

Families Forward Debt Reduction Program Evaluation

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Families Forward Evaluation Final Report

- IRP and BCS collaboration on *Families Forward* (pilot program) began in 2003 and continues in 2011 with planning for a statewide *Payment Incentive Program*
 - Research informed program design and pilot site selection
 - IRP studied the program's implementation with focus groups, outreach, interviews, follow-up surveys and data analysis
 - IRP evaluated the program outcomes with experimental and nonexperimental methods

Motivation for Families Forward Intervention and Evaluation

- High child support debt may discourage payers, reduce payments and contribute to:
 - Increased enforcement costs
 - Reduced performance (more cases without collections)
 - Less child support for custodial families
 - Legal/economic consequences for noncustodial parents
- Reducing child support debt may:
 - Decrease money to custodial families, if debt would have been paid off without program or increase support if overwhelmed NCPs start paying

Little knowledge of debt reduction program impacts

- Many policy interventions tried nationwide to reduce debt levels, few rigorously evaluated
- OIG report describes CS debt reduction programs in at least 20 states, but little evidence on outcomes
- Program challenges: low enrollment, implementation delays; difficulty distinguishing impact of other components (e.g., employment programs) from arrears component; successes correlated with prior earnings and/or child support payments

Families Forward Program Features

- Families Forward pilot program unique features designed to link debt reduction to payments on current support and arrears:
 - Both state and/or CP may agree to debt reduction, depending on type of debt owed by NCP
 - Gradual reduction of debt (\$1 extra credit for each \$1 paid, or 50¢ extra credit for each \$1 paid)
 - First *interest*, then principal, are reduced
 - Interest charges on debt stop accumulating during participation

Families Forward Program Implementation

- Implemented in Racine County, WI
 - Enrollment 5/17/05 to 11/01/07, participation limited to 2 years (through November 2009)
- Pilot program eligibility criteria:
 - Child support case in Racine County (no foster care/kinship or interstate cases)
 - Minimum arrears threshold (total CP and/or state-owed debt): at least \$2,000
 - Irregular or no recent payment history:
 - No payment on current support in last 3 months or current support paid in less than 6 of last 12 months or paid less than 1/2 of amount owed over last 12 months

Multi-method Evaluation—Experimental

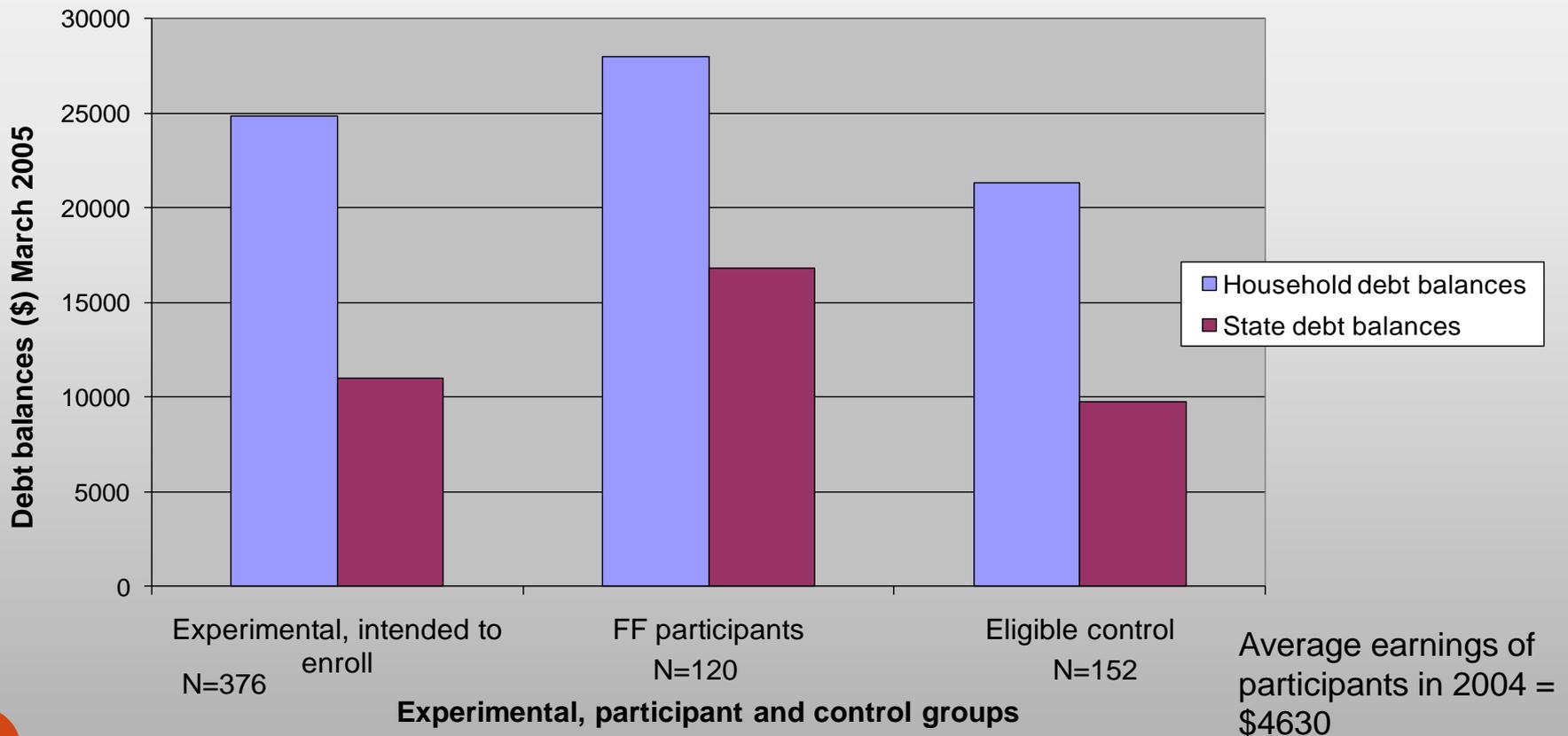
- *Random assignment experiment*: Eligible IV-D cases (approx. 5,000) assigned to experimental group (E) or control group (C); 7 of 10 eligible cases assigned to Es
 - Among these, 528 NCPs (with 1,976 IV-D cases) contacted Racine County to enroll in Families Forward
 - 376 of 528 NCPs (71%) were Es; 152 of eligible NCPs were Cs
 - Statistical equivalence of these two groups was confirmed
- Common view of experimental methods as the “gold standard” for evaluation assumes no serious problems in implementing random assignment or the program
 - No problems with random assignment in Families Forward; however, problems in program implementation contributed to low take-up among eligible experimental NCPs

Multi-method Evaluation—Nonexperimental

- Only 120 (32%) of 376 eligible experimental NCPs *enrolled* in Families Forward
 - Challenges in enrollment process for NCPs and CPs
 - 88 forgiveness of only state-owed arrears; 25 only family-owed arrears; 7 both state-owed and family-owed
 - Enrollees were more disadvantaged than other NCPs who did not participate (other Es or Cs)
- *Nonexperimental* (econometric matching and multilevel longitudinal) methods are used to adjust for selective differences between participants and nonparticipants
- *Qualitative analysis* (focus groups, interviews and follow-up surveys of participants and eligible nonparticipants) generated additional insights on program implementation and outcomes

NCPs enrolled in Families Forward owed significantly more debt to State and CP

Families Forward Evaluation Sample



Measures of Program Impacts

- Changes from month or year prior to NCP enrollment to final month of participation (or time during participation)—compared to nonparticipants—in:
 - *Household* child support debt balances
 - *State* child support debt balances
 - *Average* amount of monthly payments made by NCP toward current support or debt accounts
 - % of months that NCP made *any* payment toward current support or debt accounts
 - % of months that NCP made any payment toward *household arrears*
 - % of months that NCP made any payment toward *state arrears*

Experimental evaluation findings

- Experimental calculations (simple differences in outcomes) showed no *statistically significant* differences in average changes in NCP debt balances or payments between experimental and control NCPs
 - Important caveat: only 32% of experimental NCPs who called to enroll actually participated (i.e., received credit toward debt for current support payments made)
 - Experimental program impact estimates do not account for significant differences between participants and other experimental NCPs who did not enroll

Most Conservative Nonexperimental Results

- Families Forward participants pay significantly more child support: \$105 more per month than nonparticipants (while participating)
- Are more likely to pay in a given month: 9% more likely for any payment (including current support), 8% more likely on household arrears and 23% more likely toward state arrears during participation (compared to nonparticipants)
- Have significantly larger reductions in state debt balances (by \$2,743) and household debt (by \$2,564) than nonparticipants; largest total debt reduction > \$40,000

Expansion to Payment Incentive Program

- BCS workgroup established to design and implement statewide program
 - Including representatives from county CSAs, Bureau of Information Technology Services, Bureau of Working Families, Bureau of Child Support, and IRP
- Program modifications (informed by evaluation):
 - Simplified eligibility criteria and (higher) debt threshold
 - Program participation for 3 years with option to renew
 - One month per quarter, NCP has to make a qualifying payment applied to arrears

Ongoing work: Families Forward to PIP

- Exploring payment patterns among Families Forward participants
 - Do NCPs move into regular (monthly) payment patterns, or are payment amounts/times irregular?
 - What fraction of child support orders are paid?
 - Do any new payment patterns continue after Families Forward enrollment ended?
- Preparation for PIP rollout