Child Support as Income

Daniel R. Meyer
University of Wisconsin-Madison
Institute for Research on Poverty
School of Social Work
Outline and Disclaimer

- Child support (CS) policy
- CS as an income source
  - What do we know about CS as an income support for families?
  - What do we know about how CS augments (or replaces) other sources of income?
  - What don’t we know?
- My opinions, not necessarily my collaborators, the institution where I work, or those who have funded my research
Need for Child Support (1)

• Affects a little more than half of US children
  – Births in early 2000s:
    • 15% to lone mother
    • 22% to cohabiting couple;
      – 73% split by age 15
    • 63% to married mother;
      – 34% split by age 15
  – 52% of children have lived with only one parent by age 15

• Source: Andersson, Thomson & Duntava, 2017.
Need for Child Support (2)

- Expectation: parents provide for their children; government provides only when parents cannot
- Children in custodial-parent families economically vulnerable

Child Poverty Rates: 2016

Source: Grall, 2018.
## Child Support Policy History

<table>
<thead>
<tr>
<th>Domain</th>
<th>History</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paternity</td>
<td>Adversarial, court-based process; lengthy</td>
<td>In-hospital, voluntary paternity acknowledgement</td>
</tr>
<tr>
<td>Orders</td>
<td>Optional, set case-by-case, based on costs, unchanging</td>
<td>Required for benefit recipients; set with numerical formula, based on sharing income, review and adjustment possible</td>
</tr>
<tr>
<td>Collections</td>
<td>Limited monitoring, no prevention, no incentives to pay for those receiving AFDC</td>
<td>Centralized monitoring, prevention and early intervention (routine withholding &amp; new hires), some incentives for those receiving TANF</td>
</tr>
</tbody>
</table>
Challenges in 2019

- Declining or stagnant earnings for low-skill men
- Mass incarceration (mostly of men)
- Many men have had children with more than one woman; not enough resources for all children
- Increase in precarious employment
- Changes in roles toward dual earner/carer
Child Support as an Income Source

• Relatively few custodial parents (CPs) receive formal support (30% of all CPs in 2015)

• Key reason: few are due support (43% of all). Why?
  – Other parent provides what he or she can: 39%*
  – Did not feel need to make legal: 38%*
  – Other parent could not afford to pay: 34%*
    • % of those without legal agreement; multiple answers possible

• When received, amount is important:
  – $4,976 on average. Represents 14% of personal income

Source: Grall, 2018.
CS and other Sources of Income

• **Earnings**: workers more likely to receive CS; receive more
  (Grall, 2018)
  – But more sophisticated research shows little effect of receiving CS on earnings (Cuesta & Cancian, 2015)

• **Benefit programs**: benefit recipients less likely to receive CS; receive less (Grall, 2018)
  – But more sophisticated research shows small effects of receiving CS on leaving or reentering benefits (Miller et al., 2005)
  – Passing through all CS paid to TANF participants increases payments and cooperation with the CSS, at little cost (Cancian et al., 2008; Lippold et al., 2010)
What Do/Don’t We Know? (1)

• Early research that suggests CS regularity may have effects over and above its amount (e.g., Ha et al., 2011)
  – Can this be replicated? Are there effects of regularity on self-sufficiency or wellbeing?

• Very high levels of CS debts (arrears); some research on causes and potential effects (e.g., Sorensen et al., 2009)
  – How does CS debt interact with other debts? What is the NCP’s perspective on debts?
What Do/Don’t We Know? (2)

• Some research suggests CPs who receive more CS are less likely to receive other programs (Miller et al., 2005)
  – But does an NCP receiving other programs *increase* the amount of support paid/received?

• Some information on CS policies in place in different states (e.g., Venohr 2017)
  – But what factors might be associated with more generous child support policies?
THANK YOU!

• For more information: drmeyer1@wisc.edu