.8	0.0	0.4	0.0
Employment Pattern						
One and only one employer, four quarters	4.5	10.2	50.4	0.8	6.5	49.5
Same employer over four quarters, multiple employers over year	2.4	7.4	13.9	0.5	6.4	11.7
Not the same employer for four quarters, but has four quarters with earnings	0.7	14.9	10.1	1.7	10.7	5.1
Does not have four quarters with earnings	31.1	43.9	13.2	17.3	38.5	12.4
No employers over year	61.4	23.7	12.6	79.9	38.0	21.4
Level of Earnings						
Zero earnings	61.4	23.7	12.6	79.9	38.0	21.4
\$1–\$10,000	32.9	42.4	7.6	17.3	36.7	5.3
\$10,001–\$20,000	1.3	16.4	12.3	0.5	9.5	7.3
\$20,001–\$30,000	0.9	7.5	21.6	1.5	9.9	16.4
\$30,001 or more	3.5	10.0	45.9	0.9	6.0	49.6

Appendix Table 3
Factors Associated with Child Support Noncompliance, Hierarchically Categorized

	Nonpayers	Partial Payers
Year 1 (Unweighted n=723)		
Unweighted n	77	240
1. Fathers with 0-3 quarters with employment	92.5	67.6
2. Excluding those in 1, fathers with changes in employers	0.7	14.9
3. Excluding those in 1 and 2, fathers with changes in orders	1.3	4.2
4. Excluding those in 1, 2, and 3, fathers with low earnings (less than \$20,000)	5.1	5.1
5. Fathers in none of these categories	0.4	8.3
Year 2 (Unweighted n=695)		
Unweighted n	85	217
1. Fathers with 0-3 quarters with employment	96.0	68.4
2. Excluding those in 1, fathers with changes in employers	2.7	9.9
3. Excluding those in 1 and 2, fathers with changes in orders	0.1	3.4
4. Excluding those in 1, 2, and 3, fathers with low earnings (less than \$20,000)	0.1	11.1
5. Fathers in none of these categories	1.1	7.1
Year 3 (Unweighted n=669)		
Unweighted n	93	193
1. Fathers with 0-3 quarters with employment	96.8	73.5
2. Excluding those in 1, fathers with changes in employers	2.7	9.7
3. Excluding those in 1 and 2, fathers with changes in orders	0.0	1.5
4. Excluding those in 1, 2, and 3, fathers with low earnings (less than \$20,000)	0.0	4.2
5. Fathers in none of these categories	0.6	11.1
Year 4 (Unweighted n=655)		
Unweighted n	90	190
1. Fathers with 0-3 quarters with employment	97.1	76.5
2. Excluding those in 1, fathers with changes in employers	1.7	10.7
3. Excluding those in 1 and 2, fathers with changes in orders	0.0	0.8
4. Excluding those in 1, 2, and 3, fathers with low earnings (less than \$20,000)	0.5	4.4
5. Fathers in none of these categories	0.8	7.7

Appendix Table 4
Average Compliance Rates in the First Year Given Alternative Combinations of Factors (Unweighted n=723)

Case	Having Four Quarters with Earnings	Same Employer for Four Quarters	Earnings More than \$20,000	Order Change	N	Child Support Compliance Rate		
						No Payment	Partial Payment	Full Payment
1	Yes	Yes	Yes	No	188	0.3	14.3	85.3
2	Yes	Yes	Yes	Yes	62	4.7	19.4	75.9
3	Yes	No	Yes	No	28	0.0	18.2	81.8
4	Yes	No	Yes	Yes	14	5.4	67.5	27.1
5	Yes	Yes	No	No	47	17.1	31.5	51.4
6	Yes	Yes	No	Yes	5	0.0	67.5	32.5
7	Yes	No	No	No	38	1.3	75.3	23.4
8	Yes	No	No	Yes	5	0.0	69.6	30.5
9	No	No	Yes	No	13	17.9	11.2	70.9
10	No	No	Yes	Yes	1	0.0	100.0	0.0
11	No	No	No	No	275	36.7	49.1	14.3
12	No	No	No	Yes	47	16.2	32.3	51.6

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